



ABSTRACT

THE LEGISLATIVE PACKAGE HAS BEEN RELEASED: HOW IS IT GOING TO AFFECT ALL OF US? COUNTRY PERSPECTIVES – EFFECTS OF THE PROPOSED AMENDMENTS TO THE TM REGULATION ON NATIONAL JURISPRUDENCE

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The new legislative package – according to recital 8 of the proposal for a new Directive– is necessary in order to serve the objective of creating a well functioning single market and to facilitate acquiring and protecting trade marks in the Union. It is therefore necessary to go beyond the limited scope of approximation achieved by the existing directive and extend approximation to all aspects of substantive trade mark law governing trade marks protected through registration as covered by regulation (EC) No 207/2009. This includes aligning the principal procedural rules of national proceedings with the relevant provisions of the Regulation, especially where existing differences create problems for the users, and where such alignments are deemed indispensable for creating a harmonious and complementary system of trade mark protection in Europe. Although this does not postulate full approximation of national trade mark laws and procedures or a single trade mark rulebook, and many of the proposed provisions are already well established in the German Trade Mark system, some of them will indeed have to make an impact on the decision making of the Federal Patent Court.

Art 3, definition of a trade mark

Doing away with the requirement of graphical representation in order to facilitate the registration of non traditional marks that can be represented by technological means will probably create new questions for the courts to decide – depending on the rules established by the national offices. However, the requirements established by the European Court of justice in the Siekmann case (C-273/00, para. 55) are still valid and will continue to be the basis of decisions.

Art 4 para 2 and 3, absolute grounds for refusal or invalidity

While changes concerning the examination of geographical indications and other signs pursuant to Union legislation or treaties (Art 4 para. 1 (i) and (j)) bring nothing new, the provisions proposed in para. 2 will have an impact.

Art 4 para. 2 extends the application of grounds of non-registrability – including distinctiveness, descriptiveness, contrary to public order etc. – to the situation in other Member States than those where the application for registration was filed. This is indeed an absolute alignment with the European Trade Mark, however it seems that by this the national trade mark loses its nationality.

Until now the German Patent – and Trademark Office and the Federal Patent Court– following the principle of territoriality – may accept trade mark applications in a language which is not commonly spoken and understood in Germany and not necessary in trade (which does not apply to English or other languages commonly used in trade as French, Italian or Spanish). Those signs are deemed to be distinctive and not descriptive as the public will not understand their meaning – even if the sign has indeed a descriptive meaning in that foreign language.



If in future the German Office and the Federal Patent Court should be obliged to check grounds for refusal in all 23 official or even more languages of the EU, and examine signs according to established practices of the trade, public policy or accepted principles of morality in other Member States, this would be a complete change to currently established practice and seems not to be in line with the territorial character of a national mark.

There is no doubt that current national practices of registering trade marks in one member state, even if they are clearly not registrable in another member state, may create problems for the European Trade Mark: signs, which would never be registered as European Trade Marks because of absolute grounds existing in only one Member State, can be registered nationally and then relied on for oppositions against EU applications. This problem has to be solved. However, whether the proposed solution of extending national examination of absolute grounds to the situation in all Member States instead of only the national circumstances is the correct one, remains to be discussed.

According to Art 4 sec 3 a trade mark shall be declared invalid where the application was made in bad faith. Any Member State may also provide that such a trade mark shall not be registered. In Germany there already exist provisions to that extent. Experience shows that if bad faith is invoked, things get complicated. It's rather difficult to establish proof for bad faith. It can be done – albeit not easily – in inter partes invalidity cases, as at least one party usually provides some evidence and proceedings are better suited to find a solution. It is nearly impossible in ex parte cases, as without background information – which normally is not provided – examiners and court often cannot recognize bad faith, it's seldom evident from the application alone.

Art 16, use of the trade mark

Discussions on requirements for genuine use have been going on for a long time now. Expectations that the directive might give more guidance have not been fulfilled. In the meantime the European Court of Justice has handed down its decision in the Onel case:

A Community trade mark is put to 'genuine use' when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity. So it's also in future up to the courts to decide.

Art 40, classification

Following the IP-Translator Decision the provisions foreseen in the new directive are surprisingly detailed for a directive – and will nevertheless probably end up in the courts again, as there is still enough room for interpretation and open questions. Much will depend on the practical solutions found in cooperation between OHIM and the national offices when completing their databases.

Art 41, 45 Opposition Proceedings

According to Art 41 Offices shall limit their examination *ex officio* of whether a trade mark application is eligible for registration to the absence of absolute grounds.

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Instead of an ex officio examination of relative grounds member States shall provide for an efficient and expeditious administrative procedure for opposing a registration because of relative grounds before their offices (Art 45). Germany has implemented a post registration opposition procedure, which is started against less than 10% of the registrations and works fine. However, the wording of the Article seems to have a pre - registration opposition procedure in mind, which would mean a fundamental change in German law.

Art 47, procedure for revocation or declaration of invalidity

Member State shall provide for an administrative procedure before their offices for revocation or declaration of invalidity of a trade mark.

For the time being the German Trade Mark law provides such a procedure before the Office and the Federal patent Court only in cases, where a trade mark should not have been registered because of absolute grounds or where the trade mark owner does not oppose an application for revocation because of lack of genuine use.

A revocation because of earlier rights or where an owner defends against the non – use argument has to be decided by the civil courts. The proposals in the directive would change this and give more competences to Office and Federal Patent Court - from my point a good idea and in line with the competences of the Court in patent and design law.