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**SPECIAL UNION FOR THE INTERNATIONAL CLASSIFICATION OF GOODS AND
SERVICES FOR THE PURPOSES OF THE REGISTRATION OF MARKS
(NICE UNION)**

AD HOC WORKING GROUP

Geneva, July 3 and 4, 2008

PROCESS FOR THE REVISION OF THE NICE CLASSIFICATION

Document prepared by the International Bureau

INTRODUCTION

1. The Preparatory Working Group of the Committee of Experts of the Nice Union (PWG) held its twenty-sixth session in Geneva from November 26 to 30, 2007. At the conclusion of that session, the Delegation of Singapore discussed certain aspects of the currently applicable process for the revision of the International Classification of Goods and Services for the Purpose of the Registration of Marks (hereinafter referred to as “Nice Classification”) and presented some suggestions concerning that process. A number of delegations expressed support for those suggestions. The PWG requested the Secretariat to convene a session of an *ad hoc* Working Group (WG) to consider the introduction of amendments to the current revision process and to prepare a document for deliberation by such a Working Group, with proposals that would reflect the comments made at the twenty-sixth session of the PWG (paragraph 20, document CLIM/GTP/26/7 Prov.).

CURRENT REVISION PROCEDURE

2. According to Article 3(3)(i) of the Nice Agreement, the Committee of Experts of the Nice Union (CE) is the body competent to adopt changes to the Nice Classification. It meets at least once every five years on convocation by the Director General of WIPO (Rule 3(1) of

the Rules of Procedure of the Committee of Experts of the Nice Union (hereinafter referred to as “Rules of Procedure”). The dates of the sessions and the length of the revision periods are established by the CE.

3. The Committee can also meet in extraordinary session on convocation by the Director General of WIPO at the request of one-fourth of the States members of the Committee (Rule 3(2) of the Rules of Procedure).

4. The CE has set up a PWG in conformity with Article 3(3)(iv) of the Nice Agreement. The task of the PWG is to examine proposed changes to the Nice Classification and make recommendations thereon to the CE. The CE considers proposals only on the basis of the recommendations made by the PWG (see paragraph 40 of document CLIM/XI/13, report of the eleventh session of the CE held in Geneva, from June 10 to 14, 1974).

5. The CE decided to entrust to the International Bureau (IB) the task of convening the PWG at the time it deems appropriate (see paragraph 18 of document CLIM/CE/XVII/5, report of the seventeenth session of the CE, held in Geneva from November 6 to 10, 1995), which is done, in general, once every year.

6. The currently applicable procedure for the revision of the Nice Classification consists of the following steps:

(a) in conformity with the provisions of Article 3(2)(b) and (5) of the Nice Agreement and Rule 5 of the Rules of Procedure, the Secretariat mails an invitation to the competent Offices of the Nice Union countries and certain intergovernmental organizations to submit to the PWG proposals for changes to the Nice Classification. The submission deadline is set at around three months after the date of the invitation. The Secretariat requests that the proposals be presented according to the following categories:

(i) *Category 1*: new indications, relating to goods or services that do not appear in the Alphabetical List of the Classification;

(ii) *Category 2*: indications to be deleted because the goods or services covered by those indications are no longer needed in the Alphabetical List;

(iii) *Category 3*: modifications of existing indications of goods or services, following transfer of the goods or services to other classes, or merely for clarification of wordings.

(b) The proposals are transmitted to the Secretariat by fax, mail or email. All proposals submitted within the deadline are adapted to WIPO format and reproduced (i.e., photocopied and printed) in two working documents, one containing the original proposals in French and the other one those in English. Some of the proposals are explained in detail, others just mention the proposed changes with little or no explanations.

(c) In addition, the Secretariat prepares a working document with summary tables of all the submitted proposals. The document is divided into parts A and B. The tables in Part A contain the proposals belonging to categories 1, 2 and 3 mentioned above, while the tables in Part B contain proposals relating to amendments to the general remarks, the class headings and the explanatory notes. The tables include the following information:

- (i) the country code followed by the proposal number (given by the IB),
- (ii) an indication of the good or service that should be added, changed or transferred (or the proposed amendment to a class heading or an explanatory note) in English and French¹,
- (iii) the number of the class to which the indication belongs,
- (iv) if the change affects an existing indication, the basic number of that indication,
- (v) an asterisk in the first column if the proponent has given additional information relating to the proposal, which can be consulted in the working document containing the original proposals, and
- (vi) the country code and number of any other proposals linked to the proposal in question.

(d) The agenda for a session of the PWG is sent in paper format, together with the invitation to participate in the session, to all countries members of the PWG (as voting members), and to all other countries party to the Paris Union or WIPO and some intergovernmental and non-governmental organizations (as observers). According to Article 3(5) of the Nice Agreement and Rule 1 of the Rules of Procedure, the working documents must be submitted by the IB to the countries members of the PWG and to the observers no later than two months before the session of the PWG. The working documents are made available online on the WIPO website.

(e) The summary tables described in paragraph (c), above are then used to prepare the draft report of the session, with an indication next to each proposal of whether it has been accepted, rejected or withdrawn, “accepted” or “rejected” meaning that the PWG recommended to the CE the approval or the rejection of the proposal. The IB then publishes on the WIPO website the draft report and requests the delegations present and voting at the session of the PWG to comment thereon. Taking account of all the comments received, the IB submits the draft report for adoption by the PWG at its next session.

(f) All the recommendations made by the PWG, for approval as well as for rejection of proposals for changes to the Nice Classification, are submitted to the CE for a final decision. The procedures for convening a session of the CE and the type of working

¹ The translation of the proposals into either English or French takes approximately one month.

documents produced for the session are similar to those for the sessions of the PWG. The changes to the Nice Classification adopted by the CE are then entered in a new edition of the Classification.

AREAS IN WHICH THE REVISION PROCESS COULD BE RENDERED MORE EFFICIENT

7. The current revision process has a number of perceived shortcomings. In particular, the five-year time period necessary for any change to the Classification to take effect is considered as no longer corresponding to the needs of modern trademark administration. Moreover, there appears to be room for amending the format in which proposals are presented to meetings of the PWG. Finally, it can be asked if physical meetings of the PWG should not be substituted by an electronic exchange of information over the Internet.

8. In the following, a number of suggestions are presented for consideration by the WG, namely, a revised format for the presentation of proposals, the creation of an electronic forum that would replace the PWG for the purposes of the discussion of such proposals, and the adoption of changes to the Classification by the CE via the electronic forum (“e-forum”). The three suggestions can be looked at individually. However, they are presented in a logical sequence, which eventually could result in a revised revision process for the Classification.

Electronic submission of proposals

9. To start with, an electronic form could be developed that would facilitate the submission of proposals for changes to the Classification. This e-form would contain the same information as detailed in paragraph 5(c)(i) to (vi), above and, additionally, a field where the Office concerned would explain its proposal and submit references and existing analogous entries in the alphabetical list of the Classification, if any. Moreover, instead of mentioning under a “Remarks” column the number of all proposals linked to each other, such proposals would be grouped directly under the main proposal in the category to which the main proposal belonged. This would facilitate viewing and discussing linked proposals as a whole instead of having to search for them on different pages.

10. Once completed, the form would be submitted electronically to the Secretariat. The use of such an electronic form would be strongly recommended but not compulsory since it might not be appropriate for certain proposals or classification studies of a more complicated nature, e.g., the merging and creation of new classes.

Creation of an electronic forum and discontinuation of the PWG sessions

11. The creation of an e-forum could contribute to rendering the revision process more expeditious and, thus, more efficient. Participation in the e-forum would be open for all Members of the CE and all observer States and organizations. Proposals for changes could be submitted to the e-forum and discussed. Such discussion would give a realistic indication of the acceptance of a particular proposal. It would then be up to the proposing Office, after examining any comments, to keep, modify or withdraw its proposal.

12. Furthermore, the entire process of submitting and discussing proposals, withdrawing or modifying them if necessary, and even voting on them could become an on-going process on the e-forum. It would thus no longer be necessary to convene sessions of the PWG in preparation of meetings of the CE, as the preparatory work could be done on the e-forum. Moreover, it could be considered to convene sessions of the CE more often with a view to facilitate more frequent revisions of the Classification by the CE.

Frequency of revisions by the Committee of Experts and adoption of certain changes through the e-forum

13. In case the idea of setting up an e-forum for hosting a preliminary discussion for changes of the Classification is received favorably, it could be considered to go one step further and adopt certain changes to the Classification through the e-forum and have them entering into force immediately.

14. According to Rule 3(1) of the Rules of Procedure, the CE holds its sessions at least once every five years. Article 3(7)(c) of the Nice Agreement and Rule 7 of the Rules of Procedure provide that, except in special cases, amendments to the Classification shall be adopted at the end of specified periods and that the length of each period shall be determined by the CE. It should be noted that, according to Article 3(7)(b) of the Nice Agreement, "amendment" shall mean any transfer of goods or services from one class to another or the creation of any new class. Article 4(1) of the Nice Agreement establishes that all changes decided upon by the CE shall be notified to the competent Offices of the countries of the Nice Union by the IB and that amendments shall enter into force six months after the date of dispatch of the notification, while any other change shall enter into force on a date to be specified by the CE at the time the change is adopted.

15. In practice, the CE generally sets the same date of entry into force for amendments as for other changes to the Classification, usually January 1 of the second year following the end of the five-year revision period. In this way, the IB has sufficient time not only to dispatch the notification of entry into force but also to prepare and publish the new edition of the Classification. Meanwhile, national Offices use this period of time to translate the new edition into other languages before it enters into force.

16. As already indicated above, at the last session of the PWG held in November 2007, a number of delegations stated that five-year revision periods were too long for adopted changes to the Classification to become applicable. At the same time, shorter revision periods could represent a problem when dealing with the notification of entry into force of amendments and the frequent preparation and publication of new editions of the Classification. Moreover, introducing changes to the Classification too often, in particular amendments, may cause confusion among the users and increase the workload for offices with regard to the reclassification of goods and services if any, and the adaptation of IT systems.

17. A way forward could consist in making the revision procedure more flexible with a view to avoiding five-year waiting periods for simple changes to the Classification to enter into force. Amendments, i.e., the creation of new classes or the transfer of goods or services from one class to another, would continue to enter into force and new editions of the Classification would be published in five-year periods as usual. However, the adoption and

entering into force of additions of new indications to the alphabetical list, deletions or modifications in the wording of existing indications and any related change to the class headings and the explanatory notes could become a part of an on-going process for submitting, discussing and voting on proposals on the e-forum. The revision procedure could be thus modified as follows:

- (a) the annual sessions of the PWG would be discontinued;
- (b) proposals for changes to the Classification could be submitted on the e-forum at any time by the IB, the competent Office of any country of the Nice Union and certain intergovernmental organizations, as stated in Article 3(5) of the Nice Agreement. Comments on those proposals could be submitted not only by those Offices but also by observers. Each time a new proposal or a new comment on a proposal is submitted via the e-forum, an electronic notification would be generated and sent automatically to participants in the e-forum (Nice Union countries and observers);
- (c) each proposal submitted on the e-forum would be sent immediately for translation into either English or French. Depending on the workload of the WIPO translation service and the number of proposals submitted, this translation should not take more than one month;
- (d) once translated, each proposal that is still maintained (i.e., not withdrawn by the proponent as a consequence of unfavorable comments) and which does not constitute or is not related to an amendment in the sense of Article 3(7)(b) of the Nice Agreement, would be subject of a vote on the e-forum. An electronic notification would be generated and sent automatically to the members of the CE, who would have a period of a month for voting, as from the date of that message;
- (e) each proposal so adopted by the CE would enter into force immediately;
- (f) new editions of the Nice Classification would not need to be published on paper and CD-ROM every year; however, the changes adopted by the CE according to the process described in paragraphs (i) to (v), above would be available on the e-forum and could be incorporated in intermediary yearly editions of NIVILO:CLASS online, e.g., NCL(9.1), NCL(9.2), etc.;
- (g) for the purposes of Article 3(7)(a) and (b) of the Nice Agreement, which establishes that changes to the Classification that do not concern the adoption of amendments shall be adopted by a simple majority of the countries of the Nice Union “represented and voting”, “voting” countries would be considered as “represented”. Proposals which were not voted on would be disregarded and have to be resubmitted to the CE.

18. The IB would still convene a session of the CE in Geneva at least once every five years. At this session the CE would deliberate on proposals for amendments to the Classification, i.e., for creation of new classes or transfer of goods or services from one class to another. In conformity with Article 3(7)(b) of the Nice Agreement, the adoption of amendments would require a four-fifth majority of the countries of the Nice Union represented and voting at the session. According to Article 4(a) and (b) of the Nice Agreement, amendments adopted at the session would be notified to the Nice Union countries by the IB and would enter into force six months after the date of dispatch of the notification, following the usual procedure as

described in paragraphs 14 and 15, above. The IB would then publish a new edition of the Classification, e.g., NCL(10), containing all the amendments and other changes adopted by the CE since the publication of the previous edition.

19. The adoption of the changes to the revision procedure described in the preceding paragraphs would require the holding of a session of the CE to adopt the necessary amendments to the Rules of Procedure. It would appear appropriate to convene at least one more session of the CE thereafter in order to review the implementation of the project.

20. The ad hoc Working Group is invited to consider this document and to express its views thereon.

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