SUMMARY OF PROCEEDINGS

of: 43rd meeting of the Working Party on Intellectual Property
on: 9 and 10 October 1986

No. previous doc.: 9400/86 PI 58 (MARCA)

I. REPORT TO THE PERMANENT REPRESENTATIVES COMMITTEE


After the Chairman had outlined the contents of the report, the delegations gave their reactions on the timetable suggested by the Presidency for future work.

The report has since been issued under reference 9482/86 PI 60 (MARCA).
II. THIRD READING OF THE PROPOSAL FOR A COUNCIL REGULATION ON THE COMMUNITY TRADE MARK

2. The Working Party began a third reading of the proposal for a Regulation, on the basis of the consolidated text in document 4788/86 PI 13, with a view to eliminating as many as possible of the footnotes. It examined Articles 1 to 19, with the exception of Article 7, for which the German delegation had submitted a new proposal.

The texts resulting from this examination are set out in Annex I hereto.

3. A number of explanatory statements were added to those contained in Annex V to document 4788/86; the explanatory statements to Articles 1 to 19 as they now stand are set out in Annex II hereto.

4. In relation to the examination of Article 8, the Commission representative submitted a proposal for a new recital to follow the seventh recital in the Preamble to the Regulation, with the following wording:

"The Community trade mark confers an exclusive right as a result of which all third parties are prohibited from using it in the course of trade without the authorization of the proprietor."

This new recital will be examined later together with the whole of the Preamble.
ANNEX I

AMENDED PROPOSAL FOR A COUNCIL REGULATION
ON THE COMMUNITY TRADE MARK:

TEXT RESULTING FROM THE THIRD READING

TITLE I
GENERAL PROVISIONS

Article 1
Community trade mark

(1) A trade mark for goods or services which conforms with the conditions contained in this Regulation and is registered in manner herein provided is hereinafter referred to as a "Community trade mark".

(2) A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.
Article 2

Community Trade Marks Office

A Community Trade Marks Office, hereinafter referred to as "the Office", is hereby established.
TITLE II
THE LAW RELATING TO TRADE MARKS

Section 1
Definition of a Community trade mark

Obtaining a Community trade mark

Article 3
Signs of which a Community trade mark may consist

A Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.
Article 4
Persons who can be proprietors
of Community trade marks

(1) The following natural or legal persons, including authorities established under public law, may be proprietors of Community trade marks:

(a) nationals of the Member States, or

(b) nationals of other States which are parties to the Paris Convention for the protection of industrial property, hereinafter referred to as "the Paris Convention", or

(c) nationals of States which are not parties to the Paris Convention who are domiciled or have their seat or who have real and effective industrial or commercial establishments on the territory of the Community or of a State which is party to the Paris Convention, or

(d) nationals, other than those referred to under subparagraph (c) above, of any State which is not party to the Paris Convention and which, according to published findings, accords to nationals of all the Member States the same protection for trade marks 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 trade marks as such proof.
Article 4 (continued)

(2) Companies or firms and other legal bodies shall be regarded as legal persons if, under the terms of the law of the State governing their constitution, they have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts and to sue and be sued.¹

(3) Persons who are nationals of a State covered by paragraph 1(d) must prove that the trade mark for which an application for a Community trade mark has been submitted is registered in the country of origin, unless, according to published findings, the trade marks of nationals of the Member States are registered in the country of origin in question without proof of prior registration as a Community trade mark or as a national trade mark in a Member State.

¹Reservation on this wording by the German delegation, which has agreed to propose alternative wording.
Article 5

Means whereby a Community trade mark is obtained

A Community trade mark is obtained by registration.
Article 6

Absolute grounds for refusal

(1) The following shall not be registered:

(a) signs which do not conform to the requirements of Article 3,

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service,

(d) trade marks which consist exclusively of signs or indications which have become customary to designate the goods or service in the current language or in the bona fide and established practices of the trade.

Six delegations (DK, GR, IRL, IT, PO and UK) asked for the inclusion in Article 6(1) of a provision to the effect that, in addition, a trade mark would not be registered if an identical registered national or Community trade mark already existed, which would mean the relative ground for refusal at present contained in Article 7, paragraph 1, would become an absolute ground for refusal. Five delegations (BE, DT, FR, LUX and NL) opposed this request on the ground that the existence of a trade mark should remain a relative ground for refusal as proposed by the Commission. These positions will be reconsidered following resolution of the question concerning search.
Article 6 (continued)

(e) signs which consist exclusively of

- the shape which results from the nature of the goods themselves, or

- the shape of goods which is necessary to obtain a technical result, or

- the shape which affects the intrinsic value of the goods,

(f) trade marks which are contrary to public policy or to accepted principles of morality,

(g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service,

(h) trade marks which have not been authorized by the competent authorities and are to be refused pursuant to Article 6 ter of the Paris Convention.

3 Scrutiny reservation by the majority of delegations on this version of subparagraph (e) proposed by the French delegation.
Article 6 (continued)

(i) trade marks which include badges, emblems or escutcheons, determined in accordance with the procedure set out in the Implementing Regulation, other than those covered by Article 6 of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given.

(2) Deleted.

(3) Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

(4) Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.
Article 7

Relative grounds for refusal

(Examination of this Article has been postponed)
Section 2
Effects of Community trade marks

Article 8
Rights conferred by a Community trade mark

(1) A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign which is:

- identical with the Community trade mark in relation to goods or services which are similar to those for which the Community trade mark is registered, or

- similar to the Community trade mark in relation to goods or services which are identical with or similar to those for which the Community trade mark is registered,

where, because of those factors, such use involves a likelihood of confusion between the sign and the Community trade mark on the part of the public,
Article 8 (continued)

(c) Deleted.

(d) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter is of wide repute in the Community and where use of that sign takes unfair advantage of or is detrimental to the distinctiveness or the repute of the Community trade mark.

(2) The following, inter alia, may be prohibited under paragraph 1:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(b bis) importing the goods into the Community, exporting them or subjecting them to any other customs procedure such as transit or warehousing;\(^4\)

(c) using the sign on business papers and in advertising.

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\(^4\) The present wording of subparagraphs (b) and (b bis), proposed by the Commission representative, has not yet been examined by the Working Party.
Article 8 (continued)

(3) The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of matters arising after the date of publication of a Community trade mark application, which matters would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The court seized of the case may not decide upon the merits of the case until the registration has been published.
/Article 9
Reproduction of Community trade marks
in dictionaries

(1) The publisher of a dictionary, encyclopaedia or similar work shall ensure that any reproduction of a Community trade mark therein is accompanied by an indication that the trade mark is registered, where the reproduction of this trade mark in such works gives the impression that it constitutes the generic name of the goods or services for which the trade mark is registered.

(2) Where the publisher fails to comply with the requirements of paragraph 1, he shall, at the request of the proprietor of the Community trade mark, correct the matter at his own expense in the next edition of the publication.

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5 As the overwhelming majority of delegations were in favour of deleting this Article, the Danish delegation offered to submit a new proposal.

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Article 10
Limitation of the effects of a Community trade mark

A Community trade mark does not entitle the proprietor to prohibit a third party from using in the course of trade:

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

provided he uses them in accordance with honest practices in industrial or commercial matters.
Article 11
Exhaustion of the rights conferred by a Community trade mark

(1) A Community trade mark does not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

(2) Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

6 The German delegation entered a reservation on this text as it considered that provision should be made for international exhaustion rather than Community exhaustion of rights. It indicated that it might be able to accept this text if it were agreed that this provision would not prevent courts from applying the principle of exhaustion to goods put on the market outside the Community in specific cases.

7 The Commission representative expressed a reservation on this wording, which he considered could lead to misinterpretation of Community law.
Article 12
Complementary application of national law relating to infringement

(1) The effects of Community trade marks shall be governed solely by the provisions of this Regulation. In other respects, infringement of a Community trade mark shall be governed by the national law relating to infringement of a national trade mark in accordance with the provisions of Title IX of this Regulation.

(1a) This Regulation shall not prevent actions concerning a Community trade mark being brought under the law of Member States relating in particular to civil liability and unfair competition.

(2) The rules of procedure to be applied shall be determined in accordance with the provisions of Section 2 of Title IX.
Section 3
Use of Community trade marks

Article 13

(1) If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

(1a) The following shall also constitute use within the meaning of paragraph 1:

(a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

(b) affixing of the Community trade mark to goods or to the packaging thereof in the Community solely for export purposes.

(2) Deleted.

(3) Use of the Community trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.
Section 4
Duration and alteration of Community trade marks

Article 14
Duration of registration

Community trade marks shall be registered for a period of ten years from the date of filing of the application. Registration may be renewed in accordance with Article 37 for further periods of ten years.
Article 15
Alteration

(1) The Community trade mark shall not be altered in the register during the period of registration or on renewal thereof. 8

(2) Nevertheless, where the Community trade mark includes the name and address of the proprietor, any alteration thereof not substantially affecting the identity of the trade mark as originally registered may be registered at the request of the proprietor.

(3) The publication of the registration of the alteration shall contain a representation of the Community trade mark as altered. Third parties whose rights may be affected by the alteration may challenge the registration thereof within a period of three months following publication.

8 Reservation by the French and Spanish delegations, which considered that minor alterations should be possible, at least at the time of renewal of the Community trade mark.
Section 5
Community trade marks as objects of property

Article 16
Dealing with Community trade marks
as national trade marks

(1) Unless Articles 17 to 22 provide otherwise, a Community trade mark as an object of property shall be dealt with in its entirety, and for the whole area of the Community, as a national trade mark registered in the Member State in which, according to the Register of Community trade marks,

(a) the proprietor has his seat or his domicile on the relevant date, or

(b) where subparagraph (a) does not apply, the proprietor has an establishment on the relevant date.

(2) In cases which are not provided for by paragraph 1, the Member State referred to in that paragraph shall be the Member State in which the seat of the Office is situated.

(3) If two or more persons are mentioned in the Register of Community trade marks as joint proprietors, paragraph 1 shall apply to the joint proprietor first mentioned; failing this, it shall apply to the subsequent joint proprietors in the order in which they are mentioned. Where paragraph 1 does not apply to any of the joint proprietors, paragraph 2 shall apply.
Article 17
Transfer

(1) A Community trade mark may be transferred, separately from any transfer of the undertaking, in respect of some or all of the goods or services for which it is registered.

(2) A transfer of the whole of the undertaking shall, unless otherwise agreed or unless the circumstances clearly dictate otherwise, include the transfer of the Community trade mark. This provision shall apply to the contractual obligation to transfer the undertaking.

(3) Without prejudice to paragraph 2, an assignment of the Community trade mark shall be made in writing and shall require the signature of the parties to the contract, except when it is a result of a judgment; otherwise it shall be void.

(4) Where it is clear from the transfer documents that because of the transfer the Community trade mark is likely to mislead the public concerning the nature, quality or geographical origin of the goods or services in respect of which it is registered, the Office shall not register the transfer unless the successor agrees to limit registration of the Community trade mark to goods or services in respect of which it is not likely to mislead.

(5) Deleted.
**Article 17** (continued)

(6) On request of one of the parties a transfer shall be entered in the Register and published.

(7) As long as the transfer has not been entered in the Register, the successor in title may not invoke the rights arising from the registration of the Community trade mark.

(8) Where there are time limits to be observed vis-à-vis the Office, the successor in title may make the corresponding statements to the Office once the request for registration of the transfer has been received by the Office.

(9) All documents which require notification to the proprietor of the Community trade mark in accordance with Article 60 shall be addressed to the person registered as proprietor.

(10) Where an agent or representative of the rightful proprietor of a Community trade mark applies for registration thereof in his own name without the proprietor's consent, the registration shall be transferred to the rightful proprietor at his request, unless the agent or representative justifies his action.
Article 18
Rights in rem

(1) A Community trade mark may, independently of the undertaking, be given as security or be the subject of rights in rem.

(2) On request of one of the parties, rights mentioned in paragraph 1 shall be entered in the Register and published.
Article 19

Levy of execution

(1) A Community trade mark may be levied in execution separately from the undertaking.

(2) As regards the procedure for levy of execution in respect of a Community trade mark, the courts and authorities of the Member State determined in accordance with Article 16 shall have exclusive jurisdiction.

(3) On request of one of the parties, levy of execution shall be entered in the Register and published.
Annex II

Statements for entry in the minutes of the Council meeting at which the Regulation is adopted

1. Re Article 1 paragraph 2

"The word "surrendered" in Article 1 paragraph 2 means surrendered within the meaning of Article 36."

2. Re Article 3

(a) "Article 3 does not rule out the possibility:
- of registering as a Community trade mark a combination of colours or a single colour,
- of registering in the future sounds as Community trade marks,
provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings."

(b) "The word "shape" is also intended to cover the three-dimensional form of goods."

3. Re Article 8

"The reference to advertising in paragraph 2(c) does not cover the use of a Community trade mark in comparative advertising."

4. Re Article 10

"The terms "his own name" in subparagraph (a) apply only in respect of natural persons."

5. Re Article 13

"Genuine use in one Member State may constitute genuine use in the Community within the meaning of Article 13 paragraph 1." (1)

(1) Waiting reservation by Denmark and Greece on this statement.