OHIM Annual Report 2007

THE TRADE MARKS AND DESIGNS REGISTRATION OFFICE OF THE EUROPEAN UNION

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PRESIDENT'S MESSAGE

The past year has been one of continued advance for the Office, with further increases in the number of trade mark and design applications combined with productivity gains. We are doing more, better, quicker.

The scale of the change over the past four years has been truly remarkable. Compared with 2004, we are dealing with 50% more trade mark applications, and the average time to registration has fallen by almost one-third.

Since staffing levels have changed little, over a four year period productivity in terms of registrations made has soared by 58% – in 2007 alone it went up by over 10%. At present a further fee reduction is envisaged by the European Commission in order to pass on these savings to users.

These achievements are largely down to the OHIM e-business strategy. Online e-filing services are growing in popularity, and now account for three-quarters of trade mark applications. Our goal for the future is to make the process of registering less bureaucratic, transparent and more predictable for customers.

Looking ahead to 2008, four e-business projects are expected to come to fruition: more interactions with users will take place over the Internet; both e-filing for trade marks and designs will be significantly improved; and regular users will have improved tools for handling opposition proceedings electronically.

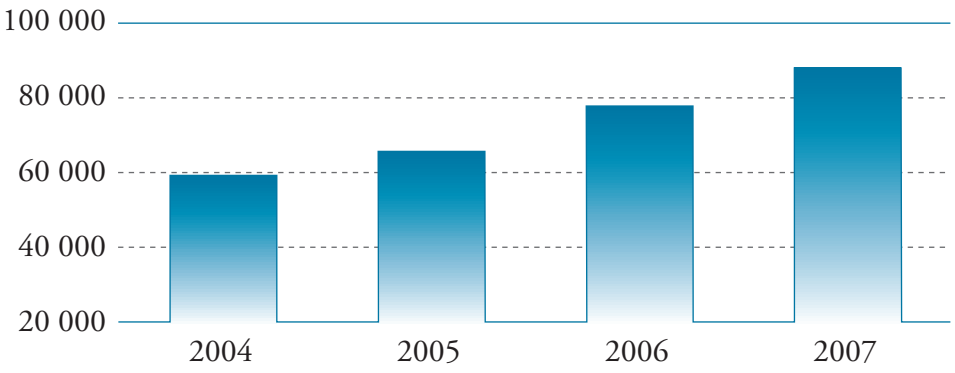
There is a lot to be proud of, but we must keep up the momentum and make sure that next year is one of further progress, both for the Office and for our customers.

Wubbo de Boer
President - OHIM

COMMUNITY TRADE MARK

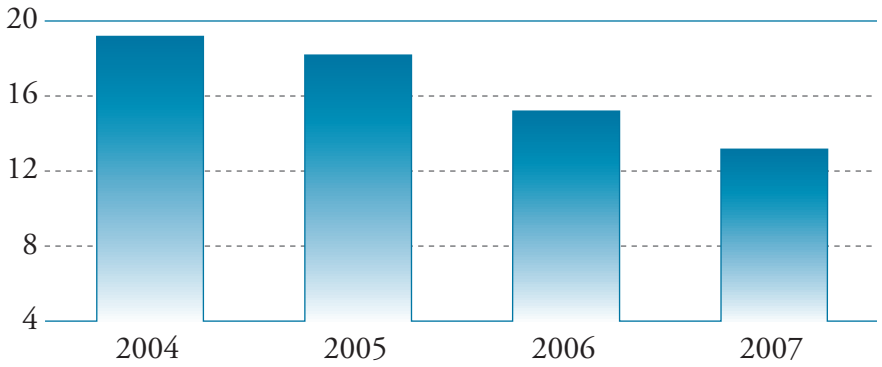
Since the introduction of the Community Trade Mark (CTM) in 1994, more than 420 000 trade marks have been registered on behalf of hundreds of thousands of companies worldwide. Demand is continuing to grow year on year. In 2007 OHIM received more than 87 500 CTM applications, which is almost 13% more than in 2006. Around 14% of CTM applications came via the World Intellectual Property Organization (under the Madrid Protocol).

CTM: APPLICATIONS RECEIVED



In spite of the increased number of applications, processing times are continuing to fall. Compared with 2004, we are dealing with 50% more trade mark applications and the average time to registration has fallen by almost one-third.

CTM: Average time to registration (Months)



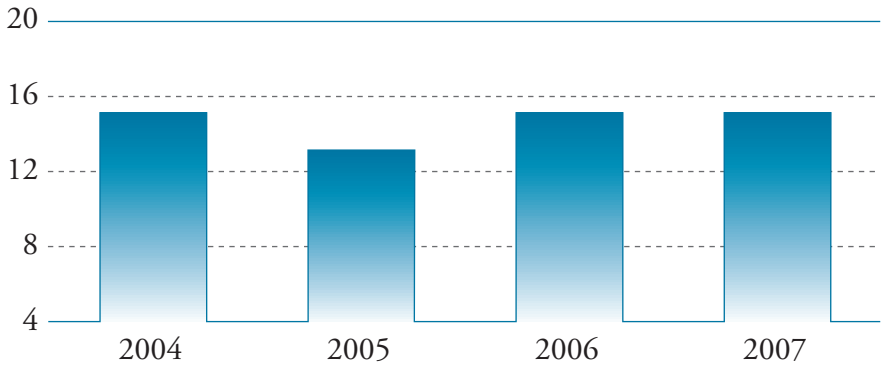
The CTM, as a route to IP protection within the EU, has long been strongly favoured by international businesses. In 2007 German companies were the most prolific with 15 300 CTM applications compared with the United States (14 000) and the UK (9 300).

CTM APPLICATIONS: TOP 10 BY COUNTRY OF ORIGIN

Country	2006	%	2007	%
Germany	13 500	17	15 300	17
United States of America	12 700	16	14 000	16
United Kingdom	8 400	11	9 300	10
Spain	6 300	8	7 300	8
Italy	6 200	8	7 100	8
France	5 300	7	6 000	7
Netherlands	2 800	4	3 200	4
Switzerland	2 300	3	2 600	3
Austria	1 800	2	2 000	2
Japan	1 700	2	1 800	2

While timescales have improved in many areas, we have not been experiencing the same success with CTM oppositions, where there has been a substantial rise in opposition files compared with previous years. In 2007, 16 000 oppositions were filed compared with 14 000 the previous year, and a total of 14 000 cases were resolved in both years. In September we announced a number of initiatives, including simplifying the admissibility check process, which should already be bearing fruit in reducing the timescales in this area.

Oppositions: Average time from reception to decision (Months)



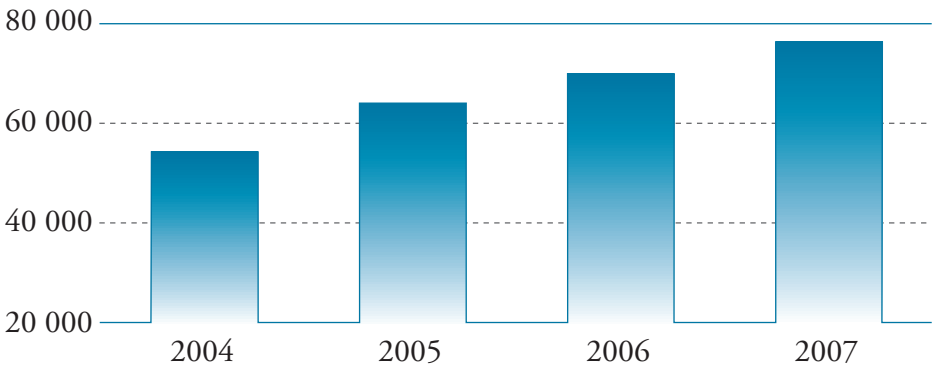
During the year, around 550 applications were received to cancel Community trade marks and 250 were cancelled or surrendered.

OHIM has adopted a structured approach to maintaining quality in CTM and opposition decisions while dealing with increased demand. A sample of 7% of examination decisions and 15% of opposition decisions is looked at again by our legal advisors and compared to a detailed checklist.
Targets for correctness and consistency are published in the OHIM Service Charter.

REGISTERED COMMUNITY DESIGN

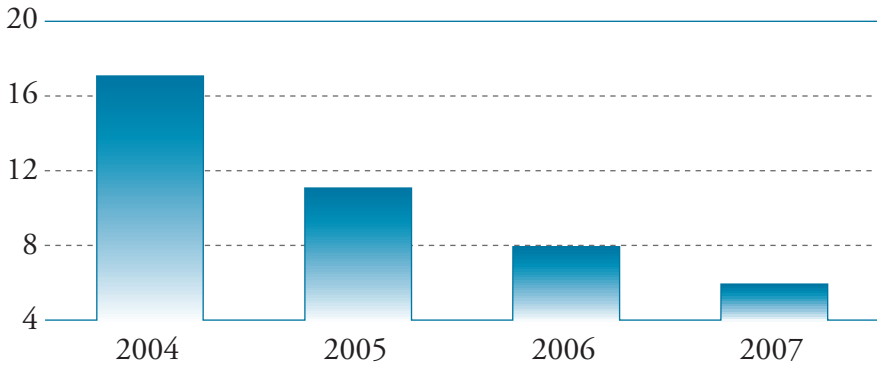
Since the introduction of the Registered Community Design (RCD) in 2003, OHIM has received and registered more than 300 000 designs. In 2007, around 76 000 designs were received, which was about 10% more than the previous year.

RCD: DESIGNS RECEIVED



Currently, around 80% of RCDs are being published within eight weeks. In practice, for around half of RCD filings we have been managing to publish within three weeks, and following the move from weekly to daily publication of the Community Designs Bulletin in September 2007, this is expected to drop to a matter of days in some cases. The average time to registration is now six weeks.

RCD: Average time to registration (weeks)



The top country for Community designs was Germany, with around 17 000 designs, followed by Italy (9 700) and France (6 300).

RCD: Top 10 by Country of Origin

Country	2006	%	2007	%
Germany	16 700	24	17 000	24
Italy	10 600	15	9 700	14
France	6 200	9	6 300	9
United States	6 600	9	5 400	8
United Kingdom	4 500	7	4 900	7
Spain	4 600	7	4 400	6
Switzerland	1 700	2	2 600	4
Austria	1 700	2	2 200	3
Netherlands	2 200	3	2 000	3
Japan	2 000	3	2 000	3

During 2007, the European Union agreed to join the Geneva Act of the Hague Agreement dealing with the international registration of industrial designs. The European Community, the official signatory for this type of international agreement, submitted its instrument of accession to the World Intellectual Property Organization in Geneva on 24 September and the system became operational for businesses on 1 January 2008.

This development allows companies, with a single application, to obtain protection of a design not only throughout the EU with the RCD, but also in the countries which are members of the Geneva Act.

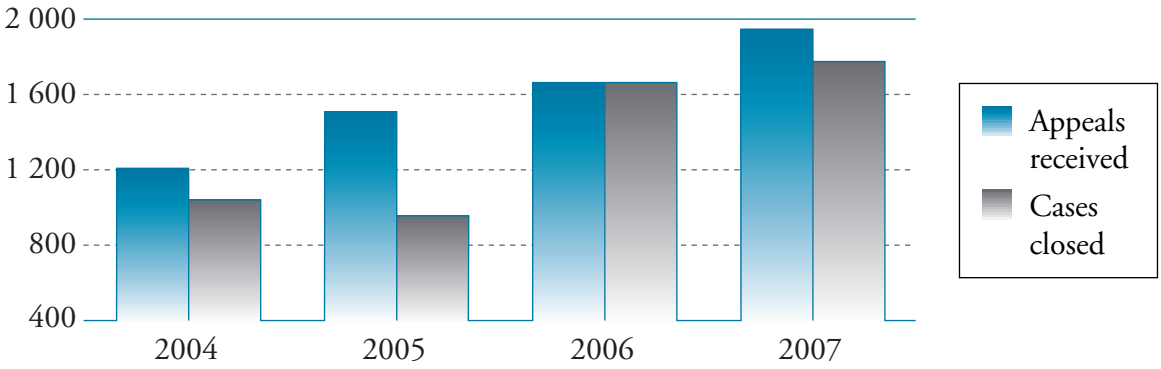
APPEALS

The number of appeals received has increased steadily over the years and in 2007 OHIM's Boards of Appeal dealt with around 1 950 cases, or over 18% more than in 2006. This strong growth in workload was mainly due to efforts being taken to reduce timescales elsewhere in the Office, as backlogs are eliminated at examination, opposition and cancellation. In order to cope with the increased workload, a Fifth Board, chaired by the President of the Boards, has been created and two more assistants joined the Boards. The Registry is also being reinforced.

The rates of appeal against Office decisions have remained quite stable and have even gone down slightly for oppositions, which are the main contributors to appeal numbers.

In addition, there is evidence that the quality of decision-making, both in the Office and at the Boards of Appeal, is being maintained or improved. This year the Boards of Appeal upheld around 84% of initial decisions for ex parte cases and 67% for inter partes cases. Of the cases handled by the Boards of Appeal, about 9% are appealed to the Court of First Instance, and the judgement is in favour of the Boards in eight out of ten cases.

BOARDS OF APPEAL: APPEALS RECEIVED AND CASES CLOSED



During the year, a significant number of cases concerning the application of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark were appealed before the Court of First Instance (CFI), and the European Court of Justice (ECJ). The CFI handed down 128 rulings and the ECJ gave 28 rulings. At the year end, 287 cases were still pending before the CFI and 19 before the ECJ. In addition, a total of eight judgments or orders where handed down by the ECJ in preliminary ruling cases, giving an interpretation of the Council Directive 89/104/EEC of 21 December 1988.

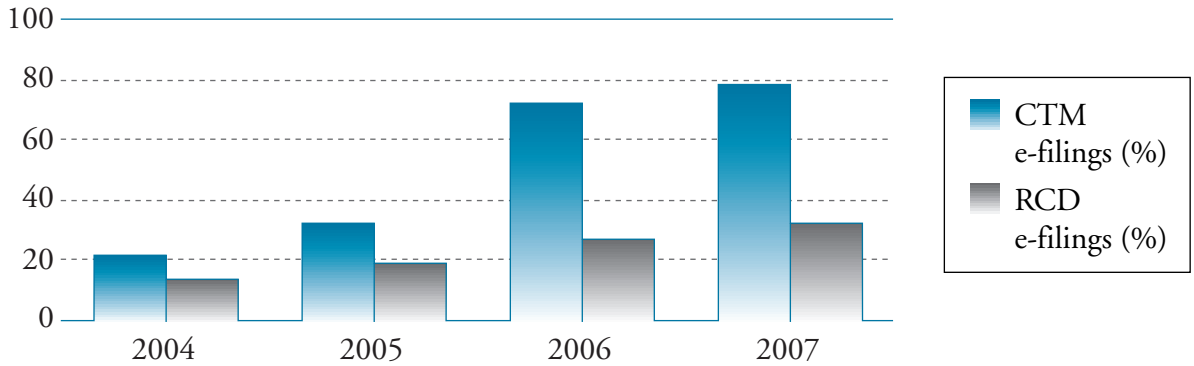
Details of some of the more significant cases dealt with by the Boards of Appeal and by the CFI and ECJ are included in the OHIM 2007 Case-Law Review.

E-BUSINESS

The popularity of e-filing is growing steadily and this is now the preferred route for many users. At present the use of the CTM e-filing web form is steady at around 78% of filings or about 59 000, excluding filings which come via the World Intellectual Property Organization. For RCDs, e-filing is around 32% of the total; and 13% of oppositions against CTM applications are received electronically. The take-up of electronic services continues to vary from country to country, with Belgium and Spain the most active e-filers.

All the OHIM databases, such as CTM Online, RCD Online, and Online Access to CTM Files, are accessible via the Internet, and users are increasingly turning to these services. Other electronic services are becoming progressively available online as the Office works to meet its users´ needs at the same time as it pursues a policy of becoming paperless. Our goal is to make the process less bureaucratic, transparent and more predictable for customers.

E-FILING: CTMS AND RCDS FILED ELECTRONICALLY



The MYPAGE facility, for example, which allows regular users to save their details online and cut down on the amount of information they need to enter manually for electronic filings, is growing in popularity. With the introduction of new facilities, such as the online modification of personal details, the number of MYPAGE users has increased to around 2 000, representing 45% of CTM filings.

The Office is investing in a range of measures, including an e-business hotline and training, to support users.

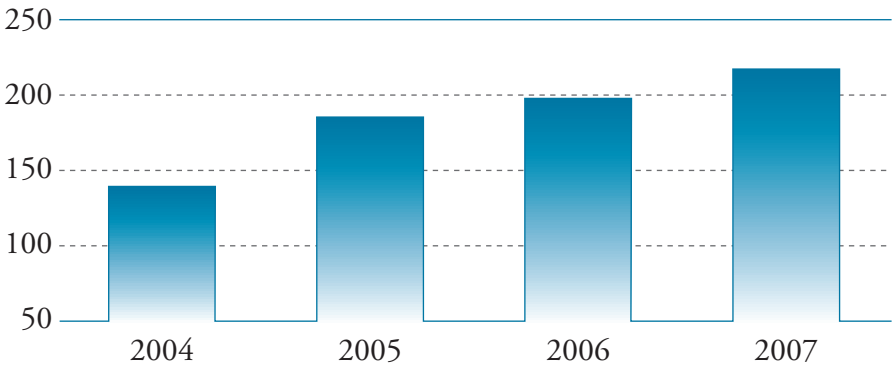
Looking forward to 2008, four e-business projects are expected to come to fruition: e-Communication will be expanded to include more tools enabling online interaction between users and OHIM; both CTM e-filing and RCD e-filing will be significantly improved; and MYPAGE will be extended to handle opposition proceedings electronically.

Further ahead, the emphasis will be on reducing bureaucracy and developing more efficient working methods. There will be self-help tools helping applicants mimic the internal decision process in the office for individual applications, and predict the outcome in the majority of cases.

INCOME AND PERSONNEL

The success of the Community Trade Mark and the Registered Community Design systems means that OHIM's total income in 2007 was around €200m (including financial revenue) ([1]) compared with an expenditure of €138m. Due to more efficient working methods income has been outstripping expenditure for a number of years leading to a substantial accumulated cash surplus. Since staffing levels have changed little, over a four year period productivity in terms of registrations made has soared by 58% — in 2007 alone it went up by over 10%.

PRODUCTIVITY (REGISTRATIONS/MEMBER OF STAFF)

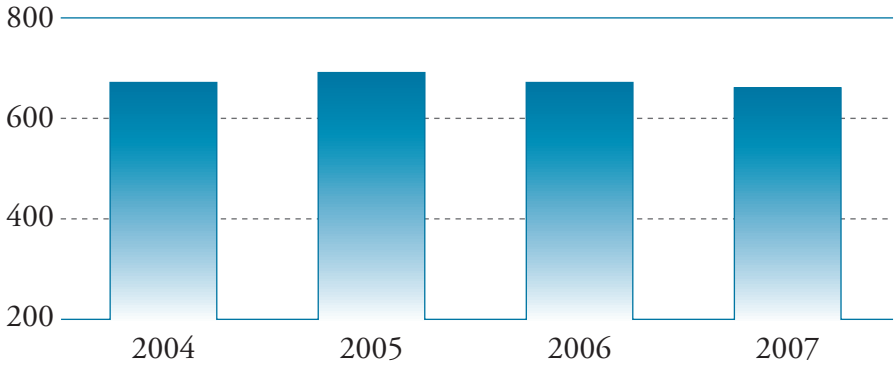


A first fee reduction was implemented in 2005 and a further reduction is currently envisaged by the European Commission in order to pass on these savings to our customers.

([1]) Figures are unaudited and provisional, so are subject to change.

The increased volume of work in all areas of the business has been maintained without increases in the workforce, which currently stands at around 655, including 70 teleworkers.

WORKFORCE



In 2007, OHIM announced it had asked the European Personnel Selection Office (EPSO) to organise four open competitions with a specialisation in IP, aimed at recruiting 25 new officials.

Relations with national IP offices of EU member states

We have identified four main areas for technical cooperation between OHIM and the national trade marks and designs offices of EU member states – training of staff of the national offices; IT projects; promotion and information services; and other projects including seminars and conferences. These activities represent a significant annual investment of around €3.8m.

Five training programmes are currently in place, including training for seconded national experts (SNEs), trainees from national offices, and seminars for judges.

Cooperation on IT includes using common computer programming standards. The EuroRegister project, for example, is an initiative in cooperation with national IP offices to create a common "look-up" of trade marks registered both at OHIM and at national offices.

The EuroClass database, covering common trade mark classifications, went into operation with UK, Swedish and OHIM data in 2006, and is being rolled out progressively to all the member states.

In 2007, agreements were signed with 17 national offices for joint initiatives on promotion and information services. The proposals submitted include information and advice, publications, seminars and road shows, exhibitions and databases.

SEMINARS FOR THE JUDGES OF CTM AND RCD COURTS

In October 2005, OHIM began a cycle of seminars for the judges in national courts dealing with Community trade marks and designs in EU member states. A total of seven two-day seminars have now taken place in different parts of the EU chosen to ensure the best possible geographic and linguistic spread. The main aim is to spread understanding of the CTM system, encourage contact with OHIM, and help establish networks for further open discussion on IP matters.

The seminars, led by speakers drawn from different OHIM departments and external experts from the European Commission, the Court of Justice and the Court of First Instance, were attended by over 220 judges and 50 external participants. This first round of activity will be followed by workshops and seminars organised in Alicante in 2008.

Cooperation with IP offices outside the EU

For a number of years OHIM has also been exchanging information with the US Patent and Trademark Office and the Japan Patent Office in order to try and minimise differences in the way applications are treated. In 2007, the Chinese Trademark Office took part as observers in the sixth annual trilateral meeting, held in Tokyo, and an agreement was made to hold annual workshops in China, and share information on IT and business practices. We have also agreed to more regular exchanges with Chinese IP practitioners via the China Trademark Association.

OHIM also participated actively in EU-sponsored cooperation programmes with IP offices from third countries. These included the CARDS programme, which targets the Balkan region, namely Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia and Serbia and Montenegro; and the ECAPII programme for South East Asian countries.

RELATIONS WITH IP USERS

The Office is committed to meeting users' needs and expectations. This implies both listening carefully and then taking action. The OAMI Users Group and the E-Business Users Group provide valuable feedback, and this is combined with analysis of the User Satisfaction Survey, and a careful examination of complaints or information requests.

While the main finding of the User Satisfaction Survey was that users in general, and especially agents, continue to be generally satisfied with OHIM, we realise there is no room for complacency. The launch of the OHIM Service Charter, providing standards for timeliness, consistency and accessibility, was a major step forward and other concrete actions have included bi-lateral discussions with national and international NGOs who had specific concerns.

In 2007, we held 10 e-business workshops and welcomed four groups of users from individual countries to national days in Alicante. We also improved our call centre service to provide faster response, set up an e-business help desk and implemented spot checks by "shadow users" to check the quality of service. A particular effort was made to improve e-mail response and we are currently exceeding the objective of replying to 90% of all e-mail queries within two working days.

The Internet continues to be an important means of both delivering services and interacting with our users. The "Users Corner" was introduced last year and we are in the process of developing a new website in order to both modernise and improve the way in which we communicate. The subscription rate of Alicante News has also continued to increase and it is now reaching over 5 200 IP professionals all over the world.



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