



European Communities Trade Mark Association

28 January 2011

**POSITION PAPER
DESIGNATION OF GOODS AND SERVICES IN THE CTM AND IN
NATIONAL AND INTERNATIONAL TRADE MARKS DESIGNATING
MEMBER STATES IN THE EUROPEAN UNION**

**USE AND SCOPE OF CLASS HEADINGS OF THE
INTERNATIONAL CLASSIFICATION OF THE NICE AGREEMENT**

1. BACKGROUND

1.1 The importance of the topic

The designation of goods and services in a trade mark registration is of significant importance in any trade mark system since it defines the scope of protection of the right of exclusivity granted.

It is not only important for the trade mark proprietor but also for third parties.

Therefore a clear and foreseeable understanding of what a class heading means is very important.

In the context of the European Union, it is also very important that the interpretation given to the scope of protection granted by class headings is the same in all Member States as well as for CTMs.

This was the reason why the first Harmonisation Directive was adopted at the time of creating the CTM, to attain the objective to have identical conditions for obtaining registered trade mark rights in all Member States.

1.2 The OHIM decision in 1996

As will be recalled, OHIM opened its doors on 2 January 1996, accepting CTM applications, opening a sunrise period of 3 months, until 1 April 1996 when all CTM applications filed during this period would get the same filing date, i.e. 1 April 1996.

Among the huge number of CTM applications, some of them, instead of indicating a list of goods or services, indicated the wording "all goods/services in class X."

When OHIM examined these CTM applications on the grounds of article 36 CTMR, several months afterwards, they considered requesting the applicants to remedy this deficiency i.e. by submitting a list of goods and services, but the problem was that in such a case, the filing date would have been the date when the list would have been supplied.

The consequences would have been that all those applications would have lost the 1 April 1996 filing date, obtaining a new one, several months later, partially also due to the OHIM delay in examining these CTM applications.

At that time, OHIM decided to replace the wording “all goods/services in class X” by the respective class headings. This decision implied, to be consistent, that all CTMs designating class headings would be equivalent to designating “all goods/services” in that class. Later on, the Communication of the President No. 4/03 of 16 June 2003 confirmed that practice.

1.3 The practice by National Trade Mark Offices in Member States

On the other hand, the practice in the Member States is not harmonised. Some Member States apply the same criteria as OHIM, that is to say “class-headings-cover-all”, while others consider that only goods/services listed in class headings and in addition what can be considered as included under those class headings under the dictionary meaning of the words used in class headings are protected. This is what can be called “class-headings-cover-what-it-says.”

In addition, some Member States accepted in the past the wording “all goods/services in class X”, and there are still registrations of this kind in force.

As Annex 1, a survey conducted by ECTA Harmonisation Committee is enclosed that reflects the situation in each Member State.

1.4 The British IP TRANSLATOR (Case C-307/10)

On 27 May 2010, the following questions were raised to the Court of Justice (CJ) in order to rule on a British case:

1. Is it necessary for the various goods or services covered by a trade mark application to be identified with any (and if so, what particular) degree of clarity and precision?
2. Is it permissible to use the general words of the class headings of the International Classification of Goods and Services established under the Nice Agreement of 15 June 1957 for the purpose of identifying the various goods or services covered by the trade mark application?
3. Is it necessary or permissible for such use of the general words of the class headings of the said International Classification of Goods and Services to be interpreted in accordance with Communication No. 4/03 of the President of the Office for Harmonisation in the Internal Market of 16 June 2003 (OJ OHIM 2003 p. 1647)?

2. RELEVANT LEGISLATION REGARDING THE CLASSIFICATION OF GOODS AND SERVICES

2.1 The TM Directive (*Directive 2009/95/EC of the European Parliament and of the Council of 22 October 2009 to approximate the laws of the Member States relating to trade marks*) does not provide any specific requirements regarding the list of goods and/or services nor the use of the class headings for the classification and registration purposes.

2.2 Article 26 of CTMR (*codified Council Regulation (EC) No.207/2009 of 26 February 2009 on the Community trade mark*) indicates the requirement that **the application for a Community trade mark inter alia shall contain a list of the goods or services** in respect of which the registration is requested.

According to **Article 28** of CTMR, goods and services shall be classified in conformity with the system of classification specified in the CTMIR.

2.3 However, the **CTMIR** (*Commission Regulation 2868/95/EC of 13 December 1995 implementing Council Regulation (EC) No. 40/94 on the Community trade mark*) does not determine any specific system of classification but makes reference in **Rule 2** to the Nice Agreement by providing the following:

- **the common classification** shall be applied;
- **the list shall clearly indicate the nature of the goods and services** and allow each item to be classified in only one class of the Nice Classification;
- **the goods and services shall be grouped according to the classes of the Nice classification** (each group preceded by the number of the class and presented in the order of the classes).

2.4 Article 2 of the **Nice Agreement** (*Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended*) which describes the legal effect and use of the **Nice Classification** (*The International (Nice) Classification of Goods and Services for the Purposes of the Registration of Marks*) states that subject to the requirements prescribed by this Agreement, the effect of the Classification shall be that attributed to it by each country of the Special Union. In particular, the Classification shall not bind the countries of the Special Union in respect of either the evaluation of the extent of the protection afforded to any given mark or the recognition of service marks. Each of the countries of the Special Union reserves the right to use the Classification either as a principal or as a subsidiary system.

Each of the countries party to the Nice Agreement is obliged to apply the Nice Classification in connection with the registration of marks, either as the principal classification or as a subsidiary classification, and has to include in the official documents and publications relating to its registrations of marks the numbers of the classes of the Classification to which the goods or services for which the marks are registered belong.

Use of the Nice Classification is mandatory, not only for the national registration of marks in countries party to the Nice Agreement, but also *inter alia* for the international registration of marks effected by the International Bureau of WIPO, under the *Madrid Agreement Concerning the International Registration of Marks* and under the *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks*, and by the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM).

2.5 Other relevant legislation

The **Paris Convention** and the **TRIPS** do not give any specific regulation regarding the drafting of the list of goods and services. The **Trade Mark Law Treaty**, the **Singapore Treaty** and the **Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks**, in principle, repeat the requirement that the application, inter alia, shall indicate the names of the goods and/or services, grouped according to the classes of the Nice Classification, each group preceded by the number of the class of that Classification to which that group of goods or services belongs.

2.6 Conclusion

In summary, the conclusion has to be reached that the relevant legislation does not designate the clear and strict requirement regarding the drafting of the particular list of goods and services. Two basic requirements regarding the list of goods and services might be highlighted:

- i) **the common classification** shall be applied and **the goods and services shall be grouped according to the classes of the Nice classification**;
- ii) **the list shall** be worded in such a way as to **indicate clearly the nature of the goods and services**.

3. THE NEED FOR A HARMONISED APPROACH

Why is a consistent, harmonised approach to the issue needed?

The first situation in which tension arises is in relation to priority claims. A UK application covering “musical instruments and music stands” in class 15 and claiming priority from an earlier Italian application covering “musical instruments” as the class heading in class 15, should from an equitable point of view be entitled to priority for both “musical instruments” and “music stands”, but would probably only be entitled to a partial class priority for “musical instruments” because the UK Office (that follows the “class-headings-cover-what-it-says” approach) does not interpret “musical instruments” to include “music stands” even though the Italian application covers both sets of goods according to the Italian Office practice (that follows the “class-headings-cover-all” approach).

Other tensions arise in the interaction between a Community trade mark with national rights. Of course, the Community Trade Mark system was designed to overlay (rather than replace) the national trade mark systems. As a result, the CTMR contains a number of provisions which deal with the interaction between the systems. One example of this is Article 34, which allows the owners of CTMs to claim seniority from an earlier national right. If trade mark offices were allowed to adopt an inconsistent approach, a national right whose class heading specification was interpreted to mean ‘what it says’ would be given a broader coverage once it formed a seniority claim for a CTM where the same class heading was interpreted to mean ‘all goods in the class’. This also creates uncertainty about the scope of protection that would be given by a Community Trade Mark Court in that country to the seniority claim covered by such a CTM.

The same problem is presented in reverse when conversion is requested under Article 112 of the CTMR. Clearly this is undesirable. Therefore, the primary wish would be that the CJ takes a decision establishing that a consistent approach be adopted by the national offices and OHIM.

Another problem arises when CTMs are used as the basis of oppositions against national rights. For example, if an opposition in Denmark is based on a CTM covering a class heading, since OHIM recognizes the CTM as covering all goods in that class, the Danish PTO would have to interpret it in the same way, while it would have to apply a more restricted approach if the opposition was based on a Danish registration, which is clearly discriminatory.

The requirement for clarity, as concerns trade mark registrations and the list of goods and services thereof, has also been confirmed by the case law of CJ.

In the judgment of 12 December 2002 in case C-273/00 (*Ralf Sieckmann*) (paragraphs 49-52) the CJ confirmed that the entry of the mark in a public register aims at making it accessible to the competent authorities and the public. In particular, the CJ established that the competent authorities and economic operators both must know, **with clarity and precision**, the nature of the signs of which a mark consists.

The competent authorities need the clarity and precision for registration purposes, while economic operators must be able to be aware of the real coverage of trade mark registrations and applications filed by their current or potential competitors and thus receive relevant information about the rights of third parties. If the users of that Register are to be able to determine the precise nature of a mark on the basis of its registration, its graphic **representation in the Register must be self-contained, easily accessible and intelligible.**

Although this decision was taken regarding the representation of the mark, by analogy, it can also be applied to the list of goods and services since it also determines the scope of protection conferred to the particular trade mark.

4. ARGUMENTS IN FAVOUR OF THE “CLASS-HEADINGS-COVER-ALL” APPROACH

The defenders of the “class-heading-covers-all” approach consider that this approach fulfils the interests of the applicant and of the interested parties and that it does not extend the scope of a class heading, does not lead to unnecessarily broad specifications and unnecessary registration of trade marks with no intention to use. According to the arguments indicated below, they consider that it does not create any artificial barrier to the entry or to the development of economical projects by competitors.

First of all, they argue that it should be noted that the class heading serves as a title. It provides a safe format that may be used by the applicant. Frequently, an applicant who files the application may have difficulties in finding the exact words that describe the necessary goods or services. The “class-heading-covers-all” approach eliminates such an obstacle.

In addition, they argue that it should be noted that protection covers both identical and similar goods. Therefore, any interested party by revising the particular trade mark registration and its list of goods and services every time should make reference to the Nice Classification in order to be sure what the exact list of the particular class is in order to make the correct conclusion regarding the exact scope of protection of a particular trade mark. Otherwise, the capacity to read the lists of goods and services of the “ordinary user” prevails over the interest of the trade mark owner to have his trade mark properly protected and especially at the stage of the application when the rare ones can exactly indicate the precise scope of use of the trade mark applied in future.

In general, trade mark applications are filed prior to the introduction of the trade mark into the market in order to avoid unfair applications by competitors and being obliged to later resort to litigation. Therefore, following this principle, the drafting of the list of goods and services is carried out at the very beginning of the life of the trade mark and the applicant does not have a clear perspective about the use that will be made of that particular trade mark. Since after the application has been filed there will be no possibilities to add any new goods or services to the particular application, the applicant is stuck in a very limited framework regarding said list, since he needs to forecast his activities concerned with the particular trade mark to be sure that he has foreseen all possible goods and services.

This is why the possibility to use the class heading and to provide that “class-heading-covers-all” in order to indicate the field and group of goods or services for which the trade mark is intended to be used is favourable. On the other hand said principle does not eliminate the possibility to choose the particular goods and services in respect of the particular application for those applicants who have a clear vision as to what exactly will be marketed under the particular trade mark. It might happen that there will be a need to limit the list of goods or services after the filing of the application and if the class heading was filed at the beginning it will be transformed into a more specific list of goods or services and will not be treated as the class heading anymore.

As regards the factual use of the registered trade mark, it should be noted that the obligation of use applies to all the goods or services for which the mark is registered. Therefore there is no risk of overprotecting the mark during the entire life of the registration.

If there are any changes regarding the Nice classification and if some of the goods or services are moved from one class to another, it might cause uncertainty regarding all the registrations and applications irrespective of the approach which would be applied. Therefore this argument cannot be treated as a relevant counterargument to the “class-heading-covers-all” approach even though the matter of reclassification in those situations is a problem that is not covered by this paper.

According to the defenders of the “class-heading-covers-all” approach, this system does not create artificial barriers to the entry or to the development of economical projects by competitors. First of all, every competitor (fair competitor namely) should use the mark not similar to the other marks already applied or registered. The confusion between two trade marks arises only when the trade marks and goods or services are identical or confusingly similar. In case the trade marks are different, the identity or similarity of goods or services will not cause any confusion of consumers. Also, as mentioned above, the possibility of cancellation due to non-use might be used in case the competitor needs to have the particular goods or services to be “free” for its business activities.

In summary, the defenders of the “class-heading-covers-all” approach state that this system should be established and it should be left up to the applicant to choose whether to use a specific list of goods or services or to use the class headings. Since any interested person has the possibility to ask for the cancellation of trade marks due to non-use in respect of particular goods and services, it cannot be treated as a barrier for fair competition.

5. ARGUMENTS IN FAVOUR OF THE “MEANS WHAT IT SAYS” APPROACH

In the first place, there is an overriding objective of legal certainty from a public policy perspective which dictates that trade mark rights should be clear, precise and self-contained. It was for this reason that in Sieckmann (C-273/00), the CJ held that the representation of a mark must be “clear, precise, self-contained, easily accessible, intelligible, durable and objective” and we would argue that the same requirements extend to the specification.

The “class-heading-covers-all” approach does not provide sufficient clarity for third parties to be able to interpret the scope of registrations. This is particularly the case for parties who are not represented by lawyers or attorneys. How does a layman looking at the class 15 class heading “musical instruments” know that this extends to “music stands”?

The classifications of goods changes over time – sometimes, goods change class (vacuum cleaners were once in class 9 but now fall in class 7) and new goods are introduced to reflect technological developments (podcasts in class 9 for example). The “class-heading-covers-all” approach does not allow for this.

Take for example, an old registration covering the class 7 class heading. Does this now cover vacuum cleaners, even though they were not in the class when the application was filed? If it does, then this would mean that the scope of protection has been broadened. If it does not, then this means that the scope of the registration is interpreted according to what was included in the class at the time of filing, in which case the specification must be read with the historical definition of the class and is not self-contained.

The “class-heading-covers-all” approach also creates confusion when the class heading appears alongside other terms. It is not clear whether this has the effect of negating the “class-heading-covers-all” interpretation. For example, under the “class-heading-covers-all” interpretation, ‘musical instruments’ (the class heading for class 15) also covers music stands. Is the same true when the specification reads ‘musical instruments; violins’?

Similarly, there is also confusion when a term from a class heading is removed. For example, under the “class heading–covers-all” interpretation, the class heading in class 9, i.e. ‘Scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus’ is considered to extend to computer software. However, it is not clear whether the specification still extends to computer software if the applicant is forced to delete ‘fire-extinguishing apparatus’ from the specification as filed.

The “class-heading-covers-all” approach also creates difficulties in examination. Specifically, offices must assess the inherent registrability of the mark against the goods and/or services listed in the specification. The “class-heading-covers-all” approach requires the offices to conduct this review against the Nice list and against abstract goods and services.

In addition, there already seems to be dissent from the President’s Communication No. 4/03 in the form of the decision issued by one of OHIM’s Boards of Appeal in Case R1840/2007-2, in which the class heading of class 35 was held not to include retail services.

It could also be argued that the “class-heading-covers-all” approach encourages the practice of adopting broad specifications, which some say has a knock on effect on the clearance of marks for use and registration and encourages oppositions. Of course, although related, this is another topic with arguments both for and against.

However, it is possible that the introduction of an intention to use requirement across the EEA (and for the filing of CTM applications especially) might also have the effect of ‘outlawing’ applications covering class headings and as such circumvent the issue.

6. CONCLUSIONS

After balancing the arguments in favour of one option and the other, we are of the opinion that “means-what-it-says” is the best for the interests of the trade mark system. In essence, our response to the questions to the Court, are as follows:

1. Is it necessary for the various goods or services covered by a trade mark application to be identified with any (and if so, what particular) degree of clarity and precision?

Yes, a clear, precise and foreseeable understanding of what a trade mark registration protects is of the utmost importance in the interests of the trade mark system, since:

- The trade mark proprietor needs to be able to foresee the degree of protection the corresponding registration will have when using the registration for enforcement in the face of third parties, be it in infringement or opposition proceedings;
- Third parties must be able to find out the scope of protection of the trade mark registrations of third parties in order to analyse the risk of infringement when conducting availability searches, filing oppositions or receiving cease and desist letters;
- Trade Mark Offices and Courts must be able to apply a consistent interpretation of the scope of protection of trade mark registrations when deciding conflicts between parties in opposition, cancellation and infringement proceedings.

Accordingly, the goods and services should be defined so that they are “clear, precise, self-contained, easily accessible, intelligible, durable and objective”.

2. Is it permissible to use the general words of the class headings of the International Classification of Goods and Services established under the Nice Agreement of 15 June 1957 for the purpose of identifying the various goods or services covered by the trade mark application?

Yes, as long as there is no strict intention to use requirement, it should be permissible to use the general words of the class headings of the International Classification of Goods and Services (Nice), for the following reasons:

- I. There are no provisions, either in the TM Directive or indeed in International Treaties, preventing the use of the general words of the class headings to identify the goods and services covered by an application. Indeed, the Nice Agreement itself allows each country to use the class headings in this way, provided that the nature of the goods and services are clear.
Use of the general words of the class headings is consistent with the fact there is no intention to use requirement. The position has also been confirmed in judgements of the CJ.
- II. Use of the general words of the class headings provides administrative convenience in that it saves applicants from having to file a complete list of each of the individual goods and/or services of interest to it. This provides costs-savings for the applicant. It also reduces the translation burden on the Office and allows them to operate more efficiently, which is clearly beneficial to the system overall.

- III. Use of the general words of the class headings also acknowledges the fact that applicants' use of a mark can be expected to expand as a result of natural business expansion. As such, applicants do not have to go to the trouble and extent of having to re-file each time their use changes. This is already tempered by the fact that third parties can file applications to revoke registrations for non-use.
3. Is it necessary or permissible for such use of the general words of the class headings of the said International Classification of Goods and Services to be interpreted in accordance with Communication No. 4/03 of the President of the Office for Harmonisation in the Internal Market of June 16 2003 (OJ OHIM 2003 p. 1647)?

In view of the answer to the first question referred to Court, the general words of the class headings of the International Classification of Goods and Services should be interpreted to mean what they say, and should not be interpreted to cover the whole class and the containing goods/services, as advocated in Communication No. 4/03 of the President of the Office for Harmonisation in the Internal Market of 16 June 2003.

The first argument would be that the usage of the class headings (according to the "class-headings-cover-all" approach) in the trade mark applications grant very wide protection for the trade mark (not always necessary) and filing of such a broad specification results to the overload of the relevant trade mark registers.

Secondly, the usage and recordal of too broad specifications creates artificial barriers for the subsequent applicants and their trade marks since the protection obtained by earlier trade mark (according to the said approach) would cover all goods and services included in the particular class and the subsequent applicant will be obliged first of all to check whether the desirable good/service falls to the particular class heading, then he will need to check whether the earlier trade mark has been used for the said goods/services and ask for the cancellation accordingly.

The reasons mentioned above create artificial barriers and unjustified obstacles for the applicants, either SME's or the big companies, for conducting the search and filing the new applications.

In addition to the reasons indicated earlier, there are also some administrative problems created by listing the goods as opposed to indicating the class headings.

Thus the conclusion might be made that the usage of the approach "class-heading-covers-all" as it was confirmed by the Communication No. 4/03 cannot be qualified as being "clear, precise and self-contained" contrary to the requirement confirmed by the CJ case law. Therefore such a use is not necessary and not permissible.

7. FURTHER THOUGHTS

If the CJ decides that a consistent “means-what-it-says” approach is appropriate, then this raises the question of the existing registrations which have been registered for the class headings in the belief that they covered all goods in that class. In this respect, we would like to advocate a transitional period in which trade mark owners have the opportunity to amend their specification to clarify the scope of the rights. Although they may incur some costs in doing this, it would still be cheaper and more advantageous for them to amend than to re-file.

It has been suggested that the position taken in Communication No. 4/03 of the President of the Office was prompted by the need to have a short form version for the full list of goods in a particular class which one finds in the Nice Classification in order to avoid long specifications whose translation would otherwise place a significant burden on the Office.

Whilst we have some sympathy with this, we do not think that this is the only response to this issue. In the first place, it seems that excessively long specifications tend to be avoided in those countries which exercise an intention to use requirement. In the absence of an intention to use requirement, we would suggest that applicants are charged for specifications which exceed a certain length. The additional cost would encourage brevity but would, in the event that it did not act as sufficient discouragement, presumably cover any additional costs incurred by the Office in its translation. Applicants would also have to accept that the progress of applications with excessively long specifications would be delayed whilst the translation of the specification was completed.

Annex 1 - Survey conducted by ECTA Harmonisation Committee.