The effects of the IP Translator Judgment for the OHIM and National Offices

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INTRODUCTION

The exclusive right to use a registered trademark is based on an application in respect of a defined mark and defined goods and/or services. For the purposes of the registration of trademarks, goods and services are internationally classified in the Nice Classification. OHIM and European Intellectual Property Offices (IPOs) have never had a consistent approach in the interpretation of the class headings of the international classification, whether according to the natural and usual meanings of their words or more broadly to cover all goods in the relevant class. Due to the substantive effects of the Nice Classification at national level, this degree of fundamental disagreement at policy level among offices operating under essentially the same legal framework, determined uncertainty on how to draft a goods and/or services specification and other practical consequences clearly in contrast with Directive 2008/95/EC.

IP TRANSLATOR case (C-307/10) was expected to resolve the so called ‘class heading dispute’ providing some rules on how Nice Classification class headings used in trade mark applications and registrations should be construed and interpreted. In this regards, the EUCJ provided important principles that had a significant impact on OHIM and IPOs practices, tools and legislation.

This paper aims to analyze the rulings of IP TRANSLATOR case and their impact in order to answer the question whether the decision determined the resolution of the EU class heading dispute, contributing to the adoption of a consistent approach by OHIM and IPOs.

The paper is divided in four chapters.
For the purposes of providing a background to deeply understand the issues involved in IP TRANSLATOR case, the first chapter will look at the phenomenon of classification of trade marks in its historical perspective. Furthermore, it will describe the main structure of the Nice Classification and its substantive effects in the countries that signed the Nice Agreement.

The second chapter will describe the “EU class heading dispute” and it will highlight the problematic scenario arising by the lack of a uniform approach in this area among IPOs.

The IP Translator case and its impact on OHIM and IPOs practices will be the subject of the third chapter, where detailed information on the status of the harmonization process will be provided with the aim of reaching an answer to the research question and thus demonstrating that the decision encouraged national offices and OHIM to cooperate to develop common practices, in light of that principle of clarity and precision inspiring the main rulings of IP Translator Case.

The fourth chapter aims to describe Taxonomy, a classification tool that has been created in order to drive the non-expert applicant to build a goods and services specification in accordance with their specific needs and in compliance with the principle of clarity and precision set by the Court.

The fifth chapter will focus on the proposals for the amendment of Community Trademark Regulation and Trademark Directive that seems to transpose in black letter the rulings of IP Translator Case.
1. THE CLASSIFICATION OF TRADE MARKS

1.1. The need for an International Classification system

Even if the trade mark as symbol of individual goodwill had been recognized as a property right already in the late Middle Ages, it is only after the second half of the nineteen century that trademark registration and written classification systems appeared at national and International level.

For example, in UK the Trade Marks Registration Act 1875 established a register of trade marks and provided for exclusive rights in respect of particular goods or classes of goods. For this purpose, a system of 50 classes was used as a basis for the registration process. As reported in the "Guide to the Classification of Goods under the Trade Marks Acts 1905-1919"\(^1\), this classification encompassed the class headings and an alphabetical list of goods together with their class numbers\(^2\).

Prior to the Paris Convention for the Protection of Industrial Property (1883), the lack of an International classification system of goods constituted one point of divergence in the trademark regulations of the various countries. Some countries did not have any classification system and the others had adopted different and inconsistent systems. Such circumstance determined problems for those applicants who intended to protect their trademark outside the borders of their own national country.

It was also relevant in connection with the International Trademark registration system, since the Madrid Agreement required the proof of a corresponding national registration in the country of origin. In order to provide such evidence, if the country of origin (country of the

\(^1\) Only available for consultation at the UK registry.

base trademark) had a different classification system in respect to those adopted in the foreign countries designated in the international application, complex adjustments of the trademark coverage would have been needed\(^3\).

Furthermore, the issue had relevance in connection with the anteriority searches performed before the filing of the application and in connection with the registration strategies. Indeed, the scope of protection provided by a single registered trademark in a country could correspond to that resulting from two or more trademarks in a country adopting a different classification system\(^4\).

Finally, such complexities were even more evident if we consider that the criteria followed for the classification of goods were not always consistent. Classification systems could be too broad or too detailed and based on different tests (production, consumption, materials used...).

### 1.2. The adoption of an International Classification system

An important step forward in the adoption of a uniform classification system was made at the London Conference of revision of the Paris Convention in 1934 where a resolution was approved recommending to member states the adoption of a thirty-four class system drafted by an appointed group of experts\(^5\).

In the meantime the same system was adopted by the International Bureau as the official classification for the purposes of international registration.

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\(^4\) Ibid.

\(^5\) Ibid., p. 1486.
By 1953, this classification was officially adopted by sixteen countries: Egypt, France, Great Britain, Haiti, India, Iran, Ireland, Israel, Italy, Jordan, Morocco, New Zealand, Pakistan, Portugal, Singapore and Tangier\(^6\).

In the same year a consultative committee of Directors of IPOs of the Madrid Union members was called by the International Bureau to consider again the adoption of an International classification. In its first meeting held in Berne in 1953, the Committee decided to prepare an *ad hoc* international agreement concerning classification of products\(^7\). In 1957, the draft was submitted to a special diplomatic conference which met in Nice to revise the Madrid Agreement for the International Registration of Trademarks and, in the same conference, it was officially adopted a separate Agreement concerning the International Classification of Goods and Services for the Purposes of Registration of Marks, thus creating a special Union within the framework of the Paris Union\(^8\).

**1.3. The Nice Agreement**

The Nice Agreement was initially signed by twenty-three countries and entered into force on April 8, 1961. Since its entry into force, new countries acceded the Nice Union and the classification was periodically amended with the insertion of additional classes of services. Furthermore, the list of goods and services has been implemented periodically with new items.

The Nice Agreement is currently administered by the World Intellectual Property Organization (“WIPO”) and although it has been signed by 84 countries, the trademark offices of about 65 additional States, as well as the International Bureau of WIPO, the

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\(^6\) *Ibid.*  
\(^7\) *Ibid.*  
African Intellectual Property Organization (OAPI), the African Regional Intellectual Property Organization (ARIPO), the Benelux Organization for Intellectual Property (BOIP) and the Office for Harmonization in the Internal Market (OHIM) of the European Union (EU), also use the Classification\(^9\).

The Classification consists of a list of 45 classes – 34 for goods and 11 for services – and an alphabetical list of the goods and services. The latter comprises some 11,000 items. Both lists are amended and supplemented periodically by a Committee of Experts in which all Contracting States are represented. The current edition of the Classification is the tenth, which entered into force on January 1, 2012\(^10\).

The Nice Classification consists of three main elements:

- *class headings*: they are the official, descriptive names of the 34 categories or "classes" of goods and of the 11 classes of services, indicating in very broad terms the nature of the goods or services contained in each class. Each class heading can be formed by one or more *general indications*, expressions that appear in the class headings between semicolons. For example, the heading of class 13 is made up of 4 general indications: “Firearms;”, “ammunition and projectiles;”, “explosives;” and “fireworks”. On the contrary, the heading of class 15 is formed by a single general indication “musical instruments”;

- *explanatory notes*: they provide detailed indications of the types of products or services included within the respective classes;

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\(^{10}\) Ibid.
- *alphabetical list*: it is an alphabetized enumeration of about 10,000 goods and about 1,000 services with an indication of the class into which each of the goods or services falls\(^\text{11}\).

In order to have a clear picture of the structure of Nice Classification and the content of a specific class for the purposes of trade mark registration, it is possible to refer to the example provided in the following table.

<table>
<thead>
<tr>
<th>Class Number</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Heading</td>
<td><em>Musical Instruments</em></td>
</tr>
<tr>
<td><strong>Alphabetical list</strong></td>
<td>Accordions, bagpipes, bamboo flutes, bandonions, barrel organs, bass drum sticks, basses [musical instruments], batons […](^\text{12})</td>
</tr>
</tbody>
</table>
| **Explanatory Notes** | *This Class includes, in particular: mechanical pianos and their accessories; musical boxes; electrical and electronic musical instruments.*

*This Class does not include, in particular: apparatus for the recording, transmission, amplification and reproduction of sound (Cl. 9)*\(^\text{13}\).

### 1.4. The legal effects of the Nice Agreement

As anticipated in the previous paragraphs of this chapter, the Nice Classification has a harmonization rationale in its structure and function. Its use by national offices implies that...

\(^{11}\) *Ibid.*


\(^{13}\) *Tenth Edition of International Classification of Goods and Services*,
Trade mark applications can be filed using a single classification system. This constitutes a significant advantage for applicants who find easier to fill in the applications, as goods and services relating to a mark will be identically classified in all the countries adopting the Classification.

Nevertheless, the Nice Agreement itself does not constitute substantive law and it only contains a single specific obligation for its contracting states: to include the number of the relevant class of goods or services in all official documents concerning the registration of a trademark. It means that the Agreement gives signatory states a high level of freedom in the method of its implementation. As specified in the Agreement, the Classification indeed shall not bind the countries of the Special Union in respect of the evaluation of the extent of the protection afforded to national marks. However, given that the interpretation of the classification has a direct effect on the registration process at national level, the freedom left by the Agreement negatively impacted on the main purpose of the agreement itself: harmonization. In particular, two contrasting views on Nice Classification value and function exist. According to the first theory, the classification system introduced by the Agreement has to be considered as a purely procedural guideline in the registration process and, as a consequence, it should not determine any substantive effect. On the contrary, according to another theory, Nice classification has, at national level, the same rationale of substantive

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14 Article 2(3): “The competent Offices of the countries of the Special Union shall include in the official documents and publications relating to registrations of marks the numbers of the classes of the Classification to which the goods or services for which the mark is registered belong”.

15 Article 2(2): “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”.

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trade mark law: the choice of classes in an application for registration contributes to determine the scope of protection afforded to the trade mark.\textsuperscript{16}

These different views lead to dissimilar legal effects. If the countries adopting the first theory will only consider the classification as a tool for indexing and searching application and registration at national and international level, countries adopting the other theory will bind the scope of protection of the trademark to their interpretation of Nice Classification. This type of cause and effect is better demonstrated in the following table\textsuperscript{17}.

<table>
<thead>
<tr>
<th></th>
<th>Function</th>
<th>Legal Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Classification is only a procedural requirement in the trade mark registration process.</td>
<td>The indexing and searching of applications and registrations is facilitated on a national and international level. The adoption of the classification does not produce any substantive effect.</td>
</tr>
<tr>
<td>2</td>
<td>Classification has the same rationale as substantive trade mark law.</td>
<td>The choice of classes in an application for registration and in the registration itself determines, or contributes to, the scope of protection afforded to the trade mark, and the class specification and boundaries are perceived as black letter law.</td>
</tr>
</tbody>
</table>


\textsuperscript{17} \textit{Ibid.}
An example of country adopting, so far\textsuperscript{18}, the first view is Canada. The country did not sign the Nice Agreement and its legislation does not apply any type of classification system to trade marks.

In UK the issue concerning the value of the Nice Classification has been at the center of the debate arisen in \textit{Altecnic Ltd.'s Trade Mark Application}\textsuperscript{19}. This case relates to the legitimacy of the class number change (in the product specification) accorded by the Registrar after the application date.

In particular, the case concerns a dispute between two companies, Altecnic Ltd (hereinafter “Altecnic”) and Reliance Water Controls Ltd (hereinafter “Reliance”).

The first company, on 15 March 1997, applied for a trademark application “CAREMIX” in relation to “valves; valves for use in water circulation; blending valves; and all other goods/services in this Class” and put the class down as being class 7 on the application form. Then, after one month, the applicant asked for the deletion of the wording “and all other goods/services in this Class” and subsequently requested for the removal of the mark from class 7 and its insertion in class 11 without any change in the products specification. The Registrar allowed both requests and Reliance, who had applied for the same trademark in

\textsuperscript{18} The Canadian government tabled on March 28, 2014, amendments to the \textit{Trade-marks Act} in the \textit{Budget Implementation Act (BIA)} that will allow Canada to accede to three trademark treaties: Madrid Protocol, Singapore Treaty and Nice Agreement. The text of the BIA is available on line at http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6495200&File=4&Col=1

\textsuperscript{19} \textit{Altecnic Ltd v Reliance Water Controls Ltd} [2001] EWCA Civ 1928, [2002] RPC 34.
class 11, argued that the amendment concerning the change of class was ultra vires, and thus in contrast with s. 39 TMA 1994\(^\text{20}\).

The Registry officer, at first instance, upheld the claim of Reliance. Following this, Altecnic appealed successfully before Mr Justice Laddie who allowed the application to proceed to class 11. In admitting the legitimacy of the change of class number in the trade mark application, Laddie J stated that classification was just a matter of administrative convenience, the classes being “convenient but loosely defined, pigeon holes into which application can be put”, and so it was in compliance with s.39 TMA 1994\(^\text{21}\). Given that under s.39(2) TMA 1994 an amendment can only be allowed if “the correction does not substantially affect the identity of the trade mark or extend the goods or services covered by the application”, Laddie J clearly showed not to link any substantial effect to the classification, thus interpreting the Nice Classification according to the first theory.

Reliance took the case to the Court of Appeal that upheld the appeal and recognized, *inter alia*, that although the purpose of classifying goods and services is primarily administrative, that does not mean that the class numbers in an application have to be totally ignored in deciding, as a matter of construction, what is covered by the specification\(^\text{23}\).

\(^{20}\)”(1) The applicant may at any time withdraw his application or restrict the goods or services covered by the application.
If the application has been published, the withdrawal or restriction shall also be published.
(2) In other respects, an application may be amended, at the request of the applicant, only by correcting
(a) the name or address of the applicant,
(b) errors of wording or of copying, or
(c) obvious mistakes, and then only where the correction does not substantially affect the identity of the trade mark or extend the goods or services covered by the application.[…]”


\(^{22}\)Ibid.

The decision of the Court of Appeal shows that the classification system has been interpreted to be much more than an administrative tool: it has been indeed conceived as a substantive tool that contributes to limit and delineate the protection provided, by substantive law, to trade marks24.

As it can be inferred from the considerations made above, if we consider the Nice Agreement as an international entity, the assertion that the classification system introduced by the Agreement is a mere administrative tool (with no substantive effects) can be considered correct. The Nice Agreement indeed was designed for the purposes of harmonization and to assist international trade mark registration, not to dictate the interpretation of national laws to its member state.

On the contrary, when such tool is adopted and put in practice by a country, the classification system is forced to interact with national trade mark laws, so that the limits delineated by the classification inevitably acquire a “new significance” in accordance to the interpretation given by the relevant country. In lack of substantive laws to guide them, in fact, the countries that have embraced the Nice Classification have placed the classification system in line with their trade mark legislation and its rationale. Even if such interpretation and rationale can be different country by country, it has to be recognized that the “new significance” acquired by classification implies substantive effects in the scope of protection of the national trade mark in these countries.

Therefore, even if the Nice Agreement exists under the first theory at international level, it necessarily has to be considered under the second theory at national level.

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24 Timothy Rose, Convenient Pigeon Holes? The Classification of Trade Marks in Historical Perspective, Poole: Bournemouth University, 2005, p. 21.
The result is that countries adopting Nice Classification, and thus considering it as a part of their substantive law, can be deemed to adhere to the second theory that links substantive effect to the use of the Classification. The other available option is that represented by countries like Canada that did not adopt yet\(^{25}\) any classification system and use it only for administrative purpose.

\(^{25}\) See n. 18
2. LOST IN CLASSIFICATION

2.1. The EU “class heading dispute”

Considered the substantive impact of Nice classification at national (and regional\textsuperscript{26}) level, another important issue arose from the lack of any statutory guidance on the interpretation of the wording of the classification. Before IP Translator case (C- 307/10), such silent led to the adoption of different approaches in relation to the scope of protection accorded by each national trade mark law system to applications using one of the 45 class headings as a goods and/or services specification.

As WIPO indicates\textsuperscript{27}, a class heading describes in very broad terms the nature of the goods or services contained in each class and indicate in a general manner the field to which the goods and services in principle belong\textsuperscript{28}. Therefore, the rationale of class headings is, or at least originally was, merely exemplary. Nevertheless, in the practice, trade mark applicants found and still find convenient to use the wording of the class headings as a statement of goods and services. Many trade mark owners, indeed, like the idea of obtaining broad goods coverage for their registration. The wording “All goods in class XX” would definitely help, but it is generally no longer acceptable so it became very common using the whole class heading wording as a convenient way to cover the actual goods of commercial interest plus (speculatively) a good proportion of the rest of class\textsuperscript{29}.

\textsuperscript{26} E.g. Community trademark and Benelux trademark system.
\textsuperscript{29} Richard Ashmead, IP TRANSLATOR: a sun-drenched perspective, http://ipkitten.blogspot.co.uk/2012/07/ip-translator-sun-drenched-perspective.html
In order to understand the terms of the issue, it is necessary to point out that none of the Nice class headings wording actually covers 100% of its class content, but they are for the most broad listings with some coming close to “All goods in class XX”\(^{30}\). It can be assumed that an illustrative average of 90% of the whole class is covered by class heading goods claims\(^{31}\).

In order to give an example:

- “stands for musical instruments” belongs to class 15 but are not covered by the class heading “Musical instruments”;
- in class 20, the item “sleeping bags for camping” is not covered by the relevant class heading (in particular the general indication “furniture”) but it is anyway included in the class coverage.

National trademark offices (hereinafter “IPOs”) showed to adopt inconsistent approaches in the interpretation of the wording of the class headings, according a different scope of protection to the relevant trade marks. The result though is that the same Nice class heading wordings in some national registrations can provide monopoly rights at 90% of the class content and at 100% under other IPOs practice\(^{32}\).

Furthermore, another option would be to interpret class headings as covering the full alphabetic list of the relevant class. In this case the coverage, depending on the specific class, could go approximately from 85% to 95% of its whole content\(^{33}\).


\(^{31}\) Ibid.

\(^{32}\) Ibid.

\(^{33}\) Ibid.
Given that, it is very common for a company to extend its business in several countries around the world and due to the introduction of the Madrid system of International trade mark, such lack of harmonization can be relevant worldwide. However, the issue is much more vivid in European Union where member states are bound by the Directive 2008/95/EC\textsuperscript{34} (hereinafter “EU trade mark Directive” or the “Directive”). Such Directive was adopted to abolish the disparities between the laws of the member states which might impede the free movement of goods and freedom to provide services and might distort competition within the common market. Among the national provisions that could affect the functioning of internal market are those which determine the protection enjoyed by duly registered trademark. For this purposes, indeed, the directive clearly states that registered trade marks enjoy the same protection under the legal systems of all member states\textsuperscript{35}.

2.2. The different practices around Europe

As anticipated in the previous paragraph, in Europe, before the decision of EUCJ in IP Translator case, there was no consistency in the scope of protection granted by each IPO to a trademark application using one of the Nice Classification class headings. In particular, if a user filed a trademark application using one entire heading the three following different approaches could have been taken depending on the national authority addressed:

- “means what it says” approach: the scope of protection granted depends on the literal meaning of the words used in the trademark application. As a consequence, if for example a user filed a trademark indicating the heading of class 41 – “Education; providing of training; entertainment; sporting and cultural activities”, the scope of protection granted would be constituted only by the services which can be inferred by the literal meaning of the words


\textsuperscript{35}Ibid., Recital 10.
used. Such approach would determine an average percentage coverage of around 90% (depending on the specific class).

<table>
<thead>
<tr>
<th>Trademark application</th>
<th>Scope of protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>41 – <em>Education; providing of training; entertainment; sporting and cultural activities</em></td>
<td>Only services that can be inferred from the literal interpretation of the wording “<em>Education; providing of training; entertainment; sporting and cultural activities</em>”</td>
</tr>
</tbody>
</table>

- “class-headings-cover-all” approach: this approach determines the broadest scope of protection accorded to trade marks. Such approach determines a coverage that is the same of that arisen from the use of the wording “All goods and services in class XX”, i.e. 100% of the class coverage.

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<tbody>
<tr>
<td>41 – <em>Education; providing of training; entertainment; sporting and cultural activities</em></td>
<td>All goods and services in class 41</td>
</tr>
</tbody>
</table>

- Class alphabetic list + literal meaning of general indications of class headings: this approach determines a very broad scope of protection accorded to trade marks. Such approach determines a broad coverage that can be assumed nearly almost 100% (depending on the class) but still not identical to that arising from the application of “class-headings-cover-all” approach.
Trademark application

Scope of protection

41 – Education; providing of training; entertainment; sporting and cultural activities

All the alphabetic list of services in class 41 + the literal meaning of the general indication of class headings

The difference in these approaches taken by European national offices implies that the scope of protection of the same trademark application or registration can vary country by country depending on the relevant existent practice in the single member state.

The following table\textsuperscript{36} provides an overview of the practices adopted in Europe before the guidelines provided by the Court of Justice of the European Union (hereinafter “EUCJ”) in IP Translator case (C-307/10):

<table>
<thead>
<tr>
<th>“means what it says” approach</th>
<th>“class-headings-cover-all” approach</th>
<th>Alphabetic list + literal meaning of class heading</th>
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</thead>
<tbody>
<tr>
<td>AUSTRIA</td>
<td>BULGARIA</td>
<td>HUNGARY</td>
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<td>BENELUX</td>
<td>FINLAND</td>
<td>LITHUANIA</td>
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<td>CYPRUS</td>
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<td>CYPRUS</td>
<td>ITALY</td>
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<td>CZECH REPUBLIC</td>
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<td>UK\textsuperscript{37}</td>
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\textsuperscript{36} For the data encompassed in the table please refer to Common Communication on the Implementation of ‘IP Translator’ v1.2, 20 February 2014, www.ohim.europa.eu
As regards the approach adopted by the Office for Harmonization of Internal Market (hereinafter “OHIM”) responsible for the registration of Community trade marks, Presidential Communication 4/03\(^{38}\) clearly provided guidelines on the interpretation of the class headings in a trade mark application/registration. In particular, the Communication stated that “the use of all general indications listed in the class heading of a particular class constitutes a claim to all the goods and services falling within a particular class”. It means that the Office clearly adopted an extensive approach in the interpretation of the class heading, whose use determined a scope of protection encompassing all the goods and services, i.e. more than the literal significance of the general indications of the class heading, and thus in contrast with the “means what it says” approach.

2.3. Does it matter?

This degree of fundamental disagreement at policy level among offices operating under essentially the same legal framework\(^{39}\) is relevant under several aspects. Given that the list of goods and service contributes to determine the scope of protection of a trade mark, the lack of uniformity in the interpretation of the class headings creates the problems described below.

\(^{37}\) In its June 2003 guidance notice, the UK Registry stated that “it is a common misconception that each class heading automatically covers all goods and services in a class”. Guidance note published on the UK Trade Marks Registry website on 13 June 2003 as quoted by Richard Ashmead, in International Classification class headings: illustrative or exemplary? The scope of European Union registrations, in Journal of Intellectual Property Law & Practise, 2007, Vol. 2, No. 2.

\(^{38}\) Available on line at www.ohim.europa.eu

a) Uncertainty on how to draft lists of goods

In lack of a harmonized practice, the applicant relying on an extensive or literal interpretation can at the end obtain an unexpected scope of protection of his trade mark in a particular country. This could lead to two different scenarios.

First, the applicant relying on the literal interpretation can get an unexpected additional coverage: it can seem convenient for the applicant but it implies the risk to receive an opposition by third parties in the ownership of similar earlier trade marks covering goods and services encompassed in the unexpected protection. Generally, indeed, the applicant relying on the literal interpretation limits the anteriority searches performed before the filing to the products and services of specific interest.

Second, an applicant relying on the extensive approach can get less protection than expected in a particular country: it means that goods and services encompassed in his own business will be left uncovered. It implies the risk that competitors register or use similar trademarks for such goods and/or services. Anyway, even if this circumstance did not occur, once realized the narrow scope of protection obtained, in order to remedy, the only option for the applicant to remedy would be to file another identical trade mark for the uncovered goods and/or services. This would determine additional costs and the protection for these goods would begin from the application date of the new trademark (i.e. the applicant would lose forever the chance of being protected for those goods from the original earlier date of the first application).
b) Different criteria for absolute grounds examination

Among the absolute grounds for the registration of a trade mark, the Directive clearly enumerates the lack of distinctiveness\(^{40}\) and the descriptiveness\(^{41}\) of the sign.

The distinctiveness of a mark means that the sign serves to identify the product and/or services in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings\(^{42}\). According to settled case-law, such distinctiveness can be *assessed only by reference* first *to the goods or services* in respect of which registration is sought and, second, to the relevant public’s perception of that sign\(^{43}\).

A sign must be refused as descriptive if it has a meaning which is immediately perceived by the relevant public as *providing information about the goods and services applied for*. This is the case where the sign provides information about, among other things, the quantity, quality, characteristics, purpose, kind and/or size of the goods or services\(^{44}\).

As it can be noticed, the assessment concerning the existence of these absolute grounds needs to take in consideration the goods and services covered by the application, i.e. the scope of protection defined by the products and/or services specification. As a consequence, in case of use of class headings as a trade mark specification, the lack of harmonization in their interpretation would determine a different outcome of the same examination in member states.

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\(^{41}\) *Ibid.*, art. 3.1 (c).

\(^{42}\) See Guidelines for Examination in the Office for Harmonization in the Internal Market (Trade Marks And Designs) on Community Trade Marks, Part B, Examination, Section 4, Absolute Grounds For Refusal, p. 12, [www.ohim.europa.eu](http://www.ohim.europa.eu).


\(^{44}\) *Ibid.*
adopting different approaches. It means that the conditions to obtain a trade mark could differ country by country, in contrast with Recital 8 of the Directive\textsuperscript{45}.

c) Different tests for genuine use

According to Article 12.1 EU Trade Mark Directive, if within a continuous period of five years after the trade mark has been registered and before the filing of the application for cancellation the trade mark has not been put to genuine use, then the trade mark must be revoked unless there are proper reasons for non-use. If the trade mark has been used for only some of the goods and services for which it is registered, the revocation will be limited to the non-used goods and services.

The assessment concerning the genuine use shall be done in consideration of the goods and services covered by the registration. Given that, the existence of different interpretative approaches in relation to the class headings could imply different tests for the evaluation of genuine use: a stricter one in countries adopting a literal approach and a broader one in member states embracing a more extensive view. This would be in contrast with Recital 8 of the Directive\textsuperscript{46} requiring that the conditions for continuing to hold a registered trade mark be identical in all Member States.

d) Other practical consequences

The “class heading” dispute is also relevant due to the statutory interactions existent between Community trade mark (hereinafter “CTM”) system and national trade mark systems.

\begin{flushright}
\textsuperscript{45} “Attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark be, in general, identical in all Member States.[…]”
\end{flushright}

\begin{flushright}
\textsuperscript{46} Ibid.
\end{flushright}
The CTM system was designed to overlay (rather than replace) the national trade mark systems. As a result, the CTM Regulation (hereinafter “CTMR”) contains a number of provisions which deal with the interaction between the systems. One example is Article 34, which allows the owners of CTMs to claim seniority from an earlier national right. If IPOs adopted an inconsistent approach, a national trade mark whose class heading specification was interpreted literally would be given a broader coverage once it formed a seniority claim for a CTM if the same class heading would be interpreted to mean ‘all goods in the class’ (extensive approach in accordance to Communication 04/03). This also creates uncertainty about the scope of protection that would be accorded by a Community Trade Mark Court in that country to the seniority claim covered by such a CTM. Its scope would be supposedly interpreted according to the approach adopted in the relevant territory.

The same issue would arise in reverse when conversion is requested under Article 112 of the CTMR.

Another problem arises when a community trade mark (hereinafter “CTM”) is used as the basis of opposition against national rights. For example, if an opposition in a country adopting a literal approach (e.g. France) is based on a CTM covering a class heading, given that OHIM interprets the CTM as covering the entire class, the French IPO would have to interpret it in the same way. On the contrary, it would have to apply a more restricted


49 See Guidelines for Examination in the Office for Harmonization in the Internal Market (Trade Marks And Designs) on Community Trade Marks, Part E, Register Operations, Section 1, Changes In A Registration, p. 18, [www.ohim.europa.eu](http://www.ohim.europa.eu)


51 Ibid.
approach if the opposition would have been based on a French registration, which is clearly discriminatory\textsuperscript{52}.

In lack of any statutory guidelines, IPOs, users and IP professionals struggled to operate in this problematic scenario wishing that one day EUCJ would have provided, with a decision, guidelines for a uniform and consistent interpretation of class headings to be adopted by OHIM and national offices. As anticipated above, the chance of ruling on such a controversial matter was offered to EUCJ with IP TRANSLATOR case, whose main findings along with their impact on OHIM and national offices will be analyzed in the following chapter.

\textsuperscript{52} Ibid.
3. IP TRANSLATOR CASE (C-307/10): WHAT DOES IT CHANGE?

3.1. Introduction

The answers of the EUCJ in IP TRANSLATOR case were expected to resolve the EU ‘class heading dispute’ on how Nice Classification class headings used in trade mark applications and registrations should be construed and interpreted. Nonetheless, the EUCJ missed the chance to provide plain guidelines to member states. As it will be explained in the following paragraphs, if the ruling of the Court seems pretty clear and consistent in its first and second answer, the third answer (or no-answer) creates a significant degree of confusion and uncertainty due to its inconsistency with the other rulings.

However, as illustrated below, significant efforts have been already achieved by OHIM and EU IPOs in order to develop common practices to comply with the EUCJ’s indications.

3.2. Summary of the case

On 16 October 2009, the Chartered Institute of Patent Attorney (CIPA) filed a trade mark application in order to register the word sign “IP TRANSLATOR” before the UK IPO. In order to identify the goods and services covered by the registration, the applicant used the entire heading of the class 41 (“Education; providing of training; entertainment; sporting and cultural activities”).

The UK Registrar refused the application because the sign was deemed to lack of any distinctive character and it was descriptive in relation to the services for which the trademark application had been filed. In particular, the Registrar considered that the scope of protection claimed with the application encompassed also “translation services” that, although not specifically included in the class heading, they are in the alphabetic list of class 41. Therefore, it showed to interpret the service specification under the “class heading cover all” approach.
As we explained in the previous paragraph (see the table at p. 23), the UK IPO used to adopt a literal approach in the interpretation of the trade mark scope of protection. Nevertheless, the registrar, aware of the different extensive interpretation adopted by OHIM and the statutory interaction between CTM and national trade mark systems, realized that maintaining the literal approach in such circumstances could have been problematic. In particular, in such specific circumstance, the registration could have been used in proceedings before the OHIM as an earlier national right even in lack of any examination on absolute grounds in respect of that service. Due to the extensive interpretation of OHIM, this would have implied the risk that, although the sign was not in fact distinctive and therefore registrable for such services, it could have functioned as an obstacle to the registration of later trade marks.

CIPA appealed the refusal to the Appointed Person, claiming that its application did not mention, and therefore did not cover, translation services.

The referring court, cleared that translation services cannot be considered a subcategory of services related to “education”, “providing of training”, “entertainment”, “sporting and cultural activities” and pointed out that if the Registrar’s interpretation were correct, the coverage of a trade mark application could also extend to goods and services not mentioned in the application. Doubting that such view could be compatible with the need to identify the goods and services covered by a trademark application with clarity and precision, the Appointed Person decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:


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 [Nice Classification] for the purpose of identifying the various goods or services covered by a trade mark application?

3. Is it necessary or permissible for such use of the general words of the Class Headings of [the Nice Classification] to be interpreted in accordance with Communication No 4/03 [...]?

Despite it was expected that ECJ would have taken the chance to definitely clarify how Nice Classification class headings used in trade mark applications and registrations should be construed and interpreted, the answers given in IP Translator case are proving difficult to interpret and apply. As explained below, although the first two answers seem to provide plain guidelines on the purpose, addressing all three reference questions, the third answer (or non-answer since it does not actually address the third question), introduces unexpected complications in conflict with the first two answers and with International legal obligations.

3.3 The answers of the Court and their impact on practices

a) The first answer

In order to answer the first question, the Court refers to the rationale of the existence of the trademark register: “the entry of the mark in a public register has the aim of making it accessible to the competent authorities and to the public, particularly to economic operators”\(^{55}\). The same justification had already been cited in Sieckman case\(^{56}\) and

\(^{55}\) Case C-307/10 Chartered Institute of Patent Attorneys, not yet published, par. 46.
Heidelberger Bauchemie case\textsuperscript{57}, dealing with the registration of non-traditional trademarks, namely scent and combination of colors. In these cases, in order to ensure that the register fulfill such function, it was stated that competent authorities and economic operators must be able to know \textit{with clarity and precision}\textsuperscript{58} the nature of the sign and, consequently its scope of protection.

On the basis of such principle, previously stated in relation to the nature of the sign, the Court, in the present case, for the first time, applies the requirement of “clarity and precision” also to the identification of goods and services in a trademark application, affirming that:

\begin{quote}
“\textit{Directive 2008/95 requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection sought}”\textsuperscript{59}.
\end{quote}

Therefore, the first answer requires that any list of goods/services in an application be clear and precise, with the consequence that too vague or broad expression would not be in compliance with the Directive. Furthermore the Court adds that the goods and services specifications should “on that basis alone”, allow competent authorities and economic operators to determine the scope of protection. It means that no coded significance applies and that the adoption of ‘means-what-it-says’ approach is correct and in compliance with EU law.

\textsuperscript{56} Case C 273/00 Sieckmann [2002] ECR I 11737, par.49.
\textsuperscript{57} Case C 49/02 Heidelberger Bauchemie [2004] ECR I 6129, par. 28.
\textsuperscript{58} Case C 273/00 Sieckmann [2002] ECR I 11737, par.50 and Case C 49/02 Heidelberger Bauchemie [2004] ECR I 6129, par. 29.
\textsuperscript{59} Case C-307/10 Chartered Institute of Patent Attorneys, not yet published, par. 49.
Such ruling had a significant impact in the practices of OHIM and of some EU IPOs. In particular, immediately after the decision of EUCJ, OHIM published the Presidential Communication 02/12\textsuperscript{60} to announce a change of practice in the interpretation of the general indications of class headings: they have to be interpreted following a literal approach. The change of practice is confirmed also by the later Presidential Communication 01/13\textsuperscript{61}.

Also other European countries, previously adopting an extensive approach\textsuperscript{62}, changed their practices, thus opting for a literal approach in compliance with the guidelines of the EUCJ.

The current status of the harmonization process in the interpretation of class headings is illustrated in the following table\textsuperscript{63}, showing that the process aiming to develop a common practice to resolve the “class heading dispute” is almost complete.

<table>
<thead>
<tr>
<th>“means what it says” approach</th>
<th>Alphabetic list + literal meaning of class heading</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL OTHER EU MEMBER STATES + OHIM</td>
<td>HUNGARY</td>
</tr>
<tr>
<td></td>
<td>LITHUANIA</td>
</tr>
<tr>
<td></td>
<td>ROMANIA</td>
</tr>
</tbody>
</table>

\textsuperscript{60} Available on line at www.ohim.europa.eu
\textsuperscript{61} Available on line at www.ohim.europa.eu
\textsuperscript{62} See table at p. 20.
\textsuperscript{63} For the data encompassed in the table please refer to Common Communication on the Implementation of ‘IP Translator’ v1.2 of 20 February 2014 available on line at www.ohim.europa.eu
b) The second answer

In order to answer the second question, the Court clarifies that Directive 2008/95 does not contain any reference to Nice Classification and, as a consequence, no restriction or obligation exists on member states as regards its use in trademark applications. Nevertheless, should a member state require or agree the use of Nice Classification class headings in order to identify goods and/or services, such identification must be in compliance with the requirements of clarity and precision laid down by the directive according to the first answer. In this respect, the Court observes that the 45 class headings of Nice Agreement include some general indications which are, as they stand, sufficiently clear and precise under the first answer, while others are not. Therefore, some class headings may be clear and precise and suitable of being used as a good/service specification, while others are not. In the words of the Court:

“Directive 2008/95 does not preclude the use of the general indications of the class headings of the Nice Classification to identify the goods and services for which the protection of the trade mark is sought, provided that such identification is sufficiently clear and precise to allow the competent authorities and economic operators to determine the scope of the protection sought”.

As for the impact of this ruling, OHIM and EU IPOs have already reviewed all general indications of the Nice class headings in order to determine which indications are sufficiently clear and precise\(^\text{64}\). This review has determined that the 11 general indications detailed below are not clear and precise, and consequently cannot be accepted without further specification. As a consequence, on this matter, OHIM and IPOs achieved a complete harmonization.

\(^{64}\) See Common Communication on the Common Practice on the General Indications of the Nice Class Headings v1.1, available on line at www.ohim.europa.eu
<table>
<thead>
<tr>
<th>Class n.</th>
<th>General indications not sufficiently clear and precise</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Goods of common metal not included in other classes</td>
</tr>
<tr>
<td>7</td>
<td>Machines</td>
</tr>
<tr>
<td>14</td>
<td>goods in precious metals or coated therewith</td>
</tr>
<tr>
<td>16</td>
<td>goods made from these materials [paper and cardboard]</td>
</tr>
<tr>
<td>17</td>
<td>goods made from these materials [rubber, gutta-percha, gum, asbestos and mica]</td>
</tr>
<tr>
<td>18</td>
<td>goods made of these materials [leather and imitations of leather]</td>
</tr>
<tr>
<td>20</td>
<td>Goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics</td>
</tr>
<tr>
<td>37</td>
<td>Repair; Installation services</td>
</tr>
<tr>
<td>40</td>
<td>Treatment of materials</td>
</tr>
<tr>
<td>45</td>
<td>Personal and social services rendered by others to meet the needs of individuals</td>
</tr>
</tbody>
</table>

c) The third no-answer

The third question referred to the Court specifically makes reference to the OHIM Presidential Communication 4/03⁶⁵ concerning the use of class headings in lists of goods and services for CTM applications and registrations. As it has been already outlined above, in this communication, OHIM makes it clear that the use of Nice Agreement class headings constitutes a claim to all the goods or services falling within the relevant class. Such rule is clearly in contrast with the principles expressed by the Court in answer 1 and 2, because i) it admits the use of any class heading (also those composed by generic terms); ii) it adopts the “class-headings-cover-all” approach.

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⁶⁵ Available on line at [www.ohim.europa.eu](http://www.ohim.europa.eu)
Therefore, the expected answer should have been a simple “No”, i.e. it is not permissible to interpret the use of the general words of the class Headings in accordance to Communication 4/03.

On the contrary, the Court did not directly address the question referred and introduced new rules which do not assist the interpretation of Nice Classification class heading claims. In particular, it is stated that, in order to fulfill the requirements of clarity and precision, an applicant who intends to use an entire class heading has to clarify if he wants to cover all the goods and services included in the alphabetical list or only some of those goods or services. In lack of such statement the application for registration indicating a particular class heading could be deemed not to be clear and precise66. In the words of the Court:

“An applicant for a national trade mark who uses all the general indications of a particular class heading of the Classification referred to in Article 1 of the Nice Agreement to identify the goods or services for which the protection of the trade mark is sought must specify whether its application for registration is intended to cover all the goods or services included in the alphabetical list of that class or only some of those goods or services. If the application concerns only some of those goods or services, the applicant is required to specify which of the goods or services in that class are intended to be covered”.

Such ruling is not consistent with the other two answers and their main aim. In particular, the principle of clarity and precision and the literal interpretation of the class headings intend to avoid the attribution of any artificial and/or hidden significance to the wording of the specification beyond their literal and natural meaning.

66 Case C-307/10 Chartered Institute of Patent Attorneys, not yet published, par. 62.
Such third answer, instead, seems to i) introduce a new coded significance of class headings, (i.e. they can cover all the goods and services if specifically declared by the applicant); and ii) consider Nice class headings unsuitable of being used as a good/service specification, unless accompanied by an expressed clarification of the real intent of the applicant (claiming protection for all the goods and services included in the class or only some of those goods or services).

This third answer, read in connection with the other answers of the EUCJ, created a lot of doubts on the proper way to implement the rulings of the Court by OHIM and National Offices and thus constituted a hinder to the harmonization of trademark practices in this particular area. The reactions of national offices, indeed, were not consistent and did not allow to achieve a complete harmonization in the implementation of this ruling.

As regards to OHIM, immediately after the decision of EUCJ, the Presidential Communication 02/12\(^{67}\) clearly stated that the applicant using a class heading should have specified if its application for registration was intended to cover all goods and services included in the alphabetical list or only some of those goods and services. For this purposes, the Office, at an early stage, asked for an attached declaration of the applicant in pdf format. Then, it provided an electronic tick box in the online application for. Such approach was abandoned with the Presidential Communication 01/13\(^{68}\), where the current practise of the OHIM was clearly announced: if an applicant intends to protect all goods and services in an alphabetical list of a particular class, it must expressly indicate such intention by designating all these goods or services. (i.e. a general statement will not be accepted).

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\(^{67}\) Available on line at [www.ohim.europa.eu](http://www.ohim.europa.eu)

\(^{68}\) Ibid.
As regards to the other EU IPOs, the following table provides an overview of how an applicant can obtain protection for the entire class in EU.

<table>
<thead>
<tr>
<th>By completing a declaration</th>
<th>By means of electronic tick box</th>
<th>By listing each of the terms individually</th>
</tr>
</thead>
<tbody>
<tr>
<td>BULGARIA</td>
<td>HUNGARY</td>
<td>ALL OTHER EU NATIONAL OFFICES</td>
</tr>
<tr>
<td>BENELUX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GREECE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HUNGARY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LITUANIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROMANIA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.4. Still lost in Classification?

Although the decision of EUCJ did not completely fulfill the expectations of economic operators, IPOs and IP professionals, all hoping in a genuine clarification of what exactly was in compliance with the EU trade mark directive, it cannot be denied that the first and the second answers set important guidance that brought to a nearly complete harmonization in the interpretation of the class heading and to a total agreement on the “terms of use” of the class headings among IPOs.

In fact, despite the confusing effects of the third answer, the decision, as a whole, encouraged national offices and OHIM to cooperate in order to develop common practices in light of

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69 For the data encompassed in the table please refer to Common Communication on the Implementation of ‘IP Translator’ v1.2 of 20 February 2014 available on line at www.ohim.europa.eu

70 See table at p. 31.

71 See table at p. 33.

72 Mainly within the European Trade Mark and Design Network https://www.tmdn.org/
that principle of clarity and precision inspiring the first and the second rulings of IP Translator Case.

Such principle, before ignored by OHIM\textsuperscript{73} and several national offices, constitutes a fundamental requirement for the goods and services specifications, not only to comply with the purpose of the registry, as stated by the EUCJ, but also to conform to the essential of function of the trade mark itself and the purposes of the EU Trade Mark Directive.

Therefore, if we can agree that no plain indications have been provided in IP Translator Case, we should at least admit that its rulings brought about significant changes to the “pre-decision” problematic scenario described in the previous chapter.

4. THE CREATION OF TAXONOMY

4.1. Introduction

What can be clearly inferred from the judgment is that the principle of clarity and precision has to inspire the applicant in the determination of his list of goods and services both when he uses single terms to identify the claimed scope of protection and when he uses general indications of the class headings of the Nice Classification.

This will enable the competent authorities and economic operators to determine the extent of the protection conferred by the trade mark, on the basis of the list of goods and services alone.

As represented in the graphic below, the structure of the Nice Classification provides only one level of classification of goods and services.

\textsuperscript{73} See Presidential Communication 4/03 available online at www.ohim.europa.eu
Class Number | 15
---|---
Class Heading | Musical Instruments
Alphabetical list | Accordions, bagpipes, bamboo flutes, bandoneons, barrel organs, bass drum sticks, basses [musical instruments], batons [...]
Therefore, the taxonomy tree is easy to browse not only because of the taxonomic approach that allows to navigate a tree digging down through more and more restrictive concepts, but also because of the plain language meaning of the concepts.

4.2. Basic Structure of Taxonomy

Within Taxonomy, the concepts are represented by Items (terms, groups and group titles) hierarchically organized in a “parental” relationship, where “parents” express wider concepts and “children” express more specialized concepts. The highest level items (group titles) express the wider concepts and they can have a further level below. Where existing, the following levels are occupied by terms (acceptable words to indicate goods and services in the harmonized database) or groups and sub-groups (collection of terms sharing the same characteristics), expressing more specific concepts. This follows a bottom-up approach, which implies that all goods and services classified in the lower levels of the hierarchy are effectively included in the higher levels. In order to have

Not all the items of the taxonomy can be selected by the user in a trademark application. The tree structure indeed encompasses also too wide or generic items that cannot be selected. This
is the case of group titles expressing too wide concepts. In this circumstance, illustrated below, the user will be able to select groups or terms of a lower level.

The highest levels of group titles that are acceptable for classification in a particular class constitute the Class Scope. The Class Scope is a group of terms which, collectively, aims at designating all the goods and services in the harmonized database within a class. It implies that the applicant willing the protection of his trademark to cover all the alphabetic list for that class would not need to select the individual terms (on average 400 per class) but only the higher level group titles (or sub-group titles) of a given class.

In the specific situation represented in the graphic above, the class scope is not formed by the highest level group titles. On the contrary it encompasses two of the highest level group titles and four sub-group titles (all circled in red).

4.3. Effects and benefits

Taxonomy has no legal effects. It is just a tool created to help users in the definition of their goods and services specification. As a consequence, the position of an item (good or service) in a part of the taxonomy does not determine any legal consequence. Legal decision on
whether terms in different parts of taxonomy structure are identical or similar can only be
taken by the competent authorities.

Although no legal effects can be connected to the logical structure of Taxonomy, such tool
provides important benefits.

First, it assists applicants in getting the protection they need. The multi-level structure of the
tool allows users to file a to-the point list of goods and service on the basis of their specific
needs. It has two positive consequences:
- the user is aware of the scope of protection claimed with a trademark application and the
  scope of protection obtained with the subsequent registration;
- the user is guided to file a shorter lists of goods and service, avoiding to clutter the register
  with trademark registrations claiming products and services that he will never use.

Second, the user is guided to choose terms that have been already inserted in the Taxonomy
as selectable goods and services in compliance with the requirement of clarity and precision
set by the Court in IP Translator. It implies that, in these cases, the examination would be
faster and the applicant would be sure that the list filed would not be deemed to be too vague
or generic.

Third, Taxonomy is a dynamic and flexible structure which easily adapts to changes and
responds to the evolution of the market constantly requiring the insertion of new products and
services for the purpose of classification. The multi-level structure of the tool makes it easy to
identify group terms sharing the same characteristics and move them to a new position or
insert new items.
5. IMPACT ON LEGISLATION

5.1. IP Translator in black-letter law?

The ruling of the Court in IP Translator Case seems to be having also an impact in the future trademark legislative framework all over Europe. The wording of the proposals for the amendment of Community Trademark Regulation\(^ {74} \) (hereinafter “Regulation Proposal”) and Trademark Directive\(^ {75} \) (hereinafter “Directive Proposal”) indeed suggests that the principles of clarity and precision along with the adoption of the means-what-it-says approach will become black letter rules.

In particular, the requirement of clarity and precision in relation to goods and services specification is provided by art. 28(2) and 28(3) of the Regulation Proposal and art. 40(2) and (3) of the Directive Proposal, stating that:

“2. The goods and services for which the protection of the trade mark is sought shall be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that sole basis, to determine the extent of the protection sought. […]

3. For the purposes of paragraph 2, the general indications included in the class headings of the Nice Classification or other general terms may be used, provided that they comply with the requisite standards of clarity and precision.”

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Furthermore, the adoption of the literal approach in the interpretation of general terms and general indication is stated by art. 28(5) of the Regulation Proposal and 40(5) of the Directive Proposal:

“5. The use of general terms, including the general indications of the class headings of the Nice Classification, shall be interpreted as including all the goods or services clearly covered by the literal meaning of the indication or term. The use of such terms or indications shall not be interpreted as comprising a claim to goods or services which cannot be so understood.”

5.2. Art.28.8 of the Regulation Proposal

Article 28(8) of the Regulation Proposal contains provision for CTM class heading registrants to request a top-up of their list of goods beyond the literal meaning of their class heading wordings. In particular, the article states that:

“8. Proprietors of European trade marks applied for before 22 June 2012 which are registered solely in respect of the entire heading of a Nice class, may declare that their intention on the date of filing had been to seek protection in respect of goods or services beyond those covered by the literal meaning of the heading of that class, provided that the goods or services so designated are included in the alphabetical list for that class of the edition of the Nice classification in force at the date of filing. [...]”

The term to file such declaration is fixed in 4 months from the entry into force of the Regulation and it is expressly stated that, in lack of such declaration, trademarks applied for before the ruling of the Court will be deemed to extend only to goods or services clearly covered by the literal meaning of the indications included in the heading of the relevant class. According to the Recital 28 of the Regulation Proposal, the purpose of this provision is to give those applicants who relied on OHIM's Communication 4/03, an opportunity to "correct"
their list of goods and services to what they had intended to protect when, at the time of filing, they recited a class heading instead of the individual goods and services of interest. The likelihood of there being upwards of 300,000 class heading CTMs dated before June 2012 gives a measure of how many CTMs could be topped-up into a broader goods/services scope.76

Apart from the obvious practical criticism arising from the huge number of declarations that OHIM could be called to deal with, this proposed provision brought about several concerns. In particular, in a position paper filed by Marques it is said that such an option would only add another layer of complication. The amended registrations, indeed, would have to be republished for opposition purposes, and in effect this would only increase the lack of clarity. Marques also considered that the majority of the registrations (those from June 2003 to June 2007) would already be vulnerable to non-use cancellation actions, so that it would be preferable to leave any interpretation of individual registrations made prior to the IP TRANSLATOR decision in the hands of the Courts.

Furthermore, in a position paper filed by INTA, it is said that the 4-month term provided by article 28(8) is too short to allow the owners of huge trademark portfolios to reformulate the list of goods and services. As a consequence, INTA proposed to extend such term to at least one year.

It is unknown if this provision will be maintained in the final version of the Regulation because the governmental negotiations are still under way. Nevertheless, the publication on 4 July 2014 of a Presidential compromise proposal by the “Working Party on Intellectual

Property (Trademarks)” could give as a clue. In this compromise Art 28(8) is indeed simply referred to as “Deleted”.

CONCLUSIONS

In modern trade mark systems the protection of the sign is strictly linked to the products and services for which it is registered. As Schechter wrote in 1927: “there is no property in a trade-mark apart from the business or trade in connection with which it is employed”. As a consequence, with the advent of written classification systems and, in particular, with the adoption of the Nice Agreement introducing an international classification system, the debate on the interpretation of the wording of classification have become of central importance.

Due to the substantive effects of the Nice Classification arising at national level for the signatory countries of the Nice Agreement, an important issue arose in Europe because of the lack of any statutory guidance on the interpretation of the wording of the classification. Such silent led to the adoption, by EU member states, of different approaches in the interpretation of the class headings of the international classification, whether according to the natural and usual meanings of their words (‘means-what-it-says’ approach) or more broadly to cover all goods in the relevant class. This degree of fundamental disagreement at policy level among offices operating under essentially the same legal framework, determined uncertainty on how to draft a goods and/or services specification and other practical consequences clearly in contrast with Directive 2008/95/EC.

IP TRANSLATOR case (C-307/10) was expected to resolve the so called ‘class heading dispute’ providing some rules on how Nice Classification class headings used in trade mark applications and registrations should be construed and interpreted. Reasonable and consistent important principles can be inferred from the first and second answer:

- any list of goods/services in an application be clear and precise

- Nice Classification class headings can be used as a proper specification of goods and services if they are sufficiently clear and precise

- ‘means-what-it-says’ approach is correct and in compliance with EU law.
Such principles have been consistently implemented by OHIM and IPOs. In particular, they had a significant impact on practices, tools and legislation.

As regards the first aspect, OHIM and IPOs implemented the principle of clarity and precision set by the Court changing (where necessary) their practices in the interpretation of class headings, opting for a literal approach and abandoning the extensive approach expressed in OHIM Presidential Communication 04/03. Only Lithuania, Romania and Hungary are still adopting an extensive approach. Furthermore, OHIM and IPOs commonly identified which of the Nice Classification class headings have to be deemed to be too vague or generic for the purpose of being used as goods and/or services specification in a trademark application.

As for the second aspect relating to tools, Taxonomy classification tool has been created in order to drive the non-expert applicant to build a goods and services specification in accordance with their specific needs and in compliance with the principle of clarity and precision set by the Court.

In the end, as regards to legislation, the wording of the proposals for the amendment of Community Trademark Regulation and Trademark Directive suggests that the principles set in IP Translator Case (i.e. clarity and precision along with the adoption of the means-what-it-says approach) will become black-letter law.
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**LEGISLATION**
