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Current issues on the agenda of the European institutions

A view from OHIM

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Introduction

It is worth recalling that of the organisations represented at this session the Office I work for is the youngest, by a considerable margin in some cases. This should mean that the agenda is long given the short time since we started operations in 1996. However, the agenda for the short and medium term can be reduced to a few crucial issues that I will elaborate on in this short presentation.

External events can be decisive. The EU Council of Ministers decided¹ in May last, when calling on the Commission to propose a fee reduction to also ask the Commission to carry out a study of the operation of the Community trade mark system. The outcome of this study will set a significant part of the Office agenda.

A further factor that affects how the Office sees the agenda is the vision that the Office has of itself as a result of (a) the mandate given to it by the legislator and (b) the duties and responsibility that the Office accepts as necessary to fulfil its mandate.

The Mandate of the Office

It is perhaps worthwhile indicating some of the issues that are outside the Office mandate but which can be found in national offices. We have nothing to do with patents, company names, domain names, counterfeiting or infringement actions. We deal with certain aspects, discussed below, of Community trade marks (CTMs) and Registered Community Designs (RCDs). Even in respect of these aspects we share competence with other bodies or are subject to their control. For example, the validity of CTMs and RCDs is decided by the Office but also by courts at national level when they sit as Community trade mark or design courts hearing counterclaims. Decisions by the office are not final. They are open to appeal before the Court of First Instance (CFI) and European Court of Justice (ECJ).

Which aspects of the CTM and RCD fall within our mandate? We do not create either item. Enterprises and individuals devise, adopt and create trademarks and designs. The mandate of the Office is to certify that certain features of these industrial property rights comply or not with the relevant Community legislation. Our mandate is to produce, not a CTM or RCD, but a series of decisions that say, for instance, your mark is distinctive, that one is not; if required we will also say that those two marks are confusingly similar or that your design has indeed individual character.

¹ Council Conclusions regarding the Financial Perspectives of the Office for Harmonisation in the Internal Market (OHIM) and the further development of the Community trade mark system

Duties and responsibilities

In order to carry out what I have described as certifying tasks² the Office has put the necessary resources in place: staff, organisational structure, technology, tools etc. The tools that I mention are principally those supports that the Office provides by which those responsible for certification tasks can take decisions in a clear, consistent way, in conformity with the standards established by the relevant legislation and the evolving case law of the CFI and ECJ.

Certification is not the only task of the Office. The legislation imposes clear duties in respect of publication and the making available of files to the public. The Office considers, however, that its responsibility goes farther than this limited duty. A properly operating Community trade mark system must be as transparent as the law and technology allows. Only by clearly showing what we are doing and how we do it can the users and potential users of the system judge our performance.

This judgement is important for those doing business in the Community because they have a choice of a number of means and avenues for protecting their trade marks and designs. They can use national offices, the Madrid System, the Office or any combination of these. The more transparent we are the better the choice that can be made by these economic operators. I think it useful at this point to underline that the Office does not consider it part of its responsibility to maximise the use of the CTM and RCD. We recognise that the CTM and RCD are suitable for some operators in some situations but not for all. The operators must make the choice and we must provide them with what information we can to optimise that choice for them.

In fulfilling its mandate and discharging its duties the Office takes as its responsibility the need to do all this in the most effective and efficient manner.

The agenda for OHIM

Accession to the Hague Agreement

The European Commission adopted two Regulations which are necessary to give effect to the accession of the European Community to the Geneva Act of the Hague Agreement concerning the international registration of industrial designs. The adoption follows the Council's approval of the EC accession to the international design registration system of the World Intellectual Property Organisation (WIPO) on 18 December 2006. The EC accession will allow EU companies, with a single application, to obtain protection of a design not only throughout the EU with the Community Design, but also in the countries which are members of the Geneva Act.

² The credit for identifying these activities as certifying tasks, which is an extremely useful management tool, goes to my colleague J Miranda de Sousa

The regulations will enter into force once the Geneva Act of the Hague Agreement is applied to the EC. The deposition of the instrument of ratification before WIPO is scheduled for end September 2007. EU businesses would then be able to benefit from the new system as from beginning of January 2008.

The necessary preparations to accommodate this development are already in place within the Office.

Optional national search

The first issue we face, and we are already working on it, comes on 10 March 2008. From that date the system of searching by national offices in their registers in respect of newly filed CTMs becomes optional for the CTM applicant. As well as being optional, the provision of national searches which are currently free to the applicant, will attract a fee. This change, which was agreed in 2005 will have effects for the Office, the national offices concerned and CTM applicants. The preparations on the part of the Office will be finalised in good time to cope with the change.

Commission Study

I mentioned already that the Council has asked the Commission to carry out a study of the Community trade mark system. The detailed scope of the study is set out as an annex to this paper. The key points to be addressed are:

- analyze the use of certain criteria which could facilitate further adaptations of Community trade mark fees
- evaluate the existing framework of cooperation of OHIM and national trade mark offices
- explore possible instruments to finance such cooperation
- assess the coexistence of the Community trade mark system and national trade marks, including the territorial requirements for genuine use of Community trade marks
- evaluate the effects of the recent reforms
- evaluate the effects of the Community trade mark system on its users.

We do not yet know the timing or the precise method that will be used by the Commission to conduct the study. However, the Office would expect to be involved in providing such information as we have that would assist in its completion. Once we know the *modus operandi* of the study and are made aware of what is expected of us we will give priority to delivering what is required.

Delivering quality decisions

The Office is aware through its extensive and intensive contact with users of the system, particularly its annual User Satisfaction Surveys (USS), of the importance that is attached to the quality of the decisions the office makes. It

is aware that currently its delivery of quality does not fully meet the high expectations that rightly exist. Improvement of delivery is high on our agenda now and for the foreseeable future.

There are a number of aspects contained in the overall concept of quality: timeliness, clarity, completeness and consistency. The Office has to address them all to fulfil its responsibility to the users of the system.

For some few years we have been publishing time targets for a number of our activities. We have not always achieved them but continue to believe that such self imposed pressure is a real incentive for improvement. The number of areas for which targets are published are increasing and will continue to do so. The targets will progressively be made more ambitious where this is realistic.

Clarity is essential for all those affected by decisions. It can be delivered only by continuous training, discipline and control.

Completeness is more than an aesthetic consideration. Decisions adverse to a party that are incomplete fall short of the obligation³ on the Office to state the reasons on which its decisions are based.

Consistency, or predictability, is necessary to (a) ensure equal treatment for all those who deal with the Office and (b) allow users and potential users to adopt their IP protection strategy with a reasonably certain view of the outcome of actions before the Office. Training and discipline also plays a part here but the provision of tools to assist decision makers is equally important. If a decision has correctly been taken in the past and the same circumstances arise again the decision maker must (a) be made aware of this and (b) be required to repeat the decision. With tens of thousands of decisions being made by the Office each year this is no easy task. Its difficulty does not lessen the need for it to be done.

Measuring Quality

Setting targets and objectives is one thing, measuring the extent of their achievement is another more difficult task. Timeliness is relatively easy to measure for the Office because all decision making work of examiners is carried out in an electronic environment. Measuring clarity, completeness and consistency takes a great deal more effort.

The Office operates a weekly review of decisions on classification, absolute grounds and opposition. A random sample, sufficiently large to be statistically significant, is selected and reviewed, for classification by a special classification group, and for absolute and relative grounds, by the group of legal advisers from the trade mark departments. The detailed criteria applied can be examined by anyone interested on our website at

³ Article 73 Community Trade Mark Regulation and Article 62 Community Design Regulation

<http://oami.europa.eu/en/userscorner/cons.htm>. The global results are published quarterly and can be seen at the same place. The results fall short of our targets although there are signs of improvement.

In order to enhance the credibility of the quality measurement system the Office is establishing an outside review mechanism where external experts will verify that the internal review is being carried out in accordance with the published criteria.

Transparent communication

I mentioned our legal obligation to publish and make the non-confidential elements of our files available. We do much more than this as even a brief look at our website will show. We will continue this process not only in terms of content but also in terms of means. Our objective is, subject to the minor legal constraints that exist, to make available externally all the information and all the tools we have available inside the Office. Since the intention is to have the same tools used by examiners and by outside users we will try and develop these as common tools.

We have launched a project that makes all the non-confidential content of CTM files available. Files for the last few years are already on line and we will add files from previous years progressively in the future. We are developing a tool to assist examiners in making comparisons of similarity of goods and services on the basis of authoritative case law. This is being tested at present and will be made available to the public when its performance has reached a satisfactory level.

These are just two examples of a wide range of projects that we will develop, expand and improve over the coming years.

Effective and efficient operations

In terms of volumes the Office is among the biggest trade mark and design offices in Europe. We have to deal with business in twenty two languages. This size and complexity forces the Office to adopt the most effective and efficient way of carrying out its tasks. To do otherwise would be to guarantee failure.

The Office is constantly re-examining its working methods, processes and how technology can be harnessed to deliver improvements. The Office is moving more and more in the direction of carry out business and delivering services by electronic means. We also want to allow users to act directly, as people do in other business models, without intervention by the Office. An example of such outsourcing to users would be to enable them to directly change their own data, such as contact details, in the Office database

The CTM and RCD Bulletins have been produced exclusively in online format for some time now. The Official Journal took the same path in 2006. The electronic format can make all these information sources more easily searchable by our users. For the Office the abandonment of paper publications produces savings amounting to millions of euro.

The question might be asked, in the context of the Office having a surplus in excess of €200 million, why such attention is given to cost savings. The answer lies in the Office's view that it has a responsibility to supply to the users of the system (who are the ones who finance it) the most cost efficient service possible.

Summary and conclusions

The agenda for the Office is neither long nor revolutionary. It is an extension of what has been done to date and aimed at constant improvement.

Annex

Extract from Council Conclusions

The study should in particular:

analyze the use of certain criteria which could facilitate further adaptations of Community trade mark fees and possible ways of their application in the Comitology procedure; these criteria should in particular contribute to a long term balance of the OHIM's budget, ensure a continuous high quality of OHIM's performance, and take account of OHIM's cooperation with the trade mark offices of Member States; the criteria should respect the principles of prudence and sound financial management; in addition these criteria should keep the fee system reliable and transparent for users and its future adaptations predictable;

evaluate the existing framework of cooperation of OHIM and national trade mark offices, with a view to intensifying and broadening the existing instruments of cooperation in the interest of the overall functioning of the Community trade mark system;

explore possible instruments to finance such cooperation, including the establishment of a cooperation fund, if necessary by means of amending Regulation (EC) No 40/94;

assess the coexistence of the Community trade mark system and national trade marks, including the territorial requirements for genuine use of Community trade marks;

evaluate the effects of the Community trade mark system on the overall functioning of national trade mark systems, as well as the contributions of national trade mark offices to the overall functioning of the Community trade mark system;

evaluate the effects of the recent reforms;

evaluate the effects of the Community trade mark system on its users, in particular on SMEs and start-up enterprises, and in particular with regard to competitiveness and innovation.