***I
DRAFT REPORT

(COM(2013)0161 – C7-0087/2013 – 2013/0088(COD))

Committee on Legal Affairs

Rapporteur: Cecilia Wikström
Symbols for procedures

* Consultation procedure
*** Consent procedure
***I Ordinary legislative procedure (first reading)
***II Ordinary legislative procedure (second reading)
***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in bold italics. Highlighting in normal italics is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in bold. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].
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The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2013)0161),

– having regard to Article 294(2) and Article 118(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0087/2013),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Data Protection Supervisor of 11 July 2013,

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on International Trade and the Committee on the Internal Market and Consumer Protection (A7-0000/2013),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;

3. Calls on the Commission to take measures to codify the Regulation once the legislative procedure has come to an end;

4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) As a consequence of the entry into force of the Lisbon Treaty, the terminology

Amendment

(2) As a consequence of the entry into force of the Lisbon Treaty, the terminology
of Regulation (EC) No 207/2009 should be updated. This implies the replacement of ‘Community trade mark’ by ‘European Union trade mark’. In line with the Common approach on decentralised Agencies, agreed in July 2012 by the European Parliament, the Council and the Commission, the name ‘Office for Harmonisation in the Internal Market (trade marks and designs) ’ should be replaced by ‘European Union Trade Marks and Designs Agency’ (hereinafter ‘the Agency’).

Justification

As the word "European" is broader than the territory of the European Union it would be more precise to use the term "European Union trade mark". Furthermore the term "European" is currently used (notably in patent protection) to designate protection which is not unitary but which refers rather to a bundle of national rights. The current name may be well established within the design- and trademarks communities but it is hardly a name that clearly designates what the office is doing for a person that is not familiar with it to begin with, including most SMEs. Changing the name of the office to reflect its actual work is thus very reasonable. However a name should be chosen that can both convey the broad range of tasks entrusted to the agency and last if new tasks are added in the future. Given the fact that the Agency hosts the Observatory on infringements of intellectual property rights as well as the registry of recognised orphan works the work clearly goes beyond the scope of just trademarks and designs even though these are the core competencies of the agency. Furthermore it is foreseeable that additional items such as registration of GIs and tasks in relation to trade secrets could be added to the competences of the Agency in the future.

Amendment 2

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) The experience acquired since the establishment of the Community trade mark system has shown that undertakings from within the Union and from third countries have accepted the system, which has become a successful and viable

Amendment

(5) The experience acquired since the establishment of the Community trade mark system has shown that undertakings from within the Union and from third countries have accepted the system, which has become a successful and viable
alternative to the protection of trade marks at the level of the Member States. complement and alternative to the protection of trade marks at the level of the Member States.

Or. en

Justification

It is important to stress the co-existing of the two levels of protection.

Amendment 3

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) In order to allow for more flexibility while ensuring greater legal certainty with regard to the means of representation of trade marks, the requirement of graphic representability should be deleted from the definition of a European trade mark. A sign should be permitted to be represented in any appropriate form, and thus not necessarily by graphic means, as long as the representation enables the competent authorities and the public to determine with precision and clarity the precise subject matter of protection.

Amendment

(9) In order to allow for more flexibility while ensuring greater legal certainty with regard to the means of representation of trade marks, the requirement of graphic representability should be deleted from the definition of a European Union trade mark. A sign should be permitted to be represented in the Register of European Union trade marks in any appropriate form, and thus not necessarily by graphic means, as long as the representation uses generally available technology and enables the competent authorities and the public to determine with precision and clarity the precise subject matter of protection.

Or. en

Justification

Clarification that the mark should be able to be registered in the register with the use of generally available technology

Amendment 4

Proposal for a regulation
Recital 15
(15) In order to ensure legal certainty and clarity, it is necessary to clarify that not only in the case of similarity but also in case of an identical sign being used for identical goods or services, protection should be granted to a European trade mark only if and to the extent that the main function of the European trade mark, which is to guarantee the commercial origin of the goods or services, is adversely affected.

Justification

This amendment relates to the deletion in article 9

Amendment 5

Proposal for a regulation

Recital 18

(18) With the aim of strengthening trade mark protection and combatting counterfeiting more effectively, the proprietor of a European trade mark should be entitled to prevent third parties from bringing goods into the customs territory of the Union without being released for free circulation there, where such goods come from third countries and bear without authorization a trade mark which is essentially identical to the European trade mark registered in respect of such goods.

In order not to hamper legitimate flows of goods, this rule should only apply if the proprietor of a European Union trade mark is able to show that the trade mark is validly registered also in the country of
destination. This rule should be without prejudice to the Union’s right to promote access to medicines for third countries.

Justification

The change is needed to align with the amendment on article 9 (5)

Amendment 6

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) In order to more effectively prevent the entry of infringing goods, particularly in the context of sales over the Internet, the proprietor should be entitled to prohibit the importing of such goods into the Union, where it is only the consignor of the goods who acts for commercial purposes.

Amendment

(19) In order to more effectively prevent the entry of counterfeit goods, particularly in the context of sales over the internet, the proprietor should be entitled to prohibit the importing of such goods into the Union where it is only the consignor of the counterfeit goods who acts for commercial purposes.

Justification

The change is needed to align with the amendment on Article 9(4).

Amendment 7

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) With the aim of promoting convergence of practices and of developing common tools, it is necessary to establish an appropriate framework for cooperation between the Agency and the offices of the Member States, clearly defining the areas

Amendment

(40) With the aim of promoting convergence of practices and of developing common tools, it is necessary to establish an appropriate framework for cooperation between the Agency and the offices of the Member States, defining key areas of
of cooperation and enabling the Agency to coordinate relevant common projects of Union interest and to finance, up to a maximum amount, those common projects by means of grants. Those cooperation activities should be beneficial for undertakings using trade mark systems in Europe. For users of the Union regime laid down in this Regulation, the common projects, particularly the databases for search and consultation purposes, should provide additional, inclusive, efficient and free of charge tools to comply with the specific requirements flowing from the unitary character of the European trade mark. For users of the Union regime laid down in Regulation (EC) No 207/2009, the common projects, particularly the databases used for search and consultation purposes, should provide, free of charge, additional, inclusive and efficient tools to comply with the specific requirements flowing from the unitary character of the European Union trade mark. It should, however, not be mandatory for Member States to implement the results of such common projects. While it is important that all parties contribute to the success of common projects, not least by sharing best practices and experiences, a strict obligation requiring all Member States to implement the results of common projects, even where, for example, a Member State believes that it already has a better IT or similar tool in place, would be neither proportional nor in the best interests of users.

Amendment 8

Proposal for a regulation
Recital 44 a (new)

Text proposed by the Commission

(44a) The fees structure has been laid down by Commission Regulation (EC) No 2869/951. However, the fees structure is a central aspect of the functioning of the Union trade mark system, and has only been revised twice since its establishment,
and only after significant political debate. The fees structure should therefore be directly regulated in Regulation (EC) No 207/2009. Regulation (EC) No 2869/95 should therefore be repealed and the provisions concerning the fees structure contained in Commission Regulation (EC) No 2868/95 should be deleted.


Justification

The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation and not be left to delegated acts. The rapporteur points out that the issue of the other delegations of power contained in the COM proposal will be addressed in the framework of the procedure in accordance with Rule 37a.

Amendment 9

Proposal for a regulation
Recital 45

Text proposed by the Commission: (45) In order to ensure an effective and efficient method to resolve disputes, to ensure consistency with the language regime laid down in Regulation (EC) No 207/2009, the expeditious delivery of decisions on a simple subject matter, and the effective and efficient organisation of the Boards of Appeal, and to guarantee an

Amendment: (45) In order to ensure an effective and efficient method of resolving disputes, consistency with the language regime laid down in Regulation (EC) No 207/2009, the expeditious delivery of decisions in cases having a simple subject matter, and the effective and efficient organisation of the Boards of Appeal, while complying with
appropriate and realistic level of fees to be charged by the Agency, while complying with the budgetary principles set out in Regulation (EC) No 207/2009, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of specifying the details on the languages to be used before the Agency, the cases where opposition and cancellation decisions should be taken by a single member, the details on the organisation of the Boards of Appeal, the amounts of the fees to be paid to the Agency and details related to their payment.

Justification

The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation and not be left to delegated acts. The rapporteur points out that the issue of the other delegations of power contained in the COM proposal will be addressed in the framework of the procedure in accordance with Rule 37a.

Amendment 10

Proposal for a regulation
Article 1 – point 2

Text proposed by the Commission

(2) Throughout the Regulation, the words ‘Community trade mark’ are replaced by ‘European trade mark’ and any necessary grammatical changes are made;

Amendment

(2) Throughout the Regulation, the words ‘Community trade mark’ are replaced by ‘European Union trade mark’ and any necessary grammatical changes are made; (This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Justification

As the word "European" is broader than the territory of the European Union it would be more precise to use the term "European Union trade mark". Furthermore the term "European" is
currently used (notably in patent protection) to designate protection which is not unitary but which refers rather to a bundle of national rights.

Amendment 11
Proposal for a regulation
Article 1 – point 3

Text proposed by the Commission

(3) Throughout the Regulation, the words ‘Community trade mark court’ are replaced by ‘European trade mark court’ and any necessary grammatical changes are made;

Amendment

(3) Throughout the Regulation, the words ‘Community trade mark court’ are replaced by ‘European Union trade mark court’ and any necessary grammatical changes are made;

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en

Justification

As the word "European" is broader than the territory of the European Union it would be more precise to use the term "European Union trade mark court". It further mirrors the name of the Court of Justice of the European Union.

Amendment 12
Proposal for a regulation
Article 1 – point 4

Text proposed by the Commission

(4) Throughout the Regulation, the words ‘Community collective mark’ are replaced by ‘European collective mark’ and any necessary grammatical changes are made;

Amendment

(4) Throughout the Regulation, the words ‘Community collective mark’ are replaced by ‘European Union collective mark’ and any necessary grammatical changes are made;

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en
Justification

As the word "European" is broader than the territory of the European Union it would be more precise to use the term "European Union collective mark"

Amendment 13

Proposal for a regulation
Article 1 – point 8
Regulation (EC) No 207/2009
Article 2 – paragraph 1

Text proposed by the Commission

1. A European Union **Trade Marks and Designs Agency**, hereinafter referred to as “the Agency”, is hereby established.

Amendment

1. A European Union **Intellectual Property Agency**, hereinafter referred to as “the Agency”, is hereby established.

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en

Justification

The current name may be well established within the design- and trademarks communities but it is hardly a name that clearly designates what the office is doing for a person that is not familiar with it to begin with, including most SMEs. Changing the name of the office to reflect its actual work is thus very reasonable. However a name should be chosen that can both convey the broad range of tasks entrusted to the agency and last if new tasks are added in the future. Given the fact that the Agency hosts the Observatory on infringements of intellectual property rights as well as the registry of recognised orphan works the work clearly goes beyond the scope of just trademarks and designs even though these are the core competencies of the agency. Furthermore it is foreseeable that additional items such as registration of GIs and tasks in relation to trade secrets could be added to the competences of the agency in the future.

Amendment 14

Proposal for a regulation
Article 1 – point 9
Regulation (EC) No 207/2009
Article 4 - point a
Text proposed by the Commission  
(a) distinguishing the goods or services of one undertaking from those of other undertakings;

Amendment
(a) distinguishing the goods or services of one undertaking from those of other undertakings; and

Or. en

Justification
It should be made clear that only one of the conditions in points a and b has to be fulfilled.

Amendment 15
Proposal for a regulation
Article 1 – point 9
Regulation (EC) No 207/2009 EC
Article 4 – point b

Text proposed by the Commission
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.

Amendment
being represented in the Register of European Union trade marks in a manner which enables the competent authorities and the public to determine the precise subject of the protection afforded to its proprietor.

Or. en

Justification
This is a clarification that the mark has to be able to be entered into the register.

Amendment 16
Proposal for a regulation
Article 1 – point 10 – point b
Regulation (EC) No 207/2009 EC
Article 7 – paragraph 2 – point a

Text proposed by the Commission
(a) in only part of the Union;

Amendment
(a) in only part of the Union; or
Justification

It should be made clear that only one of the conditions in points a and b has to be fulfilled.

Amendment 17

Proposal for a regulation
Article 1 – point 11 – point a
Regulation (EC) No 207/2009
Article 8 – paragraph 3 – point a

Text proposed by the Commission
(a) where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's authorisation, unless the agent or representative justifies his action;

Amendment
(a) where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's authorisation, unless the agent or representative justifies his action; or

Justification

It should be made clear that only one of the conditions in points a and b has to be fulfilled.

Amendment 18

Proposal for a regulation
Article 1 – point 12
Regulation (EC) No 207/2009
Article 9 – paragraph 2 – point a

Text proposed by the Commission
(a) the sign is identical with the European trade mark and is used in relation to goods or services which are identical with those for which the European trade mark is registered, 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;

Amendment
(a) the sign is identical with the European Union trade mark and is used in relation to goods or services which are identical with those for which the European Union trade mark is registered;
Justification

Although the proposal by the Commission intends to create clarity it seems rather to create increased legal uncertainty.

Amendment 19

Proposal for a regulation
Article 1 – point 12
Regulation (EC) No 207/2009
Article 9 – paragraph 4

Text proposed by the Commission

The proprietor of a European trade mark shall also be entitled to prevent the importing of goods referred to in paragraph 3(c) where only the consignor of the goods acts for commercial purposes.

Amendment

The proprietor of a European Union trade mark shall also be entitled to prevent the importing of goods where only the consignor of the goods acts for commercial purposes and where such goods, including packaging, bear without authorisation 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.

Justification

Although counterfeiting should be opposed the proposed provision goes to far as it also covers the importation by individual citizens of goods that have been legitimately placed on the market outside of the EU. The provision should be limited to counterfeit goods.

Amendment 20

Proposal for a regulation
Article 1 – point 12
Regulation (EC) No 207/2009
Article 9 – paragraph 5

Text proposed by the Commission

5. The proprietor of a European trade mark

Amendment

5. The proprietor of a European Union
shall also be entitled to prevent all third parties from bringing goods, in the context of commercial activity, into the customs territory of 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 trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

trade mark shall also be entitled to prevent all third parties from bringing goods, in the context of commercial activity, into the customs territory of the Union without being released for free circulation there, where such goods, including packaging, come from a third country and bear without authorisation a trade mark which is identical to the European Union trade mark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark, on condition that the proprietor proves that the trade mark is also validly registered in the country of destination.

Justification

Although it is important to take measures against counterfeiting the commission proposal on goods in transit goes too far in that it would limit legitimate international trade. It should thus be up to the proprietor of a registered trade mark to provide evidence that the trade mark is also validly registered in the country of destination.

Amendment 21

Proposal for a regulation
Article 1 – point 13
Regulation (EC) No 207/2009
Article 9a – point a

Text proposed by the Commission

(a) affixing in the course of trade a sign identical with or similar to the European trade mark on get-up, packaging or other means on which the mark may be affixed;

Amendment

(a) affixing in the course of trade a sign identical with or similar to the European Union trade mark on packaging, labels, tags, security features, authenticity devices or any other means on which the mark may be affixed;

Justification

The term "get-up" used in this provision is a legal term of art not applicable in all EU
jurisdictions. In order to increase the effectiveness of the provision, the wording used to describe the labels, packaging and other items should be clarified to ensure that the more common packaging elements and components used by counterfeiters are comprised in the provision.

Amendment 22

**Proposal for a regulation**

**Article 1 – point 13**

Regulation (EC) No 207/2009

**Article 9a – point b**

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<tr>
<td>(b) offering or placing on the market, or stocking for those purposes, or importing or exporting <em>get-up</em>, packaging or other means on which the mark is affixed.</td>
<td>(b) offering or placing on the market, or stocking for those purposes, or importing or exporting, packaging, <em>labels</em>, <em>tags</em>, <em>security features</em>, <em>authenticity devices</em> or <em>any</em> other means on which the mark is affixed;</td>
</tr>
</tbody>
</table>

*Or. en*

**Justification**

The term "get-up" used in this provision is a legal term of art not applicable in all EU jurisdictions. In order to increase the effectiveness of the provision, the wording used to describe the labels, packaging and other items should be clarified to ensure that the more common packaging elements and components used by counterfeiters are comprised in the provision.

Amendment 23

**Proposal for a regulation**

**Article 1 – point 15**

Regulation (EC) No 207/2009

**Article 13 – paragraph 1**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(15) In Article 13(1), the words 'in the Community' are replaced by 'in the European Economic Area'.;</td>
<td>(15) Article 13(1) is replaced by the following:</td>
</tr>
</tbody>
</table>

'1. A European Union trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been
put on the market in the European Economic Area under that trade mark by the proprietor or with his consent.';

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 24

Proposal for a regulation
Article 1 – point 26 – point aa (new)
Regulation (EC) No 207/2009
Article 26 – paragraph 2

Text proposed by the Commission

(aa) paragraph 2 is replaced by the following:

'2. The application for a European Union trade mark shall be subject to the payment of an application fee. The application fee shall consist of:

(a) the basic fee;

(b) the class fees for the classes exceeding one to which the goods or services belong according to Article 28;

(c) where applicable, the search fee referred to in Article 38(2).

The applicant shall give the order for payment of the application fee at the latest on the date on which he files his application.';

Or. en
The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation. Rule 4 of Regulation (EC) No 2868/95 is hence incorporated into Regulation (EC) No 207/2009.

Amendment 25

Proposal for a regulation
Article 1 – point 27
Regulation (EC) No 207/2009
Article 27

Text proposed by the Commission
The date of filing of a European trade mark application shall be the date on which documents containing the information specified in Article 26(1) are filed with the Agency by the applicant, subject to payment of the application fee for which the order for payment shall have been given at the latest on that date.';

Amendment
The date of filing of a European Union trade mark application shall be the date on which documents containing the information specified in Article 26(1) are filed with the Agency by the applicant, subject to the order for payment of the application fee. In the case of a belated order for payment, the date of filing shall be deemed to be the date on which the order for payment is given';

Or. en

Justification
This amendment clarifies that, where the applicant gives a belated order of payment, the date of filing shall be the date on which the applicant gives the order for payment.

Amendment 26

Proposal for a regulation
Article 1 – point 28
Regulation (EC) No 207/2009
Article 28 – paragraph 6

Text proposed by the Commission
6. Where the applicant requests registration for more than one class, the goods and

Amendment
6. Where the applicant requests registration for more than one class, the applicant shall
services **shall be grouped** according to the classes of the Nice Classification, each group being preceded by the number of the class to which that group of goods or services belongs and **presented** in the order of the classes. **group the** goods and services according to the classes of the Nice Classification, each group being preceded by the number of the class to which that group of goods or services belongs, and **shall present them** in the order of the classes.

**Or. en**

**Justification**

*Clarification that it is up to the applicant to group the classes.*

**Amendment 27**

**Proposal for a regulation**

**Article 1 – point 28**

Regulation (EC) No 207/2009 EC  
Article 28 – paragraph 8 – subparagraph 2

**Text proposed by the Commission**

The declaration shall be filed at the Agency within 4 months from the entry into force of this Regulation, and shall indicate, in a clear, precise and specific manner, the goods and services, other than those clearly covered by the literal meaning of the indications of the class heading, originally covered by the proprietor's intention. The Agency shall take appropriate measures to amend the Register accordingly. This possibility is without prejudice to the application of **Articles** 15, 42(2), 51(1)(a) and 57(2).

**Amendment**

The declaration shall be filed at the Agency within six months from the entry into force of this Regulation, and shall indicate, in a clear, precise and specific manner, the goods and services, other than those clearly covered by the literal meaning of the indications of the class heading, originally covered by the proprietor's intention. The Agency shall take appropriate measures to amend the Register accordingly. This possibility is without prejudice to the application of **Article** 15, **Article** 42(2), **point (a) of Article** 51(1) and **Article** 57(2).

**Or. en**

**Justification**

*It is likely that this will cause quite some work for the users, it would therefore be prudent to extend the deadline somewhat to allow for some additional time to analyse the situation for the users.*
Amendment 28
Proposal for a regulation
Article 1 – point 29
Regulation (EC) No 207/2009
Article 29 – paragraph 5 – added sentence

Text proposed by the Commission

If necessary, the Executive Director of the Agency shall request the Commission to consider enquiring whether a State within the meaning of the first sentence accords that reciprocal treatment.

Amendment

If necessary, the Executive Director of the Agency shall request the Commission to enquire whether a State within the meaning of the first sentence accords that reciprocal treatment.

Or. en

Justification

The expression "consider enquiring" is very weak. The Commission is not bound to follow a request for an enquiry anyway.

Amendment 29
Proposal for a regulation
Article 1 – point 40
Regulation (EC) No 207/2009
Article 42 – paragraph 2

Text proposed by the Commission

(40) In Article 42(2), first sentence, the phrase 'during the period of five years preceding the date of publication' is replaced by 'during the period of five years preceding the date of filing or the date of priority'.

Amendment

(40) Article 42(2) is replaced by the following:

'2. If the applicant so requests, the proprietor of an earlier European Union trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of filing or the date of priority of the European Union trade mark application, the earlier European Union trade mark has been put to genuine use
in the Union in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier European Union trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier European Union trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services;
for; and
(c) where applicable, the additional fee for late payment of the renewal fee or late submission of the request for renewal pursuant to paragraph 3;

Or. en

### Justification

The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation. Rule 30(2) of Regulation (EC) No 2868/95 is hence incorporated into Regulation (EC) No 207/2009.

### Amendment 31

#### Proposal for a regulation

#### Article 1 – point 46

Regulation (EC) No 207/2009

Article 50 – paragraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>2. The surrender shall be declared to the Agency in writing by the proprietor of the trade mark. It shall not have effect until it has been entered in the Register. The validity of the surrender of a European trade mark which is declared to the Agency subsequent to the submission of an application for revocation of that trade mark pursuant to Article 56(1) shall be conditional upon the final rejection or withdrawal of the application for revocation.</td>
<td>2. The surrender shall be declared to the Agency in writing by the proprietor of the trade mark. It shall not have effect until it has been entered in the Register. The validity of the surrender of a European Union trade mark which is declared to the Agency subsequent to the submission of an application for revocation or for a declaration of invalidity of that trade mark pursuant to Article 56(1) shall be conditional upon the final rejection or withdrawal of the application for revocation or for a declaration of invalidity.</td>
</tr>
</tbody>
</table>

Or. en

### Justification

The Commission has proposed to amend Article 50 in a sense that would impede proprietors of European Union trade marks attacked in cancellation proceedings for non-use ask for their conversion into one or several national marks before a decision on the cancellation is taken.
In fact, such a practice grants another period of 5 years during which the proprietor would legitimately be able to abstain from using the mark, circumventing the law. The same provision should be extended to cases where the European Union trade mark is the object of an action for a declaration of invalidity.

Amendment 32

Proposal for a regulation
Article 1 – point 48
Regulation (EC) No 207/2009
Article 54 – paragraphs 1 and 2

Text proposed by the Commission

(48) In Article 54(1) and (2), the words 'either' and 'or to oppose the use of the later trade mark' are deleted;

Amendment

(48) Paragraphs 1 and 2 of Article 54 are replaced by the following:

'1. Where the proprietor of a European Union trade mark has acquiesced, for a period of five successive years, in the use of a later European Union trade mark in the Union while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark [...] to apply for a declaration that the later trade mark is invalid [...] in respect of the goods or services for which the later trade mark has been used, unless registration of the later European Union trade mark was applied for in bad faith.

2. Where the proprietor of an earlier national trade mark as referred to in Article 8(2) or of another earlier sign referred to in Article 8(4) has acquiesced, for a period of five successive years, in the use of a later European Union trade mark in the Member State in which the earlier trade mark or the other earlier sign is protected while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark or of the other earlier sign [...] to apply for a declaration that the later trade mark is invalid [...] in respect of the goods or services for which the later trade mark has been used, unless registration of the
later European Union trade mark was applied for in bad faith.';

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 33

Proposal for a regulation
Article 1 – point 50
Regulation (EC) No 207/2009
Article 57 – paragraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(50) In Article 57(2), second sentence, 'was published' is replaced by 'was filed or at the priority date of the European trade mark application';</td>
<td>(50) Article 57(2) is replaced by the following:</td>
</tr>
</tbody>
</table>

'2. If the proprietor of the European Union trade mark so requests, the proprietor of an earlier European Union trade mark, being a party to the invalidity proceedings, shall furnish proof that, during the period of five years preceding the date of the application for a declaration of invalidity, the earlier European Union trade mark has been put to genuine use in the Union in connection with the goods or services in respect of which it is registered and which he cites as justification for his application, or that there are proper reasons for non-use, provided the earlier European Union trade mark has at that date been registered for not less than five years. If, at the date on which the European Union trade mark application was filed or at the priority date of the European Union trade
mark application, the earlier European Union trade mark had been registered for not less than five years, the proprietor of the earlier European Union trade mark shall furnish proof that, in addition, the conditions contained in Article 42(2) were satisfied at that date. In the absence of proof to this effect the application for a declaration of invalidity shall be rejected. If the earlier European Union trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for the purpose of the examination of the application for a declaration of invalidity, be deemed to be registered in respect only of that part of the goods or services.

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 34

Proposal for a regulation
Article 1 – point 60
Regulation (EC) No 207/2009
Article 67 – paragraph 1

Text proposed by the Commission

(60) In Article 67(1), the words 'within the period prescribed' are replaced by 'within the period prescribed in accordance with Article 74a';

Amendment

(60) Article 67(1) is replaced by the following:

'1. An applicant for a European Union collective mark shall submit regulations governing its use within the period prescribed in accordance with Article 74a.';
Justification
This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 35
Proposal for a regulation
Article 1 – point 61 a (new)
Regulation (EC) No 207/2009
Article 71 – paragraph 3

Text proposed by the Commission
(61a) Article 71(3) is replaced by the following:
'3. Written observations in accordance with Article 69 may also be submitted with regard to amended regulations governing use.';

Amendment

Justification
This amendment clarifies the meaning of the sentence "Article 69 shall apply to amended regulations governing use". Related to the amendment on Article 74f(3).

Amendment 36
Proposal for a regulation
Article 1 – point 63
Regulation (EC) No 207/2009
Article 74f – paragraph 3

Text proposed by the Commission
3. Article 74e shall apply to amended regulations governing use.

Amendment
3. Written observations in accordance with Article 74e may also be submitted with regard to amended regulations governing use.
Justification

This amendment clarifies the meaning of the reference to Article 74e. Related to the amendment on Article 71(3).

Amendment 37

Proposal for a regulation
Article 1 – point 68
Regulation (EC) No 207/2009
Article 79d

Text proposed by the Commission
The Agency shall correct any linguistic errors or errors of transcription and manifest oversights in the Agency’s decisions or technical errors attributable to the Agency in registering the trade mark or in publishing its registration.

Amendment
The Agency shall correct any linguistic errors or errors of transcription and manifest oversights in the Agency's decisions or technical errors attributable to the Agency in registering the trade mark or in publishing its registration. The Agency shall keep records of any such corrections.

Justification

The possibility for the agency to correct errors is useful but there should always be a record of which corrections have been made so that they can be traced.

Amendment 38

Proposal for a regulation
Article 1 – point 69 – point a
Regulation (EC) No 207/2009
Article 80 – paragraph 1

Text proposed by the Commission
(a) in paragraph 1, first sentence, the phrase 'decision which contains an obvious procedural error' is replaced by 'decision which contains an obvious

Amendment
(a) paragraph 1 is replaced by the following:

The Agency shall correct any linguistic errors or errors of transcription and manifest oversights in the Agency's decisions or technical errors attributable to the Agency in registering the trade mark or in publishing its registration. The Agency shall keep records of any such corrections.

Justification

The possibility for the agency to correct errors is useful but there should always be a record of which corrections have been made so that they can be traced.
1. Where the Agency has made an entry in the Register or taken a decision which contains an obvious [... error attributable to the Agency, it shall ensure that the entry is cancelled or the decision is revoked. Where there is only one party to the proceedings and the entry or the act affects its rights, cancellation or revocation shall be determined even if the error was not evident to the party.';

_Justification_

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 39

Proposal for a regulation
Article 1 – point 69 – point b
Regulation (EC) No 207/2009
Article 80 – paragraph 2

Text proposed by the Commission

(b) in paragraph 2, _the second sentence_ is replaced by the following:

'The cancellation of the entry in the Register or the revocation of the decision shall be effected within one year from the date on which the entry was made in the Register or that decision was taken, after consultation with the parties to the proceedings and any proprietor of rights to the European trade mark in question that are entered in the Register.';

Amendment

(b) paragraph 2 is replaced by the following:

'2. Cancellation or revocation as referred to in paragraph 1 shall be determined, _ex officio_ or at the request of one of the parties to the proceedings, by the department which made the entry or took the decision. The cancellation of the entry in the Register or the revocation of the decision shall be effected within one year from the date on which the entry was made in the Register or that decision was taken, after consultation with the parties to the proceedings and any proprietor of
rights to the European Union trade mark in question that are entered in the Register. *The Agency shall keep records of any such cancellation or revocation.*

Or. en

**Justification**

The inclusion of the first sentence is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more sentences (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation). Added last sentence: These cancellations / revocations should be entered into the register in order to be traceable.

**Amendment 40**

**Proposal for a regulation**

**Article 1 – point 73**

Regulation (EC) No 207/2009

Article 85 – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(73) <em>In Article 85(1), the words 'under the conditions laid down in the Implementing Regulation' are replaced by 'under the conditions laid down in accordance with Article 93a(j).'</em></td>
<td>(73) Article 85(1) is replaced by <em>the following:</em></td>
</tr>
</tbody>
</table>

1. The losing party in opposition proceedings, proceedings for revocation, proceedings for a declaration of invalidity or appeal proceedings shall bear the fees incurred by the other party as well as all costs, without prejudice to Article 119(6), incurred by him essential to the proceedings, including travel and subsistence and the remuneration of an agent, adviser or advocate, within the limits of the scales set for each category of costs under the conditions laid down in accordance with Article 93a(j).

Or. en
Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 41

Proposal for a regulation
Article 1 – point 82 – point b
Regulation (EC) No 207/2009 EC
Article 94 – paragraph 1

Text proposed by the Commission

(b) in paragraph 1, 'Regulation (EC) No 44/2001' is replaced by 'the Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters';

Amendment

(b) paragraph 1 is replaced by the following:

'I. Unless otherwise specified in this Regulation, the Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters shall apply to proceedings relating to European Union trade marks and applications for European Union trade marks, as well as to proceedings relating to simultaneous and successive actions on the basis of European Union trade marks and national trade marks.';

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).
Amendment 42

Proposal for a regulation
Article 1 – point 88
Regulation (EC) No 207/2009
Article 113 – paragraph 3

Text proposed by the Commission

(88) In Article 113(3), the phrase 'together with the formal conditions laid down in the Implementing Regulation' is replaced by 'together with the formal conditions laid down in accordance with Article 114a';

Amendment

(88) Article 113(3) is replaced by the following:

'3. The Agency shall check whether the conversion requested fulfils the conditions set out in this Regulation, in particular Article 112(1), (2), (4), (5) and (6), and paragraph 1 of this Article, together with the formal conditions laid down in accordance with Article 114a. If these conditions are fulfilled, the Agency shall transmit the request for conversion to the industrial property offices of the Member States specified therein.';

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 43

Proposal for a regulation
Article 1 – point 89
Regulation (EC) No 207/2009
Article 114 – paragraph 2
In Article 114(2), the words 'the Implementing Regulation' are replaced by 'delegated acts adopted in accordance with this Regulation';

(89) Article 114(2) is replaced by the following:

'2. A European Union trade mark application or a European Union trade mark transmitted in accordance with Article 113 shall not be subjected to formal requirements of national law which are different from or additional to those provided for in this Regulation or in delegated acts adopted pursuant to this Regulation.';

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 44

Proposal for a regulation
Article 1 – point 92
Regulation (EC) No 207/2009 C
Article 117

In Article 117, the words 'to the Office' are replaced by 'to the Agency and its staff';

(92) Article 117 is replaced by the following:

'The Protocol on the Privileges and Immunities of the European Union shall apply to the Agency and its staff';

Or. en
Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 45

Proposal for a regulation
Article 1 – point 94
Regulation (EC) No 207/2009 EC
Article 120 – paragraph 1

Text proposed by the Commission

(94) In Article 120(1), the words 'the Implementing Regulation' are replaced by 'a delegated act adopted pursuant to this Regulation';

Amendment

(94) Article 120(1) is replaced by the following:

'1. An application for a European Union trade mark, as described in Article 26(1), and all other information the publication of which is prescribed by this Regulation or by a delegated act adopted pursuant to this Regulation, shall be published in all the official languages of the European Union.';

Or. en

Justification

This is a technical change, not a change in substance. In the interest of clarity, the replacement of complete units of texts is preferable to the replacement of just one or more terms (see point 18.12.1 of the Joint Practical Guide for persons involved in the drafting of legislation).

Amendment 46

Proposal for a regulation
Article 1 – point 98
Regulation (EC) No 207/2009
Article 123c – paragraph 1 – subparagraph 2 – introductory part
This cooperation shall cover the following areas of activity:

2. The Agency shall define, elaborate and coordinate common projects of Union interest with regard to the areas referred to in paragraph 1. The project definition shall contain the specific obligations and responsibilities of each participating industrial property office of the Member States and the Benelux Office for Intellectual Property. Throughout all phases of the common projects, the Agency shall consult with representatives from users.

As the common projects are intended to provide additional value for users it would seem reasonable to include them in the process. This would also reflect current practice.
Regulation (EC) No 207/2009
Article 123c – paragraph 3

Text proposed by the Commission

3. The industrial property offices of the Member States and the Benelux Office for Intellectual Property shall participate effectively in the common projects referred to in paragraph 2 with a view to ensuring their development, functioning, interoperability, and keeping up to date.

Amendment

3. The industrial property offices of the Member States and the Benelux Office for Intellectual Property shall participate effectively in the common projects referred to in paragraph 2 with a view to ensuring their development, functioning, interoperability, and keeping up to date. Participation in such common projects shall not imply any obligation on the part of Member States to implement the resulting outcome in their respective territories.

Or. en

Justification

Although it is reasonable that all Member States participate, with respect taken to the capacity of the national offices, in the common projects, it is not proportional to make it mandatory for all Member States to implement the outcome of the project. One could imagine for example a case where an individual Member State A has invested large sums into a specific IT system and a similar (but inferior) system is developed in a joint project. It would not be reasonable to force the Member State A to abandon its system in favour of the common one. Also such an approach could risk causing significant opposition to starting various types of projects when a number of offices are not interested in adopting the outcome but where users would still benefit from other offices progressing in a cooperation project.

Amendment 49

Proposal for a regulation
Article 1 – point 98
Regulation (EC) No 207/2009
Article 123c – paragraph 4

Text proposed by the Commission

4. The Agency shall provide financial support to the common projects of Union interest referred to in paragraph 2 to the extent this is necessary to ensure the effective participation of the industrial property offices of the Member States and

Amendment

4. The Agency shall provide financial support to the common projects of Union interest referred to in paragraph 2 to ensure the effective participation of the industrial property offices of the Member States and the Benelux Office for Intellectual Property
the Benelux Office for Intellectual Property in the projects within the meaning of paragraph 3. That financial support may take the form of grants. The total amount of funding shall not exceed 10% of the yearly income of the Agency. The beneficiaries of grants shall be the industrial property offices of the Member States and the Benelux Office for Intellectual Property. Grants may be awarded without calls for proposals in accordance with the financial rules applicable to the Agency and with the principles of grant procedures contained in the Financial Regulation (EU) No 966/2012 of the European Parliament and of the Council and in the Commission delegated Regulation (EU) No 1268/2012.

or. en

Justification

The amendment attempts to further clarify the proposed system of grants for participation in cooperation projects. It would also seem reasonable to increase the "roof" of possible funding for these projects.

Amendment 50

Proposal for a regulation

Article 1 – point 99

Regulation (EC) No 207/2009

Article 125 – paragraph 1

Text proposed by the Commission

1. The Management Board shall be composed of one representative of each Member State and two representatives of the Commission and their alternates.

Amendment

1. The Management Board shall be composed of one representative of each Member State, two representatives of the Commission and one representative of the European Parliament and their respective alternates.

or. en
Justification

Point 10 in the Common Approach on Agencies states that "The composition of the board should be: [...] - Where appropriate, one member designated by the European Parliament, without prejudice to the relevant arrangements for existing agencies". It thus seems natural to include at least one member of the management board designated by the European Parliament.

Amendment 51

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 127 – paragraph 3

Text proposed by the Commission
3. The Management Board shall hold an ordinary meeting once a year. In addition, it shall meet on the initiative of its chairperson or at the request of the Commission or of one-third of the Member States.

Amendment
3. The Management Board shall hold an ordinary meeting two times per year. In addition, it shall meet on the initiative of its chairperson or at the request of the Commission, of the European Parliament or of one-third of the Member States.

Or. en

Justification

It would seem reasonable that all three institutions have the right to convene the management board. Also the Management Board should continue to meet two times per year as is currently the practice for the corresponding administrative board. This change is further suggested as the executive board is proposed to be deleted.

Amendment 52

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 127 – paragraph 5

Text proposed by the Commission
5. The Management Board shall take its decisions by an absolute majority of its members. However, a majority of two-thirds of its members shall be required for

Amendment
5. The Management Board shall take its decisions by an absolute majority of its members. However, a majority of two-thirds of its members shall be required for
the decisions which the Management Board is empowered to take under Article 124(1)(a) and (b), Article 126(1) and Article 129(2) and (4). In both cases each member shall have one vote.

Justification

Consequence of amendment of Article 129 (3) and (4)

Amendment 53

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Title XII – Section 2a

Text proposed by the Commission

Amendment

SECTION 2a deleted

Executive Board

Article 127a

Establishment

The Management Board may establish an Executive Board.

Article 127b

Functions and organisation

1. The Executive Board shall assist the Management Board.

2. The Executive Board shall have the following functions:

(a) preparing decisions to be adopted by the Management Board;

(b) ensuring, together with the Management Board, adequate follow-up to the findings and recommendations stemming from the internal or external audit reports and evaluations, as well as from investigations of the European Antifraud Office (OLAF);
(c) without prejudice to the functions of the Executive Director, as set out in Article 128, assisting and advising the Executive Director in the implementation of the decisions of the Management Board, with a view to reinforcing supervision of administrative management.

3. When necessary, because of urgency, the Executive Board may take certain provisional decisions on behalf of the Management Board, in particular on administrative management matters, including the suspension of the delegation of the appointing authority powers.

4. The Executive Board shall be composed of the Chairperson of the Management Board, one representative of the Commission to the Management Board and three other members appointed by the Management Board from among its members. The Chairperson of the Management Board shall also be the Chairperson of the Executive Board. The Executive Director shall take part in the meetings of the Executive Board, but shall not have the right to vote.

5. The term of office of members of the Executive Board shall be four years. The term of office of members of the Executive Board shall end when their membership of the Management Board ends.

6. The Executive Board shall hold at least one ordinary meeting every three months. In addition, it shall meet on the initiative of its Chairperson or at the request of its members.

7. The Executive Board shall comply with the rules of procedure laid down by the Management Board.
**Justification**

*The joint statement (point 10) states that a two-level governance structure should be introduced "when it promises more efficiency". There does not seem to be any convincing evidence that such an Executive Board would provide additional efficiency in this agency, rather it would risk adding a new bureaucratic layer and leading to less transparency for non-members of the Executive Board as well as users.***

**Amendment 54**

**Proposal for a regulation**

**Article 1 – point 99**

Regulation (EC) No 207/2009

Article 129 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

2. The Executive Director shall be appointed by the Management Board, from a list of candidates proposed by the Commission, following an open and transparent selection procedure. Before being appointed, the candidate selected by the Management Board may be invited to make a statement before any competent European Parliament committee and to answer questions put by its members. For the purpose of concluding the contract with the Executive Director, the Agency shall be represented by the chairperson of the Management Board.

*Amendment*

2. The Executive Director shall be appointed by the Management Board from a list of at least three candidates proposed by a pre-selection committee of the Management Board composed of representatives of the Member States, the Commission and the European Parliament, following an open and transparent selection procedure and the publication of a call for expressions of interest in the Official Journal of the European Union and elsewhere. Before being appointed, the candidate selected by the Management Board may be invited to make a statement before any competent European Parliament committee and to answer questions put by its members. For the purpose of concluding the contract with the Executive Director, the Agency shall be represented by the chairperson of the Management Board.

**Or. en**

*Justification*

*Even though the proposal by the Commission is in line with the Joint Statement on agencies the special nature of the agency is such that it warrants the use of the exception also provided for in the Common Approach on this point (point 16). It does not seem appropriate to exclude the Management Board from the pre-selection procedure, especially as the director is first***
and foremost accountable to the Management Board. Instead a balanced pre-selection committee should have the responsibility to prepare the list to the full management board. In order to ensure that the Management board has a true choice between candidates it should be specified that the list should include at least three candidates.

Amendment 55

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 129 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The Executive Director may be removed from office only upon a decision of the Management Board acting on a proposal from the European Commission.

Amendment

The Executive Director may be removed from office only upon a decision of the Management Board acting on a proposal from the European Commission, the European Parliament or one-third of the Member States.

Justification

Also the European Parliament or a substantial part of the Member States should be able to call for the dismissal of the Executive Director. This further underlines the joint responsibility for the Agency of the three institutions.

Amendment 56

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 129 – paragraph 3

Text proposed by the Commission

3. The term of office of the Executive Director shall be five years. By the end of that period, the Commission shall undertake an assessment which takes into account an evaluation of the performance of the Executive Director and the Agency's future tasks and challenges.

Amendment

3. The term of office of the Executive Director shall be five years. By the end of that period, the Management Board shall undertake an assessment which takes into account an evaluation of the performance of the Executive Director and the Agency's future tasks and challenges. The term of office of the Executive Director may be
extended once for no more than five years by the Management Board, following a positive evaluation by the Management Board. Prior to taking a decision extending the term of office of the Executive Director, the Management Board shall consult the Commission.

Justification

The Common Approach clearly states (point 15) that the Executive Director is first and foremost accountable to the Management Board. It would thus be incoherent to give the Commission veto-rights over the re-appointment of an Executive Director. This veto-power would also seriously jeopardize the independence of the Executive Director and the Agency. It is reasonable that the board to which the Executive Director is accountable performs the performance evaluation and holds the power to re-appoint.

Amendment 57

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 129 – paragraph 4

Text proposed by the Commission

4. The Management Board, acting on a proposal from the Commission which takes into account the assessment referred to in paragraph 3, may extend once the term of office of the Executive Director for no more than five years.

Amendment

deleted

Justification

This amendment is needed as a consequence of the amendment to Article 129 (3)

Amendment 58

Proposal for a regulation
Article 1 – point 99
Regulation (EC) No 207/2009
Article 129 – paragraph 6

**Text proposed by the Commission**

6. The Deputy Executive Director or Deputy Executive Directors shall be appointed or removed from office as provided for in paragraph 2, after consultation of the Executive Director and, where applicable, the Executive Director elect. The term of office of the Deputy Executive Director shall be five years. It may be extended once for no more than five years by the Management Board acting on a proposal from the Commission as provided for in paragraph 4, after consultation of the Executive Director.

**Amendment**

6. The Deputy Executive Director or Deputy Executive Directors shall be appointed or removed from office as provided for in paragraph 2, after consultation of the Executive Director and, where applicable, the Executive Director-elect. The term of office of the Deputy Executive Director shall be five years. It may be extended once for no more than five years by the Management Board as provided for in paragraph 3, after consultation of the Executive Director.

**Or. en**

**Justification**

This amendment aligns the proposal to the procedure envisaged for re-appointments of the Executive Director in Article 129 (3)

**Amendment 59**

**Proposal for a regulation**

**Article 1 – point 108**

Regulation (EC) No 207/2009
Article 139 – paragraph 4

**Text proposed by the Commission**

4. The Agency shall prepare on a biannual basis a report to the Commission on its financial situation. On the basis of this report, the Commission shall review the financial situation of the Agency.

**Amendment**

4. The Agency shall prepare on a biannual basis a report to the European Parliament, the Council and the Commission on its financial situation. On the basis of that report, the Commission shall review the financial situation of the Agency.

**Or. en**
Justification

It would be reasonable to clearly state that this report should be transmitted also to the European Parliament and Council

Amendment  60

Proposal for a regulation
Article 1 – point 108
Regulation (EC) No 207/2009
Article 139 – paragraph 4 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>4a. The Agency shall provide for a reserve fund covering one year of its operational expenditure to ensure the continuity of its operations.</td>
<td>Or. en</td>
</tr>
</tbody>
</table>

Justification

Recital 43 of the Commission’s proposal foresees that, ‘in the interest of sound financial management, the accumulation of significant budgetary surpluses should be avoided’ and ‘this should be without prejudice to the Agency maintaining a financial reserve covering one year of its operational expenditure to ensure the continuity of its operations and the execution of its tasks’. The following paragraph clarifies that such a fund shall be maintained. As a matter of fact, sound financial management requires not only that an excessive accumulation of surplus takes place, but also that a prudential reserve fund is created in order to cope with unexpected drops in income or unforeseeable expenditures, which could hamper the continuity of the Agency's operations.

Amendment  61

Proposal for a regulation
Article 1 – point 110
Regulation (EC) No 207/2009
Article 144 – paragraph 2

<table>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>2. The amounts of the fees referred to in paragraph 1 shall be fixed at such level as to ensure that the revenue in respect thereof is in principle sufficient for the budget of</td>
<td>2. The amounts of the fees referred to in paragraph 1 shall be fixed at the levels set out in Annex -I so as to ensure that the revenue in respect thereof is in principle</td>
</tr>
</tbody>
</table>

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the Agency to be balanced while avoiding the accumulation of significant surpluses. Without prejudice to Article 139(4), the Commission shall review the level of fees should a significant surplus become recurrent. If this review does not lead to a reduction or modification in the level of fees which has the effect of preventing the further accumulation of a significant surplus, the surplus accumulated after the review shall be transferred to the budget of the Union.

Or. en

Justification

The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation and not left to delegated acts. This implies that the Commission would be unable to review and modify the level of fees by itself. It should also be noted that no money should flow back from the Agency either to the EU-budget or the general budgets of Member States, or their national offices, with the exception of grants related to the cooperation and convergence projects.

Amendment 62

Proposal for a regulation
Article 1 – point 111
Regulation (EC) No 207/2009
Article 144a – point d

Text proposed by the Commission

(d) the system of fees and charges payable to the Agency in accordance with Article 144, including the amount of fees, the methods of payment, the currencies, the due date for fees and charges, the deemed date of payment and the consequences of lack of or late payment, and under- and overpayment, the services which may be free of charge, and the criteria under which the Executive Director may exercise the powers set out in Article 144(3) and (4).

Amendment

(d) the system of fees and charges payable to the Agency in accordance with Article 144, including the methods of payment, the currencies, the due date for fees and charges, the deemed date of payment and the consequences of lack of or late payment, and under- and overpayment, the services which may be free of charge, and the criteria under which the Executive Director may exercise the powers set out in Article 144(3) and (4).
Justification

The fees structure is an important element of the EU trade mark system and should therefore be directly regulated in the Regulation and not be left to delegated acts. The Rapporteur points out that the issue of the other delegations of power contained in the COM proposal will be addressed in the framework of the procedure in accordance with Rule 37a.

Amendment 63

Proposal for a regulation
Article 1 – point 112
Regulation (EC) No 207/2009
Article 145

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>(112) In Article 145, the words ‘its Implementing Regulations’ are replaced by ‘the delegated acts adopted pursuant to this Regulation’;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(112) Article 145 is replaced by the following:</td>
</tr>
</tbody>
</table>

'Unless otherwise specified in this title, this Regulation and the delegated acts adopted pursuant to this Regulation shall apply to applications for international registrations under the Protocol relating to the Madrid Agreement concerning the international registration of marks, adopted at Madrid on 27 June 1989 (hereafter referred to as ‘international applications’ and ‘the Madrid Protocol’ respectively), based on an application for a European Union trade mark or on a European Union trade mark and to registrations of marks in the international register maintained by the International Bureau of the World Intellectual Property Organisation (hereafter referred to as ‘international registrations’ and ‘the International Bureau’, respectively) designating the European Union.';

Or. en
Amendment 64

Proposal for a regulation
Article 1 – point 119 – point a
Regulation (EC) No 207/2009
Article 156 – paragraph 2

Text proposed by the Commission  Amendment

(a) in paragraph 2, the words 'six months' are replaced by 'one month';

(a) paragraph 2 is replaced by the following:

'2. Notice of opposition shall be filed within a period of three months which shall begin one month following the date of the publication pursuant to Article 152(1). The opposition shall not be treated as duly entered until the opposition fee has been paid.';

Or. en

Amendment 65

Proposal for a regulation
Article 1 – point 121 – point b
Regulation (EC) No 207/2009
Article 159 – paragraph 2

Text proposed by the Commission  Amendment

(b) in paragraph 2, the words 'or the Madrid Agreement' are deleted;

(b) paragraph 2 is replaced by the following:
'2. The national trade mark application or the designation of a Member State party to the Madrid Protocol [...] resulting from the conversion of the designation of the European Union through an international registration shall enjoy, in respect of the Member State concerned, the date of the international registration pursuant to Article 3(4) of the Madrid Protocol or the date of the extension to the European Union pursuant to Article 3ter(2) of the Madrid Protocol if the latter was made subsequently to the international registration, or the date of priority of that registration and, where appropriate, the seniority of a trade mark of that State claimed under Article 153.';
Justification

This amendment clarifies that the period of five years is not a time limit, but the period during which any relevant facts and decisions are to be notified.

Amendment 67

Proposal for a regulation
Article 1 – point 127 a (new)
Regulation (EC) No 207/2009
Annex -I (new)

Text proposed by the Commission

<table>
<thead>
<tr>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(127a) The following Annex is inserted:</td>
</tr>
<tr>
<td>'Annex -I</td>
</tr>
<tr>
<td>Amount of fees</td>
</tr>
<tr>
<td>The fees to be paid to the Agency under this Regulation and under Regulation (EC) No 2868/95 shall be as follows:</td>
</tr>
<tr>
<td>1. Basic fee for the application for an individual mark (Article 26(2), Rule 4(a))</td>
</tr>
<tr>
<td>1a. Search fee for a European Union trade mark application (Article 38(2), Rule 4(c))</td>
</tr>
<tr>
<td>1b. Basic fee for the application</td>
</tr>
</tbody>
</table>
1c. Basic fee for the application for an individual mark by electronic means, using the online classification database (Article 26(2), Rule 4(a))

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic fee for the application for an individual mark by electronic means</td>
<td>EUR 725</td>
</tr>
</tbody>
</table>

2. Fee for the second class of goods and services for an individual mark (Article 26(2), Rule 4(b))

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for the second class of goods and services for an individual mark</td>
<td>EUR 50</td>
</tr>
</tbody>
</table>

2a. Fee for the third class of goods and services for an individual mark (Article 26(2), Rule 4(b))

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for the third class of goods and services for an individual mark</td>
<td>EUR 75</td>
</tr>
</tbody>
</table>

2b. Fee for each class of goods and services exceeding three for an individual mark (Article 26(2), Rule 4(b))

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for each class of goods and services exceeding three for an individual mark</td>
<td>EUR 150</td>
</tr>
</tbody>
</table>

3. Basic fee for the application for a collective mark (Article 26(2) and Article 66(3), Rule 4(a) and Rule 42)

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic fee for the application for a collective mark</td>
<td>EUR 1 000</td>
</tr>
</tbody>
</table>

3a. Basic fee for the application for a collective

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic fee for the application for a collective</td>
<td>EUR 950</td>
</tr>
</tbody>
</table>
mark by electronic means, using the online classification database (Article 26(2) and Article 66(3), Rule 4(a) and Rule 42)

4. Fee for the second class of goods and services for a collective mark (Article 26(2) and Article 66(3), Rule 4(b) and Rule 42) EUR 50

4a. Fee for the third class of goods and services for a collective mark (Article 26(2) and Article 66(3), Rule 4(b) and Rule 42) EUR 75

4b. Fee for each class of goods and services exceeding three for a collective mark (Article 26(2) and 66(3), Rule 4(b) and Rule 42) EUR 150

5. Opposition fee (Article 41(3); Rule 17(1)) EUR 350

7. Basic fee for the registration of an individual mark (Article 45) EUR 0

8. Fee for each class of goods and services EUR 0
exceeding three for an individual mark (Article 45)

9. Basic fee for the registration of a collective mark (Article 45 and Article 66(3)) EUR 0

10. Fee for each class of goods and services exceeding three for a collective mark (Article 45 and Article 64(3)) EUR 0

11. Additional fee for late payment of the registration fee (point 2 of Article 162(2)) EUR 0

12. Basic fee for the renewal of an individual mark (Article 47(1), Rule 30(2)(a)) EUR 1 150

12a. Basic fee for the renewal of an individual mark by electronic means (Article 47(1), Rule 30(2)(a)) EUR 1 000

13. Fee for the renewal of the second class of goods and services for an individual mark (Article 47(1), Rule 30(2)(b)) EUR 100

13a. Fee for the renewal of the EUR 150
third class of goods and services for an individual mark (Article 47(1), Rule 30(2)(b))

13b. Fee for the renewal of each class of goods and services exceeding three for an individual mark (Article 47(1), Rule 30(2)(b))

EUR 300

14. Basic fee for the renewal of a collective mark (Article 47(1) and Article 66(3), Rule 30(2)(a) and Rule 42)

EUR 1 275

15. Fee for the renewal of the second class of goods and services for a collective mark (Article 47(1) and Article 66(3), Rule 30(2)(b) and Rule 42)

EUR 100

15a. Fee for the renewal of the third class of goods and services for a collective mark (Article 47(1) and Article 66(3), Rule 30(2)(b) and Rule 42)

EUR 150

15b. Fee for the renewal of each class of goods and services

EUR 300
exceeding three for a collective mark (Article 47(1) and Article 66(3), Rule 30(2)(b) and Rule 42)

16. Additional fee for late payment of the renewal fee or late submission of the request for renewal (Article 47(3), Rule 30(2)(c))

25% of the belated renewal fee, subject to a maximum of EUR 1 150

17. Fee for the application for revocation or for a declaration of invalidity (Article 56(2), Rule 39(1))

EUR 700

18. Appeal fee (Article 60, Rule 49(3))

EUR 800

19. Fee for the application for restitutio in integrum (Article 81(3))

EUR 200

20. Fee for the application for the conversion of a European Union trade mark application or a European Union trade mark (Article 113(1), also in conjunction with Article 159(1); Rule 45(2), also in conjunction

EUR 200
with Rule 123(2))

(a) into a national trade mark application

(b) into a designation of Member States under the Madrid Agreement

21. Fee for continuation of proceedings (Article 82(1))

**EUR 400**

22. Fee for the declaration of division of a registered European Union trade mark (Article 49(4)) or an application for a European Union trade mark (Article 44(4)):

**EUR 250**

Fee for the application for the registration of a licence or another right in respect of a registered European Union trade mark (Article 162(2)(c), Rule 33(2)) or an application for a European Union trade mark (Article 157(2)(d), Rule 33(4)):

EUR 200 per registration, but, where multiple requests are submitted in the same application or at the same time, not to exceed a total of EUR 1 000

(a) grant of a licence;
(b) transfer of a licence;
(c) creation of a right in rem;
(d) transfer of a right in rem;
(e) levy of execution;

24. Fee for the cancellation of the registration of a licence or other right (Article 162(2)(e), Rule 35(3)) EUR 200 per cancellation, but, where multiple requests are submitted in the same application or at the same time, not to exceed a total of EUR 1 000

25. Fee for the alteration of a registered European Union trade mark (Article 162(2)(f), Rule 25(2)) EUR 200

26. Fee for the issue of a copy of the application for a European Union trade mark (Article 162(2)(j), Rule 89 (5)), a copy of the certificate of registration (Article 162(2)(b), Rule 24(2)), or an extract from the register (Article 162(2)(g), Rule 84(6)): 
(a) uncertified copy or extract; EUR 10
(b) certified copy or extract EUR 30

27. Fee for the inspection of the files (Article 162 (2)(h), Rule 89 (1)) EUR 30

28. Fee for the issue of copies of file documents
   (Article 162(2)(i), Rule 89(5));
   (a) uncertified copy; EUR 10
   (b) certified copy, EUR30

   plus per page, exceeding 10 EUR 1

29. Fee for the communication of information in a file (Article 162(2)(k), Rule 90) EUR 10

30. Fee for the review of the determination of the procedural costs to be refunded (Article 162(2)(l), Rule 94 (4)) EUR 100

31. Fee for the filing of an international application at the Agency (Article 147(5)) EUR 300

Or. en
Justification

The fees structure is an important element of the EU trade mark system. The table contained in Regulation (EC) No 2869/95 (including the Commission's proposals for changes and updated references) is hence incorporated into Regulation (EC) No 207/2009. The decision whether the other provisions contained in Regulation (EC) No 2869/95 should be incorporated into Regulation (EC) No 207/2009 or regulated by delegated acts will be taken in the framework of the procedure in accordance with Rule 37a.

Amendment 68

Proposal for a regulation
Article 1 – point 127
Regulation (EC) No 207/2009
Article 165 a – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. By 2019, and every five years thereafter, the Commission shall commission an evaluation on the implementation of this Regulation.</td>
<td>1. By 2019, and every five years thereafter, the Commission shall evaluate the implementation of this Regulation.</td>
</tr>
</tbody>
</table>

Or. en

Justification

The Commission should be responsible for the evaluation and should be able to choose whether to carry out the evaluation itself or whether to commission an evaluation.

Amendment 69

Proposal for a regulation
Article 1 a (new)
Regulation (EC) No 2868/95

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
</table>
| Article 1a
Regulation (EC) No 2868/95 is amended as follows:
(1) Rule 4 is deleted;
(2) Rule 30(2) is deleted. | |

Or. en
Justification

As the structure of fees is to be directly regulated in the Regulation, the relevant Rules of Regulation (EC) No 2869/95 concerning fees have to be repealed. Related to the amendments on Article 26(2) and Article 47(1a).

Amendment 70

Proposal for a regulation
Article 1b (new)
Regulation (EC) No 2869/95

Text proposed by the Commission

Amendment

Article 1b

Regulation (EC) No 2869/95 is repealed.
References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in the Annex.

Or. en

Justification

As the fees structure is to be directly regulated in the Regulation, Regulation (EC) No 2869/95 concerning fees has to be repealed. The decision whether the provisions contained in Regulation (EC) No 2869/95 that do not concern the amount of fees should be incorporated into Regulation (EC) No 207/2009 or regulated by delegated acts will be taken in the framework of the procedure in accordance with Rule 37a.
EXPLANATORY STATEMENT

The long-awaited proposal for a review of the trade mark system in Europe was presented by the Commission in late March 2013 after having worked on the proposal over a period of several years. Your rapporteur is committed to working hard in order to adopt these proposals during the current legislature but wants to remind that the limited time available will not make this an easy task. The quality of the legislative process can not be compromised with and the opportunity that this revision presents to modernise the trade mark system in Europe should not be lost in order to arrive at an expedient agreement between the institutions. Nevertheless, your rapporteur has received broad support in the committee for legal affairs for an ambitious time table. The limited time that has been available to draft this report in the light of this time table will imply that this report covers most of the main issues where there is need of amendments on the commission proposal. However, your rapporteur reserves the right to come back at a later stage with additional amendments and proposals on topics that have not been included in this report.

Summary

The community trade mark system and OHIM has existed for over 15 years and it is reasonable to do a review of the existing rules to improve a system which has been a great success. During these years OHIM has grown into a well functioning and effective agency with a clear view of its mission to assist the trade mark and design community in Europe. The addition of new tasks such as the Observatory on infringements of intellectual property rights and the databases on orphan works is a proof of the trust placed in the Agency both by the co-legislators and by the commission.

The current review requires, in the view of your rapporteur, that changes to the governance of OHIM be made with a view to guaranteeing the continued independence, user-friendliness and competence that has characterised the Agency so far.

It is important to note that the Agency is neither purely a Member State, Commission nor Parliament agency but an agency of the European Union. As such some changes to the governance, notably through the guidance offered by the Common Approach on Decentralised Agencies, should be made.

The issue of the fees for European trade marks ties in closely with the capacity of the Agency to perform its duties. Here your rapporteur will thus argue that this is an issue so closely related with the core governance of the Agency and the capacity of the Agency to perform its tasks that it must be regulated in the basic act rather than through a delegated act.

On substantive law matters the Commission has proposed a number of changes, most of which your rapporteur agrees with, although there is still room for improvements.

The name of the Agency

Your rapporteur notes that the current name of the Agency, "Office for Harmonization in the Internal Market", is well known and established among the trade marks community in Europe and beyond. It is however not a name that is particularly logical for anyone without prior
knowledge of the office seeking to register a trade mark or a design. The current revision would thus seem to be a good opportunity to rename the Agency. The name proposed by the Commission ("European Union Trade Marks and Designs Agency") does not however cover the broad range of tasks entrusted with the Agency. The Agency already hosts the Observatory on infringements of intellectual property rights as well as the register of recognised orphan works. In the future one could also envisage additional functions, such as the registration of geographical indicators and possible tasks in connection with the upcoming legislative proposal on the protection of trade secrets, being added to the tasks of the Agency. It would therefore be useful to find an appropriate long-term name for the Agency that can stand the test of time while giving clarity to the users on its tasks. Your rapporteur therefore proposes to rename the Agency the "European Union Intellectual Property Agency".

Definitions

Your rapporteur suggests a slight change to the Commission proposal on the terminology in the definitions. Rather than changing the name from "Community" trade marks to "European" trade marks they should be called "European Union" trade marks. The main reason for this is that the term "European Union" more accurately describes the territorial area of protection. It should also be noted that the use of the term "European" for example in the realm of patents refers to a bundle of national rights (now extended to European patents with unitary effect). As the Community trade mark is an EU title it would be advisable to name it accordingly.

Governance related issues

The governance of the Agency in charge of registering trademarks is obviously a very important part of this legislative package. Although the Commission has generally presented good proposals in this area there is need for important calibration on a number of points.

- Composition of the Management board

The Common Approach provides for representatives of Member States, Commission and the European Parliament in the management boards of agencies. However the Commission in its proposal omitted the European Parliament from the management board. Your rapporteur suggests correcting this in accordance with the provisions of the Common Approach.

- Executive Board

The Common Approach gives the possibility to include an executive board in management boards of agencies in cases where this promises more efficiency. There does however not seem to be any concrete evidence that such an extra level of administrative bureaucracy would add efficiency in this case. Your rapporteur therefore suggests deleting the addition of an executive board.

- Selection of the Executive Director of the Agency (and deputies)

The Commission has proposed that the executive director should be elected by the management board from a list of candidates by the commission. Your rapporteur does not agree with giving the Commission a veto-power over any names to be proposed to the post and considers that the management board should have its internal pre-selection committee
composed of members from all three institutions to present a list of at least three candidates to the full board. Similarly your rapporteur proposes that the proposed veto-right for the commission on the re-appointment of the executive director be abolished.

**Cooperation projects between the Agency and Member States**

Your rapporteur agrees in principle with the proposals from the Commission in this area, with a number of changes to increase flexibility. The list of areas in which projects can be concluded should for example not be exhaustive but open ended to allow for projects in areas not foreseen during the drafting process. The active participation of users should also be clearly guaranteed. Whilst sharing the Commission view that all member states should participate in the projects, it would seem reasonable not to force Member States to adopt outcomes of common projects in cases where Member States are of the view that they already have better systems or measures in place. In fact, such an approach may reduce the number of possible cooperation projects if member states would block others from participating in projects for fear of having to adopt the outcome.

**Fees**

The commission has proposed that the fees be regulated by the use of delegated acts. Under the current Regulation they are set in a Commission implementing regulation adopted in comitology. The fees applied for the union trade mark system represent a central aspect to the functioning of the entire European trade mark system. Since the start of the system these fees have only been revised twice, after significant political debates. It would thus be inappropriate to set these fees in a delegated act and it would also be inappropriate to do so in an implementing act, which leads your rapporteur to the conclusion that the fees have to be set in the basic act. In order to make this rather complex change to the proposal your rapporteur has included the current implementing regulation along with the proposals for amending this act proposed in the comitology procedure by the Commission in the regulation. This should not be seen as an implicit endorsement of all aspects of this proposal and your rapporteur reserves the right to come back with specific amendments in this regard.

Further in relation to fees your rapporteur is of the opinion that fees collected by the Agency should neither serve to finance the national system (or indeed general budgets) of Member States nor the general budget of the European Union. The income of the Agency should rather be reinvested to guarantee the excellence of the Agency, and secondly to promote projects that will promote harmonization, convergence and excellence of IP protection in Europe.

**Delegated acts**

Your rapporteur notes that there are a large number of delegated acts in the proposal from the Commission. It seems rather clear that a number of these go beyond what should be acceptable as delegated acts, not least taking into account that the subject-matters and scope of many of the suggested delegations touch upon essential elements and give the Commission a much too wide margin for appreciation. This concerns the proposed Recitals 24-26, 29, 31-34, 36, 38 and 44-46, and Articles 24a, 35a, 39, 45a, 49a, 57a, 65a, 74a, 74k, 79, 79a, 83, 89, 93a, 114, 114a, 128, 144a, 145, 161a and 163a.
Instead of dealing with these issues already in this report your rapporteur suggests to handle them according to the procedure in Rule 37a whereby the Legal Affairs Committee would prepare an opinion on the objectives, content, scope and duration of the delegations, and to the conditions to which they are subject. Such an opinion should also analyse the consequences of transferring the substance of the Commission implementing regulation on fees to the basic act, as outlined above, as well as other implementing measures previously taken on the basis of the Regulation.

**Enforcement measures**

The Commission has proposed to introduce a provision on imports where only the consignor acts for commercial purposes and where the recipient is for example an individual citizen. Given the need to stop counterfeits the provision is welcome but it should be limited to counterfeit products.

The Commission has furthermore proposed a provision on goods in transit. Although there is a need to stop counterfeit products entering the Internal Market, the proposal would also hamper legitimate international trade. Your rapporteur would therefore suggest a number of changes in order to ensure a more balanced proposal.