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The General Court's Power to Alter EUIPO Decisions: A Matter of Institutional Balance

Introduction

The contribution of Prof. Ottó Czúcz, who has become a personal friend over the years we were together as judges, to the development of the case-law of the General Court (GC) has been striking and has touched a panoply of EU law areas, as the different articles of this Volume clearly show. I have chosen, in this essay, to focus on a case which I find representative of both the innovative and cross-cutting nature of the jurisprudential developments to which Judge Czúcz has contributed as Judge-Rapporteur. In the judgment *i-content v OHIM — Decathlon (BETWIN)*,¹ the GC exercised for the first time its power to alter decisions of the European Union Intellectual Property Office (EUIPO, formerly known as Office for Harmonization in the Internal Market, OHIM), Boards of Appeal, granted by Article 65(3) of Regulation No 207/2009 (now Regulation No 2015/2424, EU Trade Mark Regulation),² applying the criteria established in this regard by the Court of Justice (Court) in *Edwin Co. Ltd v OHIM*.³ The judgment, therefore, represents a milestone for trade mark case law. However, its relevance reaches far beyond the specific subject-matter of the case: the theme of judicial alteration of EUIPO decisions speaks to the broader, and fundamental, issue of judicial supervision of administrative action. It is within this broader framework that Judge Czúcz's contribution, and the case-law that followed, should be placed and analyzed to be better understood. Therefore, the present essay will be structured as follows: Section 1

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The views of the author are entirely personal and in no way portray a position of the General Court.

¹ Judgment of the General Court (Third Chamber) of 4 June 2013, *i-content Ltd Zweigniederlassung Deutschland v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) - Decathlon (BETWIN)*, Case T-514/11, EU:T:2013:291.

² The new Regulation on the European Union Trade Mark entered into force on March 23, 2016, with a few exceptions for some provisions to enter into force on October 1, 2017. The text of the Regulation was published in OJEU, 24.12.2015, L 341/21, Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (Text with EEA relevance).

³ Judgment of the Court (Grand Chamber) of 5 July 2011, *Edwin Co. Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-263/09 P, EU:C:2011:452.

will briefly address general questions on judicial review of administrative acts in the EU legal order; Section 2 will focus on the principle established by *Edwin* on the exercise of the power to alter EUIPO decisions, on the case-law of the GC subsequent to that judgment and on how the *i-content* case gave for the first time a practical dimension to the *Edwin* criteria; Section 3 will discuss jurisprudential developments after *i-content*. Finally, it will draw a brief conclusion.

1. Administrative power and judicial review

As mentioned above, Judge Czúcz's input on the issue of the GC's power to alter OHIM decisions should be placed within the wider discourse on the relationship, and boundaries, between the administration's discretionary power, on the one hand, and the role of judicial review, on the other. This relationship is, in turn, a matter of institutional balance.⁴

Judicial review of administrative acts is, of course, a core element of any legal system based on the rule of law.⁵ An in-depth discussion of how this mechanism plays out in EU law is certainly beyond the scope of the present contribution.⁶ It will suffice to recall, here, how the debate on the role of the European judge in reviewing the Commission's decisions in the field of competition remains heated, both among practitioners and academics.⁷ A particularly significant element of the dispute is the issue of the GC's standard of review in cases involving complex economic assessments.⁸ Whether it is competition or trademark law, the discussion revolving around the intensity of the review, by the European judge, of acts being an expression of administrative discretion essentially boils down to a question of institutional balance. It appears useful, at this point, to clarify the concept of institutional balance and its relevance for issues of judicial review.⁹

⁴ See FRITZSCHE, ALEXANDER: "Discretion, Scope of Judicial Review and Institutional Balance in European Law" in *Common Market Law Review* (47) 2010, pp. 361–403.

⁵ See CRAIG, PAUL: *EU Administrative Law*, 2nd ed., Oxford University Press, 2012, pp. 250–251.

⁶ For comprehensive analyses, see, e.g., CRAIG, PAUL: *EU Administrative Law*. Türk, Alexander Heinrich, *Judicial review in EU law*, Edward Elgar Publishing, Cheltenham, 2009.

⁷ See, e.g., SCHWEITZER, HEIKE: "Judicial Review in EU Competition Law", in Lianos, Ioannis, Geradin, Damien (eds.) *Handbook of European Competition Law : Enforcement and Procedure*, Edward Elgar Publishing, Cheltenham, 2013, pp. 491–538.

⁸ On which I have had the opportunity to express my views elsewhere, see JAEGER, MARC: "The Standard of Review in Competition Cases Involving Complex Economic Assessments: Towards the Marginalisation of the Marginal Review?" in *Journal of European Competition Law and Practice*, (2) 2011, pp. 295–314. Another matter where I addressed the issue of the relationship between the EU judge and competition decisions is the judicial assessment of the fines imposed by the Commission in the context of infringements in cartel proceedings, see JAEGER, MARC: "Standard of review in competition cases: can the General Court increase coherence in the European Union judicial system?", in Baume, Tristan, Oude Elferink, Edmon, Phoa, Pauline, Thiaville, Dominique (eds.) *Today's Multilayered Legal Order: Current Issues and Perspectives*, Liber Amicorum in honour of Arjen WH Meij, Uitgeverij Paris B.V., 2011, pp. 115–140.

⁹ The principle of institutional balance has both a legal and a political dimension. In the present contribution, the principle is discussed only in its legal dimension. On this matter, see CRAIG, PAUL: *EU Administrative Law* pp. 253–256., citing CRAIG, PAUL: "Democracy and Rule-making Within the EC: An Empirical and Normative Assessment" in *European Law Journal*, (3) 1997 pp. 105–130, LENAERTS, KOEN, VERHOEVEN, AMARYLLIS: "Institutional Balance as a Guarantee for Democracy in EU Governance", in Joerges, Christian, Dehousse, Renaud (eds.) *Good Governance in Europe's Integrated Market*, Oxford University Press, 2002, pp. 35–88.,

The principle of institutional balance is a constitutional principle which was mentioned for the first time in the *Meroni* case,¹⁰ where the Court saw “in the balance of powers which is characteristic of the institutional structure of the community a fundamental guarantee granted by the Treaty in particular to the undertakings and associations of undertakings to which it applies”.¹¹ Subsequently, in the judgment where the Court recognized to the Parliament standing to bring actions for annulment,¹² the notion of institutional balance was further defined:

“[t]hose prerogatives are one of the elements of the institutional balance created by the Treaties. The Treaties set up a system for distributing powers among the different Community institutions, assigning to each institution its own role in the institutional structure of the Community and the accomplishment of the tasks entrusted to the Community. Observance of the institutional balance means that each of the institutions must exercise its powers with due regard for the powers of the other institutions. It also requires that it should be possible to penalize any breach of that rule which may occur”.¹³

In the context of judicial review of administrative action, should the Court go beyond the appropriate intensity of review, an infringement of the institutional balance will occur.¹⁴

The link between judicial review of administrative action and the principle of institutional balance was recognized by Advocate General Tizzano in his Opinion in the *Tetra Laval* case, in the framework of a reflection on complex economic appraisals and the relative standard of judicial review. It was stressed, in this context, that “with regard to the complex economic assessments made by the Commission, review by the Community judicature is necessarily more limited, since the latter has to respect the broad discretion inherent in that kind of assessment and may not substitute its own point of view for that of the body which is institutionally responsible for making those assessments”. Therefore, “[t]he rules on the division of powers between the Commission and the Community judicature, which are fundamental to the Community institutional system, do not however allow the judicature to go further, and particularly ... to enter into the merits of the

SMISMANS, STIJN: “Institutional Balance as Interest Representation. Some Reflections on *Lenaerts and Verhoeven*”, in Joerges, Christian, Dehousse, Renaud (eds.) *Good Governance in Europe's Integrated Market*, pp. 89–108, JACQUÉ, JEAN-PAUL: “The Principle of Institutional Balance” in *Common Market Law Review*, (41) 2004, pp. 383–391. CRAIG, PAUL: “Institutions, Power and Institutional Balance”, in Craig, Paul, De Búrca, Grainne (eds.) *The Evolution of EU Law*, Oxford University Press, 2011. pp. 41–84.

¹⁰ Judgment of the Court of 13 June 1958, *Meroni & Co., Industrie Metallurgiche, SpA v High Authority of the European Coal and Steel Community*, Case 9–56, EU:C:1958:7.

¹¹ *Meroni*, p. 152; see JACQUÉ: “The Principle of Institutional Balance” p. 384. FRITZSCHE: “Discretion, Scope of Judicial Review and Institutional Balance” p. 382, CRAIG, PAUL: *EU Administrative Law*. pp. 255–256.

¹² Judgment of the Court of 22 May 1990, *European Parliament v Council of the European Communities*, Case C-70/88, EU:C:1991:373.

¹³ *European Parliament v Council*, paras 21–22. See FRITZSCHE “Discretion, Scope of Judicial Review and Institutional Balance” p. 303, CRAIG: *EU Administrative Law* pp. 254–255.

¹⁴ FRITZSCHE: “Discretion, Scope of Judicial Review and Institutional Balance” p. 382.

Commission's complex economic assessments or to substitute its own point of view for that of the institution".¹⁵

From this point of view, the relevance of the concept of institutional balance has been expressly recognized precisely in the context of the GC's power to alter EUIPO decisions, where the GC has refused to exercise its power of alteration when it considered that the alteration of the EUIPO decision would have implied "in essence, the exercise of administrative and investigatory functions specific to OHIM" and would have, therefore, "upset the institutional balance on which the division of jurisdiction between OHIM and the Court is based".¹⁶

By its very nature, the power of the GC to alter OHIM decisions presents an inherent risk of overstepping the judicial role. It is the responsibility of the judge to understand whether the circumstances of the case ensure that the exercise of such alteration power does not amount to exercising "administrative and investigatory functions", those being the domain of the administrative agency, and therefore that the institutional balance is not infringed. The establishment of criteria and the operation in practice of the GC's power of alteration will be the focus of the following paragraphs. This analysis presents a particular interest also in that it allows to explore the relationship between the judiciary and an agency, the EUIPO, whose Boards of Appeal are considered to be "quasi-judicial" bodies.¹⁷

2. The case-law on the boundaries of the power of alteration of OHIM decisions: two seminal judgments, *Edwin* and *i-content*

As is known, pursuant to Article 65 of EU Trade Mark Regulation,¹⁸ the GC has the power to annul or alter a decision of the Board of Appeal.¹⁹ When the GC exercises its

¹⁵ Opinion of Advocate General Tizzano delivered on 25 May 2004, *Commission of the European Communities v Tetra Laval BV*, Case C-12/03 P, EU:C:2004:318 para 86–89.

¹⁶ Judgment of the General Court (Third Chamber) of 14 December 2011, *Völkl GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-504/09, ECR, EU:T:2011:739, para 121, see Dragos, Dacian, Neamtu, Bogdana (eds.), *Alternative Dispute Resolution in European Administrative Law*, Springer 2014, p. 523.

¹⁷ See Decision 4 July 2005 in case R 22/2003-2, *Junior Kit*, see e.g. GEIGER, CHRISTOPHE: *Research Handbook on Human Rights and Intellectual Property*, Edward Elgar Publishing, Cheltenham, 2015, p. 284. On Agencies in EU law, see BUSUIOC, MADALINA: *European Agencies: Law and Practices of Accountability*, Oxford University Press, 2013.

¹⁸ Council Regulation (EC) No 2015/2424 of 16 December 2015 on the EU Trade Mark.

¹⁹ In particular, Article 65 of Regulation 2015/2424 provides:

- "1. Actions may be brought before the General Court against decisions of the Boards of Appeal in relation to appeals.
2. The action may be brought on grounds of lack of competence, infringement of an essential procedural requirement, infringement of the Treaty, of this Regulation or of any rule of law relating to their application or misuse of power.
3. The General Court shall have jurisdiction to annul or to alter the contested decision.
4. The action shall be open to any party to proceedings before the Board of Appeal adversely affected by its decision.
5. The action shall be brought before the General Court within two months of the date of notification of the decision of the Board of Appeal.

power of alteration, “the Court’s decision replaces that of the Board”.²⁰ This kind of power must be carefully exercised, as at the core of this type of judicial intervention lies the need for a correct understanding of the boundaries between administrative discretion and the role of the judge.

2.1. The *Edwin* principle

In *Edwin*, the Court clarified the scope of the power to alter EUIPO decisions and the criteria which must inspire the exercise of such power. The core of the *Edwin* approach can be summarized in three points. First, the Court recalled that the review that the GC carries out under what is now Article 65 of EU Trade Mark Regulation “is a review of the legality of the decisions of the Boards of Appeal of OHIM”,²¹ and that the GC “may annul or alter a decision against which an action has been brought only if, at the time the decision was adopted, it was vitiated by one of the grounds for annulment or alteration set out”²² in paragraph 2 of the above-mentioned article. Second, and as a consequence, the Court stressed that “the power of the General Court to alter decisions does not have the effect of conferring on that Court the power to substitute its own reasoning for that of a Board of Appeal or to carry out an assessment on which that Board of Appeal has not yet adopted a position”.²³ Third, “[e]xercise of the power to alter decisions must therefore, in principle, be limited to situations in which the General 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”.²⁴ Applying these principles to the case at issue, the Court recalled that the Board of Appeal had not ruled “on the effect which the alleged assignment of the trade mark at issue by contract to the appellant might have as regards the validity of that trade mark”.²⁵ In light of this, the Court held that the GC “was right not to examine that part of the appellant’s alternative arguments”.²⁶

2.2. The case-law after *Edwin*

The *Edwin* case represented a crucial moment in that it consecrated the power of alteration, while at the same time defining its boundaries. The case-law immediately following *Edwin* shows that some adjustment time was needed for the criteria established therein to become fully operational.

6. The Office shall take the necessary measures to comply with the judgment of the General Court or, in the event of an appeal against that judgment, the Court of Justice.”

²⁰ SEE LENAERTS, KOEN, MASELIS IGNACE, GUTMAN KATHLEEN: *EU Procedural Law*, Oxford University Press, 2014. p. 714.

²¹ *Edwin*, para 71.

²² *Ibidem*.

²³ *Ivi*, para 72.

²⁴ *Ibidem*.

²⁵ *Ivi*, para 73.

²⁶ *Ivi*, para 74.

In *Ergo Versicherungsgruppe v. OHIM*,²⁷ the GC annulled the decision of the Fourth Board of Appeal in so far as the Board of Appeal omitted to rule on the action brought before it as regards goods in one of the classes for which registration was sought. The EUIPO asked the GC to rule on the matter, on the basis of the assessment carried out by the Opposition Division, which required an exercise of its power of alteration. The GC considered that the possibility to alter the decisions of the Board of Appeal is limited to situations in which the case has reached a stage appropriate for judicial adjudication (para. 23). The GC concluded that, in the circumstances of the case, the alteration of the contested decision would have meant, for the GC, to decide for the first time on the substance of the claims on which the Board of Appeal had failed to rule, which would go beyond the jurisdiction of the GC (para 24). While the case appears to be in line with *Edwin*, no reference is made to the latter in the judgment.

Shortly afterwards, in *Seven v. OHIM*,²⁸ the GC justified its decision not to exercise its power of alteration by expressly referring to the *Edwin* criteria. Applying such criteria to the case at issue, the GC held:

“since the Board of Appeal based its decision solely on the lack of similarity between the signs at issue and rejected, for that reason alone, the two grounds on which the opposition was based, it is not for the Court, in the present case, to carry out an overall examination of the likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 207/2009, or to assess whether the other conditions of Article 8(5) of that regulation, in particular the condition relating to the reputation of the earlier trade marks, are met”.²⁹

In a subsequent judgment, *Deutsche Bahn AG v OHIM*,³⁰ the GC seemed to go beyond the boundaries established with *Edwin*. In the case, the First Board of Appeal had dismissed the applicant’s appeal and had also rejected the opposition. The Board had considered that “the earlier marks and the mark applied for were descriptive of the services covered by the application for registration and that they had weak distinctive character, with the result that their ability to fulfil the function of indicating the commercial origin of those services was limited”. Moreover, the Board “took the view that the signs ICE, IC and IC4 were unlikely to be identified as trade marks and that, therefore, there could not be any likelihood of confusion between them” (para 16). Furthermore, the Board had endorsed the Opposition Division’s reasoning, according to which “the signs at issue could not be regarded as similar, which ruled out any likelihood of confusion” (para 13). The GC found that the Board of Appeal had erred in law in its main reasoning. However, given that the Board had expressly adopted the Opposition Division’s analysis of the likelihood of confusion between the marks at issue, the GC

²⁷ Judgment of the General Court (First Chamber) of 9 September 2011, *Ergo Versicherungsgruppe AG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-382/09, EU:T:2011:454.

²⁸ Judgment of the General Court (Sixth Chamber) of 6 October 2011, *Seven SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-176/10, EU:T:2011:577.

²⁹ *Seven SpA*, para 58.

³⁰ Judgment of the General Court (First Chamber) of 9 September 2011, *Deutsche Bahn AG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-274/09, EU:T:2011:451.

carried out its review on the basis of the Opposition Division's assessment. The conclusion of the GC was the following: "the Board of Appeal erred in concluding that there was no likelihood of confusion between the IC4 and ICE trade marks. Consequently, the contested decision must be annulled, as, by virtue of the alteration of that decision, must the decision of the Opposition Division".³¹

It should be stressed that the GC has, in this occasion, adopted a position on an issue which the Opposition Division and the Board of Appeal had considered not necessary to examine. In particular, the Opposition Division had stated that it was "superfluous to consider the distinctive character of the earlier marks and, in particular, to examine whether those earlier marks enjoyed a reputation in Germany", since it had concluded that there was no similarity of any kind between the marks at issue. The GC, however, found, on the basis of the evidence presented by the applicant during the opposition proceedings and in support of the action before the GC itself, that the ICE trade mark had "a highly distinctive character in Germany as a result of its reputation" (para 96). Taking this factor into account, the GC held that the Board of Appeal had erred in concluding for the absence of any likelihood of confusion. In sum, in this case, the decision of the Board of Appeal was annulled and, by virtue of alteration of the latter, the decision of the Opposition Division was annulled; in its analysis, the GC adopted a position on an issue which had not been previously examined. It would therefore appear that the GC went beyond the boundaries established in *Edwin*.

Finally, in the case *Ben-Ri Electrónica, SA v OHIM*,³² the Board of Appeal had concluded that no likelihood of confusion existed only on the basis of the analysis of the similarities between the signs at issue. The GC considered that it was necessary to examine whether the Board of Appeal was right in finding that the trade marks concerned presented no similarities capable of bringing about a risk of confusion. The GC concluded that the Board of Appeal had erred in considering that the signs were not similar and annulled the contested decision on that basis. The GC also held that it was for the EUIPO draw the consequences of the annulment of the decision, and that it was not for the GC to rule on the request to reject the application for trade mark registration. However, also in this case no reference to *Edwin* was made.

2. 3. The principle put into practice for the first time: *i-content*

I-content was first case where the GC actually exercised its power to alter EUIPO decisions, thus giving a practical dimension to the boundaries established in *Edwin*. Judge-Rapporteur Otto Czúcz's contribution to the adopted solution is apparent.

In order to fully understand the reasoning developed in the judgment, it appears necessary, first of all, to describe the circumstances of the case. *I-content* applied for the registration of a trade mark (the word sign BETWIN) in respect of goods falling within,

³¹ *Deutsche Bahn AG*, para 101.

³² Judgment of the General Court (Seventh Chamber) of 10 November 2011. *Ben-Ri Electrónica, SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-143/10, EU:T:2011:652.

inter alia, Classes 25, 26 and 28 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 1957. Decathlon filed a notice of opposition to registration of the mark on the basis, in particular, of an earlier Community figurative mark, covering goods in Class 25 and “gymnastics and sporting articles (other than clothing, footwear and mats)” in Class 28.

The Opposition Division upheld the opposition in part, rejecting the trademark application in respect of all the goods in Classes 25 and 28, while granting the application in respect of the goods in Class 26. The applicant challenged the decision, and the First Board of Appeal of EUIPO dismissed the appeal, endorsing the Opposition Division’s analysis as regards, *inter alia*, the identity of the goods in Class 25 covered by the mark applied for and the earlier mark and the identity or similarity between the goods in Class 28 covered by the mark applied for and the earlier mark, the similarity between the signs, and the likelihood of confusion as regards the goods in Classes 25 and 28. The applicant sought annulment of the decision of the Board of Appeal before the GC. The action was based on a single plea in law, alleging infringement of Article 8(1)(b) of EU Trade Mark Regulation.³³

The part of the reasoning of the GC which is worth underlining for present purposes concerns the issue whether, in essence, “sporting articles” and “games”, both in Class 28, could be considered similar. As regards the contested goods in Class 28, the Opposition Division had concluded that, since the earlier mark protected “gymnastics and sporting articles”, the goods covered by that mark were similar to all the goods covered by the mark applied for, which included also “toys, games and playthings”, because, according to the Opposition Division, these goods share the same purpose, the same distribution channels and the same end users. The applicant, however, maintained that there were substantial differences between “gymnastics and sporting articles (other than clothing, footwear and mats)”, covered by the earlier mark, and a category of articles consisting of toys, games and playthings, covered by the mark applied for. The GC stated that the two groups of goods could not be considered as similar, finding that the intended purpose of the two categories of goods is essentially different and that it cannot be concluded that they share the same distribution channels. As a consequence, the GC concluded that, contrary to the Opposition Division’s analysis endorsed by the Board of Appeal, the toys, games and playthings at issue were not similar to “gymnastics and sporting articles (other than clothing, footwear and mats)” covered by the earlier mark, and therefore found that the OHIM’s decision was vitiated by an error in this regard.

As regards the likelihood of confusion, the GC held that there was no such likelihood as regards “toys, games and playthings”, whereas it concluded that, for the other goods belonging to Classes 25 and 28 covered by the marks at issue, it could not be ruled out that at least part of the public was likely to believe that such goods came from the same undertaking or from economically-linked undertakings. In conclusion, the applicant’s plea

³³ Article 8(1)(b) provides: “Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered ... if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark”.

was to be upheld in respect of the goods falling under the category of toys, games and playthings, whereas his application for annulment was to be dismissed as to the remainder.

Finally, the GC considered that the conditions for exercising its power of alteration of EUIPO decisions, as set out in the *Edwin* judgment, were satisfied. In particular, the GC concluded that the Board of Appeal was required to find that, contrary to the view of the Opposition Division, there was no likelihood of confusion in respect of the goods in Class 28 which fell under the category of toys, games and playthings. The GC therefore held that it was necessary, by way of alteration of the contested decision, to annul the Opposition Division's decision and to reject the opposition in relation to the above-mentioned goods.

This judgment, therefore, constitutes the first example of the exercise of the power to alter EUIPO decisions in application of the *Edwin* criteria. The conditions set out in *Edwin* were thus given a practical dimension, contributing to the demarcation of the boundaries of the power to alter. *I-content* is therefore a seminal judgment, representing a clear model of how to exercise such power without encroaching upon the administration's sphere and, therefore, without improperly altering the above-mentioned institutional balance. In subsequent judgments, the GC built upon the foundations laid by *i-content*, and further specified the scope of the power at issue.

3. After *Edwin* and *i-content*: further clarifications on the power to alter

In *Koscher + Würtz v OHIM*,³⁴ the GC further clarified the conditions and limits for the exercise of its power to alter EUIPO decisions. The possibility of amending the decision at issue was considered by GC as regards both pleas raised by the applicant, the first alleging an error of law on the part of the Board of Appeal in relation to Article 42(2) of EU Trade Mark Regulation,³⁵ by allowing the opposition without examining whether the earlier mark had been put to genuine use, and the second claiming that there was no likelihood of confusion.

As regards the first plea, the GC recalled that, as clarified in *Edwin*, Article 65(3) does not enable the European judge to review a question on which the Board of Appeal has not yet ruled. The GC therefore concluded that it could not carry out any assessment of genuine use of the earlier mark, since the Board of Appeal had not ruled on that point.

³⁴ Judgment of the General Court (Second Chamber) of 26 September 2014, *Koscher + Würtz GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-445/12, EU:T:2014:829.

³⁵ Article 42(2) of the Regulation provides: "If the applicant so requests, the proprietor of an earlier EU trade mark who has given notice of opposition shall furnish proof that, during the five-year period preceding the date of filing or the date of priority of the EU trade mark application, the earlier EU trade mark has been put to genuine use in the Union in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier EU trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier EU trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services".

With regard to the absence of a likelihood of confusion, the GC concluded that the second plea in law had to be dismissed and that the order sought by the applicant for amendment of a decision had to be rejected. The GC added that, following examination of the genuine use of the earlier mark as a result of this judgment, it would be for EUIPO to make a new decision, if applicable, on the likelihood of confusion between the two conflicting marks, and that it would thus be for OHIM, when comparing the two marks, to draw the consequences of a potential lack of genuine use of the earlier mark for some of the goods covered.

Subsequently, in the case *Apple and Pear Australia Ltd and Star Fruits Diffusion v OHIM*,³⁶ the GC examined the power to alter in the context of a reflection on the principle of *res judicata*. At issue in the case was the opposition by Apple and Pear Australia Ltd and Star Fruits Diffusion concerning the registration of a trade mark, the word sign “English pink”, applied for by Carolus C. BVBA, on the basis of several earlier marks. The Opposition Division rejected the opposition, and the applicants challenged such decision. Subsequently, a national court, the *Tribunal de commerce de Bruxelles*, delivered a judgment pursuant to an action for infringement brought by the applicants, annulling the Benelux mark ENGLISH PINK and ordering Carolus C. to refrain from using that mark in the EU. The applicants provided the EUIPO with the judgment. Subsequently, the Fourth Board of Appeal dismissed the appeal.

The GC examined the first and third pleas raised by the applicants. The first plea alleged infringement of the previous wording of Article 75 of EU Trade Mark Regulation,³⁷ on the ground that the contested decision contained no statement of reasons as to the inferences to be drawn from the judgment of the *Tribunal de commerce de Bruxelles*. The third plea was based on the alleged infringement of the general principles of legal certainty, sound administration and protection of legitimate expectations.

The GC found that the Board of Appeal had infringed, firstly, Article 75 of EU Trade Mark Regulation, as it had failed to refer, in the contested decision, to the existence of the judgment of the *Tribunal de commerce de Bruxelles* and to the potential impact of that judgment for the outcome of the dispute. The Board of Appeal was also deemed to have infringed its duty of diligence in failing to assess with all the required care the relevant factual aspects submitted to it. In light of this, the GC annulled the contested decision.

Subsequently, the GC went on to consider the head of claim seeking alteration of the contested decision. The applicant submitted, in support of the claim, that *res judicata* attached to the judgment of the *Tribunal de commerce de Bruxelles* and was therefore binding on the Board of Appeal and, by extension, the GC as well. The latter, according to the applicant, was therefore able and required to alter the contested decision. Moreover, they stated that *res judicata* attaches not only to the operative part of a judicial decision, but also to the *ratio decidendi*, and referred in that regard to the unitary character of the Community

³⁶ Judgment of the General Court (Fourth Chamber) of 25 March 2015, *Apple and Pear Australia Ltd and Star Fruits Diffusion v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-378/13, EU:T:2015:186.

³⁷ In the Regulation 207/2009, Article 75 consisted of only one paragraph, which is now the first paragraph of the new Article 75, which consists of three paragraphs.

Trade Mark and the need to avoid contradictory decisions between the Community Trade Mark courts and EUIPO.

After recalling the *Edwin* jurisprudence, GC stated:

“[i]t is ... clear that the decision of a national court sitting as a Community trade mark court in an action for infringement of a Community trade mark carries no such weight of *res judicata* for the departments of OHIM in opposition proceedings concerning the registration of a Community trade mark, even if it is identical to the national mark which is the subject of the action for infringement It follows that the existence of a decision such as that of the [*Tribunal de commerce de Bruxelles*] in the present case, even if it has become final, is not in itself sufficient to enable the General Court to ascertain which decision the Board of Appeal was required to take”.³⁸

In particular, the GC noted that the *res judicata* which attached to the national judgment is not binding either on the Board of Appeal, in the exercise of its jurisdiction to rule on whether the mark can be registered, or on the EU Courts, in the exercise of their review of lawfulness and their power of alteration under Article 65(3) of Community Trade Mark Regulation.

In conclusion, the GC recalled that the Board of Appeal had failed to take into account the national judgment and to assess the potential impact of that judgment on the outcome of the dispute at issue. Therefore, the GC considered that it was not in a position to determine, on the basis of the matters of fact and law as established, which decision the Board of Appeal was required to take and could not, as a consequence, exercise its power of alteration. The request for alteration was thus rejected.

4. Conclusion

The GC's power to alter decisions of the OHIM Boards of Appeal sits within the broader issue of the relationship between administrative power and judicial review. The exercise of such power, by which “the Court's decision replaces that of the Board”,³⁹ inherently presents the risk of going beyond the limits of judicial control. This excursus on the case-law has shown, however, how the European judge, first in principle, with *Edwin*, then in practice, with *i-content*, has been able to guarantee that such delicate exercise of judicial review occurs in full compliance with the principle of institutional balance.

I am happy that Otto Czúcz, as Judge-Rapporteur, has been able to take part in this significant development as regards the practical operation of this principle. In trade mark law, as in all areas of Union law, Judge Czúcz has, thanks to his invaluable academic and human qualities, made a crucial contribution to the development of EU law.

³⁸ *Apple and Pear Australia*, para 57.

³⁹ LENAERTS, KOEN, MASELIS IGNACE, GUTMAN KATHLEEN: *EU Procedural Law* p. 714.

MARC JAEGER

THE GENERAL COURT'S POWER TO ALTER EUIPO DECISIONS:
A MATTER OF INSTITUTIONAL BALANCE

(Summary)

This contribution focuses on the General Court's power to alter decisions of the EUIPO Boards of Appeal, granted by Article 65(3) of Regulation No 2015/2424 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs). This power sits within the broader issue of the relationship between administrative power and judicial review. The exercise of such power, by which the Court's decision replaces that of the Boards of Appeal presents the risk of going beyond the limits of judicial control. This contribution examines the principle established by the Court of Justice in *Edwin* on the exercise of the power to alter EUIPO decisions, on the case-law of the GC subsequent to that judgment, on how the *i-content* case gave for the first time a practical dimension to the *Edwin* criteria and on jurisprudential developments after *i-content*.