

# WIPO



SCT/5/5

ORIGINAL: English

DATE: September 15, 2000

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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**  
GENEVA

## **STANDING COMMITTEE ON THE LAW OF TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS**

**Fifth Session**  
**Geneva, September 11 to 15, 2000**

### SUMMARY BY THE CHAIR

#### Agenda Item 1: Opening of the Session

1. The session was opened by the Chair, Ms. Lynne Beresford (United States of America). Mr. Shozo Uemura, Deputy Director General, welcomed the participants. Mr. Denis Croze (WIPO) acted as Secretary to the Standing Committee.

#### Agenda Item 2: Adoption of the Agenda

2. The Agenda (document SCT/5/1) was adopted without modification.

#### Agenda Item 3: Adoption of the Draft Report of the Fourth Session

3. The Draft Report of the fourth session (document SCT/4/6 Prov.1) was adopted with amendments to paragraphs 27, 35, 38 and 47.

Agenda Item 4: Protection of Trademarks and Other Distinctive Signs on the Internet  
(see document SCT/5/2)

4. The SCT discussed the draft provisions on the protection of industrial property rights in relation to the use of signs on the Internet, contained in document SCT/5/2, and agreed on the provisions contained in the Annex to this document. The SCT agreed that the International Bureau would refine the text for the sixth session of the SCT on the basis of its discussions.

Agenda Item 5: Possible Solutions for Conflicts Between Trademarks and Geographical Indications and for Conflicts Between Homonymous Geographical Indications (see document SCT/5/3)

5. After a number of delegations had stated their position concerning item 5 of the Agenda, the Chair concluded that the Committee had reached agreement that, in order to create a better understanding of the legal issues related to the protection of geographical indications, the International Bureau should supplement the existing paper on geographical indications, for discussion at the sixth session of the SCT. The supplement would deal with the following issues: the historical background of the protection of geographical indications; clarification of the nature of the rights in geographical indications; description of the different existing systems for the protection of geographical indications; and investigation of the problems existing in obtaining effective protection for geographical indications in other countries.

Agenda Item 6: Text of the Proposed Joint Recommendation Concerning Trademark Licenses (see document SCT/5/4)

6. The SCT took note of document SCT/5/4. The Delegation of the European Communities informed the SCT of the withdrawal of its reservation regarding Article 3.

Agenda Item 7: Future work

7. The SCT agreed that the agenda of the sixth session would consist of the following substantive items:

- Draft provisions on the protection of marks and other industrial property rights in relation to the use of signs on the Internet,
- Geographical indications.

8. With respect to possible issues to be taken up after completion of the above-mentioned items, one delegation suggested that the SCT also consider the nature of rights deriving from domain names, legal precedents of UDRP decisions, and globalization of trademarks.

9. The SCT agreed that the International Bureau would prepare a paper on future work, to be presented at the sixth session, including discussion of the above-mentioned issues, as well as

- Possible revision of the Trademark Law Treaty to address, at least, creation of an Assembly, provisions on electronic filing, and incorporation of the Joint Recommendation concerning Trademark Licenses;
- Substantive harmonization of trademark law;
- Substantive and procedural harmonization of industrial design law;
- The practicality of establishing a principle of internationally or globally well-known marks.

[Annex follows]

PROTECTION OF MARKS AND OTHER INDUSTRIAL PROPERTY RIGHTS IN  
RELATION TO THE USE OF SIGNS ON THE INTERNET

*Preamble*

*Recognizing* that the present provisions are intended to facilitate the application of existing laws relating to industrial property rights in marks or other signs to the use of signs on the Internet;

*Recognizing* that Member States will apply, wherever possible, existing laws relating to industrial property rights in marks or other signs to the use of signs on the Internet, directly or by analogy;

*Recognizing* that a sign used on the Internet is simultaneously and immediately accessible irrespective of territorial location;

The present provisions are intended to be applied in the context of determining whether, under the applicable law of a Member State, use of a sign on the Internet has contributed to the establishment, maintenance or infringement of an industrial property right in a mark or other sign, or whether such use constitutes an act of unfair competition.

PART I  
GENERAL

*Section 1*  
*Abbreviated Expressions*

For the purposes of these Provisions, unless expressly stated otherwise:

- (i) “Member State” means a State member of the Paris Union for the Protection of Industrial Property, of the World Intellectual Property Organization, or of both;
- (ii) “Mark” means a mark relating to goods, to services or to both goods and services;
- (iii) “Sign” means a sign that distinguishes or that is capable of distinguishing, in a commercial context, one person from other persons, one undertaking from other undertakings, or the goods or services of one undertaking from those of other undertakings;
- (iv) “Competent authority” means an administrative, judicial or quasi-judicial authority of a Member State which is competent for determining whether an industrial property right in a mark or other sign has been established, maintained or infringed, for determining remedies, or for determining whether an act of competition constitutes an act of unfair competition, as the case may be;
- (v) ~~“Internet” [reserved] “Use of a sign on the Internet” means any use of a sign that is simultaneously and immediately accessible irrespective of territorial location;~~
- (vi) “Remedies” means the remedies which a competent authority of a Member State can impose as a result of an action for the infringement of an industrial property right in a mark or other sign;
- (vii) “Act of unfair competition” means any act of competition contrary to honest business practices in industrial or commercial matters as defined in Article 10*bis* of the Paris Convention for the Protection of Industrial Property, signed in Paris on March 20, 1883, as revised and amended.

PART II  
USE OF A SIGN ON THE INTERNET

*Section 2*  
*Use of a Sign on the Internet in a Member State*

Use of a sign on the Internet ~~which has a commercial effect in a Member State as described in Section 3~~ shall constitute use of the sign in ~~that~~ a Member State for the purposes of these provisions, only if the use has a commercial effect in that Member State as described in Section 3.

*Section 3*  
*Factors for Determining Commercial Effect in a Member State*

(1) [*Factors*] In determining whether use of a sign on the Internet has a commercial effect in a Member State, the competent authority shall take into account all relevant circumstances. Circumstances that may be relevant include, but are not limited to:

(a) circumstances indicating that the user of the sign is doing, or has undertaken significant plans to do, business in the Member State in relation to goods or services which are identical or similar to those for which the sign is used on the Internet.

(b) the level and character of commercial activity of the user in relation to the Member State, including:

(i) whether the user is actually serving customers in the Member State or has entered into other commercially motivated relationships with persons in the Member State;

(ii) whether the web site contains a clear and unambiguous statement to the effect that the user does not intend to deliver the goods or services offered to customers located in a particular Member State, or in particular Member States, and whether the user has adhered to the stated intent;

(iii) whether the user offers post-sales activities in the Member State, such as warranty or service;

(iv) whether the user undertakes further commercial activities in the particular Member State which are related to the use of the sign on the Internet but which are not carried out over the Internet.

(c) the connection of the offer of goods or services with the Member State, including:

(i) whether the goods or services offered can be lawfully delivered in the Member State;

(ii) whether the prices are indicated in the official currency of the Member State.

(d) the connection of the web site on which or for which the sign is used with the Member State, including:

(i) whether the web site offers means of interactive contact which are accessible to Internet users in the Member State;

(ii) whether the web site indicates an address, telephone number or other means of contact in the Member State, or is otherwise directed to customers in that Member State;

(iii) whether the web site is registered under the ISO Standard country code 3166 Top Level Domain referring to the Member State;

(iv) whether the text of the web site is in a language predominantly used in the Member State;

(v) whether the web site has actually been visited by Internet users located in the Member State.

(e) the relation of the use of the sign with an industrial property right, including:

(i) if the use is supported by an industrial property right, whether that right is protected in the Member State;

(ii) if the use is not supported by an industrial property right but motivated by the subject matter of an existing industrial property right that belongs to another, whether that right is protected under the laws of the Member State.

(2) [*Relevance of Factors*] The above factors, which are guidelines to assist the competent authority to determine whether the use of a sign has produced a commercial effect in a Member State, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in paragraph (1), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in paragraph (1), above.



PART III  
ACQUISITION AND MAINTENANCE OF INDUSTRIAL PROPERTY RIGHTS IN  
MARKS OR OTHER SIGNS

*Section 4*

*Use of a Sign on the Internet and Acquisition and Maintenance of Rights*

(1) Use of a sign on the Internet in a Member State shall be taken into consideration for determining whether any criteria relating to use under the applicable law of the Member State for acquiring or maintaining industrial property rights in marks or other signs have been met.

(2) Forms of use that are made possible by technological advances shall be taken into consideration under paragraph (1) if they contribute to fulfilling the requirements under the applicable law of the Member State for acquiring or maintaining industrial property rights in marks or other signs.

PART IV  
INFRINGEMENT AND LIABILITY

*Section 5*

*Use of a Sign on the Internet, Infringement of Rights and Acts of Unfair Competition*

~~Alternative 1~~

(1) Use of a sign on the Internet shall be taken into consideration for determining whether industrial property rights under the applicable law of a Member State have been infringed, or whether the use amounts to an act of unfair competition under the law of that Member State, only if ~~the~~ that use constitutes use of the sign on the Internet has occurred in that Member State under these provisions.

(2) Forms of use that are made possible by technological advances shall be taken into consideration under paragraph (1) if they contribute to fulfilling the requirements under the applicable law of the Member State concerning the industrial property right in question.

~~Alternative 2~~

~~Irrespective of other requirements under the applicable law, a determination that use of a sign on the Internet infringes an industrial property right in a mark or other sign under the law of a Member State, or that such use constitutes an act of unfair competition under the law of that Member State, shall require that the use has occurred in that Member State.~~

Section 6  
Liability for Infringement Under the Applicable Law

Except in the cases provided for in Sections 7 and 8 below, there shall be liability in a Member State, under the applicable law, for the infringement of an industrial property right in a mark or other sign through use of a sign on the Internet in that Member State.

*Section 6*  
*New Forms of Use and Infringement of Rights*

~~(1) Each Member State shall protect industrial property rights in marks and other signs, under the law applicable in that Member State, with respect to infringement by forms of use of signs on the Internet in the Member State that are made possible by technological advances.~~

~~(2) The protection referred to in this section may be provided under any of the laws relating to industrial property rights in marks or other signs, including unfair competition laws, of the Member State, at the Member State's option.~~

~~PART V~~  
~~EXCEPTIONS AND LIMITATIONS TO LIABILITY~~

*Section 7*  
*Exceptions and Limitations Under the Applicable Law*

A Member State shall apply exceptions to liability, or limitations to the scope of industrial property rights in marks or other signs, existing under the applicable law to use of a sign on the Internet in that Member State.

PART V  
COEXISTENCE OF RIGHTS

*Section 8*  
~~*Simultaneous Use of Signs*~~ *Use Supported by an Industrial Property Right*

(1) [*Use Prior to Notification Limited Exemption from Liability*] If the use of a sign on the Internet in a Member State infringes an industrial property right in a mark or other sign in that Member State in accordance with Section 5, the user of that sign shall not be held liable for such infringement prior to receiving a notification that his use infringes an industrial property right in a mark or other sign protected under the law of another State if

- (i) he owns, or uses the sign with the consent of the owner of, an industrial property right in the sign in another Member State;
- (ii) he has not acquired the right or used the sign in bad faith; and
- (iii) he has provided, on the web site on which or for which the sign is used, information reasonably sufficient [to establish his identity, and] to contact him by mail, e-mail or telefacsimile.

(2) [*Use After Notification Measures to Avoid Conflict*] If the user referred to in paragraph (1) has received a notification that his use infringes an industrial property right in a mark or other sign protected under the law of another Member State (“conflicting right”) he shall not be held liable if he indicates to the holder of the conflicting right that he owns, or uses the sign with the consent of the owner of, an industrial property right in the sign in another Member State, gives relevant details of that right, and expeditiously takes measures which are effective

- (i) to avoid a commercial effect in that Member State without unreasonably burdening his commercial activity, and
- (ii) to avoid confusion with the owner of the conflicting right.

(3) [*Notification*] The notification shall be effective under paragraphs (1) and (2) if it indicates in writing in the language, or the languages, used in conjunction with the use of the sign on the Internet:

- (i) the right which is claimed to have been infringed by the use of the sign on the Internet;
- (ii) the owner of the right and information reasonably sufficient to contact him by mail, electronic mail or telefacsimile;
- (iii) the State or States in which the right is protected;
- (iv) relevant details of such protection allowing the user to assess the existence, nature and scope of the right; and
- (v) the use that is claimed to infringe the right.

ALTERNATIVE 1:

[(4) A Member State may apply paragraphs (1) to (3) and Section 9, *mutatis mutandis*, in cases where the user of the sign does not own an industrial property right in that sign in any Member State.]

ALTERNATIVE 2:

[Reserved]

*Section 9*  
*Disclaimer*

~~Member States shall accept, *inter alia*, a disclaimer as a measure under Section 9(2) by a user referred to in Section 9(1) to avoid a commercial effect in a Member State and to avoid confusion with the owner of a conflicting right if the disclaimer includes the following:~~

~~(a) a clear and unambiguous statement in conjunction with the use of the sign, to the effect that the user does not intend to deliver the goods or services offered to customers located in a particular Member State, or in particular Member States, if~~

~~(i) that statement appears in conjunction with the use of the sign on the Internet,~~

~~(ii) that statement is written in the language or in the languages used in conjunction with the use of the sign on the Internet,~~

~~(iii) the user inquires, before the delivery of the goods or services, whether customers are located in that Member State or in one of those Member States,~~

~~(iv) he in fact refuses delivery to customers who have indicated that they are located in that Member State or in one of those Member States; and~~

~~(b) a clear and unambiguous statement in conjunction with the use of the sign, to the effect that the user has no relationship with the owner of the conflicting right, written in the language or in the languages used in conjunction with the use of the sign on the Internet.~~

Member States shall accept, *inter alia*, a disclaimer under Section 8(2), by a user referred to in Section 8(1), as a measure to avoid a commercial effect in a Member State and to avoid confusion with the owner of a conflicting right, if the disclaimer includes a clear and unambiguous statement in conjunction with the use of the sign, written in the language or in the languages used in conjunction with the use of the sign on the Internet, to the effect that the user

(i) has no relationship with the owner of the conflicting right, and

(ii) does not intend to deliver the goods or services offered to customers located in a particular Member State, or in particular Member States,

provided that the user inquires, before the delivery of the goods or services, whether customers are located in that Member State or in one of those Member States, and in fact refuses delivery to customers who have indicated that they are located in that Member State or in one of those Member States.

*Section 10*  
*Bad Faith*

(1) [*Bad Faith*] In determining whether a sign was used, or whether an industrial property right was acquired or used, in bad faith for the purposes of applying these provisions, any relevant circumstance shall be considered.

(2) [*Factors*] In particular, the competent authority shall take into consideration, *inter alia*:

(i) whether the person who used the sign, or acquired or used the right in the sign, had, at the time when the sign was first used or registered, or an application for its registration was filed, knowledge, or could not have reasonably ~~not known~~ been unaware, of the other right; and

(ii) whether the use of the sign would take unfair advantage of or unjustifiably impair the distinctive character or the reputation of the conflicting right.



PART VI  
Remedies

*Section 11*  
*Remedy Proportionate to Commercial Effect*

(1) The remedies provided for the infringement of industrial property rights in marks or other signs in a Member State, through use of a sign on the Internet in that Member State, shall be proportionate to the commercial effect of the use in that Member State.

(2) The competent authority shall balance the interests, rights and circumstances involved.

(3) The user of the sign shall be given the opportunity to propose an effective remedy for consideration by the competent authority.

*Section 12*  
*Limitations of Use of a Sign on the Internet*

(1) In determining remedies, the competent authority shall consider limitations of use by imposing measures designed:

(i) to avoid a commercial effect in the Member State without unreasonably burdening the user's commercial activity, and

(ii) to avoid confusion with the owner of the conflicting right.

~~(2) The measures referred to in paragraph (1) may include *inter alia*:~~

~~(a) a clear and unambiguous statement in conjunction with the use of the sign to the effect that the user does not intend to deliver the goods or services offered to customers located in a particular Member State, or in particular Member States, if~~

~~(i) that statement appears in conjunction with the use of the sign on the Internet,~~

~~(ii) that statement is written in the language or in the languages used in conjunction with the use of the sign on the Internet, and any other language indicated by the competent authority.~~

~~(iii) the user inquires, before the delivery of the goods or services, whether customers are located in that Member State or in one of those Member States,~~

~~(iv) the user in fact refuses delivery to customers who have indicated that they are located in that Member State or in one of those Member States; and~~

~~(b) a clear and unambiguous statement in conjunction with the use of the sign, to the effect that the user has no relationship with the owner of the conflicting right, written in the language or in the languages used in conjunction with the use of the sign on the Internet; or~~

~~(c) gateway web pages.~~

(2) The measures referred to in paragraph (1) may include, *inter alia*:

(a) a clear and unambiguous statement in conjunction with the use of the sign on the Internet, to the effect that the user has no relationship with the owner of the conflicting right, written in the language or in the languages used in conjunction with the use of the sign on the Internet;

[Section 12(2), continued]

(b) a clear and unambiguous statement in conjunction with the use of the sign on the Internet, in the language or in the languages used in conjunction with the use of the sign on the Internet, and any other language indicated by the competent authority, to the effect that the user does not intend to deliver the goods or services offered to customers located in a particular Member State, or in particular Member States, provided that the user inquires, before the delivery of the goods or services, whether customers are located in that Member State or in one of those Member States, and in fact refuses delivery to customers who have indicated that they are located in that Member State or in one of those Member States;

(c) gateway web pages.

*Section 13*  
*Prohibition to Use a Sign on the Internet*

(1) Where the use of a sign on the Internet in a Member State infringes an industrial property right in a mark or other sign protected under the laws of that Member State, the competent authority of the Member State should avoid, wherever possible, imposing a remedy that would prohibit future use of the sign on the Internet .

(2) The competent authority shall not, in any case, impose a remedy that would prohibit future use of the sign on the Internet, where

- (i) the user is the owner of a right in the sign under the law of another Member State, or is using the sign with the consent of the owner of such a right; and
- (ii) the right has not been acquired, and the sign has not been used, in bad faith.

[End of Annex and of document]