4. Action to be taken by the proprietor of the earlier right to avoid forfeiture of his right to seek invalidation of the Community trade mark

The Working Party noted that this question should be examined in connection with Article 82.

5. Parallel national rights

The representative of the Commission considered that where the proprietor of two or more parallel national rights in Member States of the Community forfeited the right to invoke one of his national rights against a later Community trade mark by virtue of this provision, he should also forfeit the right to invoke his other parallel right(s) against the Community trade mark unless he had taken action to defend those rights.

The German, Netherlands and United Kingdom delegations considered that this should not necessarily be the case, as the background to the various national rights would vary from one Member State to another.

The Working Party concluded that the question of parallel national rights would have to be left for the Office or the national courts as the case may be to decide in the light of the circumstances of the individual case. The words "on the basis of the earlier right" have nevertheless been left, in square brackets, in the text on the opposite page, since their deletion could be interpreted as meaning that the Commission's view was accepted, while their inclusion could be interpreted as meaning that the opposite view was accepted, i.e. that the proprietor of the parallel rights could under no circumstances forfeit the right to invoke them as a consequence of his failure to oppose the use of a Community trade mark on the basis of one of his earlier rights. It was also noted that similar problems could arise where there were earlier national rights parallel to an earlier Community trade mark. .../...
Article 45

Prior rights subsisting in particular localities

(1) The proprietor of a prior right subsisting only in a particular locality may oppose use of the Community trade mark in the territory where his right is protected.

(2) Paragraph 1 shall cease to apply if the proprietor of the prior right has acquiesced in the use of the Community trade mark in the territory where his right is protected for a period of five successive years, being aware of such use, unless the Community trade mark was applied for in bad faith.

(3) The proprietor of the Community trade mark shall not be entitled to oppose use of the right referred to in paragraph 1 even though that right may no longer be invoked against the Community trade mark.
6. Personal rights

The Working Party agreed that this provision should not apply to earlier rights of the kinds mentioned in Article 42, paragraph 1 (c) to (e), as it was not advisable to limit the possibility of taking action to stop use of a Community trade mark which infringed these rights.

Article 44, paragraph 2

The Working Party decided to delete paragraph 2 in the light of its decision to set the period of acquiescence in paragraphs 1 and 1a at five years.

Article 45

1. Means at the disposal of the proprietor of a prior right in a particular locality (paragraph 1)

The Working Party noted that the proprietor of a prior right subsisting only in a particular locality would not be able to apply for invalidation of the Community trade mark on the basis of his right, and that therefore the means at his disposal for opposing use of the Community trade mark in the territory where his right was protected was an infringement action under the laws of the relevant Member State.

2. Limitation in consequence of acquiescence (paragraph 2)

The Working Party noted that this paragraph had to be adapted in line with its conclusions in respect of Article 44.

Place of Articles 44 and 45

The Working Party asked the Commission to reflect whether the section of the Regulation on grounds for and consequences of invalidity was the most appropriate place for the provisions contained in Articles 44 and 45.
Section 4
Proceedings in the Office in relation to revocation or invalidity

Article 46
Application for revocation or for a declaration of invalidity

(1) An application for revocation of the rights of the proprietor of a Community trade mark or for a declaration that the trade mark is invalid may be submitted to the Office:

(a) where Articles 39 and 41 apply, by any natural or legal person and any group or body which has the capacity to be a party to proceedings in court, whether as plaintiff or defendant, for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers;

(b) where Article 42 paragraph 1 (a) or (b) applies, by the proprietor of the trade mark or other earlier right as well as licencees expressly authorised by the proprietor;

(c) where Article 42 paragraph 1 (c), (d) or (e) applies, by the proprietor of the copyright or of the industrial model or design, the bearer of the relevant name, the person who is the subject of the portrait, or the persons who are entitled under national law to exercise the rights in question.

(2) The application shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the fee has been paid.

(3) If the applicant has neither his domicile nor a place of business within the Community he shall, at the request of the proprietor of the trade mark, furnish security for the costs of the proceedings. The Office shall fix the amount of the security and the period within which it must be deposited. If the security is not deposited within the period specified, the application shall be deemed to be withdrawn.

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Article 46

1. Submission of the application to the Office (paragraph 1, introductory wording)

The Italian delegation considered that this wording in the Commission's proposal was confusing in that it could be interpreted as meaning that an application for revocation or for a declaration of invalidity could be submitted not only to the Office but also elsewhere. This confusion has been removed by the amendments made to the introductory wording of Articles 39, 41 and 42.

2. Terminology in Articles 46 and 87 (paragraph 1(a))

The German delegation suggested that the term "which has the capacity to be a party to proceedings in court, whether as plaintiff or defendant", be replaced by the term "if they have legal personality", as used in Article 87.

The Commission was asked to consider whether there was any particular reason for using different terms in Articles 46 and 87.

3. Persons entitled to bring an application (paragraph 1(b))

On a proposal by the Danish delegation, the Working Party agreed that an application based on Article 42 paragraph 1 (a) or (b) could be brought not only by the proprietor of the trade mark or other earlier right, but also by a licensee expressly authorized by the proprietor, as in the case of opposition (Article 34, paragraph 1).
(4) An application for revocation or for a declaration of invalidity shall not lie if an application relating to the same subject-matter and cause of action, and involving the same parties, has been adjudicated on by a Court in a Member State and has acquired the authority of a final decision.
4. **Alignment on the Community Patent Convention** (paragraph 2)

The wording of this paragraph has been aligned on that of Article 56, paragraph 4, of the Community Patent Convention.

5. **Security** (paragraph 3)

The Danish delegation suggested that this paragraph be deleted for the same reasons that had led it to suggest the deletion of Article 34, paragraph 3 (see 6103/83, page 41). No other delegation supported this suggestion.

6. **Form of the provision** (paragraph 3)

On a suggestion by the United Kingdom delegation, the Working Party agreed to set out this provision in full, rather than make a mere reference to Article 34 paragraph 3, in particular in order to avoid any risk of confusion between an application for a trade mark and an application for revocation or for a declaration of invalidity.

7. **Avoiding conflict between decisions of the Office and of national courts** (paragraph 4)

The Italian delegation requested the deletion of the proposed paragraph, as it considered that a party should be able to seek a decision from the Office on the revocation or invalidation of a Community trade mark as long as there was no final decision by a national court on the same matter. The Working Party agreed to amend this paragraph to make it clear that it was only when the decision of a national court had acquired the authority of a final decision that an application to the Office on the same matter and involving the same parties would be inadmissible; until such time as the decision acquired this authority, any of the parties could make an application to the Office and request the national court to stay proceedings in accordance with Article 79, paragraph 2.

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Article 47

Examination of the application

(1) The Office may stay the proceedings of its own motion or at the request of any of the parties if, under Article 78 paragraph 1, a counter-claim for revocation of the rights of the proprietor of the Community trade mark or for a declaration that the Community trade mark is invalid has been filed with a court in a Member State.

(2) In the examination of the application for revocation of rights or for a declaration of invalidity, the Office shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Office, on communications from another party or issued by itself.

(3) deleted

(4) If the proprietor of the Community trade mark so requests, the proprietor of an earlier Community trade mark, being a party to the invalidity proceedings, shall furnish proof that, during the period of five years preceding the date of the application for a declaration of invalidity, the earlier Community trade mark has been put to genuine use in the common market in connection with the goods or services in respect of which it is registered, or that there exist legitimate reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. If, at the date on which the Community trade mark application was published, the earlier Community trade mark has been registered for not less than five years, the proprietor of the earlier Community trade mark shall furnish proof that, in addition, the conditions contained in Article 35 paragraph 2 were satisfied at that date.

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The Working Party decided to leave open to interpretation the question whether this provision should be extended to cases where any of the parties before the Office was the successor in title to a party in the proceedings before the national court.

Article 47

1. Stay of proceedings (paragraph 1)

The German delegation reserved the right to re-examine this provision once the Working Party had discussed the relationship between revocation proceedings, infringement proceedings and counterclaims as well as jurisdiction in such proceedings.

The Italian delegation pointed out that as stay of proceedings by the Office under Article 47 and stay of proceedings by a national court under Article 79 were both optional, cases could arise where neither stayed proceedings and contradictory decisions were given; there was also a possibility that both the Office and the national court might stay proceedings simultaneously.

The Working Party agreed to examine whether the text prepared by the Working Party III of the Community Patent Interim Committee in respect of litigation of Community patents could provide a solution to this problem.

2. Invitation to file observations (paragraph 2)

The Working Party agreed to align the wording of this paragraph on the wording of Article 58, paragraph 2, of the Community Patent Convention.
In the absence of proof to this effect the application for a declaration of invalidity shall be rejected. If the earlier Community trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the application for a declaration of invalidity, be deemed to be registered in respect only of that part of the goods or services.

(4a) Paragraph 4 shall apply mutatis mutandis to earlier national trade marks and other earlier rights referred to in Article 7 paragraph 2(a) and (d), with the proviso that use in the Member State in which the earlier national trade mark or other right is protected shall be substituted for use in the common market.

(5) First alternative: delete paragraph 5.]

Second alternative:

The Office may, if it thinks fit, make proposals for a friendly settlement.]

(5a) If the examination of the application for revocation of rights or for a declaration of invalidity reveals that the trade mark should not have been registered in respect of some or all of the goods or services for which it is registered, the rights of the proprietor of the Community trade mark shall be revoked or it shall be declared invalid in respect of those goods or services. Otherwise the application for revocation of rights or for a declaration of invalidity shall be rejected.

(6) Where a final decision is taken revoking the rights of the proprietor of the Community trade mark or declaring it invalid, it shall be removed from the register.
3. **Action by the Office of its own motion (paragraph 3)**

The Danish delegation considered that it was not clear from the text of this paragraph whether the Office could contend that the Community trade mark was invalid independently of an application for revocation or for a declaration of invalidity; in its view, the Office should be able to do so only in the context of proceedings brought before it. In the light of these remarks, the Working Party decided to delete this paragraph. The representative of the Commission stated that he could accept deletion of this paragraph on the understanding that the Office had the possibility of drawing the attention of the parties to the existence of grounds for invalidity other than those invoked by them.

4. **Alignment on Article 35 (paragraphs 4 and 4a)**

The Working Party agreed to adapt paragraph 4 to the amendments made to Article 35, paragraph 2 (see 6103/83, pages 44 to 49), which involved adding a new paragraph 4a based on Article 35, paragraph 2a.

5. **Consequences of failure to furnish proof of use of the earlier trade mark (paragraph 4)**

The Italian delegation suggested that where the proprietor of an earlier Community trade mark failed to furnish proof of its use, not only should his application for a declaration of invalidity of the later Community trade mark be rejected, but his trade mark should also be revoked automatically by the Office. No other delegation supported this suggestion.
The Working Party noted that in such cases the proprietor of the later Community trade mark could apply to the Office for revocation of the earlier Community trade mark as soon as it was established that the proprietor of the earlier trade mark had failed to furnish proof of its use.

6. Defensive registrations (paragraph 4a)

The United Kingdom delegation draw attention to the problem of defensive registrations, which are well-known trade marks registered for goods or services other than those for which the proprietor intends to use his trade mark in the foreseeable future, in order to keep open the possibility of extending the use of the trade mark to such goods or services at a later date; consequently, the proprietor of such a right would not be able to furnish proof of its use where it was invoked against a later Community trade mark in invalidity proceedings. The United Kingdom delegation pointed out that this problem related to defensive registrations existing at the time of the entry into force of the Regulation, as it was intended that no new defensive registrations would be allowed.

The Working Party asked the United Kingdom delegation to examine possible solutions to this problem, such as regarding such registrations as legitimate non-use, or the adoption of transitional provisions in this respect, and if necessary to submit a paper on this subject.
TITLE VII

APPEALS

Article 48

Decisions subject to appeal

(1) An appeal shall lie from decisions of the Examining Division, Opposition Division, Administration of Trademarks Division and Cancellation Division. It shall have suspensive effect.

(2) A decision which does not terminate proceedings as regards one of the parties can only be appealed together with the final decision, unless the decision allows separate appeal.
7. **Proposals for a friendly settlement** (paragraph 5)

   The Working Party noted that the same positions were held in respect of this paragraph as in respect of Article 35, paragraph 3 (see 6103/83, pages 50 and 51).

8. **Result of the examination** (paragraph 5a)

   On a suggestion by the **German delegation**, the Working Party agreed to insert a new paragraph 5a corresponding to Article 35, paragraph 4.

**Article 48**

1. **Departments whose decisions are subject to appeal** (paragraph 1)

   The Working Party agreed that the departments whose decisions are to be subject to appeal should be specified, to avoid giving the impression that the Boards of Appeal could hear appeals against their own decisions.

2. **Alignment on the European Patent Convention** (paragraph 2)

   The Working Party agreed to align the wording of this provision on that of Article 106, paragraph 3, of the European Patent Convention. It also agreed not to include in the Regulation provisions corresponding to paragraphs 4 and 5 of Article 106 of the European Patent Convention, as it considered that all decisions should be subject to appeal.
Article 49

Persons entitled to appeal and to be parties to appeal proceedings

Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right.

Article 50

Time limit and form of appeal

Notice of appeal must be filed in writing at the Office within two months after the date of notification of the decision appealed from. The notice shall not be deemed to have been filed until after the fee for appeal has been paid. Within four months after the date of notification of the decision, a written statement setting out the grounds of appeal must be filed.
Article 49

1. Alignment on the European Patent Convention

The Working Party agreed to align the wording of this provision on that of Article 107 of the European Patent Convention.

2. Persons entitled to appeal

The question was raised whether an appeal could be made by a person who was adversely affected by a decision but who had not been a party to the proceedings in which the decision was taken, for example a licensee of one of the parties to the proceedings. The Working Party considered that problems of this nature would usually be dealt with in the contract between the proprietor of the trade mark and the licensee.

Article 50

1. Alignment on the European Patent Convention

The Working Party agreed to align the wording of this provision on that of Article 108 of the European Patent Convention.

2. Length of the period for payment of the fee for appeal

The Danish delegation, supported by the Greek delegation, considered that a period of two months for payment of the fee for appeal was insufficient, and proposed that this period be increased to three months.

The French delegation pointed out that this proposal would have the disadvantage of setting periods of three different lengths in this Article (two months for filing the notice of
Article 51

Interlocutory revision

(1) If the department whose decision is contested considers the appeal to be admissible and well founded, it shall rectify its decision. This shall not apply where the appellant is opposed by another party to the proceedings.

(2) If the decision is not rectified within one month after receipt of the statement of grounds, the appeal shall be remitted to the Board of Appeal without delay, and without comment as to its merit.
of appeal, three months for paying the fee and four months for filing the statement of grounds). For purposes of simplification, the French delegation suggested that the period for payment of the fee be the same as that for filing the statement of grounds, namely four months.

The German delegation pointed out that, as Article 51, paragraph 2, provided for the appeal being remitted to the Board of Appeal one month after receipt of the statement of grounds in certain circumstances, there was a possibility under the suggestion by the French delegation that the appeal could be remitted to the Board of Appeal before the fee had been paid if the statement of grounds was filed in less than three months and the fee was not paid until the end of the four-month period.

The Working Party requested the Commission to ask the European Patent Office whether, in its experience, the corresponding periods in Article 108 of the European Patent Convention had proved adequate. In the meantime, the Working Party left the period for payment of the fee at two months.

Article 51,

The Working Party considered that this provision was to be interpreted as meaning that the department whose decision was appealed could review its decision only where the proceedings were ex parte. It would not have this possibility where the proceedings were inter partes, even where all the parties other than the appellant had withdrawn from the proceedings.
Article 52

Examination of appeals

(1) If the appeal is admissible, the Board of Appeal shall examine whether the appeal is allowable.

(2) In the examination of the appeal, the Board of Appeal shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from another party or issued by itself.

Article 53

Decisions in respect of appeals

(1) Following the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal. The Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution.

(2) If the Board of Appeal remits the case for further prosecution to the department whose decision was appealed, that department shall be bound by the ratio decidendi of the Board of Appeal, insofar as the facts are the same.
Article 52

The Working Party agreed to align the wording of this provision on that of Article 110, paragraphs 1 and 2 of the European Patent Convention.

Article 53

The Working Party agreed to align the wording of this provision on that of Article 111 of the European Patent Convention.

Article 54

The Working Party held an initial exchange of views on the appropriateness of this Article and on the first two paragraphs.

1. Reservations

The United Kingdom and Danish delegations expressed reservations on the possibility from an institutional point of view of giving the Court of Justice the rôle proposed in this Article. Their reservations were linked with the question whether or not a Regulation of this kind could be adopted under the EEC Treaty.

The Working Party noted these reservations and pointed out that consideration of institutional questions was to be postponed until the European Parliament had given its Opinion on the Regulation.

2. Workload of the Court of Justice

The German delegation and, subject to the above reservation, the Danish delegation expressed fears that if a further appeal to the Court of Justice were to be provided for, such further appeals would be so numerous as to overload considerably the Court of Justice. The Danish delegation also feared that such a provision would be unfair to small firms, as they would be less able than large firms to afford the costs of proceedings before the Court of Justice.

.../...
The representative of the Commission pointed out that the representative of the Court of Justice had stated at the last meeting of the Community Patent Interim Committee that it was essential that uniform application of Community law in respect of Community patents was ensured by a central court, which could only be the Court of Justice; these considerations would apply equally in respect of Community trade marks.

The French delegation considered that the possibility should not be excluded of applying in respect of Community trade marks whatever solution was eventually adopted by the Community Patent Interim Committee in this respect with regard to Community patents.

The Working Party concluded that solutions other than that proposed by the Commission in Article 54 should not be excluded, and that the possible implications of this solution for the workload of the Court of Justice needed to be given careful consideration.

3. Decisions of the Boards of Appeal subject to further appeal (paragraph 1)

The German delegation reserved its position on the question whether or not this paragraph should be aligned on Article 63, paragraph 1, of the Community Patent Convention, which refers only to decisions of the Boards on appeals.

4. Grounds for further appeal (paragraph 2)

The German delegation expressed doubts whether a further appeal should be excluded where a provision of national law relating to the application of the Regulation was infringed,
as this exclusion ruled out the possibility of references in the Regulation to provisions of national law enabling such provisions to be considered as part of the Regulation. The German delegation also pointed out that the text of the Regulation differed from that of Article 63, paragraph 2, of the Community Patent Convention in this respect.

The Working Party asked the Commission to examine this question.

5. Examination of the facts (paragraph 2)

The Danish and German delegations questioned whether it was compatible with the system of protection of rights under the EEC Treaty to provide that the Court of Justice would not question the facts as found by and recorded in the decision of the Board of Appeal.

The Working Party asked the Commission to examine this question.