

The New EU Trade Mark Regime

23 March 2016 by Anna Carboni & Emmy Hunt

Community trade marks have become “European Union trade marks”. This is just one of a number of changes introduced by a new EU Regulation (no. 2015/2424), which amends the former Community trade mark regime.

The most important points for CTM (now EUTM) owners to be aware of are set out below.

Name changes

The Community trade mark is now the European Union trade mark, so CTMs have become EUTMs and Community trade mark courts are now European Union trade mark courts. OHIM (which stood for Office for Harmonisation in the Internal Market) has been renamed the European Union Intellectual Property Office (EU IPO) and the President of OHIM, Antonio Campinos, has become the Executive Director of the EUIPO.

Fee changes

OHIM has faced pressure to decrease fees whilst also introducing a financial incentive to applicants to limit their applications to the classes that they really need. The new Regulation introduces the following reduced fees for online applications and renewals: €850 filing fee for filing in one class only; €50 additional fee for the second class only; and €150 additional fee for each subsequent class.

Renewal fees will now match the filing fees, meaning that there should be a significant reduction in renewal costs for registrations with three classes or fewer: €850 renewal fee for one class, €50 for the second class and €150 for each subsequent class.

We shall wait to see if the introduction of fees per class will deter applicants from the existing practice of filing or renewing registrations for multiple classes of protection where these are not needed. If so, this should eventually lead to a ‘decluttering’ of the register and will make clearance searching more straightforward.

Class headings

Historically, Nice Classification headings were frequently used by CTM proprietors as a means to secure broad rights. OHIM's pre-2012 practice was to interpret such a specification as meaning ‘all goods’ or ‘all services’ in the class. The new Regulation confirms the decision of the CJEU in *IP TRANSLATOR* that the use of class headings does not lead to protection for all goods or services in the class but that the terms used must be interpreted literally.

The Regulation also addresses the question of what scope of protection is provided to registrations filed before *IP TRANSLATOR* (i.e. 22 June 2012) and which specify class headings that would have been understood to cover all goods or services in the relevant

class. Owners of such registrations may now declare whether those class headings were intended to cover additional goods or services contained in WIPO's alphabetical list that might fall outside the literal meaning of the specification. Such a declaration must be filed by 23 September 2016. For a more detailed look at this declaration procedure, please see our separate briefing note [here](#).

Search reports

Under the new procedure, EUTM register search reports will only be provided to applicants upon request. (CTM searches have until now been provided to all applicants.) Although we believe that OHIM's searches are not sufficiently comprehensive to reliably inform users of conflicting prior rights, we shall as a matter of policy request search reports in all cases. This is because the search report provides us with details of any earlier proprietors who will be notified of new applications made by our clients and we will want to ensure that we can advise fully on the implications of such third party notifications.

Changes to deadlines

The new Regulation amends provisions relating to the calculation of two specific types of deadline.

- From 26 March 2016, the opposition deadline for EUTM designations of International Registrations will change from nine months from the publication date to four months from the publication date. The opposition period will continue to be three months long but will commence 1 month after the date of publication (this currently commences six months after the date of publication).

- From 26 March 2016, EUTMs will be due for renewal on the actual date of their expiry. At present, CTMs are due for renewal at the end of the calendar month of their expiry. However, this unusual method of calculation has been removed under the new Regulation. The existing provision of a grace period for six months after the date of expiry will continue to apply.

What can be protected as a EUTM

The requirement that a mark must be 'capable of graphical representation' has been removed, meaning that there is greater potential flexibility to file non-traditional marks such as smells and sounds. However, marks are still required to be represented in a manner that is "clear, precise, self-contained, easily accessible, intelligible, durable and objective". This change will not be implemented until October 2017. Trade mark owners should also note that, as of 23 March 2016, there will be a restriction on the registration of functional marks: this means that signs which consist exclusively of a shape or another characteristic which (i) results from the nature of the goods themselves, (ii) is necessary to obtain a technical result, or (iii) gives substantial value to the goods are excluded from protection. This broadens the scope of the exclusions on technical grounds and will prevent a wider range of marks (i.e. not only shape marks) from valid registration.

New infringement provisions

Probably the most significant change to the infringement provisions is that counterfeit goods in transit will now infringe an EUTM, whereas previously such goods had to be for release onto the EU market before they would be treated as infringing. It will no longer be possible to avoid detention of such goods by Customs.

Other changes include confirmation that the use of company and trading names may infringe an EUTM and a limitation of the "own name" defence to individuals and not companies.

Changes to national trade mark law

In addition to the new Regulation on EUTMs, there is a new EU Directive (2015/2435) which will result in the introduction of changes to national trade mark laws in the EU. This will result in further harmonisation of laws and procedures, as well as ensuring that national trade mark law remains in step with the EUTM. EU member states have until 15 January 2019 to implement any necessary changes to their local laws.

Queries

If you have any queries on the new EUTM regime, please get in touch with Anna Carboni, Emmy Hunt or your usual trade mark contact at Redd and copy any email request to trademarks@redd.eu.