



**COUNCIL OF  
THE EUROPEAN UNION**

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**NOTE**

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From: Presidency

To: Permanent Representatives Committee/Council

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No. prev. doc.: 9337/14 PI 52 CODEC 1188  
9339/14 PI 53 CODEC 1190

No. Cion doc.: 8065/13 PI 51 CODEC 710 + ADD1 + ADD2  
8066 PI 52 CODEC 711 + ADD1 + ADD2

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND  
OF THE COUNCIL amending Council Regulation (EC) No 207/2009 on the  
Community trade mark  
and  
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF  
THE COUNCIL to approximate the laws of the Member States relating to trade  
marks (Recast)  
- Progress report

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**I. INTRODUCTION**

1. On 2 of April 2013, the Commission submitted the above mentioned proposals to the Council and the European Parliament.

2. On 27 March 2013, with a view to amending the level of fees for Community trade marks, the Commission submitted to the Member States a draft Commission Implementing Regulation amending Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal market (Trade Marks and Designs) and Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark.
3. Considered together as a package, the main common objective of these proposals is to foster innovation and economic growth by making trade mark registration systems throughout the EU more accessible and efficient for businesses in terms of lower costs and complexity, increased speed, greater predictability and legal security. This revision dovetails with efforts to ensure coexistence and complementarity between the Union and national trade mark systems.
4. The Council (Competitiveness) received a first progress report on 2 December 2013.<sup>1</sup>
5. The European Parliament adopted its position at first reading on the proposed Regulation and Directive on 25 February 2014<sup>2</sup>.

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<sup>1</sup> 16218/13.

<sup>2</sup> 6742/14 and 6743/14.

## II. PROGRESS ACHIEVED SO FAR WITHIN THE COUNCIL

6. The Working Party on Intellectual Property (Trade marks) has continued working intensively on the package during the first semester 2014, devoting nine full meeting days.
7. The technical examination of the first compromise proposal concerning the Directive was concluded in early February 2014. Following the completion of the first technical examination of the Commission proposal for the Regulation in December 2013, the Presidency tabled a compromise proposal, the examination of which was concluded in March 2014. Taking into consideration delegations' comments, the Presidency has recently tabled two new compromise proposals concerning both the Regulation and the Directive, contained in documents 9337/14 and 9339/14 respectively, on the basis of which the Presidency aims to intensify the efforts to reach an agreement within the Council on the whole package by the end of the first semester 2014.
8. Throughout the discussions, it has been agreed that the proposed legal instruments should be dealt with together as a package.

9. Discussions have shown the existence of strong support amongst delegations for updating and streamlining the technical provisions of both the proposed Directive and Regulation with the aim of providing a modern and more legally secure EU and national trade mark system to users. Nevertheless, discussions have also revealed an important divergence of views between the Commission and Member States' delegations on a number of key political issues, such as the level of harmonization of national procedures, the extent of the proposed recourse to delegated acts, the future governance of the Office for Harmonisation in the Internal Market (OHIM), the modalities of future cooperation between OHIM and national trade mark offices, including the funding of such cooperation by OHIM, the use of the OHIM budgetary surpluses and the amount of fees.
10. Discussions so far have led to a wide convergence of views amongst delegations on the majority of issues, such as:
- taking duly into account the principles of subsidiarity and proportionality concerning trade mark registration procedures;
  - abolishing the requirement of graphical representability of a sign;

- proposed provisions on grounds of non-registrability which could obtain in other Member States than those where the application for registration was filed, or which obtain only where a trade mark in a foreign language is translated or transcribed in any script or official language of the Member State, should be deleted;
- an earlier trade mark cannot be treated as having reputation outside the Member State concerned;
- trade marks should not be registered if they are excluded from registration pursuant to national legislation providing for protection of designations of origin and geographical indications;
- removing the proposed reference to the function of a trade mark as an indication of origin from the “double identity” rule;
- providing for harmonisation as regards trade marks as objects of property at a lower level than the one proposed by the Commission;
- retaining the possibility of *ex officio* examination of relative grounds by national offices;

- preventing the importation of infringing goods even where it is only the consignor of the goods that acts for commercial purposes;
- providing for a “Certification mark” at EU level, excluding the geographic origin from the list of possible characteristics to be certified;
- the Common Approach on EU decentralised agencies<sup>3</sup> should not be applied automatically in the case of the Office for Harmonisation in the Internal Market (trade marks and designs) (hereinafter referred to as "OHIM") and peculiarities of the OHIM should be examined and taken into account on a case by case basis;
- leaving the vast majority of existing provisions on OHIM's governance unchanged;
- creating an administrative cooperation framework between national trade mark offices and the OHIM, in which the former would participate on a voluntary basis;
- inserting the amounts of fees for European Union trade marks in an Annex to the Regulation;
- adopting the "one class per fee" system;

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<sup>3</sup> [http://europa.eu/agencies/documents/joint\\_statement\\_and\\_common\\_approach\\_2012\\_en.pdf](http://europa.eu/agencies/documents/joint_statement_and_common_approach_2012_en.pdf)

- recognising as a key criterion for setting the amount of basic fees for a European Union trade mark the need for ensuring coexistence and complementarity between the European Union trade mark system and national trade mark systems, taking also into account the size of the market covered by a European Union trade mark;
- providing the legal basis for the setting up of a Mediation Centre within OHIM;
- replacing the extensive delegation of powers to adopt delegated acts originally proposed by the Commission by new provisions incorporated into the Regulation itself or by conferring implementing powers.

11. A few issues however remain outstanding and will most likely have to be addressed at a higher political level. These issues are the following:

- The extension of rights with regard to goods brought into the customs territory (“transit” issue);
- The funding by OHIM of future cooperation between OHIM and national trademarks offices and the use of OHIM's budgetary surpluses.

### III. CONCLUSION

12. The progress achieved so far and the constructive approach shown by delegations and the Commission in discussions within the Working Party provide ground for hope that an agreement can be reached within the Council on the text of both the Directive and the Regulation in the very near future. In this respect the Presidency remains committed to trying to achieve as much further progress as possible under its term.
  
  13. The Council (Competitiveness) at its meeting on 26 May 2014 is invited to take note of the present progress report and to instruct its preparatory bodies to continue the efforts to reach an agreement on this important package as soon as possible.
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