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General Court rebukes EUIPO Board of Appeal for lack of reasoning

European Union - [NJORD](#)

- The EUIPO refused to register the mark GRES ARAGÓN in Classes 19 and 35 on the ground that it was descriptive and devoid of distinctive character
- The General Court found that the EUIPO had erred in failing to examine the link between the geographical term 'Aragón' and the goods/services at issue
- The court stressed that the EUIPO must take into account previous decisions adopted in similar cases

In [Gres de Aragón SA v European Union Intellectual Property Office](#) (EUIPO) (Case T 624/18, 18 December 2019), the General Court has annulled a decision the First Board of Appeal of the EUIPO on the ground that the latter had erred in law in failing to provide sufficient reasoning and examining the link between the geographical term contained in the mark applied for and the goods and services designated by that mark.

Background

The case arose in 2017 when the applicant, Gres de Aragón, applied to register the following figurative mark as an EU trademark (EUTM) for, among other things, ceramic building materials in Class 19 and the sale of ceramic articles in Class 35.

GRES ARAGÓN

The EUIPO informed the applicant that the trademark was ineligible for registration in respect of the goods and services at issue, since it was both descriptive and devoid of distinctive character. The applicant responded that the mark was an update of its company logo and that it had acquired distinctive character through use. The EUIPO rejected the application, merely stating that the average Spanish-speaking consumer would consider that the words '*gres Aragón*' refer to a "specific type of ceramic used or produced in Aragon"; thus, the trademark had a clearly descriptive meaning in connection with the goods and services at issue.

Gres de Aragón appealed, but the First Board of Appeal of the EUIPO dismissed the appeal. The board found that the words '*gres Aragón*' were perfectly legible and understandable for the Spanish-speaking public of ceramic material ('*gres*' in Spanish) originating from, or produced, in the Autonomous Community of Aragon. Thus, in the board's view, these common Spanish-language terms would be understood by the relevant public as indicating the purpose of the goods and services and would not be seen as a sign with a distinctive character. The board considered that the limited graphic elements (the uppercase letters and red-coloured accent on the 'O') were not sufficient to give the mark distinctive character.

In its appeal to the General Court, Gres de Aragón argued that:

- the Board of Appeal had erred in considering that the mark applied for was devoid of distinctive character because the EUIPO had already registered several marks with an identical structure - relying primarily on the registered trademark GRES DE BREDA (Breda being a Spanish village that is famous for its ceramic production);
- the board had failed to provide adequate reasoning for its decision regarding the word elements; it could not be presumed that the consumer would associate the geographical term '*Aragón*' with a typical territory for the production of '*grés*' (ceramic material) since the Autonomous Community of Aragon covers a vast area without any link with the product in question; and
- the board had failed to examine the above link and had departed from the guidelines for the examination of EUTMs and its own decision-making practice.

General Court decision

The General Court disagreed with both the EUIPO and the First Board of Appeal. The court cited several non-trademark-related decisions stating that the decisions of the EU institutions must provide a clear and unequivocal reasoning to enable those concerned to understand the reasons for the measures taken. The court held that the trademark registrations referred to by the applicant, including GRES DE BREDA, concerned the decision-making practice of the EUIPO, on which the parties must be able to rely. The court noted that, in reaching a decision, the EUIPO must have regard to the principles of equal treatment and good administration, taking into account the decisions previously adopted in similar cases.

The court concluded that the Board of Appeal had failed to respond to the arguments of Gres de Aragón regarding the registrations of the earlier marks, which it had raised in support of its case. Moreover, referring to the EUIPO's decision-making practice, the court recalled that the EUIPO guidelines are not binding and that the Board of Appeal must assess the cases before it solely based on the Trademark Regulation. The court concluded that the Board of Appeal had failed to do so, as it had not examined the link between the geographical term '*Aragón*' and the products and services designated by the mark, confining itself to considering that the word '*Aragón*' described the origin of the products and services.

Comment

This case is interesting in that it might push the EUIPO towards considering prior decisions as binding. Since the [STREAMSERVE decision](#) (Case C-150/02 P), EUIPO examiners and the EUIPO Boards of Appeal have expressly not been bound by prior decisions, which they could consider as "mistakes". Therefore, this case could usher in a new wave of legal certainty.

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