SQUIRE SANDERS

OHIM COMMUNICATIONS CAN ALSO BE DECISIONS, SAYS CJEU

January 2013

Case C-402/11P Jager & Polacek GmbH v OHIM (18 October 2012)

This case highlights the importance of having clear regard for the procedural rules governing procedures at OHIM, that OHIM is clearly an institution of the EU, and that its acts should be treated as such.

The CJEU has overturned decisions of the OHIM Board of Appeal and the General Court and established that a communication to the parties to an opposition that an Opposition was admissible and setting the adversarial deadlines constituted a decision which was subject to appeal under Art 57(1) of Regulation No. 40/94.

In the interests of legal certainty and legitimate interests, if such a decision was issued in error, under Art 77a of Regulation No. 40/94 the request to withdraw the decision would have to be within 6 months of this communication.

On 25 March 2008, the final day of the opposition period, the appellant in this case, Jager & Polacek GmbH (Jager), filed an opposition against a trade mark application for REDTUBE in the name of the predecessors of RT Mediasolutions, on the basis of its earlier unregistered rights in the same mark, through use of the website www.redtube.com. OHIM informed Jager on 10 April 2008 that the opposition had not been duly filed because it had only received the opposition fee on 1 April 2008. It stated that if the payment had been made within 10 days of the end of the opposition period, a surcharge of 10% of the opposition fee would be due by 11 May 2008. On 8 May 2008 Jager contacted OHIM indicating that it had only become aware of the subject application on the 25 March 2008, and requested the applicant to withdraw their trade mark application. When this request was disregarded, Jager filed opposition. As the Austrian banks had closed two hours prior to the time at which the opposition was filed, the payment to OHIM was not initiated until the next day. Moreover, Jager maintained that the period for payment was deemed to have been observed because the surcharge had been paid.

On 20 May 2008, OHIM sent a communication to RT Mediasolutions and Jager, stating that the opposition was found to be admissible, notified them of the period within which the contentious part of the proceedings would commence, and set periods within which the applicant and opponent were to submit observations and evidence.

On 10 September 2008, RT Mediasolutions submitted that the opposition fee had not been paid within the prescribed time limit and requested that OHIM treat the opposition as not having been duly filed.

On 2 October 2008 OHIM sent a letter to Jager stating that the communication of 20 May 2008 had been sent in error, as the opposition fee was deemed not to have been paid within the time limit and therefore the opposition was to be treated as not having been duly filed. OHIM also drew Jager's attention to the fact that it was possible to request the adoption of a formal written decision, which Jager then requested.

On 22 January 2009, OHIM's Opposition Division issued a decision to the effect that the opposition was to be treated as not having been duly filed, as the requirement in Art 8(3) Regulation 2869/95 that a transfer order was to be given within the opposition period and that the surcharge was to be paid, was cumulative and not alternative.

On 20 March 2009, Jager appealed against this decision to OHIM's Board of Appeal, submitting that the Communication of 20 May 2008 was a decision to the effect that the opposition was admissible. It submitted that the decision had not been properly revoked in accordance with the procedure set down in Art 77a Regulation, in that it had not been done within 6 months of the communication.

OHIM's Board of Appeal, and the General Court maintained that the communication of 20 May 2008 was merely a letter and not a decision. Therefore they deemed that Art 77(a) and Art 57 (a) Regulation No 40/94 were not applicable, and refused the appeal.

Jager lodged a single ground of appeal at the CJEU, alleging breach of Art 77a(1) and (2) of the Regulation No 40/94. It criticised the General Court on the following grounds:

- By refusing to consider the communication of 20 May 2008 as a decision, the General Court had failed to afford the appellant effective judicial protection.
- While it is open to OHIM to determine the admissibility of an opposition at any point in the proceedings, it can adopt a firm position on this at any time, such as by the communication of 20 May 2008. One of the purposes of this communication was to decide upon the admissibility of the opposition, and the terms stating this were precise and unconditional. Furthermore the communication did not state that OHIM may review the admissibility of the opposition. In accordance with effective judicial protection, the General Court should have concluded that on the basis of its form and substance, the communication in question constituted a decision, as the finding of admissibility had been made by a competent responsible authority.
- The General Court had stated that the communication was not a decision, but clearly under Rule 62 of the implementing regulation, a communication may contain a decision.

OHIM maintained the General Court's view that OHIM did not intend by the communication of 20 May 2008 to give a definite opinion on the admissibility of the opposition, and therefore it did not constitute an "executive act", had no legal effect on the appellant's situation and therefore the principle of effective judicial protection was not applicable.

The CJEU judgement:

The ECJ found that OHIM's Board of Appeal and the General Court were wrong in concluding that the communication at issue was not a decision because: Rule 17 of the Implementing Regulation sets out the conditions for admissibility of an opposition. Where an opposition is found inadmissible, a decision terminating proceedings must be communicated to the applicant. This is subject to appeal under Art 57 (1) of Regulation No. 40/94.

Rule 18 of the Implementing Regulation states that where an opposition is found admissible, this should be communicated to the parties, indicating that proceedings will commence from two months after receipt of the communication. The CJEU, looking at the term "found admissible" in the different European languages, found that, apart from the German version, the term indicated that inter partes proceedings could not commence until the opposition was found admissible.

The ECJ also found that OHIM's submission that, if they were to view the communication of 20 May 2008 as a decision, it would compromise the rights of the defence, was flawed. This was because, if the communication was viewed as a decision, both parties would be able to appeal the decision on admissibility, at two points in proceedings, under Art 57(1) and Art 77(a) of Regulation No. 40/94.

- As the Advocate General pointed out, an opponent would not challenge a decision as to the admissibility of an opposition that they had filed.
- In addition to OHIM doing so itself, both parties could, within 6 months of communication of an unlawful decision, under Art 77(a) of Regulation No. 40/94, submit to OHIM that an error had been made, and request the withdrawal of the decision in question.
- Alternatively, under Art 57(1) Regulation No 40/94, either party could appeal the admissibility of the opposition to the Boards of Appeal after the conclusion of the opposition proceedings at the Opposition Division.

The CJEU found that whilst the withdrawal of an erroneous decision, such as that of 20 May 2008 was possible, it was necessary to do so within 6 months of the communication of that decision in the interests of legal certainty and legitimate expectations of the parties involved.

As the decision was not formally revoked under the procedure of Art 77(a) Regulation No 40/94 within the prescribed 6-month period, the Board of Appeal was wrong in holding that the Opposition Division was entitled to examine the admissibility of the opposition.

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This article first appeared on WTR Daily, part of World Trademark Review, in October 2012. For further information, please go to www.worldtrademarkreview.com