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Committee on the Internal Market and Consumer Protection

2013/0089(COD)

7.11.2013

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Legal Affairs

on the proposal for a directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks (Recast) (COM(2013)0162 – C7-0088/2013 – 2013/0089(COD))

Rapporteur: Regina Bastos

PA_Legam

SHORT JUSTIFICATION

In the EU a trade mark can be registered either at national level, at a Member State's industrial property office (the Member States' laws on trade marks were partially harmonised by Council Directive 89/104/EEC of 21 December 1988, codified as Directive 2008/95/EC), or at EU level, as a Community trade mark (under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, codified as Regulation (EC) No 207/2009). The regulation also established the Office for Harmonization in the Internal Market (OHIM) to register and administer Community trade marks. This body of trade mark law has not undergone any major changes, whereas the business environment has been transformed.

Aim of the proposal

Given that the directive is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) – employed in order to adopt ‘measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market’ – it deals with national trade mark systems, which continue to be necessary for those businesses that do not wish their trade marks to be protected at EU level.

The Commission's impact assessment has demonstrated the need to harmonise certain aspects of national procedures and lay down a system for cooperation between national offices and the OHIM.

In general terms, the review proposal submitted by the Commission on 27 March 2013 is designed to:

- modernise the trade mark system in Europe,
- reduce the inconsistencies within the existing regulatory framework, and
- improve cooperation among trade mark offices.

The idea is to help EU businesses become more competitive. To that end:

- trade mark protection systems are to be made cheaper, faster, more predictable, and hence more accessible to businesses;
- legal security is to be enhanced; and
- the EU system and national systems are to coexist within a complementary relationship.

As far as the recast directive is concerned, the Commission is seeking to:

- modernise and improve the existing provisions in order to provide greater legal certainty and clarify trade mark rights in terms of their scope and limitations;

- achieve greater approximation of national trade mark laws and procedures so as to make them more consistent with the Community trade mark system established under the regulation; and
- facilitate cooperation – on a legal basis to be established to that end – between the Member States’ national offices and the OHIM with a view to promoting convergence of practices and developing common tools.

Internal market aspects

The Community trade mark and national trade marks have to exist alongside each other if the internal market is to function smoothly. A trade mark serves to distinguish the products and services offered by a company, which can consequently maintain its competitive position on the market by attracting customers and generating growth. The number of Community trade mark applications filed with the OHIM has continued to rise, reaching over 107 900 in 2012. Parallel to this trend, stakeholders have raised their expectations regarding the rationalisation and quality of trade mark registration systems, which they wish to be more coherent, accessible to the public, and technologically up to date.

On a more specific point, the new legislative package contains a number of provisions falling within the remit of the Committee on the Internal Market and Consumer Protection:

- a trade mark owner may prevent the use of its trade mark in any comparative advertising failing to satisfy the requirements of Article 4 of Directive 2006/114/EC of 12 December 2006 concerning misleading and comparative advertising;
- imports of goods into the EU may be prohibited even when the consignor alone is acting for commercial purposes (the object of this clarification is to discourage online orders and sales of counterfeit goods);
- right holders may prevent third parties from bringing goods from non-EU countries into Union customs territory, whether released for free circulation or otherwise, if these, without authorisation, bear a trade mark essentially identical to one registered in respect of goods of the same type.

The rapporteur’s view

All in all, the rapporteur is satisfied with the Commission proposal, including the provisions directly relevant to the Committee on the Internal Market and Consumer Protection. The amendments tabled in the draft opinion

- strengthen the role of national authorities in the trade mark protection system and in combating counterfeiting;
- make a clarification regarding the signs of which a European trade mark may consist;
- address the absolute grounds for refusal or invalidity; and
- do away with the Commission proposal whereby the offices, when examining ex officio whether a trade mark application was eligible for registration, would in every case be called upon only to ascertain that there were no absolute grounds for refusal.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a directive Recital 19

Text proposed by the Commission

(19) 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 trade mark only if and to the extent that the main function of the trade mark, ***which is to guarantee the commercial origin of the goods or services***, is adversely affected.

Amendment

(19) 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 trade mark only if and to the extent that the main function of the trade mark is adversely affected.

Amendment 2

Proposal for a directive Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) The main function of a trademark is to guarantee the origin of the product to the consumer or final user by enabling him or her to distinguish without any possibility of confusion between that product and products which have another origin;

Amendment 3

Proposal for a directive Recital 19 b (new)

Text proposed by the Commission

Amendment

(19b) When determining whether the main function of a trade mark is adversely affected, it is necessary to interpret this provision in the light of Article 11 of the Charter of Fundamental Rights of the European Union and Article 10 of the European Convention on Human Rights in order to guarantee the fundamental right of freedom of expression.

Amendment 4

Proposal for a directive Recital 22

Text proposed by the Commission

Amendment

(22) With the aim of strengthening trade mark protection and ***combatting*** counterfeiting more effectively, the proprietor of a registered trade mark should be entitled to prevent third parties from bringing goods into the customs territory of the Member State 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 trade mark registered in respect of such goods.

(22) With the aim of strengthening trade mark protection and ***combating*** counterfeiting more effectively, the proprietor of a registered trade mark, ***assisted by the national authorities***, should be entitled to prevent third parties from bringing goods into the customs territory of the Member State 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 trade mark registered in respect of such goods.

Justification

The assistance of national authorities is necessary to make the prohibition enforceable.

Amendment 5

Proposal for a directive Recital 23

Text proposed by the Commission

(23) 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

(23) In order to more effectively prevent the entry of infringing goods, particularly in the context of sales over the Internet, the proprietor, ***assisted by the national authorities***, should be entitled to prohibit the importing ***or offering*** of such goods into the Union where it is only the consignor, ***intermediary, agent or online sales services provider of the merchandise*** of the goods who acts for commercial purposes.

Justification

The assistance of national authorities is necessary to make the prohibition enforceable.

Amendment 6

Proposal for a directive Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) The exclusive rights conferred by a trade mark should not entitle the proprietor to prohibit the use of signs or indications which are used for a due cause in order to allow consumers to make comparisons, to express opinions or where there is no commercial use of the mark.

Amendment 7

Proposal for a directive Recital 34

Text proposed by the Commission

(34) In order to improve and facilitate access to trade mark protection and to increase legal certainty and predictability, the procedure for the registration of trade marks in the Member States should be efficient and transparent and should follow rules similar to those applicable to European trade marks. ***With a view to achieving a consistent and balanced trade mark system both at national and Union level, all the central industrial property offices of the Member States should therefore limit their examination ex officio of whether a trade mark application is eligible for registration to the absence of absolute grounds for refusal only. This should, however, not prejudice the right of those offices to provide, upon request of applicants, searches for earlier rights on a purely informative basis and without any prejudice to or binding effect on the further registration process, including subsequent opposition proceedings.***

Amendment

(34) In order to improve and facilitate access to trade mark protection and to increase legal certainty and predictability, the procedure for the registration of trade marks in the Member States should be efficient and transparent and should follow rules similar to those applicable to European trade marks.

Justification

Relative grounds for refusal should, where Member States so decide, continue to be a subject for ex officio examination, bearing in mind the advantages for trade mark applicants and SMEs in particular. At present there are 12 Member States making use of the above option (Bulgaria, the Czech Republic, Cyprus, Estonia, Finland, Greece, Ireland, Malta, Poland, Portugal, Slovakia, and Sweden).

Amendment 8

Proposal for a directive Recital 36 a (new)

Text proposed by the Commission

Amendment

(36 a) Notice of opposition to registration of the trade mark may also be given by any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers;

Amendment 9

Proposal for a directive Article 3 – point b

Text proposed by the Commission

Amendment

(b) being represented in a manner which enables the competent authorities and the public to determine the *precise* subject of the protection afforded to its proprietor.

(b) being represented, **in its published form and its inscription in the register**, in a manner which enables the competent authorities and the public to determine **clearly and exactly** the subject of the protection afforded to its proprietor.

Justification

The object is to ensure that the constituent signs of a European trade mark are represented clearly and exactly.

Amendment 10

Proposal for a directive Article 4 – paragraph 5

Text proposed by the Commission

Amendment

5. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, **before the date of application for registration or after the date of registration, and following the use which has been made of it**, it has acquired a

5. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if it has acquired a distinctive character **at the time of registration**.

distinctive character.

Justification

A trade mark has to have a distinctive character on the date of its registration.

Amendment 11

**Proposal for a directive
Article 4 – paragraph 6**

Text proposed by the Commission

Amendment

6. Any Member State may provide that paragraph 5 shall also apply where the distinctive character was acquired after the date of application for registration and before the date of registration.

deleted

Justification

A trade mark has to have a distinctive character on the date of its registration.

Amendment 12

**Proposal for a directive
Article 10 – paragraph 2 – point a**

Text proposed by the Commission

Amendment

(a) the sign is identical with the trade mark and is used in relation to goods or services which are identical with those for which the trade mark is registered and where such use affects or is liable to affect the function of the trade mark to guarantee to consumers the origin of the goods or services;

(a) the sign is identical with the trade mark and is used in relation to goods or services which are identical with those for which the trade mark is registered and where such use affects or is liable to affect the function of the trade mark to guarantee to consumers the origin of the goods or services **by enabling him or her to distinguish without any possibility of confusion between that product and products which have another origin;**

Amendment 13

Proposal for a directive Article 10 – paragraph 4

Text proposed by the Commission

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

Amendment

4. The proprietor of a European trade mark shall also be entitled to prevent, **with the assistance of the national authorities**, the importing of goods pursuant to paragraph 3(c) **or the offering of goods pursuant to paragraph 3(b)**, where the consignor, **intermediary, agent or online sales services provider of the merchandise** acts for commercial purposes

Amendment 14

Proposal for a directive Article 10 – paragraph 5

Text proposed by the Commission

5. The proprietor of a registered 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 Member State where the trade mark is registered **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 trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.**

Amendment

5. The proprietor of a registered trade mark, **assisted by the national authorities**, shall also be entitled to prevent all third parties from bringing goods **infringing this registered trade mark** into the customs territory of the Member State where the trade mark is **validly** registered, where such goods, including packaging:

(a) come from third countries and bear without authorization a trade mark which is identical to the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark;
(b) and are intended to be the subject of commercial activity without being released for free circulation in that

territory.

Justification

The channels for trade in counterfeit and contraband goods tend to follow the channels for legitimate international trade. As some criminal networks find it relatively easy to forge customs documents, particularly in regard to the goods' origin and destination, the Committee on the Internal Market and Consumer Protection feels it necessary to reiterate the importance of protecting the internal market and consumer rights, health and safety by controlling trade flows. The assistance of national authorities is necessary to make the prohibition enforceable.

Amendment 15

Proposal for a directive

Article 14 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The trade mark shall not entitle the proprietor to prohibit a third party from using the trade mark for a due cause in connection with:
(a) advertising or promotion that permits consumers to compare goods or services;
or
(b) identifying and parodying, criticizing, or commenting upon the trade mark proprietor or the goods or services of the trade mark owner proprietor; or
(c) any non-commercial use of a mark.

Amendment 16

Proposal for a directive

Article 31 – paragraph 1

Text proposed by the Commission

Amendment

1. An applicant for a collective mark shall submit the regulations governing its use.

1. An applicant for a collective mark shall submit the regulations governing its use ***to the office.***

Justification

The aim is to clarify the text of the legislation and avert doubts as to where these regulations will have to be submitted.

Amendment 17

Proposal for a directive Article 41

Text proposed by the Commission

Amendment

The offices shall limit their examination ex officio of whether a trade mark application is eligible for registration to the absence of the absolute grounds for refusal provided for in Article 4. ***deleted***

Justification

Relative grounds for refusal should, where Member States so decide, continue to be a subject for ex officio examination, bearing in mind the advantages for trade mark applicants and SMEs in particular. At present there are 12 Member States making use of the above option (Bulgaria, the Czech Republic, Cyprus, Estonia, Finland, Greece, Ireland, Malta, Poland, Portugal, Slovakia, and Sweden).

Amendment 18

Proposal for a directive Article 42 – paragraph 1

Text proposed by the Commission

Amendment

1. Prior to registration of a trade mark, any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers may submit to the office written observations, explaining on which of the grounds listed in Article 4 the trade mark shall not be registered ex officio. ***They shall not be parties to the proceedings before the office.***

1. Prior to registration of a trade mark, any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers may submit to the office written observations, explaining on which of the grounds listed in Article 4 the trade mark shall not be registered ex officio.

Amendment 19

Proposal for a directive Article 45 – paragraph 1

Text proposed by the Commission

1. Member States shall provide for an efficient and expeditious administrative procedure before their offices for opposing the registration of a trade mark application ***on the grounds provided for in Article 5.***

Amendment

1. Member States shall provide for an efficient and expeditious administrative procedure before their offices for opposing the registration of a trade mark application.

Amendment 20

Proposal for a directive Article 45 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Notice of opposition to registration of the trade mark may also be given by any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers.

Amendment 21

Proposal for a directive Article 53 – paragraph 1

Text proposed by the Commission

Member States shall ensure that the offices cooperate with the Agency in ***all*** areas of ***their activities other than those referred to in Article 52*** which ***are*** of relevance for the protection of trade marks in the Union.

Amendment

Member States shall ***take steps*** to ensure that the offices cooperate with the Agency in areas of ***activity*** which ***they consider to be*** of relevance for the protection of trade marks in the Union, ***but other than those referred to in Article 52.***

PROCEDURE

Title	Laws of the Member States relating to trade marks (Recast)		
References	COM(2013)0162 – C7-0088/2013 – 2013/0089(COD)		
Committee responsible Date announced in plenary	JURI 16.4.2013		
Opinion by Date announced in plenary	IMCO 16.4.2013		
Rapporteur Date appointed	Regina Bastos 29.5.2013		
Discussed in committee	9.7.2013	25.9.2013	14.10.2013
Date adopted	5.11.2013		
Result of final vote	+: -: 0:	34 0 1	
Members present for the final vote	Preslav Borissov, Jorgo Chatzimarkakis, Birgit Collin-Langen, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia de Campos, Cornelis de Jong, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Thomas Händel, Małgorzata Handzlik, Malcolm Harbour, Sandra Kalniete, Edvard Kožušník, Toine Manders, Hans-Peter Mayer, Phil Prendergast, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Emilie Turunen, Barbara Weiler		
Substitute(s) present for the final vote	Regina Bastos, Jürgen Creutzmann, María Irigoyen Pérez, Constance Le Grip, Emma McClarkin, Claudio Morganti, Pier Antonio Panzeri, Konstantinos Poupakis, Marek Siwiec, Kerstin Westphal		
Substitute(s) under Rule 187(2) present for the final vote	Agustín Díaz de Mera García Consuegra		