Alicante, 22 February 2024

**TO THE GRAND BOARD OF APPEAL**
**OF THE EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE**

**REFERRAL OF QUESTIONS ON A POINT OF LAW**

**BY THE EXECUTIVE DIRECTOR**
**OF THE EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE**

Under Articles 157(4)(l) and 165(4) EUTMR ([1]) in conjunction with Article 37(4) and (5) EUTMDR ([2])

## A. THE REFERRAL

1. The Executive Director ('ED') refers the questions set out below in Section D on a point of law to the enlarged Board of Appeal ('the Grand Board') under Article 157(4)(l) EUTMR ([3]). In accordance with Article 37(4) EUTMDR, the ED also sets out his views on the different possible interpretations as well as on the practical consequences.

2. The Fourth Board of Appeal finds in its decision of 26/09/2022, R 1241/2020-4, 'Nightwatch' that 'conversion' shall not be excluded under Article 139(2) EUTMR where the Office refuses an EUTM application and then the EUTM applicant withdraws its application during the appeal period. In so doing, 'Nightwatch' takes an approach that differs to the long-standing practice in the Office's Guidelines concerning conversion of

([1]) Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark; OJ L 154, 16.6.2017, pp. 1-99.
([2]) Commission Delegated Regulation (EU) 2018/625 of 5 March 2018 supplementing Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union trade mark, and repealing Delegated Regulation (EU) 2017/1430; OJ L 104, 24.4.2018, pp. 1-36.
([3]) Under Article 157(4)(l) EUTMR, the ED has the authority to refer questions on a point of law, in particular, if the Boards of Appeal have issued diverging decisions on the point.

an EUTM into one or several national trade mark applications under Articles 139 and 140 EUTMR (see here).

3. The practice in question has an impact on the Office's users who wish to avail themselves of the conversion mechanism. Indeed, 'Nightwatch' has caused a stir in the IP world and prompted questions from user associations as to why the matter was not sent to the Grand Board and whether the Guidelines will be updated as a result ([4]).

4. As the matter has not come before the Court of Justice of the European Union ('CJEU'), it is considered appropriate, in the interest of legal certainty and consistency, to obtain the reasoned opinion of the Grand Board. Moreover, considering that the Office's long-standing practice on such matters is essentially based on a Grand Board of Appeal decision of 27/09/2006 in R 331/2006-G, legal certainty requires that any change be based on a Grand Board opinion or decision which binds the first instance pursuant to Article 166(8) EUTMR and which would not be impeachable by a later Board of Appeal decision save for the Grand Board.

## B. LEGAL FRAMEWORK

**Article 66**

**Decisions subject to appeal**

1. An appeal shall lie from decisions of any of the decision-making instances of the Office listed in points (a) to (d) of Article 159, and, where appropriate, point (f) of that Article. Those decisions shall take effect only as from the date of expiration of the appeal period referred to in Article 68. The filing of the appeal shall have suspensive effect.

2. A decision which does not terminate proceedings as regards one of the parties can only be appealed together with the final decision, unless the decision allows separate appeal

**Article 68**

**Time limit and form of appeal**

1. Notice of appeal shall be filed in writing at the Office within two months of the date of notification of the decision. The notice shall be deemed to have been filed only when the fee for appeal has been paid. It shall be filed in the language of the proceedings in which

([4]) See also the article Legally unnecessary and detrimental to the economy of the proceedings». A chance to change EUIPO's practice on conversion? – published in the Kluwer Trademark Blog on 08/02/2023.

the decision subject to appeal was taken. Within four months of the date of notification of the decision, a written statement setting out the grounds of appeal shall be filed.

[…]

**Article 71**

**Decisions in respect of appeals**

[…]

3.The decisions of the Board of Appeal shall take effect only as from the date of expiry of the period referred to in Article 72(5) or, if an action has been brought before the General Court within that period, as from the date of dismissal of such action or of any appeal filed with the Court of Justice against the decision of the General Court.

**Article 72**

**Actions before the Court of Justice**

1.Actions may be brought before the General Court against decisions of the Boards of Appeal in relation to appeals.

2.The action may be brought on grounds of lack of competence, infringement of an essential procedural requirement, infringement of the TFEU, infringement of this Regulation or of any rule of law relating to their application or misuse of power.

3.The General Court shall have jurisdiction to annul or to alter the contested decision.

4.The action shall be open to any party to proceedings before the Board of Appeal adversely affected by its decision.

5.The action shall be brought before the General Court within two months of the date of notification of the decision of the Board of Appeal.

6.The Office shall take the necessary measures to comply with the judgment of the General Court or, in the event of an appeal against that judgment, the Court of Justice.

**Article 139**

**Request for the application of national procedure**

1. The applicant for or proprietor of an EU trade mark may request the conversion of his EU trade mark application or EU trade mark into a national trade mark application:

(a) to the extent that the EU trade mark application is refused, withdrawn, or deemed to be withdrawn;

(b) to the extent that the EU trade mark ceases to have effect.

2. Conversion shall not take place:

[…]

(b) for the purpose of protection in a Member State in which, in accordance with the decision of the Office or of the national court, grounds for refusal of registration or grounds for revocation or invalidity apply to the EU trade mark application or EU trade mark.

[…]

5. Where the EU trade mark application is withdrawn or the EU trade mark ceases to have effect as a result of a surrender being recorded or of failure to renew the registration, the request for conversion shall be filed within three months of the date on which the EU trade mark application has been withdrawn or on which the EU trade mark ceases to have effect.

6. Where the EU trade mark application is refused by decision of the Office or where the EU trade mark ceases to have effect as a result of a decision of the Office or of an EU trade mark court, the request for conversion shall be filed within three months of the date on which that decision acquired the authority of a final decision.

**Article 140**

**Submission, publication and transmission of the request for conversion**

[…]

4. If the Office or an EU trade mark court has refused the EU trade mark application or has declared the EU trade mark invalid on absolute grounds by reference to the language of a Member State, conversion shall be excluded under Article 139(2) for all the Member States in which that language is one of the official languages. If the Office or an EU trade mark court has refused the EU trade mark application or has declared the EU trade mark invalid on absolute grounds which are found to apply throughout the Union or on account of an earlier EU trade mark or other Union industrial property right, conversion shall be excluded under Article 139(2) for all Member States.

[…]

## C. WITHDRAWAL OF A REFUSED EUTM APPLICATION FOLLOWED BY A CONVERSION REQUEST.

5. Conversion is the process of turning an EUTM application into one or more national applications ([5]). It is a user-friendly aspect of the EUTMR that, to some extent, overcomes the downsides stemming from the rigidity of the EUTM's unitary character.

6. If an EUTM faces a ground of non-registrability in one or several Member States, the EUTM applicant can convert the EUTM into one or more trade mark applications in the Member States not affected by the problem. Under Article 139(2)(b) EUTMR, conversion

([5]) Its main features are laid down in Articles 139 to 141 EUTMR and Article 22 and Article 23 EUTMIR. We focus on converting EUTM applications here, but the principles apply *mutatis mutandis* to EUTM Registrations.

shall not take place in Member States where grounds for refusal apply 'in accordance with the decision of the Office' (underline added).

7. Interpretative differences exist as to whether Article 139(2)(b) EUTMR refers only to a 'final' decision of the Office (i.e. a decision that was not appealed or that was upheld on appeal ([6])) or whether that provision also covers a decision that never became final because the EUTM was withdrawn during the appeal period or during the period of suspensive effect produced by the appeal. The interpretative differences derive principally from the interplay between Article 66(1) EUTMR and Article 139(2)(b) EUTMR.

8. The practice of the Office since 2006 – initially based on the 'Optima' decision of the Grand Board ([7]) – is that 'non final' decisions can exclude conversion under Article 139(2)(b) EUTMR. The Office did not consider that the addition of the second sentence of Article 66(1) EUTMR in 2016 changed the meaning of the law as it stood before its revision. Hence, that sentence is not understood as meaning that withdrawal of the EUTM application during the appeal period entails that a refusal decision has no legal consequences at all. However, as explained below, the recent approach of the Fourth Board of Appeal takes another view of the interplay between Article 66(1) EUTMR and Article 139(2)(b) EUTMR.

## I. R 331/2006-G 'Optima' and the Office practice on conversion

9. In 'Optima', the Grand Board ruled on whether, after a decision of refusal of the first instance, an EUTM application may be validly withdrawn within the appeal period and whether such a withdrawal prevails over the effects of the refusal or not.

10. The Grand Board held that it is indeed possible to withdraw an EUTM application during the appeal period. It found that a decision to reject an EUTM application 'may not take legal effect until the period to lodge an appeal is over or the decision handed down by the Boards of Appeal has confirmed the decision' (§ 14 underline added). It also held at § 16 that a decision relating to an EUTM that had been withdrawn in the appeal period 'must

([6]) Meaning that when the suspensive effect of the appeal ends, the grounds for refusal exist.
([7]) See below.

… be considered to be a decision that should remain in the files. The possible effects of such a decision of refusal on an applied-for mark which has later on been withdrawn are outside the scope of the present appeal' (underline added).

11. The Office interpreted this as meaning that an EUTM that is withdrawn during the appeal period, and for which the Office had issued a decision of refusal, will not be treated as *refused* in the Office database and in the Register but as *withdrawn*. However, that decision of refusal remains in existence and may have 'possible effects' under certain provisions of the EUTMR such as excluding a request on conversion Article 139(2)(b) EUTMR.

## II. R 1241/2020-4 'Nightwatch' (see here )

12. In its decision that was appealed before the Fourth Board of Appeal in 'Nightwatch', the first instance of the Office had refused the EUTM application as being descriptive and devoid of distinctive character for the English-speaking public.

13. The applicant withdrew the EUTM application during the appeal period and then requested conversion of the EUTM application into several national trade mark applications. The department in charge of the Register declared the conversion request to be inadmissible for the United Kingdom under Article 139(2)(b) and Article 140(4) EUTMR ([8]) because the first instance examiner had found grounds for refusal which applied to that former Member State.

14. On appeal, the Fourth Board found that the Office should have allowed the conversion request under Article 139(1)(a) EUTMR (i.e. due to the withdrawal of the application) instead of applying Article 139(2)(b) EUTMR 'since there is no final decision on refusal of the EUTM application' (§ 43). The Fourth Board noted that:

> as a consequence of the withdrawal of the EUTM application, the examination proceedings had become without purpose. Therefore, the refusal decision of the examiner should not have become final. (§ 42).

It then referred to the second sentence of Article 66(1) EUTMR (§40). Since Articles 139(2)(b) and 139(6) EUTMR refer explicitly to 'the decision of the Office', the Fourth Board took the view that 'in the absence of the decision of the Office, these provisions are not applicable' (§ 43 in fine).

15. Regarding 'Optima', the Fourth Board of Appeal states in § 47 of its decision:

> [The] decisions 23/03/2006, R 1411/2005 1, Eurostile and 27/09/2006, R 331/2006-G, Optima, based their reasoning on the suspensive effect of the appeal in order to be able to say that the first instance decisions cannot take legal effect until the final decisions. However, contrary to the provision applicable in those

([8]) See both provisions above.

cases (Article 57(1) CTMR), Article 66(1) EUTMR, second sentence, applicable in the present case, explicitly states that '[t]hose decisions shall take effect only as from the date of expiration of the appeal period referred to in Article 68.

Consequently, regardless of whether an appeal has been filed or not, first instance decisions cannot produce any legal effect before the expiration of the appeal period.

16. One reading of § 47 ([9]) sees the Board finding that the reasoning in 'Optima' was overturned by the second sentence of Article 66(1) EUTMR. However, as shown below, the second sentence of Article 66(1) EUTMR may also be interpreted as not overturning but rather as codifying the findings in 'Optima', in that a decision relating to an EUTM that had been withdrawn during the appeal can still produce certain legal consequences.

## D. QUESTIONS TO THE GRAND BOARD

1. **Does the expression 'the decision of the Office' in Article 139(2)(b) EUTMR include decisions of the Office containing grounds of refusal of an EUTM application, where no appeal is brought under Article 66 EUTMR but where the EUTM is withdrawn during the appeal period set out in Article 68(1) EUTMR?**

2. **Does the answer to question 1 differ where an appeal against the grounds of refusal is brought under Article 66 EUTMR but where the EUTM is withdrawn prior to a final dismissal of that appeal?**

3. **Should Article 71(3) EUTMR be interpreted to mean that Article 139(2)(b) EUTMR includes decisions of the Boards of Appeal containing grounds of refusal of an EUTM application where no action is brought under Article 72 EUTMR but where the EUTM is withdrawn during the period set out in Article 72(5) EUTMR?**

([9]) As set out below, whether this paragraph is intended to directly address the findings at § 16 'Optima' is arguable.

4. **Does the answer to question 3 differ where an action against the grounds of refusal is lodged under Article 72 EUTMR but where the EUTM is withdrawn prior to a final dismissal of that action?**

5. **Does the answer to questions 1 to 4 differ where the relevant decision is rendered in *ex parte* or *inter partes* proceedings? If so, to what extent?**

## E. THE EXECUTIVE DIRECTOR'S VIEWS

### *Question 1*

### *The meaning of 'taking effect' under Article 66(1) EUTMR*

17. The second sentence of Article 66(1) EUTMR is a relatively recent addition to the EUTMR taking effect on 23 March 2016. It states that the decisions of the Office shall take effect only after the expiry of the appeal period. Where no appeal is filed, that provision identifies the specific moment when a decision 'takes effect'.

18. Importantly, the term 'take effect' can be interpreted in various ways.

*Narrow approach*

a. The narrow approach is to interpret 'taking effect' as referring exclusively to the direct legal consequences of the operative part (the order) of the decision (e.g. refusing an EUTM). This interpretation means that a decision, even if it does not 'take effect' under Article 66(1) EUTMR may have legal consequences.

*Broad approach*

b. The broad approach is to interpret 'taking effect' as not limited to the operative part of the decision (the order) which means that a decision that does not 'take effect' under Article 66(1) EUTMR has no legal consequences at all.

### *The impact of 'withdrawal' under Article 66(1) EUTMR*

19. The withdrawal of an EUTM application during the appeal period raises questions about whether, and to what extent, a decision refusing that EUTM can 'take effect' under Article 66(1) EUTMR. That scenario gives rise to several possible approaches:

*Decision takes effect*

a. The second sentence Article 66(1) EUTMR sets a point in time at which an 'un-appealed' decision 'takes effect' but contains no other conditions for this to occur. Interpreting this provision literally, the withdrawal of the EUTM application during

the appeal period does not exclude the decision on refusal from 'taking effect' at the expiry of the appeal period ([10]).

In the latter case, however, the part of the decision regarding the refusal of an EUTM cannot be implemented because there is no object (e.g. no EUTM to be refused due to its withdrawal). On the other hand, because the decision 'takes effect', other legal consequences of the decision can be implemented (e.g. excluding a request for conversion).

*Decision <u>does not take effect</u>*

b. The withdrawal of the EUTM application during the appeal period means that the decision on refusal does not 'take effect'. This, depending on the understanding of 'take effect' (§ 18 above), implies that:

   i. Only the legal consequences of the *operative part of* the decision are nullified (i.e. the trade mark cannot be treated as refused but must be treated as withdrawn). Nevertheless, the decision still exists and may have other effects such as excluding conversion.

   ii. The decision has no legal consequences at all (unless there are specific legal provisions that create an exception).

***The consequences for conversion of withdrawal of EUTM in the appeal period***

20. If the withdrawal of the EUTM application during the appeal period *does not exclude* the decision of refusal from 'taking effect' at the expiry of the appeal period under Article 66(1) EUTMR, it is clear that such a decision must be treated as a 'decision of the Office' under Article 139(2)(b) EUTMR. Thus, <u>it excludes a request for conversion.</u>

21. If the withdrawal of the EUTM application during the appeal period *excludes* the decision of refusal 'taking effect' at the expiry of the appeal period under Article 66(1) EUTMR,

([10]) 'Optima' found that such decisions 'may not take legal effect until the period to lodge an appeal is over or the decision handed down by the Boards of Appeal has confirmed the decision'.

the next question for determining the effect on conversion is whether 'take effect' is understood broadly or narrowly as set out at § 18.a) and (b) above.

a. Interpreting 'take effect' narrowly would allow the applicant withdrawing the EUTM to only deprive the *operative part (order)* of its effect. This prevents the EUTM being treated as refused but means that the decision of refusal may have other legal consequences and is treated as a 'decision of the Office' under Article 139(2)(b) EUTMR. In other words, the prohibition contained in Article 139(2)(b) EUTMR is not an 'effect' of the decision under Article 66(1) EUTMR.

   Thus, it excludes a request for conversion.

b. Interpreting 'take effect' broadly would allow the applicant withdrawing the EUTM to deprive the decision of refusal of *all* its effects, meaning that it is not treated as a 'decision of the Office' under Article 139(2)(b) EUTMR.

   Thus, it does not exclude a request for conversion ([11])

22. In the latter case, the term 'decision' under Article 139(2)(b) EUTMR is, in principle ([12]), limited to a decision that was not appealed or that was upheld on appeal ([13]). This is the approach adopted by the Fourth Board in 'Nightwatch' ([14]) but it is not the practice of the Office.

23. As shown above, in summary, Article 66(1) EUTMR can be read in conjunction with Article 139(2)(b) EUTMR as meaning that a decision of refusal of an EUTM withdrawn in the appeal period:

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([11]) Unless a specific provision on conversion creates an exception to the general principle that such refusal decisions have no effects, that is, a *lex specialis*.
([12]) Idem.
([13]) That is, where the status of the EUTM is 'Refused'.
([14]) See § II above, 'Nightwatch' considered in essence that, since the applicant withdrew the EUTM application, the examination proceedings became devoid of purpose and the refusal decision was not final (§ 42) and concluded that Article 139(2)(b) EUTMR should not have been applied 'in the absence of a [final] decision' (§ 43).

a. ‘takes effect’ with all the legal consequences albeit that the part of such a decision refusing an EUTM will lack an object (i.e. no longer any EUTM to refuse);

b. does not ‘take effect’ but has legal consequences because ‘effect’ only relates to its operative part (i.e. regarding the status of the trade mark as refused);

c. does not ‘take effect’ at all and, in principle, has no legal consequences. Article 139(2)(b) EUTMR, however, could be an exception to that principle pursuant to which such decisions may produce effects for the specific purpose of conversion.

24. The approaches set out at (a) to (c) ([15]) *all comport* with the current Office policy of treating ‘decision of the Office’ under Article 139(2)(b) EUTMR as covering the decision of refusal relating to an EUTM withdrawn in the appeal period and as not only being limited to decisions that were not appealed or that were upheld on appeal. It is felt that this policy is supported by a number of arguments, which are presented to the Grand Board for consideration:

a. Section 3 of the EUTMR containing the provisions on conversions is titled ‘Conversion into a national trade mark application’ and Article 139 is headed ‘Request for the application of national procedure’. The process of conversion, therefore, is a request to dismantle an EUTM with its unitary character and project it into *national trade mark systems* as *applications*. Conversion, as such, straddles the EU and national regimes and the provisions relating to conversion must be interpreted in this context and not solely on the consequences for the EUTM application.

b. The request for conversion is premised on an EUTM being left behind as ‘refused, withdrawn, or deemed to be withdrawn’. The wording of Article 139(2)(b) EUTMR, which prevents conversion where ‘the decisions of the Office’ have been issued, does not distinguish between the manner in which the EUTM is terminated (i.e. ‘refused, withdrawn, or deemed to be withdrawn’).

([15]) Where Article 139(2)(b) EUTMR is seen as a *lex specialis*.

Where this manner of termination *is* relevant, the provisions of Article 139 EUTMR reflect this (see (f) below), but Article 139(2)(b) EUTMR is not limited to a particular manner of terminating the EUTM, that is, only where an EUTM was 'refused' ([16]).

c. This is borne out by the wording of Article 139(2)(b) EUTMR which covers more than final decisions. This Article uses the broad wording:

> in accordance with the decision of the Office … grounds for refusal of registration or grounds for revocation or invalidity apply to the EU trade mark application or EU trade mark.

instead of the more direct:

> in accordance with the decision of the Office … ~~grounds for refusal of~~ refusing registration or ~~grounds for revocation or invalidity apply to~~ invalidating the EU trade mark application or EU trade mark.

d. An established principle of legislative interpretation is that a law is not taken to use words without meaning and no clause, sentence or word must be construed to be superfluous, void or insignificant. The wording of Article 139(2)(b) EUTMR appears to be broader than what is required for only 'refused decisions'.

e. Additionally, Article 139(2)(b) EUTMR refers to 'the decision of the Office' but does not explicitly require it to be 'final'. Paragraph 6 of the *same* Article, however, specifically refers to a decision that has 'acquired the authority of a final decision' ([17]). In the same Article 139 EUTMR, the legislator has made a distinction between 'decision of the Office' and decisions of the Office *that have become final*. This distinction should not be ignored.

f. It is important to consider the internal structure of Article 139 EUTMR. Whereas Article 139(1)(a) EUTMR identifies the statuses (i.e. 'refused, withdrawn, or deemed to be withdrawn') of an EUTM that allow for an application of conversion

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([16]) That is, a decision refusing the EUTM that was not appealed or which was upheld on appeal.
([17]) Article 139(6) which determines the relevant deadline for requesting conversion.

into a national mark, the second paragraph, letter b), is focused on whether a ground for refusal applicable to the mark at issue is identified which might serve as a limitation to the territorial extent of the conversion.

After determining what the effects of conversion in the fourth paragraph of this provision are, the last paragraphs establish the time limits to submit the request depending on the manner of termination of the EUTM. Article 139(6) EUTMR makes clear that it only relates to when the status of the EUTM **is 'refused'**. This is the only place in Article 139(6) where reference is made to the authority of a final decision. Article 139(5) EUTMR, which sets the deadline for requests for the other ways of terminating the EUTM (including withdrawal), does not refer to the authority of a final decision.

g. Consequently, the choice of broad wording in Article 139(2)(b) EUTMR (i.e. not limited to 'decisions of the Office refusing or invalidating') combined with the absence of the word 'final' in paragraph 2, but which is explicitly mentioned in paragraph 6, suggests that a decision of refusal is not required to be final for it to exclude conversion.

h. Furthermore, understanding 'decision of the Office' under Article 139(2)(b) EUTMR according to the policy of the Office and the arguments above does not lead to an absurd or strange result. The objective of Article 139(2)(b) EUTMR is to exclude conversions where the Office has issued a decision raising grounds of non-registrability in one or several Member States. If that decision is not appealed, the reasoning contained in the decision has not been challenged. The objective of Article 139(2)(b) EUTMR *would be frustrated* if an Office decision was ignored because of a withdrawal rather than being properly addressed by means of appeal.

i. An important practical consequence of limiting Article 139(2)(b) EUTMR to 'refused' EUTMs would be that after a decision of refusal from the Office, the applicant would get a 'second chance' by converting its EUTM into a national mark even in places where the Office decision had considered the mark to be problematic. This would happen even though the Applicant will already have received a preliminary objection from the Office warning that the mark is vulnerable and, notwithstanding this advance notice, they decide to proceed and obtain a decision.

The Applicant can of course challenge the preliminary decision of the Office and request a decision, but it is questionable as to whether, having done so, it is appropriate for the applicant to be able to circumvent that decision of refusal so easily and completely by way of conversion when there is an easily accessible appeal procedure for challenging such decisions.

j. Discarding an 'un-appealed' decision of refusal when requests for conversions are made can give rise to uncertainty if a mark is subsequently registered at national level despite that 'un-appealed' refusal decision of the Office.

k. Another questionable consequence of interpreting Article 139(2)(b) EUTMR as applying only to decisions that become final arises in *inter partes* proceedings. If the owner of an earlier EUTM succeeds in an opposition, the current practice of the Office does not allow the EUTM applicant to convert its EUTM application. However, if conversion were allowed where the EUTM applicant withdraws its application within the appeal period, the successfully opposed EUTM could be converted into national marks *all over the EU*. The owner of the earlier mark (who had already succeeded before the EUIPO) would need to instigate opposition proceedings yet again at the national offices concerned. This results in uncertainty as well as additional costs, time and resources for trade mark owners.

***Conclusion on question 1***

25. 'Optima', which laid the basis for the policy of the Office, expressly stated that a decision relating to an EUTM that was withdrawn in the appeal period is to be kept on file, and it suggests that it may produce possible effects. As shown above, the second sentence of Article 66(1) EUTMR taking effect on 23 March 2016 – a decade after 'Optima' and Office practice was established – can be seen as comporting with and as codifying that practice.

26. As stated above, 'Nightwatch' adopted a quite different approach to current Office policy. In essence, it considered that, since the applicant withdrew the EUTM application, the examination proceedings became devoid of purpose and the refusal decision was not final (§ 42). The Board of Appeal concluded that Article 139(2)(b) EUTMR should not have been applied 'in the absence of a [final] decision' (§ 43). It cited 'Optima', but arguably it

did not directly refer to the finding at § 16 of 'Optima' which states that 'such decision exists and should remain in the files after withdrawal of the application', or the suggestion that such decision can have effects. It is this dictum that has underpinned Office policy since 2006. The answers of the Grand Board to these questions will provide the Office with clarity and a proper legal footing if a change to this longstanding practice is required.

***Question 2***

***Where an appeal is filed***

27. The Office refers specific questions to the Grand Board in relation to where appeals are lodged but the EUTM is withdrawn before a decision on substance is taken in the appeal. An aspect of Office practice that may seem at odds with the approach explained above is the fact that, if an EUTM applicant *first* appeals and *then* withdraws the EUTM, Article 139(2)(b) EUTMR is not applied and conversion can take place.

28. However, where an EUTM application has merely been withdrawn, there has been no challenge to the decision rejecting the mark or the grounds for refusal. The legal instrument to annul a refusal decision and to overcome a refusal of an EUTM application is an appeal. The aim of conversion is not to discard a ground for refusal. On the contrary, it follows from Article 139(2)(b) EUTMR that a ground for refusal shall not be circumvented by conversion.

29. Where there is an appeal, it will be the competent Board of Appeal that decides on the withdrawal and issues a decision.

30. Procedurally, therefore, distinctions can be made between withdrawing an EUTM application before an appeal has been lodged or afterwards.

31. 'Nightwatch' addressed this aspect of the Office practice directly and did not find it to be coherent. It did not consider that the admissibility of the conversion request should depend on whether an appeal was filed or not. However, as indicated above, the Office adopts a different approach, and the Grand Board is invited to specifically indicate whether the filing of an appeal at the relevant time may or may not impact the process.

***Question 3***

32. The same questions arise when the Board of Appeal confirms the refusal of an EUTM application and the applicant then withdraws its EUTM application within the period to bring an action before the General Court.

***Question 4***

33. Is conversion to be allowed if the Board of Appeal confirms the refusal of the EUTM application, the applicant then appeals the Board of Appeal decision before the General Court and then withdraws the EUTM application during the Court proceedings?

34. Under the Office's current practice, a conversion request could proceed for the same reasons as explained under question 2.

***Question 5***

35. As explained above, the implications of the practice for various stakeholders can differ depending on the proceedings. Successful opponents can be put in a very difficult position if Article 139(2)(b) EUTMR is interpreted as applying only to decisions that have become final.

Signed:

João Negrão
Executive Director

[SEAL]