Communication from the German delegation
dated 5 October 1984

No. prev. doc. 9611/84
No. amended Cion prop. 8896/84

Subject: Proposal for a Council Regulation on the Community Trade Mark

Delegations will find attached a note from the German delegation containing proposals for the following problems, which were discussed at the meeting of the Working Party on Intellectual Property on 17 and 18 September 1984:

- proof of equal treatment of nationals of the Member States by third States;
- proof of registration of the trade mark applied for in the country of origin;
- prevention of trafficking in trade marks;
- subsequent loss of the qualification granting entitlement to the acquisition of the trade mark.

These proposals, most of which were announced at the abovementioned meeting of the Working Party (1), affect the text of Article 4(1) and (3) (new), Article 30a (new), Article 39(1)(d) (new) and Article 41(1).

(1) See 9611/84 PI 24, footnotes 7, 8, 11a and 11b.
Note from the German delegation dated 2 October 1984

Subject: Article 4 of the amended proposal for a Council Regulation on the Community Trade Mark

At the meeting of the Working Party on 17 and 18 September 1984 the German delegation announced that it would be submitting proposals supplementing Article 4 of the proposal for a Regulation on the Community Trade Mark.

Section 1 of this note contains the proposed new version of Article 4 together with supplementary proposals, viz. a new Article 30a and additions to Article 39 and Article 41. Section II contains explanatory comments on these proposals.

I. Proposed texts

The following text is proposed for Article 4:

"(1) Community trade marks may be registered for any natural or legal person who has the bona fide intention of using the Community trade mark in the Community for the goods or services covered by the application in his own business or of permitting its use for such goods or services by licensees or by economically associated undertakings, if such a person
(a) is a national of a Member State, or
(b) is a national of any State which is party to the Paris
Convention for the Protection of Industrial Property, hereinafter referred to as the "Paris Convention", or

c is domiciled or has a registered office or a real and effective industrial or commercial establishment on the territory of the Community or of a State which is party to the Paris Convention, or

d is a national of any other State which, according to a notice published in the Bulletin of the Office, accords to nationals of all Member States the same protection for trademarks as it accords to its own nationals and, if nationals of the Member States are required to prove registration in the country of origin, recognizes the registration of Community trademarks as such registration.

(2) (reserved)

(3) any person applying for registration of a Community trademark who is not a national of a Member State and does not have his domicile, a registered office or an establishment in the Community must prove that the trade mark applied for is registered in the country of origin. The first sentence shall not apply if by virtue of the Paris Convention or another international agreement the applicant is exempted from providing such proof or if, according to a notice published in the Bulletin of the Office, trade marks of nationals of all Member States are registered in the
country of origin in question without proof of prior registration as a Community trademark or as a national trademark in a Member State."

2. The following new Article 30a is proposed:

"(1) Where the applicant is not one of the persons for whom Community trademarks may be registered pursuant to Article 4(1)(a) to (d), or where the requirements of Article 4(3) are not complied with, the application shall be rejected.

(2) Where the Office has reasonable doubts as to whether the applicant has the bona fide intention of using the Community trademark in the Community for the goods or services covered by the application in his own business or of permitting its use for such goods or services by licensees or by economically associated undertakings, the Office may require the applicant to provide evidence of such intention.

(3) The application may not be rejected before the applicant has been given an opportunity to remedy the deficiencies, withdraw or amend his application or submit comments."

3. The following addition to Article 39 is proposed:
"(1) The rights of the proprietor of a Community trademark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:

... 

(d) if, as a result of a transfer or for other reasons, the proprietor of the trademark no longer meets the requirements referred to in Article 4(1)(a) to (d)."

4. The following addition to Article 41 is proposed:

"(1) A Community trademark which is registered in breach of the provisions of Article 4 or Article 6 shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings."

II. Explanatory comments

1. General remarks

The substance of the German delegation's proposals is as follows:

(a) Intention of use

A condition of the registration of a Community trademark should be that the applicant has the bona fide intention of using the trademark - new Article 4(1)."
(b) Reciprocity

Where a trademark is applied for by a person who is not a national of a Member State or a State which is party to the Paris Convention and does not have his domicile, a registered office or an establishment in one of these countries, a condition for registration should be that formal reciprocity exists as regards trademark protection. If the State concerned requires proof of registration in the country of origin, there should be reciprocity only if registration as a Community trademark is regarded as sufficient proof of such registration. - New wording of Article 4(1)(d).

(c) Proof of domestic protection

Trademarks of applicants who are not nationals of a Member State and do not have their domicile, a registered office or an establishment in the Community should be registered only if proof of registration in the country of origin is provided. Such proof is not needed if it may not be required under international agreements or if it may be waived by way of reciprocity. - New Article 4(3).

(d) Examination as to the conditions under Article 4

A new Article is proposed comprehensively defining the
procedure for examination as to the conditions under Article 4. - New Article 30a.

(e) Additions to the grounds for revocation and invalidity

The provisions covering the revocation of the trademark should be supplemented to provide that a subsequent failure to fulfil the conditions referred to in Article 4(1)(a) to (d), constitutes a ground for revocation. - New Article 39(1)(d).

The provision covering invalidity should be worded in such a way that trademarks registered in breach of Article 4 are expressly mentioned. - Supplemented Article 41(1).

2. Detailed remarks

(a) Re Article 4

It is felt that Article 4 should be worded in such a way as to refer to the registrability of the trademark for the persons listed in Article 4 and not, as in the Commission proposal, to who may be the proprietor. (A similar wording should also be adopted for Article 3: "Any signs may be registered as Community trademarks .....").

It is also felt that legal persons should be mentioned immediately in paragraph 1. The present wording
of paragraph 2 (on which the German delegation reserved the right to make another drafting proposal) assimilates legal persons to the nationals mentioned in paragraph 1. This seems to be inappropriate because legal persons too are "nationals" within the meaning of paragraph 1. Furthermore, this change makes it possible expressly to include the registered office - as opposed to domicile - in paragraph 1(c).

In addition, paragraph 1 should be divided into four subparagraphs so as to make it easier to apply this provision.

In Article 4(1)(c) a drafting amendment has been made to the Commission proposal: it is not a matter of whether the persons mentioned therein have their establishment in the Community or a State which is party to the Paris Convention but of whether they have an establishment there. This follows from Article 3 of the Paris Convention.

(1) Re paragraph 1 - Intention of use

It should be a condition of the registration of Community trade marks that the applicant has the bona fide intention of using the trade mark for the goods or services covered by the application.
The purpose of this provision is to counteract trafficking in trade marks and trade mark piracy and to prevent the Register from becoming clogged up.

The applicant must intend to use the trade mark in the Community.

It should not be required that the applicant intend to use the trade mark himself. It should be sufficient if the trade mark is intended to be used by licencees or economically associated undertakings. The wording with regard to economically associated undertakings corresponds to that in Article 72(3). The verification of registration requirements is dealt with in the proposed Article 30a.

(2) Re paragraph 2(d) — Reciprocity

It is felt that the condition of formal reciprocity should be laid down in the Regulation itself and not in the implementing Regulation.

Provision is made for a notice to be published in the Bulletin of the Trade Marks Office (Article 68(d)). The Regulation should not contain any stipulations as to who is to check the existence of reciprocity or issue the relevant notice. This should be dealt with in the implementing Regulation.
A further aspect of reciprocity is the proof of domestic registration. If the States mentioned in subparagraph (d) require such proof, trade marks belonging to their nationals should be registered as Community trade marks only if such States for their part recognize the Community trade mark as constituting registration in the country of origin.

(3) Re paragraph 3 - Proof of domestic protection

If an applicant does not have his domicile, a registered office or an establishment in the Community, the trade mark which is the subject of the application should be registered only if proof of registration in the country of origin is provided.

The country of origin should be defined in the implementing Regulation. The definition could be based on that in Article 6 quinquies A.(2) of the Paris Convention.

Proof of registration in the country of origin should not be required if

- the applicant is exempted from such proof under the Paris Convention or another international agreement, or

- if there is reciprocity regarding exemption from proof of domestic registration.
The Paris Convention in particular lays down international obligations with regard to exemption from proof of domestic registration, this question being expressly covered by the Lisbon text of the Convention (Article 6).

However, it is also conceivable that the Community will make similar arrangements in international agreements with third States. Cases in which reciprocal obligations apply do not need to be specified in the Regulation itself. The President of the Trade Marks Office could conceivably publish notices on this matter.

With regard to reciprocity in dealing with waiving the requirement of proof of domestic registration, the comments on Article 4(i)(d) apply mutatis mutandis.

(d) Re Article 30a - Examination as to the conditions under Article 4

It is felt that examination as to the conditions under Article 4 should be comprehensively dealt with separately from the examination as to substantive conditions (Article 30) and the examination as to absolute grounds for referral (Article 31). A new Article 30a is proposed for this purpose.

In the Commission proposal the examination as to the requirements under Article 4 is covered by Article 31 since Article 6(1) specifically mentions Article 4. In discussing
Article 6 the German delegation will propose that the reference to Article 4 in that Article be deleted.

The requirements in Article 4 should basically be registration requirements and not filing requirements. This means that it should be possible to produce missing evidence during the registration procedure without thereby affecting the date of filing.

Notwithstanding the above, if reciprocity (Article 4(2)(d)) did not exist on the date of filing, but is only established in the course of the procedure as existing with future effect, a new filing date may have to be attributed to the trade mark. Such cases should however not be dealt with in the Regulation itself but in the implementing Regulation.

Article 30a(1) provides for examination as to the requirements under Article 4(1)(a) to (d) and Article 4(3). The wording following the corresponding provision in Article 31(1).

Under paragraph 2 the Office can require the applicant to supply evidence that it is intended to use the trade mark in accordance with Article 4(1). The Office should however only do this when it has reasonable grounds for doubting such intention. Normally such an examination should not be carried out. Any necessary details concerning this examination
should be covered by the implementing Regulation.

Paragraph 3 corresponds to the provisions of Article 30(3) and Article 31(3).

(c) Re Article 39 - Grounds for revocation

The Commission proposal does not contain rules for dealing with cases where following registration the proprietor of the trade mark no longer meets the requirements of Article 4. Such cases can arise in particular where the trade mark is transferred to a person not entitled thereto or where the proprietor of the trade mark relinquishes his registered office, domicile or establishment in one of the States mentioned in Article 4(1).

It is proposed that a new ground for revocation be introduced in Article 39. The proposed wording of Article 39(1)(d) specifically mentions the case of transfers.

The way in which the Office should proceed when a trade mark is transferred to a person who does not meet the requirements of Article 4(1)(a) to (d) should be covered by the implementing Regulation. It could be laid down that registration of the new proprietor in these cases should be rejected. The new proprietor would however be able to transfer the trade mark back again or further transfer it to a legitimate proprietor.
(d) Re Article 41 - Grounds for invalidity

By including a reference to Article 4 in Article 6, the Commission proposal provided that trade marks registered in breach of the provisions of Article 4 could also be declared invalid.

As it is proposed that the reference to Article 4 in Article 6 be deleted and that the examination as to the requirements under Article 4 be covered separately in a new Article 30a, it is necessary to state expressly in Article 41 that trade marks registered in breach of the provisions of Article 4 may be declared invalid.

The provisions of Article 41(1) expressly include all the cases covered by Article 4, with the result, for example, that a trade mark can be declared invalid if the intention of use stipulated in Article 4(1) did not exist at the time of registration. What are not specifically covered are cases where the requirements for registration were not fulfilled at the time of registration but were nevertheless subsequently fulfilled. It should be left to the courts to decide what should be done in such cases. This would appear to be all the more justified in that it will very much depend on the circumstances of the individual case as to whether facts which have arisen after registration can justify the maintenance of the right to the trade mark.