



FÉDÉRATION INTERNATIONALE DES CONSEILS  
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF  
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION  
VON PATENTANWÄLTEN

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## FICPI Position on EUIPO's Pro Bono Services Program

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*Drawn up by the European Union Members of FICPI "EUCOF"*

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#### I. INTRODUCTION

FICPI was officially informed about EUIPO's pro bono services program for SMEs during a virtual meeting held between FICPI and EUIPO on December 10, 2020. The launching of the program includes three basic initiatives, namely:

- a) the creation of an SMEs Fund covering IP pre-diagnostic services and the filing of trade mark and design applications, with a reimbursement of up to 1500 Euro for each SME,
- b) the provision of free IP support through a network of professionals included in a list of pro bono services providers facilitated by EUIPO and
- c) the provision of dispute resolution mechanisms in oppositions and cancellations for SMEs.

The pro bono services program for SMEs is part of the "ideas-powered-for-business" program which aims to help European SMEs invest in the acquisition of intellectual property rights with the assistance of a 20 million Euro fund. The program allows SMEs based in the EU to apply for the pro bono provision of services, which includes a 50% reduction on trade mark and design application fees and a 75% reduction on a so-called "IP-scan", the IP pre-diagnostic service available at a number of EU national and regional trade mark and patent offices. SMEs are defined as companies who employ fewer than 250 employees and have an annual turnover of less than 50 Million Euro, according to the EU recommendation 2003/361 and the updated User Guide 2020 on the SME definition.

As far as the provision of pro bono services with the support of EUIPO is concerned, an SME which meets the criteria may request assistance by completing an online pro bono application form, and then EUIPO acts as an intermediary by emailing a list of pro bono services providers who meet the criteria submitted with the SME's request. The selected pro bono services providers are drawn from a wider list of pro bono services providers held by EUIPO and available on its website. Any IP professional who declares being authorized to offer IP services in the EU may apply to be included in this list.

FICPI informed its members about the launch of the pro bono services program with an article prepared and posted by Daniel Alge on FICPI's website on January 23, 2021.



## II. FICPI'S GENERAL POSITION ON EUIPO'S PRO BONO SERVICES PROGRAMME AND CONCERNS

In general, FICPI welcomes any initiative taken to support SMEs in gaining access to the IP system, considering that SME innovation in the EU still remains largely unprotected, according to the SME Scoreboard and the results of studies made and published on EUIPO's website (<https://euipo.europa.eu/ohimportal/en/web/observatory/sme-scoreboard#2019>). FICPI also takes note of the fact that European SMEs make up 99% of all businesses in the EU and generate more than 65% of employment, according to data that has been presented on EUIPO's website and FICPI recognises that SMEs that make use of IP are likely to grow faster than those which do not.

FICPI acknowledges the value of any support provided by public and private bodies to SMEs which would enable them to gain and broaden their access to the IP system and also welcomes the initiatives taken by the European Commission and EUIPO in this respect.

However, the specific form of some aspects of EUIPO's pro bono services program raises concerns with relation to quality and liability issues, possible distortion of competition and impartiality principles, as well as concerns on the efficiency of the program as it stands.

As a first remark, FICPI notes that no quality controls are apparently conducted as to the qualifications and experience in the provision of IP services of the professionals who are included in the pro bono services providers list held by EUIPO. Any person who declares having the qualifications and entitlement to provide IP services may apply for and be included in the list. FICPI has already expressed this concern to EUIPO on various occasions.

FICPI does not deem the list of pro bono services providers to be similar and equivalent to the list of professional representatives held by EUIPO, for various reasons. First of all, in the case of the pro bono services providers, EUIPO acts as a facilitator between the SMEs and the pro bono services providers by "matching" the SMEs and specific services providers in accordance with an SME's needs as expressed in their application for the receipt of services.

In addition, the inclusion of IP professionals in the pro bono services providers list may constitute advertising, as the SME which has received pro bono assistance will be inclined to continue its collaboration with the same pro bono services provider, without making any further research into providers of IP services. This advertising and promotion role with the support of the EUIPO's specific program is compounded by feedback provided by the SMEs who have received assistance, as EUIPO encourages such SMEs to provide feedback about their experience and publishes this on its website.

In addition to distortion of competition and impartiality concerns, which are presented further below, the above practice raises serious quality concerns, as there appears to be no audit on the experience and qualifications of the professionals included in the list of pro bono services providers. No verification is performed by EUIPO that the pro bono services provider is allowed to represent others before the EUIPO, EPO, etc. As a result of this, inappropriate legal advice in a such specialized field of legal services may cause significant damages and may expose EUIPO to liability issues via the implementation of the pro bono services program. As EUIPO is a body offering services of public interest, the existence and acceptance of a liability



disclaimer might not be sufficient for the exclusion of any liability if damages do arise and are claimed by SMEs.

Further, the creation of the list of pro bono services providers by EUIPO and its role as facilitator of the provision of the pro bono services raises concerns on a possible distortion of competition, as well as impartiality concerns. As explained above, the professionals who are included in the list may enjoy a competitive advantage over those who are not included in this list, as their inclusion has a potential advertising and promotional effect. Not all IP professionals are regulated in the same manner in the EU. In some jurisdictions, for example in Germany and Greece, attorneys in general, and IP attorneys in particular, are not allowed - with very few exceptions to this rule, such as for the provision of short initial advice - to provide pro bono services. These professionals would be therefore excluded from their participation in the pro bono services program as otherwise they may be subject to fines and sanctions from their bar associations or other professional supervisory organizations.

FICPI believes that these concerns should be given serious consideration by EUIPO, as according to paragraph 27 of the Preamble of the EUTMR, EUIPO must operate within the framework of EU law, so that the services provided by EUIPO need to be in line with the fundamental freedoms of the Internal Market, including the freedom of provision of services and free competition and must not discriminate against the services providers or users.

Furthermore, FICPI recognizes that other national professional regulations might be also contravened by the pro bono services scheme, for example regulations on insurance. In some jurisdictions, specific liability insurance policies are imposed upon attorneys and IP professionals. It is questionable whether insurance policies may be applied on pro bono services, also considering that specific professional insurances are often based on the fees earned by the insured professionals.

### **III. FINAL REMARKS AND SUGGESTIONS**

FICPI recognizes that there is a need for offering reliable legal advice in IP law to SMEs at reasonable rates. Therefore, FICPI generally welcomes all assistance provided to SMEs for their better access to the IP system, but believes that careful attention must be given to the way this assistance is provided. Care must be taken that the advice available to SMEs via the offices satisfies the same high standards that apply to SMEs looking for this advice directly in the marketplace.

FICPI believes that the present scheme raises significant quality, impartiality and distortion of competition concerns, which need to be taken into account by EUIPO, especially considering that it is a publicly financed Agency offering services of public interest. EUIPO's role as a facilitator between SMEs and pro bono services providers may also be incompatible with the fundamental rules of free competition in the EU and the freedom of provision of services, especially taking existing national restrictions in the provision of pro bono services into account.

FICPI believes that the European Commission and EUIPO should consider suitable alternative ways to support SMEs in accessing the IP system and enhancing the protection of their IP rights. In particular, FICPI suggests that SMEs could be directly subsidized by the EU by



undertaking payment of at least part of professional fees incurred for the protection of IP rights and that official fees could be reduced for such small and medium sized enterprises.

Furthermore, FICPI suggests that the provision of specific pro bono services could be undertaken by user associations, including FICPI, who have a strict policy for the admission of professionals who are recognized as qualified professionals in their countries and regions. FICPI expresses its willingness to assist EUIPO with both training and provision of specific services to SMEs who are in need of help in this field.

FICPI further believes that EUIPO should only provide listings with all persons registered before the EUIPO and allow a selection by country or region and city.

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