

should refer, first, to acts which caused the limitation period to cease to run and should enumerate those acts. It should then deal with the concepts inherent in each of the acts enumerated and, lastly, should state the effects deriving from each of them.

Mr. CHAFIK (Egypt) drew a distinction between the suspension and the interruption of the limitation period. He could accept the wording "shall cease to run" in article 12 (1) but thought it wiser, in view of the difficulty raised by the word "interruption", to remove the headings from the draft Convention.

Mr. COLOMBRES (Argentina) proposed that article 12 (1) (b) should be eliminated by the inclusion of the concept of counterclaims in the text of article 12 (1) (a).

Referring to the French representative's remarks concerning the grouping of articles, he agreed that the heading should be worded in neutral language - for example: "Cessation of the running of the limitation period".

Mr. OLIVENCIA (Spain) supported the Argentine representative's proposal regarding the elimination of article 12 (1) (b).

The CHAIRMAN said that the comments and proposals made during the debate would be referred to the Working Group.

Article 14

Mr. LOEWE (Austria) said that his delegation would prefer article 14 not to appear in the draft Convention. It believed that the institution of proceedings in a court against a joint debtor should in no way involve interruption or cessation of the limitation period vis-à-vis another joint debtor. In the opinion of his delegation, claims against the debtors might be of different kinds and it did not seem a good idea to make the limitation period depend on whether another person was a joint debtor. A debtor against whom no claim was filed, but in respect of whom the limitation period was interrupted might have great difficulties with regard to evidence, and one of the objectives of the institution of the limitation period was not to risk a procedure in which one party, for the reason that too much time had elapsed, would not be able to invoke evidence. It would surely be better to allow the limitation period to run irrespective of any link between debtors.

Mr. ROGNLIEN (Norway) said that article 14 raised an important question of principle, namely, whether different debtors jointly and severally liable towards the creditor should be treated independently of each other. In Norway, they were. However, the French legal system embodied the principle that, when the limitation period was interrupted in respect of one debtor, it was automatically interrupted in respect of other debtors. In international law it was important to know with some certainty what would happen in such cases. For that reason the Working Group had drawn up article 14, whose aim was to provide a link between the different legal systems and also to avoid unnecessary cumulation of litigation. It seemed undesirable for creditors to institute separate actions against each debtor, and the Working Group had felt that it would be much more practical to institute proceedings against one debtor and to issue warnings to the other debtors. The parties concerned would know the position and, if no settlement was reached, proceedings could then be instituted against other debtors.

His delegation felt that the scope of the article should be as broad as practical considerations would allow, and it proposed (document A/CN.9/R.9) that the scope of the article should be extended to cases where debtors had been sued under the alternative. For example, in cases of agency, the real debtor might not be known. It also proposed to extend the article to relations between buyer and seller when proceedings were instituted by a subpurchaser against a buyer. For example, in the case of a buyer who resold goods to a subpurchaser, who subsequently sued the buyer because of a defect in the goods, if the buyer lost his case he could claim against the seller. However, it was undesirable for the buyer to be compelled to sue the seller before knowing the outcome of any action instituted by the subpurchaser against him. For purely practical reasons, his delegation felt that it should be sufficient for the buyer to inform the seller that proceedings had been instituted against him by the subpurchaser and that he reserved his right to bring an action against the seller pending the outcome of those proceedings.

Mr. KAMAT (India) said that his delegation shared the view of the Austrian delegation. It felt that the article introduced an unnecessary complication into the draft Convention. Furthermore, his delegation felt that the solution contemplated by the Working Group was not an equitable one, since it clearly favoured the creditor. Finally, if article 14 was deleted, the individual national

laws would be applied and in most countries there were appropriate provisions to enable the creditor to sue debtors in the same action. In India, when there were debtors jointly liable, they were sued together. His delegation was therefore unable to accept the article.

Mr. LOEWE (Austria) noted that, if a creditor had claims against two debtors and started proceedings against one debtor and notified the other before the expiration of the limitation period, the interruption would involve certain consequences under article 18. If his delegation had understood the Norwegian representative correctly, the debtor who was not being sued wanted to know the position concerning the limitation period against him and could follow the proceedings between the creditor and the other debtor in order to ascertain whether the period had been prolonged or not. However, in international cases, that might be very difficult. If a creditor obtained an award against one debtor, presumably the debtor in question would be obliged to pay. However, under the Austrian legal system the judgement against the first debtor would have no effect on any other debtors who were not parties to the proceedings. The article would give rise to complications and for that reason should be deleted.

Mr. COLOMBRES (Argentina) felt that the article was a most useful one. It was rather difficult to institute proceedings in different countries and the provision that interruption should have effect with regard to joint debtors, provided due notification was given, seemed a good solution. In many national legal systems, in order to institute proceedings against a joint debtor, notification had to be served on the principal debtor; for that reason, his delegation could accept the article.

Mr. OLIVENCIA (Spain) said that his delegation had no objection to article 14. However, the question of the effects of the limitation period on joint debtors was a general one which did not merely involve legal proceedings. He wondered if it could be assumed that other causes of interruption of the limitation period had no effect on other debtors. If the rule was to apply to all acts interrupting limitation periods, that fact should be spelled out.

Mr. COLOMBRES (Argentina) said that the article was intended to limit the effect in respect of joint debtors to judicial and arbitral proceedings.

Mr. SMIT (United States of America) said that his delegation felt that article 14 was a useful one which would avoid unnecessary litigation. It felt that the article might be drafted more broadly in order to cover the provisions of article 16, which seemed superfluous.

Mr. MANTILLA-MOLINA (Mexico) agreed with the United States representative. It felt that the article was a satisfactory compromise between the various legal systems and supported its inclusion in the draft Convention.

Mr. POLLARD (Guyana) inquired what kind of effect was meant in the article. He felt that the point needed clarification. In general, his delegation felt that the article was a useful one, but that in its present form it would give rise to confusion.

Mr. ROGNLIEN (Norway) said that the "effect" was the one dealt with in articles 12 and 13, namely that the limitation period would be discontinued. With regard to the Austrian comment that a judgement with regard to one debtor would have no effect on other debtors, he felt that there was indeed an omission in the draft Convention. His delegation proposed in document A/CN.9/R.9 that a provision should be added to article 18 specifying that in such a case the limitation period would be extended by one year in relation to debtors who had not been sued, provided they had been duly notified before the expiration of the limitation period that proceedings had been instituted.

In his opinion, the provision was of considerable practical importance. The Indian representative's observations concerning the existence of suitable national provisions applied to most, but not all, countries. However, the main problem was that, when there were several debtors in several different countries with different legal systems, there was no rule that all the debtors could be sued in one single action in one country. If article 14 was deleted, there would be international cases not covered by the Uniform Law or by national law. There was also the problem of relations between different parties regarding the law of substance, which might be based on different legal systems, and therefore there would be some uncertainty regarding the relations in law between the different parties. In conclusion, the present formulation of article 14 concerned only relations between the main creditor and the several debtors. It might be important to have the same system for mutual relations between the several debtors; if an action was brought against one debtor by

the creditor at a very late stage, there would be no possibility for the debtor to interrupt the limitation period in relation to his co-debtors. That problem would have to be solved by extending article 14 to mutual relations between co-debtors.

Mr. LEMONTEY (France) said he supported article 14 because, if the provision contained in that article did not appear in the draft Convention, the concept of joint liability would be nullified. The essence of that concept was that any rules applying to one debtor would apply to all debtors. In many countries, furthermore, the assumption of joint liability existed in trade matters. If the Commission decided to delete article 14, it must insert a new provision stating that the reverse of that article would apply, since silence on the matter would be impossible. He agreed that the scope of article 14 should be extended to cover the contents of articles 12, 13, 16 and 17 with regard to acknowledgement of obligation by one of the debtors.

Mr. OGUNDERE (Nigeria) agreed with the representative of Austria that article 14 was not necessary. The philosophy of the Convention was to make the lex fori prevail and article 14 seemed to confuse lex fori with regard to the procedure of the juncture of parties. If a creditor brought an action against one of two debtors, he wished to recover all his claim. However, the draft Convention appeared to say that, if action was successfully brought against one debtor, who could pay only 50 per cent of the claim, judgement could not be executed against the other debtor and also that the limitation period would cease to run with respect to that other debtor. If article 14 was deleted, national procedure on joint liability would apply in respect of any action. That appeared logical and creditors would then be happier with the Convention.

The CHAIRMAN invited representatives to indicate by raising their hands whether they were in favour of the deletion of article 14.

He noted that the representatives of Austria, India, Nigeria and Singapore were in favour of that deletion.

He further invited representatives to indicate whether they wished to expand the scope of article 14 so that it would also refer to other acts interrupting the limitation period, such as those mentioned in articles 16 and 17. Article 14 might also be expanded to deal with relations other than those specified.

He noted that the representatives of Australia, Egypt, Ghana, Guyana, Norway, Poland and the United States were in favour of extending the scope of article 14.

Mr. ROGNLIEN (Norway) thought that representatives should have been invited to indicate their views on his delegation's amendments in document A/CN.9/R.9.

Mr. OLIVENCIA (Spain) noted that the Commission agreed that the Uniform Law should apply only to direct relations between the buyer and seller. It would be dangerous to apply it to third parties, even if they were joint debtors, since the question of incidental guarantees, which had been discussed during the debate on article 1, would then be reintroduced into the sphere of application of the Convention. Perhaps the Working Group could consider the matter and report back to the plenary meeting.

Mr. GUEST (United Kingdom) said he fully supported the Chairman's request for an expression of opinion. The Working Group thus had some indication of the strength of feeling on article 14, which it would take into account in its consideration of that article.

The CHAIRMAN said that, in view of the opinions expressed by the representatives of Spain and the United Kingdom, article 14 should be referred to the Working Group for clarification of its contents and implications. The Working Group should make sure that the text was not so vague that it could cover other matters such as incidental guarantees, as pointed out by the Spanish representative.

Article 15 (continued)

Mr. RECZEI (Hungary) said that he had some difficulties with regard to article 15. In the case of inheritance due to death of a debtor or a liquidation of a company, the executors ex officio took account of outstanding claims but did not issue appeals to creditors. They simply enumerated the creditors. The provision in article 15 to the effect that the limitation period would cease to run only if the creditor performed an act recognized under the law applicable to the proceedings listed in article 15 was a dangerous one, since some creditors might have no knowledge of the existence of the legal proceedings. Perhaps the article could include a provision stating that, in cases where the applicable law did not require