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## WORLD INTELLECTUAL PROPERTY ORGANIZATION

**GENEVA** 

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

## **ASSEMBLY**

Fifteenth Session (13th Ordinary)
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## LIMITATION OF THE SCOPE OF THE NICE CLASSIFICATION SERVICE

Memorandum of the International Bureau

### INTRODUCTION

- 1. Following a decision of the Assembly of the Nice Union, at its seventh session (in 1983), the International Bureau introduced its Nice Classification Service, according to which any interested party (for example, trademark offices, trademark agents or the general public) may request the advice of the International Bureau on how particular goods or services should be classified according to the Nice Classification. The advice of the International Bureau takes the form of a classification report, which may cover several products and/or services. The Service is free of charge for all trademark offices (since 1994), whereas other parties are charged a fee for the establishment of the classification report (three Swiss francs per word of the report, with a minimum fee of 60 Swiss francs).
- 2. The demand for this Classification Service has in the last years increased considerably. Thus, in 1996, the International Bureau established 301 classification reports (an increase of

98% in comparison with 1994 (152 reports) and 46% in comparison with 1995 (206 reports)). In 1997, the number of classification reports established increased even more. Thus, in the first four months of 1997, the International Bureau established 183 classification reports (an increase of 73% in comparison with the corresponding period in 1996 (106 reports)). Despite the high number of classification reports established, the income from the Classification Service was a modest 16,831 Swiss francs in 1996.

3. Encouraging as these figures might be, the International Bureau is concerned about the present trend. The establishment of the classification reports is now straining the resources of the International Bureau and it is evident that, unless steps are taken, the International Bureau will not be able to continue this Classification Service without an increase in staff. Further, it has been noted that a great number of the classification requests emanating from trademark agents relate to products or services whose classification can readily be found by consulting the Nice Classification. It is the understanding of the International Bureau that the cost of using the Nice Classification Service is passed on to their clients. Therefore, the International Bureau feels that an increase in the fees charged would not stem the flow of classification requests.

#### PROPOSED LIMITATION OF THE SCOPE OF THE NICE CLASSIFICATION SERVICE

- 4. In view of what is said above, the International Bureau proposes that, as from April 1, 1998, the Nice Classification Service be limited to the establishment of classification reports in response to requests submitted to the International Bureau by national or regional trademark offices. This is felt to be the only measure that will reduce the increase in classification requests to an acceptable level, even though it is expected that a certain number of classification requests that would otherwise have been submitted by trademark agents will be submitted by the trademark offices.
- 5. In making this proposal, the International Bureau is fully aware of the fact that such a limitation of the Classification Service will have as a result that no income from the Service will be forthcoming in the future. However, this income, which is far from being a true measure of the amount of work necessary to establish the classification reports, is considered negligible.
- 6. The International Bureau is further of the opinion that a limitation of the Classification Service, as proposed, would force the trademark agents and their clients to use the Nice Classification more extensively, which will help them to better understand the philosophy of the system and its application, which in the long run will be beneficial to their work. The Nice Classification has been considerably improved over the past 10 years, and the task of its users will be further simplified by the continued improvement of the system and the fact that the authentic versions (English and French) of the Classification will be published as a search system on CD-ROM, in the second half of 1997, at which time the Nice Classification is also expected to be accessible, free of charge, on the WIPO Web site of the Internet.
  - 7. The Assembly of the Nice Union is invited to consider the proposal set forth in paragraph 4, above.

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