# JUDGMENT OF THE GENERAL COURT (Eighth Chamber)

13 April 2011 *

In Case T-262/09,

**Safariland LLC,** formerly Defense Technology Corporation of America, established in Jacksonville, Florida (United States), represented by R. Kunze and G. Würtenberger, lawyers,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM),** represented by D. Botis, acting as Agent,

defendant,

* Language of the case: English.

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

**DEF-TEC Defense Technology GmbH,** established in Frankfurt am Main (Germany), represented initially by H. Daniel and O. Haleen, and subsequently by O. Haleen, lawyers,

intervener,

ACTION against the decision of the Fourth Board of Appeal of OHIM of 4 May 2009 (Case R 493/2002-4 (II)), relating to opposition proceedings between Defense Technology Corporation of America and DEF-TEC Defense Technology GmbH,

THE GENERAL COURT (Eighth Chamber),

composed of M.E. Martins Ribeiro, President, S. Papasavvas (Rapporteur) and A. Dittrich, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Court Registry on 6 July 2009,

having regard to the response of OHIM lodged at the Court Registry on 13 October 2009,

having regard to the response of the intervener lodged at the Court Registry on 10 November 2009,

further to the hearing on 22 September 2010,

gives the following

## Judgment

### Background to the dispute

1 On 19 May 1995, the intervener — DEF-TEC Defense Technology GmbH ('DEF-TEC') — concluded a distribution agreement with Defense Technology Corporation of America, a company governed by the law of the State of Wyoming (United States of America) ('the Wyoming company'), according to which DEF-TEC undertook, inter alia, to transfer 50% of its shares to a natural or legal person owned and appointed by the Wyoming company and to distribute the latter's goods, such as defence sprays,

in Europe, in exchange for a commission of 10% on all sales and a line of credit ('the agreement of 19 May 1995').

2 On 1 June 1996, the President of the Wyoming company declared, in the name of that company, that, as regards the word and figurative marks FIRST DEFENSE and FIRST DEFENSE AEROSOL PEPPER PROJECTOR, it expressly waived all the rights it held in respect of European territory and consented to the registration of those marks in Europe, as envisaged by DEF-TEC.

3 On 23 August 1996, the applicant — Safariland LLC ('Safariland'), formerly named Defense Technology Corporation of America — purchased the assets of the Wyoming company. That transaction covered the trade name Defense Technology Corporation of America, the marks registered in the United States held by the Wyoming company and the defence spray product range.

4 Until June 1997, DEF-TEC received FIRST DEFENSE defence sprays from Safariland and distributed them in Europe under its own name. The relationship between Safariland and DEF-TEC terminated in 1997, in the summer or at the beginning of the autumn.

5 On 16 September 1997, DEF-TEC filed an application for registration of a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) 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 Community trade mark (OJ 2009 L 78, p. 1)).

6 Registration as a mark was sought for the figurative mark FIRST DEFENSE AEROSOL PEPPER PROJECTOR ('the disputed mark'), reproduced below:




7 The goods in respect of which registration was sought are in Classes 5, 8 and 13 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 correspond to the following descriptions for each of those classes:

— Class 5: 'Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides'

— Class 8: 'Hand tools and implements (hand-operated); cutlery; side arms; razors'

— Class 13: 'Ammunition, projectiles, disabling sprays (chemical irritants), other objects for attack or defence'.

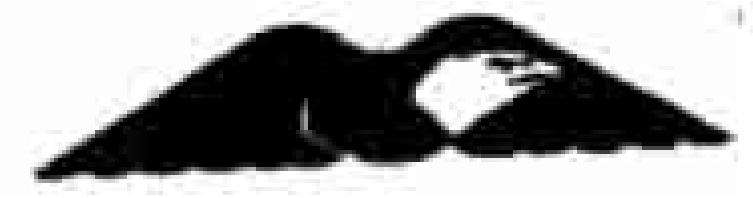
8 The application for the Community trade mark was published in *Community Trade Marks Bulletin* No 93/1998 of 7 December 1998.

9 On 8 March 1999, Safariland filed a notice of opposition pursuant to Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009) to registration of the disputed mark in respect of the goods referred to in paragraph 7 above.

10 Safariland based its opposition on, inter alia, Article 8(3) of Regulation No 40/94 (now Article 8(3) of Regulation No 207/2009), on the view that DEF-TEC was its agent for the purposes of that provision and that DEF-TEC had applied, without Safariland's consent, for the registration of a sign that is very similar to the following trade marks registered in the United States:

— the word mark FIRST DEFENSE, registered under the number 1763666, for a 'non-explosive defensive weapon in the nature of an organic irritant gas packaged in an aerosol container', in Class 13;

— the figurative mark representing an eagle in flight, registered under the number 1885967, for a 'non-explosive defensive weapon in the nature of an organic irritant packaged in a pressurized spray canister', in Class 13, reproduced below:



— the figurative mark featuring the words 'def-tec products' which appear within a triangular device, registered under the number 1792165, for a series of goods in Class 13, as reproduced below:



11 By decision of 21 March 2002, the Opposition Division partially allowed the opposition in so far as it was based on Article 8(3) of Regulation No 40/94 and in so far as it related to the 'side arms' in Class 8 and the 'ammunition, projectiles, disabling sprays (chemical irritants), other objects for attack or defence' in Class 13.

12 On 21 May 2002, DEF-TEC lodged an appeal with OHIM, pursuant to Articles 57 to 62 of Regulation No 40/94 (now Articles 58 to 64 of Regulation No 207/2009), against the decision of the Opposition Division.

13 By decision of 8 November 2004 ('the decision of 2004'), the Second Board of Appeal of OHIM dismissed the appeal and ordered DEF-TEC to pay the costs.

14 By application lodged at the Registry of the Court of First Instance (now 'the General Court') on 12 January 2005, DEF-TEC brought an action against the decision of 2004. That action was registered as Case T-6/05.

15 By judgment of 6 September 2006 in Case T-6/05 *DEF-TEC Defense Technology* v *OHIM - Defense Technology (FIRST DEFENSE AEROSOL PEPPER PROJECTOR)* [2006] ECR II-2671 ('the General Court's judgment'), the General Court annulled the decision of 2004.

16 In paragraph 39 of the General Court's judgment, it was held that 'since [DEF-TEC had] not challenge[d] before the Court its position as agent of the trade mark proprietor, it [had to] be determined whether [DEF-TEC had] obtained the trade mark proprietor's consent to make the application for registration it contemplated'.

17 In paragraph 46 of the General Court's judgment, it was pointed out that '[DEF-TEC] and the Wyoming [company] were engaged in real and genuine commercial relations when the declaration of 1 June 1996 was adopted, a fact which may explain why the previous proprietor decided to grant that consent for no financial consideration'. The General Court added that, '[i]n any event, the fact that such an agreement may be atypical cannot, in itself, affect the validity of the consent effectively given, as inferred by the Board of Appeal'.

18 In paragraph 48 of the General Court's judgment, it was held that the declaration of 1 June 1996 contained consent which was clear, specific and unconditional. Nevertheless, since a change of trade mark proprietor had taken place between the day on which that consent was given and the day on which the application for registration of the mark was filed, the General Court found that it was necessary to ascertain whether the consent was valid and whether DEF-TEC could rely on it.

19 Furthermore, the General Court pointed out, in paragraph 49 of its judgment, that 'since the Board of Appeal wrongly took the view that the declaration of 1 June 1996 did not contain clear, specific and unconditional consent authorising [DEF-TEC] to file the application for registration of the mark in question, it did not consider whether that consent had survived the purchase of the assets of the Wyoming [company]'. The General Court stated that, '[t]he answer to that question is largely dependent on the law which should be applied to the legal and commercial relations between the parties [to the agreement of 19 May 1995], but since it was not examined during the proceedings before OHIM, the Court cannot not rule on that point'.

20 Lastly, the General Court found, in paragraph 50 of its judgment, that '[t]he Board of Appeal ought, in the light of the law applicable to the legal and commercial relations between the parties [to the agreement of 19 May 1995], to have determined whether and, if necessary, to what extent those relations had in fact survived the purchase of the assets of the Wyoming [company], so that [Safariland] assumed the rights and, possibly, the obligations of the previous proprietor of the mark'. The General Court

came to the conclusion that '[i]n that context, it was a matter for the Board to determine, in particular, whether the consent obtained by [DEF-TEC] on 1 June 1996 had survived the purchase of the assets of the Wyoming [company]' and that, '[i]f so, it ought to have examined whether, on the day of the application for registration of the mark, [Safariland] was still bound by that consent'. Lastly, the General Court found that, '[i]f [Safariland] was no longer bound by that consent, the Board of Appeal ought then to have determined whether [DEF-TEC] had a valid justification which could offset the lack of such consent'.

21 Consequently, the General Court annulled the decision of 2004 inasmuch as the Board of Appeal had failed to have regard to the validity of the consent of 1 June 1996.

22 By decision of 16 February 2007, the Presidium of the Boards of Appeal of OHIM reallocated the case to the Fourth Board of Appeal. The case was assigned the reference number R 0493/2002-4.

23 By decision of 4 May 2009 ('the contested decision'), the Fourth Board of Appeal of OHIM annulled the decision of the Opposition Division of 21 March 2002, rejected the opposition and ordered Safariland to pay the costs.

24 In essence, in the first place, the Board of Appeal found, as regards the marks at issue, that the disputed mark was highly similar to two of the three marks registered in the United States — No 1885967 and No 1763666 ('the earlier marks') — in so far as it incorporated the distinctive elements of those marks, namely the eagle device and the words 'first defense'. Furthermore, the Board of Appeal found that some of the goods in respect of which the opposition was upheld — the 'disabling sprays (chemical irritants)' and the 'other objects for attack or defence' — were covered by the earlier

marks. On the other hand, it found that the goods which constituted 'side arms and ammunition', which were not covered by the earlier marks, were not comparable in nature to the goods which were the subject of the agreement of 19 May 1995, namely pepper sprays: whereas a pepper spray is used to repel aggressors, but not to cause them further physical harm, DEF-TEC's goods, which constitute 'side arms, ammunition and projectiles', are either weapons or goods for use in firearms.

25 The Board of Appeal found that the Opposition Division had not stated in its decision the reasons why it was possible, on the basis of the earlier marks, to reject the application for registration of a Community trade mark filed by DEF-TEC in respect of the goods 'side arms, ammunition, projectiles'. Furthermore, after pointing out that the protection conferred by Article 8(3) of Regulation No 207/2009 did not extend only to goods and services which are identical to those of the proprietor of the earlier mark relied on, but also to goods and services which are closely related or equivalent in economic terms, the Board of Appeal concluded that, in this case, since the proprietor of the earlier marks had obviously not engaged in commercial activity involving them, the goods — such as the side arms and ammunition — were not covered by that provision.

26 In the second place, as regards the existence of an agent-principal relationship for the purposes of Article 8(3) of Regulation No 207/2009, the Board of Appeal considered itself bound only by the categorisation, in the General Court's judgment, of the relationship between the Wyoming company and DEF-TEC deriving from the agreement of 19 May 1995, which was said to be an 'agent-principal relationship' for the purposes of that provision. On the other hand, it did not regard as binding the General Court's findings concerning the further consequences of that relationship, that is to say, after Safariland had purchased the Wyoming company's assets.

27 According to the Board of Appeal, the ground for opposition relating to Article 8(3) of Regulation No 207/209 had to be rejected in so far as there was no agent-principal relationship between Safariland and DEF-TEC other than the *de facto* continuation of the previous business relationship between DEF-TEC and the Wyoming company. Given that the consent given to DEF-TEC had never been revoked, the question of whether it could be relied upon against Safariland was irrelevant. Furthermore, like the agent-principal relationship between the Wyoming company and DEF-TEC, the consent obtained in the course of that relationship continued to produce effects after the relationship had ceased to exist. The Board of Appeal found that the rights under Article 8(3) of Regulation No 207/2009 stem from a particularly close relationship between the parties in question and not from the fact that the trade mark rights belong to the proprietor. Consequently, Safariland cannot, in disregard of a consent which was never revoked, rely on that provision on the basis of its capacity as the successor-in-title to the earlier marks, since the transfer of those marks could not have conferred on it more rights than their former proprietor possessed.

28 According to the Board of Appeal, Safariland could have relied on Article 8(3) of Regulation No 207/2009 only if it had itself become DEF-TEC's principal. Safariland does not submit that there was any contractual relationship between the parties to the opposition proceedings and such a relationship cannot be inferred from the fact that Safariland continued to behave as if no transfer of assets had taken place. In order to establish that there was a new agent-principal relationship, Safariland would have to show that DEF-TEC was aware that it was now doing business with another company.

29 The Board of Appeal found that, even if DEF-TEC could be regarded as Safariland's agent, its actions would be justified, since the conduct of Safariland — which consistently acted as if there had been no transfer and neither concluded a new business agreement with the other party nor formally revoked its predecessor's consent — gave

DEF-TEC sufficient reasons to believe that it was entitled to file the trade mark in its own name.

30 Having found that the opposition could not be upheld on the basis of Article 8(3) of Regulation No 207/2009, the sole basis relied upon by Safariland, the Board of Appeal examined all the earlier rights and grounds for opposition validly invoked by Safariland, namely those relating to widely known marks under Article 8(4) of Regulation No 207/2009. It found that they had to be rejected and that the opposition had to be rejected in its entirety.

**Forms of order sought**

31 Safariland claims that the General Court should:

— annul the contested decision;

— order OHIM to pay the costs.

32 OHIM and DEF-TEC contend that the General Court should:

— dismiss the action;

— order Safariland to pay the costs.

33 At the hearing, Safariland added a further claim to the effect that DEF-TEC should be ordered to pay the costs in the same way as OHIM.

**Law**

34 In support of the action, Safariland relies on three pleas in law: (i) breach of Article 8(3) of Regulation No 207/2009; (ii) breach of Article 65(6) of Regulation No 207/2009; and (iii) breach of Articles 63(2), 75 and 76 of Regulation No 207/2009.

35 It is appropriate first to examine the second plea; then the first plea; and, lastly, the third plea.

1. *The second plea: breach of Article 65(6) of Regulation No 207/2009*

*Arguments of the parties*

36 Safariland submits that the Board of Appeal breached Article 65(6) of Regulation No 207/2009 in so far as it failed to comply with the operative part of the General Court's judgment and, in consequence, disregarded the implications of that judgment. It claims that, under Article 65(6) of Regulation No 207/2009, the Board of Appeal was required to draw the appropriate inferences from the operative part of the General Court's judgment and the grounds on which it was based, without amending or varying that content. According to Safariland, if the Board of Appeal had correctly applied the content of the General Court's judgment and the 'guidance' given and if, moreover, it had dealt with the issues raised, it would have had to issue a decision in favour of Safariland.

37 Safariland argues that the fact that the General Court expressly stated that the Board of Appeal should determine, in particular, whether the consent obtained on 1 June 1996 had survived the purchase of the Wyoming company's assets ought to have led the Board of Appeal to ask the parties to the opposition proceedings to express their views with respect to the issues expressly addressed in the General Court's judgment. By failing to deal with the issues raised by the General Court in detail and, moreover, by disregarding the existence of an agent-principal relationship, the Board of Appeal contravened the principle of sound administration and exceeded the powers conferred on it by the relevant provisions of Regulation No 207/2009.

38 OHIM disputes Safariland's arguments.

*Findings of the Court*

39 Under Article 65(6) of Regulation No 207/2009, OHIM is required to take the measures necessary to comply with a judgment delivered by one of the Courts of the European Union.

40 It is settled law that a judgment annulling a measure takes effect *ex tunc* and thus has the effect of retroactively eliminating the annulled measure from the legal system (see Case T-402/07 *Kaul* v *OHIM - Bayer (ARCOL)* [2009] ECR II-737, paragraph 21 and the case-law cited).

41 According to the same line of authority, in order to comply with a judgment annulling a measure and to implement it fully, the institution responsible for adopting that measure is required to have regard not only to the operative part of the judgment but also to the grounds constituting its essential basis, in so far as they are necessary for the purposes of determining the exact meaning of what is stated in the operative part. It is those grounds which, on the one hand, identify the precise provision held to be illegal and, on the other, indicate the specific reasons which underlie the finding of illegality contained in the operative part and which the institution concerned must take into account when replacing the annulled measure (see *ARCOL*, paragraph 22 and the case-law cited).

42 In the present case, following annulment of the decision of 2004, the appeal brought by DEF-TEC before the Board of Appeal again became pending. In order to comply with its obligation under Article 65(6) of Regulation No 207/2009 to take the measures necessary to comply with the General Court's judgment, OHIM had to ensure that the appeal led to a new decision of a Board of Appeal. That was indeed what occurred, because the case was reallocated to the Fourth Board of Appeal, which adopted the contested decision (see, to that effect, *ARCOL*, paragraph 23).

43 Safariland does not contest the lawfulness of the reallocation of the case to the Fourth Board of Appeal. It argues, however, that the Board of Appeal should have established, in particular, whether the consent obtained on 1 June 1996 had outlasted the purchase of the Wyoming company's assets.

44 It should be pointed out that, in the present case, the General Court did not, in its judgment, give a ruling as to whether an agent-principal relationship existed between the parties to the opposition proceedings, justifying the application of Article 8(3) of Regulation No 207/2009. As was pointed out in paragraph 16 above, the General Court found that, in the absence of a challenge on the part of DEF-TEC to its position as agent for the trade mark proprietor, the relevant issue was to determine whether DEF-TEC had obtained the trade mark proprietor's consent for DEF-TEC to make the application for registration as contemplated.

45 The fact remains that — as OHIM maintains — the issue before the General Court did not relate to the existence of an agent-principal relationship between the parties to the opposition proceedings, but to the existence of consent for the purposes of Article 8(3) of Regulation No 207/2009. As a consequence, the General Court could not, of it own motion, examine the first of the conditions for the application of that provision.

46 Accordingly, it cannot be accepted — as Safariland submits — that, since the parties to the opposition proceedings did not challenge the existence of an agent-principal relationship between them, the General Court assumed that that relationship existed, in which case that interpretation would have been binding on the Board of Appeal, which would therefore have been in breach of Article 65(6) of Regulation No 207/2009 for not applying Article 8(3) of that regulation.

47 Even though, in the General Court's judgment, that Court confirmed, in paragraph 48, that clear, specific and unconditional consent existed 'on that date', that had no bearing on the categorisation of the relationship between the parties to the opposition proceedings. As OHIM has submitted, the consent in question was given by the Wyoming company as principal to its agent on 1 June 1996, in the context of their business relationship, which was established by a distribution agreement. It is in the context of that relationship that the General Court held that there was clear, specific and unconditional consent for the purposes of Article 8(3) of Regulation No 207/2009.

48 Although it is indisputable that Article 8(3) of Regulation No 207/2009 was applicable to that relationship, the same is not true of the relationship existing between the parties to the opposition proceedings. The fact that the existence of that consent has been established does not confer any right on Safariland and does not enable it automatically to invoke to its advantage an agent-principal relationship for the purposes of Article 8(3) of Regulation No 207/2009. In that regard, it should be borne in mind that the General Court adopted a position on the existence of consent only as a condition for the application of Article 8(3) of Regulation No 207/2009. In order to determine whether Safariland was bound by that consent, of which it is not the author and which was obtained in the context of a contractual relationship to which it was not a party, it was first necessary to determine whether the contractual relationship between the parties to the agreement of 19 May 1995 had been transferred to Safariland through the transfer of assets, a question which was governed, however, by the law applicable to the contract for transfer of the assets.

49 It follows from the foregoing that the Board of Appeal was under a duty to examine all the conditions required under Article 8(3) of Regulation No 207/2009, including the condition relating to the existence of an agent-principal relationship, upon which the condition of consent was necessarily predicated, in the light of the new relationship binding the new proprietor of the marks and DEF-TEC (see, to that effect, *ARCOL*, paragraph 38). Consequently, and contrary to the assertions made by Safariland, the Board of Appeal took the measures necessary to comply with the General Court's judgment.

50 It follows from the foregoing that the Board of Appeal did not breach Article 65(6) of Regulation No 207/2009 by examining the existence of an agent-principal relationship.

51 The second plea must therefore be rejected.

2. *The first plea: breach of Article 8(3) of Regulation No 207/2009*

Arguments of the parties

52 Safariland submits, in essence, that the Board of Appeal breached Article 8(3) of Regulation No 207/2009 in so far as it did not accept that that provision conferred on Safariland the right to oppose the registration of the Community trade mark by DEF-TEC in its own name.

53 As regards, first, the goods covered by Article 8(3) of Regulation No 207/2009, Safariland submits that 'side arms, ammunition and projectiles' are similar to the goods designated by the earlier marks, in view of their nature (given that those goods are linked to personal security), but also in view of their purpose and distribution channels.

54 As regards, secondly, the consent required for the purposes of Article 8(3) of Regulation No 207/2009, Safariland submits that the Board of Appeal erred in refusing to concede that the consent of the previous trade mark proprietor — the Wyoming

company — did not survive the transfer of its assets in such a way as to be able to bind Safariland. Safariland maintains that, in the absence of any consent or indication of the existence of a right *in rem* pertaining to the trade marks, it acquired the trade marks with the status reflected by the register and the contract for the transfer of the assets. Accordingly, Safariland does not consider itself to be bound by the consent of the previous proprietor of those marks, since the application for registration was not filed until after the marks had been transferred to it. Moreover, Safariland submits that, in any event, the declaration of 1 June 1996 by the President of the Wyoming company merely contained a waiver of the proprietor's right to oppose the filing by its agent of the Community trade mark in a particular territory and had only *inter partes* effect in respect of the contract for the transfer of the assets.

55 Furthermore, Safariland states that, as it was not a successor in title to the Wyoming company, which continued to exist, it was merely a third party in relation to that company, since it had purchased some of its assets, including the earlier marks. DEF-TEC has not, moreover, submitted evidence showing that it had obtained Safariland's consent for the registration of the disputed mark and, without that consent, it has no justification for registering that mark.

56 Lastly, Safariland submits that, even if consent had been given, its effects would have been limited to the duration of the agent-principal relationship, after which the consent would have been revoked, tacitly, at the same time as the agent-principal relationship, in accordance with the legal principle *rebus sic stantibus* (frustration of contract). Safariland submits that, given the fact that Safariland had filed an opposition to the application for registration of the Community trade mark, the Board of Appeal made a manifest error of assessment in finding that DEF-TEC had never received any indication that the proprietor of the mark did not consent to the filing of the trade mark.

57 OHIM and DEF-TEC dispute Safariland's arguments.

*Findings of the Court*

58 It should be observed at the outset that, even though the Board of Appeal rejected the opposition on all the grounds relied on by Safariland in the present case, Safariland challenges the contested decision only as regards the interpretation of Article 8(3) of Regulation No 207/2009.

59 The contested decision has, consequently, become final in so far as, by that decision, the Board of Appeal rejected the ground of opposition relating to breach of Article 8(4) of Regulation No 207/2009 in respect of the widely known marks and unregistered rights in the signs FIRST DEFENSE AND DESIGN and FIRST DEFENSE, and in respect of the trade name FIRST DEFENSE.

60 It should next be noted that, under Article 8(3) of Regulation No 207/2009, a trade mark must not be registered where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's consent, unless the agent or representative justifies his action.

61 It is apparent from the wording of that provision that, for an opposition to succeed on that basis, it is necessary, first, for the opposing party to be the proprietor of the earlier mark; secondly, for the applicant for the mark to be or to have been the agent or representative of the proprietor of the mark; thirdly, for the application to have been filed in the name of the agent or representative without the proprietor's consent and without there being legitimate reasons to justify the agent's or representative's action; and, fourthly, for the application to relate in essence to identical or similar signs and goods. Those conditions are cumulative.

62 It is therefore necessary to determine whether the conditions required by Article 8(3) of Regulation No 207/2009 are satisfied in the present case.

The first condition: proprietorship of the earlier marks

63 In that regard, it should be pointed out that, through the purchase of the Wyoming company's assets, Safariland acquired the American marks, which include the mark in respect of which registration has been applied for. Safariland is therefore the proprietor of the earlier marks for the purposes of Article 8(3) of Regulation No 207/2009 — a point, moreover, which DEF-TEC does not dispute.

The second condition: the existence of an agent-principal relationship

64 As regards the terms 'agent' and 'representative' as used in Article 8(3) of Regulation No 207/2009, it must be found that — as is stated in the OHIM Opposition Guidelines — in cases where agents of the trade mark proprietor have filed an application without consent, those terms must be interpreted broadly, so as to cover all kinds of relationships based on a contractual arrangement under which one party is representing the interests of the other, regardless of how the contractual relationship between the proprietor or principal, on the one hand, and the applicant for the Community trade mark, on the other, is categorised. According to those guidelines, it is sufficient for the purposes of Article 8(3) of Regulation No 207/2009 that there be some agreement of commercial co-operation between the parties of a kind that gives

rise to a fiduciary relationship by imposing on the trade mark applicant — whether expressly or implicitly — a general duty of trust and loyalty as regards the interests of the trade mark proprietor. Nevertheless, some kind of agreement has to exist between the parties. If the applicant acts completely independently, without having entered into any kind of relationship with the proprietor, he cannot be treated as an agent for the purposes of Article 8(3) of Regulation No 207/2009. Thus, a mere purchaser or client of the proprietor cannot be regarded as an 'agent' or as a 'representative' for the purposes of that provision, since such persons are under no special obligation of trust to the trade mark proprietor.

65 As regards the cessation of the contractual relationship at the time when the application for the trade mark is filed, it must be found that — as is also apparent from the abovementioned guidelines — it is not necessary for the agreement between the parties still to be in force at the time when the application for the trade mark is filed and that Article 8(3) of Regulation No 207/2009 also applies to agreements which have expired before the filing date of the Community trade mark application, provided that sufficient time has elapsed for there to be good reason to assume that the obligation of trust and confidentiality was still present when the Community trade mark application was filed. That liberal interpretation of Article 8(3) of Regulation No 207/2009 is intended to protect the trade mark proprietor even after the cessation of the contractual relationship from which an obligation of trust derived.

66 In the present case, although Safariland appears, in the application initiating proceedings, to dispute the finding of the Board of Appeal that there was no agent-principal relationship between the parties to the opposition proceedings, for the purposes of Article 8(3) of Regulation No 207/2009, the fact remains that Safariland does not put forward any argument to substantiate its position in that regard. It merely argues that, in paragraph 39 of the General Court's judgment, it was 'quite correctly held … that there was an agent-principal relationship and that this was not subject to dispute by the parties'. Such an argument cannot succeed, however, in the light of the considerations set out in paragraphs 45 and 46 above.

67 In that regard, it should be pointed out that, as the Board of Appeal rightly found in paragraph 41 of the contested decision, the burden of proof regarding the existence of an agent-principal relationship lay with Safariland. It is important to note that Safariland did not, in the course of the opposition proceedings, furnish any evidence showing the existence of such a relationship. Although, admittedly, Safariland provided invoices and order forms addressed to itself, on the basis of which the existence of a business agreement between the parties to the opposition proceedings could, in other circumstances, be assumed, that evidence does not show that DEF-TEC acted on behalf of Safariland, but merely that there was a seller-customer relationship which could have been established without a prior agreement between them. Such a relationship is not sufficient for Article 8(3) of Regulation No 207/2009 to be applicable.

68 By the same token, the sworn statement signed by the General Manager of the Defense Technology Corporation of America, produced by Safariland in the course of the opposition proceedings and according to which that corporation is identical with the Wyoming company, cannot constitute proof of the nature of the relationship binding the parties to the opposition proceedings. The fact that Safariland carries on the activities of the Wyoming company under the same name results merely from the transfer of assets, which entailed the acquisition of the transferor's trade names. The fact that that creates the impression that it is the same company is not sufficient to prove that a business relationship actually exists between Safariland and DEF-TEC which is comparable with the kind of relationship which links a principal and its agent.

69 It must therefore be held that, as the Board of Appeal found in paragraph 45 of the contested decision, that evidence did not show that there was an agent-principal relationship for the purposes of Article 8(3) of Regulation No 207/2009. Furthermore, during the opposition proceedings, Safariland did not in any way submit that a new agreement had been concluded with DEF-TEC.

70 In the absence of evidence showing that a business agreement of the kind which links a principal and its agent had been concluded between the parties to the opposition proceedings, and given that there was no proof that DEF-TEC had acted on behalf of Safariland and not independently, the Board of Appeal was right to find that no such relationship existed and that, consequently, Article 8(3) of Regulation No 207/2009 was not applicable.

71 Even if the consent obtained by DEF-TEC had expired at the time when the agent-principal relationship which was the *raison d'être* for that consent ceased to exist, that would not affect the legality of the contested decision and, in particular, the fact that Article 8(3) of Regulation No 207/2009 cannot be relied on by Safariland, in view of the fact that there was no agent-principal relationship between Safariland and DEF-TEC for the purposes of that provision.

72 As regards the question of the transfer to Safariland of the contractual relationship between the parties to the agreement of 19 May 1995, it should be borne in mind that a contract for the transfer of assets entails the transfer to the purchaser of the rights and obligations of the entity transferred. In the present case, it emerges from the contract for the transfer of assets that the earlier marks of which Safariland became the proprietor were among those rights. The contract does not mention the existence of the distribution contract with DEF-TEC or the existence of rights in the marks. As the Board of Appeal found in paragraph 35 of the contested decision, 'the opponent did not suggest that the situation as regards the business in Europe or the rights to file trade mark applications were expressly dealt with in the asset purchase agreement'. In that regard, as was correctly pointed out in paragraph 53 of the contested decision, 'any rights and interests beyond [those of the proprietor of a trade mark] would not arise out of the transfer of rights from the (previous) principal to a third person, but from the nature of the relationship [DEF-TEC] had with the US company from which it obtained the product it sold in Europe'.

73 It follows that, since Safariland has not furnished proof that there was an agreement with DEF-TEC of the kind which links a principal and its agent, Safariland cannot enjoy the protection conferred by Article 8(3) of Regulation No 207/2009 and oppose the registration of the disputed mark on that basis simply by virtue of its status as proprietor of the earlier marks.

74 In view of the foregoing, it must be held that the Board of Appeal was right to find that the condition required by Article 8(3) of Regulation No 207/2009, relating to the existence of an agent-principal relationship, was not satisfied, with the result that that provision was not applicable. The first plea must therefore be rejected without it being necessary to examine the arguments put forward by Safariland regarding the other conditions, including the arguments relating to the similarity of the goods covered by the marks at issue.

3. *The third plea: infringement of the right to be heard and breach of Articles 63(2), 75 and 76 of Regulation No 207/2009*

*Arguments of the parties*

75 Safariland submits that the Board of Appeal breached Article 63(2) of Regulation No 207/2009 in so far as it did not invite the parties to the opposition proceedings to submit their observations following the reopening of the proceedings as a result of the annulment of the decision of 2004 by the General Court's judgment. Safariland further submits that the Board of Appeal disregarded its right to be heard and the rights of the defence, protection of which is guaranteed by Article 75 of Regulation No 207/2009, first, because the Board of Appeal did not give Safariland the

opportunity to comment on the General Court's judgment before it issued a new decision and, secondly, because the Board of Appeal did not examine the arguments and evidence in their entirety.

76 OHIM disputes Safariland's arguments.

*Findings of the Court*

77 This plea is divided into three parts, the first relating to breach of Article 63(2) of Regulation No 207/2009, the second to breach of Article 75 of that regulation and the third to breach of Article 76 of that regulation.

The first and second parts of the third plea

78 As regards the first two parts of this plea, which it is appropriate to examine together, it should be pointed out that Safariland is claiming, in essence, that the Board of Appeal infringed its rights of defence and its right to be heard by not gathering the observations of the parties to the opposition proceedings on the General Court's judgment before issuing the contested decision. The argument put forward by Safariland in the second part of this plea, to the effect that its observations were not sufficiently taken into consideration by the Board of Appeal, will be examined in the context of

the assessment of the statement of the reasons on which the contested decision was based (see paragraphs 89 to 96 below).

— The right of the parties to the opposition proceeding to be heard in respect of the interpretation of the General Court's judgment

79 Under Article 75 of Regulation No 207/2009, OHIM's decisions are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments. The general principle of protection of the right to defend oneself is enshrined in the law of Community trade marks by that provision (Case T-320/03 *Citicorp* v *OHIM (LIVE RICHLY)* [2005] ECR II-3411, paragraph 21). According to that general principle of Community law, a person whose interests are appreciably affected by a decision taken by a public authority must be given an opportunity to make his point of view known (Case 17/74 *Transocean Marine Paint* v *Commission* [1974] ECR 1063, paragraph 15; Case T-34/00 *Eurocool Logistik* v *OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 21; *LIVE RICHLY*, paragraph 22; and *ARCOL*, paragraph 55).

80 The right to be heard covers all the factual and legal evidence which forms the basis for the decision-making act but not the final position which the administration intends to adopt (Case T-16/02 *Audi* v *OHIM (TDI)* [2003] ECR II-5167, paragraph 75, and *ARCOL*, paragraph 55).

81 In the present case, it is not apparent from the OHIM file that the parties to the opposition proceedings were invited to submit their observations on the General Court's judgment after the case was referred back. OHIM merely notified them, by letter of 23 February 2007, of the decision of the Presidium of the Boards of Appeal

of 16 February 2007 concerning the reallocation of the case to the Fourth Board of Appeal pursuant to Article 1(d) of Commission Regulation (EC) No 216/96 of 5 February 1996 laying down the rules of procedure of the Boards of Appeal of OHIM (OJ 1996 L 28, p. 11), as amended by Commission Regulation (EC) No 2082/2004 of 6 December 2004 (OJ 2004 L 360, p. 8).

82 Safariland, by letter of 10 June 2008, and DEF-TEC, by letter of 25 November 2008, requested, in response to that notification, information about the progress of the proceedings. OHIM confirmed receipt of those letters on 26 June and 1 December 2008 respectively and informed the parties to the opposition proceedings that the letters had been forwarded to the Fourth Board of Appeal. By letter of 5 May 2009, OHIM communicated the contested decision to the parties to the opposition proceedings.

83 In that regard, it should be pointed out that no specific procedure before the Boards of Appeal is provided for, either by Regulation No 207/2009 or by Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1), where a decision is annulled by the General Court and referred back to the Boards of Appeal, and that there is consequently no obligation to hear the relevant parties again. Such an obligation could be inferred only from the general principle of Community law of respect for the rights of the defence, set out in the second sentence of Article 75 of Regulation No 207/2009.

84 As it is, contrary to the assertions made by Safariland, the second sentence of Article 75 of Regulation No 207/2009 in no way requires that, following the resumption of the proceedings before OHIM after the annulment of a decision of the Boards of Appeal by the General Court, the applicant again be invited to submit observations on points of law and fact on which it has already had ample opportunity to express its views in the course of the written procedure previously conducted, given that the file

as then constituted has been taken over by the Fourth Board of Appeal (see, to that effect, order of the Court of Justice of 4 March 2010 in Case C-193/09 P *Kaul* v *OHIM* [2010], not published in the ECR, paragraph 60).

85 In the present case, it is common ground that, in the course of the proceedings which led to the adoption of the decision of 2004, Safariland had had the opportunity to present its observations on all aspects of its opposition pursuant to Article 8(3) of Regulation No 207/2009, including the existence of an agent-principal relationship. Furthermore, there is nothing in the contested decision to suggest that the Fourth Board of Appeal relied on matters of law and of fact different from those available to the Board of Appeal at the time when it adopted the decision of 2004 (see, to that effect, order in *Kaul* v *OHIM*, paragraph 59).

86 Furthermore, it should be borne in mind that the contested decision is based on matters of law and of fact on which the observations of the parties to the opposition proceedings were sufficiently gathered in the course of the administrative procedure which preceded the adoption of the decision of 2004.

87 Nor, accordingly, can it be claimed that the Board of Appeal disregarded Article 63(2) of Regulation No 207/2009, which provides that the Board is to invite the parties as often as necessary to file observations on communications issued by itself or from the other parties.

88 Thus, neither the second sentence of Article 75 of Regulation No 207/2009, nor Article 63(2) of that regulation, nor Article 65(6) thereof required that Safariland be heard regarding the inferences to be drawn from the General Court's judgment (see, to that effect, order in *Kaul* v *OHIM*, paragraph 62).

— The statement of the reasons on which the contested decision was based

89 As regards, more specifically, the argument put forward by Safariland in the second part of the third plea, to the effect that its observations were not sufficiently taken into consideration by the Board of Appeal, it should be pointed out that, by that contention, Safariland is in reality claiming that the Board of Appeal did not state to the requisite legal standards the reasons for the contested decision, in so far as it did not respond to all of Safariland's arguments.

90 The first sentence of Article 75 of Regulation No 207/2009 provides that decisions of OHIM are to state the reasons on which they are based. According to the case-law, that duty has the same scope as that enshrined in Article 253 EC and its purpose is to allow interested parties to know the reasons for the measure so as to enable them to protect their rights and to enable the Courts of the Union to exercise their jurisdiction to review the legality of the decision (see Joined Cases T-124/02 and T-156/02 *Sunrider* v *OHIM - Vitakraft-Werke Wührmann and Friesland Brands (VITATASTE and METABALANCE 44)* [2004] ECR II-1149, paragraphs 72 and 73 and the case-law cited).

91 It follows from the same case-law that the question whether the statement of reasons for a decision satisfies those requirements is a question to be assessed with reference not only to its wording but also to its context and the whole body of legal rules governing the matter in question (see *VITATASTE and METABALANCE 44*, paragraph 73 and the case-law cited).

92 However, the Boards of Appeal cannot be required to provide an account which follows exhaustively and one by one all the reasoning articulated by the parties before them. The reasoning may therefore be implicit on condition that it enables the persons concerned to know why the decision of the Board of Appeal was taken and provides the competent Court with sufficient material for it to exercise its review jurisdiction (see, by analogy, Joined Cases C-204/00 P, C-205/00 P, C-211/00 P, C-213/00 P, C-217/00 P and C-219/00 P *Aalborg Portland and Others* v *Commission* [2004] ECR I-123, paragraph 372, and Case C-3/06 P *Groupe Danone* v *Commission* [2007] ECR I-1331, paragraph 46).

93 First, it should be pointed out that — as is apparent from paragraphs 19 and 22 of the contested decision, relating to the question whether the goods covered by the earlier marks are identical or similar, paragraph 35 relating to the rights acquired by Safariland following the purchase of the Wyoming company and, lastly, paragraphs 41 to 46 relating to the issue of the existence of an agent-principal relationship between the parties to the opposition proceedings — that the Board of Appeal undertook an examination of the arguments and evidence submitted by those parties in the course of the administrative procedure. In particular, the Board of Appeal found, in paragraphs 41 and 42 of the contested decision, that Safariland should have put forward and, if necessary, proved — which it had failed to do — the facts from which it could have been concluded that there was a relationship of the kind which links a principal and its agent, not only between DEF-TEC and the Wyoming company until August 1996, but also between DEF-TEC and Safariland itself from August 1996 until the summer of 1997 or, at the latest, until September 1997.

94 It follows that the Board of Appeal did not act in breach of its obligation to state reasons by assessing the arguments put forward by Safariland and the probative value of the evidence produced in support of those arguments for the purposes of proving the existence of an agent-principal relationship between the parties to the opposition proceedings, and by rejecting them.

95 Secondly, the fact remains that Safariland in no way specified which arguments had allegedly been overlooked by the Board of Appeal in the contested decision.

96 It follows that, according to the case-law cited in paragraph 92 above, the Board of Appeal did not act in breach of its obligation to state reasons. The first two parts of the third plea must therefore be rejected.

The third part of the third plea

97 In accordance with Article 76(1) of Regulation No 207/2009, in proceedings before it, OHIM is to examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, OHIM is to confine that examination to the facts, evidence and arguments provided by the parties and the relief sought. Article 76(2) of that regulation provides that OHIM may disregard facts or evidence which have not been submitted in due time by the parties concerned.

98 In that regard, it should be pointed out that Safariland does not put forward any specific argument which could be linked with breach of Article 76 of Regulation No 207/2009.

99 It should be borne in mind that, under the first paragraph of Article 21 of the Statute of the Court of Justice of the European Union, applicable to the procedure before the General Court by virtue of the first paragraph of Article 53 thereof, and Article 44(1)(c) of the Rules of Procedure of the General Court, the application initiating proceedings must state, inter alia, the subject-matter of the proceedings and a summary of the pleas in law on which it is based. That statement must be sufficiently clear and precise to enable the defendant to prepare its defence and the Court to rule on the application, if necessary, without any further information. In order to ensure legal certainty and the sound administration of justice it is necessary, for an action to be admissible, that the basic legal and factual particulars relied on be indicated, at least in summary form, coherently and intelligibly in the application itself (orders of the General Court of 28 April 1993 in Case T-85/92 *De Hoe* v *Commission* [1993] ECR II-523, paragraph 20, and of 21 May 1999 in Case T-154/98 *Asia Motor France and Others* v *Commission* [1999] ECR II-1703, paragraph 49; and Case T-277/97 *Ismeri Europa* v *Court of Auditors* [1999] ECR II-1825, paragraphs 28 and 29).

100 Since Safariland is alleging breach of Article 76 of Regulation No 207/2009 in a general manner, without relying on specific arguments, the third part of the present plea must be rejected as inadmissible.

101 In any event, even if that claim could be interpreted as meaning that Safariland is submitting that the contested decision was not based on the legal and factual particulars put forward by the parties to the opposition proceedings, in so far as it found that there was no agent-principal relationship as required under Article 8(3) of Regulation No 207/2009, that claim must be rejected as unfounded, in the light of the considerations set out in the context of the plea alleging breach of the second sentence of Article 75 of that regulation.

102 Furthermore, as was stated during the examination of the second plea, alleging breach of Article 65(6) of Regulation No 207/2009 (see paragraphs 42 to 50 above), the Board of Appeal was right to find that the General Court had not ruled on the existence of

an agent-principal relationship between the parties to the opposition proceedings, justifying the application of Article 8(3) of that regulation, and that it had examined all the conditions laid down in that provision.

103 Furthermore, it should be pointed out that the Board of Appeal did not put forward new grounds for refusal, but based its assessment on the relative ground for refusal put forward by Safariland, alleging breach of Article 8(3) of Regulation No 207/2009. The parties to the opposition proceedings sufficiently expressed their views on the application of that provision in the course of the administrative procedure which preceded the adoption of the decision of 2004 and there was therefore no need to hear them again with regard to the assessment criteria which led to the adoption of the contested decision. Consequently, in adopting the contested decision, the Board of Appeal did not breach Article 76 of Regulation No 207/2009.

104 In the light of the foregoing, the third plea must be rejected and, in consequence, the action must be dismissed in its entirety.

**Costs**

105 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. As Safariland has been unsuccessful, it must be ordered to pay the costs in accordance with the form of order sought by OHIM and DEF-TEC.

On those grounds,

THE GENERAL COURT (Eighth Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders Safariland LLC to bear its own costs and to pay those incurred by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) and by DEF-TEC Defense Technology GmbH.**

Martins Ribeiro Papasavvas Dittrich

Delivered in open court in Luxembourg on 13 April 2011.

[Signatures]

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