



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
D(2012)

Opinion

Title **DG MARKT - Impact Assessment on the revision of the Regulation on the Community trade mark and the Directive to approximate the laws of the Member States relating to trade marks**

(Resubmitted draft version of 10 January 2012)

(A) Context

Community Trade Marks (CTM) do not replace the national trade mark systems but provide an additional legal framework for obtaining trade mark protection on the territory of all 27 Member States. The aim of the Trade Mark Directive (TMD) is to ensure that national trade marks registered with the Member States are subject to the same standards for registration and enjoy equal protection under the laws of the Member States.

CTM are registered by a specialised EU agency, the Office for Harmonisation in the Internal Market (OHIM). Its fees were reduced and simplified in 2005 and 2009. Moreover, the Commission has recently proposed to charge the OHIM with the tasks of the European Observatory on Counterfeiting and Piracy.

In May 2010, the Council called on the Commission to present proposals for the revision of the CTM Regulation (CTMR) and the TMD. This impact assessment accompanies the proposal of the Commission revising the CTMR and the TMD.

(B) Overall assessment

The report has been improved to a significant extent along the lines of the Board's first opinion. However, it should further strengthen the problem definition by better explaining the problems related to non-harmonised issues and optional provisions in the Trade Mark Directive and by corroborating them with evidence. The baseline scenario should be further developed and the limited range of feasible alternative policy solutions justified upfront. The report should clearly present the overall costs of the preferred policy package alongside the expected benefits. In this respect, the presentation of benefits created by the Cooperation Fund should be revisited and the underlying calculations explained. Finally, the report should present different stakeholder views more systematically throughout the report.

(C) Main recommendations for improvements

(1) Better explain and substantiate the problems. While the scope of the report has been better explained and a number of new problem drivers added, the problems related to these drivers (i.e. harmonised substantive law issues and optional provisions in the TMD) should be explained and corroborated with evidence, as is done in the case of the missing procedural rules in the TMD. The classification of problematic provisions should be aligned with the underlying Annex listing the proposals to be covered by the revision, in order to clarify which provisions are not addressed in the problem definition due to their limited impact (i.e. outdated or ambiguous provisions, implementation of case law). The report should use more concretely and systematically evaluation and consultation results when presenting the identified problematic legal and capacity-related issues. The aspect of predictability of TM systems should be better explained and put into context (i.e. if and how it differs from the issues related to legal certainty).

(2) Clarify the baseline scenario. As the revised report refers to a new cost-benefit analysis carried out by OHIM, it should explain in detail how the estimates for potential benefits generated by the Cohesion Fund projects have been derived, and should list the underlying assumptions. Moreover, given the fact that these benefits will not materialise in the absence of further EU action, they should be presented within the impact analysis of the relevant policy solution(s). The baseline scenario should then clarify if there are any potential benefits generated by the projects already launched under the Cohesion Fund. Finally, the baseline scenario should also refer to the harmonisation already achieved at the international level, as currently described in the chapter identifying the policy options.

(3) Justify the lack of alternative policy solutions. The revised report has presented new policy objectives and corresponding policy (sub)options (concerning technical facilities, optional cooperation and increasing the budget of the Cooperation Fund from the remaining surplus), establishing a clear intervention logic. Nevertheless, the range of substantive policy options remains rather limited, and the report should provide a convincing explanation for this. In this context it should also provide further arguments for having discarded the full harmonisation option.

(4) Better present impacts. While the report has more fully described costs for national intellectual property (IP) offices (e.g. linked to setting up of administrative opposition or cancellation procedures), it still needs to present the overall costs of the preferred policy solution (including transfers to national IP offices) alongside the expected benefits, as well as the synergies among the proposed actions. The report should explain why, in the revised forecast of the OHIM budget for 2012 – 2015, the transfer of 50% of renewal fees to national IP offices in 2014 and 2015 coincides with the apparent ongoing existence of the Cooperation Fund (despite the fact that the Fund will cease to exist with the first transfer to national IP offices and that all its projects will be then covered from this source).

(D) Procedure and presentation

The different views of stakeholders (users, consumers, national IP offices/individual Member States and OHIM) should be more systematically and in more detail embedded in the text. An annex summarising the results of consultations should be added to the impact assessment report. An effort should be made to bring the report's length closer to the 30 page limit. The executive summary should also reflect the different views of stakeholders.

(E) IAB scrutiny process	
Reference number	2011/MARKT/003
External expertise used	No
Date of Board Meeting	Written procedure This opinion concerns a resubmitted draft IA report. The first opinion was issued on 21 October 2011.