



BILLE NA dTRÁDMHARCANNA, 1995
TRADE MARKS BILL, 1995

EXPLANATORY MEMORANDUM

Introduction

New legislation is required to replace the Trade Marks Act, 1963 for the following reasons:

- (a) to give effect to the provisions of Council Directive 89/104/EEC on the approximation of trade mark laws,
- (b) to make provision in connection with Council Regulation (EC) No. 40/94 on the Community trade mark,
- (c) to give effect to the Protocol to the Madrid Agreement concerning the international registration of trade marks, and to certain provisions of the Paris Convention for the protection of Industrial Property,
- (d) to permit the registration of trade marks in relation to services, and
- (e) to effect a general updating of the law on trade marks.

The Bill follows the general structure of the present Trade Marks Act, 1963. Its main provisions are outlined in the following paragraphs of this memorandum and where significant differences occur between the provisions of the Bill and the Trade Marks Act, 1963 they are explained. Absence of commentary on a section may be taken to mean that the section in question is self-explanatory or very similar to a corresponding provision of the Act of 1963.

PART I

PRELIMINARY AND GENERAL

Part I is a short general part listing definitions of terms used in the Bill, clarifying certain matters relating to orders, regulations or rules made under the Bill and providing for repeal of the present law.

Section 1

Short title and commencement.

Section 2

Interpretation.

Section 3

Orders, regulations and rules.

Section 4

Expenses

This section provides that expenses incurred in the administration of this Act shall, to such extent as may be sanctioned by the Minister for Finance, be paid out of moneys provided by the Oireachtas.

Section 5

This section provides for repeal of the Trade Marks Act, 1963 subject to the transitional provisions of the *Third Schedule* as provided for in *section 98*.

PART II

REGISTERED TRADE MARKS

Introductory

Section 6

Trade marks

Section 6 defines what a trade mark may consist of and implements Article 2 of the Directive. It extends the definition of a trade mark to include, *inter alia*, the shape of goods or of their packaging. The definition also makes it clear that signs which are capable of distinguishing services now fall within the general definition of a trade mark. *Subsection (3)* also introduces the concept of collective marks.

Section 7

Registered trade marks.

This section makes it clear that a registered trade mark is a property right. *Subsection (2)* essentially re-enacts the provisions of section 10 of the Trade Marks Act, 1963.

Grounds for Refusal of Registration.

Section 8

Absolute grounds for refusal of registration.

This section gives effect to Article 3 of the Directive and essentially replaces the provisions of sections 17 and 18 of the Trade Marks Act, 1963. One consequence of the section is to abolish the existing division of the Register of Trade Marks into Parts A and B. Trade marks which are devoid of any distinctive character or which consist exclusively of signs or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the services, or other characteristics of the goods or services will be precluded from registration unless they can be shown to have before the date of application for registration in fact acquired a distinctive character as a result of use. *Subsection (2)* would also preclude from registration the shape of goods resulting from the nature of the goods themselves or which is necessary to obtain a technical result or which gives substantial value to the goods. *Subsection (3)*, in effect, re-enacts the provisions of section 19 of the 1963 Act. *Subsection (4)* introduces a useful protection in that a trade mark may no longer be registered if the application for registration is made in bad faith.

Section 9

Specially protected emblems.

Trade marks consisting of the State emblems of Ireland are precluded from registration unless consent has been given by the appropriate authority for their use. *Subsection (2)* would also preclude from registration a trade mark containing the national flag if the use of the trade mark would be misleading or grossly offensive.

Section 10

Relative grounds for refusal of registration.

Section 10 essentially re-enacts the provisions of section 20 of the 1963 Act in that it prohibits the registration of identical and resembling trade marks in the names of different owners. *Subsection (2)* would further prevent registration where there is a likelihood of association between the trade mark applied for and an earlier registered trade mark. *Subsection (4)* would also preclude from registration any trade mark whose use in the State is liable to be prevented by virtue of any rule of law protecting unregistered trade marks or by virtue of the law of copyright or registered designs.

Section 11

Meaning of "earlier trade mark".

This section defines "earlier trade mark" which would now include a registered trade mark, an international trade mark or a Community trade mark registered under the Community Trade Mark Regulation which has an earlier date of application for registration.

Effects of Registered Trade Mark.

Section 12

Rights conferred by registered trade mark.

This section and the subsequent *sections 13* to *23* effectively replace the provisions of sections 12 to 16 inclusive of the Trade Marks Act, 1963. *Section 12* specifically states that the rights of the proprietor in infringement proceedings have full effect as from the publication of the registration of the trade mark in the Official Journal of Industrial and Commercial Property.

Section 13

Infringement of registered trade mark.

This section sets out the acts which amount to infringement. It introduces a fundamental change to the law relating to trade mark infringement in the State in accordance with Article 5 of the Directive in that for the first time the infringement action will be available against those who use an infringing mark in relation to goods or services similar but not necessarily identical to those covered by the infringed registration. The test for infringement is whether there exists a likelihood of confusion on the part of the public including the likelihood of association with the registered trade mark. *Subsection (3)* extends the right of infringement in cases where use of the infringing mark is made in relation to dissimilar goods or services but where the registered trade mark has a reputation in the State and where the infringing use would take unfair advantage of or be detrimental to the distinctive character or repute of the registered trade mark.

Section 14

Limits on effect of registered trade mark.

This section essentially re-enacts and extends the provisions of sections 15 and 16 of the Trade Marks Act, 1963.

Section 15

Exhaustion of rights conferred by registered trade mark.

This section is intended to give effect to Article 7 of the Directive which, in turn, is based upon established Community jurisprudence and makes it clear that a registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with the proprietor's consent. Protection has been given under *subsection (2)* to the rights of proprietors where the condition of the goods has been changed or impaired after they have been put on the market.

Section 16

Registration subject to disclaimer or limitation.

Section 22 of the Trade Marks Act, 1963 empowered the Court or the Controller to require disclaimers of matter common to the trade or otherwise of a non-distinctive character. The new provision in *section 16* allows an applicant for registration or a registered proprietor the option of disclaiming any right to the exclusive use of specified elements in trade marks or to limit their rights to a specific territory.

Infringement Proceedings.

Section 17

Action for infringement.

This section essentially re-states existing law but makes it clear that in an action for infringement, the proprietor of a registered trade mark will enjoy the same remedies as are available in respect of the infringement of any other property right.

Section 18

Order for erasure &c. of offending sign.

This section provides for the Court to make an order requiring the erasure, removal or obliteration of an offending sign. Where this is not practicable the Court may make an order to secure the destruction of the infringing goods.

Section 19

Order for delivery up of infringing goods, material or articles.

This section allows the proprietor of a registered trade mark to obtain a Court Order for the delivery up to the proprietor or such person as the Court may direct, of any infringing goods, material or articles.

Section 20

Meaning of "infringing goods, material or articles."

This section clarifies the position as to what constitutes infringing goods, material or articles.

Section 21

Period after which remedy of delivery up not available.

This relates to orders made under *section 19* and sets six years from the date the trade mark was applied to the infringing goods or material as the time limit within which an application for an order for delivery up must be made. If, during this period of six years, the registered trade mark proprietor was under a disability or prevented by fraud or concealment from discovering the facts entitling the pro-

prietor to apply for such an order, an application may be made within six years of the applicant ceasing to be under a disability or being in a position to discover those facts.

Section 22

Order as to disposal of infringing goods, material or articles.

This section deals with the processing of applications to the Court for an order that goods which have been delivered up under *section 19* be destroyed, forfeited or otherwise.

Section 23

Remedy for groundless threats of infringement proceedings.

This is a new section which is intended to prevent vexatious threats of trade mark infringement. A similar provision exists in the case of patents under *section 53* of the Patents Act, 1992.

Registered Trade Mark as object of property

Section 24

Nature of registered trade mark.

This section specifies the status of a registered trade mark as personal property.

Section 25

Jointly owned trade marks.

This section re-enacts the provisions of *section 67* of the Trade Marks Act, 1963, and prohibits the registration as joint proprietors of a trade mark of persons who use or propose to use that trade mark independently.

Section 26

Assignment &c. of registered trade mark.

Section 26 replaces the provisions of *section 30* of the Trade Marks Act, 1963. In particular, the section does away with the requirement under *section 30 (7)* for publication of Notice of an Assignment in the Official Journal of a trade mark in use at the date of assignment and assigned without goodwill. *Subsection (3)* clarifies the law in that an assignment of a registered trade mark must be in writing signed by or on behalf of the assignor or, as the case may be, by a personal representative. The requirement is satisfied by bodies corporate by affixing of their seals. *Subsection (5)* clarifies the law in that it will now be possible to render a registered trade mark, the subject of a charge, in the same way as other personal or moveable properties. *Subsection (6)* is intended to restate the pre-existing law to the effect that an assignment of an unregistered trade mark can only take part in connection with the goodwill of a business.

Section 27

Registration of transactions affecting registered trade marks.

This section replaces *sections 33* and *36* of the Trade Marks Act, 1963 and provides that all transactions whether by way of assignment or licence or by virtue of security interests etc., must be entered in the register. *Subsection (3)* provides that only registrable transactions are effective against a person acquiring a conflicting interest without notice or a person claiming to be a licensee.

Subsection (4) lays down a time limit for recording registrable transactions i.e. six months from the date of the transaction, unless the Court is satisfied that it was not practicable to do so within the

six month period and that an application was made as soon as practicable thereafter. Failure to observe the time limits would result in the new proprietor losing an entitlement to damages or an account to profits in respect of any infringement of the trade mark occurring after the date of the transaction and before recordal.

Section 28

Trust and equities.

This section re-enacts the provisions of section 68 of the Trade Marks Act, 1963.

Section 29

Application for registration of trade mark as an object of property.

Considerable difficulties have arisen under existing legislation with regard to the recording of assignments and transmission of trade marks which are pending registrations. Provision already exists in the analogous situation of patents under section 85 of the Patents Act, 1992. The section allows such assignments and transmissions to be recorded in the same way as those involving registered trade marks.

Licensing

Section 30

Licensing of registered trade mark.

This section replaces the provisions of section 36 of the Trade Marks Act, 1963. It simplifies and clarifies the position regarding the licensing of registered trade marks. *Subsection (3)* states that a licence is not effective unless in writing signed by or on behalf of the grantor, or executed under seal in the case of a body corporate. *Subsection (4)* states that the provisions of a licence bind the successor in title of the registered proprietor unless the licence otherwise provides. *Subsection (5)* clarifies the law in that sub-licensing is now provided for.

Section 31

Exclusive licences.

This section gives a statutory definition of "exclusive licence" as a licence authorising the use of a trade mark by the licensee to the exclusion of all other persons including the registered proprietor of the licensed trade mark.

Section 32

General provisions as to rights of licensees in case of infringement.

A licensee can call upon the proprietor to institute infringement proceedings failing which the licensee may proceed. However, the licensee may not proceed without the leave of the Court unless the proprietor is either joined as a plaintiff or added as a defendant. A proprietor who is added as a defendant shall not be liable for any costs in the action unless he takes part in the proceedings.

Section 33

Exclusive licensee having rights and remedies of assignee.

The effect of this section would be to make available to a licensee similar remedies as are available to the registered proprietor.

Section 34

Exercise of concurrent rights.

This section deals with a situation where the registered proprietor and the exclusive licensee have concurrent rights to institute trade mark infringement proceedings and provides that neither may proceed without the leave of the Court unless the other is either joined as a plaintiff or added as a defendant. A person thus joined is not liable to any costs in the action unless that person takes part in the proceedings. *Subsection (6)* renders the provisions of this section subject to any agreement to the contrary between the exclusive licensee and the proprietor.

Application for Registered Trade Mark

Sections 35 to 37

Sections 35 to 37 deal with the requirements of an application for registration of a trade mark. Broadly speaking, they do not involve any fundamental change save that it will now be possible to file an application covering services. *Section 37* provides that goods and services shall be classified for the purposes of the registration of trade marks according to a prescribed system of classification. It is intended that the International Classification of goods and services under the Nice agreement of 15 June, 1957 as revised will be adhered to. This classifies goods into thirty-four different classes and services into eight classes.

Priority

Sections 38 and 39

These sections in effect restate existing law with regard to the requirements of the Paris Convention.

Registration Procedure

Sections 40 to 44

The requirements provided for under these sections effectively restate existing law. The examination procedure will continue to involve an official search of earlier trade marks so as to avoid registration of conflicting trade marks in the names of different persons. Publication in the Official Journal of a trade mark application accepted for registration will continue and third parties may oppose the registration or make observations by writing to the Controller. Applicants may at any time withdraw, restrict or amend their applications as per *section 42* and such changes shall also be published in the Journal.

Duration, Renewal and Alteration of Registered Trade Mark

Sections 45 to 47

Under section 28 of the Act of 1963 a trade mark is first registered for a period of seven years and thereafter renewed for successive periods of fourteen years. *Section 45* now provides that a trade mark shall be registered for ten years and renewable for further ten-year periods. *Section 47* re-enacts section 43 of the Act of 1963.

Surrender, Revocation and Invalidity

Section 48

Surrender of registered trade mark.

This section provides for the surrender of a trade mark as against cancellation. The manner and effect of surrender would be dealt with by rules as would the provisions for protecting the interests of other persons having a right in the registered trade mark.

Section 49

Revocation of registration.

This section follows along the lines of section 34 of the Trade Marks Act, 1963. However, the concept of *bona fide* use has now been replaced by the requirement that in order to avoid revocation, the trade mark must be put to genuine use within five years following completion of the registration.

The section provides for revocation on four grounds: failure to make genuine use of the trade mark within five years of registration; a suspension of use for an uninterrupted period of five years without proper reason; the trade mark becoming generic; or that the trade-mark has become liable to mislead the public in consequence of the proprietor's use. *Subsection (5)* provides for revocation to relate only to those goods or services for which grounds for revocation exist.

Section 50

Grounds for invalidity of registration.

This section would allow for the registration of a trade mark to be declared invalid on the grounds that such registration was in breach of *section 8* of this Bill. However, a trade mark would not be declared invalid if, as a result of use, it had acquired a distinctive character subsequent to registration. This section would also empower the Controller to apply to the Court for a declaration of invalidity in the case of fraud.

Section 51

Effect of acquiescence.

This section implements Article 9 of the Directive and would protect a trade mark against a declaration of invalidity or opposition where the proprietor of an earlier trade mark or right had acquiesced for a continuous period of five years with the use of the registered trade mark.

Collective Marks

Section 52

Collective marks.

This section introduces a new category of trade mark in that it will now be possible for members of an association which is a proprietor of a trade mark to register it as a collective mark. As distinct from certification trade marks the collective owner may deal in the goods or services whereas a certifying body may not in the case of a certification trade mark.

Certification Marks

Section 53

Certification marks.

This section in effect re-enacts the provisions of section 45 of the Trade Marks Act, 1963 but simplifies the procedure for obtaining a certification mark. The provisions for granting collective marks and certification marks are set out in the *First* and *Second Schedules* respectively.

PART III

COMMUNITY TRADE MARKS AND INTERNATIONAL MATTERS

Sections 54 to 63

Considerable changes have taken place as regards the international protection for trade marks since the enactment of the Trade Marks Act, 1963. The basic international convention for the protection of industrial property remains the Paris Convention of 1883 which constituted a Union for the Protection of Industrial Property and to which the State adheres.

The administrative tasks concerning the Union are carried out by the World Intellectual Property Organisation (WIPO) which is now an agency of the United Nations. Countries of the Union are entitled separately between themselves to make special agreements for the protection of industrial property as long as these agreements do not contravene the provisions of the Convention. Among such special agreements is the Madrid Agreement entered into by a number of continental European and North African countries and concluded in Madrid on April 14, 1891.

The State is not party to the Madrid Agreement. A protocol to the original Agreement was signed by the State in December, 1989 the purpose of which is to enable Irish persons who have applied for registration at the Patents Office to file a single application with the International Office of WIPO in Geneva designating those other contracting countries where registration of a trade mark is required. When thus filed the trade mark will be protected in all countries which have adhered to the Madrid Agreement, unless the mark conflicts with a mark already on the register of a particular country or is otherwise unregistrable under the laws of that country. Separate applications for national registration in the individual countries of the Madrid Agreement are thus unnecessary. The State's adherence to the Protocol will effect considerable savings for industry when protecting their valuable trade marks.

The Community Trade Mark Regulation 40/94 of 21 December, 1993 establishes a unitary Community trade mark. This will enable trade mark proprietors to seek one registration for the entire Community rather than rely on separate registrations in the Member States. Registration of marks will commence in 1996.

Part III of the Bill is intended to incorporate the provisions of the Protocol to the Madrid Agreement as part of the domestic trade mark law of the State and to give effect to the Community Trade Mark Regulation. In addition, *section 58* enables the Minister to make orders amending the Bill if necessary in consequence of any revision or amendment of the Paris Convention. *Section 59* introduces in domestic law the protection under the Paris Convention of well-known trade marks (the so-called "Marque Notoire") regardless

of whether the owner carries on business or has any goodwill under the trade mark in the State. The Supreme Court in *C. & A. Modes v. C. & A. (Waterford)* [1976] I.R. 148 has already ruled that goodwill does not stop at frontiers and that it is possible to maintain an action for passing-off in the State notwithstanding that the plaintiff does not have a place of business in the State. *Section 60* enhances the protection available for the flags, armorial bearings or other emblems of Paris Convention countries.

PART IV

ADMINISTRATIVE PROVISIONS

The Register

Sections 64 to 66

These sections in effect re-enact existing provisions relating to the register under sections 9, 42 and 44 of the 1963 Act.

Powers and Duties of the Controller

Sections 67 to 73

These sections deal with the powers and duties of the Controller covering the power to direct what forms may be used; the provision of information about registered trade marks and applications; the parties to be heard; and the costs and evidence in proceedings before him. They also provide for excluding liability in respect of official acts and require the Controller to report on the execution of the provisions of this Act in his annual report. *Section 71* of the Bill provides new powers for the Controller to deal with behaviour amounting to contempt of the Patent Office in hearings before the Controller by extending the provisions of section 92 of the Patents Act, 1992 to cover the Trade Marks Act, 1995.

Legal Proceedings and Appeals

Sections 74 to 78

These sections re-enact existing provisions under sections 52, 53, 56 and 57 of the Act of 1963.

Rules and Fees

Sections 79 and 80

These sections re-enact sections 3 and 4 of the Act of 1963 covering the rule-making power of the Minister and the fees charged.

PART V

TRADE MARK AGENTS

Sections 81 to 89

The provisions contained in sections 105 to 109 of the Patents Act, 1992 covering Patent Agents have been substantially followed in sections 81 to 88. A new provision is being introduced in section 89 to confer privilege for communications between registered trade mark agents and their clients in the same way as exists for the client/solicitor relationship. Section 94 of the Patents Act, 1992 is similar.

PART VI

OFFENCES

Sections 90 to 93

These sections introduce new offences in relation to the fraudulent applications or use of trade marks. *Section 90* deals with the growing problem of counterfeiting. *Sections 91* and *92* re-enact sections 63 and 64 of the Act of 1963 respectively. *Section 93* enables proceedings for an offence under this Act to be brought against partnerships and bodies corporate.

PART VII

MISCELLANEOUS AND GENERAL

Sections 94 to 100

Section 94 enables proceedings for an order under *section 19* or *section 22* to be brought in the Circuit Court.

Section 95 is intended to give better protection to the State emblems of Ireland.

Section 96 provides for the Minister to protect marks abroad which are indicative of Irish origin and re-enacts section 47 of the Act of 1963.

Section 97 makes it clear that in any civil proceedings under the Act where the issue of use of a trade mark arises the burden of proving such use shall lie with the proprietor.

Section 98 introduces the *Third Schedule* which deals with transitional provisions including the treatment of trade marks registered under the Act of 1963, and applications for registration and other proceedings pending under that Act, on the commencement of this Act.

Section 99 is similar in its effect to section 117 of the Patents Act, 1992 in relation to protection of trade marks in so far as the territorial waters and continental shelf of the State are concerned.

Section 100 amends and adapts existing statutes to take account of the enactment of this Bill.

First Schedule

This Schedule sets out the requirements for a collective mark and the procedures to be followed in securing registration.

Second Schedule

This Schedule sets out the requirements for a certification mark and the procedures to be followed in securing registration.

Third Schedule

This Schedule deals with existing registered trade marks and ensures that these (whether registered in Part A or Part B of the former register) will be transferred on commencement of the Act to the register kept under the new legislation. The remaining provisions deal with the status of applications for registration pending at the date of coming into operation of the new legislation as well as the effects of registration, infringement etc., of existing registrations.

*An Roinn Fiontar agus Fostaíochta,
Samhain, 1995.*

ships and bodies corporate
 and 64 of the Act of 1903 respectively. Section 93 enables pro-
 ceedings for an offence under this Act to be brought against partner-
 applications of the Act of 1903 in relation to the protection
 of trade marks. Section 92 deals with the growing
 problem of counterfeiting. Sections 91 and 92 and section 93
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PART IV

PART VII

MISCELLANEOUS AND GENERAL

Section 94 to 100
 Section 94 enables proceedings for an order under section 19 of
 section 55 to be brought in the Circuit Court in relation to the
 Section 95 is intended to give better protection to the State
 employees of Ireland.

Provision of the Copyright and Designs Act 1962

Section 96 provides for the Minister to protect marks spread which
 are indicative of Irish origin and to cancel section 47 of the Act of
 1903 in relation to such marks. The Copyright and Designs Act 1962
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 the register kept under the new legislation. The remaining provisions
 deal with the status of applications for registration pending at the
 date of coming into operation of the new legislation as well as the
 effect of registration, infringement and of existing registrations.
 An Order in Council may be made under section 101 of the Act
 in relation to the transfer of trade marks from the former register
 to the new register.