General Court: Board of Appeal decision breached opponent's right to be heard

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25 April 2024

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EUROPEAN UNION
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- **The board was justified in raising *ex officio* the failure to submit the original registration certificates for the earlier marks on which the opposition was based**
- **However, the fact that the board examined this issue *ex officio* without having heard the opponent constituted a procedural irregularity**
- **It was plausible that, had the opponent been given the opportunity to address this issue, it could have presented the original certificates**

In *Insider LLC v European Union Intellectual Property Office* (EUIPO) (Case T-119/23), the Eighth Chamber of the General Court has annulled a decision of the Fifth Board of Appeal of the EUIPO dated 5 December 2022.

Background

In June 2020 Florim Alaj, a natural person, filed for the registration of the EU figurative sign depicted below to cover services in Class 41:

Insajderi

Kosovan company Insider LLC opposed the application under Article 8(3) of Regulation 2017/1001 based on the following earlier Kosovan trademark registrations, both covering goods and services in Classes 35, 38 and 41:

- the word mark INSAJDERI (No 27062); and

- the figurative mark depicted below (No 27063):

The Opposition Division of the EUIPO upheld the opposition. Alaj appealed in June 2022. The Fifth Board of Appeal of the EUIPO accepted the appeal, annulling the Opposition Division's decision and rejecting the opposition in its entirety, on the ground that Insider had not timely demonstrated the existence of the earlier marks on which it relied. In particular, Insider had provided unofficial translations of the registration certificates, rather than the originals, thus making it impossible to verify whether essential information was mentioned therein.

Appeal to the General Court

Insider turned to the General Court, alleging:

- infringement of Article 27(2) of **Delegated Regulation 2018/625**, as the Board of Appeal was not entitled to examine the existence of the earlier marks *ex officio* without explaining its reasons (in fact, Article 27(2) was not applicable as the authenticity of the translation was a matter of fact and not of law);
- infringement of Article 7 of Delegated Regulation 2018/625; and
- infringement of Article 41(1) of the **Charter of Fundamental Rights of the European Union**, as the board had not given Insider the opportunity to comment on its failure to submit the original registration certificates.

Decision

The General Court examined the first and third pleas in law.

On examining the first plea, the General Court determined that the Board of Appeal was justified in independently scrutinising the lack of submission of the original registration certificates of the earlier marks. It asserted that the board is empowered to review legal aspects not raised by the parties to ensure the accurate application of Regulation 2017/1001, which encompasses the facts, evidence and arguments presented, along with fundamental procedural requirements. The court underscored that substantiating an opposition with evidence of the existence, validity and extent of protection of the earlier marks, as well as the opposing party's entitlement to pursue the opposition, are vital prerequisites for its success. The court also affirmed that the authenticity of translations is a matter of law which must be evaluated, as it could impact the assessment of the appeal.

Turning to the third plea, the General Court recognised that the fact that the Board of Appeal had examined this issue *ex officio*, without having heard Insider, constituted a procedural irregularity. In this respect, the court stated that all EU acts must respect fundamental rights, as recognised by the charter. Therefore, by virtue of Article 41(2)(a) of the charter, which provides for the right to be heard in all proceedings, the EUIPO is obliged to provide parties with the opportunity to express their point of view on all matters forming the basis of the decisions of its departments.

The court emphasised that a breach of the rights of the defence is recognised only if there is a possibility that failure to consider the perspective of the concerned party would significantly impact its ability to defend itself. Consequently, the court deemed it crucial to determine whether it was possible that, without such procedural error, the outcome of the proceedings could have been different. Given that the Board of Appeal had questioned the authenticity of the translations and determined that Insider had not met the requirements outlined in Articles 7(2) and 8(1) of Delegated Regulation 2018/625 by failing to provide the original versions of the registration certificates for the earlier marks, resulting in the rejection of the opposition as unfounded, it was plausible that, if Insider had been given the opportunity to address this issue, it could have presented the original certificates. According to Article 27(4) of Delegated Regulation 2018/625, the Board of Appeal could have then accepted these certificates, potentially leading to a different outcome in the opposition proceedings.

The court further stated that standardised communications of the EUIPO cannot be considered as a request to provide comments regarding the absence of original versions of registration certificates or the authenticity of the translations, as such communications do not address the issues concerning the existence, validity and scope of protection of the earlier marks, as well as their ownership, which the Board of Appeal intended to address independently. Additionally, the notification to Insider during the proceedings before the Opposition Division regarding its obligation to substantiate the earlier marks was immaterial when assessing whether the rights of the defence were upheld during the proceedings before the Board of Appeal. Given that the powers of the Boards of Appeal entail re-examining decisions made by departments of the EUIPO and, in this case, the Board of Appeal had independently addressed the lack of evidence regarding the existence, validity and scope of protection of the earlier marks, such information could not be considered sufficient for Insider to effectively present its viewpoint before the Board of Appeal concerning the rejection of its opposition.

The court thus concluded that the board's decision had been made in violation of the right to be heard, as guaranteed by Article 41(2)(a) of the charter.

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