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AMENDED PROPOSAL

on the Community trade mark

(Submitted by the Commission to the Council
pursuant to Article 149(2) of the EEC Treaty)

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Explanatory memorandum

Introduction

In November 1980, the Commission submitted to the Council its proposal for a Regulation on Community trade marks.¹

The Economic and Social Committee delivered an Opinion on the proposal in September 1981.²

The European Parliament discussed the proposal in detail in its committees and at its sittings in October 1983, when it adopted its Opinion.³

The amended proposal for a Regulation is intended primarily to take account of those Opinions. Moreover, numerous amendments of a technical nature, affecting in particular the provisions on the law relating to trade marks and the registration procedure before the Office, are proposed in the light of the deliberations of the Council working party on intellectual property (trade marks).⁴

The principal amendments concern the inclusion of all earlier rights in opposition proceedings (Articles 7 and 34), a new definition of the rights conferred by a trade mark (Article 8), deletion of the word "serious" in connection with the concept of likelihood of confusions (Articles 7 and 8), deletion of "international exhaustion" (Article 11), abandonment of the idea of codifying the case law of the Court of Justice of the European Communities (Article 11), the dropping of declarations of user in connection with the renewal of trade marks (Article 37), extension of the effect of a court order prohibiting use to the whole Community (Article 74(3)), restriction of the prohibition on cumulative protection to trade marks having identical scope (Article 81) and the exception to the principle that the law of Member States does not apply to Community trade marks (Article 82).

¹ OJ C 351, 31.12.1980, p.1; Bull. EC, Supplement 5/1980.

² OJ C 310, 30.11.1981, p.22.

³ OJ C 307, 14.11.1983, p.46.

⁴ The Permanent Representatives Committee decided in 1981 to ask the Council working party on intellectual property to examine the Commission's proposal from the technical point of view.

Commentary on the recitals

First recital

The Commission maintains the original wording of its proposal, which is in keeping with the terminology used in Article 3(h) of the EEC Treaty.

Fourth recital

The coexistence of national trade mark rights is necessary because numerous undertakings are interested only in trade mark protection in their own country. The Commission believes, however, that the Community trade mark is so attractive that, if it cannot obtain protection for its trade marks in all Member States, an undertaking will in the long run replace its national trade marks existing in several Member States with a new Community trade mark. Parliament's proposed amendment is at variance with this objective.

Sixth, seventh and twelfth recitals

Parliament's proposed amendments to these recitals were adopted.

Ninth recital

This recital had to be amended in order to take account of the deletion of international exhaustion.

Commentary on the articles

Title II

The law relating to trade marks

Section 1

Definition of a Community trade mark

Obtaining a Community trade mark

Articles 3 and 4

The amendments to these two articles are purely a matter of drafting.

Article 6

The wording of paragraph 2(b) was brought into line with that of Article 6 quinquies B 3 of the Paris Convention. The reference in subparagraph c to Article 6 ter of the Paris Convention was made more explicit. A new subparagraph d on the protection of the badges, emblems and escutcheons mentioned therein was inserted. A reference to goods or services was added to paragraph 4.

Article 7

The new version of this article corresponds to Parliament's proposed amendment. The principal change is that not only the proprietors of earlier registered trade marks but also the proprietors of other earlier rights listed in paragraph 2 may give notice of opposition to registration of the Community trade marks applied for. Moreover, the qualification of the likelihood of confusion as "serious" is deleted. The dropping of the word "serious" does not mean, however, that the Commission has abandoned its main objective, which is stated clearly in the eighth recital: It adheres to its view that too wide an interpretation of the concept of likelihood of confusion would unnecessarily increase the number of conflicts between trade marks, with damaging effects on the free movement of trade marked goods. Moreover, it is in the interest both of the applicant and of the proprietor of the trade mark that the scope of the Community trade mark should not be too extensive, so as to avoid a situation where, as a result of earlier rights, the registration of a Community trade mark is prevented or a trade mark already registered is declared void, although those rights cannot reasonably be confused with the Community trade mark applied for or registered.

Section 2

Effects of Community trade marks

Article 8

The amended version of this article corresponds in substance to Parliament's proposed amendment. It makes clear that the proprietor of a Community trade mark may prohibit the use of an identical trade mark in relation to identical goods or services without having to prove that there is a likelihood of confusion. Paragraph 1(d) reproduces by and large the corresponding proposal by Parliament. The phrase "other than a prior right referred to in Article 7" was not included for reasons of consistency. On the other hand, it was felt it should be made clear that the trade mark must be "of wide repute" in the Community.

Article 9

The amendment proposed by Parliament to Article 4 of the proposal for a Directive was incorporated in this article.

Article 10

In subparagraph a, "surname" was replaced by "name" to make it clear that third parties may use their surname as a trade name in business transactions, provided the other conditions of this article are met. The expression "use them as a trade mark" was replaced by "uses them in accordance with honest industrial or commercial practice" in order to make the meaning of this article clearer.

Article 11

Paragraphs 1 and 2 of this article correspond to Parliament's Opinion. On the question of international exhaustion of the rights conferred by a Community trade mark, the Commission has formed the opinion that the Community legislator should refrain from introducing this principle and make do with the rule of Community-wide exhaustion. The Community must, however, be empowered to conclude, at some future time with important trading partners, bilateral or multilateral

agreements whereby international exhaustion is introduced by the contracting parties. The restriction to Community-wide exhaustion, however, does not prevent national courts from extending this principle, in cases of a special nature, in particular where, even in the absence of a formal agreement, reciprocity is guaranteed.

The amendments to paragraph 2 are simply due to the rewording of paragraph 1. The attempt to codify the case law of the Court of Justice of the European Communities is, moreover, abandoned. It is clear from this case law, which is valid Community law, that the proprietor of a Community trade mark may in principle prohibit third parties from repackaging goods put on the market by him and reaffixing his trade mark to the new packaging. The exceptions to this principle established by the Court of Justice¹ must, of course, be taken into account.

Article 12

It is apparent from the new wording of paragraph 1 that infringing a Community trade mark incurs not only civil but also criminal sanctions, in so far as the Member States provide for criminal sanctions for infringement of a national trade mark.

Paragraph 1(a) adopts the wording of the new Article 11(a) proposed by Parliament. Provided the scope of the trade mark as laid down in the Regulation is not extended, actions may also be brought, for example, under the national law prohibiting unfair competition.

¹Case 192/77 Hoffmann-La Roche v Centrafarm [1978] ECR 1139.

Section 3

Use of Community trade marks

Article 13

This article was redrafted in order to specify already at this stage the essential features of user requirements. Subparagraph a of paragraph 1(a) adopts the wording of Article 5C(2) of the Paris Convention; subparagraph b makes it clear that affixing the trade mark to goods intended exclusively for export is to be deemed to constitute use of the trade mark.

Section 4

Duration and alteration of Community trade marks

Article 14

The drafting amendment to this article stems from the deletion of declarations of user from Article 37.

Article 15

In order to safeguard the legitimate interests of third parties, the new paragraph 3 provides that third parties may, within three months of publication of the Community trade mark as altered, challenge registration of the alteration.

Section 5

Community trade marks as objects of property

Article 16

Paragraph 1 makes it clear that, as regards the law applicable, a place of business is relevant only where the applicant has neither his domicile nor his principle place of business in a Member State. Paragraph 3 governs the same question where two or more persons apply jointly for a Community trade mark.

Article 17

The second sentence of paragraph 2 was added to take account of a special feature of German law whereby a contract to transfer an undertaking gives rise only to an obligation to transfer. The wording of paragraph 3 was brought into line with that of Article 40(1) of the Community Patent Convention.

Article 21

Parliament and the Economic and Social Committee proposed a number of amendments to this article. When it reworded paragraph 2, the Commission was able to take account of Parliament's Opinion only in part. It has to bear in mind that Parliament proposed a different wording for Article 7 of the Directive. For reasons to do with trade mark law, the proposed amendment to the last phrase of this paragraph is unacceptable. Infringement of a contractual obligation on the part of the licensee to manufacture his goods in a certain territory is irrelevant under trade mark law. In no Member State can an action for infringement of trade mark be brought against the licensee in such a case.

The Commission has, on the other hand, adopted the amendment to paragraph 3. It shares Parliament's view that the proprietor of a trade mark can merely be obliged to ensure that, in manufacturing goods or providing services, the licensee complies with his instructions in respect of the quality of the goods or services.

There are a number of weighty reasons which militate against the delegation of paragraph 4 as proposed by Parliament. This paragraph contains no obligation to record a licensing agreement in the trade marks register. It merely affords the parties to a licensing agreement an opportunity to register the agreement if they wish to invoke the registration vis-à-vis third parties. The Commission takes the view that it is in the interest of the licensee, in particular, to be able to avail himself of such an opportunity.

(x)

Title III

Applications for Community trade marks

Section 1

Filing of applications and the conditions which govern them

Articles 24 and 25

In compliance with the Opinion of the Economic and Social Committee, Article 24(2) now provides that the minimum amount of fees is to be paid within one month after the filing of the application. This means that receipt of the fees is no longer a material factor when it comes to determining the date of filing (cf. Article 25). Moreover, the need to submit a power of attorney where Article 72(2) applies was dispensed with (deletion of Article 24(1)(d)).

Section 2

Priority

Articles 27 to 29

The drafting of these articles was improved, bringing them, wherever possible into line with the corresponding provisions of the Convention for the European Patent.

Title 4

Registration procedure

Section 1

Examination of applications

Article 30

The rewording of this article is intended to clarify the procedure relating to examination of the application for compliance with the requirements for acceptance. The only material change stems from alignment with the amended text of Articles 24 and 25.

Article 31

Article 31(2) provides that a disclaimer may be required by the Office only where in the absence of such a disclaimer doubts might arise as to the scope of protection of the trade mark. It is also stated at what time the disclaimer must be published.

Article 32

Apart from a number of textual amendments, the procedure provided for in Article 15(3) is introduced also in the case of an amendment to the trade mark application.

Section 2

Observations by third parties and opposition

Article 33

The new version contains no material changes compared with the original proposal. It was considered advisable, however, to provide expressly in paragraph 1 that third parties who submit observations are not parties to the proceedings before the Office, i.e. they are not entitled, for example, to appeal against the decision of the Examining Division.

Article 34

The amendments to paragraph 1 were necessary because of the amendment to Article 7. The only material change is that licensees expressly authorized by the proprietor of the trade mark may also give notice of opposition. "Place of business" has been inserted in paragraph 3.

Article 35

The amendments to paragraphs 1 and 2 are of a drafting nature. Paragraph 2(a) corresponds to Parliament's Opinion. The Commission felt that the clarification desired by Parliament regarding the use of national trade marks could best be ensured by means of a separate paragraph. In paragraph 3 the word "serious" was deleted. The new version of paragraph 5 takes account of the fact that publication of a rejected application is necessary only where it was refused completely.

Section 3

Registration

Article 36

The amendment to this article is purely of a drafting nature.

Title V

Renewal

Article 37

In compliance with the Opinions of Parliament and the Economic and Social Committee, the reference to the production of a declaration of user in the event of renewal of the registration of a Community trade mark was deleted.

Title VI

Surrender, revocation and invalidity

Section 1

Surrender

Article 38

Paragraph 3 is made clearer in two respects. Firstly, express reference is made to Articles 18 and 20. Secondly, a statement was added to the effect that the entry will be made "on expiry of the period prescribed". This period will, as in the case of other articles containing a similar provision, be laid down in the implementing regulation.

Section 2

Grounds for and consequences of revocation

Article 39

In paragraph 1, counterclaims for a declaration of revocation or invalidity pursuant to Article 78 were included. A number of drafting amendments were made to subparagraphs a and b.

Paragraph 2 was brought into line with the new version of the introductory sentence of paragraph 1.

Article 40

Paragraph 1 can be deleted owing to the rewording of Article 39(1).

Under paragraph 2 as amended, the Community trade mark is deemed no longer to have effect from the date of the decision revoking the rights of the proprietor. The courts are thus no longer obliged to determine in all cases the time when a ground for revocation existed. If, however, a party has an interest in the establishment of an earlier date, e.g. because he intends to bring an action for damages, he is entitled to submit a request to that effect.

Section 3

Grounds for and consequences of invalidity

Article 41

The amendments to paragraph 1 correspond to the amendments to Article 39(1).

Paragraph 2 states that the Community trade mark must, "in consequence of the use which has been made of it", become distinctive after registration, "in relation to the goods or services for which it is registered".

Paragraph 3 was brought into line with the new wording of paragraph 1.

Article 42

The amendments to paragraph 1 are due to the rewording of Article 7. Paragraph 2 is therefore deleted. In paragraph 3, the word "expressly" was added for reasons of legal certainty. The counterclaim provided for in Article 78 was inserted in paragraph 4.

Article 43

The drafting of paragraphs 1 and 2 was improved.

Article 44

In paragraphs 1 and 1a, it was made clear, in compliance with Parliament's Opinion, in which territory the proprietor of an earlier Community trade mark or an earlier national right has to have acquiesced in the use of a later Community trade mark for the acquiescence to take effect. A phrase was added to the effect that the proprietor must have acquiesced, "being aware of such use". Lastly, it is clear from the new wording that earlier rights within the meaning of Article 7(2)(e) are not affected by acquiescence. Paragraph 3 contains a number of drafting amendments.

Article 45

Paragraphs 1 and 2 contain the amendments desired by Parliament. In paragraph 3, the last part of the original proposal "even if that provision has ceased to apply" is worded more clearly.

Section 4

Proceedings in the Office in relation to revocation or invalidity

Article 46

The amendments to paragraph 1 were necessary because of the amendment of Articles 7 and 34. In paragraph 4, it was felt that the inadmissibility of the application for revocation or for a declaration of invalidity should be made dependent on an application relating to the same subject-matter and cause of action, and involving the same parties, having been adjudicated on and acquired the authority of a final decision.

Article 47

Paragraph 2 was drafted in clearer terms. The amendments to paragraphs 4 and 4(a) were made in order to comply with Parliament's Opinion and correspond to the amendments made to Article 35(2) and (2)(a). The new paragraph 5(a) was included for purposes of clarity. It incorporates the same rule as is laid down in Article 35(4) relating to opposition proceedings.

Title VII

Appeals

Articles 48, 52, 53 and 54

The wording of Articles 48, 52 and 53 was brought into line with the corresponding provisions of the Convention for the European Patent, and that of Article 54 with the corresponding provision of the Community Patent Convention.

Title VIII

Procedure

Section 1

General provisions

Articles 57, 59, 61 and 62

Articles 57, 59, 61 and 62 contain a number of amendments. There is no public interest in examination of relative grounds for refusal by the Office of its own motion. The Office therefore has to decide only on the facts, evidence and arguments provided by the parties (Article 57). A new paragraph 7 was inserted in Article 59 in compliance with Parliament's Opinion. In Article 61(5) restitutio in integrum in relation to the three-month period allowed for giving notice of opposition to registration was ruled out for reasons of legal certainty. Anyone who fails to observe the time limit for giving notice of opposition can at all events assert his rights in invalidity proceedings.

Section 2

Costs

Article 64

The rewording of this article enables the Office, not only in appeals but also in proceedings before the other departments of the Office, to decide on the apportionment of essential costs in so far as it is equitable to do so.

Section 3

Information of the public and of the official authorities of the
Member States

Articles 66 and 67

An express reference was inserted in both articles to the provisions of the implementing regulation.

Article 68

The new subparagraph b takes account of the need to make available to those interested, through a special publication, notices and information of a general character issued by the President.

Article 70

The new paragraph 4 is intended to facilitate administrative and legal cooperation.

Article 71

It was considered advisable to provide expressly in this article that the Office may conclude technical agreements relating to the exchange or supply of publications.

Title IX

Jurisdiction and procedure in legal actions relating to
Community trade marks

Section 1

Jurisdiction

Article 73(a)

This new article was inserted in order to make it clear that the Convention on Jurisdiction and Enforcement of Judgments applies unless the Regulation provides otherwise.

Article 74

The first part of paragraph 3 incorporates an amendment proposed by Parliament. This amendment has far-reaching consequences. If, for example, a Community trade mark is infringed by a national trade mark, the judgment prohibiting use of that national trade mark has effect throughout the Community, with the result that the judgment also covers the marketing of goods bearing the national trade mark in other Member States. The Commission did not, however, entirely agree with Parliament about the second part of this paragraph. It did so only with regard to provisional measures, but not with regard to compensation for damage. Otherwise the general scheme of paragraphs 1 and 2, which were accepted by Parliament, would be called into question. The court having jurisdiction in accordance with paragraph 2 can order compensation only for damage suffered in the Member State in which the court hearing the action is situated. It goes without saying that such an order can be enforced in all Member States under the Judgments Convention. Nor is there any need in this paragraph for the reference to the rules of procedure applicable, this question being dealt with in Article 76.

Section 2

Procedure

Article 76

In compliance with Parliament's Opinion, applications for provisional measures were expressly mentioned in this article.

Title X

Effect on the laws of the Member States

Section 1

Cumulative protection prohibited

Article 81

In compliance with the Opinion of both Parliament and the Economic and Social Committee, the prohibition on cumulative protection for identical or similar trade marks was, for reasons of legal certainty, retained in paragraph 1 only is so far as both marks have the same scope.

Paragraph 1(a) introduces a prohibition on successive claims where a Community trade mark and a national trade mark similar to the Community trade mark do not give identical rights. The proprietor of such trade marks is obliged to assert his rights therein in a single action.

The amendments proposed by Parliament to paragraphs 3 and 4 relate only to the drafting.

Section 2

Prohibition on application of the national laws of the Member States to Community trade marks

Article 82

In compliance with Parliament's Opinion, the second sentence of paragraph 1 provides for an important exception to the prohibition on the application of national law to Community trade marks. Under the original proposal, the use of Community trade marks could be prohibited or actions for damages brought only after the conclusion of the procedure provided for in Articles 46 and 47 in relation to revocation or invalidity of Community trade marks. The proposed amendment allows proprietors of earlier national rights, in particular, to prohibit the use of Community trade marks by means of provisional measures even before the conclusion of the abovementioned procedure.

The new paragraph 2 makes it clear that proprietors of earlier national rights may bring actions under the law relating to unfair competition or civil liability in order to prohibit the manner of use of the Community trade mark.

Section 3

Conversion into a national trade mark application

Article 83

Parliament's proposal regarding paragraph 1(b) could not be accepted. The provisions on compulsory user are based on the criterion of use "within the Community". It would be incompatible with this concept to mention in Article 83 non-user "in all the Member States".

Title XI

Community guarantee marks and Community collective marks

Article 97

In compliance with Parliament's Opinion, the new version of this article refers expressly to Article 91.

Title XI a

Symbol used to indicate a Community trade mark

Article 98 (a)

By means of this new article, the Commission meets Parliament's wish that the proprietor of a Community trade mark should have an easily remembered abbreviation at his disposal. Non-use of the symbol provided for in this article has no legal consequences whatsoever.

Title XII

The Community Trade Marks Office

Section 1

General provisions

Article 103

The Commission has already pointed out in the explanatory memorandum to its original proposal that the implementing regulation will provide for exceptions to the principle of a single working language. It can therefore endorse Parliament's proposed amendment to this article.

The second sentence, which is new, should not result, however, in a complete disregard of the principle embodied in the first sentence, which is intended to ensure that the registration procedure is both speedy and cheap. The implementing regulation will therefore have to specify, bearing in mind the interests of the parties, who will have to bear the additional delays and costs of translations and simultaneous interpretation.

Section 2

Administration of the Office

Article 105

The proposed amendment brings this article into line with Article 118, which provides for a special procedure for the removal from office of members of the Boards of Appeal.

Section 5

Budget and financial control

Article 124

The Commission agrees with Parliament that only after a transitional period will the Office's revenue be sufficient to cover its expenditure. Article 124 was therefore amended accordingly.

AMENDED PROPOSAL FOR A COUNCIL REGULATION

on the Community trade mark

(Submitted by the Commission to the Council pursuant to Article 149(2)
of the EEC Treaty)

Original Proposal

The Council of the European Communities

Having regard to the Treaty establishing
the European Economic Community, and in
particular Article 235 thereof,

Having regard to the proposal from the
Commission,

Having regard to the opinion of the
European Parliament,

Having regard to the opinion to the
Economic and Social Committee,

Whereas:

It is desirable to promote throughout the
Community a harmonious development of
economic activities and a continuous and
balanced expansion by establishing a common
market which functions properly and offers
conditions which are similar to those
obtaining in a national market. In order
to create a market of this kind and make
it increasingly a single market, not only
must the barriers to free movement of goods
and services be removed and arrangements
be instituted which ensure that competition
is not distorted, but, in addition, legal
conditions must be created which enable
undertakings to adapt their activities
to the scale of the Community, whether
in manufacturing and distributing goods or

Amended Proposal

Unchanged

Having regard to the proposal from
the Commission⁽¹⁾,

Having regard to the opinion of the
European Parliament⁽²⁾,

Having regard to the opinion to the
Economic and Social Committee⁽³⁾,

Whereas:

Unchanged

(1) OJ No C 351, 31.12.1980, p.1

(2) OJ No C 307, 14.11.1983, p.46

(3) OJ No C 310, 30.11.1981, p.22

Original Proposal

in providing services. for those purposes, trade marks enabling the products and service of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers, should feature amongst the legal instruments which undertakings have at their disposal.

Action by the Community would appear to be necessary for the purpose of attaining the Community's said objectives. Such action involves the creation of Community arrangements for trade marks whereby undertakings can by means of one system of procedure obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community.

The Treaty does not provide the requisite powers to create a legal instrument such as a Community trade mark. The barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States cannot be removed by approximation of laws. In these circumstances the only appropriate way of opening up unrestricted economic activity in the whole of the common market for the benefit of undertakings is to create trade marks which are governed solely by a law of the Community, that law being directly applicable in all Member States.

Amended Proposal

Unchanged.

Unchanged.

Original Proposal

The Community law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks, for at the stage to which the establishment of the common market has now advanced it would not appear to be proper to require undertakings to apply for registration of their trade marks as Community trade marks. National trade marks do in fact continue to be necessary for those undertakings whose activities are such that protection of their trade marks at Community level is of no use to them.

In order not to detract from the unity of the system of Community trade marks and from the primacy of the Community law which governs them, such trade marks must not be subject to the laws of the Member States, save in so far as this Regulation expressly provides.

The rights in a Community trade mark are not to be capable of being obtained otherwise than by registration, and registration is to be refused if the trade mark is not distinctive, is unlawful or is not available. In the latter case the Office should not withhold registration unless the prior right which conflicts with the trade mark is a trade mark which is registered and used in the common market, if the proprietor of the prior right has entered opposition to registration of the trade mark as a Community trade mark and all efforts to produce an amicable settlement between the parties have failed.

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Unchanged.

Unchanged.

The rights in a Community trade mark are not to be capable of being obtained otherwise than by registration, and registration is to be refused if the trade mark is not distinctive, is unlawful or is not available. In the latter case the Office should not withhold registration as a Community trade mark unless the proprietor of the earlier right with which the trade mark conflicts has entered admissible opposition to its registration and all efforts to produce an amicable settlement between the parties have failed.

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The interests of proprietors of prior private rights which have not been registered will also be protected, whatever those rights may be, for any proprietor of a prior right, whether registered or not, is entitled to claim that a Community trade mark, once registered, is invalid. It may in due time be appropriate, depending particularly on the degree of integration then achieved by the Community, to contemplate new measures for the purpose of settling conflicts between Community trade marks and prior rights existing at national level.

The protection conferred by a Community trade mark is bound up with the concept of similarity of signs, similarity of goods and services and the possibility of confusion arising therefrom. The purpose of protection is to guarantee the trade mark's function as an indicator of origin. It is essential that the said concepts be interpreted strictly so that the freedom of action of persons who are in competition with each other is not needlessly restricted. It is necessary, in particular, that by simultaneous comparison of signs, goods and services it be certain in each case that customers are in reality likely to confuse products and services which are identified by those signs. For the purpose of determining whether a sign which is alleged to infringe a trade mark which consists of a number of elements is so similar to it that confusion may arise between them, the trade mark must be viewed as a whole. In order to determine whether a Community trade mark and a sign consisting of words sound the same or are at any rate phonetically similar, it is not possible to disregard the fact that the Community exists and that

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The interests of proprietors of prior rights will also be protected, whatever those rights may be, for any proprietor of a prior right, whether registered or not, is entitled to claim that a Community trade mark, once registered, is invalid.

Unchanged.

Original Proposal

the public is increasingly aware of the correct pronunciation of words in the languages which are spoken therein.

In view of the fact that the function of a Community trade mark is to indicate origin the proprietor must not be entitled to prohibit its use by a third party in relation to goods which have been put into circulation in the Community or outside it, under the trade mark, by him or with his consent, nor to prohibit its use, for reasons based on trade mark law, by a licensee who supplies the goods or services under the trade mark outside the territory covered by the licence.

There is no justification for protecting Community trade marks or, as against them, any trade mark which has been registered before them, except where the trade marks are actually used.

A Community trade mark is to be regarded as an object of property which exists separately from the undertaking whose products or services are designated by it. Accordingly, a Community trade mark must be capable of being, inter alia, transferred to, or charged as security in favour of, a third party and of being the subject-matter of licences. The

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It follows from the principle of free flow of goods that the proprietor of a Community trade mark must not be entitled to prohibit its use by a third party in relation to goods which have been put into circulation in the Community under the trade mark, by him or with his consent, nor to prohibit its use, for reasons based on trade mark law, by a licensee who supplies the goods or services under the trade mark outside the territory covered by the licence.

Unchanged.

A Community trade mark is to be regarded as an object of property which exists separately from the undertaking whose goods or services are designated by it. Accordingly, a Community trade mark must, subject to the overriding need to prevent deception of consumers, be capable of being, inter alia, transferred to, or charged as

Original Proposal

conditions applicable for revocation and invalidity of trade marks must also be regulated in a uniform manner.

Decisions regarding the validity of Community trade marks must have absolute effect and cover the entire area of the common market, for this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of Community trade marks is not undermined. The rules contained in the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters apply to all actions at law relating to Community trade marks, save where this Regulation derogates from those rules.

Administrative measures are necessary at Community level for implementing in relation to every trade mark the trade mark law created by this Regulation. It is therefore essential, while retaining the Community's existing institutional structure and balance of powers, to establish a Community Trade marks Office which is independent in relation to technical matters and has legal, administrative and financial autonomy. To this end it is necessary and appropriate that it should be a

Amended Proposal

security in favour of, a third party and of being the subject-matter of licences. The conditions applicable for revocation and invalidity of trade marks must also be regulated in a uniform manner.

Decisions regarding the validity and infringement of Community trade marks must have effect and cover the entire area of the Community for this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of Community trade marks is not undermined. The rules contained in the Convention on jurisdiction and enforcement of judgments in civil and commercial matters apply to all actions at law relating to Community trade marks, save where this Regulation derogates from those rules.

Unchanged.

Original ProposalAmended Proposal

body of the Community having legal personality and exercising the precisely delimited implementing powers which are conferred on it by this Regulation, and that it should operate within the framework of Community law without detracting from the competences exercised by the Community's institutions.

In order to ensure that parties who are affected by decisions made by the Office are protected by the law in a manner which is entirely suited to the special character of trade mark law, it is necessary to establish, within the Office, boards of appeal composed of three independent members who are qualified in law and who will be responsible for examining, from the point of view of both substance and law, the decisions made by the Office's divisions.

Unchanged.

In order to ensure that in interpreting and applying this Regulation the law is observed, the decisions made by the boards of appeal must be open to appeal to the Court of Justice. This judicial control must be available even in cases where none of the parties appeals against an erroneous decision made by a board of appeal. The Commission must in such cases be enabled to enter an appeal in the Court of Justice in the interest of the law.

Unchanged.

Original Proposal

The institutional structure of the Community, the balance of powers and the democratic control of the Office's budget can only be maintained if the Assembly and the Council adopt the Office's budget in conformity with the provisions contained in the Treaty which relate to the adoption of the budget of the European Communities, and utilize, in relation to the Office's revenue and expenditure, together with the Court of Auditors, the powers of control which are conferred by the Treaty.

has adopted this Regulation:

Amended Proposal

Unchanged.

Original ProposalAmended Proposal

Title I

GENERAL PROVISIONS

Article 1

(Community trade mark)

(1) A trade mark for goods or services which conforms with the conditions contained in this Regulation and is registered in manner herein provided is hereinafter referred to as a 'Community trade mark'.

(2) A Community trade mark shall have identical effect throughout the Community. No trade mark shall be registered as a Community trade mark otherwise than for the entire area of the Community; a Community trade mark shall not be transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the entire area of the Community.

Article 2

(Community Trade Marks Office)

For the purpose of the application of this Regulation a Community Trade Marks Office, hereinafter referred to as the 'Office', is hereby established.

Article 1

Unchanged.

Article 2

Unchanged

Original Proposal

Title II

THE LAW RELATING TO TRADE MARKS

Section 1

DEFINITION OF A COMMUNITY TRADE MARK
OBTAINING A COMMUNITY TRADE MARK

Article 3

(Signs of which a Community trade mark may consist)

A Community trade mark may consist of words (including surnames), designs, letters, numerals, combinations of colours, the shape of goods or of their packaging, or of any other signs which are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Article 4

(Persons who can be proprietors of Community trade marks)

(1) The following persons may be proprietors of Community trade marks:

- (a) nationals of any Member State, and
- ... nationals of any non-Member State who are habitually resident in the Community or who have a real and effective industrial or commercial place of business in the Community.

Amended Proposal

Article 3

A Community trade mark may consist of any signs, particularly words, including personal names, designs, letters, numerals, combinations of colours, the shape of goods or of their packaging, which are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Article 4

(1) The following persons may be proprietors of Community trade marks:

- a) nationals of the Member States;

Original Proposal

(b) nationals of any State which is party to the Paris Convention for the Protection of Industrial Property, hereinafter referred to as the Paris Convention, and persons who are deemed to be such by the operation of Article 3 thereof;

(c) nationals of any other State which accords to nationals of the Member States the same trade mark protection as it accords to its own nationals.

(2) Legal persons, including those companies and associations which under the law that governs them are regarded as legal persons, shall be treated as nationals within the meaning of paragraph 1.

Amended Proposal

(b) nationals of any State which is party to the Paris Convention for the protection of industrial property, hereinafter referred to as "the Paris Convention";

(c) nationals of States which are not party to the Paris Convention:

- who are domiciled or who have real and effective industrial or commercial establishments on the territory of the Community or of a State which is party to the Paris Convention, or
- when these States accord to nationals of all the Member States the same trade mark protection as they accord to their own nationals.

(2) Unchanged.

Original ProposalAmended Proposal

Article 5

Article 5

(means whereby the rights in
a Community trade mark are
obtained)

Unchanged

The rights in a Community trade mark
are obtained by registration.

Article 6

Article 6

(Absolute grounds for refusal)

(1) Trade marks which do not conform
to the requirements of Article 3 or 4,
and trade marks which are not distinctive,
shall not be registered; in particular
the following trade marks shall not be
registered:

(1) Unchanged

(a) those which consist solely of signs
or indications which in trade
may be requisite for the purpose
of showing the kind, quality, quantity,
intended purpose, value, geographical
origin, the time of production of the
goods or of rendering of the service,
or other characteristics of the goods
or service;

(b) those which consist solely of signs or
indications which are customarily used
to designate the goods or service in
the current language of the trade or
in the bona fide and established
practices thereof.

Original Proposal

(2) In addition, the following shall not be registered:

- (a) the shape which results from the nature of the goods themselves, or which has some technical consequence; also the shape of the goods where this affects their intrinsic value;
- (b) trade marks which include signs or indications liable to mislead the public, particularly as to the nature, quality or geographical origin of the goods or service;
- (c) trade marks which are contrary to public policy or to accepted principles of morality, and those which fall within the provisions of Article 6 ter of the Paris Convention.

Amended Proposal

(2) In addition, the following shall not be registered:

- (a) Unchanged
- (b) trade marks which are liable to mislead the public particularly as to the nature, quality or geographical origin of the goods or service;
- (c) trade marks which are contrary to public policy or to accepted principles of morality, or those which have not been authorized by the competent authorities and are to be refused pursuant to article 6 ter of the Paris Convention;
- (d) trade marks which include badges, emblems and escutcheons other than those covered by Article 6 ter of the Paris Convention and of public interest, specified in the implementing Regulation.

Original Proposal

(3) Paragraphs 1 and 2 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the common market.

(4) Paragraph 1(a) shall not apply if the trade mark has become distinctive in consequence of the use which has been made of it.

Article 7

(Relative grounds for refusal)

(1) A trade mark shall not be registered if it is identical with or similar to an earlier trade mark, and the goods or services designated by each of the trade marks are identical with or similar to each other with the result that there arises a serious likelihood of confusion on the part of the public in the territory in which the earlier trade mark has effect.

Amended Proposal

(3) Paragraphs 1 and 2 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.

(4) Paragraph 1(a) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

Article 7

(1) A trade mark shall not be registered

(a) if it is identical with an earlier right, and the goods or services are identical with those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used in the cases referred to in paragraph 2(c) or (d);

(b) if it is identical with an earlier right, and the goods or services are similar to those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used

Original Proposal

(2) Earlier trade marks are trade marks of the following kinds in respect of which the date of application for registration preceded the date of application for registration of the Community trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

- (a) Community trade marks,
- (b) trade marks registered in a Member State, including those registered in the Benelux countries;

Amended Proposal

in the cases referred to in paragraph 2(c) or (d), with the result that there arises a likelihood of confusion between the Community trade mark applied for and the earlier right on the part of the public in the territory in which the earlier right has effect;

- (c) if it is similar to an earlier right, and the goods or services are identical with or similar to those for which the earlier right was registered in the cases referred to in paragraph 2(a) or (b) or has been used in the cases referred to in paragraph 2(c) or (d), with the result that there arises a likelihood of confusion between the Community trade mark applied for and the earlier right on the part of the public in the territory in which the earlier right has effect.

(2) An "earlier right" means:

- (a) trade marks of the following kinds in respect of which the date of application for registration preceded the date of application for registration of the Community trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:
 - Community trade marks,
 - trade marks registered in a Member State, including those registered in the Benelux countries,

Original ProposalAmended Proposal

(c) trade marks registered under arrangements which have effect in a Member State;

and trade marks which, on the date on which application is made for registration of them as Community trade marks are well known in a Member State, in the sense in which the words 'well known' are used in Article 6 bis of the Paris Convention.

- trade marks registered under international arrangements which have effect in a Member State;

(b) application for the trade marks referred to in (a), subject to their registration;

(c) trade marks which, on the date of application for registration of the Community trade mark are well known in a Member State, in the sense in which the words "well known" are used in Article 6a of the Paris Convention;

(d) any signs used in the business world before the application for registration of the Community trade mark which, under the law of the Member State governing them, confer on their proprietor the right to prohibit the use of subsequent trade marks;

(e) any signs containing:

- the name of a third person, where use of this name in relation to the goods or services for which the Community trade mark is applied for is liable to cause serious detriment to the honour, reputation or credit of that person,
- a portrait of a third person,
- a work of a third person protected by copyright or by an industrial model or design,

so however, that in any opposition based on such a sign a likelihood of confusion does not need to be established.

Original Proposal

(3) Where an agent or representative of the rightful proprietor of a trade-mark applies for registration thereof in his own name without the proprietor's consent, registration shall be refused unless the agent or representative justifies his action.

(4) This Article applies only where the proprietor of the earlier trade mark, or of a trade mark to which paragraph 3 applies, has been successful in opposing registration of the Community trade mark, his opposition having been in conformity with the provisions of this Regulation.

Amended Proposal

(3) Unchanged

(4) This Article applies only where the proprietor of an earlier right within the meaning of paragraph 2, which does not subsist only in a particular locality, or of a trade mark to which paragraph 3 applies, has been successful in opposing registration of the Community trade mark, his opposition having been in conformity with the provisions of this Regulation.

Original ProposalAmended Proposal

Section 2

EFFECTS OF COMMUNITY TRADE MARKS

Article 8

(Rights conferred by a Community trade mark)

(1) A Community trade mark confers on the proprietor exclusive rights therein. The proprietor shall be entitled to prohibit any third party from using in the course of trade, save with his consent:

(a) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are identical with or similar to those for which the Community trade mark is registered, where such use involves a serious likelihood of confusion on the part of the public;

(b) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the Community trade mark is of wide repute and use of that sign is detrimental to that repute;

Article 8

(1) A Community trade mark confers on the proprietor exclusive rights therein. The proprietor shall be entitled to prohibit any third party from using in the course of trade, save with his consent:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign which is identical with the Community trade mark in relation to goods or services which are similar to those for which the Community trade mark is registered where because of the similarity of the goods or services, such use involves a likelihood of confusion between the sign and the Community trade mark on the part of the public;

Original ProposalAmended Proposal

(c) any sign which is similar to the Community trade mark in relation to goods or services which are identical with or similar to those for which the Community trade mark is registered, where because of the similarity of the signs and the identity or similarity of the goods or services such use involves a likelihood of confusion between the sign and the Community trade mark on the part of the public,

(d) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter is of wide repute in the Community and where use of that sign would constitute unwarranted exploitation of the commercial value and the repute of the Community trade mark.

(2) Use of the following kinds, inter alia, may be prohibited under paragraph 1:

- (a) affixing the sign to the goods or to the packaging thereof;
- (b) putting the goods on the market under that sign, or supplying services thereunder;
- (c) using the sign on business correspondence or invoices.

(2) The following, inter alia, may be prohibited under paragraph 1:

- (a) Unchanged
- (b) Unchanged
- (c) using the sign on business papers.

Original Proposal

(3) The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may however be claimed in respect of matters arising after the date of publication of a Community trade mark application, which matters would, after publication of registration of the trade mark, be prohibited by virtue of that publication. The court seized of the case shall stay the proceedings until the registration has been published.

Article 9

(Reproduction of Community trade marks in dictionaries)

(1) The publisher of a dictionary, encyclopaedia or similar work shall ensure that any reproduction of a Community trade mark therein is accompanied by an indication that the trade mark is registered.

(2) Where the publisher fails to comply with the requirements of paragraph 1 he shall, at the request of the proprietor of the Community trade mark, correct the matter at his own expense in the next edition of the publication.

Amended Proposal

(3) Unchanged.

Article 9

(1) The publisher of a dictionary encyclopaedia or similar work shall ensure that any reproduction of a Community trade mark therein is accompanied by an indication that the trade mark is registered, where the reproduction of this trade mark in such works gives the impression that it constitutes the generic name of the goods or services for which the trade mark is registered.

(2) Unchanged.

Original Proposal

Article 10

(Limitation of the effects of a Community trade mark)

A Community trade mark does not entitle the proprietor to prohibit a third party from using in the course of trade:

- (a) his own surname and address
- (b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service; or other characteristics of the goods or service;
- (c) the trade mark for the purpose of indicating the intended purpose of accessories or spare parts;

provided he does not use them as a trade mark.

Amended Proposal

Article 10

A Community trade mark does not entitle the proprietor to prohibit a third party from using in the course of trade

- (a) his own name and address
- (b) Unchanged
- (c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular accessories or spare parts;

provided he uses them in accordance with honest industrial or commercial practice.

Original Proposal

Article 11

(Limits of the rights conferred
by a Community trade mark)

(1) A Community trade mark does not entitle the proprietor to prohibit its use in relation to goods which have been put on the market under that trade mark by the proprietor or with his consent.

(2) Paragraph 1 shall not apply:

- (a) where, the goods having been put on the market outside the Community, the proprietor is legally entitled to oppose their importation into the Community;
- (b) where the condition of the goods is changed or impaired after they have been put on the market;
- (c) where the goods are repackaged by a third party; but this provision shall not apply where the third party proves that the use made of the trade mark by the proprietor, taking into consideration his system of marketing, tends to fragment the markets artificially and that the repackaging could not affect the original condition of the goods, if the third party

Amended Proposal

Article 11

(1) A Community trade mark does not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.

(2) Paragraph 1 shall not apply where the condition of the goods is changed or impaired after they have been put on the market.

Original Proposal

informs the proprietor before-hand that the repackaged goods are to be put on the market and the new packaging indicates that the goods have been repackaged by the third party.

Article 12

(Supplementary application of national law relating to infringement)

(1) The effects of Community trade marks shall be governed solely by the provisions of this Regulation. Save as otherwise herein provided, the civil sanctions for infringement of a Community trade mark shall be governed by the law on civil sanctions for infringement of a national trade mark which applies in the Member State in which the court hearing the action is located.

Amended Proposal

Article 12

(1) The effects of Community trade marks shall be governed solely by the provisions of this Regulation. Save as otherwise herein provided, the infringements of a Community trade mark shall be governed by the law of Member States relating to infringement of a national trade mark in the Member State in which the Court hearing the action is located.

(1a) This Regulation shall not prevent the proprietor of a Community trade mark from bringing actions in respect of that mark under the law of Member States relating in particular to civil liability and unfair competition, provided that such actions are not brought on the same grounds as those contained in Articles 8 and 9.

Original Proposal

(2) The rules of procedure to be applied shall be determined in accordance with Article 76 and the Articles which follow it.

Section 3

USE OF COMMUNITY TRADE MARKS

Article 13

(1) A Community trade mark shall be put to serious use in the common market, consistently with the terms of this Regulation, in connection with the goods or services in respect of which it is registered, unless there exist legitimate reasons for not doing so.

Amended Proposal

(2) Unchanged

Article 13

(1) If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there exist legitimate reasons for non-use.

(1a) The following shall also constitute use for the purposes of paragraph (1):

- (a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;
- (b) affixing of the Community trade mark to products or to the packaging thereof in the Community solely for export purposes.

Original Proposal

(2) Circumstances arising independently of the will of the proprietor of a Community trade mark are alone sufficient to constitute legitimate reasons for not using it.

(3) Use of a Community trade mark by a licensee or by a person who is associated economically with the proprietor shall be deemed to constitute use by the proprietor.

Section 4

DURATION AND ALTERATION OF COMMUNITY
TRADE MARKS

Article 14

(Duration of registration)

Community trade marks shall be registered for a period of ten years from the date of filing of the application. Without prejudice to the application of Article 37, registration may be renewed for further periods of ten years.

Amended Proposal

(2) Unchanged

(3) Use of the Community trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.

Article 14

Community trade marks shall be registered for a period of ten years from the date of filing of the application. Registration may be renewed in accordance with Article 37 for further periods of ten years.

Original Proposal

Article 15

(Alteration)

(1) No alteration of a Community trade mark shall be allowed during the period of registration or on renewal thereof.

(2) Where, however, a Community trade mark includes the name and address of the proprietor, these may be altered, provided the alteration does not substantially change the trade mark. Any alteration shall be registered.

Amended Proposal

Article 15

(1) The Community trade mark shall not be altered in the register during the period of registration or on renewal thereof.

(2) Where, however, the Community trade mark includes the name and address of the proprietor, any alteration thereof, provided it does not substantially change the trade mark, may be registered at the request of the proprietor.

(3) The publication of the registration shall contain a representation of the Community trade mark as altered. Third parties whose rights may be affected by the alteration may challenge the registration thereof within a period of three months following publication.

Original Proposal

Section 5

COMMUNITY TRADE MARKS AS OBJECTS
OF PROPERTY

Article 16

(Dealing with Community trade marks
as national trade marks)

(1) Unless Article 17 to 22 otherwise provide, a Community trade mark as an object of property shall be regarded in all respects, including its geographical coverage of the entire area of the Community, as a trade mark registered in the Member State in which, according to the Register of Community Trade marks, the applicant had his habitual residence or principal place of business or, failing either of these, a place of business, on the date of filing of the Community trade mark application.

(2) In cases which are not provided for by paragraph 1 the Member State referred to in that paragraph shall be the Member State in which the headquarters of the Office is situated.

Amended Proposal

Article 16

(1) Unless Articles 17 to 22 provide otherwise, a Community trade mark as an object of property shall be dealt with in its entirety, and for the whole area of the Community, as a national trade mark registered in the Member State in which, according to the Register of Community trade marks,

(a) the applicant had his domicile or principal place of business on the date of filing of the Community trade mark application, or

(b) where subparagraph (a) does not apply, the applicant had a place of business on that date.

(2) Unchanged

Original Proposal

Article 17

(Transfer)

(1) A Community trade mark may be transferred, separately from any transfer of the undertaking, in respect of some or all of the goods or services for which it is registered.

(2) A transfer of the whole of the undertaking shall, unless some other intention appears, have effect to transfer any Community trade mark of the undertaking.

(3) Without prejudice to paragraph 2, an assignment of a Community trade mark shall be made in writing; otherwise it shall be void.

Amended Proposal

(3) If two or more persons are mentioned in the Register of Community trade marks as joint applicants, paragraph 1 shall apply to the joint applicant first mentioned; failing this, it shall apply to the subsequent joint applicants in the order in which they are mentioned. Where paragraph 1 does not apply to any of the joint applicants, paragraph 2 shall apply.

Article 17

(1) Unchanged.

(2) A transfer of the whole of the undertaking shall, unless otherwise agreed or unless some other intention appears clearly from the circumstances, include the transfer of the Community trade mark. This provision shall apply to the contractual obligation to transfer the undertaking.

(3) Without prejudice to paragraph 2, an assignment of the Community trade mark shall be made in writing and shall require the signature of the parties to the contract, except when it is a result of a judgment.

Original Proposal-

(4) Where it is clear from the transfer documents that because of the transfer the Community trade mark will mislead the public concerning the nature, quality or geographical origin of the goods or services in respect of which it is registered, the Office shall not register the transfer.

(5) A transfer shall not affect rights acquired by third parties before the date of transfer.

(6) A transfer shall not take effect vis-à-vis the Office or third parties until it has been registered, and then only to the extent that the transfer documents require. A transfer shall nevertheless take effect before registration vis-à-vis third parties who have acquired rights in the trade mark after the date of transfer but who knew of the transfer at the date on which they acquired those rights.

Amended Proposal

(4) Where it is clear from the transfer documents that because of the transfer the Community trade mark is likely to mislead the public concerning the nature, quality or geographical origin of the goods or services in respect of which it is registered, the Office shall not register the transfer unless the new proprietor agrees to limit registration of the Community trade mark to goods or services in respect of which it is not likely to mislead.

(5) Unchanged

(6) Unchanged

Original Proposal

Article 18

(Rights 'in rem')

(1) A Community trade mark may be charged as security or otherwise be the subject security rights in rem, separately from the undertaking.

(2) Security rights in rem which are created over a Community trade mark, and any transfer of those rights, shall not have effect vis-à-vis third parties until the rights have been registered, or until the transfer has been registered, as the case may be.

Article 19

(Levy of execution)

(1) A Community trade mark be levied in execution and be the subject of enforcement measures following thereon, separately from the undertaking.

(2) As regards the procedure for enforcement measures in respect of a Community trade mark, the courts and authorities of the Member State which is relevant for the purposes of Article 16 shall have exclusive jurisdiction.

Amended Proposal

Article 18

Unchanged

Article 19

Unchanged

Original Proposal

Article 20

(Insolvency and similar proceedings)

Until such time as common rules are in operation between the Member States, the only Member State in which a Community trade mark may form part of the assets in an insolvency or in similar proceedings shall be the Member State in which those proceedings are first opened.

Article 21

(Licensing)

(1) Licences may be granted in respect of a Community trade mark for some or all of the goods or services for which it is registered.

(2) The rights conferred by a Community trade mark shall not be asserted vis-à-vis a licensee unless he operates his licence beyond the period of time for which it was granted or uses the trade mark in relation to goods or services for which it has not been registered or does not comply with the proprietor's instructions concerning the quality of the goods or services.

Amended Proposal

Article 20

Unchanged

Article 21

(1) Unchanged

(2) The rights conferred by a Community trade mark may be invoked against a licensee only if he contravenes the limits on his licence with regard to its duration or to the licenced scope of the goods or services for which the trade mark is registered or does not comply with the proprietor's instructions in respect of the quality of the goods or services.

Original Proposal

(3) The proprietor of a Community trade mark shall ensure that the quality of the goods manufactured or of the services provided by the licensee is the same as that of the goods manufactured or of the services provided by the proprietor.

(4) Paragraphs 5 and 6 of Article 17 apply to licences.

Article 22

(The right of property in an application for a Community trade mark)

Articles 16 to 21 apply to applications for Community trade marks.

Amended Proposal

(3) The proprietor of a Community trade mark shall take adequate measures to ensure that the quality of the goods manufactured or of the services provided by the licensee conforms with his instructions.

(4) Unchanged.

Article 22

Unchanged.

Original ProposalAmended Proposal

Title III

APPLICATIONS FOR COMMUNITY
TRADE MARKS

Section 1

FILING OF APPLICATION AND THE
CONDITIONS WHICH GOVERN THEM

Article 23

(Filing of applications)

An application for a Community trade
mark shall be filed at the Office

Article 24

(Conditions governing applications)

(1) The following, inter alia, shall
be included in an application for a
Community trade mark:

- (a) particulars identifying the applicant;
- (b) a list of the goods or services;
- (c) a representation of the trade mark;
- (d) where paragraph 2 of Article 72 applies,
the relevant power of attorney.

(2) The fees shall be paid upon filing of the
application.

Article 23

Unchanged

Article 24

(1) The following, inter alia, shall be
included in an application for a
Community trade mark:

- (a) information identifying the applicant;
- (b) Unchanged
- (c) Unchanged
- (d) (deleted)

(2) The minimum amount of fees shall
be paid within one month after the
filing of the application.

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Article 25

Article 25

(Date of filing)

The date of filing of a Community trade mark application shall be the date on which the documents specified in Article 24 are received, provided the minimum fees have at that date been received by the Office.

The date of filing of a Community trade mark application shall be the date on which the documents specified in Article 24 paragraph (1) are received.

Section 2

PRIORITY

Article 26

Article 26

(Right of priority)

(1) A person who has duly filed an application for a trade mark in or for any State which is a party to the Paris Convention, or his successors in title, shall, for the purpose of filing a Community trade mark application for the same trade mark in respect of goods or services which are identical with those for which the application has been filed, be entitled to a right of priority for a period of six months following the date of filing of the first application.

Unchanged

(2) Every filing which is equivalent to a regular national filing under the national law of the State where it was made or under bilateral or multilateral agreements shall be recognized as giving rise to a right of priority.

Original Proposal

(3) Regular national filing means any filing which is sufficient to establish the date on which the application was made, whatever the outcome of the application.

(4) A subsequent application for a trade mark which was the subject of a previous first application in respect of the same goods or services, and which is filed in or for the same State, shall, for the purpose of determining priority, be considered as first application, provided that at the date of filing of the subsequent application, the previous application has been withdrawn, abandoned or refused, without leaving any rights outstanding, and no right of priority has been claimed in respect of it. No right of priority shall thereafter be claimed in respect of the previous application.

(5) If the first filing has been made in a State which is not a party to the Paris Convention, paragraphs 1 to 4 shall apply only in so far as that State grants on the basis of a first filing made at the Office a right of priority which is subject to conditions equivalent to those laid down in the Paris Convention and which has equivalent effect.

Amended Proposal

Original Proposal

Article 27

(Claiming priority)

An applicant who wishes to take advantage of the priority of a previous application shall file a declaration of priority. The Office may require production of a copy of the previous application and, if necessary, a translation of it in the Office's procedural language.

Article 28

(Right of Priority)

The right of priority shall operate so that the date of first filing shall be treated as the date of filing of the Community trade mark application, save for purposes of the application of Article 14.

Article 29

(Equivalence of Community filing and national filing)

For purposes of the application of Article 4 of the Paris Convention, a Community trade mark application which has been accorded a date of filing shall in the Member States be equivalent to a regular national filing.

Amended Proposal

Article 27

An applicant desiring to take advantage of the priority of a previous application shall file a declaration of priority. The Office may require production of a copy of the previous application and, if necessary, a translation of it in the Office's procedural language.

Article 28

The right of priority shall have the effect that the date of priority shall count as the date of filing of the Community trade mark application for the purposes of establishing which rights take precedent.

Article 29

A Community trade mark application which has been accorded a date of filing shall, in the Member States, be equivalent to a regular national filing, where appropriate with the priority claimed for the Community trade mark application.

Original ProposalAmended Proposal

Title IV

REGISTRATION PROCEDURE

Section 1

EXAMINATION OF APPLICATIONS

Article 30

(Examination as to whether the application satisfies the relevant substantive conditions)

(1) A Community trade mark application shall be rejected if it cannot be accorded a date of filing because the relevant conditions have not been satisfied.

(2) A Community trade mark application which is irregular as to form, or in respect whereof the amount of fees paid is equal to the minimum fee chargeable but less than the prescribed fee, shall be rejected. No rights of priority may be claimed in respect of an application where the priority provisions contained in this Regulation have not been complied with.

Article 30

(1) The Office shall examine whether:

- (a) the Community trade mark application satisfies the requirements for the accordance of a date of filing;
- (b) the Community trade mark application is regular as to form;
- (c) the fees due have been paid in the prescribed periods.

(2) Where the Community trade mark application does not satisfy the requirements referred to in paragraph 1, the Office shall give the applicant an opportunity to correct the deficiencies.

Original Proposal

(3) Paragraph 2 shall not apply until the applicant has been requested to correct the irregularities or to pay the prescribed amount of fees.

Article 31

(Examination as to absolute grounds for refusal)

(1) Where, under Article 6, a trade mark is ineligible for registration in respect of some or all of the goods or services covered by the Community trade mark application, the application shall be rejected as regards those goods or services.

Amended Proposal

(3) If the deficiencies referred to in paragraph 1(a) are not remedied in the prescribed period, the application shall not be dealt with as a Community trade mark application. Where the applicant complies with the invitation of the Office to remedy these deficiencies, the date of filing accorded to the application shall be the date on which the deficiencies are remedied.

(4) If the deficiencies referred to in paragraph 1(b) or (c) are not remedied in the prescribed period, the application shall be refused.

(5) Where the requirements concerning the claim to priority have not been satisfied, the right of priority shall be lost for the application.

Article 31

(1) Unchanged

Original Proposal

(2) Where the trade mark includes an element which is not distinctive, registration of the trade mark may be subject to the applicant's agreeing, if the Office requested him to do so, that his rights in the trade mark are not exclusive.

(3) The application shall not be rejected before the applicant has been allowed the opportunity of withdrawing or amending the application or of submitting his observations on the matter.

(4) The application shall be published in respect of the goods or services for which it is not ineligible for registration.

(5) Where, after publication, the application is rejected under paragraph 1 or 2, the decision that it has been rejected shall, upon becoming final, be published.

Amended Proposal

(2) Where the trade mark contains an element which is not distinctive, and where the inclusion of that element in the trade mark could give rise to doubts as to the scope of protection of the trade mark, the Office may, as a condition for registration of that trade mark, require that the applicant states that he disclaims any exclusive right to such element. Any disclaimer shall be published together with the application or the registration of the Community trade mark, as the case may be.

(3) Unchanged

(4) Unchanged

(5) Unchanged

Original Proposal

Article 32

(Amendment of application)

A Community trade mark application may upon request be amended by restricting the list of goods or services, or by rectifying the name and address of the applicant, errors of wording or of copying, or other obvious mistakes, provided that such rectification does not substantially change the trade mark.

Amended Proposal

Article 32

(1) The applicant may at any time withdraw his Community trade mark application or restrict the list of goods or services contained therein. Where the application has already been published, the withdrawal or restriction shall also be published.

(2) In other respects, a Community trade mark application may only be amended upon request of the applicant by rectifying the name and address of the applicant, errors of wording or of copying, or other obvious mistakes, provided that such rectification does not substantially change the trade mark or extend the list of goods or services. Where the amendments affect the representation of the trade mark or the list of goods or services and are made after publication of the application, the trade mark application shall be published as amended; Article 15 paragraph 3 shall apply mutatis mutandis.

Original Proposal

Section 2

OBSERVATIONS BY THIRD PARTIES
AND OPPOSITION

Article 33

(Observations by third parties)

Any natural or legal person and any group or body representing manufacturers, producers, traders or consumers may, after publication of a Community trade mark application, submit to the Office written observations explaining on which grounds, under Article 6, the trade mark is ineligible for registration.

Article 34

(Opposition)

(1) Proprietors of trade marks of the kinds referred to in Article 7 may within three months following publication of a Community trade mark application enter opposition to registration of the trade mark. Registration may be opposed only on grounds of ineligibility under Article 7.

Amended Proposal

Article 33

(1) Following the publication of the Community trade mark application, any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers may submit to the Office written observations explaining on which grounds, under Article 6, the trade mark is ineligible for registration. They shall not be parties to the proceedings before the Office.

(2) The observations referred to in paragraph 1 shall be communicated to the applicant who may comment on them.

Article 34

(1) Within a period of three months following the publication of a Community trade mark application notice of opposition to registration of the trade mark may be given on the grounds that it may not be registered under Article 7.

Original Proposal

(2) Opposition shall be expressed in writing and shall specify the grounds on which it is made. It shall not be treated as duly entered until the opposition fee has been paid.

(3) If the opposing party has no habitual residence or place of business within the Community he shall, if the applicant so requests, provide security for the costs of the proceedings. The amount of security and the date by which it must be provided shall be determined by the Office. If security is not provided, the opposition shall be treated as having been withdrawn.

Amended Proposal

- (a) by the proprietors of earlier rights referred to in Article 7 paragraph 2(a) to (d) as well as licensees authorized by the proprietor;
- (b) by the proprietors of earlier rights referred to in Article 7 paragraph 2(e) or the persons who are entitled under the law of Member States to exercise the rights in question;
- (c) by the proprietors of trade marks referred to in Article 7 paragraph (3).

(2) Unchanged

(3) If the opponent has neither his domicile nor a place of business within the Community he shall, at the request of the applicant, 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 opposition shall be deemed to be withdrawn.

Original Proposal

Article 35

(Examination of opposition)

(1) When examining the opposition the Office shall invite the parties to submit their observations.

(2) If the applicant so requests or the Office so requires, the proprietor of an earlier Community trade mark who has entered an opposition shall furnish proof that that trade mark has been used in manner required by Article 13 during the period of five years preceding the date of publication of the Community trade mark application, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition 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 purposes of the examination of the opposition, be deemed to be registered in respect only of that part. This provision shall apply where the earlier trade mark is a trade mark of the kind described in subparagraph (b) or (c) of paragraph 2 of Article 7.

Amended Proposal

Article 35

(1) In the examination of the opposition the Office shall invite the parties to file their observations.

(2) If the applicant so requests or the Office so requires the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community 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. In the absence of proof to this effect, the opposition 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 purposes of the examination of the opposition, be deemed to be registered in respect only of that part.

Original Proposal

(3) The Office shall, if it thinks fit, invite the parties to make a friendly settlement. The Office shall make proposals to them for this purpose if it considers that conditions can be imposed on the prospective use of the trade mark applied for and of the earlier trade mark in such manner that there will be no serious likelihood of confusion on the part of the public.

(4) If examination of the opposition reveals that the trade mark is not eligible for registration in respect of some or all of the goods or services for which the Community trade mark application has been made, the application shall be rejected in respect of those goods or services. Otherwise the opposition shall be rejected.

(5) Where a final decision is taken to refuse the application the decision shall be published.

Amended Proposal

(2a) Paragraph 2 shall apply mutatis mutandis to earlier national trade marks referred to in Article 7 paragraph 2(a), with the proviso that use in the Member State in which the earlier national trade mark is protected shall be substituted for use in the Community.

(3) The Office shall, if it thinks fit, invite the parties to make a friendly settlement. The Office shall make proposals to them for this purpose if it considers that the prospective use of the trade mark applied for, of the earlier trade mark or of the earlier right can be subjected to conditions so that there will be no likelihood of confusion on the part of the public.

(4) Unchanged

(5) Where the application is refused completely, the decision shall be published upon becoming final.

Original Proposal

Section 3

REGISTRATION

Article 36

Where an application meets the requirements of this Regulation and the registration fee has been paid in due time, the trade mark shall be registered as a Community trade mark. If the fee is not paid within the period prescribed the application shall be deemed to have been withdrawn.

Amended Proposal

Article 36

Where an application meets the requirements of this Regulation and the registration fee has been paid within the period prescribed, the trade mark shall be registered as a Community trade mark. If the fee is not paid within this period prescribed the application shall be deemed to be withdrawn.

Original Proposal

Title V

RENEWAL

Article 37

(1) Where it is desired to renew the registration of a Community trade mark an application shall be made. A declaration of user shall be produced and fees shall be paid.

(2) The declaration of user shall specify the goods or services in respect of which the Community trade mark has been used in manner required by Article 13 during the period of five years prior to expiry of the registration.

(3) The application shall be submitted, the declaration of user produced and the fees paid not earlier than six months before expiry of the registration. Failing this, they may validly be submitted, filed and paid within six months following the date of expiry of the registration, but on payment of an additional fee.

Amended Proposal

Article 37

(1) Registration of the Community trade mark shall be renewed at the request of the proprietor of the trade mark or a licensee expressly authorized by the proprietor, provided that the fees are paid.

(1a) The Office shall inform the proprietor of the Community trade mark and any third party who has a right in respect of the Community trade mark recorded in the Register of the expiry of the registration in good time before the said expiry.

(2) Deleted

(3) The request shall be submitted and the fees paid within the six months preceding the expiry of the registration. Failing this, they may validly be submitted and paid within six months following the date of expiry of the registration but on payment of an additional fee.

Original Proposal

(4) Where the application is submitted, the declaration of user produced and the fees paid in respect of part only of the goods or services for which the Community trade mark is registered, registration shall be renewed only for that part of the goods or services.

(5) Renewal shall take effect from the date on which the existing registration expires. The renewal shall be registered.

Amended Proposal

(4) Where the request is submitted and the fees paid in respect of part only of the goods or services for which the Community trade mark is registered, registration shall be renewed only for that part of the goods or services.

(5) Unchanged

Original ProposalAmended Proposal

Title VI

SURRENDER, REVOCATION AND
INVALIDITY

Section 1

SURRENDER

Article 38

(1) A Community trade mark may be surrendered in respect of some or all of the goods or services for which it is registered.

(2) Surrender shall be effected by the proprietor of the trade mark by means of writing delivered to the Office. The surrender shall not have effect until it is recorded in the Register.

(3) Surrender shall be registered only with the consent of any third party who has a right in rem which is recorded in the Register. If a licence is recorded in the Register, the surrender shall be recorded only if the proprietor of the trade mark proves that he has previously informed the licensee of his intention to surrender it.

Article 38

(1) Unchanged

(2) Unchanged

(3) Surrender will be entered in the Register only with the agreement of any third party who has a right under Articles 18, 19 or 20 recorded in the Register. If a licence is recorded in the Register, surrender will be entered only if the proprietor of the trade mark proves that he has informed the licensee of his intention to surrender; this entry will be made on expiry of the period prescribed.

Original ProposalAmended Proposal

Section 2

GROUNDS FOR AND CONSEQUENCES
 OF REVOCATION

Article 39

(Grounds for revocation)

(1) The rights of the proprietor of a Community trade mark shall be revoked:

- (a) if the trade mark has not been used in manner required by Article 13 during an unbroken period of five years; but no person may claim that the proprietor's rights in a Community trade mark should be revoked where, during the interval between expiry for the five year period and filing of the application for revocation, the trade mark has been used in manner required by Article 13 and this use was made in good faith

Article 39

(1) The rights of the proprietor of a Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:

- (a) if the trade mark, within an uninterrupted period of five years, has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, unless there exist legitimate reasons for non-use; however, no person may claim that the proprietor's rights in a Community trade mark should be revoked where, during the interval between expiry of the five year period and filing of the application or counterclaim use of the trade mark has been started or resumed in good faith;

Original Proposal

(b) if, in consequence of acts of the proprietor, the trade mark has become the common name for a product or service in respect whereof it is registered;

(c) if, in consequence of the use made of it in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

2. Where the grounds for revocation of rights exist in respect of part only of the goods or services for which the Community trade mark is registered, the rights of the proprietor shall be revoked in respect only of that part of the goods or services.

Article 40

(Consequences of revocation)

(1) Revocation shall be declared by a decision adopted in conformity with the terms of this Regulation.

(2) The Community trade mark shall, within the tenor of the decision revoking it, be deemed not to have had the effects provided for in this Regulation from the time when any of the grounds for revocation existed.

Amended Proposal

(b) if, in consequence of acts or inactivity of the proprietor, the trade mark has become the common name in the trade for a product or service in respect of which it is registered;

(c) Unchanged

2. Where the grounds for revocation of rights exist in respect of part only of the goods or services for which the Community trade mark is registered, the rights of the proprietor shall be declared to be revoked in respect only of that part of the goods or services.

Article 40

(1) Deleted

(2) The Community trade mark shall, as from the date of the decision revoking the rights of the proprietor, be deemed no longer to have the effects provided for in this Regulation, to the extent that the rights of the proprietor have been revoked. At the request of one

Original Proposal

(3) Subject to the provisions contained in the laws of the Member States relating to actions for compensation for damage caused by negligence or by lack of good faith on the part of the proprietor of the trade mark, or relating to unjust enrichment, the retroactive effect of revocation shall not affect:

(a) any decision on infringement which has acquired the authority of a final decision and has been executed before the decision revoking the rights of the proprietor was adopted:

(b) any contract concluded before the decision revoking the rights of the proprietor was adopted, in so far as the contract has been performed before the adoption of that decision; but restitution of sums paid under the contract may be claimed on grounds of equity to the extent justified by the circumstances

Amended Proposal

of the parties it may be provided in the decision that the decision has effect from an earlier date at which any of the grounds for revocation existed.

(3) Unchanged

Original Proposal

Section 3

GROUND FOR AND CONSEQUENCES
OF INVALIDITY

Article 41

(Absolute grounds of invalidity)

(1) A Community trade mark which is registered in breach of the provisions of Article 6 shall be invalid.

(2) Where subparagraph (a) of paragraph 1 of Article 6 has been contravened, the Community trade mark shall nevertheless not be declared invalid if it has become distinctive after registration.

Amended Proposal

Article 41

(1) A Community trade mark which is registered in breach of the provisions of Article 6 shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings.

(2) Where the Community trade mark is registered in breach of the provision of Article 6 paragraph 1(a), it may nevertheless not be declared invalid if, in consequence of the use which has been made of it, it has become distinctive after registration, in relation to the goods or services for which it is registered.

Original Proposal

(3) Where the ground of invalidity exists in respect of part only of the goods or services for which the Community trade mark is registered, the trade mark shall be invalid as regards only that part of the goods or services.

Article 42

(Relative grounds of invalidity)

(1) A Community trade mark shall be invalid:

(a) where a trade mark of the kind described in Article 7 exists in opposition to it and the conditions set out in paragraph 1 or 3 of that Article obtain;

(b) where some other prior right exists in opposition to it and there is a serious likelihood of confusion on the part of the public between the trade mark and that right; but this provision shall not apply if the right subsists only in a particular

Amended Proposal

(3) Where the ground of invalidity exists in respect of part only of the goods or services for which the Community trade mark is registered, the trade mark shall be declared invalid as regards only that part of the goods or services.

Article 42

(1) A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) where an earlier right referred to in Article 7 exists in opposition to it and the conditions set out in paragraph 1 of that Article obtain, except where the earlier right subsists only in a particular locality;

(b) where the conditions set out in Article 7 paragraph (3) obtain.

Original Proposal

locality. The expression 'some other prior right' means any sign used in the course of trade before filing of the Community trade mark application which, under the law of the Member State which governs the sign, entitles the proprietor to prohibit the use of any later trade mark.

(2) A Community trade mark shall also be invalid if it contains:

- (a) a work protected by copyright or by an industrial design or model;
- (b) a portrait;
- (c) a surname, where use of the trade mark in relation to the goods or services for which it is registered is liable to cause serious detriment to the honour, reputation or credit of the person whose surname it is.

(3) A Community trade mark shall not be declared invalid where the proprietor of any such right as is mentioned in paragraph 1 or 2 has consented to registration of that trade mark.

Amended Proposal

(2) Deleted

(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.

Original Proposal

(4) Where the proprietor of any such right as is mentioned in paragraph 1 or 2 applies for a declaration that a Community trade mark is invalid, he shall not enter a new application for that purpose on the basis of another such right which he could have averred in support of the first application.

(5) Paragraph 3 of Article 41 shall apply.

Article 43

(Consequences of invalidity)

(1) Where a decision is adopted declaring a Community trade mark invalid, the trade mark shall, within the tenor of the decision declaring it invalid, be deemed never to have had the effects provided for in this Regulation from the time when the trade mark came into existence.

(2) Paragraph 1 and 3 of Article 40 shall apply to invalidity of Community trade marks.

Amended Proposal

(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

(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.

Original Proposal

Article 44

(Limitation in consequence of acquiescence)

(1) Where the proprietor of any such right as is mentioned in paragraph 1 or 2 of Article 42 has acquiesced in the use of a Community trade mark for a period of three successive years, he shall not be entitled to apply for a declaration that the trade mark is invalid on the ground that that right, or some other right of his, exists; but this provision shall not apply if the Community trade mark was applied for in bad faith.

Amended Proposal

Article 44

(1) Where the proprietor of a Community trademark has acquiesced in the use of a later Community trade mark in the Community for a period of three successive years, being aware of such use, he shall not be entitled 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 7 paragraph 2 (a) to (d) 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 three successive years, being aware of such use, he shall not be entitled 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.

Original Proposal

(2) Paragraph 1 shall not affect the right of the proprietor of a well-known trade mark, as defined in paragraph 2 of Article 7, to apply for a declaration that a Community trade mark is invalid, provided he makes the application within the period of five years following registration of the Community trade mark.

(3) The proprietor of a Community trade mark shall not be entitled to oppose use of the right referred to in paragraph 1 even though the proprietor of that right is no longer entitled to apply for a declaration that the Community trade mark is invalid.

Article 45

(Prior rights subsisting in particular localities)

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

(2) Paragraph 1 shall cease to apply if the proprietor of the prior right has acquiesced in the use of the Community trade mark for a period of three successive years; but this provision shall not apply if the Community trade mark was applied for in bad faith.

Amended Proposal

(2) Unchanged

(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 45

(1) The proprietor of an earlier 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 earlier right has acquiesced in the use of the Community trade mark in the territory where his right is protected for a period of three successive years, being aware of such use, unless the

Original Proposal

(3) The proprietor of the Community trade mark shall not be entitled to oppose use of the right referred to in paragraph 1 even if that provision has ceased to apply.

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.

Amended Proposal

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.

Article 46

(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) Unchanged

Original Proposal

(b) where paragraph 1 of Article 42 applies, by the proprietor of the trade mark or other prior right;

(c) where paragraph 2 of Article 42 applies, by the owner of the copyright, the proprietor of the design or model, the owner of the relevant surname, the person who is the subject of the portrait, or the persons who are entitled under the laws of the Member States to exercise the rights in question.

(2) The application shall be submitted in writing and shall specify the grounds on which it is made. Before the fee has been paid the application shall be treated as not having been submitted.

(3) Paragraph 3 of Article 34 shall apply.

(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.

Amended Proposal

(b) where Article 42 paragraph 1 applies, by the persons referred to in Article 34 paragraph (1).

(c) Deleted.

(2) Unchanged.

(3) Unchanged.

(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.

Original Proposal

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 paragraph 1 of Article 78, a counterclaim 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) When the Office examines the application for revocation of rights or for a declaration of invalidity, it shall as often as necessary invite the parties to file observations on communications from third parties or issued by itself.

(3) The Office may of its own motion contend that the Community trade mark, having been registered in breach of Article 3, Article 4 or subparagraphs (b) and (c) of paragraph 2 of Article 6, is invalid.

Amended Proposal

Article 47

(1) Unchanged

(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) Unchanged

Original Proposal

(4) If the proprietor of the Community trade mark so requests or the Office so requires, the proprietor of an earlier Community trade mark, being a party to the invalidity proceedings, shall furnish proof that that trade mark has been used in manner required by Article 13 during the period of five years preceding the date of the application for a declaration of invalidity, provided that at that date the earlier Community trade mark has 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 paragraph 2 of Article 35 were satisfied at that date. In the absence of such proof the application for a declaration of invalidity shall be rejected. Where 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 examining the application for a declaration of invalidity, be deemed to be registered in respect only of that part of the goods or services. This provision shall apply where the earlier Community trade mark is a trade mark of the kind described in subparagraph (b) or (c) of paragraph 2 of Article 7.

Amended Proposal

(4) If the proprietor of the Community trade mark so requests or the Office so requires, 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 Community 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. 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

Original Proposal

(5) In the course of the invalidity proceedings the Office shall, if it thinks fit, invite the parties to make a friendly settlement. The Office shall make proposals to them for this purpose if it considers that conditions can be imposed on the prospective use of the Community trade mark, of the earlier trade mark or of the prior right in such manner that there will be no serious likelihood of confusion on the part of the public.

Amended Proposal

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 referred to in Article 7 paragraph 2(a), with the proviso that use in the Member State in which the earlier national trade mark is protected shall be substituted for use in the Community.

(5) In the course of the invalidity proceedings the Office shall, if it thinks fit, invite the parties to make a friendly settlement. The Office shall make proposals to them for this purpose if it considers that the prospective use of the Community trade mark, of the earlier trade mark or of the earlier right can be subjected to conditions to that there will be no likelihood of confusion on the part of the public.

(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.

Original Proposal

(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.

Amended Proposal

(6) Unchanged

Original Proposal

Title VII

APPEALS

Article 48

(Decisions from which an appeal will lie)

(1) An appeal shall lie from decisions of the Office. It shall have suspensive effect.

(2) An appeal against a decision which does not terminate proceedings as regards one of the parties may only be made in conjunction with an appeal against the final decision, unless the latter contemplates separate appeal.

Article 49

(Persons entitled to appeal and to be parties to proceedings on appeal)

Any party to proceedings who is adversely affected by a decision may appeal. The other parties to those proceedings shall automatically be parties to the appeal proceedings.

Amended Proposal

Article 48

(1) Unchanged

(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.

Article 49

Unchanged

Original Proposal

Article 50

(Time limit and form of appeal)

Notice of appeal shall be filed in writing at the Office within two months after notification of the decision from which the appeal is made. Until such time as the fee for appeal has been paid the notice shall be treated as not having been filed. Within four months after notification of the decision a written statement setting out the grounds of appeal shall be filed.

Article 51

(Interlocutory revision)

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

(2) If the appeal is not allowed within one month after receipt of the statement of grounds, the appeal shall forthwith be remitted to the Board of Appeal without comment on the merits.

Amended Proposal

Article 50

Unchanged

Article 51

Unchanged

Original Proposal

Article 52

(Examination of appeals)

If the appeal properly lies, the Board of Appeal shall as often as necessary invite the parties to file observations on communications from another party or issued by itself.

Article 53

(Decision on appeal)

In deciding the appeal the Board of Appeal may exercise any power which lies within the competence of the department whose decision is the subject of the appeal, or it may remit the case to that department for further action. In the latter case the department shall, in so far as the facts are the same, be bound by the decision of the Board of Appeal and by the grounds on which it is based.

Amended Proposal

Article 52

(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

(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.

Original Proposal

Article 54

(Further appeal by the parties)

(1) A further appeal to the Court of Justice of the European Communities shall lie from decisions of the Boards of Appeal. Such further appeals shall have suspensive effect.

(2) The further appeal may be lodged on grounds of want of jurisdiction, infringement of an essential procedural requirement, infringement of the Treaty, of this Regulation or of any rule of law relating to their application, in so far as that rule of law is not a provision of national law, or misuse of power. The Court of Justice shall not question the facts as found by and recorded in the decision of the Board of Appeal.

(3) The further appeal may be made by any party to the proceedings before the Board of Appeal who is adversely affected by its decision.

(4) The further appeal shall be lodged with the Court of Justice within two months after notification of the decision of the Board of Appeal.

(5) If the Court of Justice remits the case for further action to the Board of Appeal, the Board shall, in so far as the facts are the same, be bound by the decision of the Court of Justice and by the grounds on which it is based.

Amended Proposal

Article 54

(1) A further appeal to the Court of Justice of the European Communities shall lie from decisions of the Boards of Appeal on appeals. Such further appeal shall have suspensive effect.

(2) Unchanged

(3) Unchanged

(4) Unchanged

(5) Unchanged

Original Proposal

Article 55

(Further appeal in the interest of the law)

(1) The Commission may in the interest of the law lodge a further appeal to the Court of Justice against a decision of the Board of Appeal. The further appeal may be lodged on grounds of want of jurisdiction, infringement of an essential procedural requirement, infringement of the Treaty, of this Regulation or of any rule of law relating to their application, in so far as that rule of law is not a provision of national law, or misuse of power. The provisions contained in this paragraph shall apply to final decisions only.

(2) Where the decision is reversed, the parties shall not be entitled to plead this fact.

(3) The Registrar of the Court of Justice shall notify the Member States and the Council that the further appeal has been lodged, and they shall be entitled to file memoranda or observations in writing with the Court within two months after receipt of notification.

(4) No costs or expenses shall be charged or reimbursed in connection with such proceedings as are provided for in this Article.

Amended Proposal

Article 55

Unchanged

Original ProposalAmended Proposal

Title VIII

PROCEDURE

Section 1

GENERAL PROVISION

Article 56

(Statement of grounds on which decisions are based)

Decisions of the Office shall state the grounds on which they are based. They shall be based only on grounds or on evidence on which the parties involved have had the opportunity of presenting their observations.

Article 57

(Examination of the facts by the Office of its own motion)

In proceedings before it the Office shall examine the facts of its own motion. It may disregard facts or items of evidence which have not been submitted in due time by the parties involved.

Article 56

Unchanged

Article 57

(1) In proceedings before it the Office shall examine the facts of its own motion. However, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

Original Proposal

Article 58

(Oral Proceedings)

(1) If the Office considers that oral proceedings would be useful they shall be held either on motion of the Office itself or at the request of any of the parties to the proceedings.

(2) Oral proceedings before the Examining Division, Opposition Division or Administration Division shall not be public.

(3) Oral proceedings, including delivery of the decision, shall as regards the Cancellation Division and the Board of Appeal, be public, in so far as the department before which the proceedings are taking place does not decide otherwise in circumstances where serious and unwarranted disadvantages could arise from admitting the public, particularly for any of the parties to the proceedings. In derogation from paragraph 2, this present paragraph shall apply to oral proceedings before the Opposition Division in cases where Article 91 applies.

Amended Proposal

(2) The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.

Article 58

Unchanged

Original ProposalAmended Proposal

Article 59

Article 59

(Taking of Evidence)

(1) In any proceedings before the Office, the means of giving or obtaining evidence shall include the following:

(1) Unchanged

- (a) hearing the parties;
- (b) requests for information;
- (c) production of documents;
- (d) hearing the witnesses;
- (e) opinions by experts;
- (f) inspection;
- (g) sworn statements in writing.

(2) The relevant department may commission one of its members to examine the evidence adduced.

(2) Unchanged

(3) If the Office considers it necessary that a party, witness or expert give evidence orally, it shall either:

(3) Unchanged

- (a) issue a summons requiring the relevant person to appear before it, or
- (b) request the competent judicial authority in the country of residence of the relevant person to take the evidence, as provided in paragraph 3 of Article 70.

(4) A party, witness or expert who is summoned before the Office may request it to allow his evidence to be heard by the competent judicial authority in his country of residence. On receipt of such request, or if there is no

(4) Unchanged

Original Proposal

response to the summons, the Office may, in accordance with the provisions of paragraph 3 of Article 70, request the competent judicial authority to take the evidence of that person.

(5) If a party, witness or expert gives evidence before the Office, the Office may, if it considers it advisable that the evidence be given in solemn form, request the competent authority in the country of residence of the relevant person to hear his evidence under the requisite conditions.

(6) When the Office requests a competent judicial authority to take the evidence, it may request it to take the evidence in solemn form and to permit a member of the relevant department to attend the hearing and question the party, witness or expert either through the intermediary of that judicial authority or directly.

Amended Proposal

(5) If a party, witness or expert gives evidence before the Office, the latter may, if it considers it advisable for the evidence to be given on oath or in an equally binding form, request, in accordance with Article 70, paragraph 3, the competent court in the country of residence of the person concerned to re-examine his evidence under such conditions.

(6) When the Office requests a competent court to take evidence, it may request the court, in accordance with Article 70, paragraph 3, to take the evidence on oath or in an equally binding form and to permit a member of the department concerned to attend the hearing and question the party, witness or expert either through the intermediary of the court or directly.

(7) The parties shall be informed of the hearing of a witness. They shall have the right to be present and to put questions to the witness.

Original Proposal

Article 60

(Service)

The Office shall effect service of all decisions and summonses, and of notices which cause time-limits to run or which are required to be served either in pursuance of other provisions of this Regulation or by order of the President of the Office.

Article 61

(Restitutio in integrum)

(1) Where, in spite of having taken all due care in the particular circumstances, the applicant for or proprietor of a Community trade mark or any other party to proceedings before the Office has been unable to observe a time limit vis-à-vis the Office, his rights shall, upon application, be restored if his failure to respect the time limit has resulted directly, by virtue of the provisions of this Regulation, in the loss of any right or means of redress.

(2) Applications shall be filed in writing within two months after the cause of non-compliance with the time-limit has ceased to operate. The act omitted shall be completed within this period. Application

Amended Proposal

Article 60

Unchanged

Article 61

(1) Unchanged

(2) Unchanged

Original Proposal

may be made only within the period of one year following the expiry of the time-limit which has not been observed.

Where the formalities for renewal have not been complied with, the period specified in paragraph 3 of Article 37 shall be deducted from the one-year period.

(3) An application shall state the grounds on which it is based and the facts on which it relies. It shall not be regarded as duly filed until the fee for restoration of rights has been paid.

(4) The decision on the application shall be determined by the department which is competent in relation to the omitted act.

(5) The provisions of this Article shall not apply to the time-limits referred to in paragraph 2 of this Article nor to the time-limit specified in paragraph 1 of Article 26.

(6) The applicant for or proprietor of a Community trade-mark shall not oppose the use of a sign in good faith by a third party during the period between the time when the rights in the application or in the trade-mark are lost and the restoration of those rights.

Amended Proposal

(3) Unchanged

(4) Unchanged

(5) The provisions of this Article shall not be applicable to the time limits referred to in paragraph 2 of this Article, Article 26, paragraph 1 and Article 34, paragraph 1.

(6) Where the applicant for or proprietor of a Community trade mark has his rights re-established, he may not invoke his rights vis-à-vis a third party in respect of goods or services which that third party has put on the market in good faith under that trade mark in the course of the period between the loss of rights in the application or in the trade mark and publication of the mention of re-establishment of those rights.

Original Proposal

Article 62

(Reference to general principles)

In the absence of procedural provisions in this Regulation, the Office shall take into account the principles of procedural law which are generally recognized in the Member States.

Article 63

(Termination of financial obligations)

(1) The Office's right to require payment of fees shall be extinguished after four years from the end of the calendar year in which the fees become due for payment.

(2) Rights against the Office for the refunding of fees or of sums overcharged by the Office shall be extinguished after four years from the end of the calendar year in which the rights arose.

(3) A request for payment of a fee shall have effect to interrupt the period specified in paragraph 1, and a written claim for refund, stating the grounds on which it is made, shall have effect to interrupt the period specified in paragraph 2. After interruption the period shall begin to run again immediately and shall terminate at the latest six years after the end of the calendar year in which it originally

Amended Proposal

Article 62

In the absence of procedural provisions in this Regulation, the implementing regulation, the fees regulations or the rules of procedure of the Boards of Appeal, the Office shall take into account the principles of procedural law generally recognised in the Member States.

Article 63

Unchanged

Original Proposal

commenced, unless in the meantime judicial proceedings to enforce the right have been instituted; in this case the period shall end not earlier than one year after the judgment has acquired the authority of a final decision.

Section 2

COSTS

Article 64

(Costs)

(1) Each party to opposition proceedings or to proceedings for revocation or for a declaration of invalidity shall pay the costs incurred by him unless the Opposition Division or Cancellation Division decides that it would be equitable that the costs of oral proceedings or of certain stages in the examination be borne in some other manner. A decision concerning division of costs may, if applied for, be adopted where a Community trade-mark application, an opposition, an application for revocation of rights or an application for a declaration of invalidity is withdrawn, or where registration of a Community trade mark is not renewed or where the proprietor of a Community trade mark surrenders it.

Amended Proposal

Article 64

(1) Each party to opposition proceedings or to proceedings for revocation or to proceedings for a declaration of invalidity or to appeal proceedings shall meet the costs he has incurred unless a decision of an Opposition Division or Cancellation Division or Board of Appeal, for reasons of equity, orders a different apportionment of essential costs, including travel and subsistence and the remuneration of an agent, adviser or advocate. A decision on the apportionment of costs may also be taken on request when a Community trade mark application, an opposition, an application for revocation

Original Proposal

(2) Paragraph 1 shall also apply to the costs incurred by each of the parties to appeal proceedings. A Board of Appeal decision on division of costs may cover all essential items including travel and subsistence and the remuneration of an agent, adviser or advocate.

(3) The Registrar of the Opposition Division or Cancellation Division shall upon application determine the amount of costs to be paid where a decision is taken to divide them. The amount so determined may upon application be amended if the Opposition Division or Cancellation Division so decides.

Article 65

(Enforcement of decisions which determine the amount of costs)

(1) Final decisions of the Office which determine the amount of costs shall be enforceable.

(2) Enforcement shall be governed by the rules of civil procedure applicable in the State in which it takes place. Subject only to verification that the relevant document is authentic, the enforcement clause or endorsement shall be appended by the national authority appointed for that purpose by the government of each Member State; the governments

Amended Proposal

of rights or an application for a declaration of invalidity is withdrawn, or when registration of a Community trade mark is not renewed or where the proprietor of a Community trade mark surrenders it.

(2) Deleted

(3) Unchanged

Article 65

Unchanged

Original Proposal

shall inform the Office and the Court of Justice of the identity of each such national authority.

(3) When, upon application by the person concerned, these formalities have been completed, he shall be entitled to proceed to enforcement by bringing the matter before the competent body designated by national law.

(4) Enforcement shall not be suspended except by decision of the Court of Justice. Control as to the regulatory of enforcement measures shall, however, reside with the national courts.

Section 3

INFORMATION OF THE PUBLIC AND OF THE
OFFICIAL AUTHORITIES OF THE MEMBER STATES

Article 66

(Register of Community Trade Marks)

The Office shall keep a register which shall be known as the Register of Community Trade Marks, wherein shall be recorded the particulars whose registration is required by this Regulation. The Register shall be open to public inspection.

Amended Proposal

Article 66

The Office shall keep a register to be known as the Register of Community Trade Marks, which shall contain those particulars the registration of which is provided for by this Regulation or by the implementing regulation. The Register shall be open to public inspection.

Original Proposal

Article 67

(Inspection of files)

(1) The files relating to Community trade mark applications which are awaiting publication shall not be made available for inspection without the consent of the applicant.

(2) Any person who proves that the applicant for a Community trade mark has stated, directly or indirectly, that after the trade mark has been registered he will invoke it against that person may, without the applicant's consent, inspect the file before the application is published.

(3) After publication of a Community trade mark application the files relating to the application and to the trade mark itself may be inspected on request. Certain documents in the file may, however, be withheld from inspection.

Article 68

(Community Trade Marks Bulletin)

The Office shall publish periodically a Community Trade Marks Bulletin containing entries made in the Register of Community Trade Marks and all other particulars of which publication is required under this Regulation.

Amended Proposal

Article 67

(1) Unchanged

(2) Unchanged

(3) Subsequent to the publication of the Community trade mark application, the files relating to such application and the resulting trade mark may be inspected on request. Certain documents in the file may, however, be withheld from inspection in accordance with the provisions of the implementing regulation.

Article 68

The Office shall periodically publish:

- (a) a Community Trade Marks Bulletin containing entries made in the Register of Community Trade Marks as well as other particulars the publication of which is prescribed by this Regulation;

Original ProposalAmended Proposal

(b) a Bulletin of the Community Trade Marks Office containing notices and information of a general character issued by the President of the Office, as well as any other information relevant to this regulation or its implementation.

Article 69

(Classification of Community trade marks)

Goods and services for which Community trade marks are applied for shall be classified in conformity with the Office's system of classification.

Article 69

Unchanged

Article 70

(Administrative and legal cooperation)

(1) Unless this Regulation otherwise provides, the Office and the courts or authorities of the Member States shall on request give assistance to each other by supplying information or sending files for inspection. Where the Office send files for inspection to courts, Public Prosecutors' Offices or central industrial property offices, the restrictions laid down in Article 67 shall not apply.

Article 70

(1) Unchanged

Original Proposal

- (2) Information received in pursuance of paragraph 1 shall be used only for the purpose for which it was requested. The Office and the courts or authorities of the Member States, and the officials and other employees thereof, shall not disclose information received by them in pursuance of paragraph 1 if that information is of a confidential nature.
- (3) Upon receipt of Letters rogatory from the Office, the courts or other competent authorities of the Member States shall undertake on its behalf any inquiries or other judicial measures to the extent that they have power to do so.

Article 71

(Exchange of publication)

The Office and the central industrial property offices of the Member States shall on request dispatch to each other for their own use, free of charge, one or more copies of their respective publications.

Amended Proposal

(2) Unchanged

(3) Unchanged

(4) Each Member State shall designate a central authority which will undertake to receive letters rogatory issued by the Office and to transmit them to the authority competent to execute them.

Article 71

(1) Unchanged

Original ProposalAmended Proposal

(2) The Office may conclude agreements relating to the exchange or supply of publications.

Section 4

REPRESENTATION

Article 72

(General principles applicable to representation)

(1) No person shall be compelled to be represented before the Office by a professional representative.

(2) However, any natural or legal person whose place of habitual residence or principal place of business is not in the Community shall be represented before the Office by a professional representative.

(3) Natural or legal persons whose place of habitual residence or principal place of business is in the Community may act vis-à-vis the Office through one of their employees; due authority shall be conferred for this purpose on such employee. An employee of a legal person to which this paragraph applies may, in derogation from paragraph 2 in appropriate cases, also represent other legal persons which are economically associated with that legal person.

Article 72

Unchanged

Original ProposalAmended Proposal

Article 73

Article 73

(Professional representatives)

(1) Professional representation of natural or legal persons before the Office may be undertaken by any advocate who is authorized to practice in a Member State and whose place of business is in the Community, to the extent that he can act in that State as a representative in trade mark matters; or by those professional representatives whose names appear on the list maintained for this purpose by the Office.

Unchanged

(2) Any natural person who fulfils the following conditions may be entered on the list of professional representatives:

- (a) he must be a national of one of the Member States;
- (b) his place of business or employment must be in the Community;
- (c) he must be entitled to represent natural or legal persons in trade mark matters before the competent departments in the Member State where he practises or is employed. Where, in that State, the right to act is not conditional on the obtaining of a particular professional qualification, any person who acts in trade mark matters before the competent departments of that State and who applies for his name to be entered on the list must have practised continuously for not less than five years.

Original Proposal

(3) Entry on the list shall be effected upon request, provided it is accompanied by a certificate issued by the central industrial property office showing that the conditions laid down in paragraph 2 are satisfied.

Amended Proposal

Original Proposal

Title IX

JURISDICTION AND PROCEDURE IN
LEGAL ACTIONS RELATING TO
COMMUNITY TRADE MARKS

Section 1

JURISDICTION

Amended Proposal

Article 73a

Unless otherwise specified in this Regulation, the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, signed in Brussels on 27 September 1968, with the adjustments made by the Convention on the Accession to that Convention of the Kingdom of Denmark, of Ireland and of the United Kingdom of Great Britain and Northern Ireland, signed in Luxembourg on 9 October 1978 and by the Convention on the accession of the Hellenic Republic to that Convention, signed in Luxembourg on 25 October 1982, which three Conventions are together hereinafter referred to as "the Convention on Jurisdiction and Enforcement", shall apply to actions relating to Community trade marks and to decisions given in respect of such actions.

Original Proposal

Article 74

(Jurisdiction of national courts to hear actions for infringement of Community trade marks)

(1) Actions for infringement of a Community trade mark shall be heard by the courts of the Member State in which the defendant has his habitual residence or, if he has no habitual residence in the Community, in which he has a place of business. If the defendant has neither habitual residence nor place of business in one of the Member States, such actions shall be heard by a court in the Member State in which the plaintiff has his habitual residence or, if he has no habitual residence in the Community, in which he has a place of business. If neither the defendant nor the plaintiff has his habitual residence or a place of business in the Community, the action shall be heard by a court in the State in which the seat of the Office is situated. The Court hearing the action shall have jurisdiction in respect of acts of infringement alleged to have been committed in any Member State.

Amended Proposal

Article 74

(1) Unchanged

Original Proposal

(2) Actions for infringement of a Community trade mark may also be heard by a court in the Member State in which an act of infringement has been committed. The court hearing the action shall have jurisdiction only in respect of acts of infringement alleged to have been committed in that State.

(3) If the court hearing the action finds that the Community trade mark has been infringed by use of another Community trade mark it shall order that the latter shall not be used anywhere in the Community; in any case the order prohibiting the use of the Community trade mark shall have effect only in the Member State in which an act of infringement occurred.

Article 75

(Supplementary provisions)

Each Member State shall arrange that actions for infringement of Community trade marks which are brought at first instance shall be heard by a court which has jurisdiction for the whole of that State or for several jurisdictional districts therein.

Amended Proposal

(2) Unchanged

(3) If the court hearing action finds that the Community trade mark has been infringed by use of another trade mark or another sign it shall order that the latter shall not be used anywhere in the Community; provisional measures shall be ordered similarly.

(4) Any court in a Member State seized of the Community trade mark matter may of its own motion or on application by any of the parties request the office for an expert opinion on the significance of the meanings, definitions and pronunciations of any words comprised in trade marks or other signs which are the subject of such an action. Such an opinion shall be treated as a part of the evidence in the case before the court in question.

Article 75

Unchanged

Original Proposal

Section 2

PROCEDURE

Article 76

(Rules applicable)

Unless this Regulation otherwise provides, actions for infringement of Community trade marks shall be subject to those rules of procedure applicable in the laws of the Member States to actions for infringement of national trade marks.

Article 77

(Persons who are entitled to bring an action for infringement)

(1) Actions for infringements may be brought by the proprietor of a Community trade mark. A licensee may bring such actions only if the proprietor consents thereto.

(2) A licensee shall, for the purpose of obtaining compensation for damage suffered by him, be entitled to intervene in an infringement action brought by the proprietor of the Community trade mark.

Amended Proposal

Article 76

Unless this Regulation otherwise provides, actions and applications for provisional measures for infringement of Community trade marks shall be subject to the rules of procedure applicable in the Member State in which the court hearing the action is located to actions for infringement of national trade marks.

Article 77

Unchanged

Original Proposal

Article 78

(Counterclaims for declaration of revocation or invalidity)

(1) The court which is hearing an action for infringement of a Community trade mark shall have jurisdiction to give judgment on a counterclaim made by the original defendant for a declaration that the rights of the proprietor are revoked or that the trade mark is invalid.

(2) No such counterclaim as aforesaid may be made if an application or counterclaim relating to the same subject-matter and cause of action, and involving the same parties, has been determined by the Office.

(3) Article 47, paragraphs 2 to 5, shall apply.

(4) If the court declares that the rights of the proprietor are revoked or that the Community trade mark is invalid, it shall of its own motion order that the trade mark be removed from the Register. When the judgment has acquired the authority of a final decision, the Office shall remove the trade mark from the Register upon application by whichever of the parties first requests it.

Amended Proposal

Article 78

Unchanged

Original Proposal

Article 79

(Stay of proceedings)

(1) The court which is hearing a counter-claim under paragraph 1 of Article 78 for a declaration that the rights of the proprietor of a Community trade mark are revoked or that the trade mark is invalid may, of its own motion or on application by any of the parties, stay the proceedings and invite the original defendant to present to the Office, within such time as the court determines, an application for a declaration of revocation or for a declaration of invalidity.

(2) The court which is hearing any action relating to a Community trade mark may also, of its own motion or on application by any of the parties, stay the proceedings where an application for a declaration that the rights of the proprietor of a Community trade mark shall be revoked or that such trade mark is invalid has been submitted to the Office.

Article 80

(Defences as to the merits)

In proceedings concerning a Community trade mark, the fact that the proprietor's rights therein have been revoked or that the trade mark is invalid shall not be pleaded by way of defence as to the merits.

Amended Proposal

Article 79

Unchanged

Article 80

Unchanged

Original ProposalAmended Proposal

Title X

EFFECT ON THE LAWS OF THE MEMBER
STATES

Section 1

CUMULATIVE PROTECTION PROHIBITED

Article 81

(1) Where the proprietor of a Community trade mark is also the proprietor in a Member State of a national trade mark which is identical with or similar to the Community trade mark and is for goods or services for which the Community trade mark is registered, the effects of the national trade mark shall, upon publication of the registration of the Community trade mark, be suspended for so long as the Community trade mark produces its effects.

Article 81

(1) Where the proprietor of a Community trade mark is also the proprietor in a Member State of a national trade mark which is identical with or similar to the Community trade mark and is for identical or similar goods or services for which the Community trade mark is registered the effects of the national trade mark shall, upon publication of the registration of the Community trade mark, be suspended, so far as they give identical rights to those given by the Community trade mark, for so long as the Community trade mark produces its effects.

(1a) Any person who, in one of the Member States, has brought an infringement action on the basis of a Community trade mark, or a national trade mark which does not give identical rights to those given by the Community trade mark, may not bring a new action against the same respondent or his assignee in respect

Original Proposal

(2) The proprietor of the Community trade mark shall however be entitled to claim that in the Member State in which the national trade mark exists, or continues to be registered, his rights in the Community trade mark are effective from the date on which he acquired the national trade mark.

(3) In derogation from paragraph 1, the effects of the national trade mark shall not revive if the Community trade mark is removed from the Register following a declaration that the proprietor's rights therein are revoked on the ground of non-user.

Section 2

PROHIBITION ON APPLICATION OF THE NATIONAL LAWS OF THE MEMBER STATES TO COMMUNITY TRADE MARKS

Article 82

Without prejudice to Article 45, the national laws of the Member States shall not apply in relation to the validity or use of Community trade marks.

Amended Proposal

of the same or an identical later infringement, in respect of the other trade mark.

(2) The proprietor of the Community trade mark may, however, take advantage, for the benefit of the Community trade mark, of the date of acquisition of the national trade mark, as regards the Member State in which the national trade mark existed or remains registered.

(3) In derogation from paragraph 1, the suspended effects of the national trade mark shall not revive if the Community trade mark is removed from the register following a declaration that the proprietor's rights therein are revoked on the ground of non-user.

Article 82

(1) Without prejudice to Articles 45 and 74 to 76, the law of Member States shall not apply in relation to the use of Community trade marks. However, the law of Member States on the granting of provisional

Original ProposalAmended Proposal

measures shall apply, provided that final injunctions shall be made only after the conclusion of the procedure provided for in Articles 46 and 47.

(2) Paragraph 1 shall not prevent actions from being brought against a Community trade mark under the law of Member States relating in particular to civil liability and unfair competition, to the extent that the use of a national trade mark may be prohibited under that law, provided that such actions are not brought on the same grounds as those contained in Articles 7 and 42.

Section 3

CONVERSION INTO A NATIONAL TRADE MARK APPLICATION

Article 83

(Request for the application of national procedure)

(1) The central industrial property offices in the Member States shall not apply the procedure for registration of a national trade mark on the basis of a Community trade mark application or Community trade mark, save where the applicant or proprietor of the trade mark so requests and the following circumstances obtain:

Article 83

Unchanged

Original ProposalAmended Proposal

- (a) the Community trade mark application has been refused; withdrawn or deemed to have been withdrawn;
- (b) the Community trade mark ceases to have effect, but this provision shall not apply where the trade mark has been removed from the Register following a declaration that the proprietor's rights are revoked on the grounds of non-user.

(2) Paragraph 1 shall apply only in those Member States where the Office or a national court has not decided that grounds for refusal of registration or grounds of invalidity exist under this Regulation in connection with the Community trade mark application or in connection with the Community trade mark itself.

(3) A request for conversion shall be filed within three months after the application has been refused or withdrawn or within three months after the Community trade mark ceases to have effect. An applicant or proprietor who does not file within the said period of three months shall lose the right to claim priority for the national trade mark from the date of filing of the application or from the date of the Community trade mark.

Original Proposal

Article 84

(Submission of the request for conversion)

(1) The Member States shall determine the conditions which are to apply to the submission of requests for conversion.

(2) The Office shall, if so requested, and provided the fee is paid, make available to the applicant or proprietor a copy of the file relating to the Community trade mark application or Community trade mark.

Article 85

(Communication and publication)

(1) The central industrial property offices in the Member States shall inform the Office of all requests for conversion which they receive.

(2) Receipt of any such request shall be recorded in the Register of Community Trade Marks. If the Community trade mark application has been published, the request for conversion shall be published also.

Amended Proposal

Article 84

Unchanged

Article 85

Unchanged

Original ProposalAmended Proposal

Title XI

COMMUNITY GUARANTEE MARKS AND
COMMUNITY COLLECTIVE MARKS

Article 86

Article 86

(Community guarantee marks)

(1) Community guarantee marks may consist of any sign which is described as such when the guarantee mark is applied for, if its purpose is to guarantee the quality, method of manufacture or other common characteristics of goods or services of different undertakings which use the guarantee mark under the proprietor's control.

Unchanged

(2) Community guarantee marks shall not be used in respect of goods or services produced or supplied by the proprietor himself or by a person who is economically associated with him.

Article 87

Article 87

(Community collective marks)

Representative groups or bodies of manufacturers, producers, suppliers of services, or traders may if they have legal personality, apply for Community collective marks which are described as such in the application and are capable of distinguishing the goods or services of their members from those of other undertakings.

Unchanged

Original ProposalAmended Proposal

Article 88

Article 88

(Application of provisions)

The provisions of this Regulation shall apply to Community guarantee marks and to Community collective marks, unless Articles 86 to 98 provide otherwise.

Unchanged

Article 89

Article 89

(Rules relating to the mark)

(1) Application for Community guarantee marks or Community collective marks shall be accompanied by regulations relating to them.

Unchanged

(2) The regulations governing a Community guarantee mark shall set out the common characteristics of the goods or services which the mark is intended to guarantee and shall specify the detailed arrangements for real and effective supervision of the use of the mark, and suitable sanctions.

Article 90

Article 90

(Refusal of application)

(1) An application for a Community guarantee mark or Community collective mark shall be refused where the provisions of Articles 86, 87 or 89 are not satisfied, or where the regulations are contrary to public policy or to accepted principles of morality.

Unchanged

(2) An application for a Community guarantee mark shall also be refused if the public is liable to be misled as regards the nature of the mark.

Original Proposal

Article 91

(Opposition of Community guarantee marks on absolute grounds for refusal)

(1) 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 may, within a period of three months after publication of an application for a Community guarantee mark, file opposition at the Office, on any of the following grounds, against registration of the mark:

- (a) that under Article 6 or 86 the mark is ineligible for registration;
- (b) that the regulations do not comply with the requirements of paragraph 2 of Article 89 or are contrary to public policy or to accepted principles of morality;
- (c) that the public is liable to be misled as regards the nature of the mark.

(2) The opposition shall be expressed in writing and shall specify the grounds on which it is based. It shall not be treated as duly entered until the opposition fee has been paid.

Amended Proposal

Article 91

Unchanged

Original ProposalAmended Proposal

Article 92

Article 92

(Observations by third parties)

Article 33 shall apply in the cases described in Article 90.

Unchanged

Article 93

Article 93

(Use of Marks)

The use made of a Community guarantee mark or of a Community collective mark by a person entitled to use it shall be in conformity with the provisions of this Regulation and with the conditions which it imposes as regards such use.

Unchanged

Article 94

Article 94

(Amendment of the regulations governing the mark)

(1) The proprietor of a Community guarantee mark or of a Community collective mark shall inform the Office of any amendment to the regulations governing it.

Unchanged

(2) Amendments shall not be accepted if they are inconsistent with the provisions of Article 89 or are contrary to public policy or to accepted principles of morality, or, where they relate to Community guarantee marks, are liable to mislead the public as regards the nature of the mark or the guarantees provided by the regulations.

Original Proposal

Amended Proposal

(3) The Office shall publish the amendments to regulations governing Community guarantee marks or Community collective marks, or shall publish the fact that the regulations have been amended. Where the amendments are published in full, Articles 91 and 92 shall apply.

(4) Amendments to regulations shall not take effect until they have been registered.

Article 95

Article 95

(Persons who are entitled to bring an action for infringement)

(1) The provisions of Article 77 concerning the rights of licensees shall apply to every person who has authority to use a Community guarantee mark or Community collective mark.

Unchanged

(2) The proprietor of a Community guarantee mark or Community collective mark shall also be entitled to claim compensation for damage sustained by persons who have authority to use the mark, if the damage arises in consequence of an unauthorized use of the mark.

Article 96

Article 96

(Grounds for revocation)

The rights of the proprietor of a Community guarantee mark or of a Community collective mark shall be revoked if:

Unchanged

Original Proposal

- (a) he use the mark in a manner which is inconsistent with the provisions of paragraph 2 of Article 86, or
- (b) he authorizes or acquiesces in the use of the mark on terms which are different from those prescribed by this Regulation.

Article 97

(Grounds for and consequences of invalidity)

(1) A Community guarantee mark or a Community collective mark which is registered in breach of the provisions of Article 90 shall be invalid. Such mark shall also be invalid if an amendment to the regulations governing it is registered in breach of paragraph 2 of Article 94. The provisions of this Article shall not apply, however, if the proprietor of the mark, by further amending the regulations, complies with the requirements of those Articles.

(2) Where a Community guarantee mark or Community collective mark is invalid in consequence of amendment of the regulations governing it, it shall be deemed not to have had the effects provided for in this Regulation from the time when the amendment was registered.

Amended Proposal

Article 97

(1) A Community guarantee mark or a Community collective mark which is registered in breach of the provisions of Articles 90 or 91 shall be invalid. Such mark shall also be invalid if an amendment to the regulations governing it is registered in breach of paragraph 2 of Article 94. The provisions of this Article shall not apply however if the proprietor of the mark, by further amending the regulations, complies with the requirements of those Articles.

(2) Unchanged

Original Proposal

Article 98

(No applications to be made for registration of Community guarantee marks or Community collective marks which have been removed from the Register, and such marks are not to be used)

(1) Where a Community guarantee mark or a Community collective mark has not been renewed, or the proprietor's rights therein have been revoked, or the mark has been declared invalid or has been surrendered, no fresh application shall be made for registration thereof and it shall not be use on any ground whatsoever for goods or services which are similar to those in respect of which it was registered until three years have elapsed since the relevant non-renewal, revocation, surrender or declaration of invalidity.

(2) Without prejudice to the application of sub-paragraph (b) of paragraph 1 of Article 83, paragraph 1 of this Article shall not apply to the former proprietor of the mark or to this successors in title thereto.

Amended Proposal

Article 98

Unchanged

Original ProposalAmended Proposal

Title XIa

SYMBOL TO INDICATE A COMMUNITY TRADE MARK

Article 98a

The symbol of the Greek capital letter epsilon contained within a circle, thus

Ⓔ may be used to indicate a registered Community trade mark.

Original ProposalAmended Proposal

Title XII

THE COMMUNITY TRADE MARKS OFFICE

Section 1

GENERAL PROVISIONS

Article 99

Article 99

(Legal Status)

(1) The Office is a body of the Community and has legal personality.

Unchanged

(2) In each of the Member States of the Office shall enjoy the most extensive legal capacity accorded to legal persons under their laws; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings. For these purposes the Office shall be represented by its President.

(3) The seat of the Office shall be located at

Original Proposal

Article 100

(Staff)

(1) The Staff Regulations of Officials of the European Communities, the Conditions of Employment of Other Servants of the European Communities, and the rules adopted jointly by the institutions of the European Communities for purposes of the application of those Staff Regulations and Conditions of Employment shall apply to the staff of the Office, but without prejudice to the application of Article 118 to the members of the Boards of Appeal.

(2) Without prejudice to Article 105, the powers conferred on each institution by the Staff Regulations, and by the Conditions of Employment of Other Servants, shall be exercised by the Office in relation to its staff.

Article 101

(Privileges and immunities)

The Protocol on the Privileges and Immunities of the European Communities shall apply to the Office.

Amended Proposal

Article 100

Unchanged

Article 101

Unchanged

Original Proposal

Article 102

(Liability)

(1) The contractual liability of the Office shall be governed by the law applicable to the relevant contract.

(2) The Court of Justice of the European Communities shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by the Office.

(3) As regards non-contractual liability, the Office shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its departments or servants in the performance of their duties.

(4) The Court of Justice shall have jurisdiction in disputes relating to compensation for any such damage as is referred to in paragraph 3.

(5) The personal liability of servants towards the Office shall be governed by the provisions laid down in its Staff Regulations or in the conditions of employment applicable to its staff.

Article 103

(Languages)

The language of the Office for procedural purposes is

Amended Proposal

Article 102

Unchanged

Article 103

The language of the Office for procedural purposes is
However the persons participating in the procedure shall be

Original ProposalAmended Proposal

entitled to conduct written and oral proceedings in any language of the Community with translation and, in the case of hearings, simultaneous interpretation into the languages of the Office and those of the persons participating in the procedure in accordance with the Implementing Regulations.

Section 2

ADMINISTRATION OF THE OFFICE

Article 104

(Powers of the President)

(1) The Office shall be administered by the President.

(2) To this end the President shall have inter alia the following functions and powers:

- (a) he shall take all necessary steps, including the adoption of internal administrative instructions and the publication of notices, to ensure the functioning of the Office;
- (b) he may, after consulting the Advisory Committee, place before the Commission any proposal to amend this Regulation, the implementing Regulation, the rules of procedure of the Boards of Appeal, the fees regulations or the financial rules;
- (c) he shall draw up the estimates of revenues and expenditure of the Office and shall implement the budget;
- (d) he shall submit a management report to the Commission and Advisory Committee each year;

Article 104

Unchanged

Original Proposal

(e) he shall exercise the powers conferred by paragraph 2 of Article 100;

(3) The President shall be assisted by a number of Vice-Presidents. If the President is unable to act, one of the Vice-Presidents shall act in place of him.

Article 105

(Appointment of senior officials)

(1) The President of the Office shall be selected from a list of three candidates which shall be prepared by the Advisory Committee, and shall be appointed by the Commission. Power to dismiss the President shall lie with the Commission after consulting the Advisory Committee.

(2) The Vice-Presidents of the Office and the members of the Boards of Appeal shall be appointed or dismissed as in paragraph 1.

(3) Without prejudice to paragraph 1 of Article 118, the Commission shall exercise disciplinary authority over the employees referred to in paragraphs 1 and 2 of this Article.

Amended Proposal

Article 105

(1) Unchanged

(2) The Vice-Presidents of the Office and the members of the Boards of Appeal shall be appointed and the Vice-Presidents dismissed as in paragraph 1.

(3) Unchanged

Original ProposalAmended Proposal

Article 106

Article 106

(Control of legality)

Unchanged

(1) The Commission shall be responsible for legal supervision of the acts of the President.

(2) It shall require that any unlawful act of the President be altered or annulled.

(3) Any Member State, or any third party who is directly and personally concerned, may refer to the Commission any act of the President, whether express or implied, so that the Commission will examine the legality of that act.

Section 3

ADVISORY COMMITTEE

Article 107

Article 107

(creation and powers)

Unchanged

(1) An Advisory Committee to the Office is hereby established and is hereinafter referred to as the 'Committee'.

(2) It shall settle the list of candidates provided for in Article 105.

(3) It shall advise the President concerning matters for which the Office is responsible.

(4) It shall be consulted in the cases provided for in this Regulation.

(5) It may deliver Opinion to the Commission and to the President where it considers that this is necessary.

Original Proposal

Article 108

(Composition)

(1) The Committee shall be composed of one representative of the Government of each Member State and one representative of the Commission, and their alternates.

(2) The members who represent the Governments of the Member States, and the alternates of those members, shall be appointed by the Council. The member who represents the Commission, and his alternate, shall be appointed by the Commission.

(3) The term of office of members and of their alternates shall be three years. It shall be renewable.

Article 109

(Presidency)

The Committee shall elect a President and Vice-President from among its members. If the President is unable to act the Vice-President shall act in place of him.

Article 110

(Meetings)

(1) Meetings of the Committee shall be convened by the President.

(2) The President of the Office may take part in the deliberations.

(3) The Committee shall hold an ordinary meeting once a year; it shall also meet at the request of its President or of the Commission or of one-third of its members.

Amended Proposal

Article 108

Unchanged

Article 109

Unchanged

Article 110

Unchanged

Original ProposalAmended Proposal

(4) It shall adopt rules of procedure.

(5) Its decisions shall be taken by simple majority vote. Where, however, the Committee has to take a decision under paragraph 1 or 2 of Article 105 or paragraph 1 of Article 121, a majority of not less than three-quarters of the votes shall be required.

Article 111

Article 111

(Duties of Office)

The members of the Committee shall be bound, even after cessation of their appointment, not to disclose or make use of information which is of a confidential nature.

Unchanged

Section 4

ARRANGEMENT OF DEPARTMENTS

Article 112

Article 112

(Departments responsible for procedure)

For the purposes of implementing the procedures laid down in this Regulation, there shall be established within the Office:

Unchanged

- (a) an Examining Division;
- (b) an Opposition Division;
- (c) an Administration of Trade Marks Division;
- (d) a Cancellation Division;
- (e) Boards of Appeal.

Original Proposal

Article 113

(Examining Division)

(1) The Examining Division shall be responsible for examining Community trade mark applications and for deciding whether trade marks applied for are to be registered.

(2) Decisions of the Examining Division shall be taken by one of its members.

Article 114

(Opposition Division)

(1) The Opposition Division shall be responsible for deciding whether a trade mark is to be registered as a Community trade mark in cases where observations are submitted or opposition is entered.

(2) Decisions of the Opposition Division shall be taken by three of its members, of whom two shall not have taken part in examining the application. One of the deciding members must be qualified in law.

(3) Examination of the opposition may be conducted by one of those three members.

Amended Proposal

Article 113

Unchanged

Article 114

Unchanged

Original Proposal

Article 115

(Administration of Trade Marks Division)

(1) The Administration of Trade Marks Division shall be responsible for doing all such acts of the Office in relation to Community trade marks as lie outside the competence of other departments thereof. It shall be responsible inter alia for deciding what particulars are to be recorded in or are to be deleted from the Register of Community Trade Marks.

(2) Decisions of the Administration of Trade Marks Division shall be taken by one of its members.

Article 116

(Cancellation Division)

(1) The Cancellation Division shall be responsible for examining applications for revocation or for declarations of invalidity of Community trade marks.

(2) Decisions of the Cancellation Division shall be taken by three members who are qualified in law.

(3) Examination of applications may be conducted by one of those three members.

Amended Proposal

Article 115

Unchanged

Article 116

Unchanged

Original Proposal

Article 117

(Boards of Appeal)

(1) The Boards of Appeal shall be responsible for examining appeals from decisions of the Examining Division, Opposition Division, Cancellation Division and Administration of Trade Marks Division.

(2) Each Board of Appeal shall be composed of three members who are qualified in law.

Article 118

(Independence of members of Boards of Appeal)

(1) The members of the Boards of Appeal shall be appointed for a term of five years and may not be removed from office during that term, except where there are serious grounds for removing them and the Court of Justice, having been seized by the Commission, decides that the member in question shall be removed.

(2) The members of the Boards of Appeal shall be independent. In making their decisions they shall not be bound by any instructions they may have received.

(3) The members of the Boards of Appeal shall not be members of the Examining Division, Opposition Division, Administration of Trade Marks Division or Cancellation Division.

Amended Proposal

Article 117

Unchanged

Article 118

Unchanged

Original Proposal

Article 119

(Exclusion and objection)

(1) Members of the Cancellation Division or of the Boards of Appeal shall not take part in determining and matter in which they have a personal interest, or in which they have previously been involved as representatives of any of the parties, or in relation to which they participated in taking the final decision in the course of the registration procedure. Members of the Boards of Appeal shall not take part in appeal proceedings if they participated in making the decision under appeal.

(2) If, for any of the reasons mentioned in paragraph 1, or for any other reason, a member of the Cancellation Division or of a Board of Appeal considers that he should not take part in determining a matter, he shall inform the Division or Board accordingly.

(3) Members of the Cancellation Division or of a Board of Appeal may be objected to by any party for any of the reasons mentioned in paragraph 1, or if suspected of partiality. An objection shall not lie if, while being aware of a reason for objecting, the relevant party has taken any procedural steps. No objection shall be based upon the nationality of members.

Amended Proposal

Article 119

Unchanged

Original Proposal

(4) In the situations mentioned in paragraphs 2 and 3 the Cancellation Division and the Boards of Appeal shall decide, without the participation of the member concerned, as to the action to be taken. For the purposes of making the decision the member objected to shall be replaced in the Division or Board of Appeal by his alternate.

Section 5

BUDGET AND FINANCIAL CONTROL

Article 120

(Budget)

(1) Estimates of all the Office's revenue and expenditure shall be prepared for each financial year and shall be shown in the Office's budget, and each financial year shall correspond with the calendar year.

(2) The revenue and expenditure shown in the budget shall be in balance.

(3) Revenue means (without prejudice to other types of income) total fees payable under the fees, regulations, and to the extent that it is necessary a subvention recorded under a specific heading of the budget of the European Communities, Commission Section.

Amended Proposal

Article 120

Unchanged

Original Proposal

Article 121

(Preparation of the budget)

(1) The President shall draw up each year an estimate of the Office's revenue and expenditure for the following year and shall send it to the Commission not later than 31 March in each year, together with an establishment plan and an opinion from the Committee.

(2) The Commission shall annex the estimate to the preliminary draft budget of the European Communities. The Commission may attach an opinion on the estimate along with an alternative estimate. If a subvention under paragraph 3 of Article 120 is necessary, the Commission may propose such amendment of the estimate as it considers requisite.

(3) The Office's budget shall be adopted by the budget authority in accordance with the same procedure as the general budget.

Article 122

(Control)

(1) Not later than 31 March in each year the President shall transmit to the Commission and to the Court of Auditors accounts of the Office's total revenue and expenditure for the preceding financial year. The Court of Auditors shall examine them in accordance with Article 206a of the Treaty.

Amended Proposal

Article 121

Unchanged

Article 122

Unchanged

Original Proposal

(2) The European Parliament shall give a discharge to the President of the Office in accordance with the procedure laid down in Article 206b of the Treaty.

(3) Control of commitment and payment of all expenditure and control of the existence and recovery of all revenue of the Office shall be carried out by the Financial Controller of the Commission.

Article 123

(Financial provisions)

The Financial Regulation applicable to the general budget of the European Communities shall apply to the Office without prejudice to the provisions contained in this Regulation or to special provisions determined by regulation adopted by the Council in accordance with the conditions laid down in Article 209 of the Treaty.

Article 124

(Fees regulations)

(1) The fees regulations shall determine in particular the amounts of the fees and the ways in which they are to be paid.

(2) The amounts of the fees shall be fixed in such manner that the Office's revenue covers its expenditure.

Amended Proposal

Article 123

Unchanged

Article 124

(1) Unchanged

(2) The amounts of the fees shall be fixed in such a manner that the Office's revenue covers its expenditure after a transitional period.

Original Proposal

(3) The fees regulations shall be adopted on a proposal from the Commission by qualified majority vote of the Council after obtaining the opinion of the European Parliament.

Amended Proposal

(3) Unchanged

Original ProposalAmended Proposal

Title XIII

FINAL PROVISIONS

Article 125

Article 125

(Community implementing provisions)

(1) The rules implementing this Regulation, particularly as regards the calculation and extension of periods of time to which a time-limit applies, shall be adopted in an implementing regulation.

Unchanged

(2) The implementing regulation and the rules of procedure of the Boards of Appeal shall be adopted by the Council, by qualified majority vote, on a proposal from the Commission.

Article 126

Article 126

(National implementing provisions)

The Member States shall within twelve months following the adoption of this Regulation bring into operation the measures which are requisite for the purpose of implementing Articles 75 and 84 hereof and shall forthwith inform the Commission of those measures.

Unchanged

Original Proposal

Article 127

Save as regards Articles 75 and 84, this Regulation shall enter into force twelve months after it has been published in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Amended Proposal

Article 127

Unchanged