SUMMARY OF PROCEEDINGS

of: 41st meeting of the Working Party on Intellectual Property (Trade Mark)  
on: 17 and 18 July 1986

No. amended Cion prop.  
4090/86 PI 4 COM(85) 793 final

Subject: Proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks


   It concentrated on a first reading of Articles 1 to 8 of the amended Commission proposal for a first Council Directive to approximate the laws of the Member States relating to trade marks (4090/86 PI 4).

   It also discussed the attitude to be adopted by the delegations of the Member States to the possibility that a Diplomatic Conference to amend the Madrid Trade Mark Agreement would be convened pursuant to WIPO draft Protocol A (1).

(1) The outcome of that discussion is given in 8626/86 PI 48.
2. The Commission representative started by introducing the amended proposal for a Directive on harmonization of the trade mark laws of the individual Member States. He made the point that the Commission did not regard it as sufficient to set up a system for a Community trade mark by means of the proposed Regulation; it was necessary at the same time to approximate at least the most important aspects of the trade mark laws of the individual Member States, which at present differed considerably, so that the number of conflicts arising between national trade marks could be reduced as far as possible in the interests of problem-free trade in proprietary goods.

As examples of such important aspects, the Commission representative cited conditions for the registration or the declaration of invalidity of trade marks and the introduction of the obligation to make use of them or the forfeiture of earlier rights. Moreover, definitions of a trade mark in the individual Member States should at least accord with the definitions in the Regulation; even more preferable, however, would be a uniform definition established on the basis of the Regulation. National procedural rules would not initially need to be harmonized.

The Commission representative concluded by stressing the need for the Directive and the Regulation to be drawn up at the same time and for their texts to be harmonized.

3. The Spanish and Portuguese delegations said they regretted that the amended Commission proposal was not yet available in their languages.
4. The Spanish and Portuguese delegations also indicated provisional doubts as to whether a Directive was necessary at all in addition to the proposed Regulation on the Community trade mark. They did however say that they were prepared to contribute positively to the examination of the proposal for a Directive.

The Netherlands delegation thought the Directive was not indispensable but could be useful.

The other delegations expressed no doubts as to the need for a harmonizing Directive. The Danish delegation did however emphasize that it had not yet been able to discuss the Commission proposal with the relevant bodies and interested circles and therefore entered a general provisional reservation.

5. The general problem arose of whether the Directive should apply only to those national trade marks which were the subject of an application for registration (or of a registration) after adoption of the Directive or the implementing provisions in the individual Member States, or should apply to already existing trade marks.

Several delegations (D/NL/UK) had serious doubts about applying the Directive to already existing trade marks; their main reason was that trade marks were an aspect of property ownership in probably all Member States and that could not be prejudiced by Community law. The United Kingdom delegation referred in this connection to Article 222 of the EEC Treaty.

The Commission representative, however, insisted that the Directive must in principle also be applicable to already existing trade marks, since otherwise it would not be possible to achieve the desired aim of the Directive, which was to limit as far as possible the number of conflicts between trade marks from different Member States. He was supported in this by the Italian delegation.
The Working Party concluded that the question of application of the Directive to existing trade marks was not a matter for general discussion, but should be looked at when examining each individual provision.

6. Another general problem was the question of whether the provisions in the Directive should only be minimum rules which each Member State must comply with, but could go beyond (e.g. by maintaining or introducing absolute grounds for refusal to register other than those referred to in Article 2 or whether these provisions should constitute an absolute standard.

The Working Party concluded that there was no general answer to this question; it was better to examine in the case of each individual provision whether it should be a minimum or an absolute provision.

7. Finally, the general point was made that it would be sensible as far as possible to make use in the Directive of the texts which had been so painstakingly prepared for the proposal for a Regulation (1). The proposal for a Regulation should be departed from only if there were compelling material reasons.

8. The Secretariat was requested to propose short titles for the individual Articles on the basis of the proposal for a Regulation.

Delegations will find below the outcome of the discussions of Articles 1 to 8 (2) of the proposal for a Directive with the text of the Articles on the left-hand page and any comments on the right-hand page.

(1) as given in the so-called consolidated text (4788/86).
(2) Article 8 has only been discussed in part. The recitals of the Directive will be discussed later.
FIRST COUNCIL DIRECTIVE TO APPROXIMATE THE LAWS OF THE MEMBER STATES RELATING TO TRADE MARKS

Article 1
Scope

This Directive applies to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State.
(1) The Working Party was of the unanimous opinion that the Directive should apply in each Member State to collective marks and guarantee or certification marks only insofar as trade marks of this type are the subject of laws in that State; a Member State which does not have such trade marks should not be obliged to introduce them.

To ensure that the list in question covers all existing types of trade mark, delegations have been asked to inform the Secretariat of the trade marks which exist in their countries so that Article 1 may be supplemented if necessary.

(2) The Greek and Irish delegations were against compulsory inclusion in the Directive of trade marks for services, while the German delegation was in favour.

(3) Article 1 prompted the general question of whether the Directive should be extended to cover mark rights which have not been registered. The Commission representative and several delegations warned against this, as the situations to be covered were likely to be extraordinarily complicated. That did not mean, however, that unregistered rights would not also be taken into account in special provisions (e.g. Article 8).
Article 1a (4)

Signs of which a trade mark may consist

A trade mark may consist only of signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape (5) 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.
(4) The German delegation and the Commission representative wanted an attempt to be made to provide a uniform definition for trade marks in this new Article.

The present text, which is based closely on Article 3 of the proposal for a Regulation, has not yet been examined by the Working Party.

(5) It was suggested that the following explanatory statement should be envisaged for the Council minutes concerning the word "shape":

"The word "shape" is also intended to cover the three-dimensional form of goods."
Article 2 (6)(7)(8)

Grounds for refusal - Invalidation

(1) Trade marks shall not be registered if they consist of signs which, under the law of the Member State concerned, cannot constitute a trade mark, or if they are devoid of distinctive character in that Member State, and in particular:

(a) those 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;

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

(2) Trade marks shall also not be registered if

(a) they consist of a shape which results from the nature of the goods themselves or which has a significant technical consequence, or they consist of the shape of the goods where this affects their intrinsic value, to the extent that, in the Member State concerned, a shape may constitute a trade mark;

(b) they 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;
(6) See Article 6 of the proposal for a Regulation.

(7) Several delegations (D/ES/IRL/1) said it was very important to decide whether the grounds for refusal indicated in paragraphs 1 and 2 and the grounds for invalidity in paragraph 3 were minimum standards, in addition to which each Member State may specify further grounds for refusal or invalidity, or whether they constituted an absolute standard. The Working Party found no clear-cut answer to this; the Commission representative said that he understood Article 2 to constitute an absolute standard. Delegations were requested to inform the Secretariat in writing by the end of August of any further grounds for refusal and invalidity which they would like to see included in the Directive if an absolute standard were involved.

(8) The Danish delegation referred again to its proposal of 30 June 1986 that paragraphs 1 and 2 of the proposal for a Regulation (8080/86) should be restructured, and requested a corresponding restructuring of the present Article 2. The Working Party agreed that it would discuss this matter once 8080/86 had been examined.

(9) The words in square brackets could be left out if a uniform definition of trade marks (in Article 1a) were introduced for all Member States.

(10) Reservation from the Irish delegation on the word "exclusively", which it considered too restrictive.

(11) Reservation from the Spanish delegation on the inclusion of designations of geographical origin in the case of collective marks; the delegation agreed to an examination of this problem when Article 16 was discussed.

(12) Reservation from the German delegation on the expression "may serve", which it regarded as too broad.

(13) It was stressed that the wording of (a) and (b) - like that of Article 6(1) of the proposal for a Regulation - was based closely on Article 6d(2)(B2).

(14) The words in square brackets could possibly be omitted if a uniform definition were introduced in Article 1a. The Portuguese delegation made it clear in this connection that it did not want a definition which would oblige a Member State to register the shapes of goods as trade marks.
Article 2 (continued)

(c) they are contrary to public policy or to accepted principles of morality, or have not been authorized by the competent authorities and are to be refused or invalidated pursuant to Article 6 ter of the Paris Convention for the Protection of Industrial Property, hereinafter referred to as the "Paris Convention";

(d) they include badges, emblems and escutcheons other than those covered by Article 6 ter of the Paris Convention and which are of particular public interest, unless the consent of the appropriate authorities to their registration has been given. (15)

(3) A trade mark shall be invalidated if it has been registered in breach of paragraphs 1 or 2.

(4) If, in consequence of the use which has been made of a trade mark, for which application has been made or which has been registered in breach of paragraph 1, that trade mark has become distinctive in relation to the goods or services for which registration is requested or for which it has been registered, paragraphs 1 and 3 shall not apply. (16)

(5) Paragraphs 1, 2 and 3 shall not apply to trade marks for which application has been made prior to the date laid down in Article 18 paragraph 1. These trade marks shall however be refused registration or shall be invalidated under provisions of national law in force prior to this date.
COMMENTS

(15) Reservations from the German and Netherlands delegations on (d); the Spanish delegation could agree to (d) being deleted.

(16) The Spanish delegation said it wanted to look closely at paragraph 4.
Article 3 (17)

Rights conferred by a trade mark

(1) The registered 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 trade mark (18) in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign which is:

- identical with the trade mark (18) in relation to goods or services which are similar (19) to those for which the trade mark is registered, or

- similar to the trade mark (18) in relation to goods or services which are identical with or similar (19) to those for which the trade mark is registered,

where, because of those factors, such use involves a likelihood of confusion on the part of the public;

(c) deleted.

(d) any sign which is identical with or similar to the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter is of wide repute in the Member State (20) and where use of that sign takes unfair advantage of or is detrimental to the distinctiveness or the repute of the trade mark. (21)
See Article 8 of the proposal for a Regulation.

The Greek delegation suggested making it clear that the signs referred to in (a) and (b) must have come into existence later than the trade mark. The other delegations did not agree with this suggestion and referred to the identical wording in Article 8 of the proposal for a Regulation.

The United Kingdom delegation said it doubted that the reference to the similarity of goods and services would in fact cover all cases which should be covered; it therefore suggested also referring to the relationship or connexion of such goods (associated goods) with the goods protected by the trade mark. The other delegations did not agree with this suggestion and referred to Article 8 of the proposal for a Regulation. However, it was suggested that an explanatory statement should be drafted for the Council minutes. This could read as follows:

"Goods and services which, within the meaning of subparagraph 1(b), are similar to goods and services for which the trade mark is registered are taken to include those goods and services which are dependent on the goods and services in question or are otherwise connected with them (associated goods or services)."

The Commission representative thought the condition here should be whether the trade mark was of wide repute in the Community.

Several delegations (B/D/EN/ES/NL/P) said provisionally that they were in favour of elaborating on (d) as an option for the Member States. All delegations would like to look at this more closely.
Article 3 (continued)

(2) The following, inter alia (22), may be prohibited under paragraph 1:

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

(b) putting the goods on the market or importing (23) them for that purpose under that sign, or supplying services thereunder;

(c) using the sign on business papers and in advertising (24).

(3) Deleted. (25)

(4) Where, under the law of the Member State, the use of an identical or similar sign in relation to similar goods could not be prohibited before the date referred to in Article 18(1), the rights conferred by the trade mark may not be relied on to prevent the continued use of the sign in relation to the goods concerned. (26)
COMMENTS

(22) It was asked whether the situations referred to in paragraph 2 were meant to constitute an exhaustive or a sample list, but no clear-cut answer was given. It was, however, stressed that the Directive and the Regulation would have to agree on this point.

(23) The German delegation wanted also to mention exporting goods for the purpose of putting them on the market. Other delegations thought this superfluous. The Working Party agreed to look again at this later and take account of the conclusions reached by other bodies dealing with counterfeiting.

(24) Reservations from the Danish and French delegations on the expression "and in advertising".

(25) The delegations thought that paragraph 3 was self-evident in stating that it was up to the Member States to deal with infringement of those rights of the proprietor of the trade mark indicated in paragraph 1; it was therefore decided to delete it. The Commission representative said he agreed to the deletion for reasons of consistency.

In this connection, the Commission representative was requested to draft a general text which - possibly as part of the recitals - explicitly states which matters are and are not governed by the Directive.

(26) The Netherlands delegation stressed in connection with paragraph 4 that it felt it was important to ensure that the protection currently provided by the BENELUX trade mark was not affected by the Directive. It reserved the option of submitting a corresponding proposal for a text to the Working Party.
Reproduction of trade marks in dictionaries

(1) The publisher of a dictionary, encyclopaedia or similar work shall ensure that any reproduction of a 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 trade mark, correct the matter at his own expense in the next edition of the publication.
See Article 9 of the proposal for a Regulation. All the delegations, with the exception of the Danish delegation, which entered a provisional reservation, could accept the deletion of Article 4; the Commission representative would not object to such a deletion.
Article 5 (28)

Limitation of the effects of a trade mark

The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade (29),

(a) his own name or address;

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

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

provided he uses them in accordance with honest practices in industrial or commercial matters so as not to constitute an act of unfair competition. (30)(31)
(28) See Article 10 of the proposal for a Regulation.

(29) Reservation from the Portuguese delegation on the expression "in the course of trade".

(30) Reservation from the United Kingdom delegation on the expression "so as not to constitute an act of unfair competition", which is based on Article 10a(2) of the Paris Convention; the delegation was in favour of the wording of the amended Commission proposal.

(31) The Italian delegation wanted to include a further limitation on the rights of the proprietor of the trade mark to be based on Article 45(3) of the proposal for a Regulation (limitation of an earlier right applicable to a particular locality). It reserved the option of submitting a corresponding proposal for a text to the Working Party.
Article 6 (32)

Limits of the rights conferred by a trade mark

(1) The trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community (33) under that trade mark by the proprietor or with his consent. (34)

(2) Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialization of the goods (35) especially where the condition of the goods is changed or impaired after they have been put on the market.
COMMENTS

(32) See Article 11 of the proposal for a Regulation.

(33) The German delegation referred to its positive attitude to the question of international limits and suggested deleting the words "in the Community". The Italian delegation was against this. The Chairman suggested the wording "at least in the Community". The Danish and French delegations said they wanted to look at these suggestions.

(34) There was a general proposal to consider whether paragraph 1 was not in any case superfluous in view of the relevant case law of the CJEC.

(35) Reservation from the Commission representative on the longer version of paragraph 2, which he thought was not in accordance with the case law of the CJEC as regards the limits of trade mark rights throughout the Community.
Article 7 (36)(37)

Licensing

(1) A trade mark may be licensed for some or all of the goods or services for which it is registered and for the whole or part of the Member State concerned. A license may be exclusive or non-exclusive. (38)

(2) The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licence in particular with regard to its duration, the scope of the goods or services for which the licence is granted or the territory in which the trade mark may be affixed (39), or who does not comply with the proprietor's instructions in respect of the quality of the goods manufactured or of the services provided by the licensee.
See Article 21(1) and (2) of the proposal for a Regulation.

Scrutiny reservation from the Portuguese delegation on the possibility of licensing a trade mark.

The Commission representative thought that the second sentence could be misinterpreted in view of the case law of the CJEC on exclusive licences.

The Commission representative explained his reservation on the words "the territory in which the trade mark may be affixed"; he thought it would not be justified, in view of the demands of competition policy, to allow the proprietor of the trade mark to invoke trade mark rights against the licensee of the subject of the trade mark so as to prohibit him from affixing the trade mark outside the territory of the licence.
Article 8 \((\ref{40}) (\ref{41}) (\ref{42})\)

Grounds for refusal - Invalidation

(1) A trade mark shall not be registered or shall be invalidated:

a) if it is identical with an earlier right, and the goods or services are identical with those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used in the cases referred to in paragraph 2(c) or (d);

b) if a likelihood of confusion on the part of the public in the territory in which an earlier right has effect arises:

- because the trade mark is identical with the earlier right, and the goods or services are similar to those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used in the cases referred to in paragraph 2(c) or (d), or

- because the trade mark is similar to the earlier right, and the goods or services are identical with or similar to those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used in the cases referred to in paragraph 2(c) or (d).

c) deleted.
COMMENTS

(40) See Article 7 and re Article 4 — Article 42 of the proposal for a Regulation.

(41) Article 8 has only been examined in part:
- paragraph 1 has not yet been discussed;
- the delegations want to come back to the new wording of paragraphs 3, 4 and 5 after examining them;
- the Greek delegation's suggestion that Article 8 should immediately follow Article 3 has not yet been discussed.

(42) The Portuguese delegation entered a general scrutiny reservation on Article 8, which it thought should be regarded as a minimum standard.
Article 8 (continued)

(2) An "earlier right" means:

(a) trade marks of the following kinds in respect of which the
date of application for registration preceded the date of
application for registration of the trade mark, taking account,
where appropriate, of the priorities claimed in respect of
those trade marks:

- Community trade marks,

- trade marks registered in the Member State, including,
  where appropriate, those registered in the Benelux
  Trade Mark Office,

- trade marks registered under international arrangements
  which have effect in the Member State;

(b) applications for the trade marks referred to in (a), subject
to their registration;

(c) trade marks which, on the date of application for registration
of the trade mark, are well known in the Member State, in the
sense in which the words "well known" are used in Article 6 bis
of the Paris Convention;

(d) any signs used in the business world before the application
for registration of the trade mark which, under the law of
the Member State (43), confer on their proprietor the right
to oppose the registration or to seek the invalidation of
subsequent trade marks;

(e) deleted.
The German delegation thought the words "under the law of the Member State" misleading and suggested deleting them.
Article 8 (continued)

(3) A trade mark shall not be registered or shall be invalidated if it is identical with or similar to an earlier sign which is of wide repute within the Member State and if its use for goods or services which are not similar to those for which the earlier sign is registered, applied for or used, would take unfair advantage of, or be detrimental to, the distinctiveness or the repute of the earlier sign.

(4) A trade mark shall also not be registered or shall be invalidated where any earlier right other than those defined in paragraph 2 or 3, and in particular a right to a name, a right of personal portrayal, a copyright or an industrial property right, confers on its holder, under the law of the Member State, the right to oppose the registration or to seek the invalidation of subsequent trade marks.

(5) Where an agent or representative of the rightful applicant or proprietor of a trade mark applies for or has obtained registration thereof in his own name without the proprietor's consent, the trade mark shall not be registered or shall be invalidated, unless the agent or representative justifies his action.