

3. Guidelines on the use of trademarks

The products and services of the member companies and the holder of licenses to use the collective trademark VEM shall be identified with VEM as the collective trademark of the Trademark Association [Warenzeichenverband VEM e.V.].

Identification through the collective trademark is based on competitive and innovative products and services that satisfy market requirements and are supplied to the purchaser in a high quality.

The products are manufactured using stable, modern and environmentally-compatible processes. The services are launched onto the markets supported by many years of experience.

■ **1. The use of the collective trademark of the Trademark Association [Warenzeichenverbandes VEM e.V.] is contingent upon the following conditions being fulfilled, which result in an increase in the level of trademark recognition and commercial validity of the VEM as a collective trademark.**

■ 1.1 Innovative products and services are developed on the basis of comprehensive market and needs research. The objectives are to be formulated in the result of the knowledge of the market and on the basis of comparisons.

■ 1.2 The results shall contribute to the development and stabilisation of sales markets while reducing cost expenditure.

■ 1.3 To secure sound and long-term sales relationships and also to sustain and increase market share, market preparation, market maintenance and market processing shall be guaranteed, especially through focussed customer-service, fast offer processing and maintaining or cutting standard delivery times.

■ 1.4 Products are manufactured and services provided on the basis of a quality assurance system in accordance with ISO 9000.

■ 1.5 For precise furnishing of proof of the quality parameters agreed in standards and contracts, documentary evidence must show concrete proof and be held over the long-term.

■ 1.6 The application behaviour of products is to be analysed through concrete field analyses up to and beyond the warranty period, in order to further increase the period of use limit.

■ 1.7 Complaints and warranty claims must be lodged immediately to ensure that the customer does not lose confidence in the quality of the products supplied.

■ 1.8 To prevent losses caused by sanctions, all aspects of the obligations arising from the contracts must be fulfilled.

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- 1.9 It must also be continuously ensured that no existing industrial property rights held by other competitors are infringed. A pro-active industrial property right strategy with own legally-valid industrial property rights, which serve both to market development and also to improve the achieved market positions.
 - 2. If the stated conditions for use of the collective VEM trademark are infringed, the board may impose sanctions. Rulings are made at a board meeting following a preceding examination and after comments by the relevant commercial and/or marketing management. Sanctions include:
 - 2.1 Conditional or complete withdrawal of the authority to use the collective trademark for one or several affected products and/or services.
 - 2.2 Temporary exclusion of a member company from the general right to use the collective VEM trademark.
 - 2.3 The obligation to pay compensation for damaged reputation of the collective VEM trademark up to DM 50,000.00 DM (Euro 25564.59).
 - 3. This directive was negotiated and decided in the members' meeting of the Trademark Association [Warenzeichenverband VEM e.v.] on 04.12.1998.

Sie tritt ab 01.01. 1999 in Kraft.