

Revision of the European Trademark Law – Part 2**Dr. Guido Becker**, Lang & Rahmann Rechtsanwälteguido.becker@lang-rahmann.de

The European legislator recently adopted far-reaching substantive and procedural amendments to both the former Community trademark regulation, that is now called “European Union trademark regulation”, and the European trademark directive which approximates the national trademark systems within the EU. On EU-level, the changes entered into force on March 23, 2016 and are directly applicable law already by now. On their national levels, the member states’ legislators will have – with certain exemptions regarding procedural changes – until January 15, 2019 for the implementation of the new provisions into their respective national law.

This post outlines important changes in substance and continues the post “Revision of the European trademark law – Part 1” in the previous AIPF law bugle.

Right to prohibit the transit of counterfeit goods

As a rule, the transit of counterfeit products is not regarded as trademark infringement, because the mere passage of goods does normally not affect the functions of trademarks in the country of transit. The European Union does however not want to become a hub for international trademark pirates. Therefore, the legislator now entitled trademark proprietors to prevent third parties from transiting counterfeit branded goods through EU territory, provided that (1) the sign on the contested goods or on its packaging is identical with or cannot be distinguished in its essential aspects from that of the trademark and (2) the trademark proprietor is entitled to prohibit the placing of the goods on the market in the country of final destination. The burden of proof that the trademark proprietor is not entitled to prohibit the placing of the goods on the market in the country of destination lies on the holder of the counterfeit goods.

Right to prohibit preparatory acts to trademark infringement

The new law entitles proprietors throughout the EU to prohibit not only actual infringements of their trademarks but also preparatory acts in relation to the packaging, labels, tags, security or authenticity features or devices or any other means to which the mark is affixed, provided that the risk exists that such means could be used to designate goods or services and that such use would constitute an infringement of the mark. In that case, the trademark proprietor shall be entitled to prohibit the affixing of the sign on said labelling media, as well as the offering, placing on the market, stocking for those purposes, or importing or exporting of the labelling media.

Limitations

The revised law brings considerable amendments to the limitations of trademark law:

- **Free use of name and address**

Until recently, the limitation of free use of one’s name and address applied for each person, irrespective of whether that person was a natural person or a legal entity. The legislator now has severely narrowed this limitation by restricting its application area to names of natural persons only. Legal persons and partnerships, who are using trade names which might be or get in

conflict with third party rights, should thus check and if necessary safeguard their legal position in the EU-territory as soon as possible.

- **Free use of non-distinctive signs**

The application area of the pre-existing limitation for signs which concern characteristics of the goods or services was extended to all signs "which are not distinctive". It appears that this limitation shall apply to both signs that are non-distinctive per se and signs that are used in a non-distinctive manner, for example used descriptive or as a decorative ornament. Such cases have so far been discussed under the "use as a trademark" criterion which is an unwritten requirement for trademark infringement in cases of identity of signs and products and of likelihood of confusion.

- **Free "referring use"**

The limitation previously only applicable in case of use of a trademark, which is necessary to indicate the intended purpose of a product or service, in particular as accessory or spare part, was extended to each use for the purpose of identifying or referring to goods or services as those of the trademark proprietor (so-called "referring use")

- **New limitation for "intermediary rights"**

A new limitation was created for cases of so-called "intermediary rights". Such limitation applies for signs that (1) are itself registered as (younger) trademarks and (2) cannot be contested by the proprietor of the earlier mark due to certain reasons. Such are, for example, that the earlier trademark had, at the date of application of the younger trademark, not yet an enhanced degree of distinctiveness or was not yet a trademark with a reputation.

Procedural issues

The new law also brings far-reaching procedural and administrative changes to the EU trademark system and obliges the national legislators to implement several procedural provisions into their respective national systems. For example, each member state must now set up effective administrative cancellation proceedings for invalidity and revocation cases.