



## New year, New laws

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### Background

Trade mark law within the EU is governed by both European Union law and the national laws of EU member states. These laws underpin the two main schemes for obtaining trade mark protection in the EU: the Community trade mark scheme (through which protection can be obtained throughout the whole EU through a single application) and the national registration systems of EU member states.

The package of reforms that has recently been approved by the EU Council consists of a new EU Trade Mark Directive, along with a series of amendments to the existing Community Trade Mark Regulation. These will affect both Community and national trade mark rights.

### New EU Trade Mark Directive

As can be expected, there is some divergence in the national trade mark laws of individual EU member states. The new EU Trade Mark Directive has been introduced with a view to harmonising the trade mark laws of member states.

Some of the important provisions within the new Directive are as follows:

- **Graphical representation:** The requirement for a mark to be capable of “graphical representation” will be removed, potentially paving the way for an increased uptake in the filing of non-traditional types of trade mark – such as smells and holograms. However, applicants will still need to present their marks in a manner which is deemed, *inter alia*, to be clear and precise. It therefore remains to be seen whether more non-traditional marks will be accepted for registration under the new Directive.
- **Administrative procedures:** The national trade mark offices of EU member states will be required to introduce opposition, revocation and invalidity procedures, if they do not already offer them. In some member states it is currently only possible to bring such actions at Court, which can result in longer and more expensive proceedings.
- **Own name defence:** Companies will no longer be able to cite honest use of their own name as a defence to infringement of another party's trade mark. The 'own name defence' will only be available to natural persons (i.e. individuals) who use their personal names.
- **Non-use of registered marks:** Owners of trade marks that are more than five years old will only be able to enforce their rights to the extent that they are in use. The Directive will introduce a mechanism for respondents to request proof of use of such earlier rights enforced against them.

■ New anti-counterfeiting measures: holders of EU trade marks will be able to seize counterfeit goods in transit through the EU, even if the goods are not targeted at EU consumers. Right holders will also be able to prevent others from affixing trade marks to packaging, labels, security or authenticity features and from selling, stocking or importing such packaging, labels, tags, security tags, if this is without authorisation.

It will be some time before the changes prompted by the Directive filter through to the national level; for most of the provisions, member states have at least three years to implement them into their local laws.

## Amendments to existing Community Trade Mark Regulation

The package also consists of a number of amendments to the existing Community Trade Mark Regulation, which governs Community trade marks (the unitary right that affords holders trade mark protection throughout all EU member states - also known as the **CTM**).

The amended Regulation will come into force on 23 March 2016, and so may be more acutely noticed by trade mark applicants and right holders in the EU.

The main changes to be aware of are as follows:

■ Terminology: the Community Trade Mark (CTM) will be renamed the European Union Trade Mark (EUTM).

On 23 March 2016 all Community Trade Marks will automatically become **European Union Trade Marks**; holders of existing CTM applications and registrations need not take any action to effect this change.

The EUTM will be administered by the **European Union Intellectual Property Office (EUIPO)** - formerly known as OHIM or the Community Trade Marks Office.

■ Application and renewal fee changes: under the amended Regulation, application fees for EUTMs will in some cases rise, but renewal fees will fall across the board.

Currently, the basic fee for a Community trade mark application is EUR 900, which includes three classes of

goods and services. Each subsequent class adds EUR 150 to the basic fee.

The amended Regulation will introduce a lower basic application fee of EUR 850, which will only cover one class of goods and services. The cost of filing in two classes will be EUR 900, and each class included thereafter will add EUR 150 in fees. It will therefore be more expensive to file in three or more classes under the amended Regulation.

Renewal fees, however, will fall, regardless of the number of classes covered by a registration. The fees set out above for new applications will also apply to renewals, whereas currently renewal fees always exceed the equivalent cost of a new application.

■ Interpretation of class headings: the amended Regulation clarifies the Office's established position that trade mark specifications are to be given a literal interpretation.

Under the Nice classification system, goods and services of trade mark specifications are grouped into 45 administrative 'classes'. Each class is assigned a general description of the goods and services that fall within it, known as a 'class heading'. For instance, the heading of class 15 is *musical instruments*.

In the past, applicants may have filed for the class heading to secure protection in relation to all goods or services that were deemed to fall within that class. However, the amended Regulation will confirm the Office's position that protection for a class heading only extends to the specific terms named in that heading, or that fall within its scope.

For example, under the amended Regulation, a specification consisting of the class 15 heading *musical instruments* will be deemed **not** to extend to other class 15 goods such as *music stands* and *tuning forks*, as they fall outside the literal interpretation of the heading.

**Right holders beware**: The restricted interpretation of specifications will apply to Community trade mark applications and registrations filed before the amended Regulation comes into force, as well as to any EUTM applications filed thereafter.

Holders of Community trade mark registrations that were filed before 22 June 2012, and which are registered in

respect of the entire heading of a Nice class, have the opportunity to file a declaration clarifying the goods and services that they intended for the heading to cover. Such declarations will need to be filed by **23 September 2016**.

## Conclusions

Whilst some changes will take time to implement, others, particularly those associated with the amended Regulation, will come into force quite quickly.

Those considering filing a new Community/EU trade mark application in three or more classes, for instance, might consider doing so before the fees increase on **23 March 2016**.

Further updates in relation to the classification of goods and services and other changes will follow as the new Directive and amended Regulation are fully implemented.

## How can A.A. Thornton & Co. help?

If in the meantime, you have any questions then please get in touch with your usual A.A. Thornton & Co. advisor or contact us via our website at [www.aathornton.com](http://www.aathornton.com).

Our registered trade mark attorneys are qualified to advise on all aspects of trade mark law, and provide the following services:

- Advising on your choice of trade marks and their registrability
- Trade Mark Audits and IP portfolio management

- Due diligence of trade mark rights
- Searches, investigations and advice on filing strategies
- Preparing, filing and prosecuting national, EU or international trade mark applications
- Facilitating registration of trade marks overseas
- Managing renewals of trade marks
- Trade mark watches to identify competitors' applications and registrations
- Handling oppositions, cancellations and appeals
- Negotiating amicable settlements and co-existence agreements
- Negotiating and drafting licence agreements and assignments
- Advising on infringement of trade mark registrations and attacks on validity
- Liaising with solicitors and barristers in the enforcement or defence of registered and common law rights

## Contact

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