



Etienne Sanz de Acedo
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July 17, 2024

Kerstin Jorna
Director General
Directorate-General for Internal Market,
Industry, Entrepreneurship and SMEs
EU Commission
Brussels, Belgium

Dear Director General Jorna,

On behalf of the International Trademark Association (INTA), I would like to convey our thoughts and suggestions on Article 5(s) of the COUNCIL REGULATION (EU) 2024/1745 of 24 June 2024 amending Regulation (EU) No 833/2014 imposing additional sanctions and restrictions in view of Russia's actions in Ukraine.

In 2022, INTA strongly condemned Russia's war of aggression against Ukraine, and we continue to do so. Sanctions against Russia have been and continue to be an important element of the global response to this aggression.

Please see enclosed our detailed submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Etienne Sanz de Acedo', written in a cursive style.

Etienne Sanz de Acedo
Chief Executive Officer

Cc: Cabinet Commissioner Internal Market (HoC), EU Commission Legal Service, DG TRADE

INTERNATIONAL TRADEMARK ASSOCIATION

Comments in relation to the COUNCIL REGULATION (EU) 2024/1745 of 24 June 2024 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine

The International Trademark Association (INTA) would like to express concern regarding Article 5(s) of the COUNCIL REGULATION (EU) 2024/1745 of 24 June 2024 amending Regulation (EU) No 833/2014 imposing additional sanctions and restrictions in view of Russia's actions in Ukraine. Article 5(s) states as follows:

1. Intellectual property offices and other competent institutions constituted under the law of a Member State or the Union shall not accept:

(a) new applications for registration of trademarks, patents, industrial designs, utility models, protected designations of origin, and geographical indications filed by Russian nationals or natural persons residing in Russia, or by legal persons, entities or bodies established in Russia, including if jointly filed by a Russian national or natural persons residing in Russia, legal persons, entities or bodies established in Russia with one or more non-Russian natural or legal person resident or established outside of Russia;

(b) any requests or submission filed by Russian nationals or natural persons residing in Russia, or by legal persons, entities or bodies established in Russia during the registration procedures before such intellectual property offices related to any of the intellectual property rights referred to in point (a).

GENERAL COMMENTS

The **International Trademark Association (INTA)** is a global association of brand owners and professionals dedicated to supporting trademarks and complementary intellectual property (IP) to foster consumer trust, economic growth, and innovation, and committed to building a better society through brands. Members include nearly 6,400 organizations, representing more than 34,500 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association's global trademark resources, policy development, education and training, and international network. Founded in 1878, INTA, a not-for-profit organization, is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and Washington, D.C., Metro Area, and representatives in Amman, Nairobi, and New Delhi. For more information, visit inta.org.

In 2022, the International Trademark Association (INTA) strongly condemned Russia's war of aggression against Ukraine, and we continue to do so. Sanctions against Russia have been and continue to be an important element of the global response to this aggression. Notwithstanding the foregoing, INTA is concerned about the referenced sanction and the lack of prior consultation with EU industrial property offices and stakeholders. Had there been a consultation with Intellectual Property Offices and other key stakeholders, the Council could have been informed of the consequences the sanction would create in the Trademark system as a whole, in addition to the conflicts it creates with various international intellectual property obligations, such as those contained in the Paris Convention for the Protection of Industrial Property, Madrid Protocol, Patent Cooperation Treaty, and Trademark Law Treaty. These conflicts potentially put IP offices (IPOs) in an untenable compliance dilemma and threaten to erode intellectual property protections for the very EU businesses the sanctions seek to protect.

SPECIFIC COMMENTS

COUNCIL REGULATION (EU) 2024/1745 of 24 June 2024 amending Regulation (EU) No 833/2014 states that Article 5(s) is intended to neutralize an undue competitive advantage for Russian industry and the associated revenue achieved by Russian actions to illegitimately deprive Member State intellectual property rights holders of their protection in Russia. In response, among other sanctions, 2024/1744 imposes restrictions on accepting applications for registrations in the Union of certain intellectual property rights by Russian nationals, natural persons resident in Russia, and Russian companies.

As stated above, Article 5(s) likely conflicts with numerous provisions of several important international intellectual property treaties, which undermines the treaties' multilateral goals. Those important goals include promoting stability and economic development via common rules, standards, and norms that facilitate international trade, investment and cooperation, all while reducing technical barriers and increasing predictability. Inclusivity, consultation, and cooperation are crucial elements to these successes. We question how such a measure is consistent with the national treatment and most favored nations obligations contained in numerous treaties and free trade agreements.

Additionally, the intended and unintended consequences of Article 5(s) will create more burdens for the legitimate IP right holders in Europe. For example, the provision does not seem to take into consideration the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol). As per Article 5 of the Madrid Protocol, a Designated Office must notify the refusal of the application to the International Office within 12 or 18 months, as of the date of designation notification. Such a refusal can only be based on the grounds set forth by the Paris Convention for the Protection of Industrial Property. If these terms lapse without a refusal notification, the trademark registration will be deemed granted in such a territory. Accordingly, not only would the measure put IPOs in an untenable position in which they cannot comply with the Protocol, but it could prompt bad faith applications, cluttering registers and creating additional enforcement burdens for IP rights owners, as well as legal uncertainty for users.

For all these reasons, INTA suggests that the Council creates a transition period process to implement Article 5(s), allowing an opportunity for consultation among the EU Commission, IPOs, and private sector to explore ways to improve the regulation and how to mitigate challenges such as the impact on Madrid Protocol practice and potential increase of bad faith filings.
