

Court of Justice EU, 19 January 2012, OHIM v Nike International

#### Nike Air Legend FG R10 (Ronaldinho)



#### COMMUNITY TRADEMARK LAW

Nike ought to have been granted an opportunity to prove the transfer of the earlier right R10 on which it relied in order to show that it had locus standi

- by disregarding the applicability of Rule 49(1) of Regulation No 2868/95 and by deciding that the First Board of Appeal of OHIM, by applying Rule 50(1) of that regulation and, by analogy, Rule 31(6) of that regulation and the OHIM Guidelines on the opposition proceedings, in the point cited at paragraph 17 of the present judgment, mutatis mutandis, ought to have granted Nike an opportunity to present its comments or to produce additional evidence such as to prove the transfer of the earlier right on which it had relied in order to show that it had locus standi, the General Court infringed Article 58 of Regulation No 40/94 and Rule 49(1) and (2) of Regulation No 2868/95.

It follows that a person who brings an appeal before the Board of Appeal of OHIM must show that he has locus standi within the four month period provided for in Article 59 of Regulation No 40/94, otherwise the appeal will be declared inadmissible. That person has the right to remedy, on its own initiative, any ground of inadmissibility within the same period.

55 Therefore, if there has been an assignment of the sign on which the opposition was based without that assignment being taken into account during the procedure before the Opposition Division of OHIM, the assignee must adduce, within the four month period provided for in Article 59 of Regulation No 40/94, before the Board of Appeal of OHIM the necessary proof that he became the owner of that sign by transfer

in order to show that he has locus standi otherwise the appeal will be declared inadmissible.

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#### Court of Justice EU, 19 January 2012

(J.N. Cunha Rodrigues, U. Løhmus (Rapporteur), A. Rosas, A. Ó Caoimh and A. Arabadjiev)  
JUDGMENT OF THE COURT (Second Chamber)  
19 January 2012 (\*)

*(Appeal – Community trade mark – Regulation (EC) No 40/94 – Article 58 – Regulation (EC) No 2868/95 – Rules 49 and 50 – Word mark R10 – Opposition – Assignment – Admissibility of an appeal – Concept of ‘person entitled to appeal’ – Applicability of the OHIM Guidelines)*

In Case C-53/11 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 3 February 2011,

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by J. Crespo Carrillo, acting as Agent,  
applicant,

the other parties to the proceedings being:

Nike International Ltd, established in Beaverton (United States), represented by M. de Justo Bailey, abogado,

applicant at first instance,

Aurelio Muñoz Molina, residing at Petrer (Spain),

intervener at first instance,

THE COURT (Second Chamber),

composed of J.N. Cunha Rodrigues, President of the Chamber, U. Løhmus (Rapporteur), A. Rosas, A. Ó Caoimh and A. Arabadjiev, Judges,

Advocate General: N. Jääskinen,

Registrar: M. Ferreira, Principal Administrator,

having regard to the written procedure and further to the hearing on 17 November 2011,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

#### Judgment

1 By its appeal, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) seeks to have set aside the judgment of the General Court of the European Union of 24 November 2010 in Case T-137/09 Nike International v OHIM – Muñoz Molina (R10), (not yet published in the ECR, ‘the judgment under appeal’) by which the Court upheld the action of Nike International Ltd (‘Nike’) for annulment of the decision of the First Board of Appeal of OHIM of 21 January 2009 (Case R 551/2008-I, ‘the contested decision’) declaring inadmissible Nike’s opposition, on the basis of a non-registered national sign, namely ‘R10’, against the registration of that sign as a Community trade mark by Aurelio Muñoz Molina.

#### Legal context

##### Regulation (EC) No 40/94

2 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p.

1) was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1) which entered into force on 13 April 2009. However, in view of the date on which the opposition which led to the contested decision was filed, these proceedings are governed by Regulation No 40/94 as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006 (OJ 2006 L 386, p. 14, 'Regulation No 40/94').

3 Article 57(1) of Regulation No 40/94, which relates to decisions subject to appeal, states:

*'An appeal shall lie from decisions of the examiners, Opposition Divisions, Administration of Trade Marks and Legal Divisions and Cancellation Divisions. It shall have suspensive effect.'*

4 Article 58 of that regulation, entitled 'Persons entitled to appeal and to be parties to appeal proceedings', provides:

*'Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right.'*

5 Article 59 of the same regulation, entitled 'Time-limit and form of appeal', states:

*'Notice of appeal must be filed in writing at the Office within two months after the date of notification of the decision appealed from. The notice shall be deemed to have been filed only when the fee for appeal has been paid. Within four months after the date of notification of the decision, a written statement setting out the grounds of appeal must be filed.'*

6 Article 73 of that regulation, entitled 'Statement of reasons on which decisions are based', provides:

*'Decisions of the Office shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had [an] opportunity to present their comments.'*

7 Article 74 of Regulation No 40/94, entitled 'Examination of the facts by the Office of its own motion', provides:

*'1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.'*

*2. The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.'*

#### **Regulation (EC) No 2868/95**

8 Rule 31 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1) as amended by Commission Regulation (EC) No 1041/2005 of 29 June 2005 (OJ 2005 L 172, p. 4, 'Regulation No 2868/95'), entitled 'Transfer', states at paragraphs 1, 2, 5 and 6:

*'1. An application for registration of a transfer under Article 17 of the [Regulation 40/94] shall contain:*

*(a) the registration number of the Community trade mark;*

*(b) particulars of the new proprietor in accordance with Rule 1(1)(b);*

*(c) where not all the registered goods or services are included in the transfer, particulars of the registered goods or services to which the transfer relates;*

*(d) documents duly establishing the transfer in accordance with Article 17(2) and (3) of [Regulation 40/94].*

*2. The application may contain, where applicable, the name and business address of the representative of the new proprietor, to be set out in accordance with Rule 1(1)(e).*

...

*5. It shall constitute sufficient proof of transfer under paragraph 1(d):*

*(a) that the application for registration of the transfer is signed by the registered proprietor or his representative and by the successor in title or his representative; or*

*(b) that the application, if submitted by the successor in title, is accompanied by a declaration, signed by the registered proprietor or his representative, that he agrees to the registration of the successor in title; or*

*(c) that the application is accompanied by a completed transfer form or document, as specified in Rule 83(1)(d), signed by the registered proprietor or his representative and by the successor in title or his representative.*

*6. Where the conditions applicable to the registration of a transfer, as laid down in Article 17(1) to (4) of [Regulation 40/94], in paragraphs 1 to 4 above, and in other applicable Rules are not fulfilled, the Office shall notify the applicant of the deficiencies. If the deficiencies are not remedied within a period specified by the Office, it shall reject the application for registration of the transfer.'*

9 Title X of Regulation No 2868/95, entitled 'Appeals', begins with Rule 48, entitled 'Content of the notice of appeal', which provides:

*'1. The notice of appeal shall contain:*

*(a) the name and address of the appellant in accordance with rule 1(b);*

*(b) where the appellant has appointed a representative, the name and the business address of the representative in accordance with Rule 1(1)(e);*

*(c) a statement identifying the decision which is contested and the extent to which amendment or cancellation of the decision is requested.*

*2. The notice of appeal shall be filed in the language of the proceedings in which the decision subject to the appeal was taken.'*

10 Rule 49, entitled 'Rejection of the appeal as inadmissible', which is contained under the same Title, states at paragraphs 1 and 2:

*'1. If the appeal does not comply with Articles 57, 58 and 59 of [Regulation No 40/94] and Rule 48(1)(c) and (2), the Board of Appeal shall reject it as inadmissible, unless each deficiency has been remedied before the relevant time-limit laid down in Article 59 of [Regulation No 40/94] has expired.'*

2. If the Board of Appeal finds that the appeal does not comply with other provisions of [Regulation No 40/94] or other provisions of these Rules, in particular Rule 48(1)(a) and (b), it shall inform the appellant accordingly and shall request him to remedy the deficiencies noted within such period as it may specify. If the appeal is not corrected in good time, the Board of Appeal shall reject it as inadmissible.’

11 Rule 50 of Regulation No 2868/95, entitled ‘Examination of appeals’, provides at paragraph 1:

‘Unless otherwise provided, the provisions relating to proceedings before the department which has made the decision against which the appeal is brought shall be applicable to appeal proceedings mutatis mutandis.

...

Where the appeal is directed against a decision of an Opposition Division, the Board shall limit its examination of the appeal to facts and evidence presented within the time-limits set in or specified by the Opposition Division in accordance with [Regulation No 40/94] and these Rules, unless the Board considers that additional or supplementary facts and evidence should be taken into account pursuant to Article 74(2) of [Regulation No 40/94].’

#### **Background to the dispute**

12 The facts of the dispute are set out as follows at paragraphs 1 to 9 of the judgment under appeal:

‘1. On 2 January 2006, Aurelio Muñoz Molina filed an application for registration of a Community trade mark at [OHIM] ...

2. The trade mark in respect of which registration was sought is the word sign R10.

3. The Community trade mark application was published in Community Trade Marks Bulletin No 30/2006 of 24 July 2006.

4. On 24 October 2006, DL Sports & Marketing Ltda filed a notice of opposition under Article 42 of Regulation No 40/94 ... to the registration of the trade mark applied for. That opposition was based on the non-registered mark or the sign used in the course of trade, R10, and was directed against all of the goods covered by the trade mark applied for. ...

5. On 28 November 2006, the Opposition Division allowed DL Sports & Marketing [Ltda] a period of four months, until 29 March 2007, in order, inter alia, to prove the existence and validity of the earlier right relied on. On 29 March 2007, DL Sports & Marketing [Ltda] requested an extension of the deadline, which, on 8 June 2007, was extended until 9 August 2007. On 24 October 2007, the Opposition Division noted that no evidence had been submitted in support of the opposition.

6. By letter of 31 October 2007, the lawyers acting for [Nike], informed the Opposition Division that, by a contract dated 20 June 2007, DL Sports & Marketing [Ltda] had assigned to [Nike] – through Nike, Inc. – ownership of numerous trade marks and industrial property rights (“the transfer agreement”). [Nike’s] lawyers stated that they had been instructed by the new owner of the earlier right to pursue the opposition

proceedings and, accordingly, asked to be entered as representatives in those proceedings.

7. On 19 February 2008, the Opposition Division rejected the opposition on the ground that DL Sports & Marketing [Ltda] had not substantiated, within the prescribed period, the existence of the earlier right relied on in support of the opposition (“the Opposition Division’s decision”).

8. On 28 March 2008, [Nike] appealed to OHIM pursuant to Articles 57 to 62 of Regulation No 40/94 ... against the Opposition Division’s decision.

9. By [the contested decision], the First Board of Appeal of OHIM dismissed that appeal as inadmissible on the ground that [Nike] had not produced proof of its status as a party to the opposition proceedings and, consequently, that it was not entitled to appeal the Opposition Division’s decision. The Board of Appeal found that, at that stage of the proceedings, [Nike’s] lawyers had not claimed – much less produced proof – that the earlier right relied on in support of the opposition was among the trade marks transferred to [Nike]. It stated that, during the appeal also, the applicant had not been in a position to prove that it was the owner of the earlier right. The Board of Appeal therefore concluded that the transfer agreement merely showed that [Nike] had acquired certain Community trade marks, but not, specifically, the earlier right relied on.’

#### **The procedure before the General Court and the judgment under appeal**

13 By application lodged on 6 April 2009, Nike brought an action before the General Court seeking, in particular, a declaration that its appeal before the First Board of Appeal of OHIM was admissible.

14 In support of that action Nike raised four pleas in law.

15 The General Court, while rejecting the first and third pleas in law and not examining the fourth plea in law, upheld the second plea in law, in so far as it concerned the contested decision and it consequently annulled that decision.

16 By its second plea in law, Nike submitted that the contested decision had been adopted (i) in breach of its rights of defence, since it is based on an interpretation of the transfer agreement on which Nike had been unable to submit observations, and (ii) in breach, inter alia, of Rule 31(6) of Commission Regulation No 2868/95 in so far as Nike had not had the opportunity to correct deficiencies in relation to proof of the transfer of the earlier right relied on.

17 At paragraphs 22 to 24 and 26 of the judgment under appeal, the Court noted that the First Board of Appeal of OHIM had found that Nike had not been in a position to prove that it was the owner of the earlier right relied on and, consequently, that it had not produced proof of its status as a party to the opposition proceedings and was therefore not entitled to appeal the Opposition Division’s decision. However, according to the Court, in the absence of a legal provision concerning evidence of the transfer of the earlier national right relied on in support of an opposition, the



guidelines relating to proceedings before OHIM ('the OHIM Guidelines') – with which OHIM is, in principle, required to comply – are based in that respect on Rule 31(6) of Regulation No 2868/95. Thus, in 'Part 1: [Procedural] Matters' in 'Part C: [Guidelines relating to the] Opposition [procedure]', at point E.VIII.1.3.1, those guidelines provide that if the new owner of the earlier national right 'informs [OHIM] of the transfer, but does not submit (sufficient) evidence thereof, the opposition proceedings have to be suspended while the new owner is given two months to provide evidence of the transfer'.

18 The Court held, at paragraph 24 of the judgment under appeal, that the application of Rule 31 (6) of Regulation No 2868/95, which concerns the transfer, *inter alia*, of Community trade marks, to the assignment of national trade marks cannot be challenged since, where national law makes no provision for a procedure for registration of transfers of ownership of registered marks, the examination carried out in order to check that the transfer of the trade mark relied on in support of the opposition actually occurred is, in essence, the same as the examination carried out by the appropriate OHIM departments when examining transfer applications relating to Community trade marks. Furthermore, although that procedure specifically relates to registered national marks, according to the Court it must be applied by analogy to the transfer of national non-registered marks, since the type of examination to be carried out by OHIM is the same.

19 The Court went on to hold, at paragraphs 25 and 26 of the judgment under appeal, that, under Rule 50(1) of Regulation No 2868/95, the provisions relating to proceedings before OHIM's Opposition Division are to be applicable to appeal proceedings *mutatis mutandis*, but that the First Board of Appeal of OHIM had failed, contrary to the provisions of Regulation No 2868/95 referred to above and the OHIM Guidelines, to give Nike an opportunity to produce additional evidence of the transfer of the earlier national right relied on.

20 In response to OHIM's argument that Nike did not apply to be substituted for the original opponent before OHIM's Opposition Division until after the closure of the opposition proceedings, the Court considered, at paragraph 27 of the judgment under appeal, that even on the assumption that the substitution application might not be accepted and might even be entirely disregarded, that assignee cannot be deprived of the right to bring an appeal against the Opposition Division's decision. As the owner of the trade mark relied on in support of the opposition, the assignee necessarily has *locus standi* with regard to the decision by which the opposition proceedings are concluded, irrespective of whether it made a substitution application to OHIM's Opposition Division and whether such an application was admissible. According to the Court, while OHIM's Board of Appeal is indeed required to satisfy itself that the assignee is actually the owner of the earlier mark, its examination must be carried out in accordance with the applicable procedural rules, including the OHIM Guidelines.

21 Similarly, the Court found, at paragraph 28 of the judgment under appeal, that OHIM's argument that Nike had produced no evidence of the assignment to it of the earlier right relied on in support of the opposition could not be accepted because Nike's objection was precisely that the First Board of Appeal of OHIM ought to have allowed Nike to comment on the interpretation of the evidence produced or to remedy the insufficiency of that evidence.

22 Finally, at paragraphs 29 and 30 of the judgment under appeal, the Court rejected OHIM's argument that the infringement committed by the First Board of Appeal of OHIM cannot give rise to annulment of the contested decision since that infringement has no bearing on its substance, the opposition having to be rejected in any event on the ground that the original opponent had failed to produce evidence of the existence of the earlier right relied on in support of the opposition. According to the Court, it cannot be denied that a decision rejecting an appeal as inadmissible does not have the same substance as a decision on the merits. Furthermore, the Court cannot directly review the legality of the Opposition Division's decision by examining arguments which the First Board of Appeal of OHIM did not address, in order to ascertain whether the infringement of the procedural rules by the Board of Appeal could have had any influence on the ultimate rejection of the opposition.

23 The Court stated, at paragraph 31 of the judgment under appeal, that the second plea in law had to be upheld and that there was no need to consider whether Nike's rights of defence, considered independently of the abovementioned provisions of Regulation No 2868/95 and of the OHIM Guidelines, had been infringed.

#### **Forms of order sought by the parties before the Court of Justice**

24 By its appeal OHIM asks the Court to:

- set aside the judgment under appeal;
- deliver a new judgment on the substance of the case rejecting the action against the contested decision, or refer the case back to the General Court, and
- order Nike to pay the costs.

25 In its response Nike asks the Court to:

- dismiss the appeal, and
- order OHIM to pay the costs.

#### **The appeal**

26 In support of its appeal, OHIM raises two pleas in law, alleging, first, infringement of Rule 49 of Regulation No 2868/95, and Article 58 of Regulation No 40/94 and, second, infringement of the OHIM Guidelines and Rule 49(1) of Regulation No 2868/95.

27 It is appropriate to deal with the two pleas in law together.

#### **Arguments of the parties**

28 By the first part of the first plea in law, OHIM claims that the General Court erred in law by not applying Rule 49 of Regulation No 2868/95 or Article 58 of Regulation No 40/94 to the appeals procedure, they being the provisions on which the contested decision is based.

29 According to OHIM, Nike had to substantiate its status as a party before the First Board of Appeal of OHIM by producing proof that the original opponent had transferred to it the earlier national right on which the opposition was based. The contested decision states that the documents submitted before the Board of Appeal did not contain evidence that Nike was the owner of that right, because the transfer agreement submitted by Nike proved only that it had acquired Community trade marks and not the non-registered national mark on which the opposition was based.

30 In the judgment under appeal, the General Court wrongly found a lacuna in the law that it sought to fill by means of successive analogies which led to it ignoring Rule 49(1) of Regulation No 2868/95, applicable in the present case, and obliging the Boards of Appeal of OHIM to apply the OHIM Guidelines and, therefore, provisions totally unrelated to the present case.

31 In accordance with Rule 49(1) deficiencies relating to non-compliance with the conditions laid down in Articles 57 to 59 of Regulation No 40/94 must be remedied before expiry of the time-limit laid down in Article 59 of that regulation, namely within four months after the date of notification of the decision against which the appeal is brought.

32 Furthermore, given that, under Rule 49(2), a time-limit for remedying potential deficiencies is not granted to the applicant unless the Board of Appeal of OHIM finds that the appeal does not comply with other provisions of Regulation No 40/94 or of Regulation No 2868/95, and in particular those laid down in Rule 48(1)(a) and (b) of the latter regulation, Rule 49 of Regulation No 2868/95 prohibits the Board of Appeal of OHIM from granting a time-limit for the remedying of deficiencies linked to non-compliance with Article 58 of Regulation No 40/94. In the light of the fact that Nike did not substantiate its status as a party to the procedure within the four month time-limit provided for in Article 59 of Regulation No 40/94, the contested decision correctly stated that Nike's appeal was inadmissible under Rule 49(1) of Regulation No 2868/95, read in conjunction with Article 58 of Regulation No 40/94.

33 Moreover, by not granting a time-limit for remedying the inadmissibility of Nike's appeal, the First Board of Appeal of OHIM did not, according to OHIM, breach Nike's rights of defence since, in accordance with established case-law of the General Court, the assessment of the facts forms part of the decision-making act itself. The right to be heard extends to all the matters of fact or of law which form the basis for the decision-making act, but not to the final position which the administration intends to adopt. Since Nike itself submitted the documents at issue before OHIM, it had the opportunity to comment on their relevance.

34 By the second part of its first plea in law, OHIM claims that the General Court failed in its obligation to state reasons in the judgment under appeal by not ruling on the applicability of Article 58 of Regulation

No 40/94 and Rule 49(1) of Regulation No 2868/95 to the appeal proceedings.

35 In relation to the first plea in law, Nike submits that the General Court was correct to annul the contested decision, since the First Board of Appeal of OHIM had infringed Rule 50 of Regulation No 2868/95 and Article 73 of Regulation No 40/94 by refusing Nike the opportunity to submit additional evidence capable of showing assignment to it of the earlier right relied on. According to Article 73, a decision of OHIM cannot be based on reasons or evidence on which the parties concerned have not had an opportunity to present their comments and that is part of the minimal legal certainty which the parties have the right to expect before the administration. Article 58 of Regulation 40/94 cannot warrant an exception to that principle.

36 Nike claims that, in the proceedings before the General Court, OHIM disputed neither the fact that the contested decision based the inadmissibility of the appeal on non-compliance with conditions laid down in Article 58 of Regulation No 40/94 nor the fact that the First Board of Appeal of OHIM had not granted Nike the opportunity to take a view on the inadmissibility ground. Nike deduces from this that the judgment under appeal is therefore, as regards the infringement of the rights of defence mentioned in Article 73 of that regulation, compatible with European Union law.

37 Furthermore, according to Nike, the application of Article 58 of Regulation No 40/94 must be consistent with other provisions of that regulation and of Regulation No 2868/95, and in particular with what is meant by the term 'party' to the opposition proceedings. However, OHIM's interpretation of the term 'party', as it appears in Article 58 of Regulation No 40/94, confuses the status of 'party' and of 'owner' of the earlier right, disregarding the different terminology used in the provisions of that regulation. The use of the term 'party' in Article 58 indicates that that regulation allows it to demonstrate, subsequently and in good time, that status of 'owner'. Thus Nike claims that the assignee is, in the present case, entitled to bring proceedings against the decision which put an end to the opposition proceedings.

38 By its second plea in law, alleging infringement of the OHIM Guidelines and of Rule 49(1) of Regulation No 2868/95, OHIM claims that the judgment under appeal is vitiated by an error in law in that it finds, pursuant to Rule 50(1) of that regulation, that the Boards of Appeal of OHIM are required to apply the OHIM Guidelines.

39 According to OHIM, those guidelines are instructions to OHIM personnel which are used as a basis for decisions given by the examiners and the different divisions of OHIM, but that the Boards of Appeal of OHIM, which review, in particular, the consistency of the decisions of those bodies with the provisions of Regulations Nos 40/94 and 2868/95, are not required to apply them.

40 Furthermore, the decisions of the Boards of Appeal of OHIM are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly,

the lawfulness of the decisions of the Boards of Appeal must be assessed solely on the basis of Regulations Nos 40/94 and 2868/95 as interpreted by the European Union Courts and not on the basis of OHIM's previous practice in taking decisions.

41 In that respect, the reference made in the judgment under appeal to Rule 50(1) of Regulation No 2868/95 is particularly misguided because, first, that rule specifically states that it is applicable 'unless otherwise provided', whereas Rule 49 of the same regulation is a provision which does indeed provide otherwise. Second, Rule 50(1) must be referring to provisions in legislation, in particular Regulations Nos 40/94 and 2868/95, and not to administrative instructions directed at OHIM bodies.

42 Nike submits, by contrast, that, even though OHIM is limited by respect for the principle of legality, OHIM has acknowledged and confirmed that the 'need for consistency' is reflected in the adoption, *inter alia*, of internal guidelines that are more or less binding. Consequently, it must apply the relevant provisions of Regulations Nos 40/94 and 2868/95 in accordance with OHIM Guidelines. The reference, in the judgment under appeal, to the obligation of the Boards of Appeal of OHIM to apply those guidelines does not constitute, therefore, an error in law. In the absence of a specific legal provision, those Boards of Appeal must apply Rule 31 (6) of Regulation No 2868/95 in the manner stated in those guidelines.

43 Finally, Nike claims that the Boards of Appeal of OHIM must take into consideration matters of common knowledge as well as the evidence expressly relied on by the parties. Even though it follows from Article 74(1) of Regulation No 40/94 that, in *inter partes* proceedings, it is for the parties to furnish sufficient evidence of what they allege, none the less that article does not exempt the First Board of Appeal of OHIM from its duty to examine the deed of assignment of the earlier right relied on, submitted as the document confirming the position of Nike as the owner of that right, and *a fortiori* in the light of the well known character of the origin and of the owner of the trade mark on which the opposition was based.

#### **Findings of the Court**

44 By the first part of the first plea in law, and by the second plea in law, OHIM claims that the General Court infringed Article 58 of Regulation No 40/94 and Rule 49 of Regulation No 2868/95 by disregarding the applicability of those provisions and by obliging the First Board of Appeal of OHIM to apply, *mutatis mutandis*, the OHIM Guidelines in the assessment of the locus standi of a person who brings proceedings against a decision of OHIM's Opposition Division. The General Court held that the Board of Appeal ought to have granted Nike an additional time-limit within which to present its comments or to produce additional evidence relating to the transfer of the earlier right on which it had relied in order to show that it had locus standi.

45 As regards the admissibility of an appeal against a decision of OHIM's Opposition Division, the first

sentence of Article 58 of Regulation No 40/94 provides that any party to proceedings adversely affected by a decision may appeal.

46 Article 59 of that regulation states that a notice of appeal must be filed in writing at OHIM within two months after the date of notification of the decision appealed from and that a written statement setting out the grounds of appeal must be filed within four months after the date of notification of the decision.

47 Rule 49(1) and (2) of Regulation No 2868/95, which contains, *inter alia*, detailed rules for the application of Articles 58 and 59, sets out the specific rules relating to the assessment of the admissibility of the appeal.

48 In that regard, in respect of the rejection of an appeal as inadmissible and the rules for remedying a ground of inadmissibility linked, in particular, to the non-compliance with conditions laid down in the same articles, Rule 49(1) of Regulation No 2868/95 states that, if the appeal does not comply with, *inter alia*, Article 58 of Regulation No 40/94, the Board of Appeal shall reject it as inadmissible, unless each deficiency has been remedied before the relevant time-limit laid down in Article 59 of the regulation has expired.

49 However, Article 59 provides two different time-limits, as is set out at paragraph 46 of this judgment. In order to provide a real opportunity to remedy the deficiencies referred to in Rule 49(1) the time-limit of four months after the date of notification of the decision appealed from should be taken into account.

50 Not only does the wording of Rule 49(1) not provide for the possibility of OHIM granting an additional time-limit to the person bringing the appeal to remedy a deficiency related to proof of locus standi, but Rule 49(2) also rules out such a possibility.

51 Thus Rule 49(2) states that, if the Board of Appeal finds that the appeal does not comply with other provisions of Regulation No 40/94 or with other provisions of the Rules in Regulation No 2868/95, in particular Rule 48(1)(a) and (b), it is to inform the appellant accordingly and is to request him to remedy the deficiencies noted within such period as it may specify. If the appeal is not corrected in good time, the Board of Appeal is to reject it as inadmissible.

52 It is clear from the reference to 'other provisions' in Rule 49(2) of Regulation No 2868/95 that the Board of Appeal of OHIM cannot award an additional time-limit in the case of a deficiency linked to the non-compliance with provisions expressly mentioned in Rule 49(1) of that rule, in particular with Article 58 of Regulation No 40/94.

53 The fact that an additional time-limit cannot be granted does not frustrate the right to be heard set out in Article 73 of Regulation No 40/94 according to which OHIM decisions are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments. That right does not require that, before taking a final position on the assessment of the evidence submitted by a party, the Board of Appeal of OHIM must offer that party a further opportunity to comment on that evidence (see,



to that effect, the order of 4 March 2010 in Case C-193/09 P Kaul v OHIM, paragraphs 58 and 66).

54 It follows that a person who brings an appeal before the Board of Appeal of OHIM must show that he has locus standi within the four month period provided for in Article 59 of Regulation No 40/94, otherwise the appeal will be declared inadmissible. That person has the right to remedy, on its own initiative, any ground of inadmissibility within the same period.

55 Therefore, if there has been an assignment of the sign on which the opposition was based without that assignment being taken into account during the procedure before the Opposition Division of OHIM, the assignee must adduce, within the four month period provided for in Article 59 of Regulation No 40/94, before the Board of Appeal of OHIM the necessary proof that he became the owner of that sign by transfer in order to show that he has locus standi otherwise the appeal will be declared inadmissible.

56 Accordingly, in the present case, by disregarding the applicability of Rule 49(1) of Regulation No 2868/95 and by deciding that the First Board of Appeal of OHIM, by applying Rule 50(1) of that regulation and, by analogy, Rule 31(6) of that regulation and the OHIM Guidelines on the opposition proceedings, in the point cited at paragraph 17 of the present judgment, mutatis mutandis, ought to have granted Nike an opportunity to present its comments or to produce additional evidence such as to prove the transfer of the earlier right on which it had relied in order to show that it had locus standi, the General Court infringed Article 58 of Regulation No 40/94 and Rule 49(1) and (2) of Regulation No 2868/95.

57 To the extent that, by the judgment under appeal, the General Court found that the Boards of Appeal of OHIM are required to apply the OHIM Guidelines, it is settled case-law, as OHIM argues, that the decisions concerning registration of a sign as a Community trade mark which those Boards of Appeal are called on to take under Regulation No 40/94 are adopted in the exercise of circumscribed powers and are not a matter of discretion and, accordingly, the legality of those decisions must be assessed solely on the basis of that regulation, as interpreted by the Courts of the European Union (see, to that effect, [Case C-37/03 P BioID v OHIM \[2005\] ECR I-7975, paragraph 47](#); [Case C-173/04 P Deutsche SiSi-Werke v OHIM \[2006\] ECR I-551, paragraph 48](#); and [Joined Cases C-202/08 P and C-208/08 P American Clothing Associates v OHIM and OHIM v American Clothing Associates \[2009\] ECR I-6933, paragraph 57](#)).

58 Furthermore, it should be stated that, in the present case, the application of Rule 49(1) of Regulation No 2868/95 by the First Board of Appeal of OHIM is consistent with the first subparagraph of Rule 50(1) of that regulation, according to which the provisions relating to proceedings before the department which has made the decision against which the appeal is brought shall be applicable to appeal proceedings mutatis mutandis, unless otherwise provided. Rule 49 of the same regulation is precisely such a provision to

the contrary in so far as it aims specifically to regulate the procedure for remedying a deficiency in the event of a ground for inadmissibility linked to the proof of status as a party before the Board of Appeal of OHIM upon the introduction of the appeal. Accordingly, it precludes, in that regard, the application mutatis mutandis of other provisions, such as Rule 31(6) of that regulation, relating to proceedings before the department which made the decision against which the appeal is brought.

59 In those circumstances, the first part of the first plea in law and the second plea in law must be upheld as well founded, without it being necessary to examine the second part of the first plea in law.

60 Pursuant to the second sentence of Article 61(1) of the Statute of the Court of Justice of the European Union, the Court may, in cases where it sets aside the decision of the General Court, refer the case back to the General Court for judgment. In the present case, it follows from the foregoing that the judgment under appeal must be set aside in so far as in that judgment, the General Court, in breach of Article 58 of Regulation No 40/94 and of Rule 49 of Regulation No 2868/95, held that the First Board of Appeal of OHIM, in the contested decision, infringed Rules 31(6) and 50(1) of Regulation No 2868/95 by declaring the appeal brought by Nike to be inadmissible. Since the General Court did not examine the fourth plea in law put forward by Nike, relating to an error of assessment of the deed of assignment of the earlier right relied on, it is necessary to refer the case back to the General Court and to reserve the costs.

**On those grounds, the Court (Second Chamber) hereby:**

1. Sets aside the judgment of the General Court of the European Union of 24 November 2010 in Case T-137/09 Nike International v OHIM – Muñoz Molina (R10) in so far as in that judgment, the General Court, in breach of Article 58 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark, as amended by Council Regulation (EC) No 1891/2006 of 18 December 2006, and Rule 49 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94, as amended by Commission Regulation (EC) No 1041/2005 of 29 June 2005, held that the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), in its decision of 21 January 2009 (Case R 551/2008-1), infringed Rules 31(6) and 50(1) of Regulation No 2868/95, as amended by Regulation No 1041/2005, by declaring the appeal brought by Nike International Ltd to be inadmissible;
2. Refers the case back to the General Court of the European Union;
3. Reserves the costs.

\* Language of the case: Spanish.