

EU TRADE MARK REFORM – DIVERSION OF EU TRADEMARK AND DESIGN OFFICE SURPLUS

COMMENTS

Prepared by the ICC Commission on Intellectual Property

Summary and highlights

Concerns about proposals for use of OHIM surplus

Use of registration fees should follow certain principles

Suggestions on future use of fees and fees mechanism

On 27 March 2013, the European Commission presented a package of initiatives to make trade mark registrations systems in the European Union cheaper, quicker, more reliable and predictable. The proposed reform would improve conditions for businesses to innovate and to benefit from more effective trade mark registration and protection within the EU. The reform is now in its final stages with trilogue (European Commission, the European Parliament and Council) and COREPER (Member States) meetings scheduled for April 2015.

At the last meetings there have been several discussions on proposals on the use of OHIM's¹ accrued surplus that raise concerns as they contemplate the following:

- i. Diversion of part of OHIM's accrued surplus via the EU general budget to finance the Court of Justice of the EU (CJEU) to be continued in case of future surpluses;
- ii. Diversion of part of OHIM's accrued surplus to the Member States through a mechanism called "compensation" to be continued in case of future surpluses;
- iii. Diversion of part of OHIM's accrued surplus to the European School in Alicante and continue doing so on a yearly basis;
- iv. Transfer of any remaining surplus to the general budget of the EU; and
- v. Future use of a percentage of OHIM's annual income to finance the European Trade Mark and Design Network through the "cooperation" mechanism.

ICC has long supported initiatives and action plans carried out by intellectual property offices to improve the quality and reduce the costs of services provided to users. Indeed, an effective and accessible intellectual property system requires sufficient funding enabling the intellectual property offices to provide good quality, efficient and cost-effective services that have a practical value for the user. The fees charged should correspond to the quality of the service rendered.

ICC is presently concerned that accumulated and future fees collected by intellectual property offices, including the OHIM, are diverted or retained for purposes which have no relation to the operation of the office regarding the improvement of community trade mark and designs services.

ICC has proposed in the past some principles on this matter (see [paper on Use of Intellectual Property Registration fees](#)).

These main core principles are still relevant to date:

- Fees charged by intellectual property offices should only be used for purposes relating to the operation of the office or activities sponsored by the office to enhance efficiency of their services in a cross border context;
- Intellectual property offices should have complete administrative autonomy and stay consistently responsive to user's needs;
- Fees charged by intellectual property offices should correspond to the quality of the service provided.

¹ OHIM – Office for Harmonization in the Internal Market (Trade Marks and Designs)

ICC requests that these principles are taken into consideration in the final stages of the negotiations of the EU Trade mark Reform and specifically requests that:

- i. OHIM renewal fees be decreased to ensure that OHIM is better able to operate a balanced budget while avoiding future surpluses;
- ii. The fees already paid and to be paid by users in the future to OHIM and national IP offices be dedicated to trade mark and design related activities;
- iii. The fee setting mechanism and allocation rules are clarified for better predictability;
- iv. EU Legislators focus on achieving a European trade mark system which is efficient, harmonized and affordable for the benefit of companies, SMEs and entrepreneurs.

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www.iccwbo.org

INTERNATIONAL CHAMBER OF COMMERCE

33-43 avenue du Président Wilson, 75116 Paris, France

T +33 (0)1 49 53 28 28 F +33 (0)1 49 53 28 59

E icc@iccwbo.org www.iccwbo.org