



## **The Abolition of Searches: A Practical Necessity**

UNICE, the Union of Industrial and Employers' Confederations of Europe, AIM, the European Brands Association, and MARQUES, the Association of European Trade Mark Owners, would like to register their full support for the Commission's proposal to amend the Community Trade Mark Regulation ("CTMR") by abolishing the search system under Article 39<sup>1</sup>.

UNICE is the official voice of more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 35 central industrial and employers' federations from 28 countries, working together to achieve growth and competitiveness in Europe

AIM represents the branded goods industries in Europe on issues which affect the ability of manufacturers to design, distribute and market their brands. It represents some 1800 companies, both direct corporate members of AIM and members of its national associations in 20 countries, which are mainly active in the fast moving consumer goods sector.

MARQUES is an association created to educate and promote the professional development of brand owners in the selection, management and protection of their trade marks within a global economy, to create a forum for the free exchange of ideas and information and to provide an effective platform for the representation of their interests.

For all of these organisations, and their members, trade mark protection is vital.

The CTM system has proved to be both cost-effective and efficient. However, the searches provided for under Article 39 are an anomaly in this otherwise attractive procedure. Put simply, they are an unnecessary financial, time and administrative burden for both OHIM and trade mark owners of all sizes that render no benefit. If not abolished, post enlargement they risk jeopardising the entire functioning of the CTM system.

### **Article 39: What it means in practice**

Article 39 gives Member States the right to choose whether they wish to conduct searches in their national registers which are intended to determine if applications filed with OHIM might conflict with existing national marks. All current Member States, with the exception of France, Germany and Italy, elected to conduct such searches. Although we understand that some Member States might now be prepared to reconsider their position on national searches, we want to confirm our strong fear that, if the search system under the CTMR is not abolished, the new Member States will find irresistible the attraction of additional revenue available by opting for national searches.

---

<sup>1</sup> COM (2002) 754 & 767 final,

We consider that the CTM search system is flawed. There are four serious problems:

- Firstly, the timing of the searches is wrong: they are carried out *after* the application is lodged, while many applicants would not file an application (with the connected time and cost) unless they had first conducted their own availability search. For these applicants, the CTM searches are therefore duplicative. Other applicants, particularly SMEs unfamiliar with the risks involved, are encouraged by the current system to rely on unreliable search results that may lead them into conflict in the marketplace with owners of prior rights.
- Secondly, they unnecessarily prolong the CTM registration procedure, by 4 to 6 months
- Thirdly, they significantly add to the cost of CTM registrations (application fee of 975 Euros for up to three classes, registration fee of 1100 Euros) without bringing applicants any real benefit. As each national office gets 27 Euros for every search conducted, the additional cost caused by searches to a CTM applicant must therefore exceed 300 Euros. There is also a hidden cost to OHIM in conducting, collating and distributing masses of search reports (and to applicants in having to deal with them).
- Finally, the search system is misleading for certain applicants as (a) the results are incomplete in geographic scope (three of the current Member States do not search); and (b) the information contained in the search reports varies so widely in both content and presentation that it cannot be fully understood, let alone usefully exploited by applicants. The result is that applicants cannot evaluate the searches on their own and their agents and professional organisations cannot give proper advice to their clients about these reports without conducting further investigations and incurring extra costs in evaluating the possible existence of prior conflicting rights. **This is particularly damaging to SMEs** who often believe, erroneously, that the reports are conclusive, i.e. reliable as to the availability of the CTM for which they have applied, and thus have some value.

National searches are a drain on the financial and management resources of both OHIM and applicants, which enlargement will exacerbate. Candidate countries will likely opt to perform searches, because they are a guaranteed source of income without the need for any real effort on their part. Enlargement will nearly double the number of searches conducted for each CTM application filed. The doubling of search volume will also significantly increase the cost to applicants of a CTM filing. It is estimated that **the cost to OHIM of paying for national searches will amount to some 600 Euros per CTM application**. Worse, these national searches may actually jeopardise the good functioning of OHIM as they will dramatically increase the amount of paper flowing through the Office and thus slow down the registration process.

**We therefore reiterate our full support of the Commission's recommendation to reform the CTMR system as quickly as possible by deleting Article 39 and abolishing searches completely. Should searches not be abolished, we would want to proactively explore solutions aiming at establishing a different modus operandi. We do not wish to endanger the entire CTM system and it is therefore our considered opinion that searches must be abolished.**

*For further clarification or information on this issue, please contact*  
[i.kontreas@unice.be](mailto:i.kontreas@unice.be)      [marie.pattullo@aim.be](mailto:marie.pattullo@aim.be)      <mailto:info@marques.org>