ECTA’s reply to the Questionnaire on TM functioning in the EU for the Max Planck Institute
16 February 2010

1. **To what extent has the Trade Mark Directive (TMD) achieved the objective of creating a single market by removing barriers to free movement and competition?**

ECTA considers that the objective of the First TMD was not a full scale harmonisation of the laws of the Member States, but the approximation of those national provisions of law which were considered to most directly affect the functioning of the internal market, that is:

- the definition of signs acceptable as trade marks;
- the list of grounds for refusal or invalidity;
- the scope of rights conferred by a trade mark and respective limitations;
- exhaustion of rights;
- licensing;
- the use of trade marks and sanctions for non-use;
- the grounds for revocation or invalidity;
- certain provisions on collective, guarantee and certification marks.

The TMD did not interfere in a considerable number of areas in which Member States were free to legislate. Among those areas are the following:

- trade marks acquired through use;
- procedural provisions (including, for example, freedom to determine whether an ex officio examination is carried out, or whether opposition proceedings are available or not);
- provisions on unfair competition, civil liability or consumer protection;
- the conditions for obtaining and continuing to hold a trade mark (e.g. eligibility for the grant, renewal, fees);
- extensive protection for marks which have a reputation.

The TMD has achieved the majority of its objectives. In the aspects deemed to most directly affect the functioning of the internal market, the national trade mark legislation of the Member States are basically identical or substantially the same.

As a consequence of the implementation of the TMD, all the national trade mark systems in the European Union now share the same basic principles and therefore the Directive has contributed to the creation of a single market.

Further, the application and construction of the CTM Regulation provisions, in particular by the OHIM (Boards of Appeal) and the ECJ, became an additional source of guidance for interpretation of national laws both by national trade mark offices and national courts and caused an “indirect” approximation of the practice in the Member States.
The objective of the TMD to achieve homogenous conditions for acquiring a trade mark right both at national or Community level has been achieved only in part, since, in spite of national trade mark laws being harmonized, in some aspects, there are still important differences in the trade mark practices of the EU Member States.

ECTA considers that it is desirable that some of those practices are harmonized by means which are mentioned below, in such a way that the users of the system can deal with similar practices, regardless of the countries of interest to them.

2. To what extent is there a need for further legislative approximation of Members States' national trade mark systems within the current scope of the TMD?

ECTA is aware that some sectors consider that it would be premature and undesirable to propose further harmonisation measures until greater harmonisation is achieved in practice on the concepts of the current Directive, especially considering that the EU is formed by 27 Member States, many of which have joined the EU recently and are not accustomed to a market economy. Consequently, it would be necessary to guarantee that the initial harmonisation steps are consolidated properly, before taking further steps.

Nevertheless, ECTA is also aware that some of the users consider, on the contrary, that, for optimal harmonisation of the systems, the national systems should be aligned and harmonised further – notably - in such a way as to minimise any differences subsisting between countries, namely by creating identical procedures and forms, and establishing the same absolute and relative grounds of refusal or invalidity. This would make the clearance and protection of trade marks easier, more efficient and more accessible. Such a change should create a further alignment amongst the bodies dealing with trade mark matters, including but not limited to the national and supra-national trade mark offices and the courts. Such users of the European trade mark systems would like to benefit from finding the same legal requirements and practices in all countries regardless of the body they are dealing with.

ECTA considers that some degree of further harmonisation could be accomplished from now on by harmonizing at least some of the provisions which are optional according to the Directive so that they would be in line with those of the Community Trade Mark Regulation (CTMR), in such a way as to minimise some differences between the laws and practices of the Member States. Such harmonisation would make the clearance and protection of trade marks easier, more efficient and more accessible.

Optional provisions relating to the grounds of refusal and invalidity in the TMD should be avoided or reduced.

Some of the optional provisions could be converted into compulsory rules because they are also foreseen as general rules in the CTMR. This is the case for Article 3/2/d concerning bad faith applications, for Article 3/3 concerning distinctive character acquired after registration and Article 4/3/a which has as its object the protection of national trade marks with reputation.

The TMD has failed “to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them” (TMD recitals). Among other factors, the growth of the total number of registered marks
(including Community and national trade marks) results from the lack of effectiveness of the use requirement.

Under the TMD framework, there is no real and effective sanction for not using a registered mark during a period of 5 consecutive years. In practical and legal terms a sanction may only arise if and when a third party starts a revocation action. The control of this requirement is in practice, dependent upon the initiative and will of third parties. A growing number of non used trade mark registrations constitute a serious problem in terms of legal certainty for those wishing to use and acquire rights over new distinctive signs in their area of business activity.

This problem has increased with the CTM system (as a result of factors such as application and registration fees being greatly reduced while revocation and opposition remaining unchanged).

Further legislative instruments would be necessary to address this problem within the community trade mark system (through regulation) and at national level (through directive).

3. **To what extent is there a need for further legislative approximation of Members States' national trade mark systems beyond the current scope of the TMD?**

ECTA is aware that many of the users consider it would be advisable to harmonize proceedings before the different offices, the courts and other entities dealing with trade mark related matters.

As a consequence users would benefit from a simplification of proceedings, especially if the rules and practices were harmonized and became similar regardless of the country or the system used. National trade mark proceedings could be as similar as possible with respect to absolute grounds, opposition and cancellation proceedings. There is also room for harmonisation so far as examination by national offices is concerned, considering that some of them conduct ex officio examination on relative grounds, while others do not.

The same applies to opposition proceedings, given evidence of use is required for opposition proceedings in some countries, but not in others.

Use of class headings and corresponding interpretation by the different offices and courts should follow the same rules.

The establishment and use of agreed databases updated as and when required, would likewise help applicants and increase predictability, while shortening processing times.

Although procedural matters were not the object of the TMD, provisions aiming at clearing the register, for example by removing non used marks, or enforcing registered rights should be considered.

The possibility to deal with trade mark conflicts at administrative level instead of having to submit them to (long and costly) judicial proceedings would certainly be a relevant advantage for trade mark holders, in particular for SMEs. This would be much more time efficient and also significantly less expensive for trade mark owners.
An approximation of national laws with regard to administrative procedures, such as opposition and revocation, would improve the legal and administrative environment throughout the EU, in particular for SMEs.

It would therefore be in the interest of the users of the trade mark system that all Member States provided at least for opposition and revocation proceedings at administrative level. The availability to these type of procedures should be made compulsory and the principles set out in article 62(4) and (5) of the TRIPS Agreement should be implemented in harmonized national legislation.

Further legislative approximation of Member States’ national trade mark systems could help to un-clutter the OHIM register (and the national trade mark registers), if class headings are no longer accepted and applicants are requested to limit the specification of goods/services to those items for which the applicants have a bona fide intent to use (but without going into a proof of use based system).

In order to make the system more transparent, it would be useful to have a single repository for all decisions of the CTM courts. OHIM aims to gather all the decisions from the CTM courts, but it would be useful if the CTM courts were obliged to build up the repository that OHIM has started. Only when all these decisions are available, will it be possible to have consistent decisions. Otherwise it is not possible to even know if they are inconsistent.

Further legislative approximation of Member States’ national trade mark systems could also help to enhance consistency of trade mark decisions from examiners, opposition/cancellation divisions and appeal bodies across the EU.

Discrepancies may occur in administrative proceedings and also in court proceedings, but in court proceedings there are some rules to avoid such discrepancies (at least in relation to earlier rights, according to Article 109 of the CTM Regulation - ‘Simultaneous and successive civil actions on the basis of Community trade marks and national trade marks’); similar rules to Article 109 of the CTM Regulation could be implemented to avoid contradictory decisions at the administrative level in relation to relative grounds of refusal.

4. **To what extent do stakeholders see a need for Trade Mark Office Practices becoming more consistent?**

It is generally recognized that the possibility of using several national systems in a very similar way would bring considerable advantages for the users, in particular for SMEs.

It has also been observed that in the next few years there will be a constant need for increased consistency amongst the offices operating in the EU.

The essential areas where the Trade Mark Offices should be consistent and comparable with each other are those related to the acquisition of trade mark rights, including the following:

- availability of online databases,
- availability of electronic filing facilities,
- classification of goods and services,
• grounds for refusal or invalidity, including
  - absolute grounds of refusal (distinctiveness) and
  - relative grounds of refusal (likelihood of confusion)
  - non use,
• well-known character and
• opposition procedures.

Shared databases should be accessible to all stakeholders and include the classification of goods and services, decisions on similarity of goods and services, and others that should be created in common by the offices and maintained and updated by them.

5. How could the cooperation between the OHIM and National Trade Mark Offices (NTMOs) be intensified to achieve a more transparent and consistent Office practice throughout the Community?

ECTA’s belief is that there is a continuous need for increased consistency within the offices and alignment amongst them, so that they would readily move from one system or country to another and propose that National and European laws and practice become fully harmonized, so that users are faced everywhere with the same legal context.

ECTA considers that the coexistence of the CTM and national systems imply differences between them. However, full harmonisation is needed and if not possible, at least for the present, the goal should be to move toward this objective in the medium term.

Furthermore, ECTA recognises that there should be a more positive cooperation between OHIM and the NTMOs. They should work together trying to develop common tools and guidelines in the matters referred in the previous question in order to achieve more transparency and consistency to the system. In this framework, it would be desirable to establish common guidelines on basic topics corresponding to the NTMOs and OHIM’s Guidelines in collaboration with Academia and the NGOs.

6. How are the CTM system and national trade mark systems used by stakeholders?

ECTA considers that the trade mark system in the EU is based on the coexistence of CTMs with national trade mark rights. Such coexistence should be maintained as CTM’s and national trade marks are both necessary and complementary since they have different scopes and are selected according to the trade marks owners’ sizes, their markets and their geographical needs.

ECTA believes, however, that for this ‘free choice’ to function properly, the users should not have to face (even if perhaps minor) differences between the two systems. One should consider allowing applicants, regardless of nationality or domicile, to file directly with any trade mark office of the EU (national and OHIM). This of course would require e-business facilities such as e-filing, e-payment, etc.

ECTA also observes that the costs for clearing, monitoring, maintaining and enforcing trade mark rights in the whole EU via CTMs are considerably higher than the costs for clearing, monitoring, maintaining and enforcing national trade mark rights. Therefore, careful
economic consideration is taken in deciding a filing strategy. Official fees for filing and protection of trade marks are elements to consider, but not the only ones.

In general, some companies rely on national rights for local or national products, sub-brands, slogans in local languages and national packaging, and CTMs for products such as pharmaceutical products which require the approval of the EMEA’s (European Medicines Agency) centralised procedure and any product which has the potential to be marketed in several countries within the EU.

ECTA considers that it is evident that the coexistence between the CTM and national systems should be maintained. It is extremely important that the users can have a free choice between the two systems, in accordance with the economic purpose of each mark, and even for purely linguistic reasons.

However it is not healthy that the two systems are viewed as competitors. They are not and any attempt to create a competition policy of promoting and facilitating access to CTM trade mark registrations runs the risk of leading applicants to use the CTM system for purely national market purposes. This should be avoided, because it is not consistent with the economics of the EU and creates a cluttering effect, which runs against a free and undistorted competition.

ECTA believes that the relation between the CTM system and the national system is unbalanced in many aspects, in particular with regard to fees. Applying the same fee to 1, 2 or 3 classes certainly attracts more applications to the OHIM. In the USPTO and the majority of Trade Mark Offices in Europe the scale of fees is proportional to the number of classes applied for.

Furthermore the three classes rule has the pernicious effect of creating a multiplication of exclusive rights even when these are totally unnecessary from the economic point of view. The three classes rule is an incentive to apply in 1 and two additional classes for the simple reason that it is free. This undermines the function of the trade mark system and creates problems in the availability of trade marks at national level.

In conclusion, the coexistence between the CTM and national systems should be maintained. However, the CTM system should not be used for acquiring and maintaining trade mark rights for purely national market purposes. The three classes rule should be revoked since it has the pernicious effect of creating a multiplication of exclusive rights even when these are totally unnecessary from the economic point of view. With new tools in place, it would be worth considering the establishment of complete and harmonized examination report to the applicant with information on the potential problems with prior trade marks (including national or international registrations) in the CTM registration procedure (e.g. UK Office practice).

7. What should be the role and mission of national offices in the future?

It is generally recognised that the role and mission of national offices should be the same as that for which they were conceived and created, that is mainly the registration including renewals and oppositions of trade marks.

However, some users have been claiming that in the execution of such role and mission significant improvements should be made. All Trade Mark Offices in the EU should aim to
improve their performance so that applications mature more quickly to registration and decisions (in opposition, invalidity, revocation and appeal proceedings) are consistent, sufficiently grounded and fast.

Users consider that a fast and efficient execution of the main task of a Trade Mark Office to deliver a title is needed, to enable trade mark owners to a) register their products/trade marks with customs and b) take court action to defend their products/trade marks whenever required.

Trade Mark Offices and other competent authorities should:

- continue to improve in reliability and predictability, speed and efficacy;
- process files for applications and registrations under the Madrid system;
- assist those users who want to file their CTM via their national office;
- establish or maintain the so-called "seniority databases";
- streamline the CTM conversion process, so that the same rules apply in all Member States;
- issue statements/declarations of grant for Madrid designations;
- maintain their databases up-to-date and use a common template to facilitate users’ clearance searches (using a common portal such as TMView);
- provide information and assistance to users on trade mark related questions (national and CTM);
- create and maintain up-to-date and easily searchable databases on company names and, if possible, develop tools and/or other databases listing other potential non trade mark prior rights;
- be the "local representative" for organizations such as WIPO, etc;
- relay, promote and assist in their Member State pan-European coordinated IP awareness campaigns.

In other words, Trade Mark Offices must perceive their activities as a function which is essential for users of all sizes operating in their country or jurisdiction.

In the area of enforcement, Trade Mark Offices should continue to excel in the basic and primary (enforcement) role they are intended to play which is to impartially, speedily, and efficiently examine and grant registrations and deal with conflicts amongst trade mark and related rights by handling opposition proceedings, cancellation and invalidation requests, in a timely and cost efficient manner.

In the anti-counterfeiting area, they should (continue to) promptly provide information to the Customs Authorities whenever requested, best done by permitting controlled on-line access to their trade mark databases.

Financial autonomy of all offices is of great importance as it provides incentive to seek improvement of services rendered at the best cost / benefit / results ratio. All trade mark offices operating within the EU should have financial autonomy enabling them to set their own fee structure and user representatives should become members of the governing bodies of the offices with a right to vote.

Other users have been claiming that Trade Mark Offices (as well as OHIM) should also be better integrated with WIPO. They consider that it is not logical to see that many national offices still check the wording used to define goods/services for International Registrations despite this already having been checked by WIPO. This is not the most efficient way to
prosecute applications. It would be more efficient for national offices to agree with WIPO, which wordings are acceptable, instead of raising objections to individual applications, which may delay proceedings and increase costs. If national offices decide not to examine the description of goods for International registrations, then the fees for designating those offices should be lower than if a national application is filed directly at the national office.

ECTA agrees that the role and mission of Trade Mark Offices should continue be the same as that for which they were conceived and created. If the principle of coexistence is reinforced and users are stimulated to make a more rational use of the systems, there would be more national trade mark applications and more conversions.

Trade Mark Offices should have the mission to assist enterprises at national level to use IP rights in accordance with national economic and innovation policies. Therefore national offices should not be regarded as sub-agencies of OHIM.

National offices should administer the national and international registration systems and promote the use of IP at national level, namely through training and education. The roles of consultancy or advice to enterprises are not appropriate since national offices are authorities with public powers, which must abide by the impartiality and legality principles.

National offices could fulfil some limited and well defined mission in trade mark enforcement such as opposition and revocation procedures, appeals and expert interventions.

8. To what extent is the option to file a CTM application at the central IP Office of a Member State still appropriate?

ECTA considers that this option will continue to be appropriate for as long as some applicants are not fully conversant with the mechanics of CTM filing. Considering that said system functions to users’ satisfaction, it should be maintained for as long as the option is used. The national offices may play an important role in advising those applicants who feel more comfortable with this system. In addition, even if there is growing consensus among users of the system that, with the e-filing now available at the OHIM, this option no longer seems necessary, it may be advisable to maintain it for cases of system breakdown at OHIM or at the Offices of the applicant.

9. To what extent is the territorial requirement for a CTM to be genuinely used "in the Community" (Art. 15 CTMR), as interpreted in the related Joint Statement by the Council and the Commission of 20 December 1993, still appropriate in view of a Community market now comprising 27 Member States?

The answer to this question is most controversial, as for some of the users of the system the interpretation given by the Joint Statement referred to is appropriate, while others consider it is not.

At this point ECTA is unable to take a unanimous position but in the light of the expertise of its members, ECTA believes it important to list, in the following paragraphs, some of the contrasting arguments. ECTA believes that ultimately the choice is political and should not be taken lightly but only after extensive reviews and debate and having given to all stakeholders the possibility of being heard.
A - The defenders of the interpretation given by said Joint Statement consider that “genuine use within the Community” including manufacture within the EU for export to non-Union countries, continues to be appropriate and should continue to be appropriate in the future subject to guidance from the European Court of Justice (ECJ). On the contrary it would be totally inappropriate to consider the possibility of setting up rules such as “in x number of Member States” as the ultimate aim is the removal of national boundaries and aim for total free movement not only of people but also of goods and services. The Joint Statement of 20 December 1993 – while it should be taken to be “the law” - continues to have reason to exist as, in some cases, use in one Member State may in fact be sufficient to uphold a CTM registration – it is all a question of proper appreciation of circumstances.

Other users have maintained not only that the referred interpretation is still appropriate but added that proving genuine use of a CTM is not an easy matter. Consequently, requiring further evidence of use by adding what would be an undefined phrase, “substantial part of the EU” would be a too heavy and undesirable burden of proof for the CTM owners which would make the system less attractive for its users.

In the same vein, it has also been argued that, in the Ansul case (C–40/01), the Court of Justice clarified that “genuine use” in the TMD was use which reflects the essential function of a trade mark, namely, to act as a guarantee of the identity of origin of the goods or services to the consumer. The same concept should be applied to the CTMR. Then the territorial extent of the use is irrelevant and use in just one country, or use only within a small area in a country, is enough to support use in the whole EU.

B - On the contrary, some users observe that the interpretation of Article 15 CTMR of “genuine use in the Community” cannot be limited by the Joint Statement.

They sustain that it is necessary to interpret said provision in the context of the TMR, in particular considering that, according to Paragraph 6 of the Preamble, (1) the CTM does not replace national trade marks, (2) national trade marks are necessary for those users who do not wish (need) protection of their trade marks at Community level.

If the Community trade mark does not replace national trade marks, this implies that, in order for them to coexist, the conditions for use should be adapted to that coexistence.

On acknowledging coexistence, the Regulation implicitly acknowledges that an undertaking may protect a trade mark in the territory of the European Union:

- with separate national trade marks, one for each Member State (with the exception of trade marks in Benelux, which cover 3 countries), in other words through 25 registrations;

- with a CTM that provides protection in the 27 Member States.

The obligation of use for the owner of national trade marks is the obligation that, in order to maintain a national trade mark in force, he has to make genuine use of his trade mark in each Member State (in Benelux, 1 country is sufficient).

Genuine use in one Member State is not sufficient to maintain the trade mark in another country.
This is justified by the fact that the use obligation is aimed at avoiding unnecessary conflicts on the basis of trade marks that are not used (Preamble of the TMD).

On the basis of the principle of coexistence between national and Community trade marks, there is no justification for the owner of a CTM who only uses it in a part of the Community benefiting from a more favourable treatment than the owner of national trade marks.

If in order to maintain the use of 25 national trade marks which cover the territory of the 27 Member States, it is necessary to make use of them in the 24 respective Member States plus in Benelux, the same requirement should be applied to the owner of a Community trade mark.

Moreover, Article 112(2)(a)) of the CTMR already foresees that the owner of a Community trade mark which makes genuine use of it in one or more countries of the European Union may convert said CTM into national trade marks in those countries, preserving the priority date of the CTM.

In short, the CTMR already foresees in its own wording a congruent system including the interpretation that, in order to maintain a CTM in force, once the five-year term from grant has elapsed, the Community trade mark may only continue to enjoy protection in the entire European Union if the trade mark has been put to genuine use in the Community (interpreted as in each and every one of the territories where protection could alternatively be obtained through national/regional trade marks (24 countries + Benelux). Otherwise, its exclusive right may be maintained only in those territories in which genuine use has taken place, converting it into national/regional trade marks, thus obtaining equal treatment as those owners who have opted for national/regional trade marks.

This interpretation is also in accordance with:

- Paragraph 2 of the Preamble of the CTMR which requires that the CTM “offer similar conditions to those in a national market” and that they are particularly appropriate for identifying goods and services by identical means throughout the entire Community.

- It is established in paragraph 10 of the Preamble of the CTMR that “there is no justification for protecting Community trade marks […] except where the trade marks are actually used.” To allow the owner of a CTM, once the grace period has ended, who is not using the trade mark in a Member State, to prevent the use and registration of that trade mark goes against the objectives of the Community trade mark system and against the objectives of any legal system that establishes the obligation to use registered trade marks and that penalises said non-use with revocation.

- Article 2 of the Paris Convention establishes the principle of equal national treatment. It does not seem to be compatible with this principle to grant greater advantages to owners of Community trade marks over those offered by national trade marks.

- The principle of non-discrimination is also contemplated in TRIPS.

- Finally, to confer preferential treatment to Community trade marks over national/regional trade marks would go against the principle of coexistence established in paragraph 5 of the Preamble of the CTMR as well as against the principle that those who
do not want (use) a trade mark at Community level have national trade marks available to them (see Council EU of 21-22 March 2007).

- Paragraph 2 of the Preamble of the CTMR establishes that the internal market should offer similar conditions to those existing in the national market (they should not be discriminatory) and “that legal conditions must be created which enable undertakings to adapt their activities to the scale of the Community, whether in manufacturing and distributing goods or in providing services." The word "adapt" is the one that justifies that a company may apply for a CTM, although it is not using the trade mark in all the Member States, and it may be protected for a period of 5 years from grant, but that once this period has expired, it should leave that trade mark free in those countries where it is not being used (after 5 or more years), when a third party wishes to adopt it for that territory and, precisely for this reason, the CTMR has foreseen a mechanism for conversion.

On the other hand, in order to be able to acquire the registration of a CTM, it must fulfil the requirements of distinctiveness and validity (absolute and relative grounds) in each and every one of the countries of the EU; it would not make sense to apply a different requirement at the time of evaluating whether it may continue to remain in force, if it fulfils the obligatory use requirement in any of the countries of the EU.

It has been further noticed that the question implies that the 1993 interpretation of genuine use in the Community in the Joint Statement is appropriate. This is not the case, since the interpretation is of no legal value and was never confirmed by the ECJ. Nowadays the Joint Statement declaration would mean that use of a CTM in 0.005% of the territory of the EU (Luxembourg) would be enough to confer an exclusive right against a population of 500 million persons in a territory of over 42 million km2, which is unacceptable.

Although the EU is different constitutionally, historically and economically from the US, taking the US system as an example, might be a valid benchmarking activity. According to US legislation, a trade mark registration there must be used in intrastate commerce. Thus, it would be possible to cancel a US federal registration on the basis that use is limited to within just one State. Of course, it appears that this does not happen often in practice in the modern economy. One must not forget that Congress’s power to regulate commerce is considerable and given the expansion of the Constitutional interpretation of interstate commerce over the years, many operations that are quite local in nature would be engaged in “commerce” within the meaning of the Federal Trade Mark Act, especially when related to services (e.g. local shops and restaurants who serve people from out of state). Also, most manufacturers of goods (even small ones) tend to ship their products across state lines at least to some degree. As such, reaching the minimum requirements for a federal registration is usually not an issue unless the company is truly very small and local or somehow restricted by an industry-specific regulation from offering goods/services outside a single state.

However, if the US approach were to be applied to the current situation in the EU, then there should also be a competitive advantage. As of now, US companies to maintain their trade mark rights in the US must use it, intrastate, while in the EU they could maintain a CTM by using it in just one EU country. If the US system is used as a reference, then a clear and explicit change to the current position in the EU (whereby there is still considerable debate on whether or not use in one country is enough to support use within the EU) should be considered as necessary.
ECTA’s final observation is that, if it is determined that use in one EU country is not sufficient, then the requirement for CTMs should consist in a use within a substantial part of the Community in accordance with the following principles:

1) **Principle of conflict reduction.** One of the TM Directive objectives was to reduce the total number of trade marks registered and protected in the Community and, consequently the number of conflicts which arise between them, through the use requirement and sanctions. Requiring only use in one Member State for maintaining a CTM is inconsistent with this objective.

2) **Principle of free movement of goods/services.** According to the doctrine developed on article 36 of the Treaty, the exercise of trade mark rights must stay within the frame of the specific subject of trade mark protection. In particular, the free movement of goods is not compatible with IP rights where these are a cause for disguised restrictions on trade between Member States. The maintenance of exclusive trade mark rights at community level with use in only one Member State would likely be a disproportionate restriction of trade in the other Member States.

3) **Principle of free and unencumbered competition.** Exclusive rights, among other effects which are positive (incentive to innovation), limit competition. They should not extend beyond what is called for by an actual need of protection. This was one of the arguments against the replacement of national systems and in favour of coexistence between the CTM and the national systems.

ECTA considers that the interpretation given by the Joint Statement to the notion of genuine use in the Community – irrespective of whether it is appropriate or not - was produced, taking into account the number of Member States and the respective territories in 1993 and there is a need of a new definition of genuine use in the Community, taking into account the current and future situation concerning the number of countries of the EU and their respective populations.

Therefore ECTA considers that the interpretation of genuine use in the Community given by said Joint Statement is not appropriate in view of a Community market now comprising 27 Member States and can become even less and less appropriate after further enlargements of the EU.

10. **To what extent does the option of claiming seniority of a national trade mark still match the needs of users?**

ECTA believes that, for some users of the system, the option of claiming seniority of a national right continues to correspond to these users’ needs. The number of claimed seniorities may be declining, as, by now, fewer right holders own prior national rights which could be claimed in a CTM, as these days, many of them opt directly for the CTM when establishing their filing strategy for a new brand. The original popularity of the seniority claim system can, inter alia, be linked to the large number of national rights that did not have access to the Madrid system and, frequently in the early years of the existence of the CTM system, wanted to consolidate their various national rights into one registration to achieve portfolio management simplification. These owners continue to avail themselves of the seniority system at each enlargement of the EU. Also, trade mark owners who have not yet claimed their seniority rights should continue to have the possibility to do so in the future.
However, ECTA is to some extent concerned by the legal uncertainty surrounding the practicalities of enforcing their rights stemming from national registrations for which seniority has been claimed in a CTM and where such national rights have not been maintained. Consequently, they consider that the TMD and other relevant legal texts at all levels should be amended to provide for legal certainty in this respect. The establishment and maintenance of the so-called ‘seniority databases’ in the Member States could be the first step in this direction.

ECTA must also point out that the right to claim seniority, which was not foreseen in the initial proposals of the CMTR, is exceptional in trade mark law. It also seems somewhat at odds with the principle of the CTM unitary character since, as result of a seniority claim, the CTM may have different effects, in terms of priority dates and scope of rights, in various Member States.

Seniority also deviates from the principle of coexistence to the extent that it creates an incentive for replacing national marks by CTMs.

Finally, seniority brings legal uncertainty to users (although not to an intolerable degree) to the extent that (i) the CTM application date may be deceiving for interested parties with regard to some countries, as seniority may be claimed at any time, even after the CTM registration and (ii) legal consequences of seniority are not clear, namely, as to what should happen when national registrations are abandoned, whether conversion is possible, etc.

An additional source of legal uncertainty for third parties is the fact that Article 14 of the TMD, which provides for the possibility of invalidity or revocation of an expired trade mark registration, although a compulsory provision, has not been implemented in all Member States.

Consequently ECTA feels it appropriate, if seniority is still considered to be an essential CTM feature - even though that it is clear that the attractiveness of the CTM system is not influenced by it -, to review and further develop the system and its modalities in order to avoid legal uncertainties.

11. **To what extent should seniority claims be verified by the OHIM in future?**

ECTA considers that, as far as the present is concerned, seniority claims should not be examined by OHIM. The rules for claiming seniority are very clear and trade mark owners should bear the burden of verifying the identity of the trade mark, goods and services and ownership. OHIM should only record the claim and provide full details of the national rights on its database (including full description of goods, which is currently missing on OHIM’s database).

National offices should keep records of abandoned national trade marks for which seniorities have been claimed. This might be particularly relevant when trying to enforce the national (abandoned) trade marks in court.

On the other hand, the costs of keeping the records by the national offices should come from OHIM’s budget since OHIM will receive the renewal fees of the CTMs for which a seniority claim has been made.
However, if there was a clear and commonly shared desire to achieve a manageable and effective (i.e. without affecting the operations and functionality of OHIM) examination of seniority claims:
- it is desirable that determination of the relevant priority or seniority dates – which is at the heart of any public trade mark registration system - should not be only left to the discussion of parties (in litigation) without any prima facie determination,
- while enforceability of the seniority rights should be left to the courts to decide,

ECTA believes it would be essential that all Member States join TMView with all registries accessible to users, so that office staff and users can check the data provided by the applicant, regardless of the level of examination (if any at all).

This said, if full examination were adopted, ECTA considers that it should be specified exactly what the examination should consist of. In general terms, ECTA believes OHIM should verify whether the data concerning the national rights are correct, before recording the seniority claim. Such an examination should include, first of all, the relevant seniority date, considering that it is at the heart of the trade mark registration system. It should not be left to the discussion of the parties. Such examination should also include the verification of the goods and services claimed.

12. To what extent are national offices contributing to the overall functioning of the CTM system?

It seems to ECTA that a dispassionate look at the last 15 years of concurrent operations of national offices vis-à-vis OHIM shows that there is no valuable contribution by the former to the latter and national offices do not really contribute to the overall functioning of the CTM system (save for providing information concerning the CTM system internally and transmitting CTM applications to the OHIM and acting on conversion requests).

The national systems and the CTM system run in parallel, their only real overlap being seniority. In relation to seniority, national offices need to be more rigorous about maintaining records where seniority has been claimed, and the national mark as such continues to exist under the umbrella of the Community mark.

However, ECTA recognizes that national offices have done more for the OHIM than vice versa. As mentioned above, national offices have helped the functioning of the system, by acting on conversion requests and providing information to national users. In addition, since more or less half of the national offices in the EU have ex officio examination systems (and almost all NTMOs have opposition proceedings), the fact that such offices effectively search, cite and, of course, consider CTMs registrations as relative grounds of refusal, it can be said that national offices contribute to the “overall functioning of the CTM system” (although this creates other problems at national level). ECTA cannot assess how important or relevant this contribution is, but it is something which should be stated.
13. **To what extent are the expenses related to these contributions made by national offices covered by payments received from the OHIM budget?**

At present no payments, other than search payments, are made to the national offices by OHIM. It may well be that, if the seniority records are to be maintained, then any cost involved in relation to doing so, should be borne by OHIM, as they receive the renewal fees for each of the trade marks.

14. **In what ways could national offices additionally and valuably contribute to the overall functioning of the CTM system to the benefit of current and potential users?**

ECTA feels that there is a broader issue of harmonisation between national systems and OHIM. There are still a number of member states that apply ex officio examination against prior rights, which create a lot of problems on a national level. A closer harmonisation of approach between national offices and OHIM in relation to registrability would be helpful. OHIM frequently takes a very broad approach, whereas the national offices tend to take a much narrower approach.

It would also be desirable to have one IT platform, or at least a common IT system, – preferably accessible via OHIM’s website - from which the data and decisions (including refusals for absolute grounds) concerning all national TM and CTM registrations/applications could be retrieved, preferably also translated into one of OHIM’s most frequently used official languages.

15. **What could be the benefits both for the OHIM and users of the CTM system to have the half of the renewal fees revenue going to Member States’ national offices? What are possible disadvantages?**

ECTA is unable at this moment to determine whether or not to set an arbitrary amount as being the percentage of renewal fees which should go to Member States’ national offices is appropriate. ECTA does believe that national offices should be recompensed for work which they do which supports the CTM system, for example, maintaining registrations and details of marks for which seniority has been claimed. Even though national systems and the CTM system (should) run in parallel, they are still intertwined and the good functioning of the latter depends on the former (see for instance the answer to Q12).

However, since trade mark rights are essentially the same and their function does not change according to the source of the registration (i.e. national v. CTM), ECTA believes that surplus revenues might be used by the national offices, provided the funds which are transferred aim to improve, update, ameliorate and increase the performance and the effectiveness of national offices, because it ultimately benefits the users and their trade mark rights.
16. **How and to which extent could it be ensured that these transferred funds are available to Member States' national offices and really used for the trade mark related purposes concerned?**

ECTA believes that, if money is to be transferred to the national offices of Member States, that money should be ring-fenced for use by the national office, and not merely be assimilated into the general operating fund of a Member State.

17. **What would be an appropriate key for distributing 50% of OHIM’s renewal fees to the individual Member States?**

Any distribution of renewal fees should not only be dependent on the cost of services provided via the Member State national office and on the need for the Office to increase its performance, but also on a overall assessment of cost benefit analysis (for example how much it costs to the overall TM system in the EU that one National Office database is not regularly updated, or has poor efficiency in delivering documents/decisions or suffers from a lack technological infrastructure).

18. **To what extent is the required capability of being represented graphically still a relevant and appropriate requirement for a sign to qualify as a trade mark with regard to non traditional trade marks? What could be appropriate alternative requirements to establish instead of it?**

ECTA is aware of the continuous development of electronic tools which would surely allow the possibility to file, show and also record signs which are, at this moment, difficult or impossible to reproduce graphically and their introduction would surely be appreciated and welcomed.

However ECTA is conscious that a caravan is as fast as the slowest of its camels and thus, unless all EU national offices are brought up to the same technological level, with the same machines and equipment, the consequences of abolishing the capability to be graphically represented would create a situation of unpredictability which creates more costs and inefficiencies.

In light of the above considerations, until a sufficient level of technology is common among all national offices, given that if a mark cannot be represented graphically, it is virtually impossible for such a mark to be searched in any meaningful way, and since searches are essential to have legal certainty about the risks involved in adopting a new mark, to identify new applications for opposition purposes, to avoid litigation and to allow users to reasonably allocate resources in their marketing efforts, ECTA believes that the requirement for the mark to be represented graphically should, for the time being, be maintained.
19. Does the definition of the rights conferred upon proprietors in case of infringements still satisfy current need?

ECTA is satisfied with the current definitions of right. However, if a comprehensive reassessment is undertaken, there is space for improvement in protection of distinctive packaging against copying and look-alikes.

20. Is there a need to align the customs seizure sanctions with the civil sanctions, in particular in case of import, export, and transit transactions?

ECTA believes that counterfeit goods should be dealt with under the appropriate directive, and it should be easier to arrange for customs to seize and destroy counterfeit goods, whereas claims in relation to infringement should be dealt with through the civil courts where issues are not clear cut.

ECTA notes that, also as a result of the ECJ case law, there is need for a better clarification and harmonisation concerning seizure of goods by customs in relation to transit goods on a national level. However, the definition of how to deal with goods in transit should be precisely defined so as to avoid abuses and partitioning of the internal market.

21. Should the CTMR include the same sanctions, in accordance with the Directive 2004/84/EC on the enforcement of IP rights, as are made available for the infringement of national IP rights?

ECTA observes that enforcement of IP rights in Member States in some circumstances extends beyond those provided for in the CTMR. This is particularly the case in relation to common law rights. There may be an argument for strengthening certain common law rights in some jurisdictions, and in particular to considering whether there should be a harmonized law of unfair competition, although care should be exercised since a multiplication of rights might be detrimental to and diminish the competiveness of the common market.

The national provisions for sanctions are very different (even if they were harmonized with the Directive) and it will be difficult to reach a common denominator.

22. To what extent does OHIM’s practice of encouraging list of goods and services corresponding to the headings of the Nice classification system meet the business needs of applicants with a view to the objective of avoiding unnecessarily broad specifications of goods and services?

ECTA considers that use of the class headings for lists of goods and services by OHIM may in certain circumstances lead to unnecessarily broad specifications, and to registration of marks for goods and services for which the applicant has no intention of using, creating artificial barriers to the entry or to the development of economical projects by competitors.

ECTA would favour a more limited approach to specification of goods and services by OHIM as well as a more harmonized practice among the Member States. However, while a deeper study of all circumstances might be required to determine if a full proof of use based
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system as in the US could also be adopted to give companies and users a prima facie
evidence of validity, ECTA observes that a more rigorous discipline on use and proof of use
would definitely make clearance work much easier and increase the possibilities to
challenge non-used registrations.

23. **To what extent should priority claims be verified by the OHIM in future?**

ECTA believes that the priority system must be able to offer guarantees of credibility and
legal certainty. Priority (and perhaps seniority) claims should be verified at least to the
extent that it is clear for which goods or services the priority has been claimed correctly.
Only by doing so is it possible for adversarial proceedings to be avoided.

Thus, and thinking primarily of third parties, and for avoiding adversarial proceedings on
this matter, it is important that priority claims be verified by the OHIM. Only after such
verification can potential applicants search the register and obtain correct information about
earlier rights. This verification could and should be made without increasing bureaucracy or
lengthening deadlines.

24. **To what extent are users satisfied with the granted level of success to trade
mark protection?**

ECTA believes that in general terms the system functions reasonably well. An effort has
been made and some positive results have been achieved with respect to the delays in
registration, but the duration of the proceedings could still be reduced, without involving a
reduction of the current time limits, adequate for the defence of the interest of the parties
concerned. Additionally, considering the liberal practice on device marks, which apparently
allows marks that have any kind of device element to be registered on the one hand and
the sometimes surprisingly strict refusal of word marks on the other, there is an arbitrary
and unpredictable nature of the decisions. This makes it almost impossible to accurately
predict the chances for registration and this is an issue which is extremely important for
users, since predictability of results is essential to properly execute business plans.

25. **To what extend does the examination practice of OHIM meet users’
expectations of providing for certainty and the resulting CTM registrations are
entitled to a presumption of validity?**

ECTA believes that the current system is inevitably bound not to insure a strong
presumption of validity, apart and separate from the quality control mechanism established
by the OHIM.

In a system like the current one, in which there is only an examination by the Office on
absolute grounds, OHIM can only offer guarantees with respect to the conformity of the
trade mark in terms of distinctive character. Regarding the validity of trade marks in relative
terms, it is important that users and third parties are conscious of the potential invalidity of
the trade mark.

The quality control mechanism can be improved to optimize the user’s expectation.
While ECTA is not prepared at this moment to endorse proposing the adoption of a full ex-officio trade mark examination process which would include “relative grounds”, as a way to increase the certainty of registration, reduce the number of oppositions and invalidity actions, and the delays to obtaining a final decision, minimising the expenses attached thereto, ECTA believes that the issue should be further studied and analyzed.

26. To what extent does the examination practice of OHIM meet users’ expectations of consistency in examination for formal deficiencies, such as classification, or in examination for absolute and relative grounds, at the various levels of OHIM activity (examination, opposition, cancellation, appeal)?

ECTA notes that currently, OHIM does not perform examination in respect to the relative grounds, but only adjudicates oppositions/invalidations and it does so in an adversarial procedure, not from an ex officio point of view.

It is generally considered – and in most cases justifiably so – that there is a lack of flexibility on the part of OHIM in relation to formal deficiencies. There are many cases where deficiencies that are almost irrelevant or easily rectifiable are used to bring the proceedings to a conclusion. This happens not only at the examination stage, but also during the opposition phase. Curiously, the rules of OHIM only apply to users, as deficiencies or oversights on the part of OHIM are easily remedied by means of communications which starts with the (now familiar) words “Please disregard our communication of...”

The examination practice of OHIM should focus as well on improving the consistency of its decisions.

27. Is there a need for clarifying the territorial scope in respect of which acquired distinctiveness must be shown and, if yes, what would be an appropriate solution?

ECTA considers it important to have a legislative clarification of the territorial scope in respect of which acquired distinctiveness of a CTM (but also use and proof or renown thereof) must be shown.

A possible solution might be to ask the applicant who claims distinctiveness to provide proof of acquired distinctiveness of use and evidence of distinctiveness.

Distinctiveness must exist throughout the territory in which the trade mark is to be registered or in which there is no objection. This is a serious problem for the CTM, taking into consideration that the territories are in the multicultural Europe, where a word or figurative mark may be distinctive in part of the EU but descriptive or non distinctive in other countries.

The question is whether it would be advisable to accept the partial distinctiveness on a geographical basis.

ECTA realizes that acquisition of distinctiveness is one of the most difficult issues to deal with under the Community system. It is believed that it is generally agreed that proof of acquired distinctiveness in each and every one of the EU Member States could not be required. A system which limits the requirement to a single country could also lead to
incomprehensible situations. Thus, the Examiners and appeal bodies should be permitted to assess this issue on a case-by-case basis.

In any case ECTA believes that (any) solution to this issue should coordinated and not contradictory to the use and proof of renown issues and the availability of legal remedies in these cases, since after the Pago’s decision the level of uncertainty is quite serious.

28. **Should bad faith be added to the list of absolute grounds for refusal?**

ECTA considers this to be a minor issue. A quick look at the number shows that bad faith is one of the grounds among the less used in invalidation procedures. However, if bad faith were to be added to the list of absolute grounds for refusal, one wonders how OHIM would ever be capable to detect/infer “bad faith” unless there is reliable information from a third party. Perhaps it would make more sense to add it as a ground for opposition.

29. **To what extent has the current system with regard to the user requirement, including the 5 years grace period proved to be efficient and effective to reduce the total number of trade marks protected in the Community, and, consequently, the number of conflicts which arise between them?**

ECTA believes that the 5 years grace period has proved to be efficient and effective for the purposes mentioned in the question, but with the progressive acceleration and rapid turnaround of products/economical activities 5 years are perhaps now too long of a period, since it creates a long period of anticompetitive behaviour. ECTA would support a comprehensive study to determine if 3 years are more in tune and more capable to efficiently meet the needs of trade mark owners in putting the mark into genuine use and of third parties who might want to adopt signs identical or similar to those which are not used. Such study should also examine how to address the legitimate concerns of those industries where regulatory issues are deeply felt, so as to make sure that a reduction of the use period may be counteracted by special provisions if necessary.

In addition ECTA notes that, with regard to the use of the trade mark, the problem is not only length of the grace period, but rather the extent of use and the proof of use. Shortening the grace period from 5 to 3 years would not resolve the problem of the “excess” of CTMs. Since there is no system for the *ex officio* verification of use by the OHIM, the most adequate solution would be either to institute a system of verification or add an “*intent to use*” initiative on the part of trade mark owners and requiring proof of use at the time of renewal.

Finally ECTA also note that the question of the “starting date” of the grace period is harmonised within the TMD.

30. **To what extent has the recently introduced optional search system for national rights proved to be effective and efficient for users?**

ECTA considers that the low level of adoption of the optional system shows that the search system as it previously functioned was/is inefficient. Furthermore, a system, whether optional or not, which does not include all of the Member States, is from the outset of little or no use.
31. To what extent has the mandatory search in the CTM Register proved to be effective and efficient for users?

ECTA believes that the mandatory search in the CTM is surely beneficial, but fulfils only a very small aspect of the search and watch strategies, and, in any case, not the most important.

32. Would users like the OHIM to offer different or additional search services?

ECTA considers that OHIM is the entity competent for granting industrial property rights and its institutional objectives do not include “legal consultancy”. The conducting of prior searches constitutes consultancy work and the Office should not be permitted to offer such services, unless OHIM decides to undertake the role of examining CTM applications for relative grounds.

The scope of a pre-filing, complete search, is nowadays very wide. It includes a trade mark search, domain name search, company name search and design search, if the trade mark is a figurative one, etc., on a EU wide basis (and sometimes even further than that, due to the existence of priority filings in non EU countries), so ECTA doubts that OHIM would ever be able to have access to all the necessary data and to provide a level of analysis which is adequate under the circumstances (also in terms of financial liability for the effectiveness of the results).

ECTA does not think that, at this stage, the above possibility is a cost effective possibility.

33. To what extent has the examination of relative grounds only upon opposition, i.e. not ex officio, proved to be effective and efficient to deal with conflicting earlier trade mark rights?

ECTA considers the system for the assessment of relative grounds being dependent upon opposition as one of the fundamental principles of the CTMR.

However, ECTA reiterates that the ex officio examination on relative grounds, although potentially useful, is at this stage and without further and more in depth study and analysis impractical, as we are dealing with 27 Member States and with a multitude of earlier national rights.

34. To what extent is there support for introducing an option for requesting the accelerated registration of a CTM application against the payment of a higher fee and with opposition occurring thereafter?

ECTA notes that, among its members, there is a growing consensus in favour of introducing an accelerated examination of the application because it makes sense, for example, if the registration certificate is needed for a law suit or for claiming the priority for MMA members.

However the accelerated procedure would have to be granted under the condition that the OHIM is capable and willing to make sure that the examination of the regular applications is
not slowed down (to the contrary it should even be speeded up), that the fee for the accelerated examination is reasonable, and that one does not need to show particular requirements (i.e. no OHIM’s discretionality); a simple request and payment of the fee would be sufficient.

Finally, it must be noted that not only the examination would have to be accelerated, but also the follow-up procedures such as handling of any office objections (to be dealt with within a certain time period (for example, one month for each step) while no changes should be introduced to opposition procedures and time limits.

35. **To what extent has in the users’ view the providing of opposition proceedings before registration (‘pre-registration opposition system’) proved to be effective and efficient to best accommodate the interests of both CTM applicants and holders of earlier rights compared to a post-registration opposition system?**

ECTA acknowledges that there is not a unanimous consensus for or against pre-registration vs. post-registration procedures, although there is from the industry side a predilection for the pre-registration opposition. It should be noted that individuals coming from different EU legal systems may be more accustomed than others to certain kinds of procedures and therefore feel more at ease with one rather than the other simply because of their personal experiences.

At this point ECTA is unable to express a definite position and prefers to point out that the supporters of the pre-registration opposition emphasize the fact that the owner gets a certain re-assurance in regard to the ownership of the trade mark when holding the registration certificate in their hands.

Further advantages of a pre-registrations system is that, in case of opposition, the grace period to take up use starts later as the registration will be later.

The supporters of the post-registration system argue that registration certificate is sooner to hand, which is useful for civil actions, and that the issuing of the registration certificate cannot be delayed from a third party on unfair, personal or economic reasons.

In general, however, there is a consensus that opposition procedures should be more concentrated and the time to get decisions should be shortened.

36. **Is there a need for clarifying the difference between or the common features of well-known trade marks and those with reputation?**

ECTA maintains, that at this moment in time and under the existing case law the issue is somewhat unclear. Some of its members think that the case law provides sufficient clarification while some others would support a clarification especially to help National Offices’ practices.

However, ECTA would favour a legislative definition which could help to prevent abuses and would help the investments and goodwill of those companies who own reputed or well known trade marks.
37. **To what extent have the relative grounds under Article 8(3) and (4) CTMR proved to be appropriate subject matter to be dealt with in opposition proceedings with a view to their legal and evidentiary complexity?**

ECTA believes that applicability of these two grounds is still not entirely clear and there seems to be a lack in uniformity of interpretation. Possibly, it may be advisable to delete them as opposition grounds and let them remain as grounds for post registration invalidity procedures.

38. **To what extent does the period of three months to file an opposition still meet the interests of users?**

ECTA is strongly in favour of keeping the 3 month opposition period. ECTA notes that three months are the minimum needed for counselling, watching the market as well as negotiating, as it is a lot less expensive to solve a matter before filing an opposition.

39. **To what extent does the providing of an additional two month period for filing the grounds of appeal still meet the needs and interests of users?**

ECTA would favour the possibility of an additional two month period - after a preliminary notice of opposition has been filed. Big international clients / international conflicts need a lot of time to collect all the information/evidence/documents. It is not always possible to gather all this information/proofs/documents within the short deadline to appeal and therefore additional two month for filing these are helpful.

40. **To what extent are users satisfied with the e-Business tools offered by the OHIM and to what extent are they in favour of the OHIM performing the registration and administration of CTMs exclusively by electronic means in future?**

ECTA is generally satisfied with the present e-Business tools of OHIM, which are constantly improving, although there are still complaints for the unreliability of the current system (timeout, low connection speed).

ECTA also recognizes that, for the medium term, OHIM should maintain both the traditional and the communication by electronic means. Not only for back up reasons in case of a system break down, but because not all users are on the same technology level.

ECTA feels that the user of the traditional methods should not be penalized by a much higher fee; a modest higher fee for the additional work however could be accepted.

ECTA finally wonders why OHIM, which seems to understand the benefits of e-Business, does not still accept email communication in general. This would make things much easier and faster.
41. To what extent has the current regime on costs proved to be effective and efficient?

ECTA finds this issue to be still highly contentious. The experience is that filing and prosecuting oppositions is rather expensive but the reimbursement cannot be collected with reasonable costs. Therefore raising the claimable costs is less of interest than an easier way to get them reimbursed.

ECTA would welcome a study which examines alternatives, like envisioning that both parties pay an upfront fee to OHIM which would then use it to reimburse the winning party. The upfront fee/deposit would have to be reasonable so as not to disadvantage SME’s. However, this is just one proposal and other mechanisms might be studied (for instance, amending national laws to make it easier to get the reimbursements or to make the defeated party pay for the costs for collecting the money or even that OHIM makes its own monetary contribution).

42. How should the role and mission of OHIM be defined in future?

ECTA considers that OHIM’s role and mission have not changed and should not be changed. However, ECTA believes that OHIM should put more resources and efforts to be more effective in regard to time and costs for the actual tasks. ECTA does not believe OHIM should be given further tasks.

Simply stated, ECTA recognizes that the granting of unopposed registrations has considerably sped up and this is very good. However, as soon as the trajectory of an application deviates from the normal course (objections, refusals, oppositions, etc.), there is the impression that the OHIM system short-circuits and delays do tend to become the rule rather than the exception.

43. To what extent is there a need for the adjustment of fees?

In general, ECTA recognizes that lower fees are always welcome, but the fees structure of OHIM in regard to applications should not jeopardize the existence and the "raison d’être" of national offices.

Initial application fees of an EU and a national application are generally only one factor when deciding between a national or an EU filing, since they cannot be compared as such, because the clearance/enforcement costs as well as the risk of invalidation/revocation are exponentially higher for a CTM than a national trade mark. However for some non sophisticated users, the differential in fees may be a decisive factor. ECTA has already expressed its position and would certainly be glad to discuss it’s views with the Max Plank Institute.

Finally, ECTA considers that renewal fees, where the OHIM’s activity is certainly limited, could be reduced, but what ECTA would like to stress is that only marks which are used should be renewed and so far there is no mechanism to ensure that and thus too low a renewal fee in the absence of a counter-check mechanism may lead to renewals of marks which should instead be abandoned.
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44. To what extent is there a need for changing and/or streamlining the fees structure?

ECTA is unable, without specific studies and deeper discussions to endorse any specific position, although there is a growing consensus that a single class application system should be introduced. The reasons are obvious. A lot of the applicants simply tick two further classes because they are included anyway and as a result the register is unnecessarily blocked and it is harder to find a new trade mark.

ECTA also feels that, separate and apart from the class-fees structure, a simple and cheap system to remove non-used CTM registration should be introduced. If the owner of the attacked party does not show any reaction within the deadline given, the registration should be cancelled.

Furthermore, ECTA notes that the application fee for a CTM application through WIPO should be reduced as it is now almost as high as a directly filed application (EURO 870 compared to EURO 900), because OHIM has less administration work to do with an International registration filing (no formalities regarding examination, no translation costs).