



## Overview of European Trade Mark Law Reforms

Following the Max Planck Institute for Intellectual Property and Competition Law's "Study on the Overall Functioning of the European Trade Mark System" and the adoption of its recommendation by the European Commission (see our [Commentary](#) from August 2013), the European Parliament approved a package of reforms to European trade mark law in December 2015.

This constitutes the most significant change to European trade mark law since the introduction of the Community trade mark in 1996. The reforms are set out in the EU Trade Mark Regulation 2015/2424 (the "EUTMR"), which came into force on 23 March 2016, and the EU Trade Mark Directive 2015/2436 (the "EUTMD"), which came into force on 13 January 2016 and must be transposed into national law by Member States by 14 January 2019.

This *Commentary* highlights some of the most significant changes that will be made to the European trade marks regime as a result of the EUTMR and EUTMD which we believe are most relevant to our clients and friends.

### New Terminology

All references to "Community" have been changed to "European Union", which means that "Community trade marks" are now called "European Union trade

marks" ("EU TMs"). The "Office for Harmonisation in the Internal Market" ("OHIM") has also changed name and will now be known as the "European Union Intellectual Property Office" ("EU IPO") (Article 1 EUTMR).

### Tightening the Rules for Trade Mark Applications

**Non-Graphical Representation.** Trade marks will no longer need to fulfil the requirement for graphical representation (Article 4 EUTMR, Article 3 EUTMD). Instead, under the new regime, trade marks must be capable of "being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor". The recitals to the EUTMR and EUTMD further state that trade marks should be permitted to be represented in any appropriate form using generally available technology as long as the representation is "clear, precise, self-contained, easily-accessible, intelligible, durable and objective".

This is an important change in European trade mark law and will likely make it easier to register nontraditional marks, such as sounds or colours. The change also marks a welcome step forward in terms of EU trade mark law meeting the needs of a technologically evolving world.

**Designation and Classification of Goods and Services.** The EUTMR and EUTMD incorporate the Court of Justice of the European Union (“CJEU”) findings from the *IP Translator* case (C-307/10) (Article 28 EUTMR, Article 39 EUTMD) regarding Nice Classification class headings. Under the new system, trade mark owners will need to identify the goods and services for which the application is made with sufficient clarity and precision so that the extent of the protection can be readily determined. Although general indications included in the class headings of the Nice Classification can be used if they are sufficiently clear and precise, the term used will be interpreted literally in order to identify the goods and services included under it.

Owners of EU TMs filed before 22 June 2012 will be able to declare, within six months of entry into force of the EUTMR, that they intended to file their marks in respect of goods and services other than those covered under the literal meaning of the relevant class heading. The additional goods and services must have been included in the Nice Classification at the time of application. Trade mark owners who registered trade marks before this date should therefore review their trade marks to ensure that all necessary goods and services headings were included in their registrations.

Jones Day is currently implementing a review process for “European Union trade marks” administered by it, informing our clients in due course about their options.

**Absolute Grounds for Refusal.** The absolute grounds for refusal to register a trade mark which cannot be overcome by evidence on acquired distinctiveness have been extended to include signs which consist exclusively of a “shape, or other characteristic” [emphasis added] which results from the nature of the goods themselves, is necessary to obtain a technical result or gives substantial value to the goods (Article 4(9) EUTMR, Article 4(1)(e) EUTMD). The addition of the words “or other characteristic” broadens the scope of this ground of refusal and will be particularly relevant when considering nontraditional marks such as scents. The basic idea behind this is to prevent protection of features or characteristics that are inherent in a product or are entirely functional.

There are also new absolute grounds for refusal to register marks which constitute designations of origin, geographical

indications, traditional terms for wine, traditional specialities guaranteed or plant varieties (Article 4(9) EUTMR, Article 4(1) EUTMD).

## Changes to Opposition Proceedings

**Opposition Deadline.** The period for opposition to international registrations designated to the EU has been changed. Previously, the period was three months starting from the sixth month from publication. Now the period will be three months starting from the first month of publication. This will result in a significant acceleration of the opposition proceedings in the future.

**Change of Computing the Grace Period Before Use in Commerce Is Required.** The relevant five-year period is now calculated by reference to an earlier starting point. It no longer commences with the publication of the younger mark but rather its application or priority date (Article 42 (2) EUTMR, Article 44 (1) EUTMD). This change adheres to the expedited processing at the Office, with the result that new trade mark applications appear in the online databases long before their official publication date.

## Improved Harmonisation

**Cancellation Actions To Be Available Before All National Offices.** Currently, invalidity proceedings involving national trade marks may be initiated (i) in certain Member States before the national trade mark office or before the competent court (such as in Germany and England) and (ii) in other Member States before the competent court only (such as in France). Pursuant to the EUTMD, all Member States must set in place an “efficient and expeditious administrative procedure before their offices for the revocation or declaration of invalidity of a trade mark” (Article 45 EUTMD). Member States (such as France) will now have to implement an administrative cancellation action of national trade marks. This will undoubtedly improve the cost and time efficiency of national trade mark cancellation proceedings EU-wide.

**Avoiding Trade Marks Becoming Generic.** EUTMR confirms the ability, for EU trade mark owners, to obtain from dictionaries an indication that a word, such as a dictionary entry, constitutes a registered trade mark. Such provision is an efficient

tool to prevent EU trade marks from becoming generic. Article 12 of the EUTMD enlarges such provision to encompass national trade marks as well. This new provision should be very welcomed by trade mark owners.

**Freedom of Expression.** Recital 21 of the EUTMR incorporates in the trade mark law landscape the fact that “uses made by third parties for the purpose of artistic expression should be considered as being fair as long as they are at the same time in accordance with honest practices in industrial and commercial matters”. Such reference, which is in line with intellectual property law reforms EU-wide, will provide a legal basis in all Member States so as to ensure that trade mark law is applied in a way that ensures the full respect of fundamental rights and freedoms, in particular the freedom of artistic expression.

## Improved Tools for Countering Infringement

**Goods in Transit.** Trade mark owners will now be able to prevent third parties from bringing goods, including packaging, in the course of trade into the EU, even if those goods are not being released for free circulation in the EU (Article 9(4) EUTMR, Article 10(4) EUTMD). These goods must bear a mark that is identical or cannot be distinguished in its essential aspects from the owner’s trade mark. Under the previous rules, only goods that were intended to be put into circulation in the EU could infringe, whereas under the new rules, the mere transporting or storing of goods (including temporary storage, trans-shipment and warehousing) through or in the EU could constitute infringement.

This change will no doubt be welcomed by brand owners, particularly in the fashion and pharmaceutical industry where counterfeiting is a significant problem. The fact that non-EU goods may be targeted is also likely to make European ports more important in the fight against global counterfeiting. It is important to note, however, that the right to prevent goods in transit will lapse if the owner of the goods can show that the trade mark owner is not entitled to prevent the goods from being placed on the market in the country of the goods’ final destination.

**Preparatory Acts.** It is now an infringement to undertake a preparatory act, in particular affixing a similar or identical

mark on packaging, labels, tags, security or authenticity features or devices, where there is a risk that these materials could be used in relation to goods and services and such use would constitute infringement of the owner’s rights (Article 9a EUTMR, Article 11 EUTMD). Trade mark owners will also be able to prevent others from offering, placing on the market, stocking, importing or exporting any such offending materials. This development will be welcome news for trade mark owners as it will strengthen their ability to protect their marks at an earlier stage by preventing the affixing of infringing marks to products.

**“Own Name” Defence.** The “own name” defence has now been limited so that only natural persons can rely on the fact that they are using their own name or address (Article 12(1) (a) EUTMR, Article 14(1)(a) EUTMD). Companies can no longer rely on this defence, and this will therefore increase the importance for companies of filing relevant trade marks early.

## A Fairer Fee Structure

The fee structure for EU TMs is changing to encourage applicants to register EU TMs in the necessary classes only. The new fees will be €850 for an application in a single class, €900 for two classes and a further €150 for each additional class. As a result, applicants will pay a lower fee than before if they apply for only one class, the same fee if they apply for two and a higher fee if they apply for three or more. Renewal fees have been substantially reduced and will now be the same as application fees.

These lower fees will be welcomed by all businesses, particularly small- to medium-sized enterprises which may have previously been deterred by the amounts involved.

## Conclusion

It is evident that the reform package constitutes a significant overhaul of trade mark law within the EU and that these changes seek to adapt EU trade mark law to meet the needs of a technologically evolving world. The changes to the application rules mean that a wider variety of marks can likely now be registered, which will be a welcome development for trade mark owners and applicants. Trade mark owners’ rights have also been strengthened,

in particular with broader infringement provisions, and it is likely these changes will further help trade mark owners act more effectively against infringing products.

In view of these sweeping changes, it will be more interesting than ever to see how case law from the CJEU develops in relation to EU trade mark law over the next few years.

## Lawyer Contacts

For further information, please contact your principal Firm representative or one of the lawyers listed below. General email messages may be sent using our “Contact Us” form, which can be found at [www.jonesday.com/contactus/](http://www.jonesday.com/contactus/).

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