



An Roinn Gnó, Fiontar agus Nuálaíochta
Department of Business, Enterprise and Innovation

**Consultation on Transposition
of the Trade Marks Directive
(EU) 2015/2436**

September 2017

A. Overview

1. Introduction

1.1 The Department of Business, Enterprise and Innovation invites submissions to a public consultation on the transposition on the transposition of Directive (EU) 2015/2436¹ of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks.

The specific objectives of the recast of the Directive are to modernise and improve the existing provisions of the Directive by amending outdated provisions, increasing legal certainty and clarifying trade mark rights in terms of their scope and limitations; achieve greater approximation of national trade mark laws and procedures with the aim of making them more consistent with the European trade mark system; and facilitate cooperation between the offices of the Member States and the European Union Intellectual Property Office (EUIPO) for the purpose of promoting convergence of practices.

The Directive provides a small number of options to Member States when transposing into national law and these options are the focus of this consultation. However, in responding to the consultation, interested parties may wish to address any related issues regarding the transposition of Directive 2015/2436 in their submissions. The Department of Business, Enterprise and Innovation must transpose the provisions of Directive (EU) 2015/2436 into national law by 14 January 2019.

2013 Trade Marks Package

1.2 On 27 March 2013, the European Commission presented a package of three proposals for the review of the Trade Mark Directive and the Community Trade Mark Regulations.

The package consisted of the following proposals:

- a) Proposal for a Directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks;
- b) Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark; and
- c) Commission Regulation (EU) amending Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonisation 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. (The Council subsequently decided that the matter of OHIM fees would be included as a Schedule in an Annex to the Revised Regulation mentioned at (b) above).

In 2013, the then Minister for Jobs, Enterprise and Innovation sought the views of interested parties only on the first two proposals because the revision of the Directive and the Community Trade mark Regulation are legislative proposals to be adopted by the European Parliament and the Council under the co-decision procedure. A total of 8 contributions from interested parties were received by the Intellectual Property Unit of the Department.

Broadly speaking, the proposals were welcomed. It was generally considered that that they would constitute positive developments from the perspective of the likely business interests in Ireland because innovative, export oriented companies require a predictable and consistent legal and regulatory environment across Europe within which they can exploit the competitive advantage of their intellectual property rights (IPR) without undue expense and onerous administrative burden.

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2436>

In December 2015, following a process of negotiations between Member States and the EU institutions, the European Parliament and Council approved the European trade mark reform package. The new Trade Mark Directive and the new European Union Trade Mark Regulation were published in the Official Journal of the European Union on 23 and 24 December 2015 respectively.

The Regulation, [2015/2424](#), entered into force on 23 March 2016. Member States have until 14 January 2019 to transpose the provisions of Directive [\(EU\) 2015/2436](#), into their national laws. Directive 2008/95/EC² was repealed with effect from 15 January 2019.

2. Objectives of the Directive

In Europe, a trade mark can be registered at national level at the Intellectual Property (IP) offices of Member States, or at EU level as a European Union Trade Mark (formerly known as a Community Trade Mark) at the European Union Intellectual Property Office (EUIPO). The Trade Marks Directive is a form of order to member states to implement national trade mark legislation to achieve specific results. It is up to the national government to decide on the form and method of the legislation necessary to achieve those results. The European Union Trade Mark Regulation applies to all member states. Regulations become part of national law and are enforceable in the national courts once they come into force. They do not need to be brought in by any national legislation.

Impact assessments carried out by the Commission for both a review of the Regulation and of the Directive identified two main problems.

Firstly, as the Directive did not cover procedural aspects at all, the level of harmonisation as to substantive law is insufficient. Secondly, in order to facilitate and achieve convergence in terms of practice between the European Union Trade Mark and national systems, EUIPO and national IP offices need to cooperate closely.

This Directive aims to help rectify these problems and, taken in conjunction with the European Union Trade Mark Regulation (EU) 2015/2424, which entered into force on 23 March 2016, aims to foster innovation and economic growth by making trade mark registration systems all over the EU more accessible and efficient for business in terms of lower costs and complexity, increased speed, greater predictability and legal security.

3. Key Aspects of the Directive

The Trade Marks Directive contains a number of new measures. The changes required can be regarded as falling into 3 categories as follows: i) New mandatory provisions introduced by the Directive; ii) Mandatory amendments to existing provisions in EU law and iii) Optional amendments to existing EU law

i. New Mandatory Provisions Introduced by the Directive

- **Reproduction in dictionaries:** If the reproduction of a trade mark in a dictionary or other reference work gives the impression that the mark in question is generic in relation to the goods or services for which the trade mark is registered, the publisher of the reference work must ensure that the mark, at the request of the trade mark proprietor, is forthwith accompanied by an indication that the mark in question is a registered trade mark. (Art 12)

² The laws of the Member States relating to trade marks were previously partially harmonised by Council Directive 89/104/EEC of 21 December 1988 and codified as directive 2008/95/EC.

- Use of trade marks: If, without proper reason, the proprietor of a mark has not put the mark to genuine use in the Member State concerned within a period of five years following the date of the completion of the registration procedure, that mark shall be liable and subject to the limits and sanctions related to non-use in infringement, opposition or invalidity or revocation proceedings, (Art 16(1))
- Non-use as defence: By way of providing for non-use as a defence in infringement, opposition and invalidity proceedings, respectively, the Directive provides that, at the request of the defendant, the proprietor of a trade mark shall furnish proof that the mark has been put to genuine use in connection with the applicable goods or services during a five-year period preceding the date of the action. (Art 17, 44, 46)
- Intervening right: Further defence mechanisms in infringement proceedings are introduced in relation to the intervening right of the proprietor of a later registered trade mark. (Art 18)
- Licensing: A licensee of a traditional and a collective trade mark will now be permitted to intervene in infringement actions brought by the proprietor, so as to be able to claim their own damages (Articles 25(4) and 34(1) respectively). Licensees will be able to sue only with the trade mark owner's consent, although exclusive licensees will have extra rights if the trade mark owner fails to act. This is the first time that licensees' rights under national marks have been harmonised across the EU, (Articles 25(3) and 34(1) respectively).
- Opposition procedures: Parties to an opposition procedure must be granted, at their joint request, a minimum of two months to allow the possibility of a friendly settlement between the opposing party and the applicant (Art 43(3)).
- Renewal: In terms of the renewal of a trade mark, the Directive provides that where a renewal request is submitted or the fees paid in respect of only some of the goods or services for which the mark is registered, registration shall thereby only be renewed for those goods or services only. (Art 49)
- Division of Registrations: The proprietor of a registered trade mark must be provided with the option to divide a national trade mark registration into two or more separate registrations. (Art 41)

ii) Mandatory Amendments Introduced in the New Directive

- Graphic representation: The requirement for a sign to be capable of graphic representation in order to qualify for trade mark protection, has been removed. However, the trademarks must still be represented in a manner which allows the public to determine “the clear and precise subject matter” of the protection afforded (Art 3)
- Absolute grounds: Under existing provisions, signs can be refused registration if they consist exclusively of the shape of the goods in question or a shape necessary to achieve a technical result or otherwise provide substantial value to the goods. This exception has now been broadened to include signs which consist exclusively of “another characteristic”. (Art 4(1)(e) (i) to (iii))
- Protected terms – absolute grounds: Protected designations of origin (PDOs), geographical indications, traditional terms for wine and traditional specialties guaranteed as well as prior plant varieties protected under the legislation of the Union or national laws are also added as absolute grounds of refusal and invalidity. (Art 4(1)(i),(j), (k) & (l))
- Protected terms – relative grounds: Protected designations of origin (PDOs) and geographical indications protected under the legislation of the Union or national laws are also added as relative grounds of refusal and invalidity. (Art 5(3)(c))
- Partial refusal or invalidity: In cases where grounds for refusal or invalidity of a mark exists only in respect of some of the goods or services for which that trade mark has been applied or registered, such refusal or invalidity shall cover those goods or services only. (Art 7)
- Declarations of invalidity: The lack of distinctive character or of reputation of an earlier mark can now preclude a declaration of invalidity of a later registered trade mark. (Art 8)

- Using a sign as a trade or company name can now be deemed a specific trade mark infringement. (Art 10(3)(d))
- Comparative advertising: The use of a mark by competitors in comparative advertising may now be prevented by the mark's proprietors if it breaches the EU Comparative Advertising Directive (2006/114/EC). (Art 10(3)(f))
- Goods in transit: Counterfeit goods in transit, in certain instances, can now be deemed to infringe a trade mark. With the introduction of this provision, trade mark proprietors will now be able to prevent the bringing into the EU (using such custom procedures as, inter alia, transit, internal processing or temporary storage), of goods bearing a mark that cannot be distinguished in its essential aspects from that of the trade mark proprietors, regardless of whether they are released for free circulation within the EU territory, unless the importer can prove that the trade mark owner would not be able to prevent the sale of the goods in question in the country of destination. (Art 10(4))
- Preparatory Acts: It will now constitute an infringement to affix a trade mark to material such as packaging, security or authenticity features or labels and to sell, stock or to offer, place on the market or stock for those purposes, import or export such packaging, labels or security tags. (Art 11)
- Collective marks: A Collective Mark may not be revoked, if the regulations governing the use of the mark are further amended, so that they comply with the requirements of Article 35 (Art 35(c)).
- Classification: In line with the CJEU decision in the IP Translator case (case C-307/10), the wording of trade mark specifications is to be interpreted literally and therefore goods and services must be identified with sufficient clarity and precision. (Art 39)
- Invalidity: An application for a declaration of invalidity may be filed on the basis of one or more earlier rights, provided they all belong to the same proprietor (Art 45(6))
- Expiry of registration: National offices must inform the proprietor of the trade mark of the expiry of the registration of a trade mark at least six months before the said expiry. The office shall not be held liable if it fails to give such information (Art 49(2)).
- Limits on effect of registered trade mark: A registered trade mark shall not be infringed by the use of the name or address of a third party, where that third party is a natural person, and by the use of a sign or indication which is not distinctive. (Art 14(1))

iii) Optional Amendments to Existing EU Law

- Article 4 – Absolute Grounds for refusal or invalidity: Article 4(5) of the Directive states that any Member State may provide that a trade mark shall not be refused or declared invalid where the distinctive character of the trade mark was acquired after the date of application for registration but before the date of registration.
- Article 5 – Relative Grounds for Refusal of Invalidity: Article 5(4)(c) of the Directive provides that any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where and to the extent that the mark is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith.

B. Implementation of the Directive

1. Implementation Requirements for Member States

Ireland already has a comprehensive body of trade marks legislation, which provides effective and robust protection of trade mark rights. As outlined in Section 3(i) and (ii) above, Member States have to introduce the new mandatory measures set out in Directive 2015/2436. However, as outlined at Section 3(iii) above, the Directive introduces a number of options which Member States may exercise in implementing the Directive.

The transposition is expected to involve new provisions under statute law in the form of Regulations made under the European Communities Act 1972.

Member States are required to transpose its provisions into national law by 14th January 2019.

2. Implementation of Provisions with Options for Member States

2.1 There are two main provisions within the Trade Marks Directive where options are available to Member States regarding the manner in which the relevant provisions are transposed into national law.

Article 4(5):

Article 4(5) of the Directive introduces an optional provision whereby registration of a trade mark cannot be refused, if distinctive character was acquired after the date of application for registration but before the date of registration. It is the preliminary view of the Department that it is unnecessary to introduce this optional provision.

Question

1. *If you disagree with the intention not to introduce the optional provision in Article 4(5), outline the reasons why this provision should be introduced and how it would fairly contribute to a stable and balanced trade mark protection system for right holders?*

Article 5(4)

Article 5(4)(c) introduces an optional provision which would provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid, where it is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith. It is the preliminary view of the Department that it is unnecessary to introduce the optional provision contained in Article 5(4)(c) of the Directive.

Question

2. *If you disagree with the intention not to introduce the optional provision in Article 5(4)(c), outline the reasons why this provision should be introduced and how it would concur with the principle of territoriality of trade mark protection?*

C. Consultation on Transposition of the Trade Marks Directive

1. Submissions

Submissions are invited on the transposition of the Directive into Irish law in general, and in particular on the issues raised in the questions 1 and 2 outlined above.

Respondents are requested to make their submissions in writing and, where possible, by email. Submissions to this consultation should be sent to trademarks@djei.ie or posted to:

Trade Marks Directive Consultation
Trade Marks Section
Intellectual Property Unit
Patents Office
Government Buildings
Hebron Road
Kilkenny

The closing date for submissions is **close of business, Friday 10 November 2017**. Any questions regarding the consultation can be emailed to trademarks@djei.ie,

2. Confidentiality of Submissions

Contributors are requested to note that it is the Department's policy to treat all submissions received as being in the public domain unless confidentiality is specifically requested. Respondents are, therefore, requested to clearly identify material they consider to be confidential and to place same in a separate annex to their response, labelled "confidential". Where responses are submitted by email, and those emails include automatically generated notices stating that the content of same should be treated as confidential, contributors should clarify in the body of their emails as to whether their comments are, in fact, to be treated as confidential.

3. Relevant provisions of the Free of Information Act 2014

Respondents' attention is drawn to the fact that information provided to the Department may be disclosed in response to a request under the Freedom of Information Acts. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The Department will consult with any potentially affected respondent regarding information identified as sensitive before making a decision on any Freedom of Information request.