
August 2009

Review

Intellectual Property

Partial Revocation of Community Trade Mark

Case T-419/07 Okalux GmbH v OHIM (1 July 2009)

The Court of First Instance has rejected an appeal by Okalux GmbH (“Okalux”) against a decision to partially revoke a CTM registration on the ground of non-use. The decision confirms that a partial revocation of a Community trade mark is not prevented under Regulation 207/2009. Okalux’s arguments that there had been a number of procedural flaws and breaches of principles of Community law by OHIM were found to be either inadmissible or unsubstantiated.

Background

Okalux applied to register OKATECH as a CTM in June 1998 and the mark was registered on 15 December 2000. In December 2005, Messe Düsseldorf GmbH (“Messe”) applied for revocation, arguing that the mark had not been put to genuine use for a period of five years. In its decision of 21 December 2006, OHIM accepted Messe’s application, partially revoked Okalux’s registration and ordered the parties to bear their own costs.

However, on 6 February 2007, following a further submission by Messe, OHIM announced its intention to partially overturn its decision, stating that it had made a ‘manifest procedural error’, and that Messe should not have had to pay its own costs in the matter. It would correct its decision so that Okalux, as the claimant, was forced to pay Messe’s costs. OHIM formalised this decision on 21 March 2007.

Okalux’s previous appeal

Okalux appealed this decision on 16 May 2007 and further maintained that it had demonstrated genuine use of the trade mark in respect of the contested goods and services. In a letter of 30 May 2007, it also asked OHIM to reinstate its registration of “OKATECH” until the proceedings in respect of Messe’s original challenge had been resolved. In two further letters to OHIM, Okalux argued that OHIM had breached Article 62 of the Regulation because a partial revocation was not permitted. OHIM had insisted that a new decision would have to be taken and a decision on costs could not be the subject of a separate appeal.

Partial revocation of a CTM is not prevented by Regulation 207/2009.

The Board of Appeal rejected Okalux's appeal on 3 September 2007. It held that the appeal was time-barred, having been brought after the period of two months following the decision had expired (under Article 60 of the Regulation). The decision by OHIM to overturn its decision of 21 December 2006 only related to the part of the decision relating to costs and not to the revocation of the registration. Any appeal against the substantive decision should have been made by 21 February 2007.

Okalux appealed to the CFI, arguing that the Court should overturn OHIM's decision, reject the application for partial revocation of the registration, remit the matter to OHIM's Cancellation Division for a decision on the appeal of 16 May 2007, and order all costs to be paid by OHIM or Messe. OHIM and Messe argued that the Court should reject the appeal and order Okalux to pay costs.

The appeal

OHIM firstly submitted that Okalux's request that the application for partial revocation of the registration, and its other requests, should be rejected under Article 130(1) of the Regulation, under which it is the Board of Appeal that is competent to hear appeals against OHIM decisions. Okalux did not make any submissions in this regard.

The Court agreed that Okalux's application for the rejection of the partial revocation was inadmissible, as the Court had no power to impose an injunction upon OHIM. Furthermore, although the court was able to overturn decisions of the Board of Appeal, it could only do this in situations where there is a Board of Appeal decision concerning the registration itself which can be overturned. As this was not the case, the Court would have to assess the relative merits of the matter for the first time, which it was not permitted to do.

Okalux's appeal was based on five separate grounds, the first of these being that Articles 57 and 77a of the Regulation had been breached. Article 57 states that appeals against decisions of the OHIM Cancellation Division have a suspensory effect, while Article 77a, which provides for the revocation of decisions, does not expressly provide for partial revocation.

The Court held that OHIM was not in breach of either of Articles 57 and 77a of the Regulation. The decision of 21 December 2006 was the end of proceedings in respect of the revocation of Okalux's mark and it was only this decision that could have been appealed. The letter of 6 February 2007 did not alter the fact that the period for bringing an appeal against the revocation of the trade mark began on 21 December 2006. Equally, although Article 77a does not expressly provide for partial revocation, it does not preclude it either.

Okalux's second ground of appeal concerned alleged breaches of the principles of legitimate expectation and legal certainty. Legitimate expectation is a fundamental principle of Community law that applies where a party has been given specific assurances by the Community administration that leads to a well-founded reliance. These assurances, in whatever form they are communicated, must be unequivocal, unconditional and consistent, arising from authorised and reliable sources.

Okalux argued that an OHIM representative had provided assurances by telephone on 7 February 2007 to the effect that, since a new decision had been adopted regarding costs, a new time limit for bringing an appeal would apply. Okalux produced a handwritten note summarising the telephone conversation, as well as its letter to OHIM of 11 June 2007 which made reference to the conversation. OHIM for its part acknowledged the conversation but confirmed that it only related to the new decision on costs.

The Court held that this ground of appeal was to be rejected. The decision of 21 December 2006 set out expressly the applicable time period for an appeal. The letter

of 6 February 2007 was a precise communication, arising from an authorised and reliable source, which stated clearly that the original decision was only being overturned insofar as costs were concerned. In contrast, the telephone conversation did not constitute unequivocal, unconditional and consistent information that could justify a legitimate expectation of an extension of the time for bringing an appeal.

Okalux, which did not request a written confirmation of the contents of the telephone conversation, would have had to establish that it had exercised due diligence by bringing, if necessary on a provisional basis, an appeal within the original time limit. The Court took into account the importance of the time limits for appeals and the public interest requirement that parties should not be able to fix them at their own convenience. Even if the telephone conversation could have caused confusion, it would not prevent Okalux's appeal being time-barred. No evidence was put forward to support the argument that there had been a breach of the principle of legal certainty, so this was rejected.

The third ground of appeal was Okalux's contention that its right to a hearing had been breached. It argued that the Board of Appeal did not have regard to its letters of 11 June, 3 July and 10 July 2007, which argued that it was impossible to adhere to the time limits, and failed to give due consideration to the legal points raised. OHIM and Messe contested Okalux's argument. Under Article 73 of the Regulation, OHIM decisions can only be based on the grounds on which the parties have had the opportunity to make submissions. The right to a hearing extends to all the elements of fact or law and evidential matters but not to the final decision that the authority intends to take.

In this case, the Court found that Okalux's arguments as to the impossibility of respecting the time limits for appeal and the impermissibility of partial revocation, as set out in its letters of 3 July and 10 July 2007, had been noted by the Board of Appeal in its summary of the facts. In addition, the Board of Appeal had held that the decision of the OHIM Cancellation Division of 21 March 2007 related solely to the costs aspect of the original decision. This confirmed, implicitly but necessarily, the permissibility of partial revocation of the decision of 21 December 2006 and refuted Okalux's argument. It followed that Okalux had not demonstrated the violation of its right to a hearing.

Okalux's fourth ground of appeal was the existence of procedural irregularities contrary to Article 60a(4) of the Regulation. Okalux claimed a lack of transparency in the internal functioning of OHIM and argued that OHIM had recorded the partial revocation of the OKATECH registration without taking into account the pending appeal, contrary to Article 77 of the Regulation, and notified Okalux directly of the revocation, rather than notifying its representatives. Equally, if the Board of Appeal regarded the appeal of 16 May 2007 as inadmissible, it should have ordered the reimbursement of the appeal fee.

The Court noted that under Article 63(1) of the Regulation, the Court is only able to hear appeals against decisions of the Board of Appeal, which was not the case here even if the alleged lack of transparency and unlawful revocation could be established. An appeal to the Court can have regard to the factual and legal aspects of the matter only as heard before the Board of Appeal, as provided for under Article 135(4) of the Rules of Procedure of the Court of First Instance. Okalux's complaint in this regard was therefore inadmissible. Thirdly, the Regulation provides for the refund of appeal fees only if these are paid after the time period for the appeal has elapsed, whereas Okalux's appeal of 16 May 2007 was in fact brought within two months of the decision to which it related.

The appellant's fifth and final argument was that there were no grounds for the partial revocation of the trade mark. The appellant argued that it had provided evidence of genuine use of OKATECH and submitted that the Board of Appeal should have allowed its appeal by annulling the decisions of the Cancellation Division of 21 December 2006 and 21 March 2007. OHIM pleaded that this ground of appeal was inadmissible as only grounds of appeal against decisions of the Board of Appeal could be heard.

The Court noted that the Board of Appeal had declared the appellant's appeal inadmissible and did not therefore rule on the substantive issue of the revocation of the trade mark. The Court could not substitute its decision for that of OHIM. Accordingly, the appellant's final point of appeal was rejected. The appeal was therefore rejected in its entirety and a costs order made against Okalux.

Comment

This decision reinforces a number of important points that parties should bear in mind when considering an appeal against an OHIM decision. The CFI set out that in this context it is competent only to hear appeals arising from a decision of the OHIM Board of Appeal and does not have the ability to review the substantive aspects of a case for the first time. Equally, the decision confirms the importance of paying close attention to the time limits for bringing an appeal, which will not be extended merely because non-substantive aspects of the decision are subsequently revised. The CFI has also confirmed that a party cannot seek to argue that it has a legitimate expectation based solely on a telephone conversation with an OHIM employee where no written confirmation was obtained.

FURTHER INFORMATION

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