Reports of Cases

ORDER OF THE COURT (Chamber determining whether appeals may proceed)

18 April 2023*

(Appeal – EU trade mark – Determination as to whether appeals should be allowed to proceed – Article 170b of the Rules of Procedure of the Court of Justice – Request demonstrating that an issue is significant with respect to the unity, consistency or development of EU law – Appeal allowed to proceed)

In Case C-751/22 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 8 December 2022,

Shopify Inc., established in Ottawa (Canada), represented by M. Pemsel and S. Völker, Rechtsanwälte,

appellant,

the other parties to the proceedings being:

European Union Intellectual Property Office (EUIPO),

defendant at first instance,

Massimo Carlo Alberto Rossi, residing in Fiano (Italy),

Salvatore Vacante, residing in Berlin (Germany),

Shoppi Ltd, established in London (United Kingdom),

interveners at first instance,

THE COURT (Chamber determining whether appeals may proceed)

composed of L. Bay Larsen, Vice-President of the Court, D. Gratsias and M. Ilešič (Rapporteur), Judges,

Registrar: A. Calot Escobar,

having regard to the proposal from the Judge-Rapporteur and after hearing the Advocate General, A.M. Collins,

* Language of the case: English.

makes the following

Order

1 By its appeal, Shopify Inc. asks the Court of Justice to set aside the judgment of the General Court of the European Union of 12 October 2022, *Shopify* v *EUIPO – Rossi and Others (Shoppi)* (T-222/21, 'the judgment under appeal', EU:T:2022:633), by which the latter dismissed its action for annulment of the decision of the Second Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 18 February 2021 (Case R 785/2020-2), relating to invalidity proceedings between, on the one hand, Mr Massimo Carlo Alberto Rossi, Mr Salvatore Vacante and Shoppi Ltd and, on the other hand, Shopify ('the decision at issue').

The request that the appeal be allowed to proceed

2 Under the first paragraph of Article 58a of the Statute of the Court of Justice of the European Union, an appeal brought against a decision of the General Court concerning a decision of an independent board of appeal of EUIPO is not to proceed unless the Court of Justice first decides that it should be allowed to do so.

3 In accordance with the third paragraph of Article 58a of that statute, an appeal is to be allowed to proceed, wholly or in part, in accordance with the detailed rules set out in the Rules of Procedure of the Court of Justice, where it raises an issue that is significant with respect to the unity, consistency or development of EU law.

4 Under Article 170a(1) of those rules, in the situations referred to in the first paragraph of Article 58a of that statute, the appellant is to annex to the appeal a request that the appeal be allowed to proceed, setting out the issue raised by the appeal that is significant with respect to the unity, consistency or development of EU law and containing all the information necessary to enable the Court of Justice to rule on that request.

5 In accordance with Article 170b(1) and (3) of those rules, the Court's decision on the request that the appeal be allowed to proceed is to be taken as soon as possible in the form of a reasoned order.

Arguments of the appellant

6 In support of its request that the appeal be allowed to proceed, the appellant submits that the appeal raises an issue that is significant with respect to the unity, consistency and development of EU law.

7 First of all, it states that its appeal is based on a single ground of appeal, alleging infringement of Article 53(1) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), in conjunction with Article 8(1)(b) of that regulation.

8 More specifically, the appellant states that it criticises the General Court for having disregarded, in paragraphs 96 to 104 of the judgment under appeal, the evidence relating to the enhanced distinctiveness of the earlier mark in the United Kingdom, on the ground that, in invalidity proceedings, an applicant must be able to prohibit the use of the contested mark not only on the date on which that mark was filed, but also on the date of the decision at issue and that, in the

present case, that decision was issued after the expiry of the transition period provided for in Article 127 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ 2020 L 29, p. 7; 'the Withdrawal Agreement').

9 In so doing, the General Court disregarded the wording of the second subparagraph of Article 53(1) of Regulation No 207/2009, under which all the conditions for the success of an invalidity action must be fulfilled at the filing date or the priority date of the contested mark.

10 Next, the appellant states that, if the General Court had held that only the filing date of the contested mark was relevant for the purpose of determining whether the conditions for the success of an invalidity action are fulfilled, it would have had to annul the decision at issue. It adds that, if the Board of Appeal had taken into account the evidence relating to the enhanced distinctiveness of the earlier mark in respect of the United Kingdom, the Board of Appeal would have found that that mark had enhanced distinctiveness and, therefore, that there is a likelihood of confusion between the marks at issue.

11 In addition, the appellant submits that the single ground on which it relies in support of its appeal raises the question of the date on which it is necessary to assess whether the conditions of Article 53(1) of Regulation No 207/2009 are satisfied. More specifically, it is necessary to determine whether an applicant for a declaration of invalidity is required to establish the existence of a relative ground for refusal only on the priority date or the filing date of the contested mark or whether it may be required to establish in addition the existence of such a ground on the date on which EUIPO takes its decision.

12 Lastly, in order to demonstrate the significance of that issue with respect to the unity, consistency and development of EU law, the appellant puts forward eight arguments.

13 By its first argument, it submits that that issue arises in all invalidity proceedings in which the earlier mark or the scope of the protection conferred by it is affected by events occurring after the priority date or the filing date of the contested mark, such as a loss of distinctiveness or reputation, a change in the law applicable to the proceedings or the withdrawal of a Member State from the European Union, as is the case here.

14 According to the appellant, the withdrawal of the United Kingdom from the European Union will have an impact on a significant number of other invalidity and opposition proceedings relating to both earlier EU trade marks and earlier national marks. Clarification by the Court is therefore necessary both for users of the EU trade mark system and for national trade mark offices and courts, in particular in view of the fact that the issue raised concerns not only the effect of the Withdrawal Agreement on pending proceedings, but also all situations, frequently in intellectual property matters, where an earlier right ceases to exist in whole or in part during the proceedings.

15 By its second argument, the appellant claims that it is essential for the unity, consistency and development of EU law that all courts within the European Union apply EU law as it has been enacted by the EU legislature. By disregarding the clear wording of Article 53(1) of Regulation No 207/2009, the General Court infringed the fundamental principle that courts within the European Union are bound by EU law and that they are required to exercise their power within the limits defined by the EU legislature.

16 By its third argument, the appellant submits that the judgment under appeal creates legal uncertainty. If the date of the decision of a Board of Appeal of EUIPO were also considered to be relevant for the purposes of assessing the existence of a relative ground for refusal in invalidity proceedings, this would seriously undermine the legal certainty of all proprietors of earlier marks in that they could not base their decision on whether to file an application for a declaration of invalidity on the information available to them, since they would not be able to anticipate how the situation would evolve on the date on which the Cancellation Division or the Board of Appeal takes its decision.

17 By its fourth argument, the appellant submits that the issue raised by its appeal is significant with respect to the unity and consistency of EU law since it relates to both invalidity proceedings concerning EU trade marks and those relating to national trade marks in the Member States. Article 5 of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ 2015 L 336, p. 1), and Article 53 of Regulation No 207/2009, in so far as they provide for identical grounds for invalidity, must, in accordance with the settled case-law of the Court of Justice, referred to in particular in paragraph 32 of the judgment of 12 September 2019, *Deutsches Patent- und Markenamt (#darferdas?)* (C-541/18, EU:C:2019:725, paragraph 32), be interpreted in the same way.

18 According to the appellant, it cannot be ruled out that an opposition or an application for a declaration of invalidity based on the existence of an earlier EU trade mark and relating to a mark or an application for registration may be resolved differently by trade mark offices or national courts according to the relevant date used to assess whether the conditions for upholding the opposition or invalidity action are satisfied, which would undermine legal certainty.

19 By its fifth argument, the appellant submits that the opinion of the General Court gives rise to arbitrary exercise of power of the executive, in that it allows EUIPO, national trade mark offices and national courts to deliberately delay invalidity proceedings in order to wait for specific circumstances to emerge, such as the withdrawal of a Member State from the European Union or the expiry of a trade mark, or to wait until the evidence submitted on the priority date or the filing date of the contested mark in order to prove the reputation of an earlier mark is no longer relevant for demonstrating that reputation on the date on which the decision is adopted. According to the appellant, even the mere possibility of such arbitrary conduct would tarnish the trust in the independence of EUIPO and of the national trade mark offices and courts.

20 By its sixth argument, the appellant alleges that the issue raised by its appeal is of crucial importance for users of the EU trade mark system. If the Court were to conclude that the date of the decision is also relevant, opponents and applicants for a declaration of invalidity would be required to produce constantly evidence of continued reputation of the mark, its genuine use and/or its enhanced distinctiveness, and trade mark offices and trade mark proprietors or trade mark applicants would then have to review that evidence constantly.

21 By its seventh argument, the appellant asserts that the issue raised by its appeal is also significant with respect to the principles of territoriality and the unitary character of an EU trade mark as set out in Article 1(2) of Regulation No 207/2009.

22 The question whether it is sufficient that a conflict between the earlier mark and the later mark exists at the priority date or at the filing date, that is to say, at a time when the earlier mark still conferred protection in the United Kingdom, or whether such a conflict must also exist on the

date on which EUIPO takes its decision, has a significant impact on the principles of territoriality and the unitary character of the EU trade mark, which are two of the fundamental pillars of EU trade mark law.

23 By its eighth and final argument, the appellant submits that the issue raised by its appeal concerns the effectiveness of the EU trade mark. To require that the trade marks concerned must also be in conflict on the date of a decision by EUIPO would call into question the effectiveness of the protection conferred by the EU trade mark, in that any subsequent changes in the circumstances would be capable of retroactively depriving the EU trade mark of its effects.

Findings of the Court

24 As a preliminary point, it must be recalled that it is for the appellant to demonstrate that the issues raised by its appeal are significant with respect to the unity, consistency or development of EU law (order of 10 December 2021, *EUIPO* v *The KaiKai Company Jaeger Wichmann*, C-382/21 P, EU:C:2021:1050, paragraph 20 and the case-law cited).

25 Furthermore, as is apparent from the third paragraph of Article 58a of the Statute of the Court of Justice of the European Union, read together with Article 170a(1) and the second sentence of Article 170b(4) of the Rules of Procedure, the request that an appeal be allowed to proceed must contain all the information necessary to enable the Court to give a ruling on whether the appeal should be allowed to proceed and to specify, where the appeal is allowed to proceed in part, the pleas in law or parts of the appeal to which the response must relate. Given that the objective of the mechanism provided for in Article 58a of that statute whereby the Court determines whether an appeal should be allowed to proceed is to restrict review by the Court to issues that are significant with respect to the unity, consistency and development of EU law, only grounds of appeal that raise such issues and that are established by the appellant are to be examined by the Court in an appeal (orders of 10 December 2021, *EUIPO* v *The KaiKai Company Jaeger Wichmann*, C-382/21 P, EU:C:2021:1050, paragraph 21, and of 16 November 2022, *EUIPO* v *Nowhere*, C-337/22 P, EU:C:2022:908, paragraph 24).

26 Accordingly, a request that an appeal be allowed to proceed must, in any event, set out clearly and in detail the grounds on which the appeal is based, identify with equal clarity and detail the issue of law raised by each ground of appeal, specify whether that issue is significant with respect to the unity, consistency or development of EU law and set out the specific reasons why that issue is significant according to that criterion. As regards, in particular, the grounds of appeal, the request that an appeal be allowed to proceed must specify the provision of EU law or the case-law that has been infringed by the judgment or order under appeal, explain succinctly the nature of the error of law allegedly committed by the General Court, and indicate to what extent that error had an effect on the outcome of the judgment or order under appeal. Where the error of law relied on results from an infringement of the case-law, the request that the appeal be allowed to proceed must explain, in a succinct but clear and precise manner, first, where the alleged contradiction lies, by identifying the paragraphs of the judgment or order under appeal which the appellant is calling into question as well as those of the ruling of the Court of Justice or the General Court alleged to have been infringed, and, second, the concrete reasons why such a contradiction raises an issue that is significant with respect to the unity, consistency or development of EU law (order of 10 December 2021, *EUIPO* v *The KaiKai Company Jaeger Wichmann*, C-382/21 P, EU:C:2021:1050, paragraph 22 and the case-law cited).

27 In the present case, it should be noted, in the first place, that the appellant sets out with clarity and detail the single ground of appeal, alleging infringement of Article 53(1) of Regulation No 207/2009, on which its appeal is based. More specifically, the appellant complains that the General Court disregarded that provision, in paragraphs 96 to 104 of the judgment under appeal, by holding that, in the context of invalidity proceedings, an appellant must be able to prohibit the use of the contested mark both on the date on which that mark was filed and on the date on which the Board of Appeal takes its decision.

28 The appellant also sets out the nature of the errors of law allegedly committed by the General Court.

29 It submits that the General Court disregarded the wording of the second subparagraph of Article 53(1) of Regulation No 207/2009, under which all the conditions for the success of an invalidity action must be fulfilled at the filing date or the priority date of the contested mark, and adds that the General Court's interpretation of that provision creates legal uncertainty.

30 The appellant further submits that the General Court conflated invalidity proceedings with infringement proceedings by requiring that the applicant for a declaration of invalidity be able to prohibit the use of the contested mark on the date on which EUIPO takes its decision.

31 Furthermore, according to the appellant, the General Court infringed the case-law of the Court of Justice arising from the judgment of 29 January 2020, *Sky and Others* (C-371/18, EU:C:2020:45, paragraph 49), according to which, in the context of an application for a declaration of invalidity of EU trade marks, the decisive date for the purposes of identifying the applicable substantive law is the date on which the application for registration of the contested mark was made, and its own case-law arising from the judgments of 1 December 2021, *Inditex* v *EUIPO –Ffauf Italia (ZARA)* (T-467/20, not published, EU:T:2021:842, paragraphs 59 to 61), and of 16 March 2022, *Nowhere* v *EUIPO –Ye (APE TEES)* (T-281/21, EU:T:2022:139, paragraphs 28 and 29), relating to opposition proceedings and which is applicable, *mutatis mutandis*, to invalidity proceedings, under which the existence of a relative ground for refusal must be assessed as at the filing date of the application for registration of the trade mark.

32 Thus, it must be held that the request that the appeal be allowed to proceed identifies both the paragraphs of the judgment under appeal which the appellant disputes and the provision of EU law allegedly infringed as well as the paragraphs of the judgments of the Court of Justice and the General Court alleged to have been infringed.

33 In the second place, the appellant states that the error of law allegedly committed by the General Court led it not to annul the decision at issue, by which the Board of Appeal refused to accept the evidence relating to the enhanced distinctiveness of the earlier mark in respect of the United Kingdom, thus demonstrating that that error had an effect on the outcome of the judgment under appeal.

34 In the third place, the appellant identifies clearly and in detail the issue of law raised by its single ground of appeal, in the present case whether, under Article 53(1) of Regulation No 207/2009, an applicant for a declaration of invalidity is required to establish the existence of a relative ground for refusal only on the priority date or the filing date of the contested mark, or whether it may be required to establish in addition the existence of such a ground on the date on which EUIPO takes its decision.

35 In the fourth place, in accordance with the burden of proof which lies with an appellant requesting that an appeal be allowed to proceed, the appellant must demonstrate that, independently of the issues of law invoked in its appeal, the appeal raises one or more issues that are significant with respect to the unity, consistency or development of EU law, the scope of that criterion going beyond the judgment under appeal and, ultimately, its appeal (order of 16 November 2022, *EUIPO* v *Nowhere*, C-337/22 P, EU:C:2022:908, paragraph 32 and the case-law cited).

36 In order to demonstrate that this is the case, it is necessary to establish both the existence and significance of such issues by means of concrete evidence specific to the particular case, and not simply arguments of a general nature (order of 16 November 2022, *EUIPO* v *Nowhere*, C-337/22 P, EU:C:2022:908, paragraph 33 and the case-law cited).

37 In the present case, the appellant sets out the specific reasons why it considers that the issue of law raised by its appeal is significant with respect to the unity, consistency and development of EU law.

38 In particular, it submits that that issue arises not only as regards the effects of the Withdrawal Agreement on pending proceedings, which potentially concern a significant number of invalidity and opposition proceedings relating to both earlier EU trade marks and earlier national trade marks, but also in all situations in which the earlier mark or the scope of the protection conferred by it is affected by events occurring after the priority date or the filing date of the contested mark, such as a loss of distinctiveness or reputation, or a change in the law applicable to the proceedings.

39 Accordingly, it is apparent from the request that the appeal be allowed to proceed that the issue raised by the present appeal goes beyond the scope of the judgment under appeal and, ultimately, that of the appeal.

40 In the light of the matters set out by the appellant, it must be held that this request that the appeal be allowed to proceed demonstrates to the requisite legal standard that this appeal raises an issue that is significant with respect to the unity, consistency and development of EU law.

41 In the light of the foregoing considerations, the appeal should be allowed to proceed.

Costs

42 Under Article 170b(4) of the Rules of Procedure, where an appeal is allowed to proceed, wholly or in part, having regard to the criteria set out in the third paragraph of Article 58a of the Statute of the Court of Justice of the European Union, the proceedings are to continue in accordance with Articles 171 to 190a of those rules.

43 Under Article 137 of the Rules of Procedure, applicable to proceedings on appeal pursuant to Article 184(1) of those rules, a decision as to costs is to be given in the judgment or order which closes the proceedings.

44 Accordingly, since the request that the appeal be allowed to proceed must be allowed, the costs must be reserved.

On those grounds, the Court (Chamber determining whether appeals may proceed) hereby orders:

1. The appeal is allowed to proceed.

2. The costs are reserved.

Luxembourg, 18 April 2023.

A. Calot Escobar
Registrar

L. Bay Larsen
President of the Chamber determining whether appeals may proceed