

Court of Justice EU, 8 November 2016, BSH v EUIPO



TRADE MARK LAW

The assessment of the General Court that the weak distinctive character of the earlier national marks **KOMPRESSOR PLUS** and **KOMPRESSOR** could not affect the existence of a likelihood of confusion with the word element ‘compressor technology’ that **BHS** filed for registration as an EU Trademark is not vitiated by any error of law:

- [distinctive character is only one factor among others involved in the assessment of likelihood of confusion](#)

Indeed, the Court of Justice, rejecting a line of argument similar to that advanced by BSH in the second plea, has already held on a number of occasions that, although the distinctive character of an earlier mark must be taken into account when assessing the likelihood of confusion globally, it is, however, only one factor among others involved in that assessment

- [likelihood of confusion is not excluded if an earlier mark has a weak distinctive character](#)

Consequently, even in a case involving an earlier mark of weak distinctive character, the General Court may hold that there is a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (...)

Consequently, even in a case involving an earlier mark of weak distinctive character, the General Court may hold that there is a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered

- [in opposition proceedings directed against the registration of an EU trade mark the validity of national trade marks may not be called into question, which means that it is necessary to acknowledge a certain degree of distinctiveness of a national mark on which an opposition against the registration of an EU mark is based](#)

Therefore, assuming that an earlier national mark is in fact descriptive in respect of some of the goods for which it has been registered and that its protection leads to improper monopolisation of the descriptive indication in question, such a consequence must be remedied not by an application of Article 8(1)(b) of Regulation No 40/94 excluding those goods as a matter of principle from the protection which that provision confers on the earlier marks, but by invalidity proceedings brought in the

Member State concerned by virtue of Article 3(1)(b) and (c) of Directive 2008/95 (see, to that effect, [judgment of 24 May 2012, Formula One Licensing v OHIM](#), C-196/11 P, EU:C:2012:314, paragraph 45).

Source: curia.europa.eu

Court of Justice EU, 8 November 2016

(...)

JUDGMENT OF THE COURT (Grand Chamber)

8 November 2016 (*)

(Appeal — EU trade mark — Application for registration of a figurative mark including the word elements ‘compressor technology’ — Opposition of the proprietor of the word marks **KOMPRESSOR PLUS** and **KOMPRESSOR** — Partial refusal of registration — Regulation (EC) No 207/2009 — Article 60 — Regulation (EC) No 216/96 — Article 8(3) — ‘Ancillary’ appeal — Regulation (EC) No 40/94 — Article 8(1)(b) — Weak distinctive character of the earlier national marks — Likelihood of confusion)

In Case C-43/15 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 3 February 2015,

BSH Bosch und Siemens Hausgeräte GmbH, established in Munich (Germany), represented by S. Biagosch and R. Kunz-Hallstein, Rechtsanwälte, appellant,

the other parties to the proceedings being:

European Union Intellectual Property Office (EUIPO), represented by M. Fischer, acting as Agent, defendant at first instance,

LG Electronics Inc., established in Seoul (South Korea), party to the proceedings before the Board of Appeal of EUIPO,

THE COURT (Grand Chamber),

composed of K. Lenaerts, President, A. Tizzano, Vice-President, M. Ilešič (Rapporteur), L. Bay Larsen, T. von Danwitz, E. Juhász, M. Berger, A. Prechal and M. Vilaras, Presidents of Chambers, A. Rosas, A. Borg Barthet, K. Jürimäe and C. Lycourgos, Judges,

Advocate General: Y. Bot,

Registrar: M. Aleksejev, Administrator,

having regard to the written procedure and further to the hearing on 14 December 2015,

after hearing [the Opinion of the Advocate General](#) at the sitting on 1 March 2016,

gives the following

Judgment

1 By its appeal, **BSH Bosch und Siemens Hausgeräte GmbH** (‘BSH’) asks the Court to set aside the judgment of the General Court of the European Union of 4 December 2014, **BSH v OHIM** — **LG Electronics** (compressor technology) (T-595/13, not published, ‘the judgment under appeal’, EU:T:2014:1023), by which the General Court dismissed its action for annulment of the decision of the First Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 5 September 2013 (Case R 1176/2012-1), as amended by the decision — corrigendum of 3 December 2013 (‘the

decision at issue'), relating to opposition proceedings between LG Electronics Inc. ('LG') and BSH.

Legal context

Legislation relating to the EU trade mark

2 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1) ('Regulation No 40/94'), was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. The present dispute is therefore governed by the procedural provisions of the latter regulation. On the other hand, given the date on which the application for registration at issue in the present case was filed, namely 24 November 2008, which is decisive for the purpose of identifying the applicable substantive law, the present dispute is governed by the substantive provisions of Regulation No 40/94.

3 Article 7 of Regulation No 40/94, entitled 'Absolute grounds for refusal', the wording of which was reproduced without amendment in Article 7 of Regulation No 207/2009, provided in paragraph 1: *'The following shall not be registered:*

...

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

...'

4 Article 8 of Regulation No 40/94, entitled 'Relative grounds for refusal', the wording of which was reproduced without amendment in Article 8 of Regulation No 207/2009, provided 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.'

5 Article 51 of Regulation No 40/94, entitled 'Absolute grounds for invalidity', which corresponds to Article 52 of Regulation No 207/2009, provided in paragraphs 1 and 2:

'1. A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(a) where the Community trade mark has been registered contrary to the provisions of Article 7;

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

2. Where the Community trade mark has been registered in breach of the provisions of Article 7(1)(b), (c) or (d), it may nevertheless not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.'

6 Article 59 of Regulation No 207/2009, entitled 'Persons entitled to appeal and to be parties to appeal proceedings', forms part of Title VII of the regulation, entitled 'Appeals'. As stated in that article:

'Any party to proceedings adversely affected by a decision may appeal. ...'

7 Article 60 of Regulation No 207/2009, entitled 'Time limit and form of appeal', which also forms part of Title VII, provides:

'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. ...'

8 Article 63 of Regulation No 207/2009, entitled 'Examination of appeals', states in paragraph 2: *'In the examination of the appeal, the Board of Appeal shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself.'*

9 Article 65 of Regulation No 207/2009, entitled 'Actions before the Court of Justice', provides in paragraphs 1 and 2:

'1. Actions may be brought before the Court of Justice against decisions of the Boards of Appeal on 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.'

10 Article 75 of Regulation No 207/2009, entitled 'Statement of reasons on which decisions are based', forms part of Title IX of the regulation, entitled 'Procedure'. That article 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.'

11 Commission Regulation (EC) No 216/96 of 5 February 1996 laying down the rules of procedure of the Boards of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 1996 L 28, p. 11), as amended by Commission Regulation (EC) No 2082/2004 of 6 December 2004 (JO 2004 L 360, p. 8) ('Regulation No 216/96'), provides in Article 8, entitled 'Procedure':

...

2. In inter partes proceedings, and without prejudice to Article 61(2) of the Regulation, the statement setting out the grounds of appeal and the response to it may be supplemented by a reply from the appellant, lodged within two months of the notification of the response,

and a rejoinder by the defendant, lodged within two months of notification of the reply.

3. In *inter partes* proceedings, the defendant may, in his or her response, seek a decision annulling or altering the contested decision on a point not raised in the appeal. Such submissions shall cease to have effect should the appellant discontinue the proceedings.'

12 After the present appeal was brought, Regulation No 207/2009 was amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 (OJ 2015 L 341, p. 21), which entered into force on 23 March 2016.

13 By virtue of Regulation 2015/2424, Article 60 of Regulation No 207/2009, entitled 'Time limit and form of appeal', is replaced by the following text:

'1. Notice of appeal shall be filed in writing at the Office within two months of the date of notification of the decision. The notice shall be deemed to have been filed only when the fee for appeal has been paid. It shall be filed in the language of the proceedings in which the decision subject to appeal was taken. Within four months of the date of notification of the decision, a written statement setting out the grounds of appeal shall be filed.'

2. In *inter partes* proceedings, the defendant may, in his response, seek a decision annulling or altering the contested decision on a point not raised in the appeal. Such submissions shall cease to have effect should the appellant discontinue the proceedings.'

EU legislation relating to national trade marks
14 Article 3 of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25), entitled 'Grounds for refusal or invalidity', provides in paragraph 1(b) and (c):

'The following shall not be registered or, if registered, shall be liable to be declared invalid:

...

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;

...'

Background to the dispute

15 On 24 November 2008, BSH filed with EUIPO an application for registration of the following figurative sign as an EU trade mark:



compressor
technology

16 The goods in respect of which registration was applied for are in Classes 7, 9 and 11 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 ('the Nice Agreement'). The application was published in European Union Trade Marks Bulletin No 4/2009 of 2 February 2009.

17 On 30 April 2009, LG filed a notice of opposition to registration of the trade mark at issue in respect of all the goods covered by the application, relying upon Article 8(1)(b) of Regulation No 207/2009. The opposition was based on the following earlier marks:

– the French word mark KOMPRESSOR, registered on 6 July 2007 under No 73477434, covering 'washing machine[s], vacuum cleaners, dishwasher[s], electric mixers, power generators', in Class 7 of the Nice Agreement, and 'gas ranges, kitchen ovens; air conditioning apparatus, refrigerators, microwave ovens, ventilation apparatus, air purification apparatus, electric toasters, humidifiers, flashlights torches for lighting, laundry dryer[s]', in Class 11 of the Nice Agreement;

– the Spanish word mark KOMPRESSOR, registered on 25 September 2007 under No 2753286, covering 'electrical washing machines, electric vacuum cleaners, automatic dishwashers, electrical mixers, power generators', in Class 7 of the Nice Agreement, and 'gas cookers, ovens, conditioned air, electrical refrigerators (freezer compartments), microwaves, electric fans, apparatus and machines for the purification of the air, electrical toasters, ventilators, electric lantern, and dryers', in Class 11 of the Nice Agreement;

– the United Kingdom word mark KOMPRESSOR, registered on 7 December 2007 under No 2444787, covering 'electric washing machines; electric vacuum cleaners; automatic dishwashers; electrical mixers; DC generators; all being for household purposes', in Class 7 of the Nice Agreement, and 'gas ranges; kitchen ranges (ovens); microwave oven ranges; electric fans; electric toasters; torches for lighting; electric laundry dryers; all being for household purposes', in Class 11 of the Nice Agreement; and

– the EU word mark KOMPRESSOR PLUS, registered on 23 August 2012 under No 7282924, covering 'electric washing machines; automatic dishwashers for household purposes', in Class 7 of the Nice Agreement.

18 By decision of 3 May 2012, the Opposition Division of EUIPO partially upheld the opposition and consequently rejected the application for registration of

the EU trade mark at issue in respect of the following goods:

– Class 7 of the Nice Agreement: *‘Electrical household and kitchen machines and apparatus (included in Class 7), namely, electrical kitchen machines and apparatus including grinders/crushers, mixing and kneading devices, fruit pressing machines, de-juicers, juice centrifuges, grinding machines, cutting devices, electrically powered tools, tin openers, knife sharpening devices and appliances and devices for making beverages and/or food, pumps for dispensing chilled beverages for use in combination with devices for chilling beverages; dishwashers; electric machines and devices for cleaning laundry and clothing (included in Class 7), including washing machines, spin dryers; ironing presses, ironing machines, included in Class 7; electric household cleaning equipment, including electric window cleaning equipment, electric shoe polishers and vacuum cleaners, wet and dry vacuuming apparatus; parts for all the aforesaid goods included in Class 7, in particular flexible tubes, pipes, dust filters, dust filter bags, all for vacuum cleaners’;*

– Class 9 of the Nice Agreement: *‘Electric apparatus and instruments, included in Class 9, namely electric irons; kitchen scales’;* and

– Class 11 of the Nice Agreement: *‘Apparatus for heating, steam generating and cooking, namely, stoves, baking, roasting, grilling, toasting, defrosting and heating devices, water heaters, immersion heaters, slow-cookers, microwave ovens, waffle irons (electric), egg-boilers, deep-fat fryers (electric); electrical tea and coffee makers, espresso coffee machines, automatic coffee machines (included in Class 11); refrigerating apparatus, namely, refrigerators, chest freezers, refrigerated cabinets, beverage-cooling apparatus, fridge-freezers, freezers, ice machines and apparatus; drying apparatus, namely, tumble dryers, laundry drying machines, hand dryers, hair dryers; ventilating apparatus, namely, fans, extractor hood filters, extractor hood equipment and covers for extractor hoods, air-conditioning apparatus and devices for improving air quality, air humidifiers, air deodorisers, fragrance dispensing apparatus (not for personal use); air purifying apparatus; heat pumps; parts for all the aforesaid goods, included in Class 11’.*

19 The Opposition Division of EUIPO found that the other goods applied for and the goods covered by the earlier marks were dissimilar. Therefore, it rejected LG’s opposition on the ground that there was no likelihood of confusion in respect of the following goods:

– Class 7 of the Nice Agreement: *‘Electrical waste disposers, namely waste grinders and waste compacting machines’;*

– Class 9 of the Nice Agreement: *‘Bathroom scales; electrical foil sealing devices; remote operating, signalling and control apparatus (electric/electronic) for household or kitchen machines and utensils; recorded and unrecorded machine-readable data carriers for household equipment; electric vending machines for beverages or foods, automatic vending*

machines; data processing equipment and data processing programs for the control and operation of household equipment; parts included in Class 9 for all the aforesaid goods; parts included in Class 9 for Electric apparatus and instruments, included in Class 9, namely electric irons; kitchen scales’; and

– Class 11 of the Nice Agreement: *‘Infrared lamps (other than for medical use); heating pads (not for medical purposes), electric blankets (not for medical purposes); apparatus for water supply and sanitary purposes, namely, fittings for steam, air and water supply installations; water heaters, storage water heaters and instantaneous water heaters; kitchen sinks; heat pumps; parts for all the aforesaid goods, included in Class 11; mechanical taps (dispensers) for dispensing chilled beverages for use in combination with apparatus for chilling beverages’.*

20 On 26 June 2012, BSH filed a notice of appeal with EUIPO, seeking annulment of the decision of its Opposition Division. At this time BSH also restricted the list of goods in Class 7 of the Nice Agreement in respect of which it was seeking registration of the trade mark.

21 In its response dated 31 October 2012 to the written statement setting out the grounds of appeal, LG submitted that some of the goods to be compared that had been considered dissimilar by the Opposition Division of EUIPO were in fact similar and that, consequently, the application for registration at issue should also have been rejected in respect of those goods. It was also indicated in the response that it sought the alteration of the decision of the Opposition Division of EUIPO so that the application for registration would for the most part be rejected.

22 A copy of that response was sent to BSH by a fax dated 8 November 2012 from the Registry of EUIPO informing it, upon instructions from the First Board of Appeal of EUIPO, that the written proceedings had been closed and that the response was sent for information purposes only.

23 By the decision at issue, the First Board of Appeal of EUIPO dismissed BSH’s appeal.

24 By that decision, the First Board of Appeal of EUIPO partially upheld LG’s claim, which it classified as an ‘ancillary’ appeal under Article 8(3) of Regulation No 216/96.

25 As a preliminary point, the First Board of Appeal of EUIPO observed that, since LG did not challenge the rejection of the opposition relating to certain goods, the decision of the Opposition Division of EUIPO had become final in so far as registration of the EU trade mark at issue was authorised for them.

26 As regards the relevant public, the First Board of Appeal of EUIPO, after noting that the territory concerned is Spain, France and the United Kingdom, found that the relevant public is, first, the business user so far as concerns ‘electric vending machines for beverages or foods, automatic vending machines’ and, secondly, the average consumer, who is reasonably well informed and reasonably observant and circumspect, for the other goods.

27 As regards the comparison of the opposing signs, the First Board of Appeal of EUIPO held that there is visual, phonetic and conceptual similarity and that overall they are therefore similar.

28 As regards the comparison of the goods, the First Board of Appeal of EUIPO confirmed the assessment of the Opposition Division of EUIPO concerning the goods covered by the opposing marks that the latter had regarded as identical or similar and therefore confirmed that there is a likelihood of confusion in respect of those goods.

29 In addition, the First Board of Appeal of EUIPO, unlike the Opposition Division, held that *‘mechanical taps (dispensers) for dispensing chilled beverages for use in combination with apparatus for chilling beverages’*, in Class 11 of the Nice Agreement, and *‘parts included in Class 9 for electric apparatus and instruments, namely electric irons; kitchen scales’*, in Class 9 of the Nice Agreement, which are covered by the trade mark for which registration is sought, are similar to goods covered by the earlier marks. It considered that there is also a likelihood of confusion in respect of those goods and accordingly annulled the decision of the Opposition Division in so far it had rejected the opposition in their regard.

The proceedings before the General Court and the judgment under appeal

30 By application lodged at the Registry of the General Court on 13 November 2013, BSH brought an action for annulment of the decision at issue. In support of its action, BSH put forward a single plea in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94.

31 While not disputing the conclusions of the First Board of Appeal of EUIPO that the goods at issue, including those which the Opposition Division of EUIPO found dissimilar, are identical or similar and that the opposing marks are similar overall, BSH submitted in this single plea that the sign KOMPRESSOR is descriptive in respect of goods containing or liable to contain a compressor, such as vacuum cleaners, air conditioners and refrigerators, and that, accordingly, the earlier national marks have ‘minimal’ distinctive character. BSH contended that in the assessment of the likelihood of confusion the First Board of Appeal of EUIPO did not take sufficient account of the weak distinctive character of the earlier national marks as regards those goods. In the light of their weak distinctive character, even slight differences between the opposing marks are sufficient to preclude any likelihood of confusion.

32 By the judgment under appeal, the General Court dismissed that single plea and, therefore, the action in its entirety.

Forms of order sought by the parties to the appeal

33 BSH claims that the Court should:

- set aside the judgment under appeal;
- annul the decision at issue;
- in the alternative, refer the case back to the General Court;
- order EUIPO to pay the costs of both sets of proceedings.

34 EUIPO contends that the Court should:

- dismiss the appeal;
- order BSH to pay the costs.

35 By a request dated 29 October 2015, the Court called on the European Commission, pursuant to the second paragraph of Article 24 of the Statute of the Court of Justice of the European Union, to take part in the hearing in order to answer the written questions that it asked.

The appeal

36 In support of its appeal, BSH relies on two pleas in law, the first alleging infringement of Article 60 of Regulation No 207/2009 and the second alleging infringement of Article 8(1)(b) of Regulation No 40/94.

The first plea

37 By its first plea, BSH complains that the General Court gave its approval, without the slightest examination, to the fact that in the decision at issue the First Board of Appeal of EUIPO, relying upon Article 8(3) of Regulation No 216/96, classified LG’s response of 31 October 2012 as an ‘ancillary’ appeal and refused registration of the trade mark at issue to a greater extent than the Opposition Division of EUIPO. LG did not bring an appeal complying with the conditions laid down in Article 60 of Regulation No 207/2009, which alone could have justified extending the rejection of the application for registration of the trade mark at issue beyond the rejection in the decision of the Opposition Division. Indeed, in BSH’s submission, contrary to the interpretation adopted by the First Board of Appeal of EUIPO, Article 8(3) of Regulation No 216/96 cannot, in the absence of an appropriate legal basis in Regulation No 207/2009, permit a part of the decision of the Opposition Division of EUIPO to be called into question which has not been challenged by the main appeal and which has therefore become final.

38 EUIPO submits that this plea is inadmissible since it has been raised for the first time on appeal and, in the alternative, that it is in any event unfounded as Article 8(3) of Regulation No 216/96 permits the defendant, in his response, to seek a decision annulling or altering the contested decision on a point not raised in the appeal.

39 It is not in dispute that, by the decision at issue, the First Board of Appeal of EUIPO, whilst dismissing BSH’s appeal seeking annulment of the decision of the Opposition Division of EUIPO in so far as the Opposition Division rejected its application for registration of a trade mark as regards some of the goods applied for, partially upheld LG’s claim — which it classified as an ‘ancillary’ appeal pursuant to Article 8(3) of Regulation No 216/96 — by which LG, in its response, had sought the alteration of that decision so that the application for registration would also be rejected in respect of some of the goods for which the Opposition Division had authorised registration of the trade mark at issue. The First Board of Appeal of EUIPO thus altered that decision to BSH’s detriment, by refusing registration of that mark in respect of further goods.

40 It follows that the First Board of Appeal of EUIPO held, by implication, that Article 8(3) of Regulation No 216/96 introduced a second means of appeal, which is

additional to that established in Article 60 of Regulation No 207/2009, in the version prior to Regulation 2015/2424, and which, without being subject to the conditions laid down in Article 60, enables the defendant to challenge the decision that is the subject matter of the main appeal in respect of a part thereof to which that appeal does not relate and thereby to extend the scope of the dispute as defined by the appellant.

41 By its first plea, BSH criticises the General Court for not having examined in the judgment under appeal whether that interpretation is compatible with Article 60 of Regulation No 207/2009.

42 However, it is not in dispute that BSH did not claim at any stage of the proceedings before the General Court that that interpretation was incompatible with Article 60 of Regulation No 207/2009 or any other provision of EU law. Its action before the General Court was founded on a single plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94.

43 In accordance with settled case-law, to allow a party to put forward for the first time before the Court of Justice a plea and arguments which it did not raise before the General Court would be to authorise it to bring before the Court of Justice, whose jurisdiction in appeals is limited, a case of wider ambit than that which came before the General Court. In an appeal, the jurisdiction of the Court of Justice is thus confined to review of the findings of law on the pleas and arguments debated before the General Court (see, in particular, judgment of 21 September 2010, *Sweden and Others v API and Commission*, C-514/07 P, C-528/07 P and C-532/07 P, EU:C:2010:541, paragraph 126 and the case-law cited).

44 As to the argument, put forward in this connection by BSH at the hearing before the Court of Justice, that assessment of EU law is reserved for the Court of Justice and that for this reason it was logical to raise only before it the question as to whether the interpretation of Article 8(3) of Regulation No 216/96 adopted by the First Board of Appeal of EUIPO is consistent with Article 60 of Regulation No 207/2009, it is clear that that argument is wrong in law. As is apparent from Article 256(1) TFEU and Article 65(1) and (2) of Regulation No 207/2009, the General Court has full jurisdiction, in actions brought against decisions of the Boards of Appeal of EUIPO, to hold unlawful, inter alia, any infringement of that regulation, including an infringement of Article 60 thereof.

45 Finally, whilst EUIPO acknowledged at the hearing before the Court of Justice that, by the decision at issue, the First Board of Appeal of EUIPO partially upheld LG's 'ancillary' appeal without having first placed BSH in a position to put forward any observations on that appeal, thereby infringing the adversarial principle as given formal expression in Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009, the fact remains that, in the absence of any challenge by BSH relating to that matter in the proceedings before the General Court and in the absence of the slightest criticism on its part of the analysis which led the First Board of Appeal to uphold the 'ancillary' appeal, the

General Court cannot be criticised for having failed to raise that infringement of its own motion.

46 Accordingly, the first plea must be dismissed as inadmissible.

The second plea

47 By its second plea, BSH pleads an infringement of Article 8(1)(b) of Regulation No 40/94, criticising the General Court for having relied, in particular in paragraph 31 of the judgment under appeal, on an erroneous understanding of the concept of likelihood of confusion, the effect of which is that, if two trade marks coincide as regards a purely descriptive element, that is sufficient to give rise to such a likelihood, thereby leading to the monopolisation of a purely descriptive indication, a situation which Article 7(1)(b) and (c) of that regulation is, however, intended to prevent.

48 In BSH's submission, where the earlier mark is a readily recognisable variant of a descriptive indication and the later mark contains the descriptive indication itself, even the existence of major similarities between the signs and identity of the goods which the opposing marks cover are not capable of permitting the conclusion that there is a likelihood of confusion if the similarities of the signs are limited to the descriptive indications and concern only goods which are described by the indication. The public does not perceive any indication of origin in a descriptive indication, but is guided by the other elements of the mark. Furthermore, according to this argument, the extent of the protection of the earlier mark is not limited generally, but only as regards the descriptive indication itself, so that it remains intact in relation to other goods or other similar signs.

49 The Council's primary submission is that the second plea is inadmissible. First, it is not clear from the appeal which specific findings of the General Court are supposed to be contested. Secondly, BSH's contention that the General Court incorrectly assessed the significance of the distinctive character of the earlier national marks is designed to obtain a fresh assessment of the facts. In the alternative, EUIPO contends that this plea is unfounded.

Admissibility

50 It is settled case-law that, under Article 256 TFEU and the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union, an appeal lies on points of law only. The General Court thus has exclusive jurisdiction to find and appraise the relevant facts. The appraisal of those facts thus does not, save where they are distorted, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal (see, inter alia, judgment of 17 March 2016, *Naazneen Investments v OHIM*, C-252/15 P, not published, EU:C:2016:178, paragraph 59 and the case-law cited).

51 In addition, by virtue of those provisions and Article 168(1)(d) of the Rules of Procedure of the Court of Justice, an appeal must indicate precisely the contested elements of the judgment which the appellant seeks to have set aside and also the legal arguments specifically advanced in support of the appeal (see, inter alia, judgments of 4 September 2014, *Spain v Commission*,

C-197/13 P, EU:C:2014:2157, paragraph 43, and of 5 March 2015, *Ezz and Others v Council*, C-220/14 P, EU:C:2015:147, paragraph 111). In this regard, Article 169(2) of the Rules of Procedure specifies that the pleas in law and legal arguments relied on must identify precisely those points in the grounds of the decision of the General Court which are contested (judgments of 28 July 2016, *Tomana and Others v Council and Commission*, C-330/15 P, not published, EU:C:2016:601, paragraph 34, and of 20 September 2016, *Mallis and Others v Commission and ECB*, C-105/15 P to C-109/15 P, EU:C:2016:702, paragraph 34).

52 By its second plea, BSH does not in any way merely request a fresh appraisal of the facts, but complains that the General Court failed to take account of the legal principles applicable to assessment of the likelihood of confusion between opposing marks, a matter which constitutes a point of law that may be placed before the Court of Justice on appeal (see, *inter alia*, order of 7 May 2015, *Adler Modemärkte v OHIM*, C-343/14 P, not published, EU:C:2015:310, paragraph 32 and the case-law cited).

53 Furthermore, it is clear from BSH's pleadings that this plea is directed in particular against paragraph 31 of the judgment under appeal, which, it argues, shows the General Court's failure to have regard to the very essence of the likelihood of confusion, for the assessment of which the distinctive character of each of the opposing marks must necessarily constitute the most important criterion.

54 Consequently, the second plea must be considered admissible.

Substance

55 The line of argument relating to the likelihood of confusion advanced by BSH in the single plea in its action before the General Court, which corresponds to the line of argument put forward in the second plea of its appeal, was examined in particular in paragraphs 26 to 32 of the judgment under appeal.

56 After recalling the relevant case-law in paragraphs 26 and 27 of the judgment under appeal, the General Court stated in paragraph 28 that, as regards the goods in respect of which the First Board of Appeal of EUIPO upheld the opposition, the latter found, without this being contested by BSH, first, that the goods at issue are in part identical and in part similar and, secondly, that the opposing signs are similar. The General Court observed that the cumulative effect of those findings is sufficient, in any event, to be able to conclude that there is a likelihood of confusion, even if the earlier national marks were to be regarded as having a weak distinctive character.

57 The General Court added, in paragraph 29 of the judgment under appeal, that, when assessing the likelihood of confusion, the First Board of Appeal of EUIPO did take account of the fact that, as regards the goods at issue, neither the earlier national marks nor the mark applied for are particularly distinctive. However, the Board of Appeal recalled that, according to the case-law, even for marks with a weak distinctive character,

there can be a likelihood of confusion, particularly in view of the similarity of the signs and of the goods or services covered, and stated that that is true where, as in the present case, the goods are identical and the opposing marks are highly similar.

58 In paragraph 31 of the judgment under appeal, the General Court observed that to accept BSH's argument would have the effect of disregarding the similarity of the marks as a factor in favour of the factor constituted by the distinctive character of the earlier mark, which would thus be given undue importance. The result would be that, where the earlier mark is only of weak distinctive character, a likelihood of confusion would exist only where that mark was reproduced in its entirety by the mark applied for, depriving the degree of similarity between the signs in question of any significance. Such a result would not be consistent with the very nature of the global assessment which the competent authorities are required to undertake by virtue of Article 8(1)(b) of Regulation No 40/94.

59 Therefore, the General Court held, in paragraph 32 of the judgment under appeal, that BSH's arguments relating to the weak distinctive character of the earlier national marks could not affect the conclusion of the First Board of Appeal of EUIPO as to the existence of a likelihood of confusion.

60 That assessment by the General Court of the likelihood of confusion is not vitiated by any error of law.

61 Indeed, the Court of Justice, rejecting a line of argument similar to that advanced by BSH in the second plea, has already held on a number of occasions that, although the distinctive character of an earlier mark must be taken into account when assessing the likelihood of confusion globally, it is, however, only one factor among others involved in that assessment (see, in particular, orders of 29 November 2012, *Hrbek v OHIM*, C-42/12 P, not published, EU:C:2012:765, paragraph 61, and of 2 October 2014, *Przedsiębiorstwo Handlowe Medox Lepiarz v OHIM*, C-91/14 P, not published, EU:C:2014:2261, paragraph 22).

62 Furthermore, although it is true that the more distinctive the earlier mark the greater the likelihood of confusion will be, such a likelihood of confusion cannot, however, be precluded where the distinctive character of the earlier mark is weak (see, in particular, order of 19 November 2015, *Fetim v OHIM*, C-190/15 P, not published, EU:C:2015:778, paragraph 40 and the case-law cited).

63 Consequently, even in a case involving an earlier mark of weak distinctive character, the General Court may hold that there is a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (see, in particular, orders of 2 October 2014, *Przedsiębiorstwo Handlowe Medox Lepiarz v OHIM*, C-91/14 P, not published, EU:C:2014:2261, paragraph 24 and the case-law cited, and of 7 May 2015, *Adler Modemärkte v OHIM*, C-343/14 P, not published, EU:C:2015:310, paragraph 59).

64 Thus, the findings made by the General Court in paragraph 31 of the judgment under appeal, which reject the proposition put forward by BSH and against which the second plea is directed, in fact do no more than recall the Court of Justice's settled case-law according to which that proposition is not consistent with the very nature of the global assessment which the competent authorities are required to undertake by virtue of Article 8(1)(b) of Regulation No 40/94 since, contrary to the appellant's contentions, it would have the effect of disregarding the similarity of the marks as a factor in favour of the factor constituted by the distinctive character of the earlier mark (see, in this regard, judgment of 15 March 2007, T.I.M.E. ART v OHIM, C-171/06 P, not published, EU:C:2007:171, paragraph 41, and order of 19 November 2015, Fetim v OHIM, C-190/15 P, not published, EU:C:2015:778, paragraph 46 and the case-law cited).

65 As regards the argument advanced in this regard by BSH that that case-law is wrong given that it leads to the monopolisation of a purely descriptive indication, it must be stated that it is not Article 8(1)(b) of Regulation No 40/94 but Articles 7(1)(b) and (c) and 51 of that regulation and Article 3(1)(b) and (c) of Directive 2008/95 which are intended to avoid such monopolisation.

66 So far as concerns, in particular, earlier national trade marks, the Court has already had occasion to point out that it follows from the coexistence of EU trade marks and such national marks, and from the fact that the registration of the latter does not fall within the sphere of competence of EUIPO and that judicial review in respect of them does not fall within the jurisdiction of the General Court, that in opposition proceedings directed against the registration of an EU trade mark the validity of national trade marks may not be called into question. Therefore, in such opposition proceedings, it is likewise not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as descriptive character and the lack of distinctive character, provided for in Article 7(1)(b) and (c) of Regulation No 40/94 and Article 3(1)(b) and (c) of Directive 2008/95 (see, to that effect, [judgment of 24 May 2012, Formula One Licensing v OHIM](#), C-196/11 P, EU:C:2012:314, paragraphs 40 and 41).

67 It follows that, when applying Article 8(1)(b) of Regulation No 40/94, it is necessary to acknowledge a certain degree of distinctiveness of a national mark on which an opposition against the registration of an EU mark is based (see, to that effect, [judgment of 24 May 2012, Formula One Licensing v OHIM](#), C-196/11 P, EU:C:2012:314, paragraph 47).

68 Therefore, assuming that an earlier national mark is in fact descriptive in respect of some of the goods for which it has been registered and that its protection leads to improper monopolisation of the descriptive indication in question, such a consequence must be remedied not by an application of Article 8(1)(b) of Regulation No 40/94 excluding those goods as a matter of principle from the protection which that provision confers on the

earlier marks, but by invalidity proceedings brought in the Member State concerned by virtue of Article 3(1)(b) and (c) of Directive 2008/95 (see, to that effect, [judgment of 24 May 2012, Formula One Licensing v OHIM](#), C-196/11 P, EU:C:2012:314, paragraph 45).

69 Accordingly, it is also necessary to reject as ineffective, in any event, BSH's argument that, in the judgment of 10 November 2011, *LG Electronics v OHIM* (C-88/11 P, not published, EU:C:2011:727), the Court confirmed EUIPO's refusal to register the sign 'KOMPRESSOR PLUS' as an EU trade mark for vacuum cleaners on the ground that that sign was purely descriptive. That judgment does not affect the validity of the national marks which have been relied upon by LG in support of its opposition.

70 Finally, contrary to BSH's submissions, it cannot be ruled out in advance and in any event that, where a trade mark applied for reproduces with slight differences the sign of weak distinctive character of an earlier national mark, consumers may suppose that those differences between the opposing signs reflect a variation in the nature of the products or stem from marketing considerations and do not denote goods from different traders, and that a likelihood of confusion on the part of the public may therefore exist (see, to that effect, order of 27 April 2006, *L'Oréal v OHIM*, C-235/05 P, not published, EU:C:2006:271, paragraph 45).

71 Thus, the General Court was able to conclude in this instance without erring in law, after its independent assessment of the facts, that there was such a likelihood of confusion between the earlier national marks and the mark applied for.

72 It follows from all the foregoing considerations that the second plea must be dismissed as unfounded and that the appeal must therefore be dismissed in its entirety.

Costs

73 Under Article 184(2) of the Rules of Procedure, where the appeal is unfounded, the Court is to make a decision as to the costs.

74 Article 138(1) of the Rules of Procedure, which is applicable to appeal proceedings 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.

75 Since EUIPO has applied for costs and BSH has been unsuccessful, the latter must be ordered to pay the costs. On those grounds, the Court (Grand Chamber) hereby:

1. Dismisses the appeal;
2. Orders BSH Bosch und Siemens Hausgeräte GmbH to pay the costs.

[Signatures]

* Language of the case: German.

OPINION OF ADVOCATE GENERAL
BOT

delivered on 1 March 2016 (1)

Case C-43/15 P

BSH Bosch und Siemens Hausgeräte GmbH

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)

(Appeal — Community trade mark — Opposition proceedings — Partial refusal to register — Procedural rules concerning the bringing of an appeal seeking revision of a decision of the Opposition Division — Principal appeal brought by the applicant under Articles 58 to 64 of Regulation (EC) No 207/2009 — Cross-appeal brought by the opponent in its response under Article 8(3) of Regulation (EC) No 216/96 — Admissibility of the cross-appeal — Scope of Article 8(3) of Regulation No 216/96 — No procedural guarantees — Infringement of the right to be heard and of the adversarial principle — Infringement of the principle of *res judicata* — Role of the judiciary — Plea involving a matter of public policy which must be raised by the EU judiciary of its own motion)

I – Introduction

1. The present appeal relates to opposition proceedings brought by LG Electronics Inc. (2) in connection with the application for registration of the Community trade mark ‘compressor technology’, which had been filed at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) by BSH Bosch und Siemens Hausgeräte GmbH. (3) The appeal seeks to have set aside the judgment of the General Court of the European Union of 4 December 2014 in *BSH v OHIM — LG Electronics (compressor technology)*. (4)

2. The appeal is made up of two limbs.

3. First, it should enable the Court to define once again the sets of circumstances in which the EU judiciary, in order to fulfil its task as arbiter of legality, is required to raise a plea in law of its own motion.

4. Secondly, it should enable the Court to rule on the architecture and exercise of the legal remedies pursued before OHIM with a view to the revision of Opposition Division decisions. In particular, the Court will have to define the scope and detailed rules for the application of Article 8(3) of Commission Regulation (EC) No 216/96 of 5 February 1996 laying down the rules of procedure of the Boards of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs). (5)

5. That provision provides as follows: ‘In *inter partes* proceedings, the defendant may, in his or her response, seek a decision annulling or altering the decision at issue on a point not raised in the appeal. Such submissions shall cease to have effect should the appellant discontinue the proceedings.’

6. In the present case, whereas BSH had brought an appeal, under Articles 58 to 64 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, (6) seeking to have the Opposition Division’s decision revised in relation to a very limited list of goods, LG brought a cross-appeal, formulated in its response under Article 8(3) of Regulation No 216/96, seeking to have that decision revised in relation to a much longer list of goods.

7. By decision of 5 September 2013, (7) the First Board of Appeal of the Office for Harmonisation in the Internal Market (‘the Board of Appeal’) dismissed the appeal brought by BSH and partially upheld LG’s claim.

8. It is the legality of that decision which is at issue in the present case.

9. Whereas the action for annulment brought before the General Court related solely to the substantive assessment of the likelihood of confusion between the signs at issue for the purposes of registration of the trade mark ‘compressor technology’, the appeal brought before the Court of Justice raises two questions of pure process, the first concerning the role of the EU judiciary and the second the existence and lawfulness of a legal remedy.

10. As regards the role of the EU judiciary, I shall propose that the Court set aside the judgment under appeal not on the basis of the grounds of appeal relied on by BSH before the Court but because the General Court failed to raise of its own motion two pleas involving a matter of public policy, to the effect, first, that the Board of Appeal was not competent to revise the Opposition Division’s decision in respect of goods other than those referred to by the applicant in the principal appeal and, secondly, that the applicant’s right to be heard was infringed in those proceedings.

11. In so far as those two grounds of appeal have been the subject of an exchange of arguments before the Court of Justice, I shall suggest that that court raise them of its own motion and itself give final judgment in the matter.

12. It is in that context that the Court will have to determine, in particular, whether, in the light both of the rules laid down in Articles 58 to 64 of Regulation No 207/2009 and the procedural guarantees established in the Charter of Fundamental Rights of the European Union (‘the Charter’), Article 8(3) of Regulation No 216/96 is indeed intended to create a legal remedy parallel to that provided for in Regulation No 207/2009.

13. It will thus fall to the Court to put an end to the current legal uncertainty arising from the lack of uniformity in the approaches taken by the various OHIM Boards of Appeal and the different chambers of the General Court when it comes to interpreting such a provision.

14. In this Opinion, I shall explain the reasons why Article 8(3) of Regulation No 216/96 manifestly cannot be intended to make available a legal remedy independent of that provided for in Article 58 et seq. of Regulation No 207/2009. I shall therefore submit that, in allowing and upholding an appeal that was manifestly inadmissible, the Board of Appeal was not entitled to revise the Opposition Division’s decision with respect to goods other than those forming the subject matter of the principal appeal and exceeded the limits of its competence.

15. In the alternative, I shall also explain that the Board of Appeal infringed BSH’s rights of defence in not allowing it to lodge its observations following the cross-appeal brought by LG.

16. I shall therefore suggest that the Court annul the decision at issue and order OHIM to bear the costs of the proceedings at both instances.

II – EU legal framework

A – Regulation No 207/2009

17. Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (8) was repealed and replaced by Regulation No 207/2009, which entered into force on 13 April 2009. Nonetheless, in view of the date on which the application for registration at issue was filed, in this case 24 November 2008, which is decisive for the purposes of identifying the applicable substantive law, the present dispute is governed, first, by the procedural provisions of Regulation No 207/2009 and, secondly, by the substantive provisions of Regulation No 40/94.

18. Article 8 of Regulation No 40/94, entitled ‘Relative grounds for refusal’, the wording of which was reproduced without any amendment by Regulation No 207/2009, provided, in paragraph 1 thereof:

‘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.’

19. Article 59 of Regulation No 207/2009, entitled ‘Persons entitled to appeal and to be parties to appeal proceedings’, forms part of Title VII of that regulation, entitled, ‘Appeals’. Under that article:

‘Any party to proceedings adversely affected by a decision may appeal ...’

20. Article 60 of that regulation, entitled ‘Time limit and form of appeal’, which also forms part of Title VII, provides:

‘Notice of appeal must be filed in writing at [OHIM] 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 ...’

21. Article 63 of that regulation, entitled ‘Examination of appeals’, provides, in paragraph 2 thereof:

‘In the examination of the appeal, the Board of Appeal shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself.’

22. Article 64 of Regulation No 207/2009, entitled ‘Decisions in respect of appeals’, provides, in paragraph 1 thereof:

‘Following the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal. The Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department ...’

23. Furthermore, the second sentence of Article 75 of that regulation states that OHIM decisions ‘shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments’.

24. Lastly, Article 76 of that regulation, entitled ‘Examination of the facts by the Office of its own motion’, provides, in paragraph 1 thereof:

‘In proceedings before it [OHIM] 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.’

B – Regulation (EC) No 2868/95

25. In accordance with its fifth and sixth recitals, Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (9) establishes the rules necessary for implementing the provisions of Regulation No 207/2009 in such a way as to ensure the smooth and efficient operating of trade mark proceedings before OHIM.

26. As regards the procedural rules, that regulation thus supplements, in Title X thereof, the rules relating to the bringing and examination of an appeal.

27. Rule 49 of Regulation No 2868/95, entitled ‘Rejection of the appeal as inadmissible’, thus states as follows:

‘1. If the appeal does not comply with Articles [58 to 60 of Regulation No 207/2009] and Rule 48(1)(c) and (2) [relating to the content of the notice of appeal], the Board of Appeal shall reject it as inadmissible ...

...

3. If the fee for appeal has been paid after expiry of the period for the filing of appeal pursuant to Article [60 of Regulation No 207/2009], the appeal shall be deemed not to have been filed ...’

C – Regulation No 216/96

28. Article 8 of Regulation No 216/96, entitled ‘Procedure’, provides as follows:

‘...’

2. In inter partes proceedings, and without prejudice to Article [63(2) of Regulation No 207/2009], the statement setting out the grounds of appeal and the response to it may be supplemented by a reply from the appellant, lodged within two months of the notification of the response, and a rejoinder by the defendant, lodged within two months of notification of the reply.

3. In inter partes proceedings, the defendant may, in his or her response, seek a decision annulling or altering the decision at issue on a point not raised in the appeal. Such submissions shall cease to have effect should the appellant discontinue the proceedings.’

III – Background to the case

29. By decision of 3 May 2012, the Opposition Division partially rejected the application for registration of the Community trade mark ‘compressor technology’ which had been filed by BSH. It held that there was a likelihood of confusion with the earlier trade mark ‘KOMPRESSOR’, owned by LG, in the case of some of the goods applied for in classes 7, 9 and 11 of the Nice Agreement, (10) in particular electric household cleaning equipment, including vacuum cleaners and wet and dry vacuuming apparatus. (11)

30. In the case of the other goods applied for in classes 7, 9 and 11, the Opposition Division rejected the

opposition filed by LG on the ground that there was no likelihood of confusion.

31. That decision was notified to the parties on 3 May 2012.

32. On 26 June 2012, BSH made an application for the annulment of that decision by completing the appeal form provided for that purpose, and filed a statement setting out the grounds of its appeal on 3 September 2012. BSH sought to have the Opposition Division's decision revised in so far as it concerned the assessment of the likelihood of confusion in the case of electric household cleaning equipment, including vacuum cleaners and wet and dry vacuuming apparatus, in class 7, the remaining goods being unaffected.

33. Consequently, on 31 October 2012, by a single document entitled 'Observations in reply', LG, first, submitted its response to the arguments set out by BSH in support of its appeal and, secondly, sought to have the Opposition Division's decision revised in such a way as to reject more extensively the application for registration of the trade mark 'compressor technology'. In particular, LG submitted that, contrary to the decision given by the Opposition Division, there was a likelihood of confusion with the following goods:

- Class 7: electrical waste disposers, namely waste grinders and waste compacting machines;
- Class 9: bathroom scales; electrical foil sealing devices; remote operating, signalling and control apparatus (electric/electronic) for household or kitchen machines and utensils; recorded and unrecorded machine-readable data carriers for household equipment; electric vending machines for beverages or foods, automatic vending machines; parts included in class 9 for all the aforementioned goods.

Parts included in class 9 for electric apparatus and instruments included in class 9, namely electric irons; kitchen scales;

- Class 11: infrared lamps (other than for medical use); heating pads (not for medical purposes), electric blankets (not for medical purposes); mechanical taps (dispensers) for dispensing chilled beverages for use in combination with apparatus for chilling beverages.

34. By its letter of 8 November 2012, entitled 'Communication of observations', OHIM sent BSH the 'observations' lodged by LG and informed it that the written procedure had been closed, that therefore the attached observations were sent for information purposes only, that the file would be sent to the Board of Appeal in due course and that the latter would then decide on the case.

35. In paragraph 13 of the decision at issue, the Board of Appeal held that the appeal brought by BSH was admissible because it had been brought in accordance with Articles 58 to 60 of Regulation No 207/2009 and Rule 48 of Regulation No 2868/95.

36. In paragraph 14 of the decision at issue, the Board of Appeal, examining the scope of the appeal, pointed out that, in its response to BSH's statement setting out the grounds of its appeal, LG had filed an 'ancillary' appeal, under Article 8(3) of Regulation No 216/96, by which it sought to have the Opposition Division's decision

revised in relation to the abovementioned goods in classes 7, 9 and 11.

37. Following its examination, the Board of Appeal dismissed BSH's appeal and partially upheld LG's cross-appeal.

38. Consequently, BSH brought an action for annulment before the General Court, raising a single plea in law alleging that the Board of Appeal had infringed Article 8(1)(b) of Regulation No 207/2009, relating to the assessment of the likelihood of confusion between the conflicting signs.

39. The General Court dismissed that action.

IV – Forms of order sought by the parties before the Court of Justice

40. By its appeal, BSH asks the Court of Justice to set aside the judgment under appeal and annul the decision at issue and, in the alternative, to refer the case back to the General Court and order OHIM to bear the costs of the proceedings at both instances.

41. OHIM contends that the appeal should be dismissed and BSH ordered to pay the costs.

V – The appeal

42. In support of its appeal, BSH relies on two grounds of appeal.

43. The first ground of appeal is raised for the first time before the Court of Justice. It alleges that OHIM infringed Article 60 of Regulation No 207/2009, which lays down the procedural rules applicable to the filing of an appeal before the OHIM Boards of Appeal. BSH submits that the cross-appeal filed by LG was inadmissible in so far as it did not comply with any of the conditions relating to time limit and form laid down in that article.

44. The second ground of appeal alleges infringement of Article 8(1)(b) of Regulation No 40/94 in the assessment of the likelihood of confusion between the signs 'compressor technology' and 'KOMPRESSOR'.

45. I do not think there is any need, at this stage, to assess whether the decision at issue is vitiated by the defects set out by BSH in its appeal. It seems clear to me from the outset that the judgment under appeal must be set aside on the ground that the General Court failed to point out of its own motion that the decision at issue was adopted by an authority not competent to do so, in breach of the applicant's rights of defence.

46. I take the view that the cross-appeal brought by the opponent was manifestly inadmissible and that, consequently, the Board of Appeal was not competent to revise the Opposition Division's decision concerning the goods referred to in that appeal.

47. Furthermore, I note that the Board of Appeal altered the Opposition Division's decision, thus upholding the opponent's claims, without having first provided BSH with an opportunity to make its point of view effectively known, thus infringing its rights of defence.

48. Lack of competence and infringement of essential procedural requirements are matters of public policy which the EU judicature may or must raise of its own motion where the parties fail to do so.

49. It is apparent from the rules governing the procedure before the EU judicature, in particular Article 21 of the

Statute of the Court of Justice of the European Union and Article 177 of the Rules of Procedure of the General Court, that a dispute is determined and circumscribed by the parties. It follows that the EU judicature may not, in principle, grant relief beyond that sought by the parties and must also rule on the parties' claims within the legal and factual framework set out by them.

50. Nonetheless, the role of the EU judicature is not passive. In proceedings relating to Community trade marks, its judicial review function is not confined to a mere repetition of a review previously carried out by the Board of Appeal of OHIM. (12) Nor is its role confined to assessing the merits of the positions taken by each of the parties to the dispute in strict adherence to the pleas in law and arguments put forward by the parties. The EU judicature does not merely act as a referee between the parties. It must also enforce EU law, in particular the fundamental guarantees established in the Charter.

51. The rules relating to the procedure before each EU Court, as well as the case-law, have thus identified several sets of circumstances in which the EU judicature, in order to fulfil its task as arbiter of legality, has jurisdiction to raise a plea in law of its own motion.

52. Thus, according to its Rules of Procedure, the General Court may raise of its own motion its manifest lack of jurisdiction to hear and determine an action or the manifest inadmissibility of an action or, if appropriate, the fact that the action manifestly lacks any foundation in law. (13) It may thus raise of its own motion an absolute bar to proceeding with a case, (14) that is to say infringements of a condition essential to the admissibility of an action, such as the existence of a challengeable act, (15) locus standi (16) or compliance with procedural time limits. (17)

53. Furthermore, the Court of Justice has drawn a distinction between pleas relating to the substantive legality of the contested measure, which are concerned with the infringement of a rule of law relating to the application of the FEU Treaty and can be examined by the EU judicature only if they are raised by the parties, on the one hand, and pleas challenging the formal legality of the contested measure, which are concerned with a breach of essential procedural requirements, involve a matter of public policy and must be raised by the EU judicature of its own motion, on the other. (18) In the latter situation, the irregularities attaching to the form of the measure or the procedure followed adversely affect the rights of third parties or persons concerned by that measure or may have an impact on the content of that measure. (19) Such irregularities include, for example, the fact that the measure has not been properly authenticated (20) or has not been notified. (21)

54. Thus, the Court has confirmed that a lack of competence on the part of the author of the contested measure (22) and an absence of or inadequate statement of reasons for that measure (23) constitute pleas involving a matter of public policy which may, and even must, be raised by the EU judicature of its own motion, even though none of the parties has asked it to do so.

55. The EU judicature, when dealing with an action for annulment, cannot therefore be criticised for going

outside the scope of the dispute, exceeding its jurisdiction, ruling ultra petita or infringing its Rules of Procedure where it raises of its own motion such a plea, which relates to the lawfulness of the very measure whose annulment is sought. (24)

56. In the various situations referred to in the case-law, the defect which vitiates the contested measure is sufficiently serious to justify censure by the EU judicature, even though that defect has not been raised by the applicant. In other words, where the contested measure infringes the principle of *res judicata* or arises from the infringement of an essential procedural requirement or fundamental right, it makes little difference whether that measure is also vitiated by the defects referred to by the applicant in support of his claim for annulment. Defence of the EU legal order and protection of fundamental rights allow and, where appropriate, require the Court, as arbiter of legality, to find that that measure is vitiated by a defect which, in any event, calls for its annulment.

57. It is clear that that power cannot be made conditional upon a connection between it and the pleas and arguments put forward by the parties. After all, compliance with such a condition would run counter to the very purpose of the judicature's power to raise pleas of its own motion, which is specifically intended to make up for any omission by the parties where a rule of public policy has been infringed.

58. In the present case, it is clear from the documents submitted to the General Court that the cross-appeal brought by LG on the basis of Article 8(3) of Regulation No 216/96 did not meet any of the conditions relating to time limit and form to which that cross-appeal must be subject in order to be admissible.

59. It is also clear from the decision at issue that, although the Board of Appeal expressly ruled, in paragraph 13, on the admissibility of the principal appeal brought by BSH, it did not at any point examine the admissibility of the cross-appeal brought by LG, even though the decision at issue is based on matters relied on by LG.

60. How can an appeal be upheld if its admissibility has not been assessed first?

61. There is no getting away from the fact that the exercise is a difficult one given the extensive confusion that exists with respect to the scope of Article 8(3) of Regulation No 216/96 and the procedural rules governing the bringing of such an appeal.

62. Nonetheless, whatever the circumstances, by failing to rule on the admissibility of the appeal brought by LG, the Board of Appeal infringed Rule 49(1) of Regulation No 2868/95, which, we should recall, provides that, '[i]f the appeal does not comply with Articles [58 to 60 of Regulation No 207/2009] and Rule 48(1)(c) and (2) [relating to the content of the notice of appeal], the Board of Appeal shall reject it as inadmissible'.

63. Furthermore, by ruling on that appeal, the Board of Appeal also failed to observe the limits of its competence, since an appeal exists only if it is brought lawfully.

64. Prior to the assessment of the pleas in annulment raised by the parties, the General Court was therefore required to examine of its own motion whether the Board of Appeal was competent to adopt the decision at issue.

65. Moreover, it is clear from the information in the documents before the Court that the decision at issue was adopted without BSH having first been given an opportunity to submit its observations on the cross-appeal brought by LG, a fact which undoubtedly vitiated the statement of reasons for that decision. That breach was all the more flagrant given that the matters raised by LG in its cross-appeal were manifestly decisive for the outcome of the proceedings, the Board of Appeal having revised the Opposition Division's decision to BSH's detriment.

66. On the basis of the case-law to which I have just referred, the Court of Justice has repeatedly held that a basic principle of law is infringed where a judicial decision is founded on facts and documents which the parties, or one of them, have not had an opportunity to examine and on which they have therefore been unable to comment.

67. The General Court was therefore required, in the absence of any examination as to the competence of the Board of Appeal, to carry out of its own motion a review of the lawfulness of the decision at issue in the light of the fundamental principle of the right to be heard and the adversarial principle, on the one hand, and of Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009, on the other.

68. Consequently, I shall propose that the Court set aside the judgment under appeal on those grounds.

VI – The consequences of setting aside the judgment under appeal

69. Where a judgment is set aside on appeal, Article 61 of the Statute of the Court of Justice of the European Union provides that the Court may either refer the case back to the General Court for judgment or itself give final judgment in the matter, where the state of the proceedings so permits.

70. I am of the opinion that the state of the proceedings permits judgment to be given on the two grounds of appeal which I am proposing that the Court raise of its own motion.

71. As regards, first, the question whether the Board of Appeal was competent to revise the Opposition Division's decision with respect to the goods forming the subject matter of LG's cross-appeal, this relates to the admissibility of that appeal and was debated by BSH and OHIM in their written pleadings and at the hearing before the Court.

72. As regards, secondly, the question whether the decision at issue is vitiated by an infringement of BSH's rights of defence, in so far as the latter was not heard, this too was the subject of an exchange of arguments between the parties before the Court.

73. I therefore propose that the Court raise of its own motion the ground of appeal to the effect that the Board of Appeal was not competent to adopt the decision at issue.

74. In the context of this Opinion, I shall therefore examine in the alternative the ground of appeal to the effect that the applicant's right to be heard and the adversarial principle were infringed in the proceedings leading to the adoption of that decision.

A – The Board of Appeal's lack of competence to adopt the decision at issue

1. Arguments of the parties

75. BSH submits that there was no admissible appeal, and that this alone could have justified extending the rejection of the application for registration of the trade mark beyond the Opposition Division's decision. It takes the view that LG neither brought an appeal within the time limit laid down in Article 60 of Regulation No 207/2009 nor paid the fee laid down for that purpose.

76. OHIM argues, first of all, that BSH's argument that LG did not make any express claim in its response of 31 October 2012 has no basis in fact, since such a claim was made clearly and unambiguously. Furthermore, there is no need to make express use of the word 'claim' or to rely explicitly on Article 8(3) of Regulation No 216/96. It is sufficient for the response as a whole to make clearly apparent the intention of the party concerned to challenge the Opposition Division's decision and the extent of that intention.

77. OHIM maintains, next, that it follows from the wording of Article 8(3) of Regulation No 216/96 that, in the context of proceedings before the OHIM Board of Appeal, the defendant may, in its submissions, exercise its right to challenge the decision that is contested. Thus, simply by virtue of its status as a defendant, it is allowed to challenge the validity of the Opposition Division's decision. Nor does that provision limit that right to the pleas in law already raised in the appeal: it provides, in fact, that the submissions are to relate to a point not raised in the appeal. Moreover, that provision does not make any reference to the fact that the defendant could itself have brought an appeal against the decision at issue. Both remedies are available for challenging the decision upholding an opposition and refusing an application for registration of a Community trade mark, as was confirmed, moreover, in the judgment in *Intesa Sanpaolo v OHIM — MIP Metro (COMIT)*. (25)

78. OHIM submits, lastly, that that conclusion does not call into question the procedural rules laid down in Regulation No 207/2009, in particular the rule that any party to proceedings adversely affected by a decision at first instance may appeal. In so far as the defendant chooses to bring a 'cross-appeal' under Article 8(3) of Regulation No 216/96, the continuation of the cross-appeal is inseparably linked to the continuation of the appellant's appeal, unlike in the case of an appeal brought under the provisions of Regulation No 207/2009. The defendant therefore carries the risk that its 'cross-appeal' will share the fate of the appellant's appeal and that, if the appellant's appeal is withdrawn, its cross-appeal will thus lapse 'incidentally', so to speak.

2. My assessment

79. It is accepted by all of the parties to the dispute, first, that the cross-appeal brought by the opponent sought to

have the Opposition Division's decision revised in relation to goods that did not form part of the subject matter of the principal appeal brought by the applicant, secondly, that the latter appeal was brought nearly six months after the applicant had been notified of the Opposition Division's decision, (26) thirdly, that no appeal fee had been paid either, and, fourthly, that the Board of Appeal partially allowed LG's claim on cross-appeal, thus finding against BSH without having first obtained its observations.

80. Such a procedure is not only contrary to the procedural rules laid down in Regulation No 207/2009 and its implementing regulations, but also seriously infringes the applicant's rights and procedural guarantees as established in the Charter.

81. That procedure is actually the result of extensive confusion as to the scope of Article 8(3) of Regulation No 216/96.

82. On that point, at least, I share the view expressed by the European Commission at the hearing when it contended that that provision exhibits a degree of 'legal woolliness' and may even 'be described as "somewhat rudimentary"'. This explains not only the defects vitiating the lawfulness of the decision at issue, but also, and more broadly, the inconsistencies that we find in OHIM's decision-making practice. (27)

83. Furthermore, for the purposes of the recast of Regulation No 207/2009 effected by Regulation (EU) 2015/2424, (28) which will enter into force on 23 March 2016, the Commission placed the provisions of Article 8(3) of Regulation No 216/96 in Article 60 of Regulation No 207/2009 noting, in recital 28 of Regulation 2015/2424, that 'the experience gained in the application of the current system of EU trade marks has revealed the potential for improvement of certain aspects of procedure' and that 'consequently, certain measures should be taken ... to reinforce legal certainty and predictability'.

84. I have to concede that those inconsistencies are also the product of the conflicting case-law of the various chambers of the General Court.

85. After all, in its judgment in *Intesa Sanpaolo v OHIM — MIP Metro (COMIT)*, (29) on which OHIM relies, the Fourth Chamber of the General Court held that Article 8(3) of Regulation No 216/96 establishes a remedy which is parallel to that set out in Article 60 of Regulation No 207/2009. That conclusion is based on a particularly brief analysis the wording of which I shall reproduce here: (30)

'... Article 8(3) of Regulation No 216/96 [does not] limit the right [of the defendant to challenge the validity of the Opposition Division's decision] to the pleas in law already raised in the appeal: it provides, in fact, that the submissions are to relate to a point not raised in the appeal. Moreover, that provision does not make any reference to the fact that the defendant could itself have brought an appeal against the decision at issue. Both remedies are available for challenging the decision upholding an opposition and refusing an application for registration of a Community trade mark.'

86. That analysis was confirmed by the General Court in its judgment in *Meica v OHIM — Salumificio Fratelli Beretta (STICK MiniMINI Beretta)*. (31) Although the General Court conducted a more detailed assessment of Article 8(3) of Regulation No 216/96 and a rigorous assessment of the relationship between that provision and the legal remedy referred to in Article 60 of Regulation No 207/2009, I am nevertheless not convinced that Article 8(3) of Regulation No 216/96 may provide, given its current wording, for a parallel legal remedy.

87. In my opinion, several factors militate against that view, namely the wording of Article 8(3) of Regulation No 216/96, the scheme of legislation of which it forms part and the absence of sufficient procedural rules and guarantees for ensuring effective judicial protection for the parties.

88. First of all, the scope and detailed rules for the application of Article 8(3) of Regulation No 216/96 must be determined by reference to the provisions governing the bringing of an appeal before the OHIM Boards of Appeal under Regulations Nos 207/2009 and 2868/95.

89. Title VII of Regulation No 207/2009, entitled 'Appeals', defines the basic principles applicable to appeals brought, inter alia, against Opposition Division decisions. Article 60 of that regulation establishes the conditions relating to time limit and form to which the bringing of such appeals is subject. Notice of appeal must thus be filed in writing within two months after the date of notification of the decision appealed from and the notice is deemed to have been filed only when the fee for appeal has been paid. Those principles are reiterated in the form which appellants may use for the purposes of bringing their appeal. (32)

90. In accordance with the fifth recital of Regulation No 2868/95, that regulation lays down the rules necessary for implementing the provisions of Regulation No 207/2009. As regards procedural rules, Title X thereof supplements the rules relating to the bringing and examination of an appeal.

91. Thus, as regards the conditions relating to time limit and form referred to in Article 60 of Regulation No 207/2009, the EU legislature states, in Rule 49 of Regulation No 2868/95, that non-compliance will render the appeal inadmissible. As regards the appeal fee, the legislature further states that this must be paid prior to the expiry of the time limit for bringing an appeal referred to in the aforementioned Article 60, failing which the appeal will be deemed not to have been brought.

92. That is the scheme of legislation of which Regulation No 216/96 forms part. In accordance with the sixth recital thereof, that regulation seeks to 'supplement' the rules implementing Regulation No 207/2009 already adopted in Regulation No 2868/95, in particular as regards the organisation of the Boards of Appeal and the oral procedure. Its objective is therefore not to replace the rules laid down in Regulations Nos 207/2009 and 2868/95, or even to create a *lex specialis* for appeals brought before the OHIM Boards of Appeal. That would make no sense, since Article 60 of Regulation No

207/2009, we should recall, establishes the procedural rules applicable to such appeals.

93. Article 8 of Regulation No 216/96, entitled 'Procedure', thus lays down, in paragraphs 2 and 3 thereof, the rules applicable to the exchange of written pleadings before the Board of Appeal, be it the statement setting out the grounds of appeal, the response or the reply and rejoinder.

94. Article 8(2) of Regulation No 216/96 thus provides that, '[i]n inter partes proceedings ..., the statement setting out the grounds of appeal and the response to it may be supplemented by a reply from the appellant, lodged within two months of the notification of the response, and a rejoinder by the defendant, lodged within two months of notification of the reply'.

95. The EU legislature goes on to state, in Article 8(3) of that regulation — the scope of which must be examined here —, that '[t]he defendant may, in his or her response, seek a decision annulling or altering the decision at issue on a point not raised in the appeal. Such submissions shall cease to have effect should the appellant discontinue the proceedings'.

96. The General Court interpreted that provision as laying down, as previously mentioned, a parallel legal remedy, co-existing with the remedy laid down in Article 60 of Regulation No 207/2009 and allowing the respondent to challenge Opposition Division of OHIM decisions by raising, in its response, new pleas in law in a main appeal brought by the appellant.

97. In its judgment in *Meica v OHIM – Salumificio Fratelli Beretta (STICK MiniMINI Beretta)*, (33) the General Court seems implicitly to regard the operation of Article 8(3) of Regulation No 216/96 as a cross-appeal. The General Court clearly contrasts that provision with the 'separate proceeding' provided for in Article 60 of Regulation No 207/2009, which is 'the only legal remedy by which it is certain that the appellant's objections may be asserted'. (34)

98. For two main reasons, such a cross-appeal, as any type of proceedings, cannot have been established by Article 8(3) of Regulation No 216/96.

99. First, I doubt whether a Commission implementing regulation, the principal objective of which is, in accordance with the sixth recital of the regulation, to organise the Boards of Appeal and the oral procedure, provides the appropriate legal framework to establish a new legal remedy, until then not provided for in the successive Community regulations on trade marks.

100. Second, and decisively, the EU legislature has not set out the procedural rules and guarantees for the bringing of the action that it supposedly introduced, despite the fact that such rules and guarantees are systematically specified for every existing legal remedy of EU law, including cross-appeals. (35)

101. Emphasis must be placed on the lack of any reference in Regulation No 216/96 — which incidentally also applies to the General Court's analysis in the judgment in *Meica v OHIM – Salumificio Fratelli Beretta (STICK MiniMINI Beretta)* (36) — to the rules necessarily required for bringing an action, and, in particular, those concerning the form in which the action

must be brought, the time limits in which it must be brought and the conditions under which the parties may respond to it.

102. Although Article 8(2) of Regulation No 216/96 lays down the time limit by which the appellant can submit a reply following the response submitted by the respondent, the fact remains that the time limit in which such a reply must actually be lodged, which might include a cross-appeal, is not mentioned. Furthermore, although that provision evokes the rules applicable to the exchange of written pleadings in the main appeal brought by the appellant, the possibility of responding to new factors contained in a potential cross-appeal is not mentioned. The wording of Article 8 of that regulation does not ensure, to my mind, the clarity and legal certainty nonetheless required for the purposes of such a remedy, (37) let alone effective judicial protection for the parties.

103. If we wish to secure due administration of justice and respect for the procedural rights of each of the parties, ensure that the administrative decisions and decisions of the courts become final and so protect public interests, (38) it is essential that those rules be apparent from the wording of the provision at issue, either by their express specification or by reference to other procedural rules. 104. The parties must thus be given an opportunity to acquaint themselves with the rules relating to the form in which, and time limits within which, an appeal must be brought in order to ensure that the appeal is admissible, and the parties must, also, be able to exchange their written pleadings in order to present their defence.

105. In the present case, it is common ground that the Board of Appeal granted LG an unrestricted right to amend the scope of the proceedings, by means of its response, without allowing BSH to submit a response. It is also common ground that, by being the only party to pay the fee for appeal set out in Article 60 of Regulation No 207/2009, BSH ultimately financed a *reformatio in peius*, since the Board of Appeal upheld LG's claims.

106. In the light of those factors, it may legitimately be asked whether the EU legislature intended Article 8(3) of Regulation No 216/96 to constitute a new legal remedy parallel to the appeal procedure provided for in Article 58 et seq. of Regulation No 207/2009.

107. Its ambition was more modest.

108. In its current state, the procedural rule set out in Article 8(3) of Regulation No 216/96 merely enables the defendant to present new points of fact and law concerning the goods and services forming the subject matter of the principal appeal, that is to say falling within the limits of the principal appeal brought by the appellant under Article 60 of Regulation No 207/2009.

109. Where the principal appeal concerns only some of the goods or services covered by the Community trade mark application for registration, as it does here, that appeal entitles the OHIM Board of Appeal to carry out a new examination of the substance of the opposition, but only so far as concerns those goods or services. (39)

110. Where the defendant brings a cross-appeal in circumstances such as those at issue in the present case,

the subject matter of which goes far beyond the limits set in the principal appeal, it manifestly misapplies the procedural rules.

111. After all, such an appeal must necessarily be brought within the time limit and in the form laid down in Article 60 of Regulation No 207/2009.

112. It should be recalled that, under that article, the defendant has two months after the date of notification of the Opposition Division's decision to bring its appeal, and must also pay an appeal fee.

113. The two-month time limit is a matter of public policy. It serves to ensure that the Opposition Division's decisions become final if uncontested, thus ensuring legal certainty and, in addition, protecting public interests. (40)

114. Once the time limit referred to in Article 60 of Regulation No 207/2009 has expired, the scope of the appeal can no longer be extended beyond that defined in the context of the principal appeal. Consequently, the Board of Appeal may no longer carry out a new examination of the substance of the opposition in relation to the goods forming the subject matter of the defendant's appeal, as the Opposition Division's decision has acquired the force of *res judicata* in that regard.

115. In the present case, LG lodged its response, by which, moreover, it sought to have the Opposition Division's decision revised in relation to the goods in classes 7, 9 and 11, on 31 October 2012, even though it had been notified of the Opposition Division's decision on 3 May 2012. Furthermore, LG did not pay any appeal fee.

116. In accordance with Rule 49(1) of Regulation No 2868/95, the Board of Appeal should have dismissed that appeal as inadmissible in so far as it did not meet any of the conditions required by Article 60 of Regulation No 207/2009.

117. The Board of Appeal was seised only of BSH's appeal against the decision of the Opposition Division, inasmuch as the latter had upheld the opposition and rejected its application for registration of a Community trade mark in relation to electric household cleaning equipment, including vacuum cleaners and wet and dry vacuuming apparatus, in class 7.

118. By allowing the appeal brought by LG and upholding the latter's claims, the Board of Appeal therefore infringed the abovementioned provisions.

119. The decision at issue must therefore be annulled on that ground.

120. I shall examine in the alternative the ground of appeal alleging infringement of the right to be heard and the adversarial principle.

B – Infringement of the right to be heard and the adversarial principle

121. In the present case, it is not disputed that the response sent by LG was much more than a set of pleas in defence in so far as it significantly extended the subject matter of the dispute. That is why the Board of Appeal interpreted the submissions contained in LG's response as a 'cross-appeal' under Article 8(3) of Regulation No 216/96.

122. By the decision at issue, the Board of Appeal partially upheld that cross-appeal, without for that matter having first obtained BSH's observations.

123. At the hearing before the Court of Justice, OHIM confirmed the existence of a procedural error vitiating the lawfulness of the decision at issue, in so far as the written procedure was closed after the cross-appeal had been brought by LG but before BSH had been heard.

124. The facts of the present case clearly demonstrate that the Board of Appeal did not draw all the necessary conclusions from the bringing of an appeal which it itself classified as a 'cross-appeal'. It omitted to provide the applicant with the procedural guarantees attaching to the bringing of such an action, thus infringing the applicant's rights of defence and failing to enable it, at that stage of the proceedings, to respond to the new arguments put forward by the opponent.

125. In so doing, the Board of Appeal infringed Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009.

126. In accordance with Article 63(2) of that regulation, the OHIM Board of Appeal is required, in the examination of the appeal, to invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself.

127. Furthermore, under the second sentence of Article 75 of that regulation, the Board of Appeal of OHIM may base its decisions only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.

128. It is clear from settled case-law that those provisions seek to satisfy, in the context of Community trade mark law, the requirements associated with the right to fair legal process under Article 41 of the Charter, in particular those laid down in connection with respect for the rights of defence under Article 41(2)(a) of the Charter. (41)

129. Those provisions establish, in particular, the right to be heard and the requirement of compliance with the adversarial principle, which are fundamental principles of EU law. (42)

130. Those principles must be observed in any proceedings which may result in a decision by the public authorities that perceptibly affects a person's interests, (43) even if there are no specific rules.

131. The right to be heard means that that person must be given an opportunity to make his point of view effectively known, and extends to all the matters of fact or law that constitute the basis of the decision-making act. (44)

132. The adversarial principle, for its part, implies that each party has a right to a process of inspecting and commenting on the evidence and observations submitted to the court by the other party. (45) It thus precludes an authority from basing its decision on facts and documents which one of the parties has not had an opportunity to examine and on which it has therefore been unable to comment.

133. Observance of those principles entails the prior discussion of any matter on which an authority or court

dealing with a case is going to base its decision. OHIM may therefore base its decisions only on matters of fact or law on which the parties have had an opportunity to submit their observations. The resolution of a dispute is necessarily founded on an assessment by the authority or the court which can only be enhanced and endorsed or, as the case may be, called into question by the observations of the parties. This enables the authority or the court to give judgment on an entirely impartial basis and with full knowledge of all matters of fact and law. For the unsuccessful party, the fact of not having been given an opportunity to put forward his observations may legitimately give him the impression, because he has been unable to defend himself, that the court was in an alliance with the other party. It also enables the authority or the court to adopt a proper statement of reasons for the decision, as is clear from Article 75 of Regulation No 207/2009.

134. Compliance with those rules is particularly important in the context of proceedings relating to Community trade marks, given that, as the Court has held, an appeal brought before the OHIM Board of Appeal has the effect of requiring it to carry out a fresh full examination of the substance of the opposition, both in law and in fact. (46)

135. In accordance with settled case-law, OHIM is under a duty to exercise its powers in accordance with the general principles of EU law. (47)

136. Furthermore, the Guidelines for Examination in OHIM, Part A, Section 2 ('General Principles to be Respected in Proceedings'), Point 2 ('The Right to Be Heard'), state that, '[i]n accordance with the general principle of the right of defence, a person whose interests are affected by a decision taken by a public authority must be given the opportunity to express their point of view. Therefore, in all proceedings before [OHIM], the parties will always have the opportunity to state their positions and to put forward their grounds of defence'. It is also stated that 'decisions will only be based on reasons or evidence on which the parties have had an opportunity to present their comments'.

137. The guidelines relating to proceedings before OHIM, on the other hand, are a set of consolidated rules setting out the line of conduct which OHIM itself proposes to adopt, which means that, provided that those rules comply with the legal provisions of higher authority, they constitute a 'self-imposed restriction' on OHIM, in that OHIM must comply with the rules which it has itself laid down.

138. In the light of all of the foregoing, I consider that the Board of Appeal infringed BSH's right to be heard and the adversarial principle by revising the Opposition Division's decision on the basis of matters which had not been debated, thus adversely affecting BSH's interests.

139. I therefore conclude that there was an infringement of Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009.

140. That infringement of procedural rules is particularly regrettable given that the matters raised by LG were manifestly decisive for the outcome of the proceedings, the Board of Appeal having partially upheld LG's claim,

inasmuch as it revised the Opposition Division's decision in such a way as to reject more extensively the application for registration of the trade mark 'compressor technology' which had been filed by BSH.

141. At the hearing before the Court of Justice, OHIM stressed that that procedural error had now been 'repaired', in so far as BSH had had two years in which to allege infringement of its rights during the written and oral stages of the proceedings before the General Court.

142. First, that reasoning is premised on a strange understanding of the concept of reparation.

143. The rights of defence must be observed in any procedure which may result in a decision by the public authorities, be they administrative or judicial, perceptibly affecting a person's interests, (48) a fact which is expressly acknowledged by OHIM in its guidelines. OHIM cannot therefore reasonably absolve itself by formulating the view that the right to be heard has been honoured before the judicial authorities.

144. Such reparation would have required the Board of Appeal to open the new material to discussion by the parties, if need be by reopening the proceedings.

145. Secondly, that reasoning is again premised on confusion between the procedural guarantees which must be made available when a party brings a cross-appeal and those that are to be found in the context of a mere exchange of written pleadings.

146. After all, where the defendant brings an appeal or a cross-appeal, the procedural rules automatically provide for a new exchange of written pleadings. However, where it merely submits a response, it is indeed for the appellant to make a reasoned request for leave to lodge a reply.

147. In the present case, the Board of Appeal should therefore have explicitly invited BSH to submit observations on the cross-appeal brought by LG, in accordance with Article 63(2) of Regulation No 207/2009.

148. In the light of all of the foregoing, the decision at issue must also be annulled on the ground that it infringes BSH's right to be heard and the adversarial principle, as established in Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009.

VII – Costs

149. Under Article 137 of the Rules of Procedure of the Court of Justice, applicable to appeal proceedings pursuant to Article 184(1) of those rules, a decision as to costs is to be given in the judgment or order which closes the proceedings.

150. In the present case, it should be noted that, although the judgment under appeal is to be set aside, I propose that the Court uphold BSH's appeal to the Board of Appeal and annul the decision at issue. I therefore propose that OHIM be ordered to bear the costs incurred by BSH both at first instance and on appeal, in accordance with the form of order sought by BSH.

VIII – Conclusion

151. In the light of the foregoing considerations, I propose that the Court:

(1) set aside the judgment of the General Court of the European Union of 4 December 2014 in BSH v OHIM

— LG Electronics (COMPRESSOR TECHNOLOGY) (T-595/13, EU:T:2014:1023);
(2) annul the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 5 September 2013 (Case R 1176/2012-1), as amended by the corrigendum of 3 December 2013;
(3) order OHIM to pay the costs of the proceedings both at first instance and on appeal.

1 Original language: French.

2 ‘LG’ or ‘the opponent’.

3 ‘BSH’ or ‘the applicant’.

4 T-595/13, EU:T:2014:1023, ‘the judgment under appeal’.

5 OJ 1996 L 28, p. 11. Regulation as amended by Commission Regulation (EC) No 2082/2004 of 6 December 2004 (OJ 2004 L 360, p. 8, ‘Regulation No 216/96’).

6 OJ 2009 L 78, p. 1.

7 Case R 1176/2012-1. Decision as amended by the corrigendum of 3 December 2013, ‘the decision at issue’.

8 OJ 1994 L 11, p. 1.

9 OJ 1995 L 303, p. 1.

10 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.

11 See the full list of the goods concerned in paragraph 3 of the judgment under appeal.

12 Judgment in OHIM v Kaul (C-29/05 P, EU:C:2007:162, paragraph 55).

13 See Article 126 of the Rules of Procedure of the General Court.

14 See Article 129 of the Rules of Procedure of the General Court.

15 Order in ISAE v VP and Interdata v Commission (C-130/91, EU:C:1992:7, paragraph 11).

16 Judgments in Italy v Commission (C-298/00 P, EU:C:2004:240, paragraph 35) and Regione Siciliana v Commission (C-417/04 P, EU:C:2006:282, paragraph 36).

17 Judgments in Politi v ETF (C-154/99 P, EU:C:2000:354, paragraph 15 and the case-law cited) and Evropaïki Dynamiki v Commission (C-469/11 P, EU:C:2012:705, paragraph 50 and the case-law cited).

18 Judgments in Commission v Sytraval and Brink’s France (C-367/95 P, EU:C:1998:154, paragraph 67 and the case-law cited) and Commission v Ireland and Others (C-89/08 P, EU:C:2009:742, paragraph 40).

19 This definition has been taken from Rideau J., ‘Recours en annulation’, *Jurisclasseur Europe*, 2008, fascicule 331, paragraph 22.

20 Judgment in Commission v Solvay (C-287/95 P and C-288/95 P, EU:C:2000:189, paragraph 55).

21 Judgment in Hoechst v Commission (C-227/92 P, EU:C:1999:360, paragraph 72).

22 Judgment in Salzgitter v Commission (C-210/98 P, EU:C:2000:397, paragraph 56 and the case-law cited)

and order in Planet v Commission (T-320/09, EU:T:2011:172, paragraph 41 and the case-law cited).

23 Judgment in Commission v Ireland and Others (C-89/08 P, EU:C:2009:742, paragraph 34 and the case-law cited).

24 Judgment in Commission v Ireland and Others (C-89/08 P, EU:C:2009:742, paragraph 35).

25 T-84/08, EU:T:2011:144, paragraph 23.

26 The Opposition Division’s decision was notified, it should be recalled, on 3 May 2012.

27 Decision of the Fourth Board of Appeal of OHIM of 9 August 2012, Zoo Sport, paragraph 10 (‘cross-appeal’).

28 Regulation of the European Parliament and of the Council of 16 December 2015 amending Regulation No 207/2009 and Regulation No 2868/95, 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) (OJ 2015 L 341, p. 21).

29 T-84/08, EU:T:2011:144.

30 Paragraph 23.

31 T-247/14, EU:T:2016:64. In the case having given rise to that judgment, the applicant, as the respondent, had sought a decision altering the decision of the Opposition Division in its response submitted on the basis of Article 8(3) of Regulation No 216/96. Contrary to what the Board of Appeal has held in the present case, it declared those submissions inadmissible on the ground that they widened the scope of the appeal and did not satisfy the conditions laid down in Article 60 of Regulation No 207/2009.

32 This form is available on the OHIM website.

33 T-247/14, EU:T:2016:64.

34 Paragraphs 22 and 24.

35 See, *inter alia*, the relevant provisions of the Rules of Procedure of the Court in Title V with regard to Chapter 3 entitled ‘Form and content of the cross-appeal, and form of order sought’ and of Chapter 4 entitled ‘Pleadings consequent on the cross-appeal’ (Articles 176 to 180).

36 T-247/14, EU:T:2016:64.

37 See, to that effect, judgments in *Moussis v Commission* (227/83, EU:C:1984:276, paragraph 12) and *Barcella and Others v Commission* (191/84, EU:C:1986:197, paragraph 12).

38 Judgment in *Evropaïki Dynamiki v Commission* (C-469/11 P, EU:C:2012:705, paragraph 50 and the case-law cited).

39 Judgment in *Völkl v OHIM — Marker Völkl (VÖLKL)* (T-504/09, EU:T:2011:739, paragraph 54).

40 See the case-law cited in footnote 37.

41 Judgments in *Moonich Produktkonzepte & Realisierung v OHIM — Thermofilm Australia (HEATSTRIP)* (T-184/12, EU:T:2014:621, paragraphs 35 to 37 and the case-law cited) and *DTL Corporación v OHIM — Vallejo Rosell (Generia)* (T-176/13, EU:T:2014:1028, paragraphs 28 and 29 and the case-law cited). See also the judgment in *Krombach* (C-7/98, EU:C:2000:164, paragraphs 25 and 26).

42 Judgment in Bertelsmann and Sony Corporation of America v Impala(C-413/06 P, EU:C:2008:392, paragraph 61).

43 See to that effect the judgment in Commission v Ireland and Others (C-89/08 P, EU:C:2009:742, paragraph 50 and the case-law cited).

44 Order in DTL Corporación v OHIM(C-62/15 P, EU:C:2015:568, paragraph 45 and the case-law cited).

45 Judgment in Commission v Ireland and Others(C-89/08 P, EU:C:2009:742, point 52 and the case-law cited).

46 Order in DTL Corporación v OHIM(C-62/15 P, EU:C:2015:568, paragraph 35 and the case-law cited). It follows from Article 64(1) of Regulation No 207/2009 that, following the examination as to the allowability of the appeal, the OHIM Board of Appeal is to decide on the appeal, and that, in so doing, it may, inter alia, ‘exercise any power within the competence of the department which was responsible for the decision appealed’, which is to say that it may itself give a ruling on the opposition by rejecting it or declaring it to be well founded, thereby confirming or quashing the decision taken at first instance before OHIM (judgment in DTL Corporación v OHIM — Vallejo Rosell (Generia), T-176/13, EU:T:2014:1028, paragraph 30).

47 Judgment in Agencja Wydawnicza Technopol v OHIM(C-51/10 P, EU:C:2011:139, paragraph 73).

48 Judgment in Commission v Ireland and Others(C-89/08 P, EU:C:2009:742, paragraph 50 and the case-law cited).