

THE EUROPEAN TRADE MARK REFORM PACKAGE

Owing to the significant change in the business environment since the establishment of the Community Trade Mark more than fifteen years ago, in December 2015 the European Parliament finally adopted Directive (EU) 2015/2436 and Regulation (EU) 2015/2424 on European Trade Marks.

The Regulation will enter into force and effect on 23 March 2016. The Directive shall be transposed into national law within the next three years, i.e. by 14 January 2019.

The reform package aims in particular to upgrade, streamline and modernize the current Trade Mark legislation by making Trade Mark registration systems more accessible and efficient for business in terms of lower costs and complexity, increased speed, greater predictability and legal security.

The most important facts and key changes are:

- **Renaming of the CTM and the OHIM**

The Community Trade Mark (CTM) will be renamed the European Union Trade Mark (in short: EUTM), while the Office for Harmonisation in the Internal Market (OHIM) will be renamed the European Union Intellectual Property Office (in short: EUIPO).

All CTM applications and registrations will automatically change to EUTM applications and registrations on 23 March 2016.

- **Fee Structure**

Of particular interest is the significant change in fees; both for new applications and the renewal of registered Trade Marks as well as for opposition and cancellation proceedings and appeals.

Application Fees

Currently, the basic fee for a Community Trade Mark application with the OHIM covers up to three classes of goods and services; any subsequent class is charged extra.

The adoption of the new European Union Trade Mark package provides for a "one-class-per-fee" structure, which means that the basic fee covers one class, whereas a separate "class-fee" is paid for each subsequent class applied for (see table below).

		Current	New
Application Fee (electronic filing)		EUR 900.-- (3 classes)	EUR 850.-- (1 class)
Class Fees	2 nd class	--	EUR 50.--
	3 rd class	--	EUR 150.--
	4 th & subsequent class	EUR 150.--	EUR 150.--

Renewable Fees

The fees for renewing registrations will be reduced significantly after 23 March 2016 (see table below).

		Current	New
Renewal Fee (electronic filing)		EUR 1,350.-- (3 classes)	EUR 850.-- (1 class)
Class Fees	2 nd class	--	EUR 50.--
	3 rd class	--	EUR 150.--
	4 th & subsequent class	EUR 400.--	EUR 150.--

▪ NICE Classification Classes

Prior to 22 June 2012, CTMs covering class headings were deemed to cover all goods and services in the respective class. However, this established practice of Patent Offices throughout Europe was changed by the ECJ decision "IP TRANSLATOR" (ECJ of 19 June 2012, C-307/10). Following this judgment, all CTM registrations filed on or after 22 June 2012 have been interpreted to cover only those goods and services clearly falling under the literal meaning of the class heading.

In order to guarantee greater legal security and clarity, the new Trade Mark Reform Package provides that as of 23 March 2016, all Trade Marks (thus also those applied prior to 22 June 2012) shall be interpreted in this sense; i.e. if the Trade Marks are registered for class headings, the protection covers only those goods and services clearly falling under the literal meaning of the class heading.

Hence, owners of Community Trade Marks may take appropriate actions since the scope of protection of their Community Trade Marks could retroactively be limited if they fail to declare within six months of the Regulation coming into force, thus by 23 September 2016, for which specific goods and/or services beyond the mere literal meaning of the applied class headings their Community Trade Mark shall be protected in addition to the class headings.

▪ Registration of a Trade Mark

Until now, protection could only be sought for Trade Marks that were subject to graphic representation. Thus, any unconventional Trade Marks such as Olfactory Marks and Sound Marks were not open to Trade Mark registration. In order to facilitate the registration of new types of Trade Marks in the digital age the criteria for the graphic representation of Trade Marks were removed, which opens the way for new forms of Trade Marks provided that these can be presented in a form that allows for clear determination of its scope of protection.

- **Better protection against Product Piracy**

Another focus of the European Trade Mark Reform Package is to provide better and more efficient protection against product piracy in the European Union by improving measures against mere preparatory acts. Additionally, goods in transit not intended to be put on the European market may also be stopped by Customs.

- **Improvement of Rights conferred by a European Trade Mark**

The European Trade Mark Reform Package provides that owners of a European Trade Mark may prohibit third parties from using the Trade Mark as a trade or business name or as a part thereof provided that it is not a physical person's name.

- **Cooling off period for national opposition proceedings**

Already known by owners of Community Trade Marks, the new Directive provides for a cooling off period of at least two months following a joint request for national opposition proceedings to allow for settlement negotiations.

- **Expansion of the catalogue of absolute grounds for refusal of registration of Trade Marks**

Starting from 23 March 2016, all Marks containing geographical indications or indications of origin shall be refused registration on absolute grounds.

The above are just some of the changes of the European Trade Mark Reform Package that will help to further harmonize Trade Mark law on European level. Many of these amendments provide for a greater legal security and clarity and help the Trade Mark owner to efficiently protect its rights conferred by its Trade Marks. On the other hand, the new European Trade Mark Reform Package requires that owners of Community Trade Marks registered prior to 22 June 2012 are called upon to reassess the scope of protection of their Community Trade Marks (in particular with regard to the specific goods and services of specific interest for the Trade Mark owner).

About WOLF THEISS

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