



# THE RULING OF THE COURT OF JUSTICE OF THE EUROPEAN UNION IN “IP TRANSLATOR”: MORE QUESTIONS THAN ANSWERS

On June 19, 2012, the Court of Justice of the European Union (“CJEU”), sitting as the Grand Chamber, delivered its long-awaited ruling in Case C-307/10 *Chartered Institute of Patent Attorneys v. Registrar of Trade Marks* (alias “IP TRANSLATOR”).

The CJEU clarified the legal requirements regarding the manner in which trademark applicants in the European Union have to specify the goods or services for which they seek trademark registration. Some of the imminent follow-up questions still have to be answered.

## ISSUE

Two essential elements of a trademark registration are the sign itself and the specification of the goods and services. Those elements together allow a precise identification and determine the extent of protection conferred by the registered trademark. The

International Classification of Goods and Services (Nice Classification) provides a system of classifying goods and services into 45 classes (1–34 include goods, and 35–45 include services). The basis of the Nice Classification is the Paris Convention (Convention for the Protection of Industrial Property), signed in Paris on March 20, 1883; all Member States of the European Union are also Members of the Paris Convention. The Nice Classification lists each class with so-called class headings that include some general indications for each class and, in addition, provides for a detailed, alphabetical list of classified goods and services, which from time to time will be reviewed and amended.

With respect to the specification of the goods and services, some national trademark offices, on one side, and the Office for Harmonization in the Internal Market (“OHIM”), on the other, developed partly divergent practices leading to variable conditions

for registration, contrary to the objectives pursued by the Directive 2008/95/EC, the so-called Trade Mark Directive, for a harmonized European trademark law.

According to the (now-changed) OHIM practice, if the general indications or the whole class headings provided in the Nice Classification are used, that constitutes a proper specification of goods and services in a Community trademark application. In consequence, the use of all general indications listed in the class heading of a particular class constitutes a claim to all the goods or services covered by this particular class. This practice is followed by the national offices in Bulgaria, Estonia, Finland, Hungary, Italy, Lithuania, and Romania.

However, other national Registries, e.g., the German Patent and Trademark Office (“DPMA”), favor a literal approach, i.e., the scope of protection of a registration and the scope of the claimed goods and services are construed according to their natural and usual meaning.

## PROCEDURAL HISTORY

The reference for a preliminary ruling by the CJEU was made in the course of a dispute between the Chartered Institute of Patent Attorneys (“CIPA”) and the UK Registry in respect of an application to register the designation “IP TRANSLATOR” in class 41 as a national UK trademark. In its application, CIPA used the general indications of the class headings for class 41 of the Nice Classification, namely “education; providing of training; entertainment; sporting and cultural activities.”

The Registry refused the application, indicating that it covered not only services of the kind specified by CIPA, but also, because of OHIM’s practice, every other service covered by class 41 of the Nice Classification, including translation services. For these latter services, the designation “IP TRANSLATOR” lacked, inter alia, distinctive character. As a side note, a similar problem may arise when assessing the likelihood of confusion, depending on which goods or services are encompassed by the conflicting marks.

CIPA appealed to the British High Court of Justice, contending that its application did not specify translation services and, therefore, did not cover them. The High Court of Justice referred the case to the CJEU in order to clarify whether the Trademarks Directive must be interpreted as meaning that it requires the goods and services for which protection by a trademark is sought to be identified with sufficient degree of clarity and precision. If so, and the answer to the first question can be presumed, the High Court asked further whether the Trademarks Directive must be interpreted as precluding an applicant from identifying those goods and services merely by means of reference to the class headings of the Nice Classification.

## RULING OF THE CJEU

In its ruling, the CJEU points out that the Trademarks Directive must be interpreted that it requires the goods and services for which the protection of the trademark is sought so as to be identified by the applicant with sufficient clarity and precision to enable both the competent authorities and the economic competitors, on that basis alone, to determine the actual extent of protection.

Furthermore, the CJEU holds that the Trademarks Directive does not preclude the use of general indications of class headings of the Nice Classification to identify the claimed goods and services. However, such identification must nevertheless still be sufficiently clear and precise. In that respect, the CJEU observes that some of the general indications in the class headings are sufficiently clear and precise, while others are too general and cover goods or services that are too varied to be compatible with the trademark’s function as an indication of origin. Accordingly, it is for the competent authorities to make an assessment on a case-by-case basis, according to the goods or services for which the applicant seeks the protection conferred by a trademark, in order to determine whether those indications meet the requirements of clarity and precision. The CJEU finds the current practice unacceptable insofar as the extent of protection conferred by a trademark depends on the approach to interpretation adopted by the competent authority rather than the actual intention of the applicant.

Finally and as a result of these findings, the CJEU points out that an applicant who uses all the general indications of a particular class heading of the Nice Classification to identify the goods or services for which the protection of the trademark is sought must specify whether its application 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 shall be covered. According to the CJEU, only such future practice ensures the attainment of the objectives at which the approximation of the laws of the Member States is aiming.

## OHIM's REACTION

OHIM has reacted quickly to the IP TRANSLATOR ruling and already announced a change to its trademark registration practice. Its press release states:

“In accordance with the Court's ruling, the Office is updating its filing systems to provide a user-friendly solution when using class headings to claim protection for all of the goods or services in the alphabetical list of the Nice Classification. This update is expected to be in place over the next few days.

“In the meantime, an interim solution has been implemented and is accessible via the Office's website.”

Furthermore OHIM has repealed Communication no. 4/03 and Communication no. 2/12 entered into force on June 21, 2012. This new Communication contains, inter alia, the following:

- As regards Community trademarks registered *before* the entry into force of the present Communication that use all the general indications listed in the class heading of a particular class, the Office considers that the intention of the applicant, in view of the contents of the previous Communication 4/03, was to cover all the goods or services included in the alphabetical list of that class in the edition in force at the time when the filing was made.
- As regards Community trademark applications filed *before* the entry into force of this Communication and that

are still *not registered* in the case of applicants who use all the general indications of a particular class heading of the Nice Classification, the Office considers that their intention was to cover all the goods or services included in the alphabetical list of the particular class concerned, unless they specify that they had sought protection only in respect of some of those goods or services in that class.

- As regards Community trademark applications filed *as from* the entry into force of the present Communication, in the case of applicants who use all the general indications of a particular class heading of the Nice Classification, they must *expressly* indicate whether or not their intention is to cover all the goods or services included in the alphabetical list of the particular class concerned or only some of those goods or services in that class. In the latter case, the covered goods or services must be listed.

As a result, applicants now have to attach to their application a PDF declaration that they wish the class heading to cover all of the goods or services included in the alphabetical list of the particular class concerned or they must specify the goods or services that shall be encompassed.

## DPMA's REACTION

In its press release no. 11/12 of June 29, 2012, the DPMA welcomed the judgment of the CJEU. The DPMA sees its literal approach as being confirmed by the decision. According to the DPMA, the CJEU acknowledges in accordance with the practice of the DPMA that it is up to the national registries to determine whether or not the claimed goods and services meet the requirements of clarity and unambiguousness. Thus, class headings may be used as far as their meaning is clear and unambiguous with the proviso that the practical determination will be made by the DPMA.

## COMMENT

The IP TRANSLATOR decision marks a turning point in the examination of trademark applications across the EU as the partly divergent practices of the 25 national Registries (including the joint Registry for the Benelux countries) and

the OHIM practice now have to follow the general guidelines established by the CJEU. There had been a heated debate before the ruling whether the practice established by OHIM (and followed by the aforementioned national Registries) was useful or rather led to unforeseeable consequences. The critics had good arguments on their side. These are some of the concerns raised:

- OHIM in its Communication no. 4/03, for example, said that whenever an applicant uses all class headings of one class, he can claim that if he files an opposition against a third-party mark claiming certain goods or services in this class, the mutual goods or services of both parties had to be regarded as identical for the purposes of assessing a likelihood of confusion. If an applicant, for example, claims all class headings of class 41 as mentioned above without specifying “translation services,” he can still claim that “education; providing of training; entertainment; sporting and cultural activities” are identical with “translation services” claimed by a third party, although one can doubt whether these services are even similar to the individual items of the class headings.
- There are also unresolved questions as regards the consequences in relation to marks that are subject to use requirement. Across the EU, marks are vulnerable for non-use five years after the final registration of the trademark. If an owner, for example, has a registration for “education; providing of training; entertainment; sporting and cultural activities” but uses the mark only for “translation services,” this should be regarded as proper use of the mark because these particular services fall within class 41. However, it is unclear to what extent the trademark should be cancelled upon a nullity request on the grounds of non-use because the owner does not use it for all other services falling into this class.
- From time to time, the Nice Classification undergoes amendments. The most obvious amendment of the past years was the creation of the three new service classes 43 to 45. But also individual goods or services falling into one class might be transferred into another class. It is certainly not clear how to address these amendments if a trademark deems to cover all goods of one particular class.

Although the critics may not cease in expressing their concerns, the IP TRANSLATOR judgment has to be applied in practice now. In the first instance, this relates to the examination of pending applications and new applications as regards the clarity of the goods or services claimed. However, the decision also has far-reaching consequences for all other aspects of following the broad claim of goods and services that now has become possible throughout the EU. This relates to the following:

- The examination of absolute grounds of a mark should encompass all perceivable goods or services falling into one class if a mark claims all goods or services of this class. For example, in the IP TRANSLATOR application, the claim of all services in class 41 would mean that a distinctiveness objection may follow as the mark has to be regarded as encompassing “translation services.”
- With respect to opposition proceedings, an application that covers all goods or services falling into one particular class may more likely be vulnerable to opposition from third-party trademark owners as the coverage of goods or services is broader. Likewise, the scope of protection for earlier rights will become extended if they claim all goods or services in one class.
- The proof of use of marks on which an opposition is based and that are subject to use requirement needs certain guidelines if the earlier mark covers all goods or services of one particular class. The OHIM Communication no. 4/03 already deals with most of these issues.
- The cancellation of marks on the grounds of non-use also requires a special framework if the mark subject to objections covers all goods or services of one Nice class but is only genuinely used for certain items falling into this class. In this respect, even the OHIM Communication does not focus on this important issue. Clear guidelines will have to be formulated, and a respective office practice has to be established.

The IP TRANSLATOR decision naturally does not deal with all these subsequent aspects, so the developments in this area have to be monitored closely.

## PRACTICAL CONCLUSIONS

The CJEU has not commented on the effect of the decision with regard to existing trademark applications and registrations. This is relevant to those registered trademarks in which all the general indications in the class headings of a particular class are listed without indicating whether the relevant application is intended to cover all of the goods or services in the class.

The CJEU has accepted the use of the general indications of the class headings provided that they are themselves clear and precise. It is therefore recommended to use the general class headings from the Nice Classification, although some of them may attract vagueness objections. For example, the term “machines” in class 7 might be regarded as too vague, so further clarification by the applicant is needed. Since the practice of the national Registries and OHIM in this respect may be divergent in the future, it is recommended to await an official objection when claiming an indication from the class headings.

With respect to future trademark applications and the strategic approach in drafting appropriate specifications of goods and services across the EU, the IP TRANSLATOR decision should well be observed. The practice in the EU now is more in line with those countries that traditionally allow coverage of “all goods in this class” or “all services in this class,” such as many Latin American countries. Applicants from countries that require a strict specification and itemization of the goods or services covered (such as the United States, Canada, or Korea) may now have the opportunity to claim an even broader description in the EU than before. But the pitfalls in doing so also should be taken into consideration; a description that claims all the goods or services falling into one class might be open to more objections on absolute grounds, and the mark might more likely be subject to oppositions by third-party marks.

Until further guidelines are handed down as regards the practical consequences of the IP TRANSLATOR decision, applicants who are seeking for broad protection of their mark should be advised to add terms such as “the aforementioned goods/services covering all goods/services in this class” after indicating all class headings in any given class. For probably most of the classes, it will remain possible to use the class headings to cover the whole class because all goods within that class fall within the natural meaning of the words in the class heading. But for other classes, this might be difficult. And again, we would expect divergent practices in the different Registries.

## LAWYER CONTACTS

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