

# [EUIPO performance update: Q4 2017](#)

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The Office has published its [2017-Q4 results](#) for timeliness, quality and accessibility.

EUIPO is committed to continuously improving the quality and timeliness of its decisions.

As a result, the Office set more demanding targets for the relevant indicators in 2017, and put in place a series of actions to ensure the targets were complied with, including daily monitoring of cases which aligned processing time with planning.

These actions have already improved several key performance indicators, including those of timeliness for EUTM Fast Track Publication and Opposition decisions, which achieved their compliance targets after some months in action needed.

For any comments or suggestions, please contact [CGS@euipo.europa.eu](mailto:CGS@euipo.europa.eu).

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## [Mergers: Commission to assess the acquisition of Shazam by Apple](#)

Apple's proposed acquisition of Shazam does not meet the turnover thresholds set by the EU Merger Regulation for mergers that must be notified to the European Commission because they have an EU dimension. It was notified by Apple for regulatory clearance in Austria, where the transaction meets the national merger notification threshold.

Austria submitted a referral request to the Commission pursuant to Article 22(1) of the EU Merger Regulation. This provision allows Member States to request that the Commission examine a merger that does not have an EU dimension but affects trade within the Single Market and threatens to significantly affect competition within the territory of the Member States making the request. Subsequently Iceland, Italy, France, Norway, Spain and Sweden joined the request.

On the basis of the elements submitted by Austria and the countries joining the referral request, and without prejudice to the outcome of its full

investigation, the Commission considers that the transaction may have a significant adverse effect on competition in the European Economic Area. The Commission has also concluded that it is the best placed authority to deal with the potential cross-border effects of the transaction.

The Commission will now ask Apple to notify the transaction.

## **Background**

**Apple** is a US based global technology company which designs, manufactures and sells mobile communication, media devices, portable digital music players and personal computers. It also sells and delivers digital content online through the "iTunes Store", the "App Store", "iBookstore" as well as "Mac App Store", and offers the music and video streaming service "Apple Music".

**Shazam** is a UK based developer and distributor of music recognition applications for smartphones, tablets and PCs.

More information on the transaction will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8788](#).

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## **European Committee of the Regions: Highlights of the January plenary**

Portugal's Prime Minister António Costa returned to the European Committee of the Regions on 31 January to set out his vision for the EU. In the CoR's plenary session whose guests included Tomislav Donchev, Deputy Prime Minister of Bulgaria, and Frans Timmermans, First Vice-President of the European Commission, the EU's assembly for local and regional politicians said the EU27 must increase contributions to the future EU budget to protect regional investment, and threatened to go to the European Court of Justice if the EU tries to divert funds earmarked for regions and cities to help national governments finance structural reforms.

**Message of reform from Portugal's PM** : Prime Minister António Costa brought a message of economic urgency and political renewal on 31 January, telling local and regional leaders that the EU must complete economic reforms and focus on narrowing economic and social differences across regions and cities. A former member of the CoR and Mayor of Lisbon, Prime Minister Costa said that "In a globalised world Europe requires more cohesion and a more competitive economy" and that "we must not weaken the foundations of our Union, such as the cohesion policy". António Costa returned to the European

Committee of the Regions on 31 January to set out his vision for the EU. In the CoR's plenary session whose guests included Tomislav Donchev, Deputy Prime Minister of Bulgaria, and Frans Timmermans, First Vice-President of the European Commission, the EU's assembly for local and regional politicians said the EU27 must increase contributions to the future EU budget to protect regional investment, and threatened to go to the European Court of Justice if the EU tries to divert funds earmarked for regions and cities to help national governments finance structural reforms.

**Bulgaria's Deputy PM says EU faces "litmus test"** : Speaking on behalf of the EU Presidency Tomislav Donchev, Deputy Prime Minister of Bulgaria, said that, "The debate on the next Multiannual Financial Framework and cohesion policy needs to be seen as a litmus test for the future of the Union" and as an "indication of how much we believe in the Union". He warned the next budget risks being seen as "rather a result of the current political whirlwind than of [an] ambitious agenda". He said that "Cohesion policy should create incentives for reforms".

**'Local and regional solutions where possible and necessary'**: In a wide-ranging **debate with CoR members**, which included a heated exchange on Catalan independence, European Commission First Vice-President **Frans Timmermans** emphasised that the Commission's proposals for EU reform, including the option of "doing less more efficiently", should reinforce the subsidiarity principle. As part of its effort to find the best level to achieve the best result, the Commission has set up a **'Task Force'** that aims to find ways to better involve regional and local authorities in EU policy-making. Three of the six politicians in the Task Force are CoR members.

**European Commission in breach of subsidiarity** : In a **resolution** adopted with support across its political groups, the CoR said it will go to the European Court of Justice if European Commission proposals to offer Member States the possibility to use EU cohesion funds to support structural reforms are agreed. The CoR argues that the Commission's plan contravenes the principles of subsidiarity, multi-level governance, co-financing and shared management.

**Support for action against Poland** : In a resolution supporting the European Commission's decision to invoke Article 7 of the EU treaty, the CoR said that legal changes affecting the Polish judiciary are of "direct and immediate relevance" to local and regional authorities. It urged the EU, however, not to suspend funding for Poland's cities and regions, saying that sub-national authorities should not "be held hostage to policies pursued by national governments".

**Cohesion policy**: Having adopted its position on the future of cohesion policy in May 2017, the CoR elaborated its positions on four issues related to cohesion policy, including the **future of EU finances**. In recommendations crafted by **Marek Woźniak** (PL/EPP), Marshal of the Wielkopolski region, the CoR argues that in the wake of Brexit, member states should increase their contributions to the EU budget, and cohesion and agricultural policies should remain the major recipients of EU funds.

The CoR also warned against marginalising local and regional authorities. In

an opinion led by **Oldřich Vlasák** (CZ/ECR), member of Hradec Králové council and former European Parliament Vice-President, the CoR identifies gaps in proposals from the [High-Level Group on Simplification for beneficiaries of EU structural funding](#), while supporting the Group's call for greater local and regional. The CoR addressed how to increase the impact of cohesion funding through '[integrated territorial investments](#)', in a report presented by **Petr Osvald** (CZ/PES), member of Plzeň council and chair of the CoR's Commission for Territorial Cohesion Policy and EU Budget.

[Annual Growth Survey](#) : The economic recovery in the Europe Union is being held back by its failure to recognise the potential of regions and consider regional variations in its economic reforms, the CoR concluded in a resolution on the EU's Annual Growth Survey 2018. The CoR also warned that an investment plan created in response to the crisis – the European Fund for Strategic Investments (EFSI) – is proving inaccessible to many regions in the EU.

[Maximising the potential of outermost regions](#) : The CoR backed an opinion drafted by the President of the Canary Islands, **Fernando Clavijo** (ES/ALDE), that calls for a revised strategy to foster jobs, economic development, social cohesion and equal opportunities in the outermost regions. In the presence of MEP Younous Omarjee (FR/GUE-NGL), the CoR voiced support for investment in sectors such as renewable energies and the blue economy, suggesting that the EU's outermost regions could be test-beds for innovation.

[Europe on the Move](#) : CoR members addressed the local and regional implications of two legislative proposals in the European Commission's 'Europe on the Move' package. In an opinion by **Spyros Spyridon** (GR/EPP, from Poros council) the CoR tackled concerns about competition in the transport sector and the treatment of drivers associated with the Posting of Workers Directive, which sets the terms on which companies and their workers can operate outside their home country. In the presence of MEP Wim van de Camp (NL/EPP), members also set out ideas to increase compliance with EU legislation aimed at improving working conditions for drivers, road safety and competition.

A report by **Ivan Žagar** (SI/EPP), Mayor of Slovenska Bistrica, the CoR also backed Commission proposals to reduce formalities linked with toll systems on Europe's roads and to harmonise information provided by public transport.

[Digital single market](#) : In its mid-term review of the digital single market, the CoR emphasised that cities and regions are in a key position to harness the growth potential of the digital economy. The opinion, drafted by **Alin Nica** (RO/EPP), Mayor of Dudeștii Noi, warned that the EU must pay more attention to cyber-security, data privacy, and narrowing the digital divide.

[Blue economy](#) : The western Mediterranean is "highly" vulnerable to climate change, demographic and humanitarian challenges, **Samuel Azzopardi** (MT/EPP) of Rabat council warned in an opinion on sustainable development of the region's blue economy. The opinion sets out recommendations to make the western Mediterranean more secure, develop a 'smart and resilient' maritime economy, and improve sea governance.

**Small businesses** : **Robert Negoită** (RO/PES), Mayor of Bucharest District 3, won backing for proposals aimed at helping the long-term development of the COSME programme, which support the largest creators of jobs in local and regional economies – micro, small and medium-sized enterprises (SMEs). A product of the EU's Small Business Act (SBA) of 2008, COSME eases SMEs' access to funding and foreign markets.

" **Erasmus for local and regional representatives** ": The CoR **called** on the European Commission to consider establishing an exchange programme for 2018-2020 that would provide local and regional politicians with training on EU policies. The opinion was drafted by **François Decoster** (FR/ALDE), Vice-President of the Haut-de-France Region and Mayor of Saint-Omer, who was one of the 100 participants in a pilot project in 2012-2013. MEP Mercedes Bresso (IT/S&D) stressed her support for the initiative.

**Improving the balance between conflict species and human activity** : rapporteur **Csaba Borboly** (RO/EPP), leader of a community – Harghita – that is home to one of the largest populations of bears in Europe, won backing for proposals aimed at reducing the number of difficult encounters with large predators. The EU is home to five large carnivores, at least one of them being currently found in 21 countries.

**Further material:**

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## **Programming document 2018–20**

The EMCDDA Programming Document for the period 2018–20 covers the final year of implementation of the [EMCDDA Strategy 2016–18](#) and coincides with the completion of the first Roadmap established under the new [EMCDDA Strategy 2025](#). Among the highlights for this period are: the in-depth triennial assessment of the implementation of the key epidemiological indicators in the Member States; the scaling up of our support to ESPAD; the ongoing implementation of the new Regulation on new psychoactive substances (NPS).

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# Q&A: A credible enlargement perspective for and enhanced EU engagement with the Western Balkans

In his 2017 State of the Union address, President Jean-Claude **Juncker** re-affirmed the European future of the Western Balkans countries: *“If we want more stability in our neighbourhood, then we must also maintain a credible enlargement perspective for the Western Balkans”*. As the President said: *“The European Union will be greater than 27 in number. Accession candidates must give the rule of law, justice and fundamental rights utmost priority in the negotiations”*. The merit-based prospect of EU membership for the Western Balkans is in the Union’s own political, security and economic interest, it is a geostrategic investment in a stable, strong and united Europe based on common values. The Strategy aims to generate a renewed reform momentum in the region to address the specific key challenges the Western Balkans face. It also enhances EU support to the efforts of the Western Balkans in their European paths, with additional funding and resources. A Western Balkans Summit is taking place in Sofia on 17 May where EU Leaders will continue discussions and engagement with their Western Balkans counterparts.

The EU’s enlargement policy must be part and parcel of the larger strategy to strengthen the Union by 2025. The Strategy is part of the broader Roadmap for a More United, Stronger and more Democratic Union in line with which the Commission puts forward initiatives aimed at improving the democratic, institutional and policy framework for the Union of 2025. Our Union must be stronger, more solid and more efficient before it can be bigger.

## **What is new in the Strategy?**

The Strategy presents the very essence of the challenges which the Western Balkans face on their European paths. What is new is the strong renewed encouragement for the partners to address the reforms needed and give guidance on the steps needed in order to advance as quickly as possible on the paths towards EU accession. For Serbia and Montenegro – where accession talks are already under way – it sets out the indicative steps needed to complete the accession process in a 2025 perspective. In addition, with flagship initiatives in six key areas, the Strategy significantly enhances the EU’s engagement with our Western Balkans partners. It sets out our vision for our joint future and how to achieve this.

## **Is the Commission changing its enlargement policy?**

The Strategy clearly spells out that the EU door is open to further accessions when – and only when – the individual countries have met the criteria. The Commission is not changing its enlargement policy: the process is and remains merit-based. Each country will be assessed on its own achievements.

## **How will the Strategy be put into practice?**

The enlargement perspective of the Western Balkans is first and foremost in the hands of the countries themselves. They must act with determination and urgently redouble their efforts, address vital reforms – notably in the area of rule of law, independence of the judiciary and fundamental rights – and complete their political, economic and social transformation. For its part, the EU will be upgrading its policies to better support the transformation process in the region. The Strategy sets out an Action Plan with six concrete flagship initiatives targeting specific areas of common interest: rule of law, security and migration, socio-economic development, transport and energy connectivity, digital agenda, reconciliation and good neighbourly relations. Concrete actions in these areas are foreseen between 2018 and 2020.

## **What are the six flagship initiatives?**

The flagship initiatives support the transformation of the Western Balkans in a number of specific areas where reinforced cooperation is of mutual interest. Concrete actions between 2018 and 2020 are foreseen for the six identified areas. Here are a few examples:

- **Rule of law:** Expanding detailed Action plans for alignment to EU standard to all the Western Balkans. Enhancing the assessment of reform implementation, including through new advisory missions.
- **Security and migration:** Stepping up joint cooperation in fighting organised crime, countering terrorism and violent extremism and improving border security and migration management with the support of EU tools and expertise. Enhancing coordination with EU agencies on border security and migration management.
- **Socio-economic development:** Boosting the provision of guarantees for private investment, support to start-ups and SMEs and greater trade facilitation. Increase focus on employment and social policies, with greater financial assistance to support the social sector, in particular education and health. Funding under Erasmus+ will be doubled.
- **Transport and energy connectivity:** Initiatives within the region and with the EU including new investment support. Expanding the EU's Energy Union in the region.
- **Digital Agenda:** Setting up a roadmap to lower roaming costs, supporting the deployment of broadband and of eGovernment, eProcurement, eHealth and digital skills.
- **Reconciliation and good neighbourly relations:** Supporting the fight against impunity and transitional justice, including through a Regional Commission to establish facts about war crimes. Increasing cooperation in education, culture, youth and sport; promoting cultural heritage and the Creative Europe programme.

## **How will the new flagship initiatives be implemented? Will the financial support for the Western Balkans be increased?**

In order to support the implementation of the new flagship initiatives under this strategy, the Commission proposes to top up the existing funding for the Western Balkans until 2020 under the Instrument for Pre-Accession Assistance

in addition to the €1.07 billion already foreseen for the region for 2018. Increased funding will be required for important investments, in particular in infrastructure, be it transport, energy or digital. A dedicated coordination group will be established in Spring to ensure implementation of the initiatives.

**What are priority reforms for the Western Balkans to sustain the credible enlargement perspective?**

The most pressing issue for the Western Balkans is addressing reforms in the area of rule of law, fundamental rights and good governance and to work together on reconciliation and good neighbourly relations. The region must embrace these fundamental EU values much more strongly and credibly. Not respecting them is also a deterrent to investment and trade. Second, the region's economies must be strengthened. They remain uncompetitive, with too much undue political interference and an underdeveloped private sector which affects growth and jobs in particular for the youth of the region. Third, there are still bilateral disputes between countries in the region which remain to be solved. The EU will not accept importing these disputes and the instability they entail. Definitive and binding solutions to disputes with neighbours must be found and implemented before a country accedes.

**Does the EU commit to 2025 as accession date for new countries?**

The year 2025 is neither a fixed nor a target date for accession. It indicates a possible time-perspective, reflecting the strong European commitment to a credible enlargement perspective for the Western Balkans. By that date, the EU could become larger than 27 Members. Accession negotiations are already well underway with Montenegro and Serbia. With strong political will, the delivery of real and sustained reforms, and definitive solutions to disputes with neighbours, they could potentially be ready for membership in a 2025 perspective. This perspective is extremely ambitious. Whether it is achieved will depend fully on the objective merits and results of each country.

**Does the Strategy only apply to the "frontrunners" Serbia and Montenegro, without including the entire region?**

The Strategy covers the whole Western Balkans region. Montenegro and Serbia are currently the only candidates engaged in accession negotiations and are therefore identified as current frontrunners. The Strategy sets out an indicative illustration of the steps required for Montenegro and Serbia to complete the accession process in a possible 2025 perspective. But the Strategy states clearly that other countries may catch up or overtake each other depending on objective progress accomplished.

**So will Montenegro and Serbia join the EU in 2025?**

The timing will remain in the hands of the two countries and will depend on their objective own merits. The possible 2025 perspective is ambitious. It requires strong political will and the achievement of substantial and concrete results. **Montenegro** needs to achieve concrete results notably in the



area of rule of law and the fight against corruption and organised crime. For **Serbia**, a strong and sustained political will is necessary to reach consensus on the substantive reforms necessary on the rule of law, and the economy, to promote reconciliation. This needs to be underpinned by comprehensive normalisation of relations with Kosovo. In order for the ambitious 2025 perspective to be realised, a comprehensive legally binding agreement on normalisation will need to have been concluded and implemented.

### **Is the normalisation of relations between Kosovo and Serbia a condition for Serbia to advance on its EU path?**

The progress on the European paths of both Serbia and Kosovo is firmly linked to progress on the normalisation of their relations. Without effective and comprehensive normalisation of Belgrade-Pristina relations through the EU-facilitated Dialogue there cannot be lasting stability in the region. A comprehensive, legally binding normalisation agreement is urgent and crucial so that Serbia and Kosovo can advance on their European path.

### **What is the Strategy offering to the countries that were not “labelled” frontrunners? What are their prospects for joining the EU? Will they have a different treatment and less consideration from the Commission?**

All Western Balkan countries have the chance to move forward on their respective European paths. The Commission assesses all the countries in a fair and objective manner on the basis of their own merits and at the speed at which they achieve progress. As the only countries in the region negotiating at present, **Montenegro** and **Serbia** are the current front-runners in the process. However, other countries may catch up or overtake each other depending on objective progress accomplished. **Albania** and **the former Yugoslav Republic of Macedonia** are making significant progress on their European path and the Commission is ready to prepare recommendations to open accession negotiations, on the basis of fulfilled conditions. The Commission will start preparing an Opinion on **Bosnia and Herzegovina**'s membership application following receipt of comprehensive and complete answers to its Questionnaire. With sustained effort and engagement, Bosnia and Herzegovina could become a candidate for accession. **Kosovo** has an opportunity for sustainable progress through implementation of the Stabilisation and Association Agreement and to advance on its European path once objective circumstances allow.

### **What if future Member States block other Western Balkans countries to join?**

The frontrunners on the EU path have a strategic interest in being advocates, not spoilers, of the aspirations of their neighbours. The countries of the region are inter-dependent and will progress faster if they help each other along the way. All countries must abstain from misusing outstanding issues in the EU accession process. With the new strategy the Commission recommends that special arrangements and irrevocable commitments must be put in place to ensure that new Member States are not in a position to block the accession of other Western Balkan candidates.