Reports of Cases

JUDGMENT OF THE GENERAL COURT (Tenth Chamber, Extended Composition)

2 June 2021 *

(EU trade mark – Invalidity proceedings – EU figurative mark representing a polo player – Earlier national design – Relative ground for invalidity – Article 52(2)(d) of Regulation (EC) No 40/94 (now Article 60(2)(d) of Regulation (EU) 2017/1001))

In Case T-169/19,

Style & Taste, SL, established in Madrid (Spain), represented by L. Plaza Fernández-Villa, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by S. Palmero Cabezas and H. O'Neill, acting as Agents,

defendant,

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

The Polo/Lauren Company LP, established in New York, New York (United States), represented by M. Garayalde Niño, lawyer,

ACTION brought against the decision of the Fifth Board of Appeal of EUIPO of 7 January 2019 (Case R 1272/2018-5), relating to invalidity proceedings between Style & Taste and The Polo/Lauren Company,

THE GENERAL COURT (Tenth Chamber, Extended Composition),

composed of S. Papasavvas, President, A. Kornezov, E. Buttigieg, K. Kowalik-Bańczyk (Rapporteur) and G. Hesse, Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 19 March 2019,

having regard to the response of EUIPO lodged at the Court Registry on 20 June 2019,

* Language of the case: Spanish.

having regard to the response of the intervener lodged at the Court Registry on 10 June 2019,

having regard to the fact that no request for a hearing was submitted by the parties within three weeks after service of notification of the close of the written part of the procedure, and having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

gives the following

Judgment

Background to the dispute

1 On 29 September 2004, the intervener, The Polo/Lauren Company LP, filed an application for registration of EU trade mark with 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), as amended, itself replaced by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1)).

2 Registration as a mark was sought for the following figurative sign:



3 Registration was sought in respect of goods in Classes 9, 18, 20, 21, 24 and 25 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.

4 The mark was registered on 3 November 2005 under No 4049201.

5 On 23 February 2016, the applicant, Style & Taste, SL, filed an application for a declaration that the contested mark was invalid on the basis of an industrial property right referred to in Article 52(2)(d) of Regulation No 40/94 (now Article 60(2)(d) of Regulation 2017/1001).

6 The application for a declaration of invalidity was based on the Spanish design registered on 4 March 1997 under No D 0024087, reproduced below:

A





B



C

7 By decision of 10 May 2018, the Cancellation Division rejected the application for a declaration of invalidity.

8 On 5 July 2018, the applicant filed a notice of appeal with EUIPO, under Articles 66 to 71 of Regulation 2017/1001, against the decision of the Cancellation Division.

9 By decision of 7 January 2019 ('the contested decision'), the Fifth Board of Appeal of EUIPO dismissed the appeal on the ground that the registration of the earlier design had expired on 22 May 2017.

Forms of order sought

10 The applicant claims, in essence, that the Court should alter the contested decision by declaring the contested mark invalid.

11 EUIPO and the intervener contend that the Court should:

– dismiss the action;

– order the applicant to pay the costs.

Law

12 As a preliminary point, it should be observed that, given the date on which the application for registration was filed, namely 29 September 2004, which is decisive for the purpose of identifying the applicable substantive law, the facts of the case are governed by the substantive provisions of Regulation No 40/94 (see, to that effect, order of 5 October 2004, *Alcon* v *OHIM*, C-192/03 P, EU:C:2004:587, paragraphs 39 and 40, and judgment of 29 January 2020, *Sky and Others*, C-371/18, EU:C:2020:45, paragraph 49). Furthermore, since, in accordance with settled case-law, procedural rules are generally held to apply on the date on which they enter into force (see judgment of 11 December 2012, *Commission* v *Spain*, C-610/10, EU:C:2012:781, paragraph 45 and the case-law cited), the dispute is governed by the procedural provisions of Regulations No 207/2009 and 2017/1001.

Admissibility

13 EUIPO contends primarily that the single head of claim of the applicant is inadmissible. In so far as the Board of Appeal did not take a position on all the conditions for the application of Article 52(2)(d) of Regulation No 40/94, the Court cannot declare the contested mark invalid. EUIPO adds that the Court also may not issue directions asking it to declare the contested mark invalid.

14 In the alternative, EUIPO contends that, in any event, the applicant has no interest in bringing proceedings given the expiry of the registration of the earlier design.

15 In that regard, in the first place, it should be noted that the applicant is not asking the Court to issue directions to EUIPO, but that it alter the contested decision.

16 However, while EUIPO rightly maintains that the admissibility of an application for alteration must be assessed in the light of the powers conferred on the Board of Appeal (see judgment of 18 October 2016, *Raimund Schmitt Verpachtungsgesellschaft* v *EUIPO (Brauwelt)*, T-56/15, EU:T:2016:618, paragraph 12 and the case-law cited), it is sufficient to note that, in the present case, the Board of Appeal was competent to declare the contested mark invalid, in accordance with Article 71(1) and Article 163(1) of Regulation 2017/1001.

17 In addition, it should be observed that, as EUIPO pointed out, the power of the Court to alter decisions does not have the effect of conferring on it the power to substitute its own assessment for that of the Board of Appeal or to carry out an assessment on which the Board of Appeal has not yet adopted a position. Exercise of the power to alter decisions must therefore, in principle, be limited to situations in which the Court, after reviewing the assessment made by the Board of Appeal, is in a position to determine, on the basis of the matters of fact and of law as established, what decision the Board of Appeal was required to take (judgment of 5 July 2011, *Edwin* v *OHIM*, C-263/09 P, EU:C:2011:452, paragraph 72). However, the question whether the conditions for the exercise of the Court's power to alter the contested decision are met in the present case is a question of substance which has no bearing on the admissibility of the action (see, to that effect, judgment of 12 March 2020, *Sumol + Compal Marcas* v *EUIPO – Heretat Mont-Rubi (SUM011)*, T-296/19, not published, EU:T:2020:93, paragraph 22).

18 In the second place, it should be observed that, according to settled case-law, the applicant's interest in bringing proceedings requires that the annulment or alteration of that act must be capable, in itself, of having legal consequences and that the action may therefore, through its outcome, procure an advantage to the party which brought it (see, to that effect, judgment of 17 September 2015, *Mory and Others* v *Commission*, C-33/14 P, EU:C:2015:609, paragraph 55 and the case-law cited). It should be stated that, according to Article 54(2) of Regulation No 40/94 (now Article 62(2) of Regulation 2017/1001), a trade mark which has been declared invalid is to be deemed not to have had, as from the outset, the effects specified in that regulation. It follows that the invalidity of the contested mark, which may be declared only following the annulment or alteration of the contested decision, is capable of having legal consequences such as to procure an advantage to the applicant in respect of the period prior to the expiry of the registration of the earlier design. Consequently, and contrary to what EUIPO essentially claims, neither the fact that the registration of the earlier design has expired nor the fact that the applicant cannot prohibit, by virtue of that design, the use of other trade marks registered after the expiry of the registration of that design deprives the applicant of an interest in having the contested decision annulled or altered.

19 Consequently, the applicant's action must be held to be admissible.

Substance

20 In support of the action, the applicant raises, despite an unclear line of argument, a single plea in law alleging, in essence, that the Board of Appeal incorrectly refused the application for a declaration of invalidity on the ground that the registration of the earlier design had expired on the date of adoption of the contested decision. In that regard, the applicant maintains that Spanish law did not allow it to renew the registration of that design, but that that design had not disappeared as a result of its expiry and that it was sufficient for it to establish, for the purposes of the invalidity proceedings, that that design preceded the contested mark and that a likelihood of confusion was established, in accordance with Spanish law.

21 EUIPO and the intervener dispute the applicant's arguments.

22 Article 52 of Regulation No 40/94 lists the relative grounds for invalidity of an EU trade mark. More specifically, Article 52(2)(d) of Regulation No 40/94 provides that '[an EU] trade mark shall … be declared invalid on application to [EUIPO] or on the basis of a counterclaim in infringement proceedings where the use of such trade mark may be prohibited pursuant to the [EU or] national law governing the protection of any other earlier right and in particular … an industrial property right'.

23 In that regard, it should be observed that the provisions of Regulation No 40/94 must be interpreted in the light of the priority principle, pursuant to which the earlier right takes precedence over later registered trade marks (see, to that effect, judgment of 21 February 2013, *Fédération Cynologique Internationale*, C-561/11, EU:C:2013:91, paragraph 39). Consequently, the enforcement of rights conferred by an EU trade mark should be without prejudice to the rights of proprietors acquired prior to the filing or priority date of that mark.

24 In those circumstances, it should be noted that Article 52(2)(d) of Regulation No 40/94 seeks to protect the individual interests of proprietors of earlier industrial property rights which come into conflict with later EU trade marks. Thus, in order to apply for a declaration of invalidity of such marks under that provision, those proprietors of earlier rights must necessarily establish the existence of a conflict with those marks as from the filing or priority date of those marks.

25 It follows that, in order to apply for a declaration of invalidity of an EU trade mark under Article 52(2)(d) of Regulation No 40/94, the proprietor of the earlier industrial property right referred to by that provision must necessarily establish that that right enables him or her to prohibit the use of that mark on the filing or priority date of that mark.

26 In addition, it should be noted that the use of the present tense in Article 52 of Regulation No 40/94 suggests that EUIPO must verify that the conditions for declaring an EU trade mark invalid under that provision are fulfilled on the date on which it decides on the application for a declaration of invalidity. Article 52(1) of that regulation thus provides that an EU trade mark may be declared invalid where 'there is' an earlier right referred to by that provision and where the conditions 'are fulfilled', as EUIPO also rightly notes in its guidelines relating to Article 60(1)(c) of Regulation 2017/1001. Similarly, Article 52(2) of Regulation No 40/94 provides that such a mark may be declared invalid if its use 'may be prohibited'. Moreover, it should also be stated that Rule 37(b)(iii) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1) provides that, in the context of an application for a declaration of invalidity pursuant to Article 52(2) of Regulation No 40/94, the applicant for a declaration of invalidity must establish that he or she 'is the proprietor' of one of the rights referred to by that provision or that he or she 'is entitled' to lay claim to that right.

27 Moreover, it is apparent from the scheme of the other provisions of Regulation No 40/94 relating to relative grounds for invalidity that an application for a declaration of invalidity must be rejected where it is established with certainty that the conflict with the earlier EU trade mark has ceased at the end of the invalidity proceedings.

28 In that regard, for example, it follows from Article 56(2) of Regulation No 40/94 that, at the request of the proprietor of an EU trade mark, the application for a declaration of invalidity of that mark must be rejected if the earlier EU trade mark relied on in support of that application has not been put to genuine use within five years preceding the date of that application and is,

accordingly, capable of being revoked under Article 50(1)(a) of Regulation No 40/94. Thus, Article 56(2) of Regulation No 40/94 enables the proprietor of an EU trade mark to prevent his or her trade mark's being declared invalid if the applicant for a declaration of invalidity is unable to prove that the conflict with the earlier EU trade mark will persist at the end of the invalidity proceedings.

29 It follows that the fact that an EU trade mark relied on in support of an application for a declaration of invalidity no longer enjoys Union protection on the date on which EUIPO decides on that application must lead to the rejection of that application.

30 In those circumstances, it must be held that, in the context of the application of Article 52(2)(d) of Regulation No 40/94, the proprietor of an earlier industrial property right referred to by that provision must establish that he or she may prohibit the use of the EU trade mark at issue, not only on the filing or priority date of that mark, as was noted in paragraph 24 above, but also on the date on which EUIPO decides on the application for a declaration of invalidity.

31 In the present case, on the one hand, it is not disputed that the registration of the earlier design expired in 2017, that is to say, before the adoption of the contested decision on 7 January 2019. On the other hand, the applicant maintains that Spanish law did not allow it to renew the registration of that design, but that that design had not disappeared because of its expiry. However, it neither claims nor, a fortiori, demonstrates that, in accordance with Spanish law, it is possible to prohibit the use of an EU trade mark by virtue of such a design after its registration has expired. On the contrary, it acknowledges that the earlier design has, as a result of its expiry, fallen into the public domain and that it may, consequently, be used by 'all Spaniards'.

32 Consequently, it must be held that the use of the contested mark could no longer be prohibited by virtue of the earlier design at the date of the contested decision. It follows that the Board of Appeal was right to reject the application for a declaration of invalidity submitted by the applicant.

33 It follows from the foregoing that the applicant's single plea in law must be rejected, with the result that the action must be dismissed in its entirety.

Costs

34 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 incurred by EUIPO and by the intervener, in accordance with the forms of order sought by those parties.

On those grounds,

THE GENERAL COURT (Tenth Chamber, Extended Composition)

hereby:

1. Dismisses the action;

2. Orders Style & Taste, SL, to pay the costs.

Papasavvas Kornezov Buttigieg

Kowalik-Bańczyk Hesse

Delivered in open court in Luxembourg on 2 June 2021.

[Signatures]