



## **The Abolition of Searches: Moving to an Optional System**

UNICE, the Union of Industrial and Employers' Confederations of Europe, AIM, the European Brands Association, and MARQUES, the Association of European Trade Mark Owners, have already registered 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>. However, we realise that a number of Member States are, for a variety of reasons, unwilling at this stage to commit to total abolition. Therefore, we would suggest a compromise, which whilst clearly far from our favoured option might be acceptable to all parties involved.

For us, and the members of our organisations, trade mark protection is vital.

Eight years after coming into effect, the CTM registration system has proved to be both cost-effective and efficient. However, as already explained in our initial position paper, the searches provided for under Article 39 are an anomaly in this otherwise very attractive procedure. Put simply, they are an unnecessary financial, time and administrative burden for trade mark owners of all sizes - not to mention the Office in Alicante (the OHIM) - that render no benefit. Post enlargement these searches, if not abolished, will jeopardise the continued successful functioning of the CTM system.

If abolition of the current search system continues to prove an unpalatable solution for some Member States then at the very least the users of the system - as well as the OHIM - need these searches to be made optional. Given all of the flaws of the current search system (outlined in the attached paper) there is no justification for maintenance, or indeed trying to improve, the system. Maintenance of mandatory search means continuing the time delays and aggravated financial costs and processing issues for the OHIM (and ultimately the users) which are at the root of the problems, and which will dramatically increase after enlargement. Optional searches would alleviate these problems whilst taking care of SMEs' perceived need for an official search system.

**Consequently we recommend that searches under Article 39 be made optional if they cannot be abolished altogether.**

### **How would this work in practice?**

**The right to choose whether or not a search is conducted under Article 39 should lie with applicants** as they are the "clients" of the CTM registration system. The current search system is merely an extraneous, burdensome feature of the process.

**The possibility for a search to be conducted should be available at any time as a separate, stand-alone facility.** The interested party should simply be required to complete a short form/request for searches conducted independently from, or before, the filing of the application. If the searches are to be conducted, as is currently the

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<sup>1</sup> COM (2002) 754 & 767 final: see attached position paper

case, after filing, a “tick-box” on the application form should suffice. The fee for the search should, of course, be separated from the application fee and only charged to those parties that have opted for this service.

Under this optional system, the fee paid by applicants for an application without search should not exceed present levels: there is no justification for an increase. Likewise, the amount paid by the OHIM to the national offices for searches should not exceed its present level. The fee to be paid for pre-application searches should cover the costs incurred by the OHIM.

By adopting an optional system for the searches provided for under Article 39, all theoretical concerns about potential negative effects of abolition on certain applicants, particularly SMEs, will be removed as all applicants will be free to choose whether or not they want these official searches. Moreover, the availability of pre-application searches will make such searches more attractive to applicants who want to know before applying whether a possible CTM application would be likely to collide with third party's prior rights.

To maintain stability in the CTM regime, these changes should take effect on 1 May 2004 at the latest to coincide with the enlargement of the European Union, or on the date of entry into force of the amended CTMR if earlier.

## **Conclusion**

- An optional system means that all applicants will be able to choose if they want to have an official search conducted or not and, if so, decide whether the search should be done before or after applying for a CTM. Rendering the search optional will enable the OHIM to speed up the processing of those trade mark applications where no search is requested. At the same time it will create a one-stop shopping point for searches which can be used by all interested parties at their discretion and which will be very beneficial to everybody after enlargement – including those applicants who conduct their own searches prior to application.
- An optional system would result in significant time and costs savings for the majority of applicants and for the OHIM. It would also preserve the attractiveness of the CTM system in face of other options available to applicants.

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