

I. INTRODUCTION

In the beginning of June 2020, EUIPO launched a platform by which European SMEs can request help in all fields of IP from a corpus of pro bono professionals. We use the terms IP professionals as these people are not necessarily IP attorneys qualified to represent clients before the EUIPO.

The aim of the initiative is as follows:

The EUIPO COVID-19 pro bono hub offers a tailor-made service to match SMEs to providers of free-of-charge intellectual property (IP) legal representation and advice throughout the EU during this unprecedented period.

The service focuses on the needs of small businesses, ensuring that they get the IP-related legal advice they need to protect and maximise their rights, and the proper professional representation to defend those rights when challenged. Businesses will be able to obtain practical guidance on how to handle their IP legal matters, which will help them refocus their attention on overcoming the competitive and economic challenges caused by the pandemic.

The ECTA Professional Affairs Committee conducted a survey among its Members to gather information on National pro bono programs and assess their perception of this new initiative.

II. EXECUTIVE SUMMARY

Members were asked two series of questions on the existence of a pro bono program in their country and on the EUIPO initiative. We summarized below the answers received. We received answers from 16 Member States.

There are two main points, which need to be highlighted. Firstly, the pro bono services, when they exist, are limited to individuals, and rarely concern legal entities and, in any case, they are subject to revenue. Secondly, a vast majority of respondents consider that the impartiality of the EUIPO is affected.

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A. Questions on national functioning of pro bono

	Official Pro bono	Voluntary pro bono	Condition of resource
AT	Yes		Yes
BX	No (yes for attorneys at law)		Yes, only individuals
HR	Yes		Yes, only individuals
DK	No	Yes	
EE	No		

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

FR	Yes		No, limited to general information
DE	No	Yes	
GR	No		Legal aid for individuals
IE	No	Yes	
IT	Yes		Yes
LT	No		
LU	Yes for attorneys at law		Yes, and no professional disputes
NL	No		
Ro	No		Legal aid
SL	No	Yes	Legal aid
ES	No	Yes	

B. Questions on the pro bono system launched by EUIPO

	Conflict with prof. rules	Competition	Pbl. With Insurance	Impartiality of EUIPO is affected
AT	No	No	No	N/A
BX	No	Possibly	No	Yes
HR	Yes	No	No	Yes
DK	No	No	No	Yes
EE	No	No	No	Yes
FR	Yes	No	Yes	No
DE	Yes	N/A	Possibly	Yes
GR	Yes	Yes	Possibly	Yes
IE	No	No	Possibly	Yes
IT	No	No	Yes	Yes
LT	No	No	No	Yes
LU	Yes	Yes	Yes	Yes
NL	No	No	Possibly	No
Ro	No	No	No	Yes
SL	No	No	No	No
ES	No	No	Possibly	Yes

III. COMMENTS

Based on the survey results and discussion thereof, ECTA would like to make the following comments and suggestions:

1. The EUIPO is one of the 44 EU agencies with legal, administrative and financial autonomy. As such, its competence and powers stem from a legal instrument, in the present case article 151 EUTMR.

The Agency's tasks are defined as follows:

The Office shall have the following tasks:

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

- a) administration and **promotion** of the **EU trade mark system** established in this Regulation;
- b) administration and **promotion** of the European Union **design system** established in Council Regulation (EC) No 6/2002;
- c) promoting convergence of practices and tools **in the fields of trade marks and designs**, in cooperation with the central industrial property offices in the Member States, including the Benelux Office for Intellectual Property;
- d) the tasks referred to in Regulation (EU) No 386/2012 of the European Parliament and of the Council;
- e) the tasks conferred on it under Directive 2012/28/EU of the European Parliament and of the Council.

The Office shall cooperate with institutions, authorities, bodies, industrial property offices, international and non-governmental organisations in relation to the tasks conferred on it in paragraph 1.

The Office may provide voluntary mediation services for the purpose of assisting parties in reaching a friendly settlement.

The *pro bono initiative* might perhaps be seen as part of the promotion of the European Union design and trade mark system, although this interpretation remains controversial and whether or not the initiative falls within the scope of competences of the Office should remain open to discussion also in view of the fact that it raises concerns as regards the liability of the Office in case of a problem.

Furthermore, the program targets all IP rights and one can question the competence of the Office to act in the field of patents, copyright or plant varieties. In the same way dealing with administrative litigations such as oppositions or cancellation actions raises no concerns, but court litigations in general or procedures before the European Patent Office do.

Further, according to paragraph 27 of the Preamble of the EUTMR, EUIPO should operate within the framework of European Union Law so that the services provided by the EUIPO need to be in line with the fundamental freedoms of the internal market incl. free competition and shall not discriminate the service providers or users.

We fail to see that these limitations were being addressed before launching the program and would voice our concern, especially in case of a problem in a file.

In a very practical approach, what would be the position of an insurance company covering an attorney having committed a mistake in a patent file, both parties having been linked together by the *pro bono* initiative of the Office without any competences in the patent field? The answer could possibly be the foreclosure of the insurance.

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

2. The list of providers will constitute a promotion for the provider which is very much in contradiction to the objective of pro bono services and may also be considered to be a recommendation by the EUIPO. In the event of a problem, there is also the risk that users question the impartiality of EUIPO as despite the disclaimer it will be perceived as being associated to the faulty service.
3. The studies conducted by the EUIPO Observatory (see *IPR-Intensive industries and economic performance in the European Union*) show that IP enables SMEs to better resist economic challenges, a point of particular relevance in the current times. IP professionals are an essential part of this ecosystem, not least where the complexity of the subject requires a highly trained professional.

We believe it would be detrimental to the goal of encouraging IP within SMEs to weaken the IP profession or the perception the SMEs might have of it. By rendering free services indiscriminately, the program will necessarily change the perception of IP services and their purveyors and lead the public to question the pricing and advantages of paid services in the same field.

The indiscriminate offering of free IP services is equivalent to dumping in this sector a practice normally forbidden under the European law.

4. Another concern is the fact that the *pro bono* program is accessible to all SME's without any economic condition.

Pro Bono is an abbreviation of "Pro bono publico", originating from Latin and means "for the public good, for the commonwealth". In the field of law, it means "legal support provided by legal advisors to those who cannot afford them on a voluntary basis and free of charge, for the benefit of society, without any profit."

The usual understanding of pro bono work is that it is done to help a third party having economic or social difficulties, and not to help indiscriminately all economic operators.

The *pro bono* program e.g. in France targets all entities, but the work is limited to providing general information, any substantive advice is paid for.

ECTA suggests that objective criteria giving access to the program should be introduced. Apart from the risk for the IP professions dealt with hereafter, there are two major pitfalls in this indiscriminate access:

- Allocation of resources: by definition, IP specialists wanting to work *pro bono* will be scarce and their competences should be channeled to the SME's which are really in need, and not to those *in boni*.
- There is a risk of a distortion of competition between *in boni* SMEs as some will pay for IP services and others will not and this without any objective justification.

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

It must also be noted that companies in receivership or the equivalent tend to have difficulties securing legal advice as attorneys are reluctant to engage in work without the assurance of being paid. If the pro bono initiative could target specifically these companies, it would be more consistent with the traditional meaning of pro bono and with the aim of the initiative which is to help SMEs affected by COVID-19. In this sense the program would represent a real advantage from a social and economic point of view.

5. Not all IP professionals are regulated in the same way throughout the Community. Some countries have a specific regulated profession, such as France or Germany, in some countries it is the Lawyers who provide IP services (Greece) and in others IP is simply not regulated (Ireland) or partially regulated (patents in Belgium, not trade marks).

The survey we conducted seems to show that in some countries pro bono activity would actually be prohibited by professional regulations, thus foreclosing those professionals from participating in the program. It is the case in Greece and probably in France when not conducted under the supervision of the professional organization (CNCPI). These professionals may be appointed as *professional representatives* but not as *pro bono professionals* and there is a breach of equality introduced by this initiative.

6. Other National professional regulations might be an issue, such as insurances. Some countries impose specific insurance policies and it is questionable if these would work outside of the scope of a normal paid service. The price of these specific professional insurances is normally based on the fees earned by the professional which excludes *ipso facto* unpaid services. An insurer is not going to cover a risk for which he will not be paid, which is the case in the pro bono program. This could have very severe effects in the patent field, but also in the other IP areas.

Members from the Netherlands, France, Greece, Germany, Ireland, Luxemburg and Spain have expressed doubts on the validity of their insurance policy in the frame of the pro bono program.

7. The European IP profession represents several billion Euros of income per year and employs paid and highly qualified professionals. This sector is in competition with other countries such as China, the United States or Israel to attract talents and business. ECTA is concerned that the drive for more knowledge-based quality is incompatible with the indiscriminate offering of free IP services.

IP service providers are also SMEs and evidence shows that some are starting to suffer from the Covid induced crisis and again it is not the moment to undermine their potential.

8. The European Commission could consider an alternative way to support small businesses, namely, to directly subsidise only those small businesses in need of help.

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

A system based on an objective financial criterion would preserve the free competition on the market between those working on a pay for service basis and those working *pro bono*. This could include not only the IP professional fees but also the costs and official fees paid to the IP Offices.

In this way, the quality of the services would be guaranteed, and the liability of the European Commission or other EU bodies would be preserved, since the potential damages of a wrong advice or service would be the only responsibility of the small businesses that would have freely selected the IP professional.

IV. FINAL REMARKS

The currently planned IP Pro Bono services directed to Small and Medium Enterprises (SMEs) are likely to:

- discriminate legal practitioners of member countries which do not allow pro bono services to this extent,
- or mislead legal practitioners to break the national professional rules in order to compete with others,
- and creates difficulties for the importance of IP and its contribution to the dynamism of the internal market.
- We believe the competences of the Office must be clarified in order to ensure legal security.
- Might lead to claims against the Office. Would the Office then be liable for eventual damages?

We, therefore, ask for some general rules and requirements for an ordered structure. Service provider and user need to have a clear understanding about their tasks, duties, and rights, otherwise, misunderstandings and dissatisfaction will create loss in trust of IP and the European IP system.

- The following questions are, therefore, essential and we would appreciate a dialogue about on the questions:
 - What does pro bono mean – free of charge, fees are limited to the minimum to sum x ?
 - SMEs must provide proof that they are non-profit organization or in financial need. The program should be restricted to SME proving effective economic hardship such as being in receivership. And possibly as a consequence of the COVID-19 situation.
 - Are the official fees reduced/waived? It is suggested that they are.

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

- What do the agreements cover? Services for one instance, what does it mean for an appeal?
- Does EUIPO foresee a minimal remuneration for pro bono work? If not, it might be that a lot of small and medium size IP law firms cannot join the programme because they cannot afford it, which will give unfair advantage for big law offices which will be able to promote their services through the programme.
- Does the EUIPO foresee any code of conduct regulating the pro bono services in this special and particular situation we are all facing? To ensure clarity, such code of conduct could include clear regulation on (i) who can provide pro bono services – (only professional representatives or also third parties?), (ii) who can use pro bono help (only EU companies in bad financial situation – and possibly only as effect of COVID-19?), (iii) if pro bono depends on financial situation the poor financial situation shall be defined (it may be defined in numbers or by % income decrease or in other way), (iv) how to prove a poor financial situation, (v) the scope of pro bono services (does it cover only application procedure, one instance or whole procedure?), (vi) sanction for a breach of pro bono regulation, (vii) supervisory board for pro bono services (if pro bono work is of poor quality, normally, the party may go to the court who appointed the pro bono attorney or to the attorneys association. What body is relevant in this case?), (viii) insurance issues; (ix) rules for appointing a representative and so on.

POSITION PAPER ON EUIPO IP PRO BONO INITIATIVE

ECTA, which was formed in 1980, is an organisation concerned primarily with trade marks and designs. ECTA has approximately 1,500 members, coming from all the Member States of the EU, with associate Members from more than 50 other countries throughout the world.

ECTA brings together those practicing in the field of IP, in particular, trade marks, designs, geographical indications, copyright and related matters. These professionals are lawyers, trade mark and patent attorneys, in-house lawyers concerned with IP matters, and other specialists in these fields. ECTA does not have any direct or indirect links to, and is not funded by, any section of the tobacco industry.

The extensive work carried out by the Association, following the above guidelines, combined with the high degree of professionalism and recognised technical capabilities of its members, has established ECTA at the highest level and has allowed the Association to achieve the status of a recognised expert spokesman on all questions related to the protection and use of trade marks, designs and domain names in and throughout the European Union, and for example, in the following areas:

- Harmonization of the national laws of the EU member countries;
- European Union Trade Mark Regulation and Directive;
- Community Design Regulation and Directive;
- Organisation and practice of the EUIPO.

In addition to having close links with the European Commission and the European Union Intellectual Property Office (EUIPO), ECTA is recognised by WIPO as a non-Government Organisation (NGO).

ECTA does also take into consideration all questions arising from the new framework affecting trade marks, including the globalization of markets, the explosion of the Internet and the changes in the world economy.