

## Service "custom manufacturing of goods": change in practice

The new version of the 10<sup>th</sup> edition of the Nice Classification enters into force on 1 January 2016. As every year, the Committee of Experts of the Nice Union have decided on various changes. In particular, the explanatory notes for Class 40 have been adapted to include "custom manufacturing of goods".

Under the long-term practice of the Institute, the custom manufacturing of goods was not accepted as a service in the sense of the Nice Classification. Manufacturing carried out to the specification of a customer was considered to be covered by the class of goods in question. The explanatory notes for Class 40 have consequently been amended so that the custom manufacturing of goods can be incorporated into this class. In addition, the new explanatory notes describe the nature of this particular service thus allowing for a distinction to be made between trade marks for goods and trade marks for services.

These modifications have led the Institute to change its practice with regard to the service "custom manufacturing of goods". This service will now be accepted under the following conditions:

- 1) *The manufacturing must be carried out "to the order of a customer".*
- 2) *The manufacturing must be adapted to the needs of the customer, meet the requirements of the customer or be carried out to the specification of the customer.*
- 3) *The goods manufactured must be indicated.*

For example:

- "Custom manufacturing of automobile parts to the order and specification of a customer."
- "Custom manufacturing of pharmaceutical products to the order and requirements of a customer."

- 1) *The manufacturing must be carried out "to the order of a customer".*

The addition of "to the order of" ensures that the goods are manufactured to the order of a customer. If the goods are manufactured for the manufacturer's own account and subsequently sold to third parties, then this does not constitute a service in the sense of Class 40<sup>1</sup>.

For example:

A customer orders 100 tools according to his specifications. The manufacturer produces 200 pieces and delivers 100 of them to the person who ordered them. This is considered as custom manufacturing, which is protected in Class 40. The manufacturer then sells the remaining 100 pieces to third parties. Even though the goods were originally produced to a customer's specifications, this is not considered a service in the sense of Class 40 because there was no specific order with regard to this. Protection can only be obtained by means of the corresponding class of goods.

- 2) *The manufacturing must be adapted to the needs of the customer, meet the requirements of the customer or be carried out to the specification of the customer.*

To ensure that a distinction can be made from trade marks for goods, the wording must clarify that the goods are made to the specific needs, the specific requirements or to the specification of a customer. Alternative wording is possible, provided that it precisely describes a service in the sense of Class 40.

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<sup>1</sup> See the explanatory notes for Class 40: "If the substance or object is marketed to third parties by the person who processed, transformed or produced it, then this would generally not be considered a service."

*3) Indication of the goods manufactured.*

A precise description of the goods in question is necessary in order to limit the scope of protection. All terms that are accepted for the respective classes of goods are generally considered to be sufficiently precise<sup>2</sup>. Wording such as "custom manufacturing of goods in the field of xy" or "in connection with xy" will not be accepted. The terms "in the field of" or "in connection with" are so general that goods belonging to different classes could be concerned. This change in practice will enter into force on 1 January 2016 and will be applied to all pending applications.

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<sup>2</sup> An exception is made for goods that could occur in different classes and for whose interpretation the class number is taken into account; see the IPI Trade Mark Guidelines, Bern 2014, Part 1, Sec. 4.5.