

10 April 2001

**UNICE WARNS THAT A SWITCH TO AN INTERNATIONAL EXHAUSTION REGIME
FOR TRADEMARKS
WOULD NOT PAVE THE WAY TOWARDS ACHIEVEMENT OF LISBON OBJECTIVES**

Further to the hearing on trademark exhaustion organised by the European Parliament on 10 April 2001 UNICE would like to reiterate its views that switching from the current Community exhaustion regime to an International one would certainly not pave the way for the EU to become "*the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*".

If the EU were to adopt an International trademark exhaustion regime, branded consumer goods produced in the territory of the European Union would be in direct competition with products of the same brand manufactured in countries where taxation regimes, wages and production costs are much lower.

In this context, UNICE supports fully the Economic and Social Committee's views that the consequences of a change to an International exhaustion regime would have a negative impact on research and innovation, investment and employment.

UNICE is of the opinion that the consequences for EU competitiveness and employment of the proposed suggestion to change the current Community exhaustion regime have not been properly assessed and it urges EU institutions to carry out a thorough economic impact analysis of the proposal.

Furthermore, UNICE would like to underline the fact that the United States and many other countries do not apply International exhaustion for trademarks. Therefore, if the European Union were to decide to adopt the regime of International exhaustion unilaterally, it would be making an important concession to its main trading partners, without any reciprocity ensured. This is the reason why UNICE has always advocated that a discussion at global level (WTO or WIPO) is the only acceptable way of addressing this question.

The proposed change of exhaustion regime would clearly reduce the attractiveness of the EU as a production and investment area and UNICE urges the EU Institutions to assess properly the possible impact of the suggested change, in the light of the Lisbon recommendations.

For further information, please contact:

Jérôme P. Chauvin
Marie-Laure Bonnaffous
Website

+32(0)2 237 65 52
+32(0)2 237 65 51
www.unice.org