

No discretion for entirely new evidence on appeal European Union - NJORD

International Examination/opposition

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In *EU Intellectual Property Office (EUIPO) v Xavier Grau Ferrer* (C-597/14 P, July 21 2016), the European Court of Justice (ECJ) held that the EUIPO had failed to undertake an examination of additional and supplementary evidence and therefore infringed Article 76(2) of Regulation 207/2009.

The dispute originated in 2008 when Juan Cándido and Alberto Rubio Ferrer (applicants) filed an application for registration of an EU figurative mark with the EUIPO in Classes 31, 35 and 39. Xavier Grau Ferrer (opponent) filed a notice of opposition, based on a Spanish registration for the figurative sign, registered in 2004 in Class 31, and an EU registration for the figurative sign registered in 2002 in Classes 31, 32 and 39.

The EUIPO Opposition Division partially upheld the opposition on December 21 2010 because the opponent had not provided any documents representing the earlier Spanish figurative mark within the period prescribed. The Opposition Division based its decision on Article 76(2) of Council Regulation (EC) 40/94, which provides that the office may disregard facts or evidence which are not submitted in due time by the parties concerned. However, the Opposition Division upheld the opposition based on the earlier EU registration.

Both the opponent and the applicants filed notices of appeal against the Opposition Division's decision. The opponent filed new evidence on appeal to document the existence of its rights. The applicants claimed that the Opposition Division erred in holding that the evidence showed genuine use of the opponent's EU registration.

The EUIPO Fourth Board of Appeal upheld the appeal of the applicants and rejected the appeal made by the opponent. The board of appeal confirmed the Opposition Division's decision about the earlier right and held that the evidence produced was not sufficient to show that the earlier EU mark had been in use for the goods for which it was registered. Based on this, the board of appeal annulled the Opposition Division's decision and rejected the opposition in its entirety.

The opponent appealed to the EU General Court for annulment of the contested decision of the board of appeal. He supported his action with three pleas:

- the infringement of Articles 75 and 76(2) of Regulation 207/2009 and Rule 50(1) of the implementing regulation concerning "additional and supplementary evidence";
- the genuine use of the earlier EU figurative mark registered by the opponent; and
- the likelihood of confusion between the earlier mark and the earlier Spanish figurative mark, and the EU figurative mark for which registration was sought by the applicants.

The EU General Court upheld the action for annulment, stating that the board of appeal had failed to exercise its discretion or to give reasons for its refusal to take account of the earlier Spanish mark and the documents that were produced for the first time before the board of appeal. Further, the EU General Court held that the remainder of the pleas were unfounded and accordingly annulled the contested decision.

The EUIPO appealed further to the ECJ, pleading that the ECJ should set aside the EU General Court's decision. The EUIPO claimed, first, that the EU General Court had erred in law by holding that the board of appeal had discretion deriving from Rule 50(1) third subparagraph of the implementing regulation. Second, Article 76(2) of Regulation 207/2009 states "independently of whether the late evidence was supplementary", therefore the board of appeal also had discretion as regards 'additional' evidence.

The EU General Court had held that the board of appeal had discretion and had an obligation to give reasons for its refusal without distinguishing between 'additional' and 'supplementary' evidence. The EUIPO maintained that the discretion and the obligation to state reasons do not concern *new* evidence filed on appeal, and supported that claim with differences between various language versions. The ECJ confirmed that in the absence of proof before the Opposition Division, the opposition should be dismissed without being examined as to the substance, otherwise it would be possible to reopen the possibility of opposition at board of appeal level. Therefore, the EU General Court had erred concerning the interpretation of 'additional' evidence. However, because the EU General Court had correctly annulled the decision for not examining the 'supplementary' evidence, the ECJ was able to dismiss the appeal.

Comment

This case is remarkable because it was one of the rare occasions where the EUIPO appealed to the ECJ. However, it is understandable because the language versions were divergent, and allowing for evidence of prior rights to be filed first at the appellate stage would make things difficult for the Opposition Division and boards of appeal. Also, it is interesting that the ECJ can instruct the EU General Court without reversing and remanding the matter.

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