

June 17, 2013

English Summary

Opinion

of the German Association for the Protection of Intellectual Property
(Deutsche Vereinigung für gewerblichen Rechtsschutz und Urheberrecht e.V.)
**regarding the European Commission proposal for a recast of the
Trade Mark Directive**

The German Association for the Protection of Intellectual Property (GRUR) is a scientific non-profit association. Its statutory purpose is the academic advancement and development of industrial property, copyright and competition law at the German, European and international level. For fulfilling these tasks, GRUR provides assistance to the legislative bodies and to authorities competent for issues of intellectual property law, organises conferences, workshops and further education courses, provides financial aid to selected university chairs and research projects and also publishes four leading German professional IP law journals (GRUR, GRUR International, GRUR-RR and GRUR-Prax.) With over 5,250 members coming from 52 countries, the association offers an umbrella for a wide range of IP professionals: lawyers, patent attorneys, judges, academics, representatives of the specific public authorities and of the international organisations as well as enterprises dealing with issues of intellectual property.

On 27 March 2013 the European Commission presented proposals for an amendment of Regulation 207/2009 on the Community trade mark (Regulation) and for a recast of Directive 2008/95/EC for the approximation of the laws of the Member States relating to trade marks (Directive). On 13 June 2013 GRUR presented comprehensive comments, in German, on the proposals relating to the Directive. The following constitutes a summary of these comments. Observations on the Regulation will be submitted at a later date.

Preliminary remark

GRUR considers that in the legislative process the proposals for amending the Regulation and the recast of the Directive should be dealt with together, including the proposed amendments of the Fees Regulation.

1 General Remarks

1.1 Recast

GRUR supports the proposed recast (rather than an amendment) of the Directive.

1.2 Degree of harmonisation

GRUR welcomes the broad scope of the proposal to harmonize not only substantive but also procedural law.

1.3 Terminology, definitions

GRUR considers the use of "European" as problematical, in view of the situation that not all European countries belong to the EU.

GRUR regards it as inappropriate to change the name of the Alicante Office.

1.4 Missing proposals

The Commission has failed to adopt certain suggestions made in the Max Planck study. From the perspective of GRUR in particular the following proposals are worth considering.

1.4.1 Supplementation of Preamble

The clauses of the Preamble should be supplemented as proposed in the Max Planck Study.

1.4.2 Protection in the territory of the Member States

Trade mark protection should apply anywhere in the territory of the Member States, including customs free zones.

1.4.3 Deletion of Article 3 (1) (e) (iii)

The absolute ground in the (current) Article 3 (1) (e) (iii) should be deleted. While shapes which give substantial value to the goods are usually devoid of distinctive character, once they have acquired distinctiveness as the result of use the reasons for excluding them from registration are no longer valid.

1.4.4 Use of marks for other purposes, Article 5 (5)

GRUR considers it necessary to convert the current option in Article 5 (5) into a mandatory provision and introduce the same provision also in the Regulation.

1.4.5 Protection of well-known marks

GRUR regrets the absence of a proposal which would put well-known marks on the same footing as registered marks.

2 Substantive law

2.1 Extension of registrable signs, Article 3

GRUR welcomes the proposal in Article 3 to expand the examples of registrable signs and replace the current "graphic representation" requirement with a broader wording which allows taking into account new types of marks.

2.2 Absolute grounds, Article 4

2.2.1 Reducing options

GRUR agrees that current options are mostly made mandatory.

GRUR considers that the prohibition of registration of marks the use of which is subject to prohibition under national or Union law should be mandatory.

2.2.2 Protected GIs and traditional wine designations, para. 1 (i) and (j)

GRUR supports the proposal.

2.2.3 Protected designations of food specialties, para. 1 (j)

GRUR considers the proposal problematic because EU legislation does not provide for a prohibition of registration.

2.2.4 Absolute grounds in other Member States, para. 2 (a)

GRUR opposes the proposed extension of absolute grounds.

Obliging Member States to take into account obstacles existing in other Member States would lead to a considerable examination burden. The proposal would reduce the attractiveness of national trade marks and thus undermine the principle of coexistence of the two trade mark systems.

If a regulation cannot be avoided it should in any event be limited to marks which are descriptive or not distinctive.

2.2.5 Transcription or translation, para. 2 (b)

GRUR considers the extension to be impractical and unnecessary. The principle should be that the opinions of the relevant public in the respective country are relevant, which may include knowledge of languages other than the local language.

2.2.6 Bad faith, para. 3

GRUR supports the proposal that bad faith should be a mandatory absolute ground. Member States should retain the possibility of deciding whether examination should be carried out prior to registration or only as a ground for invalidation.

2.2.7 Acquired distinctiveness, para. 5

The Commission proposes that the acquisition of distinctive character through use must be shown before the application date, or after registration. Member States are given the option to acknowledge the acquisition of distinctiveness after the application date but before the registration of the mark.

GRUR considers it necessary to have a provision which is mandatory for all Member States setting the relevant point in time in cases of acquired distinctiveness. This applies not only to distinctiveness acquired prior to the filing date and after registration, but also to distinctiveness acquired after filing and before registration, combined with a “replacement” of the relevant point in time as regards determining conflicts between marks to the time when distinctiveness was acquired.

2.2.8 Plant variety designations

GRUR considers it necessary to include plant variety designations as absolute grounds as well as a basis for an opposition not only in the Regulation but also in the Directive.

2.3 Relative grounds, Article 5

2.3.1 General

The list of mandatory and optional grounds for refusal does not necessarily mean that these grounds can be invoked during the opposition procedure or whether it is optional for the Member States to include these grounds only as grounds for cancellation. That question is addressed in relation to the proposals for procedural rules.

The same applies to the question of whether opposition proceedings must be provided prior to the registration or whether a post-registration opposition is also allowed.

2.3.2 Mandatory grounds, para. 1-3

2.3.2.1 Earlier national marks, para. 3 (a)

GRUR supports the proposal to include national marks with reputation.

GRUR considers that the provision should become part of Article 5 (1). Also, the provision should read “... in the Member State concerned ...” rather than “... in a Member State ...”, in accordance with the (correct) wording in Article 10 (2) (c).

2.3.2.2 Agents' marks, para. 3 (b)

GRUR supports the proposal.

2.3.2.3 Third-country marks and bad faith, para. 3 (c)

GRUR welcomes this provision insofar as bad faith applications are considered one of the grounds for refusal which may be asserted in opposition proceedings. By qualifying bad faith as a ground of opposition, it is made possible to the opposing party in systems with pre-registration opposition proceedings to prevent the registration instead of being referred to subsequent cancellation procedures.

However, GRUR is opposed to the additional conditions – third-country mark, still in genuine use. Thus, it is not clear why the assertion of bad faith should be limited to cases in which a mark is protected out-

side the EU and is used there genuinely. GRUR instead supports a general rule – bad faith as ground of invalidity – and inclusion of bad faith in the opposition grounds.

2.3.2.4 GIs protected under EU law, para. 3 (d)

The Commission proposes to add Union-wide protected geographical indications to relative grounds for refusal.

GRUR considers this appropriate, especially in view of the parallelism to the Regulation.

2.3.3 Optional grounds, para. 4

2.3.3.1 Other earlier rights, para. 4 (b)

GRUR considers it necessary to include earlier unregistered trade marks and similar rights among the mandatory relative grounds for refusal.

2.3.3.2 Consent to registration, para.5

In accordance with current law, Member States should have the option of not accepting a relative ground when the proprietor of the earlier right has agreed to the registration of the later mark.

GRUR considers necessary a mandatory rule which would overcome any relative ground when the proprietor of the earlier right has agreed to the registration.

2.4 Subsequent determination of invalidity when seniority has been claimed, Article 6

GRUR supports the proposal.

2.5 Intervening rights, Article 8

GRUR supports the proposal, which constitutes an important contribution to the closing of gaps in current law.

2.6 Acquiescence, Article 9

GRUR would welcome the inclusion of all earlier trade mark rights, whether registered or not, in the mandatory acquiescence.

2.7 Scope of protection, Article 10

2.7.1 Reservation of earlier third party rights, para. 2

GRUR welcomes the clarification that the exclusive rights of a trade mark proprietor are subject to earlier third party rights. It should be clear that all earlier rights are included (German version differs from other versions).

2.7.2 Limitation of double identity protection to detriment to origin function, para. 2 (a)

The Commission proposes, for reasons of legal certainty and clarity, that in cases of double identity protection should be granted only when there is detriment to the origin function.

GRUR rejects this proposal. The scheme would not give the required guarantee of legal certainty and clarity, but on the contrary would lead to self-contradictory rules and to considerable legal uncertainty.

Thus, with a narrowing of the double identity protection to guarantee the origin function it could not be justified why the importation of genuine goods into the EU is an infringement. Also the fact that the use of trade marks in comparative advertising was added to the infringing acts, stands in open contradiction to the proposed rule, because usually unlawful comparative advertising does not result in a detriment to the origin function.

GRUR recognizes that the case law of the ECJ has partially led to uncertainty. However, legal clarity and certainty could be already improved by specifying in the preamble that both the use of the mark for the goods and services of a third party as well as those of the trade mark owner falls within the scope of trade mark law, although the use of goods and services of the proprietor is to be regarded as a violation only if it is contrary to honest practices in industrial and commercial matters or is in connection with goods which are not to be sold legitimately in the EU or in the territory of the Member States (see Recital 19 of the “leaked” spring 2013 version).

2.7.3 Likelihood of confusion, para. 2 (b)

GRUR would prefer a wording which is in line with the English text and leave the current wording unchanged.

2.7.4 Protection of marks with a reputation, para. 2 (c)

GRUR supports making the protection of marks with a reputation mandatory.

2.7.5 Prohibition of use of trade names, para. 3 (d)

GRUR welcomes the proposal to provide that the use of trade names (if used in relation to goods or services) amounts to infringement.

2.7.6 Prohibition of use in unlawful comparative advertising, para. 3 (f)

GRUR supports the proposal to provide that unlawful use of a mark in comparative advertising amounts to infringement.

2.7.7 Import, use in the course of trade, para. 4

GRUR welcomes the proposal, but considers that the scope of the provision, just as that for transit, should be limited to “counterfeit goods”.

2.7.8 Transit, para. 5

GRUR points out that the German text differs from the English text and other versions. GRUR assumes that what is actually proposed is the same as what is proposed for the Regulation (Article 9 (5) of the Regulation).

The underlying intention of the Commission's proposal of an efficient fight against piracy has the full support of GRUR. In accordance with what has been explained above (1.4.2) that trade mark protection extends to the entire territory, any use within that territory in the course of trade amounts to an infringement. This would also apply to bringing goods into the territory for transit purposes. However, an exception should apply, in order to recognise the legitimacy of transit, that no infringement exists when it can

be established beyond reasonable doubt that the goods, while potentially infringing in the country of transit, do not infringe any rights in the country of destination.

2.7.10 Labels, etc., Article 11

GRUR supports the proposal.

2.7.11 Dictionaries and data banks, Article 12

GRUR supports the proposal but would point out that the wording should take into account online works.

2.7.12 Agents' marks, Article 13

GRUR supports the proposal.

2.8 Limitations

2.8.1 Fair use, Article 14

2.8.1.1 Use of names, para. 1 (a)

GRUR welcomes the proposal to limit the fair use defense to personal names. The use of arbitrarily chosen trade names should not enjoy any privilege.

2.8.1.2 Use of not distinctive signs or indications, para. 1 (b)

GRUR considers this proposal a useful addition to the limitations.

2.8.1.3 "Referential" use, para. 1 (c)

GRUR approves the proposal to extend the limitations to "referential" use of the proprietor's mark for his goods or services as a systematic correction and completion of the interaction between scope of protection and limitations.

The wording in the German version should include the word "notwendig" ("necessary"), in line with the French and English texts.

2.8.1.4 Examples of unfairness, para. 2

The Commission proposes to supplement the limitations by listing examples of unfair use, such as giving the impression of a commercial connection, or advantage being taken or impairing the distinctive character or repute of the mark.

GRUR considers this proposal appropriate so as to ensure greater consistency in the application of the law.

2.8.1.5 Rights of local significance, para. 3

GRUR considers that maintaining para. 3 in order to protect proprietors of local earlier rights is not necessary in view of the addition to Article 10, which preserves earlier rights in general.

2.8.2 Exhaustion, Article 15

GRUR points out that the wording of Article 15 should include the EEA.

2.8.3 Use, Article 16

2.8.3.1 Calculation of grace period, para. 1 to 3

GRUR supports the proposal in principle.

In cases of post-registration oppositions the grace period should be postponed only for those classes of goods or services subject to attack. Opponents should be required to indicate these classes and offices should make this information available online.

2.8.3.2 Attribution of use of registered variants, para. 4 (a)

GRUR welcomes this proposal as an important legislative clarification that makes sense regardless of the recent judgments of the ECJ.

2.8.4 Defense of non-use in infringement proceedings, Article 17

According to Article 17, the exercise of the exclusive right is precluded when the mark was subject to revocation for non-use at the time the infringement action was brought.

GRUR considers this proposal an important step towards harmonization.

2.8.5 Intervening rights in infringement proceedings, Article 18

GRUR welcomes this proposal as an important supplement of harmonized law. The wording however should be such that it clearly appears, as indicated in the 30th Recital, that the earlier mark could have been revoked or invalidated when the later was acquired.

2.9 Cancellation grounds (revocation and invalidity), Article 19 et seq.

GRUR agrees to the proposal, which does not involve a change as compared to current law.

2.10 Marks as objects of property, Article 22 et seq.

The Commission proposes to align the provisions on trade marks as property with the provisions already contained in the Regulation.

GRUR considers this appropriate in principle, even if the proposals at times go too far into details.

2.10.1 Transfer, Article 22

The proposal for the transfer of rights in Article 22 corresponds to Article 17 of the Regulation.

The proposal is approved in general. However, the Directive should not require that transfers must be in writing.

For the cases where the mark has been transferred but the new owner is not yet recorded, GRUR considers the current German rules, § 28 (2) of the German Trade Mark Act, to be better suited than what is proposed for Article 22.

2.10.2 Rights in rem, enforcement, insolvency, Articles 23, 24, 25

GRUR agrees to the proposals, which essentially require that the respective facts will be noted in the register of trade marks.

2.10.3 Licenses, Article 26

GRUR welcomes the proposals as regards substantive law.

As far as the registration of licenses is concerned, it should be noted that under current German law registration of trade mark licenses is not available. GRUR considers the current situation as appropriate and thus is opposed to registration of trade mark licenses.

2.11 Collective and certification marks, Article 28 et seq.

2.11.1 Collective marks

The Commission proposes to include the same provisions in the Directive on collective marks, in essence, as are already included in the Regulation.

GRUR supports that proposal, for reasons of parallelism of legal protection in the Regulation and in the Member States.

2.11.2 Certification marks

The Commission proposes the introduction of the category of guarantee or certification marks for the Regulation. The reason given is that there is an economic need for this category of marks where the proprietor does not itself produce the guaranteed or certified goods or service. For the Directive on the other hand, such a proposal is not made as a mandatory rule.

GRUR supports for the future German law the inclusion of guarantee or certification marks, and considers it preferable to have a mandatory rule for all Member States.

3 Procedures, Articles 38 et seq.

The Commission proposes to require Member States to have substantially similar procedures, which are also similar to those that apply to the EU Office in Alicante.

GRUR welcomes this basic approach. This would lead to significant simplifications in the acquisition of trade mark protection in the Member States as well as better ways to exclude or remove unregistrable marks from the registers.

3.1 Application, filing date, Articles 38, 39

Articles 38 and 39 contain the minimum required at the time of registration and the provisions for the granting of a filing date requirements.

GRUR approves the proposal as regards the filing date requirements.

Under the Commission proposal (Article 39 paragraph 2), Member States may make the granting of a filing date dependent on the payment of a (basic) fee.

GRUR is of the opinion that the current regime in Community trade mark law and German law, where the payment of the (basic) fee is possible within one month after the submission of the application without loss of filing date, should be maintained. It is appropriate and meets the interests of trade mark applicants and their representatives. For the offices there is no obligation to enter into the examination of the application prior to receipt of the fees.

For those Member States that do not currently know the payment of a filing fee as a filing date requirement, a change in law would also infringe Article 5 (2) TLT and Article 5(2) of the Singapore Treaty.

3.2 Classification, Art. 40

3.2.1 Transformation of IP Translator

GRUR approves this proposal. A standardization of classification practice in the European Union is absolutely necessary. For German law, nothing changes, because even before the IP Translator judgment the use of general terms was basically allowed and these terms covered, by their normal understanding, only those goods or services that could be grouped without difficulty under the general term ("means what it says").

Unlike for the Regulation there is no proposal for a "repair" clause permitting clarification when applications were filed under the pre-IP Translator regime. Such a scheme would not be required in Germany.

3.2.2. Reclassification

The Commission proposal contains nothing about "reclassification." Only the restriction of the list of goods and services at any time is possible. Because of the principle of perpetual validity of trade mark registrations there is a need of reclassification, at any rate if classification changes are made in the Nice classification.

GRUR considers that a mandatory reclassification obligation should apply, which at least provides for reclassification at the request of the trade mark owner.

3.3 Ex officio examination, Article 41

Under the Commission proposal, all Member States should limit their future official examination to absolute grounds for refusal.

GRUR welcomes this proposal. While nothing would change in German law, implementation would require a fundamental re-orientation in many Member States.

3.4 Third-party observations, Article 42

GRUR approves the proposal to take into account comments from third parties on registrability.

3.5 Division, Article 43

GRUR welcomes this proposal.

3.6 Class fees, Article 44

GRUR considers the proposal which requires to have separate class fees (as against the current law, which has the same fee for three classes) to be appropriate. It can help to ensure that applicants do not include more classes than they actually require. GRUR expects that in sum the proposed scheme will not make trade mark protection more expensive.

3.7 Opposition, Article 45

GRUR welcomes the proposal, which would make it easier in those Member States which still do not know any opposition proceedings, to assert prior rights. For German law, this does not imply any change. However, for the future German law bad faith should be included in the opposition grounds.

GRUR assumes that the present post-registration opposition as well as the action for consent to registration will be maintained.

3.8 Defense of non-use, Article 46

GRUR welcomes this proposal, which is already the law for EU trade marks (and in Germany).

As concerns the relevant date for calculating the five-year period within which the earlier mark must be used, GRUR is in favor of the date of application of the later mark (rather than the priority date). In addition, it should be provided that the opposition must also be dismissed if the earlier mark has not been put to genuine use within the last five years before the publication of the later mark.

In this context, the question arises for Germany whether the so-called "moving" grace period should be maintained. In view of the fact that in the future an office procedure for cancellation of trade marks (revocation and invalidation) must be provided and in court proceedings a counterclaim seeking revocation or invalidation may be brought, GRUR considers that there is no need to maintain the current "moving" period.

3.9 Cancellation, Article 47

GRUR approves the proposal.

The implementation of this rule would also require administrative cancellation proceedings in Germany, where office actions are currently limited to absolute grounds.

As a result, this would lead to a situation Germany where (summary) post-registration opposition proceedings are available with a short opposition period, and cancellation proceedings are available as well, without any time limitations.

GRUR expects that the introduction of such an administrative cancellation proceeding will leave unaffected the competence of the courts to rule on the validity of registered marks.

3.10 Defense of non-use in cancellation proceedings, Article 48

GRUR approves the proposal. This will establish a binding rule for all Member States which already applies for the EU trade mark and in German law.

With regard to the calculation of the relevant five-year period and on the "moving" period existing under current German law, the above remarks (3.8) apply here as well.

3.11 Effect of revocation or invalidation, Article 49

GRUR approves the proposal.

3.12 Term of protection and renewal, Articles 50, 51

GRUR approves the proposal of calculating the duration of protection – 10 years – from the application date.

For the renewal a request and payment would be required.

GRUR prefers the current German provision where a separate request is not required. Thus, either no provision should be made for the formalities for renewal, or it would be stated that payment of fees should suffice.

4 Various points

4.1 Cooperation, Article 52 and 53

GRUR considers the cooperation of the offices in the Union, as it is practiced today in part (Cooperation Fund, Convergence Program), an essential part of the trade mark system in the EU. This involves not only common tools, like a common Internet platform, and common databases, but also – and above all – harmonization of examination practices.

4.2 Final clauses, Article 54 to 56

4.2.1 Transformation period

GRUR considers appropriate the proposed two years for transforming the Directive into national law.

4.2.2 Transition rules

In the final provisions there are no special transitional arrangements. Such legislation will be required, however, if the rules on validity or infringement of trade marks contain provisions which go beyond the current law (or are less stringent than the current law). GRUR considers such a scheme necessary. A model could be the provisions in §§ 152 et seq. of the German Trade Marc Act.



Prof. Dr. Michael Loschelder
Secretary General



Dr. Hans Peter Kunz-Hallstein
President