

## WHY IS A SPECIALISED COURT NECESSARY FOR THE EU TRADEMARKS? – SUGGESTION FOR A NEW COURT IN THE EU JUDICIAL SYSTEM

Özge ÖZSOY<sup>31</sup>

### Introduction

The Community Trademark, the name of which was amended recently as the EU Trademark, is a type of industrial property applicable in the same form in 28 Member States of the European Union (EU). This paper will first analyse the reasons for introducing the Community Trademark with a historical point of view. After explaining the main substantive law aspects of the Community Trademark in the second part, the structure of the Office of Harmonization in the Internal Market (OHIM) constitutes our subject of study within the context of the procedural aspects of the Community Trademark. The fourth part will deal with the important amendments introduced by the recent amending regulation on the Community Trademark. In order to comprehend the distribution of jurisdiction concerning the Community Trademark, invalidity action and infringement action are explained. For the fragmented relation between the national courts and the EU courts, the establishment of a specialised court on intellectual and industrial property is proposed as a solution in our paper. Therefore, first the concept of judicial panel/specialised court, second the reasons for necessity and the possible advantages of a specialised court are reviewed in our study.

---

<sup>31</sup> Yrd. Doç. Dr., İzmir Ekonomi Üniversitesi Hukuk Fakültesi.

### **Historical View to Reasons for Introducing Community Trademarks**

Although the Community Trademark Regulation<sup>32</sup> was adopted in 1993, the studies to create a trademark benefiting from a uniform protection throughout the European Community started in the first years of the Community. As a result of the initiative of the European Commission on July 31, 1959, the Member States and the Commission started to work, in December 1959, on the harmonization of the industrial property law.

The Trademark Working Group entrusted with preparation of a European trademark law system completed the Preliminary Draft of a Convention for a European Trade Mark in April 1964 as a result of its studies it commenced at the end of 1961. Following publication of this Draft in 1973,<sup>33</sup> the Commission concluded, in the Memorandum on the creation of an European Economic Community Trade Mark<sup>34</sup> prepared in 1976, that the rules on the national trademark law would continue to exist even after establishing a European trademark.<sup>35</sup> However, the differences in implementation of these national rules were deemed as a prospective obstacle for the free movement of goods.<sup>36</sup> Accordingly, the above-mentioned Memorandum proposed approximation of the rules on trademark law of the Member States complementary to the Community Trademark.<sup>37</sup>

Following the Memorandum, an approach with two different processes purporting harmonisation the trademark legislation on one hand and uniforming them, through creating a Community Trademark, on the other hand.<sup>38</sup> Having opted to harmonize the rules on trademark law through a Directive, the Commission prepared in November 1980 a proposal for a regulation based on Article 235 of the Treaty on European Economic

---

<sup>32</sup> The Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community Trade Mark, **Official Journal of the European Communities**, L 11, 14.1.1994. It was repealed by the Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community Trade Mark, **Official Journal of the EU**, L 78, 24.3.2009. In our paper, this Regulation will be hereinafter referred to as the “**Community Trademark Regulation.**”

<sup>33</sup> Department of Trade and Industry, **Proposed European Trade Mark: Unofficial Translation of a Preliminary Draft of a Convention for a European Trade Mark**, HMSO, 1973.

<sup>34</sup> European Commission, **Memorandum on the creation of an EEC Trade Mark**, SEC(76) 2462, Bulletin of the European Communities, Supplement 8/1976, 6 July 1976.

<sup>35</sup> **Ibid.**, para. 64-66.

<sup>36</sup> **Ibid.**, para. 26.

<sup>37</sup> **Ibid.**, para. 36.

<sup>38</sup> Eva-Mariana Bastian, “**Avrupa Hukukunda Topluluk Markası: Ulusal Hukuk ve Mevcut Sorunlarla İlişkiler**”, Ankara Barosu Uluslararası Hukuk Kurultayı, 2002, pp. 463.

Community in order to establish a Community Trademark system<sup>39</sup> and a proposal for a Directive based on Article 100 in order to harmonise the national rules on trademark law.<sup>40</sup> Consequently, the provisions concerning substantive law of the Community Trademark Regulation arose from the same Commission Memorandum as that of the Trademark Directive. Due to this reason in particular, the provisions in question were almost completely the same as the provisions in the Trademark Directive. Accordingly, there were a few differences between the substantial law aspects of the Community Trademark and such parts of the trademark legislation of the Member States which are harmonised as a result of the Trademark Directive.

### **General Information on Substantive Law Aspects of the Community Trademark**

The Community Trademark Regulation adopted within the framework of Article 308 of the former European Community Treaty has been directly applicable in all Member States since 1994. For it was published in the Official Journal of the European Communities on January 14, 1994 and entered into effect on the 60th day following its publication pursuant Article 143 (1). The system provided for by the Regulation in question had applicability alongside with the national trademark registration systems of the Member States.

OHIM was provided to be in charge of dealing with the Community Trademark applications. The decisions of OHIM could be firstly appealed to the OHIM Board of Appeal. Actions could be brought before the General Court of the EU against the decisions of OHIM Board of Appeal. The judgements of the General Court could be appealed to the Court of Justice of the EU. Application of the Community Trademark was provided to be under the responsibility of the Community Trademark courts required to be designated by the Member States.

---

<sup>39</sup> European Commission, **Proposal for a Council Regulation on Community Trade Marks**, COM (80) 635 final/2, 27 November 1980.

<sup>40</sup> Although it was in fact aimed to implement the Trademark Directive and the Community Trademark Regulation concurrently, the European Commission gave priority to the harmonisation due to the political disagreements on the Community Trademark (in particular the seat of OHIM and the official languages to be used for the transactions). For detailed information on this subject, see Alexander von Mühlendahl, "The Future of Community Trade Mark System", *IIC*, V. 20, No. 5, 1989, pp. 583-594, at 583-585; Guy Tritton, **Intellectual Property in Europe**, 2nd ed., London, Sweet & Maxwell, 2002, pp. 213; David Kitchin *et al.*, **Kerly's Law of Trade Marks and Trade Names**, 14th ed., London, Sweet & Maxwell, 2005, pp. 3.

### **Functional Structure of OHIM according to the Community Trademark Regulation**

The Office related to the trademarks operated under the name of OHIM. While determining the seats of various EU institutions at the meeting of the European Council held on October 29, 1993, the country of OHIM was decided to be Spain.<sup>41</sup> Later, the Spanish Government determined Alicante as the city where OHIM will be established.

Pursuant to Article 115 of the Community Trademark Regulation, Office is a body of the EU.<sup>42</sup> It has a legal personality and shall benefit from the most extensive legal capacity accorded to legal persons by their own laws. In this context, it may in particular purchase movable and immovable properties, dispose of them and may be a party to an action. In other words, it has all the rights of other EU institutions and bodies. The Office was provided to be administered and represented by its President.

The duties and powers of the President representing OHIM was stated in Article 124. Two Vice-Presidents were allocated by the Administrative Board to the Office in order to assume its duties in its absence.<sup>43</sup>

The functional structure of the Office consisted of an Administrative Board,<sup>44</sup> a Budget Committee,<sup>45</sup> examiners, Opposition Divisions, an Administration of Trademarks and Legal Division, Cancellation Divisions and Boards of Appeal.<sup>46</sup>

The Administrative Board and the Budget Committee was provided to be in charge of directly controlling the administration of OHIM. The decisions concerning the Community Trademark were stated to be taken by the examiners or an Opposition Division or the Administration of Trademarks and Legal Division or a Cancellation Division or a Board of Appeal.<sup>47</sup>

---

<sup>41</sup> Brussels European Council, Presidency Conclusions, October 29, 1993, Annex II, Article 1h.

<sup>42</sup> Yasaman preferred the word “örgüt” meaning “organization” for OHIM (See Hamdi Yasaman, **Marka Hukuku – 556 sayılı KHK Şerhi**, Vol. II, İstanbul, Vedat Kitapçılık, 2004, pp. 26).

<sup>43</sup> See Decision No. CA-96-3 of the Administrative Board of the Office dated 28 February 1996, **Official Journal OHIM** 7-8/96, pp. 1079.

<sup>44</sup> See Community Trademark Regulation, articles 126-129.

<sup>45</sup> See Community Trademark Regulation, Article 138.

<sup>46</sup> See Community Trademark Regulation, articles 135-136.

<sup>47</sup> E. Gastinel and M. Milford, **The Legal Aspects of the Community Trade Mark**, Lahey, Kluwer Law International, 2001, pp. 51.

According to Article 131 of the Community Trademark Regulation, an examiner is responsible for taking, on behalf of the Office in relation to an application for registration of a Community Trademark, all such positive and negative decisions that do not fall under the responsibility of an Opposition Division. Such decisions concern, in particular, the examination of application requirements, the examination of absolute grounds for refusal and the refusal of application.

Pursuant to Article 132, the Opposition Divisions are responsible for taking decisions concerning an opposition made against a Community Trademark application. There are three members in each Opposition Division and at least one of them should be a lawyer.

Article 134 of the Community Trademark Regulation stated that the Cancellation Divisions were responsible for taking decisions related to an application for the revocation or declaration of invalidity of a Community Trademark. As it is the case for an Opposition Division, each Cancellation Division was provided to consist of three members and at least one of them should be a lawyer.

Under Article 133 of the Community Trademark Regulation, the Administration of Trademarks and Legal Division was responsible, in principle, for taking those decisions provided for by the Regulation and not covered by the competence of an examiner, an Opposition Division or a Cancellation Division. The decisions related to in particular the entries in the Community Trademark Registry may be deemed in this nature. The Division decisions were provided to be taken by only one member. The Division in question was also responsible for keeping a list of approved professional representatives.

The Boards of Appeal were provided to be responsible for deciding on the appeal requests filed against the decisions of the examiners, the Opposition Divisions, the Administration of Trademarks and Legal Division and the Cancellation Divisions. Each Board of Appeal was provided to have three members and at least two of them should be lawyers as different from the Opposition and Cancellation Divisions.

In order to ensure the independence of the appeal procedure,<sup>48</sup> there are also provisions concerning the independence of the Boards of Appeal and the legal guaranty of their chairmen and members. Accordingly, all members, including the presidents of the Boards of Appeal shall be appointed by the Council of the EU for renewable periods of 5 years and may only be removed

---

<sup>48</sup> *Ibid.*, 2001, pp. 52.

from Office by the Court of Justice of the EU. Moreover, the members of the Board of Appeals shall be independent and not be bound by any instructions when deciding. As it will be noticed, through these provisions, the Boards of Appeal were attributed the characteristics owned by a judicial organ. Therefore, the Boards of Appeal of OHIM were referred to as the “quasi-judicial bodies.”<sup>49</sup>

### **Important Amendments Introduced by the Amending Regulation**

#### **Names**

The terminology of the Amending Regulation is adapted to the terminology of the Treaty of Lisbon.<sup>50</sup> Accordingly, all references made to the Community in the Community Trademark Regulation are replaced by the terms “European Union” or “Union.” This means in particular that the term “European Union Trademark” will be used instead of the term “Community Trademark.” Thus, the names of current Community Trademarks and Community Trademark applications have become the European Union Trademarks and the European Union Trademark applications upon the entry into effect of the Amending Regulation. The name of the Community Trademark Regulation is now the European Union Trademark Regulation. The name of OHIM has become the “European Union Intellectual Property Office.” As it will be noticed at its website,<sup>51</sup> OHIM calls itself briefly from now on as EUIPO. The President of the Office is now referred to as the Executive Director. Finally, the term “Community Trademark court” is replaced by “EU Trademark Court.”

#### **Invalidity Action**

An EU Trademark may be declared invalid for absolute and/or relative grounds. Accordingly, there are different grounds to apply for invalidity and it is necessary to differentiate between absolute grounds for invalidity and relative grounds for invalidity.<sup>52</sup> Both groups of grounds may be put forward on the basis of a counterclaim lodged by a defendant in an infringement action before an EU Trademark court or during an application filed with the Office.

---

<sup>49</sup> Liz Heffernan, “The Treaty of Nice: Arming the Courts to Defend a European Bill of Rights?”, **Law and Contemporary Problems**, Vol. 65, No. 2, 2002, pp. 189-221, at 192.

<sup>50</sup> “Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community”, **Official Journal of the EU**, C 306, 17.12.2007.

<sup>51</sup> <https://euiipo.europa.eu/ohimportal/en/>

<sup>52</sup> Gastinel and Milford, **op. cit.**, 2001, pp. 171.

By contrast with the cancellation concept, the invalidity is concerned with the conditions existing at the time of registration of the EU Trademark.<sup>53</sup>

The absolute grounds for invalidity<sup>54</sup> are stated in Article 52. According to Article 52(1)(a), if the EU Trademark is registered in violation of Article 7, it may be declared invalid by the Cancellation Division<sup>55</sup> of EUIPO. Article 7 specifies the absolute grounds for refusal of the EU Trademark. However, a third person may not put forward the absolute grounds for refusal of the EU Trademark during the opposition procedure. Therefore, the absolute grounds should be asserted at an application for declaring the EU Trademark invalid.<sup>56</sup> However, where a trademark is registered although it is not distinctive or is generic or descriptive, it may not be declared invalid if, as a result of its usage, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered (Article 52(2)). Pursuant to Article 52(1)(b), if an EU Trademark application is filed in bad faith, the EU Trademark shall again be declared invalid upon application to the Office or on the basis of a counterclaim in an infringement action. Furthermore, being wider than the situation related to the relative grounds for invalidity, any natural or legal person or trade or consumer union having the capacity to sue in its own name under national law<sup>57</sup> may request the invalidity of an EU Trademark for absolute grounds (Article 56(1)(a)).

The relative grounds for invalidity are stipulated in Article 53. Article 53 provides that an EU Trademark may be declared invalid upon application to the Office or on the basis of a counterclaim in an infringement action if (a) there is an earlier right or an earlier designation of origin or geographical indication that may constitute a basis for an opposition procedure or (b) there is an earlier right such as a right to a name, a right of personal portrayal, a copyright, an industrial property right which may prohibit the use of a trademark pursuant to the national law or Union legislation. As this list is not limited, it is possible to file an invalidity application due to conflict of a sign used in the EU Trademark with another national right not expressly mentioned in Article 53. By contrast with the absolute grounds for invalidity, only the

---

<sup>53</sup> Ruth E. Annand ve Helen E. Norman, **Blackstone's Guide to the Community Trade Mark**, London, Blackstone Press, 1998, pp. 147; Kitchin *et al.*, **op. cit.**, 2005, pp. 136.

<sup>54</sup> For example, in Joined Cases T-160/02, T-161/02 and T-162/02, *Naipes Heraclio Fournier S.A. v. OHIM* [2005] ECR II-0000, the figurative trademarks including signs of a king of spades, a knight of clubs a sign of sword in a package of Spanish playing cards, which is a good for which they are registered, were declared invalid for absolute grounds on the basis of Article 7(1)(c) as they were descriptive of its good.

<sup>55</sup> Kitchin *et al.*, **op. cit.**, 2005, pp. 136.

<sup>56</sup> Annand and Norman, **op. cit.**, 1998, pp. 147.

<sup>57</sup> Kitchin *et al.*, **op. cit.**, 2005, pp. 136.

proprietor of a relevant earlier right has the capacity required to assert this right and thus to file an application for the invalidity of the EU Trademark.<sup>58</sup>

The EU Trademark shall not be declared invalid if the proprietor of a relevant earlier right consents expressly to the registration of the EU Trademark before he/she submits his/her invalidity application or lodges his/her counterclaim (Article 53(3)). Moreover, the proprietor of an above-mentioned earlier right should also assert his/her other earlier rights while filing an invalidity application or a counterclaim for the EU Trademark. For he/she may not submit a new invalidity application or lodge a new counterclaim on the basis of his/her other earlier right which he/she could have invoked in support of his/her first application or counterclaim (Article 53(4)).

The Regulation has also determined the scope of the invalidity of trademark. As a result of the unitary character of an EU Trademark specified in Article 1, any invalidity decision shall also have an equal effect throughout the EU.<sup>59</sup> Articles 52(2) and 53(5) provides that if the absolute and relative grounds for invalidity exist in respect of only some of the goods or services for which the EU Trademark is registered, the trademark may be declared invalid only as regards those goods or services.

The procedural aspects of the invalidity application are of importance as well. If a counterclaim is made for the invalidity of an EU Trademark during an infringement action, the procedural rules of the court with a jurisdiction on infringement action shall be applicable for this claim. The Implementing Regulation<sup>60</sup> states only the procedural rules concerning the invalidity applications submitted to the Office.<sup>61</sup>

As in the case for the cancellation procedures, an invalidity application shall be tackled directly in the process comprising the EU Trademark proprietor and the invalidity applicant. Although Article 57(4) of the Regulation provides expressly that the Office may, if it deems appropriate, invite the parties for a friendly settlement while dealing with the invalidity application, the Cancellation Division serves as an arbitrator.<sup>62</sup> After the invalidity application is accepted officially by the Office and forwarded to the

---

<sup>58</sup> *Ibid.*; Gastinel and Milford, *op. cit.*, 2001, pp. 172.

<sup>59</sup> Gastinel and Milford, *op. cit.*, 2001, pp. 172.

<sup>60</sup> Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark, Official Journal of the EU, L 303, 15.12.1995. This Regulation will be hereinafter referred to as the “**Implementing Regulation.**”

<sup>61</sup> Gastinel and Milford, *op. cit.*, 2001, pp. 172.

<sup>62</sup> *Ibid.*, 2001, pp. 173.



other party for submitting his/her opinions,<sup>63</sup> the procedure concerning the application shall be determined substantially by the parties. As a result, Article 57(1) provides that on the examination of any invalidity application, the Office should, as often as necessary, invite the parties to submit opinions, within a period fixed by itself, on communications of itself or the other party.

Articles 57(2) and 57(3) provides for quite complex rules concerning examination and proof of usage of an earlier trademark. As it is the case in the opposition procedure, this system is only related to the earlier registered trademarks and does not apply to the other earlier rights. For the other earlier rights may constitute the subject of any invalidity application regulated under the above-mentioned provisions. Accordingly, upon the request of the proprietor of the relevant EU Trademark, the proprietor of an earlier trademark put forward at an invalidity action must submit evidence that during the five years prior to the date of invalidity application, the earlier trademark has been put to genuine use in the Union in connection with the goods or services in respect of which it is registered and which he/she states as justification of his/her application or that there are proper reasons for his/her non-use. However, the earlier trademark must be registered for at least five years at the date of invalidity application. If, as of the date on which the EU Trademark application was filed or or at the priority date of the EU Trademark application, an earlier trademark had been registered for at least five years, the proprietor of the earlier trademark must in addition prove that this trademark had been put to genuine use as of the date of filing or the priority date of the EU Trademark application. As may be observed, two dates and two conditions are provided for the proof of usage as different from the opposition procedure. Its ground is to ensure the proprietor of an earlier trademark, who cannot oppose to the application due to his/her non-use of the earlier trademark during the date of filing or the priority date of an EU Trademark application, not to start genuine use of the earlier trademark after the date of filing or the priority date of the application and shortly after not to found the invalidity application of this EU Trademark on his/her subsequent use.<sup>64</sup>

In case of lack of evidences regarding genuine use of the earlier trademark at the above-mentioned times, the invalidity application based on this earlier trademark must be rejected (Article 57(2)). If the earlier trademark has been used only in relation to part of the goods or services for which it is registered, it shall, as regards the examination of the invalidity application, be deemed to be registered in respect of that part of the goods or services only (Article 57(2)).

---

<sup>63</sup> Implementing Regulation, Rule 40(1).

<sup>64</sup> Gastinel and Milford, *op. cit.*, 2001, pp. 174; Kitchin *et al.*, *op. cit.*, 2005, pp. 137.

As it is the case for the cancellation concept, if the examination of the invalidity application reveals that an EU Trademark should not have been registered in respect of some or all of the good or services for which it is registered, it shall be declared invalid in respect of those goods or services ((Article. 57(5)). Otherwise, the invalidity application should be rejected (Article 57(5)). Any decision declaring the EU Trademark invalid should be recorded in the EU Trademark Register upon its finalisation (Article 57(6)). Another procedural rule concerns the language system. Any invalidity application should be filed in one of the languages of the Office (Article 119(5)), which are English, French, German, Spanish and Italian according to Article 119(2).

Any invalidity application shall be concluded with a binding decision of the Cancellation Division and notified to the parties in accordance with the relevant rules of EU law. However, any party not satisfied with the decision of the Cancellation Division may, pursuant to Article 58, appeal the decision before the Boards of Appeal within two months following the notification of this decision.

The invalidity decision creates certain effects upon an EU Trademark. Article 55(2) provides that if an EU Trademark is declared invalid, it will be deemed to have had no effect as from the beginning. As it is the case for the cancellation, the above-mentioned retroactive effect of invalidity has also two exceptions. The retroactive invalidity shall affect neither the infringement decision finalised and enforced prior to the invalidity decision nor any contract concluded and performed prior to the date of invalidity decision. However, the sums paid within the framework of the contract may be reclaimed on grounds of equity. These exceptions shall be limited to the application of such provisions of the Member States concerning negligence, lack of good faith or unjust enrichment (Article 55/3).

## **Relation Between National Courts and EU Courts**

### **Current Situation – Action Filed Against EU Trademark: Infringement Action**

The rules concerning the infringement actions filed against the EU Trademarks are not in the homogeneous nature. On the contrary, these rules contain fundamentally the rules of EU and the rules of national law together. The jurisdiction concerns the Office and the national courts. As known, any EU Trademark is regulated primarily the rules of EU law. The conflict between the different groups of rules may be eliminated considering this point. However, the EU Trademark is also subject to some subsidiary provisions

making reference to the national law. Accordingly, the reverse application of the principle of subsidiarity should be the starting point for examination of the relevant rules.<sup>65</sup>

Article 14(1) of the Regulation provides that the effects of the EU Trademark, in other words its rights, should be regulated only by the provisions of this Regulation. Other aspects of the infringement of an EU Trademark was stated to be regulated by the rules of national law regarding infringement of national trademark in accordance with articles 94 to 108 of the Regulation. According to second paragraph of the same article, this Regulation shall not prevent actions concerning the EU Trademark being filed under the law of Member States with respect in particular to civil liability and unfair competition.

The provisions above related to the law to be applied in the infringement action should also be supported by Article 101. For as mentioned above, Article 14(1) provides that this provision included between articles 94 and 108 shall also be applied for the infringement action. Article 101 states that the EU Trademark courts shall apply the provisions of the Regulation, shall however apply its own national law on all matters not covered by this Regulation. Unless otherwise provided in the Regulation, an EU Trademark court should apply the procedural rules regulating the same kind of action regarding a national trademark in the Member State in which it is located (Article 101(3)).

The Regulation provides also some special rules regarding the jurisdiction. The rights granted by the EU Trademark may be challenged before the EU Trademark courts. Pursuant to Article 95, the Member States must designate, in their countries, as limited a number as possible of national courts of first and second instance to be deemed as the EU Trademark courts which will perform the functions assigned by the Regulation to them. In addition, Article 105(1) stipulates that an appeal may be filed with the EU Trademark courts of second instance against the decisions of the EU Trademark courts of first instance with respect to the procedures arising from the actions and claims falling under the jurisdiction of the EU Trademark courts. Under which conditions an appeal may be filed with an EU Trademark court of second instance shall be determined by the national law of the Member State in which this court is located (Article 105(2)). The national rules concerning a request for further appeal shall be applied also with respect to the decisions of the EU Trademark courts of second instance (Article 105(3)).

---

<sup>65</sup> Gastinel and Milford, *op. cit.*, 2001, pp. 179.

The EU Trademark courts shall, according to Article 96, have exclusive jurisdiction (a) for all infringement actions and all actions regarding infringement threat insofar as permitted under the national law, (b) for negative declaratory actions regarding infringement if they are permitted under the national law, (c) for actions brought as a result of acts, which occur after the date of publication of an EU Trademark application and would be prohibited because of publication after publication of the trademark registration, and (d) for counterclaims concerning cancellation and invalidity.

### **Judicial Panel**

#### **Articles 220(2), 225a and 225(2) of the former European Community Treaty**

According to the second paragraph of Article 220, amended by the Treaty of Nice,<sup>66</sup> of the former European Community Treaty, *“judicial panels may be attached to the Court of First Instance under the conditions laid down in Article 225a in order to exercise, in certain specific areas, the judicial competence laid down in this Treaty.”* Article 220 was amended in the Treaty of Nice to make reference specifically to the Court of First Instance and the establishment of judicial panels attached to the Court of First Instance.<sup>67</sup>

The detailed regulations regarding the judicial panels mentioned in Article 220 were stated as follows in Article 225a added by the Treaty of Nice to the former European Community Treaty:

*“The Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament and the Court of Justice or at the request of the Court of Justice and after consulting the European Parliament and the Commission, may create judicial panels to hear and determine at first instance certain classes of action or proceeding brought in specific areas.*

*The decision establishing a judicial panel shall lay down the rules on the organisation of the panel and the extent of the jurisdiction conferred upon it.*

*Decisions given by judicial panels may be subject to a right of appeal on points of law only or, when provided for in the decision establishing the panel, a right of appeal also on matters of fact, before the Court of First Instance.*

---

<sup>66</sup> It was signed on February 26, 2001 and entered into effect on February 1, 2003.

<sup>67</sup> Anthony Arnall *et al.*, **Wyatt & Dashwood’s European Union Law**, 5th ed., London, Sweet & Maxwell, 2006, pp. 389.

*The members of the judicial panels shall be chosen from persons whose independence is beyond doubt and who possess the ability required for appointment to judicial office. They shall be appointed by the Council, acting unanimously.*

*The judicial panels shall establish their Rules of Procedure in agreement with the Court of Justice. Those Rules shall require the approval of the Council, acting by a qualified majority.*

*Unless the decision establishing the judicial panel provides otherwise, the provisions of this Treaty relating to the Court of Justice and the provisions of the Statute of the Court of Justice shall apply to the judicial panels.”*

The provisions above stated that a judicial panel would be established with a Council’s decision given by unanimity and specifying the scope of its jurisdiction. Article 225a provided that the judicial panels could be established under a new decision-making procedure. The members of the judicial panels would be appointed again unanimously by the Council. The necessary qualities to be appointed to one of these panels were similar to those required for the Court of First Instance of the European Communities, but at a lower level than them.<sup>68</sup>

The subject regarding “appeal” regulated in the third paragraph of the article in question was also included likewise in the first sentence of the second paragraph of Article 225 regulating the jurisdiction of the Court of First Instance of the European Communities. The second paragraph of Article 225 provided also for an extraordinary and second legal review before the Court of Justice of the European Communities for the decisions of the Court of First Instance of the European Communities. Pursuant to the provision in question, *“The Court of First Instance shall have jurisdiction to hear and determine actions or proceedings brought against decisions of the judicial panels set up under Article 225a. Decisions given by the Court of First Instance under this paragraph may exceptionally be subject to review by the Court of Justice, under the conditions and within the limits laid down by the Statute, where there is a serious risk of the unity or consistency of Community law being affected.”*

Pursuant to the articles 220(2) and 225a explained above, in addition to the Communities’ two-tiered judicial system located in Luxembourg, judicial panels could be attached to the Court of First Instance to exercise jurisdiction

---

<sup>68</sup> Paul Craig ve Gráinne de Búrca, *EU Law – Text, Cases and Materials*, 4. baskı, Oxford, Oxford University Press, 2008, pp. 69.

in specific fields. Article 225a conferred a power to the Council to create a new type of court lower than the Court of First Instance of the European Communities in the Community judicial hierarchy. The creation of a third judicial degree lower than the Court of Justice of the European Communities and the Court of First Instance of the European Communities was the most significant structural reform made in the EU judicial system since the establishment of the Court of First Instance of the European Communities. The said amendment was essentially introduced for purposes of alleviating the work load over the Court of Justice of the European Communities and the Court of First Instance of the European Communities. As a matter of fact, the establishment of judicial panels meant that the Court of First Instance of the European Communities would in fact convene no longer as a court of “first instance” at every action.<sup>69</sup>

Article 225a allowed also the establishment of the judicial panels regarding intellectual and industrial property. Thus, the Boards of Appeal of OHIM were enabled to be kept in Alicante but outside the organization of OHIM and to become judicial panels attached to the Court of First Instance. The Court of First Instance of the European Communities and the Court of Justice of the European Communities would be the courts of appeal to be resorted against the decisions of these judicial panels.<sup>70</sup>

#### **Article 229a of the former European Community Treaty**

Article 229a added by the Treaty of Nice to the former European Community Treaty formed such a legal basis for transfer of the jurisdiction in the industrial property disputes to the Court of Justice of the European Communities: *“Without prejudice to the other provisions of this Treaty, the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, may adopt provisions to confer jurisdiction, to the extent that it shall determine, on the Court of Justice in disputes relating to the application of acts adopted on the basis of this Treaty which create Community industrial property rights. The Council shall recommend those provisions to the Member States for adoption in accordance with their respective constitutional requirements.”*

---

<sup>69</sup> Peter Roth (ed.) ve Vivien Rose, **Bellamy & Child: European Community Law of Competition**, 6. ed., Oxford, Oxford University Press, 2008, pp. 27; Arnall *et al.*, **op. cit.**, 2006, pp. 403; Craig and de Búrca, **op. cit.**, 2008, pp. 69.

<sup>70</sup> Achim Bender ve Philipp von Kapff, “Born to Be Free-The Community Trade Mark in Practice”, **IIC**, Vol. 32, No. 6, 2001, pp. 625-647, at 626; Lutz van Raden, “Community Trademark Courts-German Experience”, **IIC**, Vol. 34, No. 3, 2003, pp 270-277, at 276.

Although a reference was made to the Court of Justice of the European Communities in the provision, a triple judicial structure composed of the Court of Justice, the Court of First Instance and the judicial panels was intended in fact. Therefore, jurisdiction could also be transferred to a specialised Community court named as judicial panel.

Three conditions were stipulated to transfer jurisdiction to the Community courts for the disputes concerning a type of industrial property. Firstly, the appropriate Community legislation should be adopted. This condition was met for the trademark law through the Community Trademark Regulation. Secondly, the Council must take decision by unanimity. Finally, the Council decision must be approved by the Member States pursuant to their own constitutional conditions.<sup>71</sup> This decision adopted by the Member States through a procedure other than the Treaty amendment procedure under Article 48 of the Treaty on EU could confer a new jurisdiction to the Court of First Instance or a judicial panel<sup>72</sup> for the disputes concerning the Community industrial property rights among the individuals.<sup>73</sup> However, although the regulations necessary for the Community Trademark, the Community Design and the Community Plant Variety Rights were adopted, transfer of jurisdiction has not been realised to any judicial panel for these Community industrial property rights.

### **Provisions of the Constitutional Treaty and the Treaty of Lisbon**

The fact that a panel has in fact the nature of a court may be understood from Article I-29(1) of the Constitutional Treaty. For this article concerning the Court of Justice of the EU made such a division as the Court of Justice, the General Court and the specialised courts. Therefore, the structure of the Court of Justice of the European Communities was changed and was revealed expressly to be composed of three types of judicial organs. It was one of the most apparent amendments made by the Constitutional Treaty to the judicial system of the Union. As may be noted, a difference was also provided for the name of the courts. The Court of Justice of the EU covered the judicial

---

<sup>71</sup> Andreas Oser, "The European Patent Litigation Agreement – Admissibility and Future of a Dispute Resolution for Europe", *IIC*, Vol. 37, No. 5, 2006, pp. 520-550, at 520, 532.

<sup>72</sup> Jíří Zemánek, "The Judicial System of the European Union in the Draft Constitutional Treaty", Ingolf Pernice/Miguel Poiares Maduro (eds.), **A Constitution for the European Union: First Comments on the 2003-Draft of the European Convention**, Nomos, Baden-Baden, 2003, pp. 107-112, at 108; van Raden, *op. cit.*, 2003, pp. 276.

<sup>73</sup> The Community industrial property rights for which Council regulations have been published until now are the Community Trademark, the Community Design and the Community Plant Variety Rights.

activities each of the three levels. While the upper structure was called as the Court of Justice, the name of the Court of First Instance of the European Communities was changed as the General Court. What is meant by the specialised courts here is the judicial panels allowed to be established by the Treaty of Nice.<sup>74</sup> It was preferred to call the judicial panels as the specialised courts in order to prevent confusion with the term “chambers” in some languages with respect to certain actions that may be set up within a court.<sup>75</sup>

Through the Constitutional Treaty, it was enabled to set up the specialised courts that would operate under the General Court. According to Article II-359, the European Laws may set up specialised courts attached to the General Court and confer jurisdiction to these courts to hear, in the capacity of the court of first instance, the categories of actions filed in some areas. The laws in question shall be adopted either upon a proposal of the Commission after consulting the Court of Justice or upon the request of the Court of Justice after consulting the Commission. The specialised court may determine its own procedural rules in agreement with the Court of Justice and with the consent of the Council. The First Title of the Statute of the Court of Justice of the EU and Article 64 thereof shall also be applied for the specialised courts by all means. Article 64 in question concerned the adoption of the rules regarding language regulations. Establishment of the specialised courts were again regulated in order to alleviate the work load of the General Court. The specialised courts provided to be established were the same as the judicial panels regulated in the Treaty of Nice, except for the provisions above.

In the Treaty of Lisbon, the Union courts are named in the same way as done so by the Constitutional Treaty. The official name of the Court of Justice of the European Communities is the “Court of Justice” and the official name of the Court of First Instance of the European Communities is the “General Court.” Pursuant to Article 257 of the Treaty on Functioning of the EU, the European Parliament and the Council shall be competent to set up specialised courts attached to the General Court through regulations within the framework of co-decision procedure. The Rules of Procedure determined by the specialised court in agreement with the Court of Justice shall require the approval of the Council. Other provisions are in parallel with those in the Constitutional Treaty. A provision similar to Article 229 of the former European Community Treaty is included in Article 262 of the Treaty on Functioning of the EU.

---

<sup>74</sup> Arnall *et al.*, **op.cit.**, 2006, s. 376.

<sup>75</sup> Zemánek, **op. cit.**, 2003, pp. 107-112, at 110.



### **Relevant provisions of the Statute of the Court of Justice of the EU**

Pursuant to Article 7 of the Treaty of Nice and the annexed Protocol, a revised Statute of the Court of Justice of the European Communities was adopted. According to Article 62 of this Statute, if the Court of Instance reviewed the decision of a judicial panel by appeal, where the First Advocate General deemed necessary, he/she could propose the Court of Justice to review the decision of the Court of First Instance. For a decision of the Court of First Instance could be exceptionally subject to review of the Court of Justice where there was a serious risk to affect unity and consistency of the Union law.<sup>76</sup> The Protocol on the Statute of the Court of Justice of the European Communities was amended by the Council Decision Establishing the EU Civil Service Tribunal. Thus, by adding Article 62a to the Protocol on the Statute of the Court of Justice of the European Communities, it was stated that the provisions regarding organization, composition and jurisdiction of the EU Civil Service Tribunal were included in Annex I. Upon signing of the Treaty of Lisbon, the Protocol on the Statute of the Court of Justice of the European Communities was amended again.<sup>77</sup> The specialised courts were provided for in Article 62c and the provisions governing the EU Civil Service Tribunal were again included in Annex I.

### **EU Civil Service Tribunal**

Until the establishment of the EU Civil Service Tribunal, there existed no court exclusive to the Community other than the Court of Justice of the European Communities and the Court of First Instance.<sup>78</sup> As mentioned above, the Boards of Appeal were set up within OHIM under the Community Trademark Regulation. However, these boards are specialised quasi-judicial bodies and are not deemed among the courts exclusive to the Union.

The concept of judicial panels originated partially from the workload of staff cases.<sup>79</sup> When establishment of the specialised courts was discussed, the field of priority was regarded as a Staff Court to hear, at first instance, all staff cases. Thus, the Court of First Instance of the European Communities was

---

<sup>76</sup> See European Community Treaty, former Article 225(2).

<sup>77</sup> Protocol no. 3 on the Statute of the Court of Justice of the EU, **Official Journal of the EU**, C 115, 9.5.2008.

<sup>78</sup> Heffernan, **op. cit.**, 2002, pp. 189-221, at 192.

<sup>79</sup> Staff cases are a category of cases included in the compulsory jurisdiction of the Court of Justice under the founding treaties, arise from the disputes between the Union institutions and their employees and are brought by the Union employees. The jurisdiction concerning these cases regulated now by Article 270 of the Treaty on Functioning of the EU was conferred to Court of First Instance of the European Communities with the Council Decision no. 88/591 of 24 October 1988.

considered to have less workload and to develop as an administrative review court in the Community legal system.<sup>80</sup> Therefore, the firstly established judicial panel has been the EU Civil Service Tribunal. Currently, there exists no other specialised court.

On November 2, 2004, the Council adopted the decision concerning establishment of the EU Civil Service Tribunal, a judicial panel competent to give judgement in the status of a court of first instance with respect to the staff disputes between the Communities and its staff.<sup>81</sup>

The President of the Court of Justice of the European Communities decided on December 2, 2005 that the Tribunal was duly set up. The publication of the decision in question in the Official Journal<sup>82</sup> pointed out the entry into effect of Article 1 of Annex I of the Statute of the Court of Justice of the European Communities<sup>83</sup> and the new tribunal started to operate actually at this date. According to this article, the Tribunal would exercise jurisdiction of first instance for the disputes between the Communities and its staff, including the disputes between the bodies or agencies and their employees, for which the jurisdiction was conferred to the Court of Justice of the European Communities. This jurisdiction at the staff cases would be exercised in lieu of the Court of First Instance of the European Communities.<sup>84</sup>

Pursuant to Article 2 of Annex I of the Council decision in question, the Tribunal is constituted by seven judges. For the decisions of the Tribunal, a right of appeal before the General Court is granted to the parties of the case (Article 9). However, the right of appeal is limited to points of law (Article 11). The decisions of the General Court are exceptionally subject to review of the Court of Justice where there is a serious risk of the unity and consistency of the Union law being affected.<sup>85</sup>

---

<sup>80</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, **The Role and Future of the European Court of Justice**, British Institute of International and Comparative Law, "European Law Series", London, 1996, pp. 108-110. According to this report, the only field where establishment of a specialised court will be beneficial is the staff cases.

<sup>81</sup> See Council Decision 2004/752/EC, Euratom of 2 November 2004, establishing the European Union Civil Service Tribunal, **Official Journal of the European Union**, L 333, 9.11.2004.

<sup>82</sup> See Decision of the President of the Court of Justice recording that the European Union Civil Service Tribunal has been constituted in accordance with law, Official Journal of the EU, L 325, 12.12.2005.

<sup>83</sup> See Council Decision 2004/752/EC, Euratom of 2 November 2004 establishing the European Union Civil Service Tribunal, Article 4.

<sup>84</sup> Arnulf *et al.*, **op. cit.**, 2006, pp. 403.

<sup>85</sup> European Community Treaty, former Article 225(2).

## **Regulations on Unitary Patent and Agreement on the Unified Patent Court**

The initiatives to create a single EU Patent having unitary effect in the same way throughout the EU similar to the EU Trademark started with two international agreements but did not succeed.<sup>86</sup> For although the Community Patent Convention<sup>87</sup> was signed on December 15, 1975, it did not enter into effect owing especially to the oppositions of Ireland and Denmark and the absence of ratification by sufficient number of countries. Pursuant to this Convention, a patent applicable in all EU Member States could be acquired with a single patent application to be filed with the European Patent Office in Munich. As regards the judicial organs, the Convention and the annexed Protocol provided for the establishment of a High Court of Appeals attached to the European Patent Office and the Community Patent Courts in the Member States.<sup>88</sup> Reference was made in the decisions of the Court of Justice<sup>89</sup> to the Agreement Relating to Community Patents,<sup>90</sup> which was signed on December 15, 1989 and again not ratified.

Apart from these international initiatives, the proposal for a Community Patent Regulation providing for creating a Community Patent and setting up a single Community Intellectual Property Court for the patent infringement and invalidity actions<sup>91</sup> has also failed. This proposal was the European Commission's first real step towards realising the Community Patent. Moreover, as different from the two agreements based on international method, it would be a part of Community legislation in the form a Council Regulation based on former Article 308 of the European Community Treaty.<sup>92</sup>

In this proposal, there was a basic approach change concerning the actions. The Commission proposed some solutions to centralise the judicial system concerning the Community Patent actions. On the basis of the provisions of former articles 229a and 225a of the European Community Treaty, an opinion has arisen to set up a single court, which would have a direct and exclusive jurisdiction in the infringement and invalidity actions

---

<sup>86</sup> Roth and Rose, *op. cit.*, 2008, pp. 816.

<sup>87</sup> "Convention 76/76/EEC for the European Patent for the Common Market (Community Patent Convention), **Official Journal of the European Communities**, L 17, 26.1.1976.

<sup>88</sup> Şehirali, *op.cit.*, 1998, s. 37; Özcan, *op.cit.*, 1999, s. 185.

<sup>89</sup> For instance, C-316/95, *Generics v. Smith, Kline & French ("Generics No. 2")* [1997] ECR I-3929.

<sup>90</sup> "Agreement Relating to Community Patents", **Official Journal of the European Communities**, L 401, 30.12.1989.

<sup>91</sup> European Commission, **Proposal for a Regulation on the Community Patent**, COM(2000), 412 final, 2000, 28 November 2000.

<sup>92</sup> Manuel Desantes, "The European Patent System and its Future", **Ankara Barosu Uluslararası Hukuk Kurultayı**, 2002, pp. 397-434, at 402; van Raden, *op. cit.*, 2003, pp. 276.

regarding the Community patents and would be attached to the Court of Justice. In other words, the actual form of the court and the procedures would be defined in the special provisions required to be adopted on the basis of these articles.<sup>93</sup>

Thus, the European Commission and the national delegations decided not to copy the Community Trademark court system based almost exclusively on the national courts. One of the reasons was perhaps the desire to implement the high-quality and swift decisions at reasonable expense alongside the consistency of the legal system. A unitary system is indispensable to achieve these aims. Apart from being a unitary system, another basic feature of the proposed Community Patent court system was that the judicial panel would be composed of members specialised both legally and technically. This situation would enable expertise in judicature.<sup>94</sup>

Within the context of the Proposal for a Community Patent Regulation, the Commission also proposed subsequently the establishment of a judicial panel named Community Patent Court.<sup>95</sup> In addition, a proposal was included for a decision, which was based on former Article 229a of the European Community Treaty and conferred jurisdiction in the disputes regarding the Community Patent to the Community courts and the judicial panels.<sup>96</sup> According to these proposals, the decisions of the Community Patent Court could be appealed before the Court of First Instance on points of law and substance.

After failure of these proposals of the European Commission, a package of two pieces on the unitary patent and the unified patent court was prepared by the European Parliament, the Council and the Member States. The first piece of the package is constituted by two regulations,<sup>97</sup> which were published in 2012 and entered into force January 20, 2013. However, they will apply as

---

<sup>93</sup> van Raden, *op. cit.*, 2003, pp. 276; Desantes, *op. cit.*, 2002, pp. 403.

<sup>94</sup> van Raden, *op. cit.*, 2003, pp. 277.

<sup>95</sup> European Commission, **Proposal for a Council Decision establishing the Community Patent Court and concerning appeals before the Court of First Instance**, COM(2003), 828 final, 23.12.2003.

<sup>96</sup> European Commission, **Proposal for a Council Decision conferring jurisdiction on the Court of Justice in disputes relating to the Community patent**, COM(2003), 827 final, 23.12.2003.

<sup>97</sup> Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection, Official Journal of the EU, L 361, 31.12.2012; Council Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements Official Journal of the EU, L 361, 31.12.2012.

from the entry into force of the Agreement on the Unified Patent Court.<sup>98</sup> The second piece of the package is the said Agreement, which was signed on February 19, 2013 by 26 Member States. Italy became the 26<sup>th</sup> member by joining the Agreement in September 2015. The Agreement on the Unified Patent Court will enter into force on the 1<sup>st</sup> day of the 4<sup>th</sup> month after the deposit of the 13<sup>th</sup> instrument of ratification or accession (whereby France, Germany and the United Kingdom must be included among these 13 countries). Nine Member States (France, Austria, Belgium, Denmark, Luxembourg, Malta, Portugal, Sweden, Finland) have currently ratified the Agreement in question. The unitary patent is a European patent with unitary effect granted by the European Patent Office under the rules and procedures of the European Patent Convention, to which unitary effect is given for the territory of 26 Member states participating in the unitary patent scheme.<sup>99</sup>

#### **Reasons for necessity of the specialised courts and of the specialised court on intellectual and industrial property**

Only one court was set up at the beginning for the Court of Justice of the European Communities to deal with the actions for which it has jurisdiction. However, while 279 actions were filed before the Court of Justice of the European Communities in 1980, 373 actions were filed in 1988.<sup>100</sup> In order to alleviate this increasing caseload, the Court of First Instance of the European Communities was set up in 1989 through a Council decision. The Court of First Instance was, until the Treaty of Nice, competent to hear all actions filed by the real and legal persons. These actions included the staff actions as well as the appeals lodged against the decisions of the Boards of Appeal under the Community Trademark Regulation, Community Design Regulation<sup>101</sup> and Community Plant Variety Rights Regulation.<sup>102</sup> On the other hand, the Court of Justice of the European Communities maintained its jurisdiction to hear actions, which were filed by the Member States and the Community institutions and were under the preliminary ruling procedure.<sup>103</sup>

---

<sup>98</sup> Agreement on a Unified Patent Court, Official Journal of the EU, C 175, 20.6.2013.

<sup>99</sup> Alexandra Dominique Danielle Theben, "Unitary Patent Protection under Enhanced Cooperation: Is an EU patent feasible in the future?", (2014), [http://essay.utwente.nl/64408/1/Theben\\_MA\\_Faculty%20of%20Management%20and%20Governance.pdf](http://essay.utwente.nl/64408/1/Theben_MA_Faculty%20of%20Management%20and%20Governance.pdf), (10.04.2016), pp. 29-33.

<sup>100</sup> The Court of Justice, "Annual Report 2008", (2008), [http://curia.europa.eu/jcms/upload/docs/application/pdf/2009-03/ra08\\_en\\_cj\\_stat.pdf](http://curia.europa.eu/jcms/upload/docs/application/pdf/2009-03/ra08_en_cj_stat.pdf), (10.04.2016), pp. 100-101.

<sup>101</sup> Council Regulation (EC) No. 6/2002 of 12 December 2001 on Community Designs", **Official Journal of the European Communities**, L 3, 5.1.2002.

<sup>102</sup> Council Regulation (EC) No. 2100/94 of 27 December 1994 on Community Plant Variety Rights, **Official Journal of the European Communities**, L 227, 1.9.1994.

<sup>103</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, **op. cit.**, 1996, pp. 5, 30, 32, 56.

However, the establishment of the Court of First Instance did not suffice to solve the problems either. As a matter of fact, the actions filed before both courts continued to grow day by day. One of the reasons constituting significant hardship in control of the workload was the lack of dispute settlement authority exclusive to the Community other than the Court of Justice of the European Communities and the Court of First Instance, prior to the Treaty of Nice. For the jurisdiction of the Court of Justice of the European Communities was compulsory in every respect. Moreover, other than the categories of actions allocated to the Court of First Instance, the Court of Justice of the European Communities was designated as a court of first resort and last resort for the solution of all actions.<sup>104</sup>

Among other reasons, we may list the continuous enlargement of the Union, in other words, accession of new Member States to the Union, and the adoption of legislation related to the new industrial property rights (Community Trademark,<sup>105</sup> Community Design and Community Plant Variety Rights) having unitary effect throughout the Community. For if a new legislation has a wide scope and a complexity to a significant extent, this situation may most certainly give rise to increase in the caseload of a court. The actions regarding these new industrial property rights had also impact in increase of the workload of the Court of First Instance and in decrease of the judicial capacity of both courts.<sup>106</sup>

The increase of caseload of both courts lengthened the decision-making period in the actions. In case of lengthening of the decision-making process, the effectiveness of judiciary would decrease and the confidence of people in the Court of Justice of the European Communities would be lost. Alongside the delays in the decision-making process, the caseload could also affect the quality of the decisions.<sup>107</sup>

Accordingly, the panel concept introduced by Article 225a of the Treaty of Nice became necessary primarily for reasons of enabling accession of the new states to the Union and raising the functional effectiveness of the Court of Justice of the European Communities and the Court of First Instance.

---

<sup>104</sup> Heffernan, *op. cit.*, 2002, pp. 193.

<sup>105</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 2; Paul Craig, "The Jurisdiction of the Community Courts Reconsidered", *Texas International Law Journal*, Vol. 36, 2001, pp. 556-586, at 561-562; Heffernan, *op. cit.*, 2002, pp. 191.

<sup>106</sup> Craig, *op. cit.*, 2001, pp. 562, 569.

<sup>107</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 3.

The exigency of setting up judicial panels was not only based on workload and lengthening of the decision-making process. Adopting a model of specialised courts, as it is the case in the Continental European system, instead of a court competent in every field of law would enable the Court of Justice to concentrate on the function realised as the Constitutional Court of the Union.<sup>108</sup> Furthermore, establishment of a panel where there is a way of appeal only on points of law would stimulate development of the Court of First Instance as an administrative review court in the Community legal system.<sup>109</sup>

The specialised courts are also necessary for the specialised fields of litigation.<sup>110</sup> For instance, the concept of judicial panels was inspired by the workload of staff cases. Formation of a specialised court to deal with the EU Trademarks and transformation of the Boards of Appeal of EUIPO to the specialised courts in this context will contribute to the Court of Justice being relieved of an important amount of caseload. For these actions may be brought before the Court of Justice after review of the General Court under the three-tiered system established by the Treaty on Functioning of the EU and the provisions in the Statute.

When we examine the issue of necessity of establishing a specialised court as specific to the EU Trademarks, one must consider the problem of disunity between the Member States and the Union courts in terms of jurisdiction. The national courts have no role in the registration procedure of the EU Trademark. For the decisions in the EU Trademark registration procedure are taken exclusively by the EU institutions in accordance with the Union law. Accordingly, EUIPO has the power to register the EU Trademarks and the Court of Justice of the EU, as the authority of last resort, has the jurisdiction concerning disputes arising from the decisions of EUIPO. As regards cancellation, the competence of the EU Trademark courts in the Member States and the higher courts as the courts of appeal on one hand and the competence of EUIPO on the other hand overlap.<sup>111</sup>

---

<sup>108</sup> J. H. H. Weiler, "The Community System of Judicial Remedies", 2002, [www.jeanmonnetprogram.org](http://www.jeanmonnetprogram.org), (14.04.2016), pp. 38.

<sup>109</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 109.

<sup>110</sup> Marie-Pierre F. Granger, "The Community Judiciary at the Dawn of the Third Millennium: A Revolution or a Simple Face-Lift?", *Bracton Law Journal*, Vol. 34, 2002, pp. 7-34, at 15.

<sup>111</sup> Eike Ullmann, "Reconciling Trade Mark Decisions of National Courts and the European Court of Justice", *IIC*, Vol. 27, No. 6, 1996, pp. 791-803, at 792, 802.

The jurisdiction concerning infringement actions with respect to the EU Trademarks will be exercised by the EU Trademark courts set up by the Member States pursuant to the EU Trademark Regulation. In this field, there is not in fact a single court system, but there are 28 national court systems with provisions of different procedural law and of all sorts of substantive law in terms of consequences. The Court of Justice of the EU is not the authority of last resort for these actions.<sup>112</sup> However, as the Court of Justice must answer the relevant EU law questions addressed to itself in line with the preliminary ruling procedure, it may be named as the chief of the infringement actions.<sup>113</sup> The diversity of the national court systems and their legal bases may create obstacle to ensuring consistency of law at least in the eyes of the parties of the action. The consistency is an essential feature of the legal certainty. If the court system does not guarantee the legal certainty at minimum level, the parties will abstain from utilising the EU Trademark system.<sup>114</sup>

The courts designated as the EU Trademark courts by the Member States are, pursuant to the EU Trademark Regulation, central and specialised courts with certain knowledge and experience in trademark actions. However, this knowledge and experience is in fact acquired in the cases concerning the national trademarks. The distinctive feature of the current situation of the jurisdiction as to the EU Trademark is that a court is obliged to decide about both the national trademarks and the EU Trademarks, within the framework of a single national procedural law, but in two autonomous legal systems.<sup>115</sup>

Even if the national trademark legislations are harmonised with the Trademark Directive, the national and EU Trademark legislations must be interpreted independently for each system. Considering that the judges of 28 Member States are obliged to tackle various legal systems, it will be certainly difficult to reach consistency not only at the level of a Member State, but also at the level of the Union. Therefore, it may be beneficial to take the Agreement on the Unified Patent Court as an example.<sup>116</sup>

Consequently, the national and Union authorities and courts must essentially apply the same legal principles for the trademark issues. However, the application of the EU Trademark law by different courts and authorities creates a risk of divergent interpretation. It is necessary to reduce this risk as soon as possible. The Court of Justice has the duty to ensure correct

---

<sup>112</sup> *Ibid.*, 1996, pp. 801-802; van Raden, *op. cit.*, 2003, pp. 275.

<sup>113</sup> Ullmann, *op. cit.*, 1996, pp. 801.

<sup>114</sup> van Raden, *op. cit.*, 2003, pp. 275.

<sup>115</sup> *Ibid.*, 2003, pp. 275-276.

<sup>116</sup> *Ibid.*, 2003, pp. 276.



interpretation of the EU law. However, for the infringement actions, the jurisdiction of the Court of Justice may be resorted only in the form a preliminary ruling procedure. All national courts of first instance have the right to pose relevant questions concerning the EU law to the Court of Justice. The higher courts have an obligation in this respect.<sup>117</sup>

On the other hand, the parties seek for a swift decision in their own issues. It will be time consuming to include the Court of Justice in the actions through the preliminary ruling procedure in every case.<sup>118</sup>

There was no option other than conferring the national courts with the jurisdiction on the infringement actions concerning the Community Trademarks prior to entry into effect of the Treaty of Nice since no jurisdiction regarding intellectual property was provided for in the European Community Treaty. Before former Article 225a, there was no possibility either to establish a court system for the intellectual property actions in the Community.<sup>119</sup>

However, making use of the provisions of articles 257 and 262 of Treaty on the Functioning of the EU, it is possible to set up a an Intellectual and Industrial Property Court and to confer jurisdiction on infringement actions concerning the EU Trademarks to this court. This specialised court must cover not only the EU Trademark but also the other industrial property rights having the same effect through the EU. These rights include the Community Design, the Community Plant Variety Rights, and the Unitary Patent that will enter into effect in the near future. Consequently, the agreement on a court signed by the EU Member States for only the unitary patent should be extended to all intellectual and industrial property rights.

### **Possible advantages and disadvantages of specialised courts**

The specialised courts will be firstly beneficial for the decrease of workload of the other EU courts to a significant extent and for their more effective functioning. Thus, the caseload of these courts in the fields creating a considerable amount of bottleneck in the judicial resources will be abolished. This situation is especially applicable for the General Court.<sup>120</sup> For instance, the staff cases ranked second with a ratio of 32% among the new cases brought before the Court of First Instance in 2005. Therefore, the EU Civil Service Court caused an important ratio of decrease in the caseload of the Court of First Instance of the European Communities.<sup>121</sup>

---

<sup>117</sup> Ullmann, *op. cit.*, 1996, pp. 802.

<sup>118</sup> *Ibid.*, 1996, pp. 803.

<sup>119</sup> van Raden, *op. cit.*, 2003, pp. 276; von Mühlendahl, *op. cit.*, 1989, pp. 594.

<sup>120</sup> Heffernan, *op. cit.*, 2002, s. 209.

<sup>121</sup> Arnall *et al.*, *op. cit.*, 2006, s. 404.

The specialised courts which will decrease the workload of the General Court will also encourage it to develop as an administrative review court in the EU legal system.<sup>122</sup>

In addition to decreasing the caseload of the other EU court structure, the specialised courts are of importance for the specialised fields of litigation. For specialisation within the judicial system and the judiciary is a situation increasing efficiency. Thus, the specialised courts will perform superior technical proficiency on their own subjects.<sup>123</sup>

The specialised courts will also enable the specially adapted procedures.<sup>124</sup> For instance, Article 7(4) of Annex I of the Statute of the Court of Justice of the EU allows the EU Civil Service Tribunal to review, at every stage, the possibilities of an amicable settlement of the dispute. Allowing usage of alternative dispute settlement means such as mediation in the judicial panels was advocated by *Heffernan* before the establishment of the EU Civil Service Tribunal.<sup>125</sup> The last advantage concerning the specialised courts is ensuring expeditious distribution of the judicial work.<sup>126</sup>

Following the EU Civil Service Tribunal, it should be deemed appropriate to set up a Unified Patent Court or an EU Trademark Court or generally an Intellectual and Industrial Property Court. Establishment of an EU Trademark Court or an Intellectual and Industrial Property Court will contribute to decreasing an important amount of caseload of the Court of Justice of the EU which is based on the EU Trademark Regulation. For these actions will be filtrated under the new three-tiered system established by the Treaty on the Functioning of the EU and the Statute of the Court of Justice of the EU.<sup>127</sup>

Despite the above-mentioned advantages of the specialised courts, they also have possible disadvantages for which attention should be paid. The specialised courts will be beneficial only if they are allocated to a limited number of fields such as staff and trademark actions. Extending them to other groups of disputes needs careful consideration thereupon. For it may be very difficult to define a structural relation among all courts. If the specialised competences augment rapidly, the unity and consistency of the EU judicial

---

<sup>122</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, **op. cit.**, 1996, pp. 109.

<sup>123</sup> **Ibid.**, 1996, pp. 108.

<sup>124</sup> **Ibid.**

<sup>125</sup> See *Heffernan*, **op. cit.**, 2002, pp. 205, 209.

<sup>126</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, **op. cit.**, 1996, pp. 108.

<sup>127</sup> Granger, **op. cit.**, 2002, pp. 15.

order, which is regarded as a fundamental principle, will be undermined. The proliferation of the specialised courts may jeopardise the uniform interpretation and application of the EU law.<sup>128</sup> Therefore, it should be noticed that the specialised courts to be set up are not too much in number and jurisdiction is conferred in technical fields which do not coincide with other EU subjects. In this context, the General Court should remain as the general competent court and should not transform to a court of appeals only.<sup>129</sup>

The efficiency of the specialised courts will be on a large scale based on appeal procedures. The system in question includes three possible layers of review. As a matter of fact, the sole means through which uniformity may be ensured is the right of final appeal before the Court of Justice. Nevertheless, this situation will give rise to long proceedings. However, under the new system, the First Advocate General will have a determinative role and the actions will not reach the Court of Justice without his/her approval. Where the First Advocate General makes a proposal regarding review of an appeal decision, the final decision will belong to the Court of Justice. This limitation will prevent the long appeal proceedings. However, the First Advocate General's obligation to be a "guard" of the appellate jurisdiction of the Court of Justice confers a *sui generis* judicial function on a civil servant, who does not have a final decision-making power.<sup>130</sup>

Other criticisms made to the specialised courts are that they will augment the costs and budget expenses and they will increase the general complexity of the system with respect especially to the jurisdiction problems.<sup>131</sup>

### Conclusion

As a unique right creating its own law, the EU Trademark is an industrial property right, which is applicable throughout the EU, is subject to the *acquis communautaire* rather than national law provisions in terms of substantive law and procedural law and co-exists with the national trademarks. However, a disadvantage of the EU Trademark exemplifies itself as regards the judicial system. Although the EU Trademark ensures the uniform protection of the

---

<sup>128</sup> *Ibid.*; Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 108.

<sup>129</sup> Heffernan, *op. cit.*, 2002, pp. 205, 210.

<sup>130</sup> *Ibid.*, 2002, pp. 210-211; Craig, *op. cit.*, 2001, pp. 570, 585; Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 109-110

<sup>131</sup> Members of the EC Section of the British Institute's Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, *op. cit.*, 1996, pp. 108.

right in all the Member States, the judicial review power is fragmented to a great extent between the national courts and the EU courts. For example, in terms of the EU Trademark, the General Court and the national courts are competent to review the legality of the decisions of EUIPO. Accordingly, there is a contradiction between the jurisdiction and the target sought to be reached with the EU Trademark.

Under Article 225a of the former EC Treaty and Article 257 of the Consolidated version of the Treaty on the Functioning of the EU, the Council can now create specialised courts to hear and rule on at first instance certain classes of action brought in specific areas. The decisions given by such new courts may be subject to appeal before the General Court. Following the EU Civil Service Tribunal, such a specialised court may be the EU Trademark Court, which may be later transformed to the EU Intellectual Property Court. Jurisdiction should later be transferred to this court for revocation, invalidity and infringement actions.

### **Bibliography**

- Achim Bender ve Philipp von Kapff, “Born to Be Free-The Community Trade Mark in Practice”, *IIC*, Vol. 32, No. 6, 2001, pp. 625-647.
- Alexander von Mühlendahl, “The Future of Community Trade Mark System”, *IIC*, V. 20, No. 5, 1989, pp. 583-594.
- Alexandra Dominique Danielle Theben, “Unitary Patent Protection under Enhanced Cooperation: Is an EU patent feasible in the future?”, (2014), [http://essay.utwente.nl/64408/1/Theben\\_MA\\_Faculty%20of%20Management%20and%20Governance.pdf](http://essay.utwente.nl/64408/1/Theben_MA_Faculty%20of%20Management%20and%20Governance.pdf)
- Andreas Oser, “The European Patent Litigation Agreement – Admissibility and Future of a Dispute Resolution for Europe”, *IIC*, Vol. 37, No. 5, 2006, pp. 520-550.
- Anthony Arnall *et al.*, **Wyatt & Dashwood’s European Union Law**, 5th ed., London, Sweet & Maxwell, 2006.
- David Kitchin *et al.*, **Kerly’s Law of Trade Marks and Trade Names**, 14th ed., London, Sweet & Maxwell, 2005.
- Department of Trade and Industry, **Proposed European Trade Mark: Unofficial Translation of a Preliminary Draft of a Convention for a European Trade Mark**, HMSO, 1973.
- E. Gastinel and M. Milford, **The Legal Aspects of the Community Trade Mark**, Lahey, Kluwer Law International, 2001.

- Eike Ullmann, “Reconciling Trade Mark Decisions of National Courts and the European Court of Justice”, **IIC**, Vol. 27, No. 6, 1996, pp. 791-803.
- European Commission, **Memorandum on the creation of an EEC Trade Mark**, SEC(76) 2462, Bulletin of the European Communities, Supplement 8/1976, 6 July 1976.
- Eva-Mariana Bastian, “**Avrupa Hukukunda Topluluk Markası: Ulusal Hukuk ve Mevcut Sorunlarla İlişkiler**”, Ankara Barosu Uluslararası Hukuk Kurultayı, 2002.
- Feyzan Hayal Şehirli, **Patent Hakkının Korunması**, Ankara, Turhan Kitabevi, 1998.
- Guy Tritton, **Intellectual Property in Europe**, 2nd ed., London, Sweet & Maxwell, 2002.
- Hamdi Yasaman, **Marka Hukuku – 556 sayılı KHK Şerhi**, Vol. II, İstanbul, Vedat Kitapçılık, 2004.
- J. H. H. Weiler, “The Community System of Judicial Remedies”, 2002, [www.jeanmonnetprogram.org](http://www.jeanmonnetprogram.org).
- Jiří Zemánek, “The Judicial System of the European Union in the Draft Constitutional Treaty”, Ingolf Pernice/Miguel Pórigues Maduro (eds.), **A Constitution for the European Union: First Comments on the 2003-Draft of the European Convention**, Nomos, Baden-Baden, 2003, pp. 107-112.
- Liz Heffernan, “The Treaty of Nice: Arming the Courts to Defend a European Bill of Rights?”, **Law and Contemporary Problems**, Vol. 65, No. 2, 2002, pp. 189-221.
- Lutz van Raden, “Community Trademark Courts-German Experience”, **IIC**, Vol. 34, No. 3, 2003, pp 270-277.
- Manuel Desantes, “The European Patent System and its Future”, **Ankara Barosu Uluslararası Hukuk Kurultayı**, 2002, pp. 397-434
- Marie-Pierre F. Granger, “The Community Judiciary at the Dawn of the Third Millennium: A Revolution or a Simple Face-Lift?”, **Bracton Law Journal**, Vol. 34, 2002, pp. 7-34.
- Members of the EC Section of the British Institute’s Advisory Board Chaired by The Rt. Hon. the Lord Slynn of Hadley, **The Role and Future of the European Court of Justice**, British Institute of International and Comparative Law, “European Law Series”, London, 1996.
- Mehmet Özcan, **Avrupa Birliği’nde Fikrî ve Sınâî Haklar**, Ankara, Nobel Kitabevi, 1999.
- Paul Craig ve Gráinne de Búrca, **EU Law – Text, Cases and Materials**, 4. baskı, Oxford, Oxford University Press, 2008.

Paul Craig, “The Jurisdiction of the Community Courts Reconsidered”, **Texas International Law Journal**, Vol. 36, 2001, pp. 556-586.

Peter Roth (ed.) ve Vivien Rose, **Bellamy & Child: European Community Law of Competition**, 6th ed., Oxford, Oxford University Press, 2008.

Ruth E. Annand ve Helen E. Norman, **Blackstone’s Guide to the Community Trade Mark**, London, Blackstone Press, 1998, pp. 147; Kitchin *et al.*, **op. cit.**, 2005.

The Court of Justice, “Annual Report 2008”, (2008), [http://curia.europa.eu/jcms/upload/docs/application/pdf/2009-03/ra08\\_en\\_cj\\_stat.pdf](http://curia.europa.eu/jcms/upload/docs/application/pdf/2009-03/ra08_en_cj_stat.pdf).