

# EUROPEAN PARLIAMENT

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**A5-0236/2003**

19 June 2003

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## **REPORT**

on the proposal for a Council regulation amending Regulation (EC) No 40/94  
on the Community trade mark  
(COM(2002) 767 – C5-0009/2003 – 2002/0308(CNS))

Committee on Legal Affairs and the Internal Market

Rapporteur: Luis Berenguer Fuster

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

**CONTENTS**

	<b>Page</b>
PROCEDURAL PAGE .....	4
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5

## PROCEDURAL PAGE

By letter of 17 January 2003 the Council consulted Parliament, pursuant to Article 308 of the EC Treaty, on the proposal for a Council regulation amending Regulation (EC) No 40/94 on the Community trade mark (COM(2002) 767 – 2002/0308(CNS)).

At the sitting of 29 January 2003 the President of Parliament announced that he had referred the proposal to the Committee on Legal Affairs and the Internal Market as the committee responsible and the Committee on Industry, External Trade, Research and Energy for its opinion (C5-0009/2003).

The Committee on Legal Affairs and the Internal Market appointed Luis Berenguer Fuster rapporteur at its meeting of 20 February 2003.

The committee considered the Commission proposal and draft report at its meetings of 28 April, 22 May and 17 June 2003.

At the last meeting it adopted the draft legislative resolution by 29 votes, with 1 abstention.

The following were present for the vote: Giuseppe Gargani, chairman; Willi Rothley, Ioannis Koukiadis and Bill Miller, vice-chairmen; Luis Berenguer Fuster, rapporteur; Paolo Bartolozzi, Maria Berger, Michael Cashman (for François Zimeray pursuant to Rule 153(2)), Bert Doorn, Francesco Fiori (for Janelly Fourtou pursuant to Rule 153(2)), Pernille Frahm (for Alain Krivine pursuant to Rule 153(2)), Marie-Françoise Garaud, Evelyne Gebhardt, Fiorella Ghilardotti, José María Gil-Robles Gil-Delgado, Malcolm Harbour, The Lord Inglewood, Kurt Lechner, Klaus-Heiner Lehne, Neil MacCormick, Toine Manders, Arlene McCarthy, Manuel Medina Ortega, Hartmut Nassauer, Angelika Niebler (for Rainer Wieland), Marcelino Oreja Arburúa (for Joachim Wuermeling), Anne-Marie Schaffner, Marianne L.P. Thyssen, Diana Wallis and Stefano Zappalà.

The Committee on Industry, External Trade, Research and Energy decided on 20 March 2003 not to deliver an opinion.

The report was tabled on 19 June 2003.

## **DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION**

**on the proposal for a Council regulation amending Regulation (EC) No 40/94 on the Community trade mark  
(COM(2002) 767 – C5-0009/2003 – 2002/0308(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2002) 767)<sup>1</sup>,
  - having regard to Article 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0009/2003),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Legal Affairs and the Internal Market (A5-0236/2003),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Calls for initiation of the conciliation procedure under the Joint Declaration of 4 March 1975 if the Council intends to depart from the text approved by Parliament;
  5. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  6. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> Not yet published in OJ.

Amendment 1

ARTICLE 1, PARAGRAPH -2 (new)

Article 7, paragraph 1, point (j) (Regulation (EC) No 40/94)

***-2. In Article 7(1), point (j) shall be replaced by the following:***

***"(j) trade marks for wines and spirits which consist of or contain a geographical indication identifying wines or spirits with respect to such wines or spirits not having that origin, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like;"***

*Justification*

*The aim here is to bring the text into line with Article 23(1) of the TRIPS Agreement. This amendment seeks to guard against accepting trade marks containing a geographical indication of wines and spirits insofar as the product originates from that area. However, the fact that it originates from a given area does not mean that the proprietor or regulatory board is the source.*

Amendment 2  
ARTICLE 1, PARAGRAPH 2

Article 7, paragraph 1, point (k) (Regulation (EC) No 40/94)

"k) trade marks which **comprise or** consist of a registered name, ***if subsequently registered as a protected geographical indication*** or a protected designation of origin pursuant to Regulation (EEC) No 2081/92, when the products covered by the trade mark do not have the right to bear the said geographical indication or designation of origin".

"k) trade marks which consist of a registered name or a protected designation of origin pursuant to Regulation (EEC) No 2081/92, ***or which comprise such a designation of origin***, when the products covered by the trade mark do not have the right to bear the said geographical indication or designation of origin, ***if the application for registration of the trade mark is made after the date of submission to the Commission of the application for registration of the designation of origin or geographical name***".

*Justification*

*This amendment is necessary in order to make this Regulation consistent with recently amended Regulation (EEC) No 2081/92. The new rules provide for two situations which must be dealt with differently. In no event may a trade mark be at the same time a geographical indication or designation of origin; however, the indication or designation may be included in the trade mark when the products covered have the right to bear it. Nonetheless, the respective dates for determining priorities must be taken into account so as to ensure that the Regulation on the Community trade mark remains consistent with the new Article 14(1) of Regulation (EEC) No 2081/92 on geographical indications and designations of origin.*

Amendment 3  
ARTICLE 1, PARAGRAPH 3 a (new)  
Article 8, paragraph 5 (Regulation (EC) No 40/94)

***3a. In Article 8, paragraph 5 shall be replaced by the following:***

***"5. Furthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark or geographical indication the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".***

*Justification*

*This strengthens legal certainty and protection for the proprietors of Community geographical indications by virtue of reputation, as is the case with a renowned Community trade mark.*



Amendment 4  
ARTICLE 1, PARAGRAPH 19  
Article 60, title (Regulation (EC) No 40/94)

***Revision of decisions in ex parte cases***

***Preliminary appeal decision***

*Justification*

*Although the new title of the article is an improvement on the previous wording, it is still too detailed.*

Amendment 5  
ARTICLE 1, PARAGRAPH 21  
Article 77 a (Regulation (EC) No 40/94)

Where the Office has taken a decision or made an entry in the Register which affects the rights of one party, and when that decision or entry contains an obvious material error which does not comply with the Regulation, the Office may revoke that decision or entry if such revocation is needed to correct the error and restore legality, ***if the rights of the party or parties harmed by the revocation are not greater than the interests of the party or parties affected positively by the revocation, and if rectifying the error is more in the public interest than not doing so.*** Such a revocation ***is not permissible unless it is declared*** within six months of the date on which the decision or entry to be revoked was taken.

Where the Office has taken a decision or made an entry in the Register which affects the rights of one party, and when that decision or entry contains an obvious material error which does not comply with the Regulation, the Office may revoke that decision or entry if such revocation is needed to correct the error and restore legality. Such a revocation ***may take place*** within six months of the date on which the decision or entry to be revoked was taken, ***and shall not take place unless it serves the public interest and does not harm those interests of the parties worthy of protection.***

*Justification*

*The aim here is to avoid certain misunderstandings in the proposed wording.*

Amendment 6  
ARTICLE 1, PARAGRAPH 32  
Article 127, paragraph 2 (Regulation (EC) No 40/94)

"2. The decisions of the Opposition Divisions shall be taken by three-member groups of which at least one member is legally qualified. In certain specific cases provided for in the Implementing Regulation, the decisions shall be taken by a single member. ***In any event, the decisions taken by a single member must relate to simple cases.***"

"2. The decisions of the Opposition Divisions shall be taken by three-member groups of which at least one member is legally qualified. In certain specific cases provided for in the Implementing Regulation, the decisions shall be taken by a single member."

*Justification*

*The instances in which a decision must be adopted by a single member should be spelt out in the implementing Regulation.*

Amendment 7  
ARTICLE 1, PARAGRAPH 33  
Article 129, paragraph 2 (Regulation (EC) No 40/94)

"2. The decisions of the Cancellation Divisions shall be taken by three-member groups of which at least one member is legally qualified. In certain specific cases provided for by the Implementing Regulation, the decisions shall be taken by a single member. ***In any event, the decisions taken by a single member must relate to simple cases.***"

"2. The decisions of the Cancellation Divisions shall be taken by three-member groups of which at least one member is legally qualified. In certain specific cases provided for by the Implementing Regulation, the decisions shall be taken by a single member."

*Justification*

*The instances in which a decision must be adopted by a single member should be spelt out in the implementing Regulation.*

Amendment 8  
ARTICLE 1, PARAGRAPH 34  
Article 130 (Regulation (EC) No 40/94)

34. Article 130 is amended as follows:

34. Article 130 is amended as follows:

***(-1) The title and paragraph 1 are replaced by the following:***

***"The OHIM Administrative Tribunal***

***"1. Within the Office an Administrative Tribunal shall operate, composed of several boards of appeal competent to take decisions on appeals lodged against decisions by examiners, Opposition Divisions, the Administration of Trade Marks and Legal Division or Cancellation Divisions. The Tribunal shall be presided by a Chairman."***

(1) Paragraph 2 is replaced by the following:

(1) Paragraph 2 is replaced by the following:

"2. Decisions of the Boards of Appeal shall be taken by *three-members*, at least two of whom are legally qualified. ***In certain specific cases, decisions shall be taken by an enlarged Board presided by***

"2. Decisions of the Boards of Appeal shall be taken by *three members*, at least two of whom are legally qualified."

*the Chairman of the Boards of Appeal, or by a single member."*

(2) A new paragraph 3 is added:

*"3. Decisions taken by the enlarged Board shall lay down the guidelines to be followed by the Boards of Appeal for similar cases. In order to determine the special cases which fall under the jurisdiction of the enlarged Board, account should be taken of the legal difficulty or the importance of the affair or of special circumstances which justify it. The composition of the enlarged Board shall be defined pursuant to the rules of procedure of the Boards laid down in Article 140(3)."*

(3) A new paragraph 4 is added:

*"4. To determine which specific cases fall under the authority of a single member, account should be taken of the lack of difficulty of the legal or factual matters raised, the limited importance of the individual case and the absence of other specific circumstances. It may also cover cases which raise only issues which have already been clarified by an established tenet of the Office or which belong to a series of cases on the same subject on one of which there has already been a final ruling. The decision to confer a case on one member in the cases referred to shall, after the parties concerned have been heard, be adopted unanimously by the Board handling the case. The types of cases which may fall under the jurisdiction of a single member are defined pursuant to the rules of procedure of the Boards laid down in Article 140(3). The member shall refer the case to the Board if he finds that the conditions of delegation are not fulfilled. These measures shall be supplemented as required in accordance with the rules of procedure of the Boards laid down in Article 140(3)."*

(2) A new paragraph 3 is added:

*"3. In certain specific cases provided for in the rules of procedure laid down in Article 140(3), decisions may be taken by a single member."*

(3) A new paragraph 4 is added:

*"4. Likewise, the rules of procedure shall determine those instances in which decisions must be taken by the full Tribunal, composed of the Chairman of the Tribunal, the chairmen of all Boards of Appeal and the number of members of the said Boards specified in the rules of procedure."*

### *Justification*

*The CTMR created a series of appeal boards lacking a cohesive administrative structure.*

*The Commission proposal introduces a chairman of the boards, together with other bodies such as the enlarged Board, but stops short of forming an organisational whole. The amendment builds on the principles contained in the Commission proposal and also institutes an umbrella organisational entity for the Boards in the form of an Administrative Tribunal, headed by a chairman, which, in certain cases, can act as an enlarged Board.*

*At the same time some oversights in the proposal (such as responsibility for appointing members of the Boards) are remedied and a new structure is put forward.*

Amendment 9  
ARTICLE 1, PARAGRAPH 35  
Article 131 (Regulation (EC) No 40/94)

35. Article 131 is replaced by the following:

"Article 131

***Independence of the members of the Boards of Appeal***

1. The Chairman of the ***Boards of Appeal*** shall be appointed, in accordance with the procedure laid down in Article 120 for the appointment of the President of the Office, for a term of five years. ***Power to dismiss the Chairman of the Boards shall lie with the Council, acting on a proposal from the Administrative Board, after the President of the Office has been heard.*** The term of office ***of the Chairman of the Boards of Appeal*** may be renewed for additional five-year periods, or until retirement age if this age is reached during the new term of office.

The Chairman of the ***Boards of Appeal*** shall have managerial and organisational powers, principally to:

- (a) lay down the rules and organisation of work with the Chairmen of the Boards;
- (b) allocate cases and, where appropriate, set deadlines for decision-making, on a proposal by the Chairman of the Board concerned;
- (c) request the President of the Office to inform the Administrative Board in the event of repeated failure to comply with the obligations set in this way.

These powers shall be supplemented as required in accordance with the rules of procedure of the Boards laid down in

35. Article 131 is replaced by the following:

"Article 131

***The Chairman of the Administrative Tribunal***

1. The Chairman of the ***Administrative Tribunal*** shall be appointed, in accordance with the procedure laid down in Article 120 for the appointment of the President of the Office, for a term of five years. ***His*** term of office may be renewed for additional five-year periods, or until retirement age if this age is reached during the new term of office. ***He may be dismissed only for gross misconduct, on a decision by the Court of Justice after the case has been referred to it by the Administrative Board and the President of the Office has been heard.***

2. The Chairman of the ***Administrative Tribunal*** shall have managerial and organisational powers, principally to:

- (a) lay down the rules and organisation of work with the Chairmen of the Boards;
- (b) allocate cases and, where appropriate, set deadlines for decision-making, on a proposal by the Chairman of the Board concerned;
- (c) request the President of the Office to inform the Administrative Board in the event of repeated failure ***by the Chairman and members of the Boards*** to comply with the obligations set in this way;

***(d) forward to the President of the Office the Tribunal's expenditure requirements with a view to drawing up the relevant statement of expenditure.***

These powers shall be supplemented as required in accordance with the rules of procedure of the Boards laid down in

Article 140(3).

Article 140(3)."

***2. The members, including the Chairmen of the Boards of Appeal, shall be appointed by the Administrative Board for a term of five years. Their term of office may be renewed for additional five-year periods, or until retirement age if that age is reached during the new term of office.***

***3. Any disciplinary decision against the Chairmen and members of the Boards of Appeal shall be taken by the Court of Justice after the case has been referred to it by the Administrative Board on the recommendation of the chairman of the Boards of Appeal.***

***4. The members of the Boards of Appeal shall be independent. In their decisions they shall not be bound by any instructions.***

***5. The Chairmen and members of the Boards of Appeal may not be examiners or members of the Opposition Divisions, Administration of Trade Marks and Legal Division or Cancellation Divisions."***

#### *Justification*

*The CTMR created a series of appeal boards lacking a cohesive administrative structure.*

*The Commission proposal introduces a chairman of the boards, together with other bodies such as the enlarged Board, but stops short of forming an organisational whole. The amendment builds on the principles contained in the Commission proposal and also institutes an umbrella organisational entity for the Boards in the form of an Administrative Tribunal, headed by a chairman, which, in certain cases, can act as an enlarged Board.*

*At the same time some omissions in the proposal (such as responsibility for appointing members of the Boards) are dealt with and a new system structure is put forward. The paragraphs deleted from this article are reintroduced in the new Article 131a.*



Amendment 10  
ARTICLE 1, PARAGRAPH 35 a (new)  
Article 131 a (new) (Regulation (EC) No 40/94)

***35a. Following Article 131, a new Article 131a is inserted:***

***"Article 131a***

***Independence of the members of the Administrative Tribunal***

***1. The members, including the Chairmen of the Boards of Appeal, shall be appointed by the Administrative Board for a term of five years. Their term of office may be renewed for additional five-year periods, or until retirement age if that age is reached during the new term of office.***

***2. Any disciplinary decision against the Chairmen and members of the Boards of Appeal shall be taken by the Court of Justice after the case has been referred to it by the Administrative Board on the recommendation of the Chairman of the Administrative Tribunal.***

***3. The members of the Boards of Appeal shall be independent. In their decisions they shall not be bound by any instructions.***

***4. The Chairmen and members of the Boards of Appeal may not be examiners or members of the Opposition Divisions, Administration of Trade Marks and Legal Division or Cancellation Divisions."***

*Justification*

*The CTMR created a series of appeal boards lacking a cohesive administrative structure.*

*The Commission proposal introduces a chairman of the boards, together with other bodies such as the enlarged Board, but stops short of forming an organisational whole. The amendment builds on the principles contained in the Commission proposal and also institutes an umbrella organisational entity for the Boards in the form of an Administrative Tribunal, headed by a chairman, which, in certain cases, can act as an enlarged Board.*

*At the same time some omissions in the proposal (such as responsibility for appointing*

*members of the Boards) are dealt with and a new system structure is put forward.*