Article 42

1. Introductory remarks (paragraphs 1 and 2)

   The Working Party agreed to adapt the wording of paragraph 1 to the new text of Article 7. With this in mind, the Secretariat has merged (a) and (b) of the Commission text together in (a). In order to simplify the text, it also grouped together in paragraph 1 the other relative grounds of invalidity contained in paragraph 2 of the Commission text.

2. Possibility of a contractual solution (paragraph 1(a))

   The Working Party noted that paragraph 1(a) did not preclude the possibility of the sale of the trade mark which might be declared invalid to the proprietor of the earlier right by contractual means. This case was distinct from the one referred to in paragraph 3, where the express consent of the proprietor of the earlier right prevented the subsequent trade mark from being declared invalid.

3. Situation in the event of an earlier right subsisting in a particular locality (new paragraph 1(a))

   The German delegation, supported by the French delegation, took the view that it was unjustified to allow the proprietors of all earlier national rights which had not been registered, with the sole exception of local rights, to apply for invalidity of the Community trade mark. In its view, only national rights
Article 42 (continued)

(b) where the conditions set out in Article 7 paragraph 5 obtain;

(c) where it contains a work of a third person protected by copyright or by an industrial model or design;

(d) where it contains a portrait of a third person;

(e) where it contains the name of a third person, where use of the trade mark in relation to the goods or services for which it is registered is liable to cause prejudice to that person.

(2) Incorporated in paragraph 1.
should be able to be invoked, which would lead to ruling out regional rights, besides local rights. The proprietors of these rights could oppose use of the Community trade mark in accordance with Article 45 paragraph 1, which should be amended, or at least interpreted, in such a way as to include regional rights.

The other delegations did not support this proposal.

4. **Trade mark applied for by the agent without the proprietor's consent** (new paragraph 1(b))

The Working Party agreed to include among the relative grounds of invalidity in a new (b) the case where a trade mark was registered upon application by an agent without the proprietor's consent (see Article 7; paragraph 5).

5. **Copyright, portrait and name of a third person**
(new paragraph 1(c) to (e), former paragraph 2)

(a) The United Kingdom delegation proposed deleting paragraph 2 of the Commission text, since the proprietors of these rights could defend them by means of action based on those rights and provided for under national laws.

However, most delegations considered it advisable that the proprietor of such a right should also be able to apply for invalidity of the Community trade mark.

(b) Since no-one could be prevented from using his own work, portrait or name in a trade mark, the Working Party agreed to make it clear that only the work, portrait or name of a third person contained in a Community trade mark could give rise to the latter's invalidity.
(c) **The Working Party** agreed to replace the term "surname" with "name" in order to afford the possibility to a person known under a pseudonym or his forename to apply for the invalidity of a trade mark containing it.

(d) **The Danish delegation** suggested that the case of the portrait be made subject to the same conditions as the case of the name.

The other delegations preferred retaining an absolute right to take action for the third person whose portrait was contained in a trade mark, whereas it seemed reasonable to make action by the proprietor of the name subject to the condition that use of the trade mark would cause prejudice to him, as it was highly probable that such cases could occur quite unintentionally, simply because the names were the same.

(e) Further to a proposal by the Danish and Netherlands delegations, the Working Party agreed to replace the terms "is liable to cause serious detriment to the honour, reputation or credit of the person whose surname it is" by "is liable to cause prejudice to that person". This wording also made it possible to cover detriment to the financial interests of the persons concerned.

(f) **Protection of typographical characters** (paragraph 1(c))

The Secretariat draws delegations' attention to the advisability of examining whether the terms "work protected by ... an industrial model or design" in the various languages also ...
Article 42 (continued)

(3) A Community trade mark may not be declared invalid where the proprietor of any such right as is mentioned in paragraph 1 has consented expressly to registration of the Community trade mark.

(4) Where the proprietor of any such right as is mentioned in paragraph 1 has previously applied for a declaration that a Community trade mark is invalid or made a counterclaim in infringement proceedings, he may not enter a new application or counterclaim for that purpose on the basis of another such right which he could have invoked in support of his first request.

(5) Article 41 paragraph 3 shall apply mutatis mutandis.

Article 43

Consequences of invalidity

(1) The Community trade mark shall be deemed not to have had, as from the outset, the effects specified in this Regulation, to the extent that the trade mark has been declared invalid.

(2) Article 40 paragraph 3 shall apply mutatis mutandis to invalidity of Community trade marks.
covered the protection afforded to typographical characters by the Vienna Convention of 1973.

6. Consent of the proprietor (paragraph 3)

The Working Party decided to specify in this paragraph that the consent must be given expressly so as to avoid a possible interpretation to the effect that lack of opposition by the proprietor of the earlier right to registration of the trade mark could be considered as implicit consent.

Article 43

Consequences of invalidity

The wording of this Article has been amended in order to take into account the wording adopted for Article 40.
Article 44

Limitation in consequence of acquiescence

(1) Where the proprietor of a Community trade mark has acquiesced in the use of a later Community trade mark in the Community for a period of five successive years, being aware of such use, he shall not be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless the later Community trade mark was applied for in bad faith.

(1a) Where the proprietor of another earlier right mentioned in Article 42 paragraph 1 (a) or (b) has acquiesced in the use of a later Community trade mark in the Member State in which the earlier right is protected for a period of five successive years, being aware of such use, he shall not be entitled on the basis of the earlier right to apply for a declaration that the Community trade mark is invalid in respect of the goods or services for which the Community trade mark has been used, unless the Community trade mark was applied for in bad faith.

(2) deleted

(3) The proprietor of a later Community trade mark shall not be entitled to oppose use of the earlier right referred to in paragraph 1 or 1a even though that right may no longer be invoked against the later Community trade mark.
Article 44, paragraph 1

The Working Party first examined this provision in respect of the relationship between two Community trade marks (paragraph 1) then considered to what extent the conclusions reached in that respect could be applied to the relationship between another earlier right and a later Community trade mark (paragraph 1a).

A. Relationship between two Community trade marks

1. Criteria for acquiescence

The United Kingdom delegation considered that acquiescence by the proprietor of an earlier Community trade mark in the use of a later Community trade mark should involve two elements:

(a) he should know of the existence of the later Community trade mark;

(b) he should know of the use of the later Community trade mark.

The Working Party agreed with these criteria, and that the use of the later Community trade mark could be anywhere in the Community in view of the Community nature of both trade marks; in particular, its use in a Member State in which the earlier Community trade mark was not used, would be sufficient.

2. Period of acquiescence

The Danish delegation proposed that the period of acquiescence should be five years instead of the three years proposed by the Commission.
The Working Party agreed with this proposal. It also agreed that this period should run from the time when the proprietor of the earlier trade mark knew of the existence and use of the later trade mark.

3. **Form of use**

The representative of the Commission considered that the later trade mark must be used continuously throughout the five-year period of acquiescence if the proprietor of the earlier trade mark were to forfeit his right to oppose it. He also considered that it was not necessary to require the use of the later trade mark to be well-known, as requested by the AIPPI. The Working Party concurred with this view.

4. **Action to be taken by the proprietor of the earlier trade mark to avoid forfeiture of his right to oppose the later trade mark**

The representative of the Commission considered that the proprietor of the earlier Community trade mark would not necessarily have to bring a court action against the later Community trade mark within the five-year period if he were to avoid forfeiture of his right to oppose the later trade mark, but that a warning letter setting a time for the cessation of use of the later trade mark would normally be sufficient.
The German and Italian delegations shared this view.

The United Kingdom, Danish and Netherlands delegations felt that this question should not be dealt with expressly in the Regulation, but should be left for the courts to interpret.

The Working Party agreed not to settle this question in the text of the Regulation. It noted that the majority of the delegations considered that a warning letter would be sufficient, provided that, in the event of the proprietor of the later trade mark failing to respond satisfactorily to it, it was followed by court action within a reasonable time, but not necessarily within the five-year period. The Working Party also considered that a warning letter would not interrupt or suspend the five-year period, and noted in this connection that the term "prescription" in the French text, "prescrizione" in the Italian text and "μαρτυραφή" in the Greek text should be avoided.

5. Effects of acquiescence

The Working Party agreed that the effect of this provision would be that the proprietor of the earlier Community trade mark who acquiesced in the use of the later Community trade mark would no longer be entitled, on the basis of his trade mark, either to apply for the invalidation of the later trade mark or to oppose its use.

The Working Party also agreed that this effect would apply only in respect of the goods or services for which the later trade mark had been used.
With regard to the question whether this provision would exclude the proprietor of the earlier trade mark taking action against the later trade mark on any other basis, such as an action for unfair competition in the event of a change in the use of the later trade mark, different views were expressed. The German and Netherlands delegations considered that once this provision had taken effect, the proprietor of the earlier trade mark could no longer take action against the later trade mark as such, but only against the use made of it, and such action would be under unfair competition law rather than trade mark law. The United Kingdom and French delegations on the other hand considered that the change in presentation could be such as to create a completely new situation, which would make it fair to allow the proprietor of the earlier trade mark to apply for the invalidation of the later trade mark. The Working Party noted these different views.

6. Bad faith

With regard to the question whether this provision should not apply if there was bad faith on the part of the proprietor of the later trade mark at any time other than when he applied for his trade mark, the Working Party considered that this should be left for the courts to decide.

B. Relationship between another earlier right and a later Community trade mark

1. Criteria for acquiescence

The Working Party considered that acquiescence by the proprietor of another earlier right in the use of a later Community trade mark should involve the criteria set out

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under (a) and (b) in respect of two Community trade marks, as well as the criterion that the use of the Community trade mark should be in the Member State in which the earlier right is protected.

2. Period of acquiescence — form of use — bad faith

The Working Party agreed that its conclusions with regard to the relationship between two Community trade marks should also apply to the relationship between a Community trade mark and another earlier right in these respects.

3. Effects of acquiescence

The Working Party agreed that the effect of paragraph 1a would be that the proprietor of the earlier right who acquiesced in the use of the Community trade mark would no longer be entitled, on the basis of his right, to apply for the invalidation of the Community trade mark in respect of the goods or services for which it had been used.

It noted that the question whether the proprietor of a national right could bring an infringement action or any other action under national law against a Community trade mark would have to be discussed in connection with Article 82 of the proposed Regulation.