

Trademark reform package

For more than 15 years there has been a dual system of trademark (TM) law in Europe: an EU-wide Community TM (CTM), and harmonised national TMs. The Commission proposal aims at more harmonisation and coordination, but does not address TM-related concerns over free expression.

Background

The current EU legal framework on TMs encompasses the [TM Directive](#) (1988, [codified](#) in 2008) harmonising national laws, and the [TM Regulation](#) (1993, [codified](#) in 2009) which established the CTM and the [Office for Harmonisation in the Internal Market](#) (OHIM). Businesses may apply for either a CTM or a national TM. Some users either do not need an EU-wide CTM, or cannot obtain one because the TM has been registered in another MS. OHIM's [fees](#) may also discourage SMEs, in particular, from seeking CTMs. Both the Directive and Regulation have been [interpreted](#) regularly by the Court of Justice (CJEU). Some of its decisions – especially the [L'Oréal case](#) (2009) – have met with criticism from academics who believe they [curtail](#) freedom of expression, both non-commercial (e.g. parody or critique of a TM) and commercial (e.g. using comparison in marketing). Others have argued that CJEU case-law effectively [refocuses](#) trademark law away from guaranteeing the authenticity of products to the protection of brands and marketing channels.

Commission proposal

The European Commission (EC) tabled a reform [package](#) in March 2013, following the results of a [study](#), encompassing a new [regulation](#) and a recast of the [Directive](#), as well as draft modifications to OHIM's fees. The EC's main concern was to make the TM system more accessible and efficient for business. This would be achieved by lowering costs, simplifying and accelerating procedures, increasing predictability and legal security, as well as ensuring better coordination between the two systems. A framework for cooperation between OHIM and national offices would be created. The proposal would expand the scope of the Directive, to align it with the (broader) scope of the Regulation, and thereby extend the harmonisation of national TM laws (to cover procedures for example). A new rule would aim to prevent consumers buying from outside the EU (e.g. on-line) goods which bear a TM, without the TM owner's consent. Another rule would allow TM owners to prevent goods with their trademark from being imported into the EU without their consent, even if they are only in transit to a third country. The names would also be updated, from CTM to 'European trademark' (ETM), and from OHIM to 'EU Trademarks and Designs Agency' (TDA).

European Parliament

In July 2013 the EP Impact Assessment Unit made an [initial appraisal](#) of the EC's impact assessment, noting that it is consistent with the proposal package. In January 2014 the Legal Affairs Committee (rapporteur: Cecilia Wikström, ALDE, Sweden) adopted two reports on the package. Issues of freedom of expression and competition have been addressed: the report would explicitly allow the use of a TM by third parties for purposes of parody, artistic expression, criticism or comment. Businesses offering alternative products, as well as resellers of genuine goods, would be able to use third-party TMs. The rules allowing TM owners to prevent imports would be balanced with the interests of consumers, so that private imports by the latter could only be prevented if goods are actually counterfeit. Similarly, the rules on goods in transit would be amended in order to allow products bearing a TM to enter the EU without the owner's consent if the TM is not registered in the final destination country. Regarding terminology, the [report](#) opts for 'European Union trademark' and 'EU Intellectual Property Agency' (IPA). Finally, rules on IPA fees would be incorporated into the TM regulation, and therefore the EC would no longer be able to modify them through implementing acts. IPA budgetary surplus would not flow back to the EU or MS budgets, but be reinvested in the Agency.

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