

Introduction

# A compilation of the most significant initiatives run in 2010 and beyond

---

MARQUES

IP rights are a cornerstone of economic activity, providing significant value to their owners and the wider wholesale and retail economy. This economic role explains why IP rights need to be protected effectively at both the domestic and international levels.

The past year has seen a dynamic and deliberate move forward in a significant number of areas concerning the protection, utilisation and enforcement of trademarks, designs, geographical indications and domain names. MARQUES – the European Association of Trademark Owners – has pursued its mission to voice brand owners' concerns and ensure that their interests and views are fully represented at both the institutional and policy-making levels.

### **Pushing for further harmonisation**

Within the framework of the Study on the Functioning of the Trademark System in Europe commissioned by the European Commission to the Max Planck Institute, MARQUES has reaffirmed its preference for simple and cost-effective registration systems, as these are beneficial to the industry brand owners of any size and of all industry sectors and to all other economic operators that need protection for their IP rights. MARQUES believes that the study offers a unique opportunity to finetune the trademark systems in Europe to benefit users, to promote further harmonisation within the internal market and to increase competitiveness.

In the area of trademark protection, MARQUES has always strongly supported the Community trademark (CTM) system and has promoted the accession of the European Union to the Madrid system of international registration of trademarks, as well as the progressive enlargement of the membership to the Madrid Protocol. However, MARQUES also considers that the national, regional and international trademark systems must continue to coexist and to represent equally efficient solutions that remain attractive for users, both as individual solutions and as solutions that can be combined – depending on the needs and circumstances of the user, which will make its choice on a case-by-case basis. The fact that a number of options for protection (national, regional and

international) are available to rights owners is highly beneficial as each product and each situation will differ and change over time. In MARQUES's opinion the main role and mission of the national offices – as well as of the Office for Harmonisation in the Internal Market (OHIM) and the World Intellectual Property Organisation (WIPO) – should be to deliver IP rights titles quickly, efficiently and reliably.

MARQUES agrees that users expect the systems to offer the same excellent standards of service; in this regard, OHIM's Cooperation Fund offers a unique opportunity to create the required interoperability among the different systems. Sitting at the Administrative and Budget Board Committee as an observer, MARQUES has appreciated that OHIM and the national offices have been working together to improve the systems and raise the level of consistency of various trademark office practices (OHIM and national) to increase their progressive – and, hopefully, ultimately full – harmonisation. While having accepted the compromise agreement that led to the set up of the Cooperation Fund and the proposal to transfer 50% of the renewal fee revenue, MARQUES strongly believes that to produce effectiveness, benefit both the systems and the users, and avoid any diversion into national state budgets, the transfer of revenue must be subject to the introduction of specific legal provisions that would:

- define a transparent framework of any cooperation, within specified projects and established timeframes – for instance, in the same way as achieved through the Cooperation Fund projects; and
- stop and replace the existing cooperation agreements.

The financial independence of any national office, achieved before receiving its share of funds or renewal fee revenue, is another element that must be given very careful attention, as it would ensure that the transfer of revenue would be used for the intended purposes – that is, to improve the work of the national office and to benefit the users generally.

On the legislative issues covered by the study, MARQUES has agreed that the EU Trademarks Directive (2008/95/EC) itself

cannot remove pre-existing barriers to free movement and competition, but it has certainly reduced the creation of such barriers in relation to trademarks. With this in mind, it can be said that, by and large, the Trademarks Directive has met the objective of creating a single market, and that thanks to it the national trademark systems in the European Union share the same basic principles. However, some obstacles to the free movement of goods will inevitably remain as long as the national trademark systems are operating alongside the CTM system, with controversial – or even absolutely opposite – outcomes. These obstacles cannot be removed by the Trademarks Directive and should rather be addressed by means of a progressive approximation and harmonisation of the national trademark systems. Further obstacles then exist in the form of language barriers, which should be accepted as part of the diversity of cultures within the European Union. In general, it is MARQUES's opinion that within the scope of the Trademarks Directive, there is room for further approximation of member states' national laws in various areas.

In the same sense, the differences in transposition and interpretation of the Trademarks Directive, both at EU and national level, ought to be further reduced (and hopefully ultimately fully eliminated) to ensure that the legal practice is the same regardless of the system used by rights owners. To mention more specific suggestions, MARQUES believes that further harmonisation is needed in:

- opposition and cancellation proceedings before the national trademark offices;
- standards applied by the national offices and courts regarding the proof of genuine use of a trademark;
- the area of exhaustion; and
- the question of whether a plea of non-use is admissible in court proceedings or whether a counterclaim for revocation has to be made.

The scope for further approximation likewise exists in the field of both administrative and judicial procedural laws. MARQUES also favours:

- the abolition of examination of earlier

rights *ex officio*;

- the pre-registration opposition procedure; and
- as regards substantive law, the harmonisation of the law concerning signs used in the course of trade – that is, business identifiers (eg, company names and logotypes) – to the effect that they can be the basis for opposition and cancellation proceedings.

### **Class headings concerns**

The use of class headings according to OHIM's approach under Presidential Communication 4/03 has raised a number of substantial concerns among users. In its recent *amicus* brief submitted to the European Court of Justice (ECJ, now known as the CJEC) in the *IP TRANSLATOR* case, MARQUES has confirmed its members' support for the Trademarks Directive's requirement that registered trademarks enjoy the same protection under the legal systems of all member states. The choice of words for the class headings has developed through practice over many years. This has led to the adoption of words that are generally recognised as standard descriptors, the literal meaning of which is commonly understood. In particular, because of this, they are regularly used and fall within standard translation databases. The latter point is especially significant when it comes to CTMs or other cross-border issues. However, the class headings do not, and were not intended to, literally encompass all goods or services falling within a specific class. The latter can include many goods and services, and the class headings are no more than guides to facilitate proper classification in a unitary system. MARQUES has submitted to the ECJ its opinion that the practical advantages that OHIM's approach might bring to the registration procedure do not outweigh the legal uncertainty and lack of uniformity arising from such approach. MARQUES has asked the ECJ to provide clarity on the scope of protection conferred by class heading specifications. At the same time, MARQUES has encouraged national IP offices and governments, as well as the European Commission and OHIM, to work together to find a solution to the possible adverse effects

of admitting overly broad protection within the commission's pending review and potential amendments to the EU trademark system.

### **Territorial issues**

Both within the Max Planck Institute's study, and through its council's interventions and the submissions of its *Amicus Curiae* Committee in *Leno Merken BV v Hegalkruis Beheer* (the *ONEL/OMEL Case*), MARQUES has remarked that the concept of a single market, which is at the very core of the European Union, is fundamental to the CTM system. A single market means that there are no boundaries and borders: a CTM is a unitary right. For a CTM, geographical or political boundaries and national frontiers do not exist. This requires that the examination of use must not refer to EU member states at all, be it to find use in one state sufficient or to request use in more than one member state. Using trademarks is about addressing markets, not states. The question of whether use is sufficient to constitute genuine use relies on all the circumstances relevant to establishing that the use is real.

### **Madrid system**

Further, MARQUES has helped reform the Madrid system of international trademarks by being, among other things, one of the first organisations to raise before WIPO the issue of making statements of grant of protection mandatory. This obligation became effective as of January 1 2011, requiring national offices to provide a formal notification that an international trademark registration has been granted. This benefits both the rights holder and any third party that may be interested in knowing what rights are protected.

### **Design protection**

MARQUES has also contributed to the work of WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications on possible areas of convergence in the industrial design law and practice. MARQUES has expressed the view that:

- the users of the design registration system, whether individual designers, small or medium-sized enterprises or multinational

enterprises, all require a system that is efficient, rapid and cost-effective to match the marketplaces in which they offer their goods and services; and

- an internationally harmonised and more efficient system for protecting industrial designs would increase interest among users, facilitate a greater number of multijurisdictional filings, prevent loss of rights that may derive from divergent legislation and practice, and raise the profile of industrial design law relative to more established areas of IP law – all this to the mutual benefit of users and administrators.

### **Geographical indications protection**

MARQUES has further contributed to WIPO's Survey on the Lisbon System and has submitted its views on the need for a study focused on the compatibility of the relevant EU regulations and the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of October 31 1958, as revised in Stockholm on July 14 1967 and as amended on September 28 1979.

### **Enforcement issues**

With regard to IP right enforcement, MARQUES has responded to the European Commission's Consultation Paper on the Review of EU Legislation on Customs Enforcement of IP Rights and has also contributed to the European Commission's Survey on IP Rights Protection and Enforcement in Third Countries. MARQUES has submitted an *amicus* brief in *Nokia Corporation v Her Majesty's Commissioners of Revenue & Customs*, on referral from the UK Court of Appeal; MARQUES has invited an affirmative response to the question referred by the Court of Appeal on whether non-EU goods that bear a CTM and are in transit (via a member state) from a non-member state to another non-member state can constitute 'counterfeit goods' within the meaning of Article 2(1)(a) of the EU Customs Regulations (1383/2003/EC). A negative answer to the referred question would undermine the fight against the global trade in fakes. The perception could be that the European Union is irresponsibly exposing non-EU consumers to the dangers of fake

goods to which it would not expose its own citizens. Where this affects consumers in poorer countries, whose customs institutions have scant resources to police their borders, this creates an additional moral dilemma.

### **Tobacco Products Directive**

MARQUES fully supports the European Commission's public health objectives. However, in the context of the public consultation on the revision of the EU Tobacco Products Directive (2001/37/EC), it has formally raised concerns over the proposed introduction of generic or plain packaging for tobacco products. Such legislation would be inconsistent with the EU legal framework and international IP treaties and obligations since it would involve the removal of brands, trademarks and logos from the product's packaging.

In particular, the proposed restrictions are contrary to the harmonised EU and international systems of trademark protection since they are based on the nature of the goods and services for which trademarks are registered. Those international protection systems include the World Trade Organisation's Agreement on Trade-Related Aspects of Intellectual Property Rights (Articles 8(1), 15(4) and 20) and the Paris Convention for the Protection of Industrial Property (Articles 6quinquies and 7).

Thus, because of the implications and direct impact that plain packaging would have, and on account of its mission to maintain a principled, balanced and coherently articulated system of national and international treaties, laws and regulations (particularly with regard to trademarks and related IP rights), MARQUES strongly opposes the plain packaging provision outlined in the public consultation document; it has requested that the European Commission consider alternative policy options to introduce important public health initiatives without undermining established and recognised IP rights.

### **Controversial new gTLDs**

With regard to domain names, MARQUES has continued its mission as a member of the Internet Corporation for Assigned Names and Numbers (ICANN) Implementation

Recommendation Team, in view of the launch of the new generic top-level domain (gTLD) programme expected by June or September 2011.

MARQUES has been at the forefront of raising the concerns of brand owners before ICANN, submitting comments on the brand protection mechanisms proposed, including the clearing house, the Uniform Rapid Suspension, the financial framework/operating budget from 2011 and the post delegation dispute resolution procedure, as well as the Draft Applicant Guidebook (version 4). This work has been undertaken in close cooperation with other associations. A meeting with representatives of the European Commission's Directorate General Information Society and Media in Brussels has also taken place to express concerns at ICANN's proposed expansion of the domain name system with the launch of new gTLDs. MARQUES has recently addressed a briefing note to the Governmental Advisory Committee of ICANN commenting on all the issues of concern relating to the new gTLD process; it also urged the ICANN Board to demonstrate that it would act in the public interest and implement bold measures to ensure that cybersquatting, bad-faith registration and WHOis abuse are prevented and eliminated efficiently from the new gTLDs.

### **Reaffirming principles**

The above overview demonstrates that there are several open debates and consultations that will substantially affect IP laws and systems in the near future. The complexity of the issues at stake requires an open and fair discussion between policy-makers, the administrators of the IP registration systems and IP rights holders, to reach a common understanding. A duly balanced IP policy will promote innovation, stimulate the economy and development and, as a result, create human well-being. MARQUES has confirmed its strong commitment to its mission of defending a proper scope for debate and representation of the views and concerns of its members in all these decision-making processes, as well as raising the level of public knowledge and awareness of the importance of IP rights within the global economy.

### **About MARQUES**

MARQUES – the European Association of Trademark Owners – first came to public attention on the occasion of its inaugural conference in Vienna in 1986. Formally incorporated as a not-for-profit company limited by guarantee in the United Kingdom in 1985, the association started its activities in those earlier days when a number of in-house trademark managers met to discuss whether their needs as trademark owners were being represented adequately in Europe. It was agreed that the needs of trademark agents and certain specific sectors of industry, for example the pharmaceutical industry, were well covered, but that there was no single organisation that represented the wider interests of trademark owners.

Since then, MARQUES has provided a platform for the representation of the interests of brand owners within the global economy, including the selection, management, protection and exploitation of their trademarks, designs and other related IP rights. MARQUES unites European and international brand owners across all product sectors to address issues associated with the use, protection and value of IP rights, which are vital to boost Europe's innovation, growth and job creation, and ultimately to enhance the internal market.

MARQUES is an accredited organisation before OHIM, an appointed observer to the Administrative Board and Budget Committee, an official non-governmental observer at WIPO and a registered interest representative association at the European Commission.

More information about MARQUES and its upcoming events and initiatives is available at [www.marques.org](http://www.marques.org).