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

**Eighth Session
Geneva, May 27 to 31, 2002**

**SUGGESTIONS FOR THE FURTHER DEVELOPMENT OF INTERNATIONAL
TRADEMARK LAW**

Document prepared by the Secretariat

INTRODUCTION

1. The revised Program and Budget for 2002 - 2003 includes under Sub -Program 05.2, "Law of Trademarks, Industrial Designs and Geographical Indications", the following activities (see document WO/PBC/4/2, page 53):

"Convening of four meetings of the SCT (and any Working Group set up by this Committee) to consider current issues, including:

-the revision of the Trademark Law Treaty (TLT) to address, *inter alia*, the creation of an Assembly, inclusion of provisions on electronic filing, and the incorporation of the Joint Recommendation on Trademark Licenses;[..];

-the desirability and feasibility of harmonizing substantive trademark law, including the protection for new trademarks (sound, smell, three -dimensional marks, etc.), the requirements for use of a mark prior to registration, substantive grounds for refusal, etc.; facilitation of discussion in the SCT to incorporate in this framework the Joint Recommendation concerning provisions on the protection of well -known marks, and the Joint Recommendation on the protection of marks and other industrial property rights in signs, on the Internet."

2. During the 1998 -1999 and 2000-2001 Biennia, the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) devoted its time to the negotiation and finalization of provisions on well -known marks, trademarks licenses and the protection of marks on the Internet. This work concluded with the adoption at joint sessions of the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) of a Joint Recommendation Concerning Provisions on the Protection of Well -Known Marks (Thirty - Fourth Series of Meetings of the Assemblies of the Member States of WIPO -September 20 to 29, 1999), a Joint Recommendation Concerning Trademark Licenses (Thirty -Fifth Series of Meetings of the Assemblies of the Member States of WIPO -September 25 to October 3, 2000) and a Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet (Thirty -Sixth Series of Meetings of the Assemblies of the Member States of WIPO -September 24 to October 3, 2001).

3. At the sixth session of the SCT (March 2001) and its seventh session (December 5 to 7, 2001), when discussing the future work of the Committee, a number of delegations and representatives of governmental and non -governmental organizations expressed the wish to consider issues related to substantive harmonization of laws for the protection of marks (see document SCT/6/6 paragraph 222 and SCT/7/4 Prov., paragraph 91).

4. The present document gives preliminary indications of the substantive matters that could be discussed in the perspective of substantive harmonization of trademark laws. It contains a set of principles for discussion which could possibly result in the drafting of specific provisions. The questions raised in this document have not been investigated in-depth. This document is merely intended to serve as a basis for a preliminary exchange of views at the eighth session of the SCT. What will transpire from that exchange of views will be helpful to the International Bureau to prepare the documents for the next session of the SCT. Proposals for further harmonization of formalities and procedures in the field of marks are contained in Document SCT/8/2.

PRINCIPLES FOR DISCUSSION

5. Definition of a mark. Provisions could be proposed to give a more complete and broader definition of a mark, for example by going beyond current definitions such as “visible signs” (Article 2(1)(a) TLT). The provisions could build on Article 15(1) of the TRIPS Agreement in providing that Members “shall” require, as a condition of registration, that signs be visually perceptible, or capable of being represented graphically, depicted or described by written notation, diagram or any other visual means. They also could expressly include hologram marks, soundmarks and olfactory marks.
6. Registrability of a mark. Provisions could be proposed to provide that where signs are not inherently capable of distinguishing the relevant goods or services, the registrability of the mark may be made dependent on the acquisition of sufficient distinctiveness acquired through use, or by other means, except for signs deemed to be functional or generic.
7. Trademark Administration. In order to promote the harmonized processing of applications for the registration of marks, provisions could be proposed to, in particular:
 - (i) establish a maximum time limit for a first Office action, taking into account the existence of different procedural systems for the registration of marks;
 - (ii) require the maintenance of a system of opposition to registration of marks and fix a [minimum] [and a maximum] period counted from the date of publication, during which it is possible for any interested party to file opposition with the Office;
 - (iii) provide that the applicant must be given adequate opportunity to counter any opposition, and fix a minimum [and a maximum] period for that purpose;
 - (iv) prohibit any change to the sign registered as a mark during the validity of the registration, and any extension or enlargement of the goods or services in respect of which registration is applied for or granted, but allow at any time the deletion or limitation of any such goods or services;
 - (v) give full recognition to the renewal of registrations as a full extension in time of the initial registration and of the rights deriving therefrom, and proscribe any opposition proceedings on the occasion of the renewal of registrations.
8. Examination. A variety of systems for the substantive examination of applications for the registration of marks exists in national laws. Some laws require an examination only as to some or all of the absolute grounds of refusal; other laws require an examination both as to those grounds and the grounds referred to in paragraph 10, below (prior rights). In addition, an opportunity for opposition to the registration of marks is allowed by some laws on the basis of the said grounds, or at least on the basis of conflict with prior rights. Provisions could be proposed that do not seek to effect any change in the existing variety of examination systems, but rather to promote adherence by Contracting Parties to the same fundamental principles in the administration of trademark examination procedures. Alternatively, the provision could oblige Contracting Parties to adopt, to a greater or lesser extent, the same

kindsofexaminationsystems(by,forexample,requiringallContractingPartiestoexamine *exofficio* applicationsastoabsolutegroundsforrefusal,ortoexamine *exofficio* applications astothosegroundsandtoprovideanopportunityforoppositiontotherегистrationofmarks onthegroundsreferredtoinparagraph10(i)to(iii)below(priorrights)andevenonthebasis ofabsolutegroundsofrefusal).

9. AbsoluteGroundsforRefusal.Provisionscouldbeproposedtoseektoestablishan exhaustive listoftheabsolutegroundsforrefusingregistration.Thosegroundscouldbethat thesignfile dforregistration:

- (i) isnotamarkwithinthemeaningofthedefinitionofamark,asdefinedunder paragraph5above;
- (ii) isdevoidofanydistinctivecharacter,inthesensethatinnotcapableof distinguishingthegoodsandservicesofoneundertakingfromthoseofotherundertakings;
- (iii) [consistexclusivelyofsingswichmayserve,intrade,todesignatethekind, quality,quantity,intendedpurpose,value,placeoforigin,ofthegoods,orthetimeof productionorhavebeencustomaryinthecurrentlanguageorinthe *bonafide* andestablished practicesofthetradeofthecountrywheretheprotectionisclaimed][istotallydescriptive];
- (iv) istotallygeneric;
- (v) iscontrarytomoralityorpiblicorder;
- (vi) islikelytodeceivethepublicconcerninginparticular thenature,theqalityor thegeographicoriginoranyothercharacteristicofthegoodsorservicesinrespectofwhichit isusedorisintendedtobeused;
- (vii) isasignwhoseregistrationoruseasatradeckmarkisprohibitedbyArticle6ter of theParis Convention,or,whoseregistrationoruseasaservicemarkisprohibitedunderthese provisions.

10. ConflictswithPriorRights.Provisionscouldbeproposedtoestablishanon -exhaustive listofgroundsonwhichasignisnotregisterableas a markbecauseofapriorrightheldby a thirdparty.Thosegroundscouldbe,inparticular:

- (i) Theexistenceofanidenticalmarkregisteredorappliedforbyanotherpersonin respectofidenticalgoodsorservicesandenjoyinganearlierregistrationor filing,or,where applicable,aprioritydate;
- (ii) theexistenceofanidenticalorconfusinglysimilarmarkregisteredorappliedfor byanotherpersoninrespectofidenticalorsimilargoodsorservicesandenjoyinganearlier registrationorfiling,or,hereapplicable,aprioritydate;
- (iii) theexistenceofanidenticalorconfusinglysimilarwell -knownmarkownedby anotherpersonusedinrespectofanygoodsorserviceswheresuchusewouldentailariskof confusionorassociationwiththewell -knownmark ,ariskofdilutionofthatmark,orariskof anyotherunfairprejudicetotheownerofthatmark;

(iv) the existence of an identical or confusingly similar trade name owned by another person where the use of the sign as mark would entail a risk of confusion or association with the trade name, or a risk of unfair prejudice to the owner of the trade name.

11. Other optional grounds could include for example:

- (i) the infringement of rights in a protected industrial design or a work protected by copyright;
- (ii) the infringement of a protected appellation of origin.

12. The violation of the rules of unfair competition, personality rights and the invasion of privacy could also be considered, among the non-exhaustive list of grounds for refusal of registration.

13. The provisions could also deal with the circumstances in which the consent of the owner of any of the prior rights referred to in the preceding paragraph would serve to allow the registration of another person's mark, and the role of disclaimers submitted by an applicant in this connection.

14. Rights Conferred by Registration. Provisions could be proposed to establish the rights conferred by the registration of the mark. In particular, it could provide that registration confers on the holder of the registration:

- (i) the right to prevent others from using an identical mark in respect of identical goods or services for which the mark is registered;
- (ii) the right to prevent others from using an identical or a confusingly similar sign in respect of goods or services other than those for which the mark is registered if the use of such sign would be likely to create a risk of confusion or association with the mark, a risk of dilution of that mark, or a risk of any other unfair prejudice to the owner of the mark;
- (iii) the right to prevent others from using an identical or a similar mark in respect of any goods or services in such a way as to jeopardize the distinctiveness of the registered mark (for example, by using the register as a generic name, or by other prejudicial uses whether commercial or non-commercial).

15. For the purposes of the preceding items, provisions could be proposed that define what is to be understood by "use" of a mark by an unauthorized third party. Such definition could include not only direct use on goods or services, but also in advertising and in documents. Such use would be regarded as such, irrespective of the medium where the use takes place, and would include use on the Internet.

16. Cancellation. Provisions could be proposed to require Contracting Parties to provide for the cancellation of the registration of marks, in judicial proceedings, whether by way of an action for cancellation or by way of defense to an action for infringement, on the basis of any of the absolute grounds for refusal or any prior rights. At the same time, the provisions could allow Contracting Parties to provide for a procedure for cancellation before the industrial property office, subject to review by a judicial authority.

17. Provisions could be proposed that establish a timelimit to cancel a *bonafide* registration on relative grounds. Such timelimit could be, for example, five years after the date of the initial registration in the jurisdiction where the cancellation is sought. It could be established that no timelimit would apply in the case of bad faith registrations.

18. Requirement of Use. Provisions could be proposed to provide that:

- (i) there shall be no requirement to demonstrate actual use at the time of filing an application;
- (ii) the date as of which cancellation for non-use for an uninterrupted period of [at least three years] [five years] may be requested, be computed from the date of registration of the mark in the jurisdiction where the cancellation is sought;
- (iii) non-user resulting from circumstances arising independently of the will of the owner of the mark must be allowed;
- (iv) procedure for cancellation of a mark includes *ex officio* procedures by the Industrial Property Office requesting the holder of the mark to demonstrate use of its mark;
- (v) the use of a mark in a form differing in elements, such as lettering or layout, which do not alter the distinctive character of the mark in the form in which it was registered shall not, in itself, be a sufficient basis for cancellation on grounds of non-use.

19. Use of the mark. A great variety exists in the provisions in laws concerning the definition of what is considered as "the use of a mark", for the purpose of determining the acquisition or maintenance of a right in a mark. Provisions could be proposed to require, as a minimum, to use the mark "as a mark" in respect of particular goods or services. Furthermore, in accordance with Article 50 of the WIPO Joint Recommendation concerning trademark licenses, use of a mark on behalf of the holder shall be considered to constitute use by the holder himself if such use is made with the holder's consent.

20. Enforcement. The provisions could envisage additional measures that enhance the existing international standards relating to the enforcement of the rights conferred by registration. Consideration could be given for example to the need for the decisions on the merits of a case to be set in writing and to set forth the rationale for the decision. They also could require minimum remedies which would cover discovery, seizure, injunction and damages.

21. *The SCT is invited to note and consider the suggested issues related to the further development of international trademark law. The SCT is invited, in particular, to give guidance to the International Bureau as to whether and to what extent the mentioned issues or additional ones should be included in the future work of the SCT.*