

May 25, 2018

Ms. Nina Santajarju
Ministry of Economic Affairs and Employment

Via email to Ms. Santajarju (nina.santajarju@tem.fi); Cc: kirjaamo@tem.fi

Ref: TEM/912/00.04:01/2016

Re: INTA comments on provisions of the proposal for revision of the Finnish Trademarks Act, transposing the EU Trade Marks Directive into Finnish Legislation

Dear Ms. Santajarju,

The International Trademark Association (“INTA”) has reviewed the draft Government Proposal for a new Trademarks Act (the “Draft Bill”) which is aimed at implementing Directive (EU) 2015/2436 (the “TM Directive” or the “Directive”) and would like to share with you its views regarding the provisions open for comments by stakeholders.

The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. INTA’s members are more than 7,200 organizations from 191 countries, including 23 in Finland. The Association’s member organizations represent some 31,000 trade mark professionals and include brand owners from major corporations as well as small and medium- sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. Further information about our Association can be found at www.inta.org.

INTA has been engaged from the very beginning on the reform of the EU trade mark system at EU level and has already provided comments on similar draft implementing national legislations. We respectfully submit the comments below on the provisions of the Draft Bill open to consultation by interested parties, i.e.:

- Administrative procedure for the revocation and declaration of invalidity of a trademark, parallel to the current court proceedings (Articles 52-59 of the Draft Bill);
- Cancellation of company name registration in the administrative proceedings (Article 20 of the Law on Company Names No. 2.2 1979/128);
- Specification of list of goods and services (Article 103 of the Draft Bill).

1. Administrative procedure for the revocation and declaration of invalidity of a trademark (Articles 52-59 of the Draft Bill)

1.1. Article 52, Application for Revocation and Declaration of Invalidity

Article 45 of the TM Directive requires Member States to provide for an effective and rapid administrative procedure to be followed in their central offices whenever a request for the revocation or invalidation of a trademark is filed. The current Finnish trademark law does not include a similar procedure. The proposed Article 52 introduces an administrative procedure which would be an alternative to the court procedure provided for in Articles 56 to 58.

INTA supports that the administrative proceedings created by the Directive – which INTA applauded – are alternative to court procedures. Court procedures should not be restricted to the filing of a counterclaim but should be kept in parallel to the procedure before national offices. Therefore, INTA agrees with the introduction of such an alternative procedure by Article 52 of the Draft Bill.

Furthermore, the draft Article 52 refers to the **right of an exclusive licensee to initiate legal proceedings if the trademark owner does not do so**, within reasonable time, after prior notification. Although this wording results directly from the TM Directive (Art. 25(3) and (4)), for reasons of legal certainty, INTA suggests a specific period should be stipulated to clarify the “reasonable time” in which the trademark owner may act on its own initiative.

1.2. Article 54, Information of the application to pledge and license holders

This draft provision establishes that the Intellectual Property Office (IPO) must notify any pledgee and licensees of the application for the revocation or invalidation of a trademark. The law on action at the Market Court (2013/100) Chapter 4, Article 19 provides for the notification of revocation and invalidation action to each pledgee and licensee in the Register. INTA considers that it is justified that a parallel obligation exists in the context of the administrative revocation and invalidity procedure, and the claim should be communicated to the pledgees and licensees in the same way.

According to the proposed Article 54, after the notification by the IPO, the pledgees and licensees are given an opportunity to provide their remarks. INTA believes that this opportunity is important for pledgees and licensees, as the annulment of a trademark could have a direct effect also on their rights and status. In addition, the licensee may be the only one who has used the trademark and can prove actual use. Therefore, we support that licensees and pledgees are given the opportunity to provide comments and we believe that such opportunity, provided that it is framed within specified time limits, does not run contrary to the spirit of providing an efficient and expeditious administrative procedure. In line with our comments on point 1.1 above and in the interest of legal certainty, we recommend that:

- (1) It is specified if such intervening pledgee or licensee becomes a party to the proceedings or the comments provided are treated only as third-party observations;
- (2) a specific time period is established for licensees and pledgees to provide their remarks.

2. Cancellation of company name registration in the administrative proceedings (Article 20 of the Law on Company Names)

Although the regulation of a procedure for protection and revocation of company names is out of scope of the Trade Marks Directive, INTA welcomes the proposal to insert a new Subsection 2 into the Art. 20 of the Law on company names, according to which the cancellation of the registration of a company name on grounds of non-use can be filed with the register authority instead of the Court.

The proposed provision on revocation of company names is in line with INTA's support of creation of (alternative) administrative trademark revocation and invalidation procedures by the Directive, considering that they provide a more efficient and expeditious procedure when compared to court proceedings while still maintaining the possibility of resorting to courts.

These changes would at least partly solve the problem that Finnish companies with a broad (partly undefined) field of business too often constitute a relative ground for refusal for non-active national trademark registration.

However, INTA believes that it is unreasonable that a period of five years of non-use must elapse before a company's name becomes liable for cancellation. INTA understands that the period corresponds to the non-use period of trademarks, but considers that a shorter period of 2 to 3 years would be sufficient with respect to company names. This is because the steps that need to be taken to begin using a company name (i.e., starting the business) generally require less time and effort than to start using a trademark.

3. Specification of list of goods and services (Article 103 of the Draft Bill)

INTA acknowledges and welcomes that paragraphs 7, 8, 9 and 10 of the proposed Article 103. These provisions are in compliance with the content of Article 39 of the Trade Marks Directive by giving owners of trademarks filed before October 1, 2012 the possibility of specifying and clarifying the list of goods and/or services claimed, in all those cases in which they are not identified with sufficient clarity and precision to the extent of the protection sought being understood.

However, INTA recommends that it is clarified that any specification submitted should never result in a protection wider than the one originally sought.

INTA further recommends that it is clarified that even if general indications included in the class headings of the Nice Classification or other general terms may be used, these would still have to comply with the required standards of clarity and precision established by the EU Directive.

INTA believes that the statement "*.....For the sake of clarity of the trade mark register and in order to facilitate the interpretation of the list of goods and services of the marks in the register.....*" should be reworded as "*.....For the sake of clarity of the trade mark register and in order to **enable the competent authorities and economic operators to determine the extent of the protection sought.....***" so as to exactly reflect the scope of Art. 39 of the Trade Marks Directive.

Comments on other provisions of the Draft Bill

INTA acknowledges that stakeholders have been invited to provide comments with regard to the three topics and groups of provisions of the Draft Bill above. Nonetheless, considering the importance of other draft provisions to the harmonized implementation of the EU trademark reform, which INTA has been advocating, we take the liberty to provide comments on the provisions below. We hope you will consider these comments useful.

Article 7, Goods in transit

We strongly applaud the introduction of this provision, which aims to implement Article 10(4) of the Trade Marks Directive, as it will clarify the current situation and allow the trademark owner to prohibit third parties from bringing counterfeit goods into customs territory of Finland, without the goods being released for free circulation.

Article 10, Characters that can form a trademark

The draft provision on the elimination of the graphical representation requirement of a trademark would allow registration of new types of trademarks, such as moving characters, multimedia trademarks as well as fragrances.

INTA has long encouraged the recognition, registration and protection of non-traditional marks or “unusual” marks, including color, touch, sound and 3D marks. As such, INTA strongly welcomed the elimination of the graphical representation requirement in the EU trade mark reform, as a way to facilitate the registration of nontraditional marks. The elimination of the graphical representation requirement will allow brand owners to explore applying to register an unusual mark and it will grant them the opportunity to protect unusual marks, which they have not been able to protect through registration up until now. This also will ensure the modernization of the trademark system in Finland, in view of new technologies.

Furthermore, we understand that under the Draft Bill parties are still allowed to represent a trademark graphically. We see this as a very positive development as INTA advocates for the reference to graphical representation to remain an **alternative** to new forms of representation. This alternative will still allow the filing of trademarks with common audio and video file formats.

INTA also acknowledges that the proposed article specifies the scope of protection of black and white trademarks, namely that black and white trademarks are no longer considered to cover all color variations. INTA notes that, for reasons of legal certainty and preservation of the legitimate expectations of trademark owners, this clarification should not have retroactive effect.

Article 17, Filing of a trademark application

Paragraph 1 of the proposed Article 17 provides for mandatory electronic filing of a trademark application. INTA acknowledges that already about 86 % of applications were filed electronically during 2017 and, in general, supports to the electronic filing system insofar as that modernizes and streamlines the application procedure, making it less burdensome and time-consuming for applicants and intellectual property offices alike.

Nevertheless, INTA recommends that the IPO continues to accept traditional paper filings in certain cases, notably where the applicant has no possibility to use the electronic filing system.

Paragraph 4 provides for the possibility of filing the trademark application in the English language in addition to Finnish or Swedish. INTA believes that this is positive development that should be kept in the final law as it will facilitate the filing of trademarks at the national IPO by non-Finnish speaking applicants.

Article 49.2 of the Criminal Code, criminal penalties for EUTM infringements

INTA applauds the recognition of the criminal nature of EU Trademark infringing acts. This is already the practice and currently the Code does not cover EU trademarks. INTA has been advocating for the enforcement of criminal sanctions against trademark infringements, notably but not limited to counterfeiting activities.

INTA stands ready to support the Finnish Patent and Registration Office and the Ministry of Economic Affairs and Employment in their efforts towards implementing the EU trademark reform. We hope you will find these comments useful. Should you wish to further discuss any of the points we have raised or additional issues, please contact H el ene Nicora, Chief Representative Officer-Europe at hnicora@inta.org and Carolina Oliveira, INTA Policy Officer -Europe at coliveira@inta.org.

Sincerely yours,



Etienne Sanz de Acedo
Chief Executive Officer
International Trademark Association