



WELCOME

INTA Roundtable - The New
Drafts for the EU Trademark
Directive and Community
Trademark Regulation

Amsterdam, 8 October 2014

Host: Tobias Cohen Jehoram

Program

Welcome

Session 1: *Proposed changes in relation to filing and opposition*

- Tomas Westenbroek (BOIP)
- Franc Enghardt (Novagraaf)

Coffee break

Session 2: *Proposed changes in relation to protection granted by trademarks*

- Tobias Cohen Jehoram (de Brauw Blackstone Westbroek)
- Freyke Bus (IP judge)



Legislative process

❖ Proposal European Commission 27 March 2013:

Recast of Trademark Directive, COM(2013)162
Revision of Community Trademark Regulation
Revision of Fees regulation

❖ First reading European Parliament 25 February 2014:

Proposals Commission accepted with amendments

❖ European Council:

Presidency Compromise Proposals 19 November 2013, 2 May 2014 and 4 July 2014
Agreement on Council common position 23 July 2014



The New Drafts for the EU Trademark Directive and Community Trademark Regulation

INTA Roundtable
Amsterdam, The Netherlands
Wednesday, October 8, 2014

Tomas Westenbroek
Benelux Trademarks Office
Legal Affairs Department
twestenbroek@boip.int



BENELUX
OFFICE FOR
INTELLECTUAL
PROPERTY



Doing business successfully
starts with registration

Signs without graphical representation?

- **What's new**
- **...or not?**
- **Absolute grounds**
- **Relative grounds**

Signs without graphical representation!

- As it is
- art. 2 TMD “(..) any signs capable of being represented graphically “
- New proposal 2013/0089 (COD) March 2013
- art. 3 TMD (b) “being represented in a manner which enables the competent authorities and the public to determine the **precise subject** of the protection afforded to its proprietor.”

Signs without graphical representation.....on the register

- **Compromise proposal 2013/0089 (COD) November 2013:**
- **article 3 TMD “A trade mark may consist of any signs , in particular words, including personal names, designs, letters, numerals, colours [...], the shape of goods or of their packaging, or sounds, provided that such signs are capable of:**
- **(b) being represented on the register in a manner which enables the competent authorities and the public to determine the precise subject of the protection afforded to its proprietor.”**

Signs without graphical representation.....on the register



- INTA - 17 June 2013 - supports the new TMD Article 3 which eliminates the requirement for a sign to be capable of being represented graphically from the definition of a trademark;
- INTA (..) has long encouraged the *recognition*, *registration* and *protection* of non-traditional marks, including color, touch, sound and 3-Dmarks.
- The proposed definition (..) more flexibility, however (..) would prefer to see *clarification* as how it will be applied in practice at national level.

Signs without graphical representation.....on the register

- (..) which enables the competent authorities and the public to determine the **precise subject** of the protection afforded to its proprietor?
- The world according to Sieckmann (C-273/00):
- “clear, precise, self-contained, easily accessible, intelligible, durable and objective”.....
- However, only strictly applicable to ‘that (graphical) representation’?

Signs without graphical representation.....on the register

- **C-273/00 Sieckmann (olfactory sign cinnamic acid methyl ester) “(..) must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, [REDACTED] [REDACTED] [REDACTED] is clear, precise, self-contained, easily accessible, intelligible, durable and objective.”**
- **“(..) olfactory sign, the requirements of graphic representability are not satisfied by a chemical formula, by a description in written words, by the deposit of an odour sample or by a combination of those elements”**

'the first
nine notes
of "Für
Elise"

Signs without graphical representation.....on the register

- C-283/01 Shieldmark (soundmarks Für Elise/cockcrow)
- “(..) at the very least lacks precision and clarity and therefore does not make it possible to determine the **scope of the protection sought.**”
- “Such a description, which is neither clear, nor precise nor self-contained, does not make it possible, in particular, to determine the pitch and the duration of the sounds forming the melody in respect of which registration is sought and which constitute essential parameters for the purposes of knowing the melody and, accordingly, of **defining the trade mark itself.**”

KukeXkuuuuu

E, D# E,
D#, B,
D, C, A



‘New’ signs and refusals on absolute grounds:

- **(b) non-distinctive;**
- **(c) descriptive;**
- **(e) signs which consist exclusively of the shape or other characteristics which (i) result from the nature of the goods themselves (ii) technical result (iii) substantial value to the goods;**
- **(f) public policy or morality;**
- **(g) deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;**

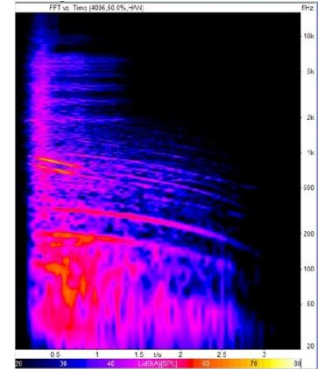
‘New’ signs and refusals on absolute grounds:

- Sound....scent, touch and movement?
- [E 011923761](#)

The Office considers that the sound applied for is so brief and so basic that it will make little or no impact upon the consumer when it is heard. To the extent this sound is noted at all by the relevant public they will merely associate it with the kind of machine-generated sound alert which is commonly emitted by computers and other electronic apparatus when processing an action. In this context the relevant public will not focus on the sound with sufficient attention to memorise it, therefore it will not perform the basic role of a trade mark: enabling the relevant public to remember it and distinguish immediately the applicant’s goods and services from those with a different commercial origin.

- **“(..) not surprising or unusual and it will not be considered to be memorable. It will not be capable, prima facie, of performing the essential function of a trade mark which is to distinguish the goods or services of one undertaking from those of another.”**

(OHIM REFUSAL APPLICATION 011923761, 27 MARCH 2014, PENDING APPEALS 011923711 and 011923554)



‘New’ signs and refusals on absolute grounds:

- roaring lion for movies?
- “The sign applied for is not precise, clear and unequivocal enough to be perceived per se by the public as being a **specific** ‘roar of a lion’.”
- “Additionally, the evidence of use provided in order to prove that the mark has **acquired distinctiveness** through use is insufficient.”

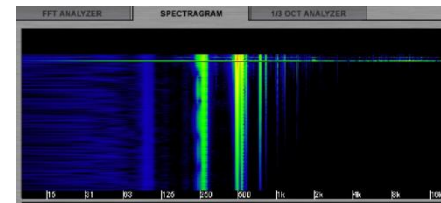


(OHIM DECISION OF 25 AUGUST 2003 – R 781/1999-4 – SOUND MARK ‘ROAR OF A LION’)



‘New’ signs and refusals on absolute grounds:

- tonal sound when two burgundy wine glasses clash together?
- glassware in CI 21
- “Die angemeldete Marke besitzt somit **keine Unterscheidungskraft**: die klangliche Darstellung ist allein der Klang, der beim Zusammenstossen zweier Weinglaser entsteht, es konnte aber auch beim Zusammenstossen von anderen Glasern, Vasen oder anderen Glaswaren entstehen, dafür ist der Klirrton zu banal um eine genauere Abwägung treffen zu können.“



(OHIM REFUSAL APPLICATION 009980731, 10 NOVEMBER 2011)

‘New’ signs and refusals on absolute grounds:

- “Da es sich nur um einen einzelnen Klangton handelt ist selbst dies zweifelhaft, es konnte sich auch um den Klang von etwas anderem handeln, was genau, das ist irrelevant, denn die angemeldete Hormarke ist so **banal**, dass es keinesfalls als betriebliche Herkunftsbezeichnung verstanden werden kann.“

(OHIM REFUSAL APPLICATION 009980731, 10 NOVEMBER 2011)

- **sub (c) (..) or other characteristics of the goods or services?**
- **characteristic** of glassware: it makes noise when toasting.....or while breaking it!?

'New' signs and refusals on absolute grounds:

- the sound of a ringtone for ringtones?
- the sound of a rutted red deer for alcoholic beverages?
- the sound of a motor for motorcycles?
- the scent of a woman for perfumes or dancing lessons?
- the scent of fresh-cut green grass for tennisballs....or underwear?
- or the smell of roasted coffee for a morning news paper?

- OHIM: 223 soundmarks, 166 registered, 23 refused



Signs without graphical representation.....on the register

- Preamble (13) “To this end, it is necessary to list examples of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings. In order to fulfill the objectives of the registration system for trade marks, which are to ensure **legal certainty and sound administration**, it is also essential to require that the sign is capable of being represented in a manner which is **clear, precise, self-contained, easily accessible, intelligible, durable and objective**. A sign should therefore be permitted to be represented in **any appropriate form, taking into account the state of current technology** and thus not necessarily by graphic means, as long as the representation offers satisfactory guarantees to that effect.”
- The world according to Sieckmann II, III etc...?

'New' signs and the object and scope of protection



INT TM 1060321

- C-421/13 Apple Store (preliminary ruling)
- Representation of a trademark for retail services?
- (..) that the representation, by a design alone, **without indicating the size or the proportions**, of the layout of a retail store, may be registered as a trade mark for services consisting in services relating to those goods but which do not form an integral part of the offer for sale thereof, provided that the sign is capable of distinguishing the services of the applicant for registration from those of other undertakings; and, that registration is not precluded by any of the grounds for refusal set out in that directive.
- **Scope of protection?**

'New' signs and the object and scope of protection

- The sound of a Blackcap for services of a trade mark agent



- VS

- The sound of a Garden Warbler for legal services?



Signs without graphical representation.....on the register

- **FAQ's**
 - **Which (digital) formats are acceptable?**
 - **How to cope with 'rights of priority' (outside EU, i.c. Paris Convention and TRIPS countries)?**
 - **How to handle international applications (Madrid system)?**
 - **How to conduct research?**
 - **How to define risk of confusion?**
 - **(..)**

Legal certainty (MPI)

- **Trademark = Sign + (Goods & Services)**

- **Sign**



- **G & S**



THANK YOU !

For attending the INTA Roundtable



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Doing business successfully
starts with registration



INTA Round Table session

8 October 2014

Franc Enghardt

- ✓ Classification of goods and services

- ✓ Collective marks

IP Translator (C-307/10)

(do class headings indicate all goods or services in that class)

The Court of Justice considered as follows:

- ✓ *Directive 2008/95 must be interpreted as meaning that it requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trade mark;*

- ✓ 1. Goods and services in respect of which registration is applied for shall be classified in conformity with the system of classification established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957 (hereinafter referred to as the 'Nice Classification').

- ✓ 2. The goods and services for which the protection of the trade mark is sought shall be identified by the applicant **with sufficient clarity and precision** to enable the competent authorities and economic operators, on that sole basis, to determine the extent of the protection sought.

- ✓ 3. For the purposes of paragraph 2, **the general indications included in the class headings** of the Nice Classification or other general terms may be used, provided that they comply with the requisite standards of clarity and precision.

- ✓ 4. The Office shall reject the application in respect of indications or terms which are unclear or imprecise, if the applicant does not suggest an acceptable wording within a period set by the Office to that effect.

- ✓ 5. The use of general terms, including the general indications of the class headings of the Nice Classification, **shall be interpreted as including all the goods or services clearly covered by the literal meaning of the indication or term. The use of such terms or indications shall not be interpreted as comprising a claim to goods or services which cannot be so understood [...].**

- ✓ **How should practitioners advise their clients on existing registrations?**

- ✓ First of all, a closer reading:

IP Translator, case C-307/10

Paragraph 47:

*On the one hand, the **competent authorities** must know with **clarity and precision** the **nature of the signs** of which a mark consists in order to be able to fulfil their obligations in relation to the prior examination of applications for registration and the publication **and maintenance** of an appropriate and **precise register** of trade marks (see, by analogy, Sieckmann, paragraph 50, and Heidelberger Bauchemie, paragraph 29).*

Paragraph 48:

*On the other hand, **economic operators** must be able to acquaint themselves, with clarity and precision, with registrations or applications for registration made by their actual or potential competitors, and thus to obtain relevant information about the rights of third parties (Sieckmann, paragraph 51, and Heidelberger Bauchemie, paragraph 30).*

Paragraph 49:

*Accordingly, Directive 2008/95 requires **the goods and services** for which the protection of the trade mark is sought to be identified by the applicant with sufficient **clarity and precision** to enable the competent authorities and economic operators, **on that basis alone**, to determine the extent of the protection sought.*

The implications of IP Translator

- ✓ A closer reading of the paragraphs 47 through 49, especially the underlined phrases, leads to the following suppositions.
- ✓ The onus seems to be on the applicant to identify with sufficient clarity and precision the goods and services for which protection is sought in order to determine the extent of the protection. The words “on that basis alone” in paragraph 49 seem to leave little room for the intention of the applicants to play a role.

- ✓ Secondly, the clarity and precision required for the identification of the goods and services in paragraph 49 seem to be on par with the clarity and precision with which the competent authorities must know the nature of the sign mentioned in paragraph 47, in order for the competent authorities to fulfill their obligations in relation to inter alia the maintenance of a precise register.

- ✓ In the Sieckmann judgement, the Court considered that:

“In respect of an olfactory sign, the requirements of graphic representability are not satisfied by a chemical formula, by a description in written words, by the deposit of an odour sample or by a combination of those elements.”

The implications of IP Translator

- ✓ In 1996, a CTM application for an olfactory trade mark was filed consisting of the words ‘the smell of fresh cut grass’. The examiner rejected the application.
- ✓ The First Board of Appeal did however find the trade mark to be registrable.
- ✓ With the considerations of the Court in the Sieckmann case as mentioned above in mind, I presume that CTM registration 000428870 ‘The smell of fresh cut grass’ was, in retrospect, not a valid registration.
- ✓ So is there also a retroactive aspect of the IP Translator case and if so, to what extent? This may very well be the case!
- ✓ Let us take a look at current and old class headings.

- ✓ Class headings in prior Nice Classification Editions
 - **Comparing the different editions; class 35:**
 - 5th Edition: *“advertising and business”*
 - 10th Edition: *“advertising; business management; business administration; office functions”*
- ✓ What if you have a registration in class 35 for *“business?”* Is that “clear and precise”? And what if you conduct retail activities under the registered trademark for *“business”* in class 35?
- ✓ At the time of the 5th edition the explanatory note of the classification guide clearly stated that class 35 did not include *“in particular activities of an enterprise the primary function of which is the sale of goods, in other words a so-called commercial enterprise”*.

- Comparing the different editions; class 9:
 - 5th Edition: ...*magnetic data carriers*,...
 - 10th Edition: ... *computer software*;...

- ✓ How much leeway will a trademark owner have if his trademark is registered for “magnetic data carriers”, a common way to protect “computer software” under the 5th edition but now used for “apps”, falling under “computer software” in the class heading of the 10th edition of the Nice classification?

Question:

The responsibility for *'a clear and precise description of goods or services in existing registrations'*, who is "to blame"?

- ✓ First and foremost this responsibility lies with the applicant, together with his advisor, the practitioner.
- ✓ But what about the role of the National Offices, considering the fact that *'the competent authorities have obligations in relation to the maintenance of a precise register of trademarks'* (paragraph 47 of the Court's decision)? What could that entail?

The implications of IP Translator

- ✓ The BOIP used to adapt the list of goods and services in line with changes in the classification policies upon renewal of Benelux registrations. They stopped doing this however, in a drive to be more efficient in dealing with renewals.

- ✓ Can the applicant expect the competent authority to review the list of goods and services in the course of renewal? Or is “renewal” just taking a fee? (in future including for the second and third class)
- ✓ Especially since in the meantime offices like BOIP and OHIM adopted a “list of forbidden words in class headings”.
- ✓ BOIP will not take such words in account in opposition cases.
- ✓ OHIM will refuse EU designations filed through WIPO for such goods or services.

An opinion:

- ✓ As a practitioner I'm not too fond of classification issues during the filing process, let alone at the time of renewal.
- ✓ But is that not the price we have to pay in effort, in order to have an appropriate and precise register that precisely tells us what our clients or their opponents really intended to protect?

- ✓ An earlier proposal was:

Proprietors of European trade marks applied for before 22 June 2012 which are registered solely in respect of the entire heading of a Nice class, may declare that their intention on the date of filing had been to seek protection in respect of goods or services beyond those covered by the literal meaning of the heading of that class, provided that the goods or services so designated are included in the alphabetical list for that class of the edition of the Nice classification in force at the date of filing.

- ✓ The EP proposed:

- ✓ *In addition, the amendment of the list of goods or services recorded in the register shall not give the proprietor of the European Union trade mark the right to oppose or to apply for a declaration of invalidity of a later trade mark where and to the extent that:*
 - *the later trade mark was either in use, or an application had been made to register the trade mark, for goods or services before the register was amended, and*
 - *the use of the trade mark in relation to those goods or services did not infringe, or would not have infringed, the proprietor's rights based on the **literal meaning of the record of the goods and services in the register at that time.***

Classification of goods and services

- ✓ So, a can of worms and both proposals were simply deleted in the Compromise Proposal.
- ✓ Does OHIM still take the position that the entire alphabetical class is covered by these words regarding trade marks applied for before 22 June 2012?
- ✓ Will and can this position be upheld in court?
- ✓ Better not take a chance and “limit” where possible and refile where necessary...

- ✓ CTMR: a collective mark is an association mark and has to be owned by an association (or a government body).

CTMA	2012	%
Individual	107,827	99.87 %
Collective	141	0.13 %
Σ	107,968	100.00 %

CTMA	2013	%
Individual	114,310	99.85 %
Collective	173	0.15 %
Σ	114,483	100.00 %

CTMA	2014	%
Individual	76,924	99.92 %
Collective	60	0.08 %
Σ	76,984	100.00 %

- ✓ The CP proposes a European Union Certification Mark.
- ✓ Collective mark vide German Verbandzeichen.
- ✓ Certification mark vide UK marks like Woolmark.
- ✓ Benelux: a hybrid but leans more towards certification mark.

- ✓ Should the Benelux treaty be more clear on this topic?

*More questions than answers,
possibly a good bridge to the
discussion with you!*



Signs without graphical representation

- 1) **Expanding the trademark definition: New Wine, Old Bottles? Or are we in need of New Bottles in order to cope with the specific characteristics of ‘new signs’?**
- 2) **How to safeguard the legal certainty aspect? Should we patiently await new judgments by the CJEU (Sieckmann II, III etc.) or actively promote (European) guidance through OHIM Convergence Programs?**

Proposition I

- ✓ Taking an extra official fee with both filing and renewal of trademarks will diminish “cluttering”.

CTMA	2012	%
0	0	0.00 %
1	28,279	29.57 %
2	15,151	15.84 %
3	32,242	33.72 %
4	8,213	8.59 %
5	4,339	4.54 %
6	2,575	2.69 %
7	1,444	1.51 %
8	968	1.01 %
9	620	0.65 %
10	416	0.44 %

CTMA	2013	%
0	0	0.00 %
1	29,109	29.68 %
2	15,733	16.04 %
3	33,274	33.93 %
4	8,275	8.44 %
5	4,531	4.62 %
6	2,561	2.61 %
7	1,377	1.40 %
8	888	0.91 %
9	600	0.61 %
10	350	0.36 %

CTMA	2014	%
0	0	0.00 %
1	20,448	29.92 %
2	10,737	15.71 %
3	23,391	34.23 %
4	5,696	8.34 %
5	3,035	4.44 %
6	1,867	2.73 %
7	984	1.44 %
8	662	0.97 %
9	410	0.60 %
10	257	0.38 %

Breakdown application by number of classes
Statistics of Community Trade Marks - OHIM

- ✓ An administrative cancellation procedure will be:
 - A safety net for oppositions gone wrong on formalities (deadlines).
 - A tool to cut away dead wood (non –used trademarks).
 - A lesser burden for the courts since this is a cheaper alternative.

- ✓ **Procedure for revocation or declaration of invalidity**

Article 47 lid 1

Member States shall provide for a judicial procedure or for an administrative procedure before their offices for revocation or declaration of invalidity of a trade mark.

The background of the slide features a photograph of an industrial refinery with tall distillation columns and complex piping. This image is overlaid with several vertical bars of varying colors: a grey bar on the far left, followed by a yellow bar, a red bar, and a dark red bar that serves as the background for the text. On the right side of the slide, there are several thin vertical bars in shades of yellow, orange, and grey.

The New Drafts for the EU Trademark Directive and Community Trademark Regulation

Amsterdam, 8 October 2014

Tobias Cohen Jehoram

Topics

- Rights conferred by European Union Trade Mark
- Right to prohibit preparatory acts in relation to the use of packaging or other means
- Anti-counterfeiting protection

Reform European Trade Mark System

Double identity



Rights conferred by European Union Trade Mark- Double identity

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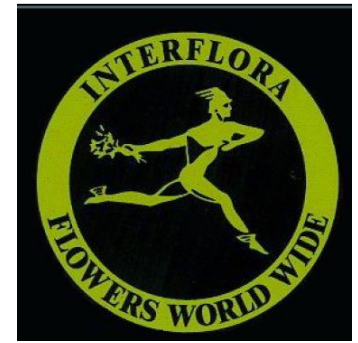
Article 10(2)(a) Directive/ article 9(2)(a) Regulation:

'and where such use affects or is liable to affect the function of the European trade mark to guarantee to consumers the origin of the goods or services'

Also proposed amendment European Parliament and in earlier Compromise Proposals.

Reform European Trade Mark System

Double identity



Conform ECJ *Interflora*: under (a), all functions are relevant:

‘the proprietor of a trade mark is entitled to prevent a competitor from advertising – on the basis of a keyword which is identical with the trade mark and which has been selected in an internet referencing service by the competitor without the proprietor’s consent – goods or services identical with those for which that mark is registered, where that use is liable to have an adverse effect on one of the functions of the trade mark.’

Functions indicated by ECJ: origin function, identity function, investment or communication function, quality function and investment function. Goodwill function not yet mentioned by ECJ, but protected in practice.

Reform European Trade Mark System

Double identity



Position Commission:

- Recognition of additional trade mark functions under (a) has created legal uncertainty
- Unclear relationship between double identity cases and extended protection afforded to trademarks having a reputation; same (goodwill) protection for trade mark without reputation?
 - *Different functions are mere vague indications of potential objects underlying the use of trademarks for advertising and investment strategies and can hardly qualify as reliable clarifications on the scope and reach of the protection which these functions should enjoy in double identity cases*
 - *No chance for defendant to advance 'due cause' argument for unauthorized use*
 - *Risk factor for trade mark users relying on freedom of expression and freedom of competition*

Reform European Trade Mark System

Double identity



However:

- origin function under (a) leaves no room for protection other functions for trade marks that do not have a reputation
- contradicts a provision on comparative advertising as in proposed art. 10(3)(f) Directive and 9(3)(f) Regulation
- Not discussed, but relevant: burden of proof of detriment to a trade mark function
- In case of double identity infringement is assumed; defendant should show there is no 'adverse effect'

Reform European Trade Mark System

Rights conferred by European Union Trade Mark



Relevant actions art. 10(3)(d) Directive and art. 9(3)(d) Regulation:

- Under d: using the sign as (part of) a trade name or company name
- Also under d: using the sign as (part of) domain name

Requirement of ECJ *Céline* is left out (use of a trade name should be understood as indicating a link between the goods and services offered and a trade mark)

- ✓ Domain name mentioned in earlier Compromise Proposals, but not mentioned in proposal Commission or amendments European Parliament.

Reform European Trade Mark System

Rights conferred by European Union Trade Mark



European Council

Comparative Advertising, art. 10(3)(f) Directive and 9(3)(f) Regulation :

Clarification that the trade mark owner may prevent the use of his trade mark in comparative advertising where such advertising does not satisfy the requirements of art. 4 of Directive 2006/114.

- ✓ Directive 2006/114/EC of 12 December 2006 concerning misleading and comparative advertising regulates the conditions under which advertising, which explicitly or by implication identifies a competitor or goods or services offered by a competitor, is permissible
- ✓ No changes compared to proposal Commission, European Parliament and earlier Compromise Proposals.

Reform European Trade Mark System

Right to prohibit preparatory acts in relation to the use of packaging or other means

Article 9a Regulation inserted:

- Provision prohibiting the production, distribution, im/exporting, offering and sale of labels and packaging and similar items which may subsequently be combined with illicit products.
- ✓ In order to provide another practical, relevant and efficient contribution to the combat against counterfeiting (explanatory note Commission)
- ✓ In proposal commission (and not amended by European Parliament): ‘Where it is likely that the get-up, packaging or other means to which the mark is affixed ‘ replaced in Compromise Proposal by: ‘Where the risk exists that the packaging, labels, tags, security or authenticity features or devices or any other means to which the mark is affixed will be used in reation to goods or services’, which would constitute infringement.

Reform European Trade Mark System

Anti-counterfeit



Art. 10(4) Directive/ art. 9(4) Regulation: Online sales of infringing goods

The trade mark owner shall also be entitled to prevent importation of goods where only the consignor of the goods acts in the course of trade:

- Internet sales
- Extra forum for trade mark owner to protect his rights (country of importation)
- Receiving -also in bulk- is not using the trade mark in the course of trade



Reform European Trade Mark System Anti-counterfeit



- In accordance with ECJ Blomqvist/ Rolex and the New Customs Regulation
- In proposal Commission: not 'in the course of trade', but 'for commercial purposes'
- Comments on provision by UK, HR, DK, AT, BE, NL: add 'unless those goods were manufactured with the express authorisation of the proprietor of that mark and are for the personal use of the intended recipient.'
- Amendment Parliament: add 'small consignments' as defined in Customs Regulations

Reform of the European Trade Mark System

Anti-counterfeit



Recital 19: In order to more effectively prevent the entry of infringing goods, particularly in the context of counterfeit sales over the Internet, the proprietor of a European Union trade mark should be entitled to prohibit the importing of such goods into the Union, where it is only the consignor of the goods who acts in the course of trade. However, if the addressee of such goods (e.g. the consumer) does not act in the course of trade, he shall not be considered as an infringer.



Underlining added in latest Compromise Proposal (not in original proposal).

Reform European Trade Mark System

Goods-in-transit

Article 10(5) Directive/ article 9(5) Regulation

- Trade mark owner is entitled to prevent third parties from bringing goods into the customs territory of the EU, regardless of whether they are released for free circulation there
- Burden of proof on importer, that goods will not be put on the European market
- WTO-compliant (of course!)
- Exit Philips/Nokia



Reform European Trade Mark System

Goods-in-transit

Article 10(5) Directive/ article 9(5) Regulation *(latest version)*

Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the [European Union/registered] trade mark, the proprietor of a [European Union/registered] trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the [Union/Member State] without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorization a trade mark which is identical to the [European Union] trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

Reform European Trade Mark System

Goods-in-transit

Some comments:

- European Parliament, INTA and ECTA: replace ‘third countries’ with ‘a third country’ in order to clarify that goods not need to go through several third countries to be covered by the provisions
- INTA: modify ‘registered’ into ‘validly registered’ to ensure that provision is in line with footnote 14 TRIPS-agreement ’(“counterfeit trademark goods” shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation); to avoid action based on bad faith registrations
- ECTA: ‘without being released’ seems unclear

Reform European Trade Mark System

Goods-in-transit



Proposed amendment Parliament on article 9(5) Regulation :

Provision shall *not* apply if:

- the third party proves that the final destination of the goods is a country outside the Union*;
- the proprietor of the European Union trade mark is not able to prove that his trade mark is also validly registered in that country of final destination

If destination is not yet clear, the proprietor of the European Union trade mark shall have the right to prevent all third parties from bringing the goods out of the Union

* Also requested by some delegations

Reform European Trade Mark System

Goods-in-transit



Strongly opposed by INTA and ECTA:

- Contradicts with objective of provision which sees to goods-in-transit (by definition going outside Union)
- Transport documentation can be false or easily falsified
- Final destination can be changed once the goods leave shores of the EU
- In situations where the goods are confirmed as counterfeit by the trade mark proprietor and are going to a third country as confirmed by the owner of the goods, the EU will be allowing counterfeits to leave the EU (with potential harm: drugs, airplane parts, etc. maybe also returning to EU)

Reform European Trade Mark System

Goods-in-transit



European Council

In latest Compromise Proposal: ***Two-step approach*** (Presidency 18 July 2014)

- In the case of goods in transit suspected of infringing a EU or national trade mark, the Customs authorities will suspend the release of detain these goods in accordance with the Customs Enforcement Regulation
- In case of subsequent proceedings initiated in accordance with the Customs Enforcement Regulation to determine whether the trade mark has indeed been infringed, the declarant or holder of the goods would obtain the release of the goods in question if he proves that the proprietor of the trade mark is not entitled to prohibit the placing these goods on the market neither in the country of origin nor in the country of final destination

Proceedings: ‘initiated before the judicial of other authority competent to take a substantive decision on whether the registered trade mark has been infringed’ (see proposed recital 22(b) Directive)

Contact details



Prof. Tobias Cohen Jehoram

De Brauw Blackstone Westbroek

Phone: +31 20-577 1301

tobias.cohenjehoram@debrauw.com

www.debrauw.com

Limitations on exclusive rights



de Rechtspraak

Freyke Bus
District Court of The Hague

Topics

- Use of a name, company name and domainname
- Use of a non-distinctive sign
- Use for identification or reference
- use of a trademark in advertising and comparative advertising
- Non-commercial use

Introduction

- **Article 9 Regulation and 10 Directive**
- **Define exclusive rights**

- **Article 12 Regulation and 14 Directive**
- **Provide 3 limitations**

- **Exhaustion of rights: no changes**

Limitation 1: use of a name

- use in the course of trade
- of full name, surname or address
- by a natural person
- is not an infringement
- art. 12.1 (a) Regulation + art. 14.1 (a) Directive

- was: use of name or address
- Deviation ECJ Budweiser 2004



Limitation 1: use of a name

- use of a tradename,
- company name, domain name
- or part thereof
- for goods or services
- = infringement
- Art. 9.3 (d) Regulation And 10.3 (d) Directive
- Codification of ECJ Celine case?

Limitation 2: use of a non distinctive sign or indication



- Prevents enforcement of non-distinctive parts of a trademark
- e.g. word/device mark
- Art. 12.1 (b) Regulation / 14.1 (b) Directive

Limitation 3: identification and referring to goods

- Referral: spare parts exception
- Identification of goods: comparative advertising

Limitation 3: identification and referring to goods

If

- in compliance with honest trade practices, including:
- Not done in a manner that gives false impression of commercial connection
- No unfair advantage of or detrimental to distinctive character or repute of trademark without due cause
- Art. 12.1(c) + 12.2 Regulation / 14.1(c) + 14.2 Directive

Limitation 3: identification and referring to goods

- = codification of ECJ Gillette/LA Laboratories



- Broader scope?
- No subsidiarity requirement (only way)
- examples are missing: on purpose?

Limitation 3 and comparative advertising

- Use of sign contrary to Comparative Advertising Directive = infringement
- (art. 9.3 (f) Regulation and 10.3 (f) Directive)
- ECJ O2/Hutchinson
- Proposal EP: exclude use made to put forward legitimate alternative to goods trademark proprietor
- Proposal not adopted
- Keyword advertising: Tempur/Medicomfort case



Limitation 3: referral in parody/criticism

- Proposal EP to add exception for use in parody, artistic expression, criticism or comment
- Not adopted in latest Presidency compromise

Referral in parody/criticism

- Art. 10.2 ECHR
- art. 2.20 (1) (d) BVIE (Benelux Treaty on Intellectual Property)



nijntje gaat hakkûh



Non-commercial use

- Proposal EP for general exception for non-commercial use for due cause
- Not adopted in last Presidency compromise

Local prior rights

- Deletion of article 6.2 current Directive
- Proposal EP for exception for use of a local prior right
- Not adopted in last Presidency compromise



The End

Thank you for your attention

Discussion



The background of the slide features a photograph of an industrial refinery with tall distillation columns and complex piping. This image is overlaid with several vertical bars of varying colors: a grey bar on the far left, followed by a yellow bar, a red bar, and a dark red bar that serves as the background for the text. On the right side, there are several thin vertical bars in shades of yellow, orange, and grey.

The New Drafts for the EU Trademark Directive and Community Trademark Regulation

Panel discussion

Topics

Double identity

Goods –in- transit

Limitation of the effects of a European Trade mark; parody

Limitation of the effects of a European Trade mark; non-commercial use

Double identity

Position Commission:

‘The recognition of additional trade mark functions under Article 5(1)(a) of the Directive (Article 9(1)(a) of the Regulation) has created legal uncertainty. In particular, the relationship between double identity cases and the extended protection afforded by Article 5(2) of the Directive (Article 9(1)(c) of the Regulation) to trade marks having a reputation has become unclear. In the interest of legal certainty and consistency, it is clarified that in cases of both double identity under Article 9(1)(a) and similarity under Article 9(1)(b) it is only the origin function which matters.’

Goods-in-transit



Art. 10 (5) Directive (new):

Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the European Union trade mark, the proprietor of a European Union trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorization a trade mark which is identical to the European Union trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

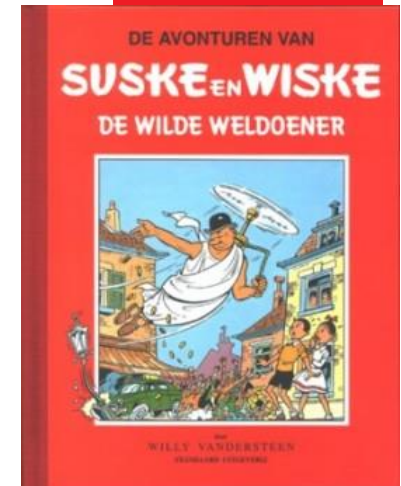
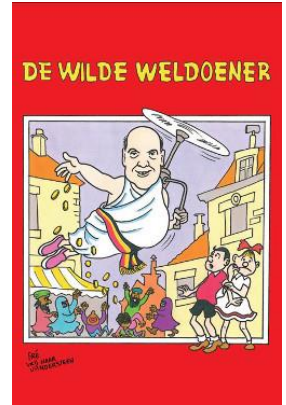
Some delegations have requested that the following sentence be added to paragraph 5 : 'This provision shall not apply if the third party provides evidence that the final destination of the goods is beyond the Union.'

Goods in transit

- Compromise proposal, to add:
- “The entitlement of the trade mark proprietor pursuant to the first subparagraph shall lapse if during the proceedings to determine whether the registered trade mark has been infringed, initiated in accordance with the provisions of Regulation (EU) No 608/2013 concerning customs enforcement of intellectual property rights, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark is not entitled to prohibit the placing of the goods on the market neither in the country of origin of the goods nor in the country of final destination. “

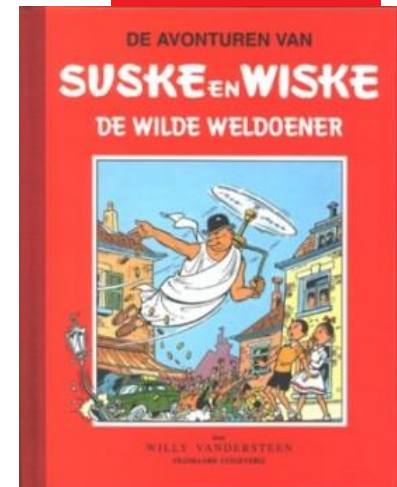
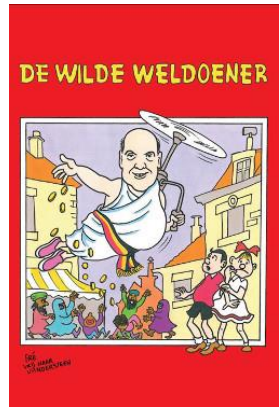
Limitation of the effects of a European Trade mark; parody

- Not adopting parody/criticism exception is a missed chance



Limitation of the effects of a European Trade mark; parody

- Effect of Deckmyn decision?
- ECJ 3 September 2014, C-201/13 (*IEF 14169*)
 - Autonomous concept of EU law
 - Broad definition:
 - evoke existing work, but noticeably different from it
 - Expression of humor or mockery
 - **Not** needed:
 - Own originality
 - Attributable to other than original author
 - Mention source, or
 - **Relating to the original work**
- Parody currently considered covered by valid reason
- Relevant under c and d



Limitation of the effects of a European Trade mark; non-commercial use

Requirement 'without due cause' is unnecessary as only an 'unfair advantage' leads to infringement

Questions?

THANK YOU FOR YOUR ATTENTION!