



## Reports of Cases

JUDGMENT OF THE GENERAL COURT (Sixth Chamber)

11 July 2013\*

(Community trade mark — Invalidity proceedings — Community word mark GRUPPO SALINI —  
Bad faith — Article 52(1)(b) of Regulation (EC) No 207/2009)

In Case T-321/10,

**SA.PAR. Srl**, established in Rome (Italy), represented by A. Masetti Zannini de Concina, M. Bussoletti  
and G. Petrocchi, lawyers,

applicant,

v

**Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)**, represented  
by G. Mannucci and P. Bullock, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of OHIM, intervener before the General  
Court, being

**Salini Costruttori SpA**, established in Rome, represented by C. Bellomunno and S. Troilo, lawyers,

ACTION brought against the decision of the First Board of Appeal of OHIM of 21 April 2010 (Case  
R 219/2009-1), relating to invalidity proceedings between Salini Costruttori Spa and SA.PAR. Srl,

THE GENERAL COURT (Sixth Chamber),

composed of H. Kanninen, President, S. Soldevila Frago and G. Berardis (Rapporteur), Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the application lodged at the Court Registry on 4 August 2010,

having regard to the response of OHIM lodged at the Court Registry on 18 November 2010,

having regard to the response of the intervener lodged at the Court Registry on 15 November 2010,

further to the hearing on 19 April 2013,

gives the following

\* Language of the case: Italian.

## Judgment

### Background to the proceedings

- 1 On 12 May 2004 the applicant, SA.PAR. Srl, filed an application for registration of a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).
- 2 The trade mark for which registration was sought is the word sign GRUPPO SALINI.
- 3 The services in respect of which registration was sought fall within Classes 36, 37 and 42 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:
  - Class 36: ‘Insurance; financial affairs; monetary affairs; real estate affairs’;
  - Class 37: ‘Building construction; repair; installation services’;
  - Class 42: ‘Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services’.
- 4 The trade mark application was published in *Community Trade Marks Bulletin* No 7/2005 of 14 February 2005. The mark was registered on 12 September 2005 under number 3831161.
- 5 On 5 October 2007 the intervener — Salini Costruttori SpA — filed an application with OHIM for a declaration of invalidity of the mark at issue for all of the services in respect of which it had been registered. The grounds for invalidity relied on in support of that application were those referred to, first, in Article 51(1)(b) of Regulation No 40/94 (now Article 52(1)(b) of Regulation No 207/2009), secondly, in Article 52(1)(b) of Regulation No 40/94 (now Article 53(1)(b) of Regulation No 207/2009), read in conjunction with Article 8(1)(b) of Regulation No 40/94 (now Article 8(1)(b) of Regulation No 207/2009) and, thirdly, in Article 52(1)(c) of Regulation No 40/94 (now Article 53(1)(c) of Regulation No 207/2009), read in conjunction with Article 8(4) of Regulation No 40/94 (now Article 8(4) of Regulation No 207/2009). In support of that application the applicant relied on the sign SALINI used in Italy and well known as designating the services ‘real estate affairs; building construction; repair; installation services; design services’.
- 6 On 17 December 2008, the Cancellation Division rejected the application for a declaration of invalidity in its entirety. In particular, in so far as the application was based on Article 52(1)(a) of Regulation No 40/94, read in conjunction with Article 8(4) of that regulation, the Cancellation Division considered that the documents produced by the intervener were insufficient to establish the existence of ‘earlier use’ of the word sign SALINI. In so far as the application was based on Article 52(1)(b) of Regulation No 40/94, read in conjunction with Article 8(1)(b) of that regulation, the Cancellation Division found that the intervener had produced in support of that plea the same documents as were produced in support of the preceding plea and held that the intervener’s sign had not reached the minimum threshold required for recognition of the mark. Lastly, in so far as the application was based on Article 51(1)(b) of that regulation, the Cancellation Division held, in essence, that the intervener had not made out proof of bad faith on the part of the applicant.

- 7 On 9 February 2009, the intervener filed a notice of appeal at OHIM, under Articles 57 to 62 of Regulation No 40/94 (now Articles 58 to 64 of Regulation No 207/2009) against the Cancellation Division's decision.
- 8 By decision of 21 April 2010 ('the contested decision'), the First Board of Appeal of OHIM allowed that appeal, annulling the Opposition Division's decision and declaring the mark in question to be invalid.
- 9 First, the Board of Appeal held that, since the present case concerned business activities consisting in the execution of major engineering projects, the Cancellation Division was wrong to consider that the evidence adduced by the intervener in order to demonstrate use conferring general awareness of the sign SALINI in Italy was insufficient. In its view, the relevant public for those services is made up of contracting authorities, that is to say, public or private clients in the context of tender procedures. Therefore, merely demonstrating that projects have been carried out proves that that public has been exposed to the intervener's sign. The documents placed on the file by the intervener, including those produced before the Board of Appeal and declared admissible by the latter, provide sufficient evidence that the name 'Salini' has been used as a trade mark by the intervener in the context of its business activities and that that name was well known in Italy within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property of 20 March 1883, as revised and amended. It considered none the less that the evidence demonstrated use of the sign only for some of the services claimed, since use had not been proved for the services 'insurance; financial affairs; monetary affairs; real estate affairs'.
- 10 Secondly, with regard to the likelihood of confusion between the earlier sign SALINI, alone or together with the word 'costruttori', and the contested Community trade mark GRUPPO SALINI, the Board of Appeal, considering the common element 'salini' to be the dominant element and the words 'gruppo' and 'costruttori' to be descriptive and generic elements, held that there was a likelihood of confusion between the signs at issue in the mind of the relevant public if they were used to designate services and activities that were identical or similar, in particular for the services 'building construction; repair; installation services' in Class 37 and for 'scientific and technological services and research and design relating thereto; industrial analysis and research services' in Class 42. On the other hand, it excluded all likelihood of confusion for the services 'insurance; financial affairs; monetary affairs; real estate affairs' in Class 36 and for the services 'design and development of computer hardware and software; legal services' also in Class 42.
- 11 Thirdly, the Board of Appeal, stating that a trade mark applicant could be considered to be acting in bad faith if he lodged a trade mark application in the knowledge that he was causing harm to another party and that that harm was the result of conduct that was wrong from the moral and business point of view, held that the intervener had adduced in the present case evidence of such bad faith on the part of the applicant. In particular, according to the Board of Appeal, bad faith had been established by the fact that, at the date on which the trade mark application was filed:
- the applicant had a substantial holding in the intervener's share capital and its directors sat on the intervener's board of directors;
  - the applicant could not therefore be unaware of the existence of the sign SALINI and of its use by the intervener and, hence, that it was acting in breach of the latter's rights;
  - a dispute was pending between the intervener and the applicant, confirming the latter's intention to usurp the intervener's rights over the earlier sign.

### Forms of order sought

12 The applicant claims that the Court should:

- annul the contested decision;
- order OHIM to pay the costs, including the costs of the proceedings before the Board of Appeal.

13 OHIM and the intervener contend that the Court should:

- dismiss the application;
- order the applicant to pay the costs.

### Law

14 In support of its action, the applicant relies on three pleas: infringement of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(2)(c) of the same regulation; infringement of Article 53(1)(a) of that regulation, read in conjunction with Article 8(2)(b) of the same regulation; and infringement of Article 52(1)(b) of that regulation. In the context of those pleas, in addition to infringement of those provisions the applicant also alleges failure to state reasons.

#### *The third plea, alleging infringement of Article 52(1)(b) of Regulation No 207/2009*

15 The Court will examine first of all the third plea whereby the applicant in essence alleges that the Board of Appeal erred in law in finding that the applicant had acted in bad faith when it filed an application with OHIM seeking to register the mark at issue as a Community trade mark. The Board of Appeal, according to the applicant, based its finding that the applicant acted in bad faith solely on the relationship that exists between the applicant's directors and those of the intervener and on the fact that a dispute was pending between them before the Italian courts, although the alleged awareness of the harm which the applicant was said to have caused the intervener is not clear from any arguments or supported by any evidence.

16 OHIM and the intervener dispute the applicant's arguments.

17 It should be noted first of all that the Community trade mark registration system is based on the 'first-to-file' principle, laid down in Article 8(2) of Regulation No 207/2009. In accordance with that principle, a sign may be registered as a Community trade mark only in so far as this is not precluded by an earlier mark, whether a Community trade mark, a trade mark registered in a Member State or by the Benelux Office for Intellectual Property, a trade mark registered under international arrangements which have effect in a Member State or a trade mark registered under international arrangements which have effect in the European Union. On the other hand, without prejudice to the possible application of Article 8(4) of Regulation No 207/2009, the mere use by a third party of a non-registered mark does not preclude an identical or similar mark from being registered as a Community trade mark for identical or similar goods or services (Case T-33/11 *Peeters Landbouwmachines v OHIM — Fors MW (BIGAB)* [2012] ECR, paragraph 16, and Case T-227/09 *Feng Shen Technology v OHIM — Majtczak (FS)* [2012] ECR, paragraph 31).

18 The application of that principle is qualified, inter alia, by Article 52(1)(b) of Regulation No 207/2009, under which, following an application to OHIM or on the basis of a counterclaim in infringement proceedings, a Community trade mark is to be declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark. Where the applicant for a declaration of invalidity

seeks to rely on that ground, it is for that party to prove the circumstances which substantiate a finding that the Community trade mark proprietor had been acting in bad faith when it filed the application for registration of that mark (*BIGAB*, paragraph 17 above, paragraph 17, and *FS*, paragraph 17 above, paragraph 32).

- 19 The concept of bad faith in Article 52(1)(b) of Regulation No 207/2009, is not, as Advocate General Sharpston stated in her Opinion in Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893, I-4896 (*Lindt Goldhase*), defined, delimited or even described in any way in the legislation of the European Union.
- 20 In that regard, it should be pointed out that in *Lindt Goldhase*, the Court in its consideration of a question referred for a preliminary ruling, clarified several aspects of the way in which the concept of bad faith referred to in Article 52(1)(b) of Regulation No 207/2009 should be interpreted.
- 21 According to the Court, in order to determine whether the applicant is acting in bad faith within the meaning of that provision it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration of the sign as a Community trade mark and, in particular: first, the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which registration is sought; secondly, the applicant's intention to prevent that third party from continuing to use such a sign; and, thirdly, the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought (*Lindt Goldhase*, paragraph 19 above, paragraph 53).
- 22 That being so, it is apparent from the wording used by the Court in that judgment that the factors set out in it are only examples drawn from a number of factors which can be taken into account in order to decide whether the applicant for registration was acting in bad faith at the time of filing the trade mark application (*BIGAB*, paragraph 17 above, paragraph 20, and judgment of 13 December 2012 in Case T-136/11 *pelicantravel.com v OHIM — Pelikan (Pelikan)*, not published in the ECR, paragraph 26).
- 23 It must therefore be held that, in the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the commercial logic underlying the filing of the application for registration of the sign as a Community trade mark (*BIGAB*, paragraph 17 above, paragraph 21), and the chronology of events relating to the filing (see, to that effect and by analogy, Case C-569/08 *Internetportal und Marketing* [2010] ECR I-4871, paragraph 52).
- 24 It is, inter alia, in the light of the foregoing considerations and in so far as they apply to the present case that the lawfulness of the contested decision falls to be assessed, in terms of the Board of Appeal's finding that the intervener was acting in bad faith at the time of filing the application for registration of the mark at issue.
- 25 In the present case, it is clear from the file and cannot seriously be disputed that the applicant could not have been unaware, and indeed knew, that the intervener had for a long time been using, in Italy and abroad, the sign SALINI, alone or together with the word 'costruttori', in the fields of building and design of major public infrastructure projects, building construction, and design services in the civil engineering sector. In that regard, it should be pointed out, as OHIM has done, that the awareness which the applicant had of the intervener's commercial and corporate situation — including the fact that, when the trade mark application was filed the intervener was experiencing a phase of significant expansion and was in the process of increasing its reputation and market shares both in Italy and abroad, as is clear, inter alia, from paragraphs 31 and 35 of the contested decision — could be considered to be 'well-informed', acquired by persons who not only belonged to the Salini family, like the intervener's shareholders, but had a substantial holding in the intervener's share capital



or operated within it through their participation in its management bodies, as is clear also from paragraphs 70 to 72 of the contested decision. Moreover, it should be pointed out that, in view of the high-level positions occupied by the applicant's shareholders in the intervener's management or on its board of directors, they were well-placed to influence the intervener's decisions, including the decision whether or not to register the sign which the intervener had been using for a long time. In that regard, it is clear *inter alia* from the administrative file before OHIM that one of those shareholders, Mr F. S. S., was chairman of the intervener's board of directors from 2000 to 2003.

- 26 Such awareness on the part of the trade mark applicant, albeit 'well-informed' as was that of the applicant in the present case, is not however sufficient in itself to establish that the latter acted in bad faith. It is also necessary to take into consideration the applicant's intention at the time when he files the application for registration (*Lindt Goldhase*, paragraph 19 above, paragraphs 40 and 41).
- 27 Although that intention is necessarily a subjective factor, it must none the less be determined by reference to the objective circumstances of the particular case (*Lindt Goldhase*, paragraph 19 above, paragraph 42).
- 28 Thus, as OHIM suggests, in order to assess whether or not a trade mark applicant acted in bad faith, it is necessary to examine the intentions of the applicant such as they may be inferred from objective circumstances and from his specific actions, from his role or position, from the awareness he possessed of the use of the earlier sign, from the contractual, pre-contractual or post-contractual relationship he had with the applicant for a declaration of invalidity, from the existence of reciprocal duties or obligations, including the duties of loyalty and integrity arising because he occupies, or has occupied, a position in the executive body of the company or has exercised, or still exercises, management functions within the company of the applicant for a declaration of invalidity, and, more generally, from all the objective situations of conflicting interests in which the trade mark applicant has operated.
- 29 It is clear from the contested decision that, contrary to what the applicant contends, the Board of Appeal did not merely take into account the awareness which the applicant had of the use of the sign by the intervener by virtue of its privileged position as a shareholder in the intervener, a point which the applicant does not dispute, but also found that the applicant had acted in bad faith on the basis of a number of objective circumstances which demonstrated the applicant's intentions or those of its managers.
- 30 In the first place, as is recalled in the case-law, the chronology of events leading to the registration of the mark at issue may constitute a relevant factor in the assessment of bad faith (see, to that effect and by analogy, *Internetportal und Marketing*, paragraph 23 above, paragraph 52). In the circumstances of the present case, the fact that the applicant applied for registration of the mark at issue, for which no earlier use has been demonstrated, only a few months after the start of the corporate dispute between it and the intervener, which created a period of uncertainty with regard to internal equilibrium within the latter, warrants particular attention, as correctly stated by the Board of Appeal in paragraph 74 of the contested decision, in order to assess whether the applicant acted in bad faith. Furthermore, it is clear from the file that during the period which preceded the filing of the application for registration the intervener significantly increased its turnover and the level of its reputation, to the point where it could be regarded as one of the most important operators in the civil engineering sector in Italy, as is clear from paragraph 31 of the contested decision. By virtue of its position as a shareholder with a substantial holding in the intervener's share capital, the applicant could not be unaware of the risk of harm which registering for its own use a name sign that was almost identical to the one that had been used for a long time by the intervener — when the latter was experiencing strong growth in the circles concerned — might cause the intervener.

- 31 Secondly, the fact that the applicant knew, or claimed to know, that the intervener had no interest in registering the name SALINI as a sign increased, in view of the particular factual context which has been described above, the potential conflict of interests in which the applicant found itself with regard to the intervener. It cannot be excluded, and the applicant has adduced no evidence which would make it possible to do so, that the intervener had taken the decision not to register that sign in view of the specific nature of the public to which it addressed its services, or even by virtue of the alleged tacit agreement — the existence of which was referred to by the applicant — among all the members of the Salini family to use the name in their respective activities, whilst considering that it had none the less acquired legal protection for that distinctive sign, and a reputation for it, irrespective of whether it was registered. The Board of Appeal was therefore right to find, in paragraph 71 of the contested decision, that it was evidence of the applicant's bad faith that, in view of its substantial holding in the intervener's share capital, it had acted on its own behalf rather than that of the intervener.
- 32 Thirdly, the nature of the trade mark may also be relevant to determining whether the applicant acted in bad faith (see, to that effect, *Lindt Goldhase*, paragraph 19 above, paragraph 50). In that regard, the fact of applying for a word mark consisting simply of the name 'Salini' together with the word 'gruppo', which traditionally indicates the presence of a number of undertakings operating under the same name, not only does not make any commercial sense, but is likely to bear out the intention to usurp the rights over the trade mark of the intervener, which, being the parent company of a group to which, at the time of the application for registration, several undertakings belonged, was the only company that could use, should the case arise, the term 'gruppo salini', as is clear in essence from the analysis carried out by the Board of Appeal in paragraphs 70 and 71 of the contested decision. It is apparent moreover from the administrative file before OHIM that reference is made to that term *inter alia* in the code of conduct adopted by the intervener's board of directors in 2003, that is to say, before the application to register the mark at issue. More specifically, paragraph 2 of that code, which defines its scope, states that it 'was drawn up for the benefit of the Gruppo Salini as a whole' and that 'Gruppo Salini means Salini Costruttori SpA and any other company controlled by it'. The applicant cannot claim that it was unaware of the existence of that code of conduct and the definition of the term 'gruppo salini' which it contained when the trade mark application was filed.
- 33 It should be added that, for the purposes of determining whether the trade mark applicant was acting in bad faith, consideration may lastly be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration was filed, since the extent of that reputation might justify the applicant's interest in ensuring a wider legal protection for its sign (*Lindt Goldhase*, paragraph 19 above, paragraphs 51 and 52). In the present case, it should be noted that it is not clear from the file that at the time the application for registration was filed the mark at issue had already been used, although it is established that the intervener's sign had been used for several decades and that the intervener had experienced a significant growth in its activity in Italy over recent years, which had strengthened its reputation with the relevant public.
- 34 It is clear from the foregoing that the analysis carried out by the Board of Appeal, which found that the applicant had acted in bad faith in filing the trade mark application, must be upheld. None of the arguments put forward by the applicant is of such a kind as to call that finding into question.
- 35 First, the fact, mentioned in paragraph 31 above, that the intervener did not show any interest in protecting the earlier sign within the European Union before the date on which the trade mark application was filed, notwithstanding its alleged use in Italy since 1940, does not prove that the applicant was not acting in bad faith when it filed that application, since such a fact may be regarded as a matter subjective to the intervener (see, to that effect, *FS*, paragraph 17 above, paragraph 51). Furthermore, the possibility provided for in Article 52(1)(b) of Regulation No 207/2009 to have a trade mark declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark, without being prevented under the limitation in consequence of acquiescence from bringing that type of action, as is clear from Article 54(1) of Regulation No 207/2009, meets precisely the requirement of ensuring wide protection for any trader making use of a sign although he

has not yet registered it. For the rest, the applicant, in its capacity as shareholder with a substantial holding in the intervener's share capital, and in view of the functions and positions which some of its managers occupied or had occupied within the company structure, should have been fully aware of the reasons for the intervener's alleged lack of interest in protecting the sign at issue comprising the family name. In such circumstances, the applicant cannot rely on the alleged disinterest of the intervener, which it might have helped to create or which, on the contrary and in any event, it could have objected to in order to substantiate the absence of bad faith on its part when it filed the application for the trade mark.

- 36 The same applies with regard to the applicant's argument that the intervener allowed more than three years to elapse before bringing the matter before OHIM. The intervener's failure to react immediately to the registration of the mark at issue, which moreover had not even been preceded by use of that mark, cannot, since it is a matter subjective to the intervener, be such as to have any effect on the evaluation of the applicant's intentions when it filed the application for a Community trade mark.
- 37 Secondly, as regards the applicant's argument that the name Salini is widely used by other undertakings, suffice it to say, as OHIM found, that in the present case those are undertakings managed in all likelihood by persons having that name, the use of which could not in any way be prevented by the intervener, and not trade marks that have been registered and are composed of the same name.
- 38 Thirdly, with regard to the applicant's argument that there was allegedly a tacit agreement between the members of the Salini family, under which those members were authorised to use that name for their own business activities (see also paragraph 31 above), it must be held that such an agreement, far from proving the applicant's lack of bad faith, is such that it demonstrates that the applicant's conduct was disloyal. Even if the existence of such an agreement were established, it would not apply to the use of the name as a Community trade mark nor, in any event, confer on the bearer of that name entitlement to register it as a Community trade mark. However, contrary to what the applicant appears to claim, it is possible to prevent registration of such a mark, even where the applicant for registration does actually have that name, if the trade mark applied for infringes an earlier right.
- 39 In that regard, it should be recalled that, according to Article 9(1) of Regulation No 207/2009, a Community trade mark confers on the proprietor exclusive rights therein which entitle him to prevent all third parties from using any sign where, because of its identity with or similarity to the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign concerned, there exists a likelihood of confusion on the part of the public (judgment of 17 January 2012 in Case T-522/10 *Hell Energy Magyarország v OHIM — Hansa Mineralbrunnen (HELL)*, not published in the ECR, paragraph 73). Such an exclusive right is contrary to the very *raison d'être* of the tacit agreement relied on by the applicant.
- 40 Fourthly, as regards the argument which the applicant bases on the fact that the dispute before the Italian courts, to which reference is made on a number of occasions in the parties' pleadings and also, *inter alia*, in paragraphs 3, 4 and 74 of the contested decision, originates from matters that are purely internal to the intervener and concerns only shareholders of the latter, suffice it to say that, in view of the corporate structure of the intervener, whose shareholders were for the most part divided between two branches of the Salini family, one of which the applicant belonged to, that argument is ineffective. The existence of such a dispute is relevant only as regards establishing the context in which the application for the trade mark was filed, irrespective of the fact that the disagreement at the origin of that dispute arose within the intervener or was between the latter and the applicant. Moreover and in any case, the fact remains, as OHIM found, that at the material time Mr F. S. S. at least was in an objective position of conflicting interests, owing to his dual capacity as a member of both companies, which is not insignificant in view of the role he plays within the intervener's corporate structure, having been chairman of its board of directors between 2000 and 2003 (see paragraph 25 above) and subsequently its technical director.



- 41 As regards, lastly, the alleged failure to state reasons, mentioned by the applicant in the heading of the third plea and as a passing, very general reference in the main part of that plea, it should be noted that, according to settled case-law, the statement of reasons required under the first sentence of Article 75 of Regulation No 207/2009, which has the same scope as that of Article 296 TFEU, must show in a clear and unequivocal manner the reasoning of the body responsible for the act. That obligation has two purposes: to allow interested parties to know the justification for the measure so as to enable them to protect their rights, and to enable the EU judicature to exercise its power to review the legality of the decision (Case T-118/06 *Zuffa v OHIM (ULTIMATE FIGHTING CHAMPIONSHIP)* [2009] ECR II-841, paragraph 19, and judgment of 14 July 2011 in Case T-160/09 *Winzer Pharma v OHIM — Alcon (OFTAL CUSI)*, not published in the ECR, paragraph 35). Whether the statement of reasons for a decision satisfies those requirements is a matter to be assessed by reference not only to its wording but also to its context and the whole body of legal rules governing the matter in question (see *ULTIMATE FIGHTING CHAMPIONSHIP*, paragraph 20 and the case-law cited).
- 42 In the present case, it is clear from an examination of the contested decision that the Board of Appeal set out in paragraphs 68 to 74 of that decision the reasons why it considers, in the light of the various matters on the file, that proof of the applicant's bad faith when it filed the application for registration had been adduced by the intervener.
- 43 Those arguments both allowed the applicant to know the justification for the decision taken so as to enable it to protect its rights and enabled the General Court to exercise its power to review the legality of the contested decision. Therefore, contrary to what the applicant claims, the Board of Appeal cannot be criticised for failing to state the reasons for its decision in that regard.
- 44 In light of the foregoing, the Board of Appeal was right to find that the mark at issue was invalid on the basis of Article 52(1)(b) of Regulation No 207/2009, considering that it had been applied for in breach of the principles of loyalty and integrity which, in the circumstances of the present case, it was incumbent upon the applicant to observe with regard to the intervener.
- 45 Consequently, the third plea in law must be rejected as unfounded.
- 46 As regards the first and second pleas, it is clear from Articles 52 and 53 of Regulation No 207/2009 that if one of the grounds of invalidity listed in those provisions applies, that suffices for an application for a declaration of invalidity to be successful.
- 47 In those circumstances, if it concludes that one of the grounds for invalidity put forward by the party seeking a declaration of invalidity is well founded, the General Court may restrict its review of lawfulness to the plea relating to that ground, which is sufficient to justify a decision granting the application for a declaration of invalidity (see, to that effect and by analogy, order of the Court of 13 February 2008 in Case C-212/07 P *Indorata-Serviços e Gestão v OHIM*, not published in the ECR, paragraphs 27 and 28; see Case T-215/03 *Sigla v OHIM - Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 100, and Case T-59/08 *Nute Partecipazioni and La Perla v OHIM - Worldgem Brands (NIMEI LA PERLA MODERN CLASSIC)* [2010] ECR II-5595, paragraph 70 and the case-law cited). That is *a fortiori* the position where, as in the present case, one of the grounds for invalidity accepted by the Board of Appeal is that relating to bad faith on the part of the trade mark applicant, as provided for in Article 52(1)(b) of Regulation No 207/2009.
- 48 As OHIM rightly states, the existence of bad faith at the time the application for registration is filed entails of itself the nullity in its entirety of the mark at issue. That notwithstanding, where the Board of Appeal considers, as in the present case, that one of the grounds for invalidity put forward by the party seeking a declaration of invalidity is well-founded, but decides to examine and, if that be the case, also uphold other grounds of invalidity that may have been invoked, that part of the reasoning of its decision does not constitute the necessary basis for the operative part upholding the application for a declaration of invalidity, which is justified to the requisite legal standard by the ground for invalidity

entailing nullity in its entirety of the mark at issue, which in the present case is the ground relating to bad faith on the part of the applicant (see, to that effect, *NIMEI LA PERLA MODERN CLASSIC*, paragraph 47 above, paragraph 70).

- 49 In the light of the foregoing, without there being any need to examine the first and second pleas, the action must be dismissed in its entirety.

### **Costs**

- 50 Under Article 87(2) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.
- 51 Since the applicant has been unsuccessful it must be ordered to pay the costs, in accordance with form of order sought by OHIM and the intervener.

On those grounds,

THE GENERAL COURT (Sixth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders SA.PAR. Srl to pay the costs.**

Kanninen

Soldevila Fragoso

Berardis

Delivered in open court in Luxembourg on 11 July 2013.

[Signatures]