EU Trademark Law Reform Series:  
The Impact on Classification of Goods and Services

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With the introduction of new provisions in the EU Trade Mark Regulation (EUTMR, Art. 28) and the Trade Marks Directive (TMD, Art. 39), the EU legislator has recognized the importance of the specification of trademark registrations for the functioning of a trademark system that relies, first and foremost, on registered rights, both on an EU-wide and on a national level.

The issue of specifications has been a focus of discussion since the June 19, 2012, CJEU judgment in IP TRANSLATOR (C-307/10 – Chartered Institute of Patent Attorneys), where the Court said that all terms used in specifications had to be clear and precise, and that, while general indications from class headings were in principle permissible, they covered only goods or services covered by their literal meaning. Before that, OHIM’s practice was to consider that full class headings in any given Nice Class covered “all goods/services” in that class.

The new legislation codifies the Court’s requirements as to clarity and precision and the use of general indications, requires trademark applicants to classify their goods and services in accordance with the Nice Classification and clarifies that the classification has no impact on the similarity of goods and services. It further provides for the possibility to amend existing Community trade marks (CTMs)—which, in future will be called EU trademarks (EUTMs) under the new law—filed before June 22, 2012, indicating class headings.

When Will the New Classification Rules Enter into Force?

The majority of the new provisions of the EUTMR, including Article 28, will enter into force 90 days from publication of the new law, now expected for the spring of 2016. The new TMD, in turn, while technically entering into force 20 days from publication, will require implementation in the national laws of the Member States, which have been given three full years to adapt their national laws.

Common Provisions Relating to New Applications: Classification, Clarity and Precision, Use of Class Headings, Literal Interpretation

The first seven paragraphs of Article 28 EUTMR are identical to Article 39 TMD. Once the Directive is fully implemented, these rules will therefore be uniform across the EU and apply equally for EUTMs and national trademarks, including Benelux trademarks.
1. According to the new law, goods and services have to be classified in conformity with the Nice Classification. Proper classification becomes compulsory for multi-class filings. While this was already the practice in many EU trademark offices, for the first time EU law recognizes the Nice Classification as binding, and imposes obligations as to classification on trademark applicants.

2. All trademark applications must specify the goods and services for which protection is sought with sufficient clarity and precision to allow trademark offices, courts and other traders to be able to determine what is being covered.

3. The use of general indications from the class headings in the Nice Classification is permitted, provided they are sufficiently clear and precise.

   a. OHIM and the national offices in the EU, in the framework of Convergence Program 2 (CP2), have agreed on 11 terms that do not comply with this requirement, mostly “goods made of these materials,” as well as “repair services” (for the full list click here). This agreement is, however, not binding on courts or even PTO appeal boards, and additional terms may be found too vague in the future.

4. Trademark offices have to examine specifications. If the terms indicated are found to be too vague, they have to object and, in the absence of appropriate amendments, reject those terms.

5. General terms and indications cover goods or services that fall within their literal meaning. Applicants who would like to use class headings must check whether the general indications are not only sufficiently clear and precise but also cover what they need.

6. The majority of goods or services are covered by the class headings. For example, items of clothing are covered by “clothing” in Class 25 and there is no need to specify t-shirts, pants, socks etc. However, some products would fall off the grid. For example, laptop cases or protective clothing belong in Class 9 but are not covered by any of the general indications in that class. Such items should be specifically added if there is an interest in them.

7. The law provides expressly that classification has no impact on the assessment of the similarity of goods and services. That they are in the same class does not make them similar, and being in different classes does not make them dissimilar.

Existing CTM Registrations Covering Class Headings: Article 28(8), (9) EUTMR

a. Purpose of the Legislation

The new Article 28(8) EUTMR allows the owners of EUTMs that were filed under the old practice, indicating full class headings, to amend their registrations in order to include those goods and services that are not covered by the literal meaning of the class headings. As such, it pays tribute to the legitimate expectations of trademark owners who indicated class headings in their CTM applications, relying on the consistent practice of OHIM prior to the IP TRANSLATOR judgment. This practice was laid down in Presidential Communication 4/03 (here), which confirmed OHIM’s practice since its early days in 1996. By publicizing its understanding as to the meaning of full class headings, OHIM wanted to provide legal certainty as to the understanding of class headings and discourage lengthy specifications itemizing each product within larger categories, thereby simplifying the classification of CTM applications. It was also a way to address the issue of registered national marks that simply stated “all goods” in any given class, in accordance with the practice in numerous EU Member States.
b. Which CTMs Can Be Amended?

EUTMs filed before June 22, 2012, that “are registered” for “the entire heading of a Nice Class” can be amended to include goods or services that do not fall within the literal meaning of the class headings, provided these are in the alphabetical list of the edition of the Nice Classification in force at the time of the application for the CTM.

- Accordingly, the EUTM must have been filed before June 22, 2012. This is the day after entry into force of Presidential Communication 2/12, with which OHIM reacted to the IP TRANSLATOR judgment (here).

- Whether it is also a requirement that the CTM in question be “registered” at the time of the entry into force of the new legislation is the subject of debate. Article 28(8) EUTMR indeed refers to “European Union trade marks applied […] which are registered in respect of the entire heading of a Nice Class”. However, it seems odd to exclude marks filed before June 22, 2012 from the possibility to amend the specification, only because they have not proceeded to registration. A trademark applicant’s legitimate expectations are not affected by objections or oppositions received after filing. It is INTA’s view that Article 28(8) should therefore be applied to pending applications. These considerations are not purely theoretical: this issue affects, in theory, over 3,200 pending applications for EUTMs.

- Only those specifications can be amended that cover the “entire heading” of a Nice Class. Where applicants chose not to include certain general indications, the legislation does not allow an amendment. This is unfortunate, as INTA pointed out on numerous occasions throughout the legislative process, because it means that the amendment is not possible only because some entirely unrelated general indication was left out. It is not justified either, because goods and services are classified on account of their connection with certain general indications and has nothing to do with other general indications in the same class.

- For example, protective clothing is not a “life-saving apparatus,” but belongs to Class 9 due to that general indication in Class 9. Laptop cases belong to Class 9 because of their connection with “data processing equipment.” If an applicant chose not to include “cash registers” or “fire extinguishing apparatus” in Class 9 for being too far removed from their field of business, the addition of “protective clothing” or “laptop cases” is not possible under the new legislation even though all other general indications are present in the specification.

c. Products to Be Amended Must Be in the Alphabetical List

Specifications can be amended to include terms that do not fall within the literal meaning of the class headings, provided these are in the Alphabetical List of the edition of the Nice Classification in force at the time of the application for the CTM. Between 1996 and 2012, there were five different editions—from the 6th to the 10th edition. It will therefore be necessary to check carefully which edition applied to the EUTM at issue. Historic Nice editions are provided on WIPO’s website here.

d. Window for Amendment

The time window for the amendment of any EUTM ends on 24 September 2016. EUTMs that are not amended by that date will be considered to extend only to those goods or services that are covered by the literal meaning of the class headings indicated.
e. No Effect on Use Requirement

The amendment of the specification will be without prejudice to the use requirement. This means that the addition of a product not covered by the literal meaning of the original specification will not set off a new grace period for putting the mark to use. It does not mean that the mark can be revoked on the grounds of non-use because it was not used for any of the goods or services of the original specification.

- For example, assuming that a CTM from 2010 (9th edition of Nice) covers the entire class heading of class 9 but has been used only for software (which was included in the class headings in the 10th edition), it could be argued that it was not used for any of the goods of the registration. However, the legislation, by allowing the amendment, recognizes that the registration was always meant to also cover “software”.

f. Status Quo Maintained for Owners of Junior Trademarks: Article 28(9) EUTMR

The legislation also preserves the status quo with regard to junior marks owned by third parties, provided that they were in use or had been filed prior to the amendment of the EUTM. In other words, if a junior mark only infringes the CTM in respect of amended terms, but did not infringe it as originally registered, the owner of the CTM cannot attack the use or registration of the junior mark relying on the amended specification.

- For example, a 2010 CTM that did not initially cover “decorative magnets” in class 9 and is amended to extend to these cannot be held against the use or registration of a junior mark for stationery (considered similar to magnets but not generally to class 9 goods otherwise), provided this use and registration pre-date the amendment in the register.

Conclusion

That the new legislation provides more guidance as to specifications in EU and national trademarks alike is welcome from a legal certainty perspective and should continue to help harmonizing trademark practices across the EU. The new fee system for EUTMs, whereby costs increment already as from the second class, rather than allowing three classes for the price of one, should further encourage specifications that reflect the actual commercial interest behind trademark filings and renewals.

The TMD does not contain an equivalent to Article 28(8) EUTMR, as the practices in the Member States relating to specifications in trademark applications have always differed widely. National legislators may, however, introduce similar provisions for national registrations where this is considered appropriate.

INTA’s Europe Representative Office in Brussels, together with the substantive input of INTA volunteers, particularly those in the Europe and Central Asia Subcommittee of the Legislation and Regulation Committee, as well as the OHIM and Madrid Subcommittees of the Trademark Office Practices Committee, were instrumental in addressing several problematic draft proposals of the various EU institutions; in particular, the proposal to eliminate Article 28(8) EUTMR altogether, which would have penalized CTM owners who filed their trademarks relying on good faith in OHIM’s prior classification practice, which was in place for no less than 16 years.
Verena von Bomhard has been involved with Community trademarks from the very beginning, having founded her former firm’s office in Alicante in early 1996. She has extensive experience in all matters relating to prosecution and enforcement of Community trademarks and designs, in handling proceedings before the General Court and the Court of Justice of the European Union in Luxembourg, in multijurisdictional trademark clearance, portfolio management, as well as advising on complex IP conflicts in the European Union, on effective dispute settlement strategies, and on the protection and enforcement of non-traditional marks.

Verena holds a doctorate in law from the University of Munich, has authored and co-authored numerous books and articles on the Community trademark and design, and is a frequent speaker on these topics. She teaches European trademark law at the IP Master Program of the Max Planck Institute (MIPLC) and at the Magister Lucentinus - the IP Master Program of the University of Alicante.

A very active member of INTA, Verena has been on the Board of Directors, has co-chaired an Annual Meeting, has been chair of the Programs Committee and is currently chairing the OHIM Subcommittee – her second time in that role (after the early 2000s). She received the 2014 Volunteer Service Award for the Advancement of Trademark Law from INTA. She is also a member of ECTA, PTMG, and GRUR. Apart from her native German, Verena is fluent in English and Spanish and can read French and Italian.

Verena also enjoys life beyond trademarks. If you want to read more about her, you may enjoy the spotlights and interviews published in the INTA Bulletin in 2008 and 2014 and her interview with James Nurton of MIP published in Alicante News in 2007.