Reports of Cases

JUDGMENT OF THE GENERAL COURT (First Chamber)

22 March 2017 **

(EU trade mark — Revocation proceedings — EU word mark The Specials — Genuine use — Article 51(1)(a) of Regulation (EC) No 207/2009 — Consent of the proprietor of the trade mark — Article 15(2) of Regulation No 207/2009)

In Case T-336/15,

Windrush Aka LLP, established in London (United Kingdom), represented by S. Malynicz QC and S. Britton, Solicitor,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by J. Crespo Carillo, acting as Agent,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, being

Jerry Dammers, residing in London, represented by C. Fehler, Solicitor, H. Cuddigan and B. Brandreth, Barristers,

ACTION brought against the decision of the First Board of Appeal of EUIPO of 18 March 2015 (Case R 1412/2014-1), relating to revocation proceedings between Windrush Aka and Mr Dammers,

THE GENERAL COURT (First Chamber),

composed of I. Pelikánová, President, V. Valančius (Rapporteur) and U. Öberg, Judges,

Registrar: J. Weychert, Administrator,

having regard to the application lodged at the Court Registry on 25 June 2015,

having regard to the response of EUIPO lodged at the Court Registry on 20 November 2015,

having regard to the response of the intervener lodged at the Court Registry on 20 November 2015,

further to the hearing on 6 December 2016,

* Language of the case: English.

gives the following

Judgment

Background to the dispute

1 On 27 July 2005, the intervener, Mr Jerry Dammers, obtained the registration, under the number 3725082, of the EU word mark The Specials from the European Union Intellectual Property Office (EUIPO), pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1)).

2 The goods and services in respect of which the abovementioned EU trade mark was registered were in Classes 9, 16, 25 and 41 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and corresponded, for each of those classes, to the following description:

— Class 9: 'Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus';

— Class 16: 'Packaging of CD's, audiotapes and DVDs; photographs, printed matter and signboards being covers, booklets and labels for CD's, audiotapes and DVDs; photographs, printed matter and signboards for the purpose of producing posters';

— Class 25: 'Clothing, footwear, headgear';

— Class 41: 'Education; providing of training; entertainment; sporting and cultural activities'.

3 On 30 October 2012, the applicant, Windrush Aka LLP, filed an application for revocation of the abovementioned EU trade mark, on the basis of Article 51(1)(a) of Regulation No 207/2009, in respect of all of the goods and services referred to in paragraph 2 above, on the ground of lack of genuine use of that mark.

4 By decision of 17 March 2014 the Cancellation Division partially upheld the application for revocation. It revoked the contested mark in respect of the goods and services referred to in paragraph 2 above, with the exception of 'compact discs [audio-video]' and 'electronic publications [downloadable]' in Class 9, for which it maintained the validity of the registration of the contested mark.

5 On 19 May 2014, the applicant filed a notice of appeal with EUIPO, pursuant to Articles 58 to 64 of Regulation No 207/2009, against the decision of the Cancellation Division in so far as that division had maintained the validity of the registration of the contested mark in respect of the goods referred to in paragraph 4 above.

6 By decision of 18 March 2015 ('the contested decision'), the First Board of Appeal of EUIPO upheld the appeal in part. It annulled the decision of the Cancellation Division in so far as that division had maintained the validity of the registration of the contested mark in respect of 'electronic publications [downloadable]' in Class 9 and revoked that mark in respect of those goods. By contrast, it confirmed

the validity of the contested mark in respect of 'compact discs [audio-video]' in Class 9, on the ground that that mark had been used by a third party with the intervener's consent and had been put to genuine use in connection with those goods.

Forms of order sought

7 The applicant claims that the Court should:

— annul the contested decision;

— order EUIPO to pay the costs.

8 EUIPO and the intervener contend that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

9 In support of its action, the applicant relies on a single plea in law alleging, in essence, infringement of Article 15(2) of Regulation No 207/2009 inasmuch as the Board of Appeal erred in finding that the intervener had, for the purposes of that provision, validly consented to the use of the contested mark by a third party.

10 It must be borne in mind that Article 51(1)(a) of Regulation No 207/2009 provides, in essence, that the rights of the proprietor of an EU trade mark are to be declared to be revoked on application to EUIPO if, within a continuous period of five years, the trade mark has not been put to genuine use in the European Union in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.

11 In that regard, under Article 15(2) of Regulation No 207/2009, use of the trade mark with the consent of the proprietor is to be deemed to constitute use by the proprietor.

12 It must be pointed out at the outset that, in the application, the applicant did not dispute the Board of Appeal's assessment that the contested mark had been put to genuine use in relation to 'compact discs [audio-video]' in Class 9.

13 However, at the hearing, it maintained that the amount of the royalties paid to the intervener in consideration for the use of the contested mark, details of which the intervener had provided before EUIPO, was too low to establish genuine use of the contested mark. That claim, in so far as it seeks to call the Board of Appeal's assessment regarding the genuine use of the contested mark into question for the first time at the hearing, must be rejected as inadmissible. It cannot be held to be an amplification of the plea alleging infringement of Article 15(2) of Regulation No 207/2009 or to be closely connected with that plea.

14 It follows that the Court must rule solely on whether the genuine use of the contested mark in connection with those goods was made with the intervener's consent, within the meaning of Article 15(2) of Regulation No 207/2009.

15 In support of its single plea in law, the applicant puts forward five complaints.

The first complaint, alleging failure to consider Article 15(2) of Regulation No 207/2009

16 The applicant submits that the Board of Appeal erred in citing Article 15(1)(a) of Regulation No 207/2009 in the contested decision, although that provision was not, unlike Article 15(2) of that regulation, relevant for the purposes of ruling on the case before it.

17 According to Article 15(1)(a) of Regulation No 207/2009, proof of genuine use of a trade mark also includes proof of its use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

18 The purpose of that provision, which avoids imposing strict conformity between the form of the trade mark as used and the form in which the mark was registered, is to allow its proprietor, in the commercial exploitation of the sign, to make variations which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned. In accordance with its purpose, the material scope of that provision must be limited to situations in which the sign actually used by the proprietor of a trade mark to identify the goods or services in respect of which the mark was registered constitutes the form in which that same mark is commercially exploited (see judgment of 10 December 2015, *Sony Computer Entertainment Europe* v *OHIM — Marpefa (Vieta)*, T-690/14, not published, EU:T:2015:950, paragraph 31 and the case-law cited).

19 In the present case, it is common ground that the issue of whether there has been any use of the contested mark in a form which differs from that in which it had been registered was not part of the subject matter of the proceedings before the Cancellation Division or the Board of Appeal.

20 Furthermore, the parties agree that the Board of Appeal was called upon to rule, on the basis of Article 15(2) of Regulation No 207/2009, on the question of whether or not the intervener had consented to the use of the contested mark by a third party and that, in citing Article 15(1)(a) of Regulation No 207/2009, the Board of Appeal did not cite the relevant provision for that purpose.

21 However, the fact remains that the Board of Appeal, in paragraphs 38 to 45 of the contested decision, examined whether the intervener had given his consent to the use of the contested mark by a third party. To that end, it interpreted the agreement, on which the applicant had relied and which had been concluded on 8 June 1979 between the intervener and other artists, on the one hand, and a record company, on the other hand ('the agreement of 8 June 1979'), with the aim of establishing whether that agreement showed that the intervener had or had not consented to the use of the name of the music group 'The Specials' by that record company. In that regard, it found that the use of that name by that record company had been made with the intervener's consent.

22 Consequently, it must be held that the Board of Appeal ruled on the question, which had been brought before it, of whether the intervener had consented to the use of the contested mark by a third party and that it applied Article 15(2) of Regulation No 207/2009 for that purpose.

23 It follows that the fact that the Board of Appeal cited Article 15(1)(a) of Regulation No 207/2009 instead of Article 15(2) of that regulation constitutes an error of a purely formal nature which had no influence on the outcome of the Board of Appeal's assessment regarding the question which had been brought before it.

24 The first complaint must therefore be rejected.

The second complaint, alleging infringement of the concept of consent as an autonomous concept of EU law

25 The applicant submits that, by not taking Article 15(2) of Regulation No 207/2009 into consideration for the purposes of assessing whether the intervener had consented to the use of the contested mark by a third party, the Board of Appeal failed to have regard to the fact that the concept of consent to use referred to in that provision had to be interpreted solely in the light of EU law. It maintains that, in that regard, the Board of Appeal erred in relying, for the purposes of rejecting the applicant's arguments, on the absence of decisions of the High Court of Justice (England and Wales) interpreting the relevant provisions of the agreement of 8 June 1979.

26 Furthermore, according to the applicant, the Board of Appeal misinterpreted certain provisions of the agreement of 8 June 1979 by not finding that that agreement constituted the assignment to a third party of all the rights relating to the use of the name of the music group 'The Specials' in relation to the musical recordings made by that group.

27 As regards, in the first place, the applicant's argument that the Board of Appeal did not assess the concept of consent to use solely in the light of EU law, it must be held that that argument is based on the premiss that the Board of Appeal did not take Article 15(2) of Regulation No 207/2009 into consideration for the purposes of assessing whether the intervener had consented to the use of the contested mark by a third party. However, as has been pointed out in paragraph 22 above, the Board of Appeal's assessments regarding that question were made on the basis of Article 15(2) of Regulation No 207/2009.

28 Furthermore, in paragraph 40 of the contested decision, the Board of Appeal observed that, as the agreement of 8 June 1979 is governed by English law, only the High Court of Justice (England and Wales) has jurisdiction to interpret that agreement. It added that the applicant had not provided any decision of that court that could substantiate its allegation that the rights to the name of the music group 'The Specials' had been transferred to a third party.

29 It is apparent from paragraph 40 of the contested decision that the Board of Appeal referred to the absence of any decisions of that court only for the purposes of finding that a claim on the part of the applicant had not been substantiated. It cannot, on the other hand, be deduced from that paragraph, as the applicant does, that the Board of Appeal assessed the issue of the intervener's consent in the light of whether there were any such decisions and not, as it correctly did, in the light of Article 15(2) of Regulation No 207/2009.

30 Consequently, the applicant's argument must be rejected.

31 As regards, in the second place, the applicant's argument alleging a misinterpretation of certain provisions of the agreement of 8 June 1979, it is appropriate to examine that argument with the fourth complaint, by which the applicant complains that the Board of Appeal failed to consider certain provisions of that agreement.

32 The second complaint must therefore be rejected.

The third complaint, alleging reversal of the burden of proving consent to the use of the contested mark by a third party

33 The applicant claims that it is apparent from the Board of Appeal's failure to consider Article 15(2) of Regulation No 207/2009 that the Board of Appeal, in infringement of that provision, reversed the burden of proving consent to the use of the contested mark by a third party. It maintains that the Board of Appeal wrongly blamed the applicant for not having provided judicial decisions that could

substantiate its claims relating to the content of certain provisions of the agreement of 8 June 1979. It takes the view that the Board of Appeal should have requested the intervener to provide any additional evidence of his consent to the use of the contested mark if it was of the opinion that the evidence already provided was insufficient, and not requested the applicant to show the intervener's lack of consent.

34 It must be borne in mind that, in revocation proceedings, it is for the proprietor of a contested mark to furnish proof that he consented to the alleged use of that trade mark by a third party (see judgment of 13 January 2011, *Park* v *OHIM — Bae (PINE TREE)*, T-28/09, not published, EU:T:2011:7, paragraph 60 and the case-law cited).

35 In the present case, as the applicant correctly submits, it was for the intervener to furnish proof that he had consented to the use of the contested mark by a third party.

36 By contrast, the applicant errs in claiming that the Board of Appeal placed on it the burden of proving that there was no such consent.

37 In the first place, on the one hand, it is apparent from paragraph 4 of the contested decision that, in his observations on the application for revocation filed by the applicant, the intervener provided statements of the royalties paid by third parties in consideration for their use of the contested mark. On the other hand, the Board of Appeal pointed out, in paragraphs 42 and 43 of that decision, that the use of the contested mark by a third party had given rise to the payment of royalties to the intervener throughout the period during which use of the contested mark had to be proved, from which the Board of Appeal deduced that there was consent on the part of the intervener to the use of the contested mark by a third party. It follows that it was on the basis of evidence provided by the intervener that the Board of Appeal deduced that that consent existed, in accordance with the case-law referred to in paragraph 34 above.

38 In the second place, as has been pointed out in paragraph 29 above, the Board of Appeal did not examine the issue of the intervener's consent to the use of the contested mark by a third party in the light of whether there were any decisions of the High Court of Justice (England and Wales).

39 The applicant cannot therefore maintain that the Board of Appeal placed on it the burden of proving that there was no consent on the part of the intervener to the use of the contested mark by a third party.

40 It follows that the third complaint must be rejected.

The fourth complaint, alleging failure to consider certain provisions of the agreement of 8 June 1979

41 The applicant complains that the Board of Appeal did not take into consideration certain provisions of the agreement of 8 June 1979, from which it is, in its view, apparent that the intervener had assigned rights related to the activity of the music group 'The Specials', among which were the rights relating to any use of that group's name, including as a trade mark, with the result that he was no longer the proprietor of those rights. It adds that, on account of the assignment of those rights, the evidence provided by the intervener was not, contrary to what the Board of Appeal found, capable of establishing that he had consented to the use of the contested mark by a third party.

42 As regards, in the first place, the argument relating to the alleged assignment of his rights by the intervener under the agreement of 8 June 1979, EUIPO disputes that that argument is admissible. It maintains that, by that argument, the applicant is, in actual fact, claiming that the intervener did not have the right to apply for registration of the contested mark and that he was therefore, for the purposes of Article 52(1)(b) of Regulation No 207/2009, acting in bad faith at the time when he filed

the application for registration of that mark. EUIPO takes the view that, first, that provision is not at issue in proceedings for revocation of an EU trade mark and, secondly, Article 15(2) of Regulation No 207/2009 is concerned with the use of a mark and not with its ownership.

43 It must be borne in mind that, pursuant to Article 52(1)(b) of Regulation No 207/2009, an EU trade mark is to be declared invalid on application to EUIPO or on the basis of a counterclaim in infringement proceedings where the applicant was acting in bad faith when he filed the application for the trade mark.

44 In the present case, the applicant submits that the use of the contested mark was one of the rights which the intervener had, according to the applicant, assigned under the agreement of 8 June 1979 and of which he was consequently no longer the proprietor at the time when the application for registration of that mark was filed.

45 It is true that that argument may be interpreted as implying that the intervener could not file an application for registration of the name of the music group 'The Specials' as an EU trade mark. However, the applicant did not, in the proceedings for revocation of the mark applied for, claim, on the basis of Article 52(1)(b) of Regulation No 207/2009, that the intervener was acting in bad faith at the time when he filed the application for registration of that mark.

46 The applicant merely observes that the intervener could not have consented, for the purposes of Article 15(2) of Regulation No 207/2009, to the use of the contested mark by a third party during the period for which genuine use has to be proved, since he was no longer the proprietor of the rights assigned under the agreement of 8 June 1979. Consequently, EUIPO errs in calling the admissibility of the applicant's argument into question.

47 However, EUIPO is right in disputing the merits of that argument. It must be held that it is irrelevant for the purposes of establishing, in accordance with Article 51(1) of Regulation No 207/2009, whether the contested mark was put to genuine use by the intervener or with the intervener's consent.

48 It must be borne in mind that the rationale for the requirement that a mark must have been put to genuine use in order to be protected under EU law is that EUIPO's register cannot be regarded as a strategic and static depository granting an inactive proprietor a legal monopoly for an unlimited period (judgment of 15 September 2011, *centrotherm Clean Solutions* v *OHIM — Centrotherm Systemtechnik (CENTROTHERM)*, T-427/09, EU:T:2011:480, paragraph 24).

49 In the present case, it must be borne in mind that the intervener obtained the registration of the contested mark on 27 July 2005 and that, as the proprietor of that trade mark, he enjoys, under the first sentence of Article 9(1) of Regulation No 207/2009, exclusive rights in that mark. It is apparent from the provisions of Articles 51 and 55 of Regulation No 207/2009 that an EU trade mark enjoys a presumption of validity (see, by analogy, judgments of 13 September 2013, *Fürstlich Castell'sches Domänenamt* v *OHIM — Castel Frères (CASTEL)*, T-320/10, EU:T:2013:424, paragraph 27, and of 25 November 2015, *Ewald Dörken* v *OHIM — Schürmann (VENT ROLL)*, T-223/14, not published, EU:T:2015:879, paragraph 56).

50 It follows that the applicant cannot usefully rely, in support of its action, which concerns revocation proceedings based on Article 51(1)(a) of Regulation No 207/2009, on the alleged assignment, pursuant to the agreement of 8 June 1979, of the rights in the name of the music group 'The Specials' in order to establish that the contested mark, which was registered on 27 July 2005, has not been put to genuine use by the intervener or with the intervener's consent, for the purposes of Article 15 of Regulation No 207/2009.

51 As regards, in the second place, the argument alleging that the evidence provided by the intervener has no evidential value, it must be borne in mind that it was for the intervener to furnish proof that he had consented to the use of that mark by a third party.

52 Furthermore, it must be pointed out that, in view of the significance of the effect of extinguishing the exclusive right of the proprietor of an EU trade mark to use that mark that consent gives rise to, that consent must be expressed in such a way that an intention to renounce that right is unequivocally demonstrated. Such an intention generally follows from an express giving of consent. However, it is conceivable that consent may, in some cases, be inferred from circumstances and facts prior to, simultaneous with or subsequent to the use of the mark at issue by a third party which also unequivocally demonstrate that the proprietor has renounced his right (see judgment of 13 January 2011, *PINE TREE*, T-28/09, not published, EU:T:2011:7, paragraph 61 and the case-law cited; judgment of 30 January 2015, *Now Wireless* v *OHIM — Starbucks (HK) (now)*, T-278/13, not published, EU:T:2015:57, paragraph 35).

53 In the present case, since the application for revocation was filed by the applicant on 30 October 2012, the period of five years referred to in Article 51(1)(a) of Regulation No 207/2009 ran from 30 October 2007 to 29 October 2012 ('the relevant period'), a fact which the parties do not dispute.

54 For the purposes of proving genuine use of the contested mark during the relevant period, the intervener provided before EUIPO letters which had been sent to him by an accountant detailing the royalties which had been paid to the intervener by third parties which had used the contested mark in the period between 2007 and 2012 and detailed statements in respect of those royalties regarding the same period.

55 The applicant does not dispute the authenticity of those documents. However, it submits that they do not prove to the required legal standard that the intervener consented to the use of the contested mark by the third parties referred to in those documents.

56 That argument must be rejected. According to the case-law, where the proprietor of an EU trade mark maintains that use of that mark by a third party constitutes genuine use of that mark he is, for the purposes of Article 15 of Regulation No 207/2009, claiming implicitly that that use was made with his consent (see judgments of 13 January 2011, *PINE TREE*, T-28/09, not published, EU:T:2011:7, paragraph 62 and the case-law cited, and of 30 January 2015, *now*, T-278/13, not published, EU:T:2015:57, paragraph 36 and the case-law cited). Furthermore, it seem unlikely that the intervener could have had those documents and submitted them as proof of use of the contested mark if that use had taken place against his wishes.

57 It must therefore be held that that evidence constituted a basis which was sound enough for it to be possible to conclude that the contested trade mark had been used with the intervener's consent during the relevant period.

58 Consequently, the Board of Appeal was right, first, in pointing out, in paragraph 42 of the contested decision, that royalties had been paid to the intervener in consideration for the permission given to third parties to use the contested mark and, secondly, in finding, in paragraph 45 of that decision, that that trade mark had been used with the intervener's consent.

59 The fourth complaint must therefore be rejected.

The fifth complaint, alleging that irrelevant considerations were taken into account

60 The applicant alleges that the Board of Appeal assessed whether the intervener had consented to the use of the contested mark by a third party, for the purposes of Article 15(2) of Regulation No 207/2009, by taking into account three considerations, which were not, in its view, relevant for that purpose. It thus submits, first, that no relevance attaches to the Board of Appeal's statement in paragraph 42 of the contested decision, that the rights to a name or trade mark are not usually assigned as part of a recording contract binding an artist and a record company. Secondly, the applicant submits that the statement, set out in paragraph 43 of the contested decision, that the record company with which the intervener had concluded the agreement of 8 June 1979 had not undertaken to claim rights to the contested mark before EUIPO is also irrelevant. Thirdly, it maintains that the fact that the Board of Appeal interprets, in paragraph 44 of the contested decision, the applicant's arguments as seeking to establish bad faith on the part of the intervener at the time when he filed the application for the contested mark, within the meaning of Article 52(1) of Regulation No 207/2009, in effect requires the applicant to file an application for a declaration of invalidity of the contested mark on that basis. It submits that the question of whether there was any bad faith on the part of the intervener is not relevant for the purpose of assessing whether he consented to the use of the contested mark by a third party.

61 As has been pointed out in paragraphs 37 and 54 above, the Board of Appeal deduced that there was consent on the part of the intervener from the evidence which the intervener had provided, in accordance with the case-law referred to in paragraph 34 above, in particular from the letters of an accountant detailing the royalties which had been paid to the intervener in consideration for the use of the contested mark and from detailed statements in respect of those royalties in the course of the relevant period. As is apparent from paragraph 57 above, that evidence was, on its own, sufficient to establish that the intervener had, for the purposes of Article 15(2) of Regulation No 207/2009, consented to the use of the contested mark by a third party.

62 Furthermore, it must be pointed out that the statements of the Board of Appeal which are criticised by the applicant were not, by themselves, intended to establish that there was consent on the part of the intervener, but provided a response to the arguments which the applicant had submitted before the Board of Appeal, as summarised in paragraph 14, first to fifth indents, and paragraph 39 of the contested decision.

63 It follows that the fifth complaint is ineffective and must therefore be rejected.

64 Since none of the complaints put forward by the applicant is well founded, the single plea in law must be rejected and consequently the action must be dismissed in its entirety.

Costs

65 Under Article 134(1) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the forms of order sought by EUIPO and the intervener.

On those grounds,

THE GENERAL COURT (First Chamber)

hereby:

1. Dismisses the action;

2. Orders Windrush Aka LLP to pay the costs.

Pelikánová Valančius Öberg

Delivered in open court in Luxembourg on 22 March 2017.

E. Coulon
Registrar

I. Pelikánová
President