NOTE

from: General Secretariat of the Council
to: Working Party on Intellectual Property

No. prev. doc. 9377/86 PI 57
No. Con prop. 4090/86 PI 4 (MARCA)

Subject: Amended proposal for a first Council Directive to approximate laws relating to trade marks (4090/86 PI 4)
- Scope of the Directive (Article 1)
- Grounds for refusal and invalidity (Articles 2 and 8)

1. During the first reading of the amended proposal for a Directive, delegations to the Working Party on Intellectual Property were requested to notify the Secretariat of whether there existed in their countries:

(a) types of trade mark, apart from the individual trade marks, collective marks, or guarantee or certification marks already specified in Article 1 of the proposal, which needed to be included in Article 1 for the sake of completeness;
(b) grounds for refusal or invalidity which were not specified in Article 2 of the Commission proposal, but which needed to be listed there (or in Article 8), if Article 2 (and Article 8) were to contain an exhaustive list of all admissible grounds for refusal or for invalidity ("absolute standard") (1).

The deadline set for forwarding such information to the Secretariat was 31 October 1986 (2).

2. By 31 October 1986 four delegations had sent the Secretariat communication on the matter, from which the following points emerged:

I. Types of trade mark (Article 1)

3. The Italian delegation noted that while the proposed Directive indeed applied solely to trade marks which were the subject of registration or of an application for registration, under Italian law, even trade marks which were not registered - if generally well known - prevented later trade marks from being registered or, if they were either not known or else known only locally, conferred upon their proprietor the right to use the trade mark in a geographically limited area. The Italian delegation did not, however, ask for Article 1 to be supplemented.

For its part, the United Kingdom delegation intimated that in its view, Article 1 did not need to be supplemented.

(1) It will be recalled that no decision has yet been taken on whether Article 2 (and Article 8) are to constitute an absolute standard (see 9377/86, footnote 6).

(2) See 8653/86, footnotes 1 and 7, as well as 9400/86, section 10.

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II. Grounds for refusal and invalidity (Articles 2 and 8)

4. The Italian, Netherlands and United Kingdom delegations pointed out that the question of whether or not Articles 2 and 8 ought to contain an exhaustive list of all grounds for refusal and invalidity was still undecided (see footnote 1 above).

5. Assuming that Articles 2 and 8 were to list exhaustively all admissible grounds for refusal and invalidity:

- the Italian delegation suggested that the following eight sets of circumstances be incorporated in Article 2 and/or 8 (3):

(a) incompatibility of essential components of the trade mark with legal provisions (ground for refusal);

(b) identity or danger of confusion of a later trade mark with signs already registered by third parties, even if these were not used for the same kind of goods (ground for invalidation);

(c) production abroad of goods with a trade mark, where the applicant was a foreigner and his native country did not confer identical treatment upon Italians (ground for refusal and ground for invalidation);

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(3) The Italian delegation stressed in any case that owing to the difficulty of encompassing all national grounds for refusal and invalidation, it was opposed to the idea of giving the Articles an exhaustive nature, and that, in its opinion, the Working Party needed to discuss the matter further.

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(d) conflict of the trade mark with law, public policy or morality (ground for lapse);

(e) de facto dissemination of the trade mark (even where no responsibility devolved upon the proprietor of the trade mark) (ground for lapse);

(f) failure to pay fees (ground for lapse);

(g) termination of the commercial activity of the proprietor of the trade mark (ground for lapse);

(h) irreconcilability of the registered trade mark with unregistered, but commonly known trade marks (ground for refusal and for invalidation).

- The Netherlands delegation suggested three further situations to be incorporated in this Article, i.e.:

(i) congruence of a trade mark with an earlier collective mark, conferring a right which expired within three years preceding application (to be included in Article 2);

(j) congruence of a trade mark with an earlier individual trade mark for similar goods, conferring a right which expired within three years preceding application, unless the proprietor of the older trade mark was in agreement or did not use his trade mark (to be included in Article 8);

(k) application made in bad faith for registration of the trade mark (to be included in Article 8).

6. Given the difficulty of exhaustively specifying all grounds for refusal under UK law (Sections 9, 10 and 11 of the Trade Marks Act, as well as Trade Mark Rules Nos 15-19), the United Kingdom delegation suggested that lack of distinctive character be retained in Article 2 as a general, absolute ground for refusal.
This delegation would thus not like to see Article 2 supplemented. It has expressed no views on any additions to Article 8.

7. The German delegation provided the Secretariat with written details of the local situation in the Federal Republic of Germany. From this it may be gathered that, apart from the absolute grounds for refusal specified in Article 4 of the Trade Marks Law, there are still further grounds for refusal - even for reasons other than those cited under the Trade Marks Law - and that such impediments must as a general rule be examined automatically, or even upon request if the trade mark has already been registered.

The German delegation has not asked for Articles 2 or 8 to be supplemented.

8. Summary

Additions to Article 2 and/or Article 8 are requested by the Italian and Netherlands delegations should these provisions be required to list exhaustively all national grounds for refusal or invalidity.
ADDENDUM

to: 10296/86

No. prev. doc. 9377/86 PI 57  No. Cion prop. 4090/85 PI 4 (MARCA)

Subject: Amended proposal for a first Council Directive to approximate laws relating to trade marks (4090/86 PI 4)
- Scope of the Directive (Article 1)
- Grounds for refusal and invalidity (Articles 2 and 8)

1. After expiry of the deadline given to delegations for any comments they might have on Articles 1, 2 and 8 of the proposal for a Directive \(^\text{(1)}\), the Danish and Spanish delegations forwarded written notes to the Secretariat which indicate that they would like additions made to Article 2 and/or Article 8 of the amended proposal for a Directive:

2. The Danish delegation – which seems to assume that Articles 2 and 8 will constitute an absolute standard – requests, with reference to subsection 7 of the first paragraph of Section 14 of the Danish Trade Mark Law, that the following provision be included in Article 2:

\(^\text{(1)}\) see 10296/86, point 1.
"A trade mark shall not be registered if it is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant knew the mark or ought to have known it."

3. The Spanish delegation - which also seems to assume that Articles 2 and 8 are to contain an absolute standard - explains that six absolute grounds for refusal under Spanish Law (laid down in Articles 124 and 126 of the Statute on Patent Rights) are covered by Article 2 of the proposal for a Directive as set out in working document No 5/86 of 7 July 1996 and that to that extend the wording of Article 2 is satisfactory (2). However, it should also be made clear in Article 2 that the size (tamaño) and colour of the trade mark cannot be registered as such.

The Spanish delegation states expressly that it agrees to Article 8 as formulated in document No 5/86 (3).

(2) In a later version (9377/86 of 15 October 1986), Article 2 has been changed.
(3) Changes have also been made to Article 8 as contained in working document No 5/86 (see 9377/86).