EXPLANATORY NOTE

(This note is not part of the Regulations)

Regulations 4 to 6 implement Article 11(1) and (2) of Directive 89/104/EEC, the First Council Directive to approximate the laws of the Member States relating to trade marks (O.J. L40, 11.2.89, p.1) ("the Directive").

Regulation 4, which implements Article 11(2) of the Directive in part, inserts a new section 6A into the Trade Marks Act 1994 ("the Act"). This section will require an opponent who bases his opposition to the registration of a trade mark on certain earlier trade marks to show use of those marks.

Regulation 5 makes a consequential amendment to section 40 (registration) of the Act.

Regulation 6, which implements Article 11(1) of the Directive, inserts five new subsections into section 47 of the Act (invalidity). These subsections require an applicant who bases his application for a declaration of invalidity on certain earlier trade marks to show use of those marks.

Regulation 7 repeals section 5(3)(b) and amends section 10(3) of the Act. These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and the use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered.

Regulations 8 and 9 are transitional provisions relating to opposition proceedings and applications for a declaration of invalidity.

A Regulatory Impact Assessment is available, copies of which have been placed in the libraries of both Houses of Parliament. Copies of the assessment are also available from the Trade Marks Directorate, The Patent Office, Concept Office, Cardiff Road, Newport, NP10 8QQ.