

Court of Justice EU, 22 september 2016, Pensa Pharma v EUIPO



#### TRADE MARK LAW – LITIGATION

Although the General Court has erred in law regarding the admissibility of arguments put forward by Pensa Pharma, this has no impact on the operative part of the judgment under appeal

- Even if appropriate law was adopted, the arguments would have been rejected

54. It follows that the error of law found in paragraph 50 of the present judgment has no impact on the operative part of the judgment under appeal. Accordingly, the third part of the first ground of appeal must be rejected.

#### Re-examination of factual assessment not possible

- In the present case, by the fourth ground of appeal, Pensa Pharma is clearly attempting to obtain a re-examination by the Court of Justice of the factual assessment made by the General Court as regards the visual, phonetic and conceptual comparison of the signs at issue, without demonstrating or even alleging that the General Court distorted the evidence or the facts. Accordingly, Pensa Pharma cannot secure a re-examination by the Court of that assessment, with the result that the fourth ground of appeal must be rejected as inadmissible (see, to that effect, order of 15 July 2014, Zoo Sport v OHIM, C-675/13 P, not published, EU:C:2014:2079, paragraph 23).

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#### Court of Justice EU, 22 september 2016

(D. Šváby, M. Safjan and M. Vilaras (Rapporteur))

JUDGMENT OF THE COURT (Eighth Chamber)

22 September 2016 (\*)

(Appeal — EU trade mark — Word mark PENZA PHARMA — Figurative mark pensa — Applications for a declaration of invalidity of the holders of the word marks pentasa — Declaration of invalidity — Proceedings before EUIPO — Change in the subject matter of the proceedings — New plea before the General Court)

In Case C-442/15 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 12 August 2015,

Pensa Pharma SA, established in Valence (Spain), represented by R. Kunze and G. Würtenberger, Rechtsanwälte, appellants,

the other parties to the proceedings being:

European Union Intellectual Property Office (EUIPO), represented by J. Crespo Carrillo, acting as Agent, defendant at first instance,

Ferring BV, established in Hoofddorp (Netherlands), Farmaceutisk Laboratorium Ferring A/S, established in Copenhagen (Denmark),

represented by I. Fowler, Solicitor, and D. Slopek, Rechtsanwalt,

interveners at first instance,

THE COURT (Eighth Chamber),

composed of D. Šváby, President of the Chamber, M. Safjan and M. Vilaras (Rapporteur), Judges,

Advocate General: M. Bobek,

Registrar: A. Calot Escobar,

having regard to the written procedure,

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

gives the following

#### Judgment

1. By its appeal, Pensa Pharma SA seeks to have set aside the judgment of the General Court of the European Union of 3 June 2015, Pensa Pharma v OHIM — Ferring and Farmaceutisk Laboratorium Ferring (PENSA PHARMA and pensa) (T-544/12 and T-546/12, not published, ‘the judgment under appeal’, EU:T:2015:355), by which that Court dismissed its actions seeking the annulment of the decisions of the Fifth Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 1 October 2012 (Cases R 1883/2011-5 and R 1884/2011-5; together ‘the contested decisions’), relating to invalidity proceedings between Ferring BV and Farmaceutisk Laboratorium Ferring A/S (together ‘the Ferring companies’), on the one hand, and Pensa Pharma, on the other.

#### Legal context

##### Regulation (EC) No 207/2009

2. Article 8 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), entitled ‘Relative grounds for refusal’, provides in paragraph 1:

*‘Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:*

*(b) 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.’*

3. According to Article 75 of Regulation No 207/2009, decisions of EUIPO are to state the reasons on which they are based and are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.

#### Rules of Procedure of the General Court

4. The first subparagraph of Article 48(2) of the Rules of Procedure of the Court of First Instance of the European Communities of 2 May 1991 (OJ 1991 L

136, p. 1), in the version in force during the proceedings before the General Court, provided:

*'No new plea in law may be introduced in the course of proceedings unless it is based on matters of law or of fact which come to light in the course of the procedure.'*

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

5. The background to the dispute is set out in paragraphs 1 to 19 of the judgment under appeal in the following terms:

*'1 On 13 March 2006, the applicant, Pensa Pharma ... filed an application for registration of the word sign PENZA PHARMA as a[n EU] trade mark with [EUIPO] pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended [replaced by Regulation No 207/2009].*

*2 On 17 March 2006, the applicant filed an application for registration of the following figurative sign as a[n EU] trade mark with [EUIPO] pursuant to Regulation No 40/94, as amended:*



*3 The goods and services in respect of which registration was sought are in Classes 3, 5 and 44 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, for each of those classes, according to the English language versions of the applications for registration, to the following description:*

*– Class 3: “Soaps and shampoos; perfumery, essential oils, cosmetics, hair lotions; dentifrices”;*

*– Class 5: “Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes, dietetic substances adapted for medical use, food for babies; 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 44: “Medical services and consultancy in the field of pharmacy”.*

*4 The [EU] trade mark applications for the word mark PENZA PHARMA and the figurative mark pensa were published in Community Trade Marks Bulletin No 2006/045.*

*5 On 6 February 2007, the interveners, [the Ferring companies], filed notices of opposition pursuant to Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009) to registration of the marks applied for in respect of all the goods and services referred to in paragraph 3 above.*

*6 The oppositions were based on the earlier word marks PENTASA, registered in a number of Member States in respect of “pharmaceutical preparations” in Class 5.*

*7 On 18 December 2008, the interveners sent [EUIPO] letters in which they stated that they were withdrawing*

*their oppositions to registration of the marks applied for.*

*8 On 17 February 2009 [EUIPO] registered the figurative mark pensa under the number 004963542 in respect of all the goods and services referred to in paragraph 3.*

*9 On 11 March 2009, [EUIPO] registered the word mark PENZA PHARMA under the number 004954831 in respect of all the goods and services referred to in paragraph 3.*

*10 On 15 September 2009, each of the interveners filed a separate application for a declaration of invalidity in respect of each of the registered marks on the ground that the registration was contrary to Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) and Article 8(5) thereof, and to Article 53(2) of that regulation. Those applications were directed against all the goods and services covered by each of the [EU] trade marks referred to in paragraphs 8 and 9 above.*

*11 The applications for a declaration of invalidity relating to [EU] word mark PENZA PHARMA were registered under the reference numbers 3872 C and 3896 C. The former application for a declaration of invalidity was based on the earlier rights held in the word “pentasa” in the Benelux countries, Denmark, Germany, Spain, Latvia, Portugal, Finland and the United Kingdom. The latter application for a declaration of invalidity was based on the earlier rights held in the word “pentasa” in the Czech Republic, France, Ireland, Italy, Hungary, Austria, Poland, Slovakia and Sweden.*

*12 The applications for a declaration of invalidity relating to the [EU] figurative mark pensa were registered under the reference numbers 3871 C and 3895 C. The former application for a declaration of invalidity was based on the earlier rights held in the word “pentasa” in the Benelux countries, Denmark, Germany, Spain, Latvia, Portugal, Finland and the United Kingdom. The latter application for a declaration of invalidity was based on the earlier rights held in the word “pentasa” in the Czech Republic, France, Ireland, Italy, Hungary, Austria, Poland, Slovakia and Sweden.*

*13 On 1 December 2009 the list of contested goods and services was restricted to:*

*– Class 5: “Pharmaceutical preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use; plasters, materials for dressings; disinfectants”;*

*– Class 44: “Medical services and consultancy in the field of pharmacy”.*

*14 On 30 March 2011, [EUIPO] informed the parties that it had decided to join the applications for a declaration of invalidity registered under the reference numbers 3872 C and 3896 C in its examination of Case R 1883/2011-5 and to join the applications for a declaration of invalidity registered under the reference numbers 3871 C and No 3895 C in its examination of Case R 1884/2011-5.*

15 On 15 July 2011, in both cases, the Cancellation Division upheld the applications for a declaration of invalidity of the [EU] trade marks referred to in paragraphs 8 and 9 above in respect of all the contested goods and services.

16 On 14 September 2011, the applicant filed two notices of appeal with [EUIPO], pursuant to Articles 58 to 64 of Regulation No 207/2009, against the decisions of the Cancellation Division.

17 By [the contested decisions], the Fifth Board of Appeal of [EUIPO] dismissed both of the appeals brought by the applicant.

18 The Board of Appeal stated, in particular, the following.

19 First, although the earlier marks are registered in a number of Member States of the European Union, it is sufficient for a likelihood of confusion to be established in one single Member State for a[n EU] trade mark to be refused registration or declared invalid; the Cancellation Division was therefore right to decide to rely on the earlier registration in the Benelux countries (decision in Case R 1883/2011-5, paragraph 16) and in France (decision in Case R 1884/2011-5, paragraph 17). Secondly, the relevant public consists of consumers from the Benelux countries and France; having regard to the nature of the goods and services covered by the marks at issue, the level of attention of the relevant consumers is higher than average (decision in Case R 1883/2011-5, paragraph 16, and decision in Case R 1884/2011-5, paragraph 17). Thirdly, the goods and services covered by the marks at issue are identical or similar (decision in Case R 1883/2011-5, paragraph 18, and decision in Case R 1884/2011-5, paragraph 20). Fourthly, the marks at issue are similar visually and phonetically (decision in Case R 1883/2011-5, paragraphs 22 to 23, and decision in Case R 1884/2011-5, paragraph 25), even though, as regards the figurative mark *pensa*, there is only a low degree of visual similarity with the interveners' earlier mark (decision in Case R 1884/2011-5, paragraph 24). Fifthly, the marks at issue have no meaning in French and in the other official languages of the Benelux countries, and the addition of the word "pharma" to the word "pensa" has no effect conceptually, in view of the descriptiveness of the former term (decision in Case R 1883/2011-5, paragraph 24, and decision in Case R 1884/2011-5, paragraph 26). Sixthly, none of the applicant's arguments relating to the interveners' consent to the registration of the contested marks, for the purposes of Article 53(3) of Regulation No 207/2009 (the peaceful coexistence of the marks on the Spanish and Italian markets for a number of years, the existence of a coexistence agreement between the parties which was signed in 2000, and the withdrawal by the interveners of their initial oppositions), may be taken into consideration for the purposes of assessing whether there is a likelihood of confusion between the signs at issue (decision in Case R 1883/2011-5, paragraphs 26 to 31, and decision in Case R 1884/2011-5, paragraphs 28 to 36). Seventhly, as regards the global assessment

of the likelihood of confusion, it was found that the goods and services at issue were identical or similar and that the marks at issue were also similar. It was pointed out, in that regard, that the interveners' earlier word mark *PENTASA* had acquired a highly distinctive character through use in the Benelux countries. There was thus a likelihood of confusion for the relevant public (decision in Case R 1883/2011-5, paragraphs 33 to 34). Eighthly, although there are some visual differences between the marks at issue, those differences were not sufficient to rule out a likelihood of confusion, in view, *inter alia*, of the highly distinctive character acquired through use of the interveners' earlier word mark *PENTASA* in French territory (decision in Case R 1884/2011-5, paragraphs 38 and 39).'

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

6. By applications lodged at the Registry of the General Court on 14 December 2012 (Case T-544/12) and 17 December 2012 (Case T-546/12), Pensa Pharma brought two actions for annulment of the contested decisions.

7. In support of its actions, Pensa Pharma relied, in essence, on two pleas in law, alleging: (i) infringement of Article 53(3) of Regulation No 207/2009 and (ii) infringement of Article 8(1)(b) and Article 53(1)(a) of the same regulation.

8. By order of the President of the Second Chamber of the General Court of 14 October 2013, Cases T-544/12 and T-546/12 were joined for the purposes of the oral procedure and the judgment.

9. During the hearing before the General Court, which took place on 18 November 2014, Pensa Pharma put forward two arguments in particular. They were summarised as follows by the General Court in paragraphs 28 and 29 of the contested judgment:

'28 First, the applicant claimed, in essence, that the Board of Appeal had not ruled on the applications for a declaration of invalidity registered under the reference numbers 3896 C and 3871 C by ruling exclusively on the application for a declaration of invalidity registered under the reference number 3872 C in the decision in Case R 1883/2011-5 and on the application for a declaration of invalidity registered under the reference number 3895 C in the decision in Case R 1884/2011-5. The applicant maintained that, consequently, by ruling on only two of the four applications for a declaration of invalidity filed by the interveners, the Board of Appeal had infringed Article 8 of Regulation No 207/2009. The applicant observed, in that regard, that that was particularly so because, although the Board of Appeal had ruled on only two applications for a declaration of invalidity, it had ordered it to pay the costs in respect of the four applications for a declaration of invalidity filed.

29 Secondly the applicant submitted, in essence, that the Board of Appeal had assumed, wrongly, that the interveners' marks were "earlier trade marks" within the meaning of Article 8(1)(b) of Regulation No 207/2009, whereas, since they had not been renewed,

those marks had lapsed nearly a year before the contested decisions.’

10. The General Court rejected those arguments as inadmissible for the reasons set out in paragraphs 30 to 32 of the judgment under appeal, which are as follows:

‘30 The applicant admitted, at the hearing, that those arguments had not been put forward either during the administrative procedure or in its written pleadings before the Court and the Court took formal note of that in the minutes of the hearing.

31 In that regard, it is apparent from the case-law that it is for the Court to review the legality of the decision taken by the Board of Appeal. Consequently, the Court’s review cannot go beyond the factual and legal context of the dispute as it was brought before the Board of Appeal (see, by analogy, judgment of 28 June 2012, *I Marchi Italiani and Basile v OHIM — Osra (B. Antonio Basile 1952)*, T-133/09, EU:T:2012:327, paragraph 16 and the case-law cited).

32 In those circumstances, the arguments of the applicant which are referred to in paragraphs 28 and 29 above must be rejected as inadmissible.’

11. The General Court then examined and rejected as unfounded the two pleas relied on by Pensa Pharma in support of its actions, as it did with those actions as a whole.

#### **Forms of order sought by the parties**

12. The appellant claims that the Court should:

- set aside the judgment under appeal;
- annul the contested decisions; and
- order EUIPO and the other parties to the proceedings to pay the costs.

13. EUIPO requests the Court to dismiss the appeal as inadmissible or, in the alternative, as unfounded and to order Pensa Pharma to pay the costs.

14. The Ferring companies request the Court to dismiss the appeal in its entirety and to order Pensa Pharma to pay the costs.

#### **The appeal**

15. In support of its appeal, Pensa Pharma relies on four grounds of appeal alleging (i) an error of law committed by the General Court in so far as it rejected as inadmissible the arguments it had put forward during the hearing, (ii) a distortion of the facts and evidence and an error of law, which led the General Court to confirm the contested decisions despite the failure of the Fifth Board of Appeal of EUIPO to verify the renewal of the earlier marks, (iii) an error of law committed by the General Court in so far as it did not annul the contested decisions for failure to state reasons and (iv) infringement of Article 8(1)(b) of Regulation No 207/2009 by the General Court in the global assessment of the likelihood of confusion between the marks at issue.

16. As, by the second and third grounds of appeal, Pensa Pharma argues, essentially, that the General Court should have examined the issues raised by the arguments it had put forward during the hearing even in the absence of those arguments, it is appropriate to examine, first, those two grounds, then the first ground and, last, the fourth ground.

#### **The second ground of appeal**

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

17. Pensa Pharma argues that, in order to comply with its obligation to conduct a re-examination of the case before it, both in law and in fact, the Fifth Board of Appeal should inter alia have verified that the earlier marks of the Ferring companies, registered in France and the Benelux countries, were still valid ([judgment of 13 September 2006, MIP Metro v OHIM — Tesco Stores \(METRO\), T-191/04, EU:T:2006:254, paragraphs 33 and 36](#)). The Board of Appeal should have found that, in the absence of a renewal, the validity period of those marks had expired before the contested decisions were adopted. Given that the Ferring companies did not provide evidence of such a renewal, the Board of Appeal was wrong to confirm the contested decisions. The General Court should have identified that error in its assessment based on Article 8 of Regulation No 207/2009 both of its own motion and following the argument to that effect made by Pensa Pharma during the hearing, which it should have held admissible.

18. EUIPO argues that the second ground of appeal is inadmissible, since the lack of verification of the validity period of the earlier marks was not raised before either the Fifth Board of Appeal of EUIPO or the General Court. In any event, it should be rejected as unfounded, since the file contains no evidence that the period of validity of the earlier marks has expired.

19. The Ferring companies take the view that the circumstances of the case that gave rise to [the judgment of 13 September 2006, METRO \(T-191/04, EU:T:2006:254\)](#), are markedly different from those of the present case. In that case, EUIPO asked the opponent to provide proof of the renewal of the earlier mark, relied on in support of the opposition, and rejected the opposition on the ground that that proof was not adduced within the time limit set. In the present case, however, neither the Cancellation Division of EUIPO nor the Fifth Chamber of the Board of Appeal of that office asked the Ferring companies to provide such proof in respect of the earlier marks registered in France and the Benelux countries.

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

20. As a preliminary point, it should be noted that, although, in the context of the second ground of appeal, Pensa Pharma relies inter alia on a ‘distortion of facts and evidence’, it does not indicate in any way the facts or evidence allegedly distorted by the General Court.

21. It should be recalled that, given the exceptional nature of a ground alleging distortion of the facts and evidence, Article 256 TFEU, the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union and Article 168(1)(d) of the Rules of Procedure of the Court provide, in particular, that an appellant must indicate precisely the evidence alleged to have been distorted by the General Court and show the errors of appraisal which, in its view, led to that distortion (judgment of 17 March 2016, *Naazneen Investments v OHIM*, C-252/15 P, not published, EU:C:2016:178, paragraph 69).

22. It follows that, to the extent that it is based on an alleged distortion of the facts and evidence, the second ground of appeal is inadmissible, since Pensa Pharma has not complied with the obligation mentioned in the previous paragraph.

23. However, contrary to what EUIPO argues, the second ground of appeal is admissible in so far as, by that ground, Pensa Pharma criticises the General Court for erring in law, in that it did not verify that the validity period of the earlier marks, relied on in support of the applications for a declaration of invalidity, had not expired before the adoption of the contested decisions. Pensa Pharma argues that it is not raising that argument for the first time before this Court, but that it was among the arguments it had raised before the General Court. The question of whether or not this was in fact the case is part of the analysis of the second ground of appeal as to the merits.

24. In that regard, it is necessary to bear in mind that it follows from Article 64(1) of Regulation No 207/2009 that, through the effect of the appeal before it, the Board of Appeal of EUIPO is called upon to carry out a new, full examination of the merits of the case, in terms of both law and fact (see, by analogy, [judgment of 13 March 2007, OHIM v Kaul, C-29/05 P, EU:C:2007:162, paragraph 57](#)).

25. However, the judicial review exercised by the General Court cannot consist of a mere repetition of a review previously carried out by the Board of Appeal of EUIPO ([judgment of 13 March 2007, OHIM v Kaul, C-29/05 P, EU:C:2007:162, paragraph 55](#)).

26. Proceedings before the Courts of the European Union are inter partes. With the exception of pleas involving matters of public policy which the Courts are required to raise of their own motion, such as the failure to state reasons for a contested decision, it is for the applicant to raise pleas in law against that decision and to adduce evidence in support of those pleas (judgment of 8 December 2011, *KME Germany and Others v Commission*, C-389/10 P, EU:C:2011:816, paragraph 131).

27. In so far as the question of the possible expiry of the validity period of the earlier mark relied on in support of an application for a declaration of invalidity does not constitute a plea involving a matter of public policy that the General Court must examine of its own motion, that question could be examined by the General Court only if the applicant had raised it before it in an admissible manner.

28. Contrary to what Pensa Pharma argues, it is not apparent from reading its application at first instance, which is included in the file of the General Court sent to this Court, that it raised such a plea. The fact that, in that application, it relied on a plea alleging infringement, by the Fifth Board of Appeal of EUIPO, of Article 8 of Regulation No 207/2009 cannot lead to a different conclusion. Under that plea, the applicant did not criticise the Board of Appeal for not verifying that the period of validity of the earlier marks of the Ferring companies had not expired, but, as the General Court found in paragraph 57 of the judgment under appeal, it

essentially disputed that the marks at issue were similar, that the goods those marks cover were similar and, consequently, that there was a likelihood of confusion.

29. It follows from all the foregoing considerations that the second ground of appeal must be rejected.

### **The third ground of appeal**

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

30. Pensa Pharma argues that the Cancellation Division of EUIPO, in its decisions that were appealed before the Fifth Board of Appeal, had ruled on the merits of only two of the four applications for a declaration of invalidity submitted by the Ferring companies, but nevertheless ordered it to pay the costs of all the proceedings. The Fifth Board of Appeal of OHIM, for its part, confirmed the decisions of the Cancellation Division on the costs, despite the fact that no reasons were given regarding that matter. Pensa Pharma takes the view, therefore, that the General Court should have raised of its own motion breach of the obligation to state reasons and annul, on that ground, the contested decisions.

31. EUIPO replies that, like the second ground, the third ground of appeal is inadmissible, since it was raised neither before the Fifth Board of Appeal of EUIPO nor before the General Court. In any event, the matter of that Board of Appeal's allocation of costs is not among the matters the General Court is required to examine, if necessary, of its own motion.

32. The Ferring companies argue that the third ground of appeal is based on the premiss that the Cancellation Division of EUIPO was obliged to give a decision on each of the four applications for a declaration of invalidity. The Ferring companies consider that premiss to be erroneous. Where, as in the present case, the Cancellation Division of EUIPO grants an application for a declaration of invalidity, it is not required to take a decision on another application relating to the same mark. Thus, it is not obliged to provide reasons in relation to such an unexamined application.

33. Moreover, although they consider EUIPO's decision regarding the allocation of the costs relating to the proceedings before it to be generally justified, the Ferring companies are of the view that that matter does not affect the operative part of the contested decisions. An allegedly erroneous allocation of costs must, they argue, be challenged by seeking, from EUIPO, a review of the manner in which the costs were fixed. It is not for the General Court, and certainly not for the Court of Justice, to decide whether the allocation of costs by the Cancellation Division of EUIPO is correct or has to be rectified.

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

34. As a preliminary point, it is appropriate to state that, contrary to what EUIPO contends, the third ground of appeal is admissible. Pensa Pharma does not raise before this Court a plea not raised before the General Court, but criticises that Court for erring in law, in so far as it did not examine, if necessary and of its own motion, the matter of the allocation of the costs relating the invalidity proceedings before EUIPO. As

has been noted in paragraph 23 of the present judgment, the question of whether the General Court had to carry out, of its own motion, a review such as that envisaged by Pensa Pharma, comes under the examination of the third ground of appeal as to the merits.

35. In that regard, it should be recalled that the obligation to state reasons is an essential procedural requirement which must be distinguished from the question whether the reasons given are correct, the latter being a matter going to the substantive legality of the contested measure (judgment of 18 June 2015, *Ipatau v Council*, C-535/14 P, EU:C:2015:407, paragraph 37 and the case-law cited). The reasoning of a decision consists in a formal statement of the grounds on which that decision is based. If those grounds are vitiated by errors, the latter will vitiate the substantive legality of the decision, but not the statement of reasons in it, which may be adequate even though it sets out reasons which are incorrect (see judgment of 10 July 2008, *Bertelsmann and Sony Corporation of America v Impala*, C-413/06 P, EU:C:2008:392, paragraph 181).

36. In the present case, Pensa Pharma essentially disputes, by its third ground of appeal, the fact that the General Court did not annul the contested decisions for erroneous allocation of the costs of the proceedings before the Cancellation Division of EUIPO, since, in its view, it was wrong that it was ordered to pay the costs of the four invalidity proceedings, even though two of them had not been pursued.

37. Such a plea relates not to compliance with the obligation to state reasons which is binding on the departments of EUIPO pursuant to Article 75 of Regulation No 207/2009, but to the merits of those reasons. It is therefore not among the pleas which the General Court must, if necessary, raise of its own motion and it was up to Pensa Pharma itself to raise it before the General Court.

38. However, it must be pointed out that Pensa Pharma did not raise such a plea before the General Court.

39. In the light of all the foregoing considerations, the third ground of appeal must be rejected.

#### **The first ground of appeal**

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

40. The first ground of appeal consists of three parts. By the first part of that ground of appeal, Pensa Pharma disputes the statement, in paragraph 30 of the judgment under appeal, according to which it admitted at the hearing that the arguments it had just made had not been put forward either during the administrative procedure or in its written pleadings before the General Court. It claims that, on the contrary, it had indicated during the hearing before the General Court that those arguments ‘were already embedded’ in its second plea. It had been necessary to elaborate further on that plea during the hearing, since a limit of 20 pages is imposed by the General Court for applications in the area of intellectual property. Pensa Pharma claims, therefore, that the minutes of the hearing before the General Court are ‘misleading and incorrect’. In the absence of a legal remedy to seek a clarification or amendment of

those minutes, it is of the view that it is entitled to invoke that inaccuracy at the appeal stage. It states, moreover, that it filed an application for rectification and correction of those minutes with the General Court.

41. By the second part of the first ground of appeal, Pensa Pharma argues that the arguments put forward during the hearing before the General Court did not go beyond the legal or factual context of the dispute as it had been brought before the Fifth Board of Appeal of EUIPO. The General Court thus erred in law and disregarded its own case-law, cited in paragraph 31 of the judgment under appeal, in arriving at the opposite conclusion.

42. By the third part of the first ground of appeal, Pensa Pharma claims that the arguments it had put forward during the hearing before the General Court constituted an amplification of the second plea in its action. In its view, had the General Court held them admissible, as it should have, it would have arrived at the conclusion that the contested decisions had to be annulled on account of the fact that the Fifth Board of Appeal of EUIPO could not have lawfully adopted them.

43. EUIPO replies that the arguments made by Pensa Pharma during the hearing before the General Court did not constitute an amplification of a plea previously raised and were not directly linked to such a plea. Consequently, they were inadmissible, for the reasons indicated in the judgment under appeal. EUIPO notes, moreover, that those arguments pertained to the alleged errors committed by the Cancellation Division of EUIPO. However, Pensa Pharma raised those errors neither before the Fifth Board of Appeal of that office nor before the General Court. Last, EUIPO questions the relevance of the limitation of the number of pages of an application, cited by the applicant, noting that the application lodged by Pensa Pharma before the General Court consisted of only 17 pages.

44. The Ferring companies contend that the arguments made by Pensa Pharma during the hearing before the General Court cannot be regarded as an amplification of the plea alleging infringement of Article 8(1)(b) of Regulation No 207/2009, which Pensa Pharma had put forward in its application before the General Court. Accordingly, the General Court was correct in considering them new and, therefore, inadmissible.

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

45. As a preliminary point, it must be pointed out that the third part of the first ground of appeal, by which Pensa Pharma essentially claims that the arguments it had made during the hearing before the General Court were not new, overlaps with the second ground of appeal to a large degree and must be rejected for the same reasons as those set out in paragraphs 20 to 29 of the present judgment.

46. So far as concerns the second part of the first ground of appeal, it is appropriate to state that it is apparent from paragraph 31 of the judgment under appeal that the General Court declared the arguments made during the hearing by Pensa Pharma inadmissible not because they had been put forward before it out of time, but because they sought to alter the legal and

factual context of the dispute as it was brought before the Fifth Board of Appeal of EUIPO. It is thus implicit in that paragraph that, in the General Court's view, even if those arguments had been advanced in time, that is to say, in the application, they would have been declared inadmissible.

47. Of course, it follows from Article 65 of Regulation No 207/2009 that the purpose of actions before the General Court is to review the legality of the decisions of the Boards of Appeal of EUIPO and that, as a result, facts not submitted by the parties before the departments of EUIPO cannot be submitted at the stage of the appeal brought before the General Court. Neither can the latter re-evaluate the factual circumstances in the light of evidence adduced for the first time before it, since the legality of a decision of a Board of Appeal of EUIPO must be assessed in the light of the information available to it when it adopted that decision ([judgments of 13 March 2007, OHIM v Kaul, C-29/05 P, EU:C:2007:162, paragraph 54](#), and of [18 December 2008, Les Éditions Albert René v OHIM, C-16/06 P, EU:C:2008:739, paragraphs 136 to 138](#)).

48. However, by the arguments put forward during the hearing before the General Court, Pensa Pharma submitted neither facts nor evidence not submitted before the departments of EUIPO, but called into question the assessment, by those departments, of the facts and evidence that were available to them. In particular, Pensa Pharma argued, on the one hand, that the Fifth Board of Appeal of EUIPO could not confirm the decisions of the Cancellation Division of that office without verifying, first, that the period of validity of the earlier marks, relied on in support of the applications for a declaration of invalidity, had not expired and, on the other hand, that that board ought not to have ordered it to pay the costs relating to the two applications for a declaration of invalidity the merits of which had not been examined.

49. Such arguments did not alter the legal and factual context of the dispute as it had been brought before the Fifth Board of Appeal of EUIPO and, had they been raised in time before the General Court, they would have been admissible.

50. It follows that, in declaring the arguments put forward by Pensa Pharma during the hearing inadmissible for the reasons indicated in paragraph 31 of the judgment under appeal, the General Court erred in law.

51. However, it should be noted that, if the grounds of a decision of the General Court disclose an infringement of EU law but its operative part is shown to be well founded on other legal grounds, such an infringement is not capable of bringing about the annulment of that decision, and a substitution of grounds must be made (judgment of 1 October 2015, [Electrabel and Dunamenti Erómű v Commission, C-357/14 P, ECR, EU:C:2015:642, paragraph 108 and the case-law cited](#)).

52. That is the case here.

53. As is apparent from paragraphs 20 to 29 of the present judgment, the arguments made by Pensa Pharma during the hearing before the General Court

had not been put forward in its application. They constituted, therefore, a new plea, under the first subparagraph of Article 48(2) of the Rules of Procedure of the General Court, in the version in force during the proceedings before that Court. It is not apparent from the file and nor did Pensa Pharma allege, either before the General Court or before this Court, that that new plea was based on matters of law or of fact which came to light in the course of the procedure before the General Court. The General Court should, therefore, have rejected those arguments as out of time and, consequently, as inadmissible (see, to that effect, order of 24 September 2009, [Alcon v OHIM, C-481/08 P](#), not published, [EU:C:2009:579, paragraph 17](#)).

54. It follows that the error of law found in paragraph 50 of the present judgment has no impact on the operative part of the judgment under appeal. Accordingly, the third part of the first ground of appeal must be rejected.

55. In these circumstances, it is appropriate to conclude that the first part of the first plea is ineffective. It matters little whether or not Pensa Pharma admitted at the hearing before the General Court that the arguments it had put forward were new. Since those arguments effectively constituted a new plea, which was not based on matters of fact or of law which came to light in the course of the procedure before the General Court, that Court had to dismiss them as inadmissible, even in the absence of an admission as to their new nature by Pensa Pharma.

56. In the light of all the foregoing considerations, the first ground of appeal must be rejected.

#### **The fourth ground of appeal**

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

57. Pensa Pharma argues that it is because of an error of law in the interpretation and application of Article 8(1)(b) of Regulation No 207/2009 that the General Court concluded that there was a likelihood of confusion between the marks at issue. In its view, both the General Court and the Fifth Board of Appeal of EUIPO wrongly divided the sign at issue artificially. Moreover, the signs at issue are completely different from a visual and phonetic perspective, which would be immediately noticed by well-trained pharmacy staff.

58. EUIPO and the Ferring companies consider that, by the fourth ground of appeal, Pensa Pharma actually seeks to have this Court substitute its factual assessment for that of the General Court, and that that ground is therefore inadmissible. In the alternative, those parties are of the view that that ground must be rejected as unfounded.

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

59. It should be pointed out that, in accordance with the settled case-law of the Court of Justice, pursuant to Article 256(1) TFEU and the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union, an appeal is limited to points of law. The General Court has exclusive jurisdiction to find and appraise the relevant facts and assess the evidence. The appraisal of those facts and evidence does not, therefore, save where they have been distorted,

constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (see, inter alia, judgments of 28 May 1998, *New Holland Ford v Commission*, C-8/95 P, EU:C:1998:257, paragraph 25, and of 2 September 2010, [Calvin Klein Trademark Trust v OHIM](#), C-254/09 P, EU:C:2010:488, paragraph 49 and the case-law cited).

60. In that regard, it should be noted that the assessment of the similarities between the signs at issue is of a factual nature and, save where the evidence and facts are distorted, is not subject to review by the Court of Justice on appeal. Such distortion must be obvious from the documents on the Court's file, without there being any need to carry out a new assessment of the facts and the evidence (see judgments of 28 May 1998, *New Holland Ford v Commission*, C-8/95 P, EU:C:1998:257, paragraph 72, and of 2 September 2010, [Calvin Klein Trademark Trust v OHIM](#), C-254/09 P, EU:C:2010:488, paragraph 50).

61. In the present case, by the fourth ground of appeal, Pensa Pharma is clearly attempting to obtain a re-examination by the Court of Justice of the factual assessment made by the General Court as regards the visual, phonetic and conceptual comparison of the signs at issue, without demonstrating or even alleging that the General Court distorted the evidence or the facts. Accordingly, Pensa Pharma cannot secure a re-examination by the Court of that assessment, with the result that the fourth ground of appeal must be rejected as inadmissible (see, to that effect, order of 15 July 2014, *Zoo Sport v OHIM*, C-675/13 P, not published, EU:C:2014:2079, paragraph 23).

62. Accordingly, the appeal must be dismissed.

**Costs**

63. Pursuant to Article 184(2) of its Rules of Procedure, where the appeal is unfounded, the Court is to make a decision as to the costs. Under Article 138(1) of those rules, which apply to the procedure on appeal by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

64. Since EUIPO and the Ferring companies have applied for costs and Pensa Pharma has been unsuccessful, it must be ordered to pay the costs.

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

1. Dismisses the appeal;
2. Orders Pensa Pharma SA to pay the costs.

[Signatures]