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EU trade mark reform five years on

Some personal experiences of the changes

2020

Introduction

The EU Trade Mark Directive (2015/2436) was issued almost five years ago but its implementation across the EU member states has been staggered over the years since then. As we are now in the home-straight of that implementation, we asked our trade mark colleagues around various CMS offices in the EU to comment on their experiences of the impact of the changes in their jurisdictions.

This article does not cover all of the aspects harmonised by the Directive. Rather, we will give you a flavour of the changes and how our individual practices have been or will be impacted by them.

Background

The aim of the Directive was to further harmonise trade mark law across the EU member states, making the registration and enforcement procedures faster, more efficient and more predictable. It also implemented a number of reforms arising from EU case law.

Goods in transit

One of the most notable changes concerned extending brand enforcement and cross-border measures to transported goods. Following the Directive, on the request of a trade mark owner, the customs authorities of Members States are now able to detain potentially infringing goods 'in transit', that is passing through the member state where the earlier mark is registered, even if they are not marketed in that member state. The burden of proof is placed on shipping party; the goods will be released if the shipping party demonstrates that the mark owner has no right to prohibit circulation of the goods on the market in the country of their final destination. Also, new infringement provisions have been introduced enabling trade mark owners to take actions against counterfeiting preparatory acts, including the production of packaging, labels and other materials, which could be used on counterfeit goods.

More actions before IP Offices

Another significant theme harmonised by the Directive concerns the ability to initiate revocation and invalidity actions before the IP Offices rather than having to launch court proceedings. Whilst we've been able to do this in the UK and Poland for many years, it is a novelty in number of jurisdictions and, as you will see below, one of the key changes mentioned by a number of our CMS colleagues. Harmonisation in this respect is certainly very welcome and it is great that our clients will be able to take advantage of the cost savings of and simpler procedure of registry cancellation actions (compared to court proceedings).

Digital files

At the time of the Directive, there was also much excitement and articles written regarding the abolition of the graphical representation requirement in trade mark applications. As the world moved to digital, why should we continue to replicate the old paper world which had required us to literally cut out and stick copies of logos onto paper forms, or attempt to describe what the proposed trade mark smelt or sounded like? The new law enables representing trade marks in accepted digital files, such as MP3 for sound marks and MP4 for multimedia marks, making filing applications easier and more flexible and the information on the registries – more accessible to users and more accurate.

At the same time, we recognise that non-traditional trade marks principally attract attention of brand owners from specific sectors (such as gaming or multimedia) and play less significant role than traditional marks in brand protection strategies. Since non-traditional trade marks are not used on the market as often as words or logos, the majority of brand owners will file them only rarely. Still, the possibility to apply for non-traditional trader marks has led to some very interesting applications and discussions on their distinctive character.

Authors
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Experiences around the CMS team

Sabine Rigaud, France

France was not among the early transposers of the Directive; it has only been fully implemented since 1 April 2020. One of the highlights is the increased role of the French trademark Office (INPI), which has been granted exclusive jurisdiction for invalidity and revocation proceedings. Just like our Italian and German colleagues, we expect that the new proceedings before INPI will be faster and far less expensive than court proceedings . The possibility given to claimants to invoke several rights in the frame of a unique cancellation or opposition action is also a strong asset.

We expect opportunities to be created by the fact that claimants are no longer required to demonstrate their interest to file a cancellation action. This might pave the way to actions brought by third parties in order to preserve the anonymity of the real claimants.

Since these actions become more accessible, we can hope that, on the long term, trade mark registries will be less crowded and that our clients will gradually find it easier to identify available signs and register their trade marks. Let's be optimistic!

Carsten Menebröcker, Germany

The Directive was implemented into national German law in two phases, with the second part only entering into force on 1 May 2020. The first part, implemented back in January 2019, was not that exciting as it merely confirmed what has been already established by case law. We, Germans, are however quite excited about the changes the directive have brought in this second phase: As of 1 May 2020 it is finally possible to pursue motions for revocation (on the basis of non-use) and motions for invalidation (e.g. on the basis of prior rights) before the German trademark office (DPMA). There is no need to initiate these actions before the courts anymore. This makes the proceedings more cost efficient (with official fees of only EUR 400 for the entire proceedings in first instance) and hopefully faster as well.

Paola Nunziata, Italy

The Directive was implemented in Italy in the first half of 2019 and introduced a number of significant changes into the Italian Industrial Property Code. Amongst other changes, it enabled licensees to bring infringement proceedings in their own name and introduced new grounds for opposition; for instance, it is now possible to base an opposition on earlier trade mark with reputation, irrespective of whether or not the conflicting goods are identical or similar (just like in the proceedings before the EUIPO).

The Directive also introduced proceedings for the revocation and invalidity of trade marks before the Italian Office of Trademarks and Patents (UIBM), previously only competent for opposition proceedings. This is a great innovation aimed at simplifying the cancellation proceedings without any prejudice to the right to initiate cancellation proceedings before the competent court. These proceedings before UIBM are not available yet; however, as soon as this change enters into force, we expect that a significant volume of cancellation proceedings will be dealt with before UIBM, as this will be faster and less expensive than the corresponding judicial proceedings.

Marek Oleksyn, Poland

Recent changes in regulations regarding the protection of intellectual property in Poland have been extremely generous to rights owners. The number of new legal tools to protect trade marks and other IP rights can probably be compared to a sandbox or store full of brand new toys!

First, the relevant rules set out in the Directive were transposed into Polish Industrial property law in 2019. This, among others, abolished the requirement of the graphic representation of trade marks in new applications, and significantly broadened and clarified the prerequisites for pursuing claims for trade mark infringement. As if that was not enough, of 1 July 2020 new specialised IP courts were established with broad scope of exclusive competences, covering not only intellectual property and other intangible assets cases, but also matters concerning unfair competition and (to some extent) personal (moral) rights. These latest changes have been long awaited by IP rights holders and hopes are high in this respect.

Louise Gellman, UK

A lot of the changes on the UK have been in the litigation sphere, around defences (e.g. clarifying that the own-name defence does not cover company name use, only personal names, and the ability to deploy a 'non-use' defence in an infringement action, rather than having to launch parallel revocation proceedings). Also, although I've not used it yet, it is now possible to divide UK trade mark registrations (previously it was only possible to divide applications; a very helpful tool if only part of an application was being delayed, perhaps by an opposition). I'm not sure when I will get to divide an existing registration, but it is bound to be useful at some point and I'm a sucker for a new UKIPO form.

Hans Lederer, Austria

The Directive has meant bidding adieu to some peculiarities of Austrian trade mark law:

— Previously the ten-year term for Austrian trade marks was calculated from the end of the month of registration; since August 2018, it's calculated from the filing date (with a transition period for existing trademarks).

— Until 2019 oppositions could only be based on prior identical/confusingly similar trade marks; since 2019 they can also be based on trade marks with a reputation, well-known trade marks as well as designations of origin and geographical indications. It is still not possible to invoke prior non-registered trade marks, other signs used in the course of trade, or copyrights in oppositions (the proprietor of such rights needs to resort to cancellation proceedings).

— Our law only provides for opposition proceedings following the registration of a trade mark. Since 2019 the five-year grace period for non-use is calculated from the end of the opposition period (or, if opposed, from the date of the decision terminating the opposition proceedings became final or the opposition was withdrawn).

Some of these changes and their interpretation are already subject to legal proceedings, which we are involved in. We are excited to contribute to shaping the new provisions.

María González Gordon, Spain

In May 2019, the Spanish Patent and Trademark Office (SPTO) finally introduced the option for an applicant to request of proof of use from an opponent in opposition proceedings. The new procedure is fully in line with that of the EUIPO. Indeed, the EUIPO has been training SPTO officers on how to examine the proof of use evidence, and what formalities should be met. So, we expect that the, EUIPO criteria in this regard will be applied by the SPTO. Latest SPTO's statistics available show that from a total of 124 proof of use request, only five have been served so far.

We will still need to wait until 2023 for the SPTO to be able to examine direct actions for cancellation and invalidation, so these remain in the courts for now.

Taner Elmas, Turkey

Turkey is not part of the EU, but our laws are often influenced by EU law. Our new Turkish IP law (enacted in January 2017) was designed to further harmonise Turkish IP legislation with the relevant EU directives. So, the Directive acted as a model for the many of the revised trademark provisions. For example, our new laws expressly confirmed that colours per se and sounds can be considered for trademark protection. It also introduced procedures for filing non-use revocation actions at our renamed The Turkish Patent and Trademark Office (previously, the Turkish Patent Institute) rather than with the IP Courts; however, we will need to wait until 10 January 2024 for this change to be implemented.

Nevena Radlova and Antonia Kehayova, Bulgaria

At the end of 2019, our brand new Marks and Geographical Indications Act was adopted to implement the Directive. Key changes include broadened options for the representation of trademark (such as multimedia formats); improved registration processes (including shortened procedural terms and a simplified payment model); and amended rules increasing trademark protection (such prohibiting actions preparatory for an infringement and on the transit of counterfeit goods). The ban on the transit of counterfeit goods may prove to be particularly useful here as Bulgaria is an external border of the EU.

Despite these novelties, owners of well-known trademarks not registered in Bulgaria can face challenges to prohibit use of their trademarks by third parties here. We regularly see examples of owners of renown brands get into difficulties caused by production of confusingly-similar goods in the country; often, these trade mark conflicts could have been avoided by seeking earlier trademark registration.

Diogo Frada Almeida, Portugal

The Directive was implemented in Portugal in July 2019 and introduced a variety of changes into our IP law. One of the key changes was to enable the Portuguese Trademarks Office (INPI) to deal with invalidity and revocation proceedings – this will speed up decision times and be more cost effective than court actions. Further, the time limit to file cancellation actions before the INPI is five years from the granting of the challenged registration (in the previous legislation, the time limit was ten years).

The other big change for us is that in opposition proceedings, the applicant can request proof of use from the opponent; this will impact on the strategy of some opponents when deciding whether or not to file an opposition as it will need to consider the availability of evidence and potentially increased costs.

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