

25 August 2016

Mr. Paul Maier
Director
European Observatory on Infringements of Intellectual Property Rights
European Union Intellectual Property Office
Avenida de Europa, 4
E-03008 Alicante, Spain
Via email: observatory@euipo.europa.eu

Re: EU Observatory Work Programme 2017 – INTA Comments

Dear Mr. Maier,

On behalf of the International Trademark Association (INTA), we appreciate the opportunity to provide comments on the draft 2017 Work Programme for the European Observatory on Infringements of Intellectual Property Rights.

INTA is pleased to have participated as a stakeholder of the Observatory since its inception. Our Association benefits from being an active contributor in all five of the Observatory's Working Groups.

We appreciate that the EUIPO actively takes the opinion of all stakeholders into consideration and thank you for accepting some of our comments to the 2016 Work Programme, namely the classification of the many Observatory projects by numbers.

We also support the trademark-related and anticounterfeiting projects planned for 2017 as many are a continuation or expansion of existing projects. We provide additional comments and recommendations below.

1. Projects planned for 2017 in the area of Public Awareness (Section 4.1.1)

PA3. Helping SMEs protect their IP rights: As we mentioned last year, INTA applauds the work of the Observatory in demonstrating how IP has a positive impact on the economy and employment through its IPR contribution study and the SME scoreboard. Now that the positive contribution of IP has been demonstrated, the Observatory should take action in helping trademark owners (small, medium and large) develop those rights. The Observatory should consider developing a campaign targeting SMEs and focusing on effective IPR enforcement. This campaign should inform SMEs about the different types of IPRs they can use and ways to develop a strategy to use various types of IPRs to

effectively protect their products and services. The campaign should also touch upon ways to register and enforce their rights in other jurisdictions as SMEs expand to other markets.

Such projects should be developed in cooperation with existing EU initiatives such as the European IPR Helpdesk and the IPR SME Helpdesks for China, South East Asia and Latin America.

The one clarification that our membership requests is the need for more information as to the role of the Commission in this project. INTA will be closely following this project in the Working Group.

PA7. Repetition of IP Perception Study: INTA promoted the information provided in the IP Perception study and found it very helpful in our advocacy efforts. We welcome the repetition of the study and look forward to receiving the results. In fact, we [submitted comments](#) to the new questionnaire. The Association will be happy to promote the study once it is published again in 2017.

2. Projects planned for 2017 in the area of Enforcement (Section 4.1.2)

E1. Enforcement Database (EDB): INTA applauds the development and many improvements to the Enforcement Database. INTA membership appreciates the steps to integrate EDB with COPIS. There is some concern about the interoperability of the EDB tool with the WCO's IPM tool. IPM is a service that brand owners pay to participate in, whereas EDB is a free platform. The Association would like some clarity as to how the two platforms will be integrated.

One of the highly appreciated features of the EDB is that much of the information is translated to allow enforcement authorities to access data in their own language. An important improvement would be to have all the documents available in EDB to be also available in all official EU languages.

E4. Special focus on online infringements: INTA commends the establishment of the IPC3 in July 2017 and EUIPO's role in this collaboration with Europol. However, the Association would like some clarity as to what process led to the determination of the grant and how the €500,000 grant from EUIPO will be spent by the IPC3. We would also welcome a presentation of the projects and goals of the IPC3 at the next Working Group or Plenary Meeting.

E5. Study on control mechanisms for ensuring the enforcement of Geographical Indications: INTA would be more interested in receiving more information about this study. The Association would also like to know the exact timing of when this study will be delivered in 2017.

E6. Reinforced cooperation: INTA supports the Office's intention to continue increase collaboration with the Commission, national IP offices and customs officials, as well as with WIPO, INTERPOL, Europol and Eurojust, to help harmonize and strengthen

enforcement practices throughout the EU. In this regard, the Observatory could perhaps consider looking at the value of the convergence of decisions of trademark offices and judgments of courts, especially in how this relates to forum shopping by practitioners.

3. Projects planned for 2017 in the area Legal and International (4.1.3)

LI5. Study on the costs of enforcing IP rights: This study is of great interest to our membership, and therefore, INTA would like to know if our membership can comment on the Terms of Reference for this project. This report should include some information on the insurance required for enforcing IP rights for SMEs.

LI6. Support the protection of IP rights outside of the EU: INTA appreciates the work of the Commission outside of the EU in improving the protection of IP rights in third countries and often participate in the relevant preparatory meetings of the IP Dialogues and Working Groups for these countries. The Association works with IP Key and ECAP III as well as the EU Delegations worldwide.

While we are quite familiar with DG TRADE's work outside of the EU, INTA would like a comprehensive report of the state of play of the EUIPO's work in these third countries. The current approach is varied by region to region, and INTA membership does not see a coordinated approach to the EUIPO's work with DG TRADE outside of the member states. The IP stakeholders would benefit from a road map of the EUIPO's IPR strategy outside of the EU and what budget is allocated to the work commissioned by DG TRADE, as well as some feedback as to the success of these efforts.

INTA supports the initiative of networking among national and EU IP attachés and would find it helpful if a list of these "experts" could be made publicly available.

4. Projects planned for 2017 in the area IP in the Digital World (4.1.4)

DW3. Research on business models most commonly used to infringe IP online: INTA welcomes the initiative for 2017. The EU Observatory's research studies on the online business models that infringe IP rights are very useful for brand owners. The studies reveal that five out of twenty-five business models included use of trademarks in the domain name, cybersquatting, or domain name parking, and that many deceptive business models wrongfully give consumers the impression that they are affiliated with a legitimate brand. The domain name industry is working on industry sector led volunteer initiatives to combat the most obvious forms of piracy and infringement. The EU Observatory may wish to examine the volunteer led efforts of the [Domain Name Association's Healthy Domains Initiative \(HDI\)](#). In addition, INTA encourages the EU Observatory to continue its efforts to raise consumer awareness and education about

the most common forms of infringing business models, and INTA supports the creation of multi-lingual tools to help customers identify and report infringing websites and deceptive marketing practices.

During the March 2016 Working Group meeting, a Danish firm presented information on a business model whereby expired domain names for well-known trademarks and famous citizens were repurchased by third parties without any particular rights to the names. The presenters demonstrated that an extremely high percentage of the domain names were owned by the same particular person and used for selling counterfeited products. This is a disturbing business model since the benefits from those domain name sales further infringe intellectual property rights. Danish solutions for globally blocking those domains were also provided. INTA would, therefore, welcome a EU study on best practices in this area.

DW4. Study on the correlation between piracy and malware: Malware is not only related to piracy downloading but also to counterfeiting websites and commercial communications. This is an actual concern very relevant to trademark right holders. We recommend that this study have a trademark and counterfeiting focus as well.

DW7. Generic top-level domains: INTA strongly encourages the EU Observatory to participate as much as possible in ICANN and its various groups to advocate for trademark rights and keep the membership of the EU Observatory as informed as possible.

The new gTLD program, while still in its relative infancy with approximately 23 million domain names registered, is currently under review and assessment by several ICANN working groups. INTA has always been concerned that the release of hundreds of new gTLDs could adversely affect trademark owners. Prior to the rollout of new gTLDs, INTA members participated in ICANN's IP rights protection Implementation Review Team to formulate rights protection mechanisms ("RPMs") to protect trademark owners. Now that these new gTLDs are in the marketplace, ICANN has formed working groups to review the implementation of these RPMs. These groups include the [New GNSO Policy Development Process Working Group to Review All Rights Protection Mechanisms in All gTLDs](#); the [New gTLD Subsequent Procedures Working Group](#); and finally a committee to monitor the [Health of the gTLD marketplace](#).

These groups are evaluating the use and effectiveness of RPMs implemented by the registries and registrars as well as the health of the domain marketplace and the effect new gTLDs have had on consumer choice and competition. INTA has found that having members participate in a meaningful way in these working groups has been highly beneficial to intellectual property owners.

5. Projects planned for 2017 in the area Economics and Statistics (4.1.5)

ES8. The link between IPR and innovation: INTA would be interested in taking a more active role to help support this project. The description as worded here seems to have the intent of this study to focus on designs rather than trademark rights. Since the Observatory is aware of the deficiencies in the existing “few studies [of] the relationship between trade marks and innovation”, INTA urges the Observatory to ensure that this study covers both designs and trademarks.

The “Valuation of Trade Marks” research project (ES10) is logically related to ES8 since the study “would provide another element in the overall picture of the economic value of IP rights”. While perhaps intangible and difficult (but not impossible) to quantify, the value of a trademark as a stimulus, catalyst, and/or funder of innovation should be capable of being incorporated into an overall economic model that assigns a monetary valuation to a trademark. The focus of this project and ES10 have an obvious synergy since this project involves both designs and trademarks.

ES10. Valuation of trade marks: INTA members eagerly await the completion of this study and will consider ways to promote it once it is completed.

6. Events (5.1)

INTA supports the ten events outlined in the Draft OBS Work Programme for 2017. The Association would like to note that INTA has always been happy to participate in or contribute to these events as requested and would be pleased to be offered a more active role in these events as appropriate.

7. 2017 Budget

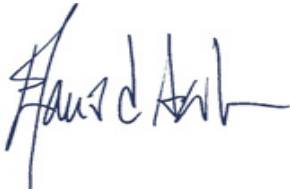
INTA commends the ambitious work plan set forth for the Observatory for 2017 and looks forward to assisting with its development and implementation. We recommend that the work plan include a projected budget for the various activities and that this becomes a standard practice when presenting stakeholders with annual or multi-annual strategic and work plans. The activities of the Observatory are funded by trademark and design registration fees, the expenditure of which is of great interest to INTA members. We also recognize that several of the Observatory’s projects are non-trademark related, and we reiterate our request that consideration be given to establishing a mechanism that would aim towards equitable funding by non-trademark or design-related stakeholders.

8. Promotion of Studies

INTA's membership appreciates the extensive studies that the Observatory produces, but we believe that that these valuable reports should receive greater promotion and publicity. The use of the sectorial studies on counterfeiting in events to raise public awareness should be increased. Although the Observatory relies on its network to circulate the information, we believe that the Observatory should allocate sufficient resources of its own to the promotion and post-publication advocacy of its thought-leadership pieces. This should include the development and implementation of a broader strategy for disseminating this information to a wider audience.

Thank you for your consideration of our comments. We would be happy to further discuss. Please contact INTA's Chief Representative Officer - Europe, Christina Sleszynska, at csleszynska@inta.org or INTA Anticounterfeiting Manager, Maysa Razavi, at mravazi@inta.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Etienne Sanz de Acedo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Etienne Sanz de Acedo
CEO
International Trademark Association