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32nd ANNUAL CONFERENCE

THE JURY IS STILL OUT

BUCHAREST, 19-22 June 2013





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IP TRANSLATOR CHANGES

THE RULES OF THE GAMES



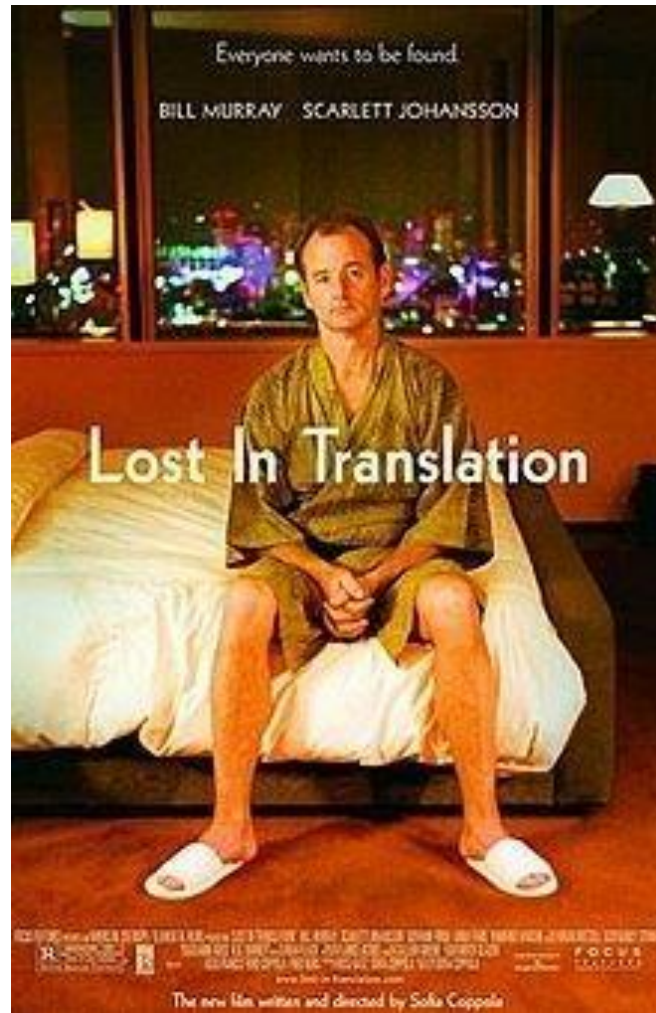
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THE CIPA

- ITS SLOGAN

« *Whatever you do, do cautiously, and look to the end* »

- ITS CONTRADICTORY TRADEMARKS :

IP TRANSLATOR :

Education; providing of training; entertainment; sporting and cultural activities (class 41)

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CHARTERED PATENT AGENTS CHARTERED PATENT ATTORNEY

*Advisory services to business and commerce; **provision of advice with respect to intellectual property; patent and trade mark agency services** being in the nature of business management consultancy or business assistance; searching services relating to intellectual property rights being in the nature of business research, business information, business enquiries, or business investigations; maintenance services relating to intellectual property rights being in the nature of business management assistance (class 35).*

*Legal advisory services; **provision of advice with respect to intellectual property; patent and trade mark agency services**; searching, acquisition and maintenance services relating to intellectual property rights; advisory services to business and commerce and relating to all or any of the aforesaid services (class 42)*

PATENT AGENT

*Office administration relating to intellectual property services (class 35)
Intellectual property services.(class 42)*

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II – THE ISSUE

A. – A British examination that shifted towards a Community approach

1. In the beginning, it was only a problem of distinctiveness limited to a national context



Intellectual Property Office

Trademark: IP TRANSLATOR (word mark)

No: 2528977

List of services: class 41, “Education, providing of training; entertainment; sporting and cultural activities”

Owner: The Chartered Institute of Patent Attorneys (CIPA)

Objection of the UKPO: the mark may serve in trade to designate the nature of the services e.g. translation services in the field of Intellectual Property.

2. Overview of the UKPTO position and notifications regarding this case

Response of the applicant: i) translation services are not listed within the list of services as filed, neither explicitly not through genus/species significance, and ii) the objection relied upon adoption and practice of the **OHIM in Communication 4/03** which had no basis in UK or EU law notably having regard to the **Sieckmann** case C-273/00...

Objection maintained: the specification covers the class heading for class 41 and is deemed to cover all those services covered by that class, including translation services, **given the UK Trademarks work manual**.

Decision of the Registrar: the mark covered not only services of the kind specified by CIPA, but also every other services falling within Class 41 including translation services, for which IP TRANSLATOR lacked distinctive character and was descriptive in nature.

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II– THE ISSUE

A. – A British examination that shifted towards a Community approach

3. The inappropriate, flawed and unexpected “mirror effect” of the OHIM Communication of 2003 on a British procedure

According to the Order for reference: *“the provisions of the UK Act are in many respects expressed in terms which, at the national level, mirror the effect of corresponding provisions of the CTMR at the Community Level”.*

4. The preliminary ruling

. A three-steps waltz... but boiling down to one question: **Redefining the position of the OHIM**, while at the same time deciding on the contradiction between countries that follow or do not follow the 2003 OHIM communication.

. ... **but denied by both the OHIM** (on the ground that it would be artificial, with the result that the answer of the Court to the questions referred has no relevance as regards the outcome of the dispute in the main proceedings) **and the Commission** (which expressed doubt as to the real need for the registration at issue) - *(points 30 to 34 of the decision)*.

In the report of the **OHIM Users Group** of April 15, 2011, when questioned on whether the observations in the IP TRANSLATOR matter could be made available to the public, **the President of the OHIM replied that the Office wishes to keep these observations confidential (point 7.37 of the report)**...

In one word: A SUPPOSEDLY NON-DETRIMENTAL RULING SINCE IT IS BENEFICIAL AS NOT PREJUDICIABLE TO THE ACCELERATION OF CONVERGENCE

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II – THE ISSUE

B. – The CJEU ruling

1. The introduction of the « **starting basis / literal** » interpretation and a reminder of the *Sieckmann* approach
2. The Reminder of the need for clarity **and** precision
3. The alignment of competent **administrative authorities** and **economic operators**
4. The calling into question of the postulate that the Nice classification should prevail/be upheld as an introductory frame
5. A ruling of **compromise** which does not directly question a “regrettable” communication from 2003 and which establishes the maintenance of a specification in two ways: one that is **literal**, clearer and more precise because it has a natural and habitual meaning ; one that is **general**, with a risk to be unclear and imprecise . Battle between economic and legal profile of a TM
6. A “**sensitive**” ruling that puts the applicant back at the centre of the system of protection for **national trademarks**
7. A ruling that goes beyond an initial legal issue linked to distinctiveness of a trademark, and in the end, deals with past and future administrative practice by raising several unresolved questions.

In one word: A DEBATABLE RULING SINCE THE “QUALITATIVE” NECESSITY (the literal and economic operator interest) IS STILL TIED TO THE “QUANTITATIVE” APPROACH (The OHIM and administrative institutions policies) AND NOT ENOUGH

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III – BEFORE AND AFTER IMPACT OF THE OHIM, NATIONAL OFFICES AND EU IP FIRMS A. OHIM

Comparative table of the 27 EU Member States and trends between the GENERAL and the LITERAL Has the ruling created harmony, division, or did it have no impact at all ?

1. The 2003 Communication No. 04/03 of the OHIM President

Use of all the general indications listed in the class heading of a particular class constitutes a claim to all the goods or services falling within this particular class.

2. The 2012 Communication No. 2/12 of the OHIM President

For CTMs **registered before** the entry into force of the Communication which use all the general indications listed in one class heading: **the intention of the applicant is regarded as being to cover all the goods or services included in the alphabetical list of that class in the edition in force at the time when the filing was made.**

CTM applications **filed before** the entry into force of the Communication **and still not registered** specifying the general indications of a particular class heading: they cover all the goods or services included in the alphabetical list of the class concerned, **unless specified that they had sought protection only in respect of some of those goods or services in that class.**

CTM applications **filed as from the entry into force of the Communication**, specifying general indications of a particular class heading of the Nice Classification: **they must expressly indicate whether or not their intention** is to cover all the goods or services included in the alphabetical list of the particular class concerned or only some of those goods or services in that class.

3. After the Communication of 2012

Common communication on the implementation of IP TRANSLATOR (May 2, 2013)

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III – BEFORE AND AFTER IMPACT OF THE OHIM, NATIONAL OFFICES AND EU IP FIRMS
B. NATIONAL OFFICES

1. Before, at the national level

Offices using the same approach as the OHIM (Class headings = literal meaning of the class headings + alphabetical list)	Offices using a different approach to the OHIM	
	Class headings = entire class	Class Headings = to be interpreted literally
HUNGARY LITHUANIA ROMANIA	BULGARIA FINLAND GREECE ITALY MALTA	AUSTRIA BENELUX CYPRUS CZECHOSLOVAKIA DENMARK ESTONIA France GERMANY IRELAND LATVIA POLAND Portugal SWEDEN SLOVENIA SPAIN SLOVAKIA UNITED KINGDOM

III – BEFORE AND AFTER IMPACT OF THE OHIM, NATIONAL OFFICES AND EU IP FIRMS
B. NATIONAL OFFICES

2. After, at the national level

Offices that changed their approach :		
Class Headings terms = to be interpreted literally	Class headings = literal meaning of the class headings + alphabetical list	Offices that did not change their approach
BULGARIA FINLAND GREECE MALTA	ITALY	AUSTRIA BENELUX CYPRUS CZECHOSLOVAKIA DENMARK ESTONIA France GERMANY HUNGARY IRELAND LATVIA LITHUANIA POLAND ROMANIA Portugal SWEDEN SLOVENIA SLOVAKIA SPAIN UNITED KINGDOM



III – BEFORE AND AFTER IMPACT OF THE OHIM, NATIONAL OFFICES AND EU IP FIRMS
C. EU IP FIRMS


Effects of the changes on IP Professionals (through our internal questionnaire – end of April 2013)

IP professionals having changed their approach:	Professionals who did not change their approach :	
	As they already proceeded according to the new OHIM approach :	Others (namely waiting for a global position through UE)
BENELUX BULGARIA CYPRUS FINLAND France GREECE HUNGARY IRELAND LITHUANIA MALTA PORTUGAL	AUSTRIA GERMANY LATVIA POLAND SWEDEN UNITED KINGDOM	CZECHOSLOVAKIA DENMARK ESTONIA ITALY ROMANIA SLOVAKIA SLOVENIA SPAIN

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IV– CONSEQUENCES ON THE DAILY WORK OF FRENCH AND EUROPEAN TM ATTORNEYS)

WHEN CLAIMING A CLASS HEADING:

- ➔ **TWO QUESTIONS:**
- 1 – the difficult interpretation of the **clarity and precision criterion**
 - 2 - the **main and real difference** between the literal interpretation and the alphabetical list?
- ➔ **TWO REPLIES:**
- 1 – **future creation and publication of a Common Communication on each web site of the participating offices envisaged by the end of this year.**
*= national offices, BOIP and OHIM taking a **harmonised approach** in addressing the Court of Justice ruling in “IP Translator” that deemed certain general indications insufficiently clear and imprecise for classification, but did not specify which were classifiable and which were not*
 - 2 - « **the isolated items** »
= items that do not fall within the natural and usual meaning of the general indication
- In one word:**  **The principle of the literal interpretation: DANGER!**
- The lack of protection for the isolated items
 - The subjective risk of lack of clarity or/and precision until the future Common Communicaton

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IV- CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

A. - Overview

Common Communication on the Implementation of IPT (2 May 2013) :Summary of the interpretation of entire Nice Class Headings from the FPTO and OHIM standpoint

		FPTO	OHIM	In one word
FTM	Filed Before IP	Literal interpretation	Refers to the French rules : literal interpretation	The OHIM respects each national interpretation = same scope of protection for FTM before OHIM and FPTO
	Filed After IP	Literal interpretation	Literal interpretation	OHIM requests the same interpretation for each national registration : literal interpretation = same scope of protection for FTM before OHIM ad FPTO (fortunately for France)
CTM	Filed Before IP	Literal interpretation	Alphabetical list	The FPTO applies its own rules to CTM without taking into account the OHIM communication. = Different scope of protection for the same CTM before OHIM and FPTO
	Filed After IP	Literal interpretation	Literal interpretation	OHIM requests the same interpretation for each national registration : literal interpretation = same scope of protection for FTM before OHIM ad FPTO (fortunately for France)

IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

B. – Oppositions

1. Oppositions before French TMO

before and after: **NO DIFFERENCE** (literal interpretation)


BEFORE: Opposition n°113498 dated 03/02/12 : Prior mark registered for « *wine, sparkling wine* » and the contested application filed for « *alcoholic beverages (except beers)* » → **The contested application has been entirely rejected**


AFTER: Opposition n°122918 dated 14/12/12 : Prior mark registered for « *wine, sparkling wine, liquors* » and the contested application filed for « *alcoholic beverages (except beers)* » → **Same reasoning: the contested application has been entirely rejected**

2. Oppositions before OHIM

DIFFERENCE OF INTERPRETATION concerning class headings claimed in CTMs :

 **The OHIM has applied in 2 different manners the 2003 Communication:**

 Oppositions issued **before** IP TRANSLATOR: **fluctuant application** of the 2003 Communication (the OHIM did not take into account the “isolated items” despite the provisions of this Communication)

 Oppositions issued **after** IP TRANSLATOR: **correct application** of the 2003 Communication: the entire Nice Class heading covers the whole alphabetical list (including the “isolated items”) **thanks to the 2012 Communication**

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IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

B. – Oppositions

a. Decisions of opposition issued before IP TRANSLATOR: Fluctuant application of the 2003 Communication

Theory = according to the Communication n°4/03 of 16.06.03 : **the entire Nice Class heading covers the whole alphabetical list.**
In fact = wrong application of the Communication n°4/03 of 16.06.03 : the entire Nice Class Heading covers the alphabetical list **WITHOUT THE ISOLATED ITEMS ?!**

Opposition n°B1237066 dated 29/10/09: Prior mark registered for « chianti wine » and the contested application filed for « alcoholic beverages (except beers) »

→ **The contested application has wrongly been entirely rejected: the CTM should have been registered for the isolated items «alcoholic essences, alcoholic extracts, fruit extracts, alcoholic »**

b. Decisions of opposition issued after IP TRANSLATOR: Application of the 2012 Communication

According to the 2012 Communication, the application of the 2003 Communication leads to consider that when a trademark claims a class heading, it is protected for all the products of the alphabetical list.

→ Oppositions concerning CTM filed **before** IP TRANSLATOR

Opposition n°B001987158 dated 30/04/13: Prior mark registered for « wines » and the contested application filed on 11/11/11 for « alcoholic beverages (except beers) » (= the intention of the applicant was to cover all the goods included in the alphabetical list of the class concerned)

→ **The contested application has been maintained for the « isolated items » (« alcoholic essences, alcoholic extracts, fruit extracts, alcoholic »)**

→ Oppositions concerning CTM filed **after** IP TRANSLATOR

→ **In the same case, the contested application would be totally rejected.**

IV- CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

B. – Oppositions

	Opposition Decision issued before IP	Opposition Decision issued after IP	
CTM Filed before IP	Partial application of the Communication of 2003 : the isolated items are not included in a class heading DECISION: CTM application entirely rejected	Alphabetical list = the isolated items are included in a class heading DECISION: CTM application registered for « alcoholic essences, alcoholic extracts, fruit extracts, alcoholic »	In one word: the scope of protection of the same CTM differs according to the date of the decision issuance
CTM Filed AFTER IP		Literal interpretation = the isolated items are not included in a class heading DECISION: CTM application entirely rejected	
			In one word : The scope of protection of the same CTM differs according to the trademark filling date

IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

B. – Oppositions

3. Observations:

CSQ of IPT: the oppositions targeting **trademark applications claiming the whole alphabetical list will be more frequent**



How to handle the comparison between the P/S in view of these huge wordings?

- Will the **Convergence Program** and **taxonomy** be of help?
- Will the OHIM/FPTO communicate their list of the « isolated items »?



Increase of the work to be done: impact on our liabilities/ fees?

In one word: We expect the OHIM to provide us with this information

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IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS C – Prosecution issues

Consequences of the IP translator case concerning any future filing.

1. Trademark filings

FPTO & OHIM: literal interpretation of class headings= the protection corresponds to the sole wording

Our advices on the wording of the specification:

➡ **Principle:** a wording limited to **the client's specific products and/or services of interest**

ADVANTAGES: to avoid any risk of opposition, notification, additional costs in case of international extensions/priority...

WARNING ! Risk of notification based on absolute grounds (descriptiveness) for trademarks which are granted a low degree of distinctiveness; and detrimental restrictions for merchandising projects or licensing opportunities with extension of the brand in the future

➡ **Exceptions:** a wording mentioning **the entire alphabetical list of the class:**

ADVANTAGES: for clients beginning their activity, important projects,...

INCONVENIENTS: risk of opposition, notification, additional costs in case of international extensions/priority

➡ **Medium Proposition:** the class heading

IDEA: interest to claim isolated items?

INCONVENIENTS: the potential lack of precision and clarity of one general term. **In case of doubt, to include the specific products/services of client's interest**

In one word: we generally recommend opting for the Medium Proposition all the more as Common Communication taking a harmonized approach (within the end of the year) is supposed to settle the issue of the lack of clarity and precision

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IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS

C. – Prosecution issues

2. Renewal of Community trademarks claiming class headings

Renewal of the wording such as registered → **The owners will not be asked to precise the scope of protection of their registrations:**

Our criticisms:

- There will always be a « double » Interpretation of a class heading (depending on the date of the trademark application (before / after IPT));
- **Whereas** the new practice of the OHIM is to ask the owners of TMs filed before the IP translator case the scope of protection of their trademark. So it would be logical to also ask the owners their wish at the time of the renewal ?!

In one word: In order to avoid several interpretations, it would be preferable that the OHIM requests the owners to clarify their intentions (either to keep the sole class heading in case he wishes the literal interpretation, or to detail the entire products/services of the class in case he wishes a protection for the whole class).

3. Conversion of CTM filed before IP TRANSLATOR into French TM

No official/formal communication from the French TMO but French Examiners say that their practice is to apply the French rules to a CTM converted into a FR TM.

IV– CONSEQUENCES ON THE DAILY WORK OF ATTORNEYS D. – Trademark clearance

WARNING: particular case, i.e. if the client's project concerns an « isolated item »

1. If the client intends to file a French TM Application

Whatever the revealed trademark is (FTM or CTM) **NO CHANGE** the literal interpretation will be applied

2. If the client intends to file a CTM Application

Prior similar FR TM is revealed : **NO CHANGE**

Prior similar CTM : **CHANGE**

- CTM filed before IP TRANSLATOR and claiming the class heading **could constitute obstacle**
- CTM filed after IP TRANSLATOR and claiming the class heading **could NOT constitute obstacle**

In one word: Watch out when the client intends to file a CTM and when at least one of its goods of interest is an isolated item

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IV– CONSEQUENCES ON THE DAILY WORK OF COUNSELS

E. – Cancellation action (non use)

1. The rule: use of a trademark on a specific product will constitute a genuine use for the subcategory within which this product falls

2. Inconvenients: no clear definition/indication of the different sub-categories (but taxonomy which may help)

3. Risk of trademarks which claim protection for the alphabetical list

Ex: a trademark filed in class 25 will cover very specific products of the same category, such as « *football shoes* », « *gymnastic shoes* », « *beach shoes* » and « *sport shoes* ».

Thus, a use for the sole « *football shoes* » will constitute a genuine use for which category?

=> the specific « *football shoes* »?

=> the wider category of « *sports shoes* » or « *shoes* »?

4. Advantages of trademarks which claim the sole class heading (notably shoes): the use of football shoes would then constitute a genuine use of « *shoes* »?

In one word: In case owners wish a protection as wide as possible, there is a clear and possible contradiction of advice between the date of the filing and the date when the trademark is submitted to use requirement.

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THE NEXT STEP ! ?

Establishment of a legal federation to respond to the requirements of a strong trademark using 3 main criteria:

- **Administrative Rigour** called for by the CJEU, applied by the OHIM in practice and (at least) maintained by national offices concerned with convergence on the single basis of the specification of goods and services: literal interpretation.
- **Legal Value** supported by the CJEU and confirmed by Taxonomy effects and the convergence plan on the basis of precision and clarity.
- **Economic Value** partially forgotten by the CJEU due to the effects of the current choice left to the applicant (the economic operator) between the list of goods and services.

THE SOLUTION ?

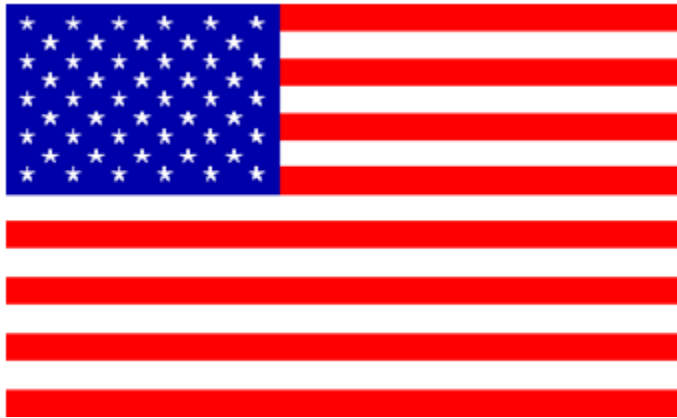
The North American method with a European touch to find « USA versus USE »

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FIRST IMPRESSIONS FROM 4 AGENTS IN THE USA ON THE CJEU RULING

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« ...Coming from the US perspective, we have the requirement for not only specific use of the goods, but also for specific description of the goods. I agree with this requirement, as it prevents applicants from securing overly broad rights based simply on the filing of an application. **The US view is that TM rights must be limited and specific, to coincide with real business activities, and to allow others to use remaining rights where there is no conflict** ». (B.L.)

« **I therefore was hopeful that this decision might alleviate what appears to be, from a U.S. practitioner's perspective, a number of opposition that are probably not worth pursuing.** Similarly, these broad Class headings make it difficult to clear a mark and/or know when to pursue an opposition or some other action [...] I suspect an applicant will still employ overly broad language, although not as broad as the Class heading. Therefore, I would think that this decision does little to alleviate the issues discussed above ». (W.W.)

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« From a US perspective, this is most likely the result of the fact that trademark rights are created by « use » of mark in commerce and not by registration. [...] With regard to the ECJ's ruling, it seems appropriate and fair for an applicant to specify whether he is seeking full class coverage or merely coverage for the specific items mentioned in the identification of goods and services. I suppose the question arises as to how to interpret all of the millions of registrations that issued prior to this decision » (M.P.)

« I see a trend toward greater specificity since the CTM Register will soon be as crowded as the U.S. Register. Applicants will always be bumping into each other if they file for the entire class heading even though in many classes the goods/services are very broad and unrelated. (...) So I guess the Court is giving applicants the option of filing for everything in the class (and taking chances that there will be objections) or filing more specifically (and thereby perhaps avoiding conflicts). I see this as a positive trend since it is increasingly difficult to clear marks ». (S.D.)

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Prime Minister David Cameron's conclusion



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CAMERON'S VIDEO TO INSERT

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THANK YOU FOR YOUR ATTENTION

**No question please... without an
'IP' Translator!**

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