



Reports of Cases

OPINION OF ADVOCATE GENERAL
SHARPSTON
delivered on 16 May 2013¹

Case C-621/11 P

New Yorker SHK Jeans GmbH & Co. KG, formerly New Yorker SHK Jeans GmbH

v

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

(Appeal — Community trade mark — Opposition proceedings — Proof of genuine use — Evidence filed after the expiry of the time-limit set)

1. In proceedings before the Office for Harmonisation in the Internal Market ('OHIM' or 'the Office'), as a general rule and unless otherwise specified, the parties may submit facts and evidence after the expiry of the time-limits to which such submission is subject under the provisions of Regulation No 207/2009 on the Community trade mark ('Regulation No 207/2009'),² and OHIM has discretion to decide whether to take account of such facts and evidence. This is how the Court in *OHIM v Kaul*³ interpreted Article 74(2) of Regulation No 40/94 on the Community trade mark ('Regulation No 40/94'),⁴ which is now Article 76(2) of Regulation No 207/2009.

2. In the present appeal against the judgment of the General Court of 29 September 2011 in Case T-415/09 *New Yorker SHK Jeans v OHIM* ('the judgment under appeal'),⁵ the Court is asked in essence to consider whether Rule 22(2) of Regulation No 2868/95 ('the Implementing Regulation'),⁶ which concerns the time-limit within which the opposing party must provide proof of genuine use in opposition proceedings, is an exception to that general rule.

3. In my Opinion in Cases C-609/11 P and C-610/11 P *Centrotherm Systemtechnik v OHIM and centrotherm Clean Solutions*, also delivered today, I discuss a similar question relating to the taking into account of such evidence in the context of revocation proceedings.

4. A separate but related issue is whether the Board of Appeal has discretion, in opposition proceedings, to take into account evidence of the existence and validity of earlier marks and translations submitted after the expiry of the time-limit set by the Opposition Division. That issue is discussed in my Opinion in Cases C-120/12 P, C-121/12 P and C-122/12 P *Rintisch v OHIM*, which is likewise delivered today.

1 — Original language: English.

2 — Council Regulation (EC) No 207/2009 of 26 February 2009 (codified version) (OJ 2009 L 78, p. 1). It entered into force on 13 April 2009 (see Article 167).

3 — Case C-29/05 P [2007] ECR I-2213, paragraph 42.

4 — Council Regulation (EC) No 40/94 of 20 December 1993 (OJ 1994 L 11, p. 1), as amended.

5 — Not published in the ECR.

6 — Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) as amended by, inter alia, Commission Regulation (EC) No 1041/2005 of 29 June 2005 (OJ 2005 L 172, p. 4). Whilst the notice of opposition in these proceedings was filed prior to the amendment of the Implementing Regulation by Regulation No 1041/2005, all relevant stages of the proceedings took place subsequent to that amendment.

EU trade mark law

5. When most of the relevant events of this case occurred,⁷ Regulation No 207/2009 had not yet entered into force and Regulation No 40/94 therefore applied. By the time of the Board of Appeal's decision, Regulation No 207/2009 was applicable.⁸ The parties and the General Court applied Regulation No 207/2009. In any event, materially Regulation No 207/2009 does no more than codify Regulation No 40/94 as amended. I shall therefore, in what follows, refer to Regulation No 207/2009.

6. Article 41 of Regulation No 207/2009, entitled 'Opposition', provides:

'1. Within a period of three months following the publication of a Community trade mark application, notice of opposition to registration of the trade mark may be given on the grounds that it may not be registered under Article 8: [⁹]

...

3. Opposition must be expressed in writing and must specify the grounds on which it is made. ... Within a period fixed by the Office, the opponent may submit in support of his case facts, evidence and arguments.'

7. Article 42, on 'Examination of opposition', states:

'1. In the examination of the opposition the Office shall invite the parties, as often as necessary, to file observations, within a period set them by the Office, on communications from the other parties or issued by itself.

2. If the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community trade mark has at that date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. ...

3. Paragraph 2 shall apply to earlier national trade marks referred to in Article 8(2)(a), by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.

...'

8. According to Article 75, '[d]ecisions of the Office shall state the reasons on which they are based' and 'shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments'.

9. Article 76, entitled 'Examination of the facts by the Office of its own motion', states:

'1. In proceedings before it the Office 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.

7 — See points 19 to 24 below.

8 — See point 25 below.

9 — Article 8 sets out the relative grounds for refusal of registration.

2. The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.’

10. The Implementing Regulation lays down rules necessary for the implementation of Regulation No 207/2009.¹⁰ Its rules ‘should ensure the smooth and efficient operating of trade mark proceedings before the Office’.¹¹

11. Rule 15 of the Implementing Regulation sets out what a notice of opposition ‘shall’ (paragraph 2) and ‘may’ (paragraph 3) contain. In particular, according to Rule 15(3)(b), the notice may contain ‘a reasoned statement setting out the main facts and arguments on which the opposition relies, and evidence to support the opposition’.

12. Rule 18 describes the commencement of proceedings regarding an admissible opposition:¹²

‘(1) When the opposition is found admissible ..., the Office shall send a communication to the parties informing them that the opposition proceedings shall be deemed to commence two months after receipt of the communication. This period may be extended up to a total of 24 months if both parties submit requests for such an extension before the period expires.

...’

13. According to Rule 19,

‘(1) The Office shall give the opposing party the opportunity to present the facts, evidence and arguments in support of his opposition or to complete any facts, evidence or arguments that have already been submitted pursuant to Rule 15(3), within a time-limit specified by it and which shall be at least 2 months starting on the date on which the opposition proceedings shall be deemed to commence in accordance with Rule 18(1).

(2) Within the period referred to in paragraph 1, the opposing party shall also file proof of the existence, validity and scope of protection of his earlier mark or earlier right, as well as evidence proving his entitlement to file the opposition. ...

...

(4) The Office shall not take into account written submissions or documents, or parts thereof, that have not been submitted, or that have not been translated into the language of the proceedings, within the time-limit set by the Office.’

14. Rule 20, entitled ‘Examination of the opposition’, states:

‘(1) If until expiry of the period referred to in Rule 19(1) [¹³] the opposing party has not proven the existence, validity and scope of protection of his earlier mark or earlier right, as well [as] his entitlement to file the opposition, the opposition shall be rejected as unfounded.

10 — See the fifth recital in the preamble to the Implementing Regulation.

11 — See the sixth recital in the preamble to the Implementing Regulation.

12 — Rule 17 sets out the grounds for declaring an opposition inadmissible. These include: non-payment of the opposition fee, late filing of the notice of opposition, lack of statement of the grounds of opposition, failure to clearly identify the earlier mark or the earlier right on which the opposition is based, failure to submit a translation as required under Rule 16(1), failure to comply with the provisions of Rule 15.

13 — I take the opening words to mean: ‘If, before the expiry of the period referred to in Rule 19(1),’.

- (2) If the opposition is not rejected pursuant to paragraph 1, the Office shall communicate the submission of the opposing party to the applicant and shall invite him to file his observations within a period specified by the Office.
- (3) If the applicant submits no observations, the Office shall base its ruling on the opposition on the evidence before it.
- (4) The observations submitted by the applicant shall be communicated to the opposing party who shall be invited by the Office, if it considers it necessary to do so, to reply within a period specified by the Office.

...

- (6) In appropriate cases, the Office may invite the parties to limit their observations to particular issues, in which case it shall allow the party to raise the other issues at a later stage of the proceedings. In no case shall the Office be required to inform the parties which facts or evidence could be or have not been submitted.

...'

15. According to Rule 22 on 'Proof of use',

- '(1) A request for proof of use pursuant to Article [42(2) of Regulation No 207/2009] shall be admissible only if the applicant submits such a request within the period specified by the Office pursuant to Rule 20(2).
- (2) Where the opposing party has to furnish proof of use or show that there are proper reasons for non-use, the Office shall invite him to provide the proof required within such period as it shall specify. If the opposing party does not provide such proof before the time-limit expires, the Office shall reject the opposition.
- (3) The indications and evidence for the furnishing of proof of use shall consist of indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered and on which the opposition is based, and evidence in support of these indications in accordance with paragraph 4.
- (4) The evidence shall be filed in accordance with Rules 79 and 79a [¹⁴] and shall, in principle, be confined to the submission of supporting documents and items such as packages, labels, price lists, catalogues, invoices, photographs, newspaper advertisements, and statements in writing as referred to in Article [78(1)(f) of Regulation No 207/2009].
- (5) A request for proof of use may be made with or without submitting at the same time observations on the grounds on which the opposition is based. Such observations may be filed together with the observations in reply to the proof of use.

...'

14 — Rules 79 and 79a set out general requirements for submitting communications in writing or by other means.

16. The third subparagraph of Rule 50(1), entitled ‘Examination of appeals’, states:

‘Where the appeal is directed against a decision of an Opposition Division, the Board shall limit its examination of the appeal to facts and evidence presented within the time-limits set in or specified by the Opposition Division in accordance with the Regulation and these Rules, unless the Board considers that additional or supplementary facts and evidence should be taken into account pursuant to Article [76(2) of Regulation No 207/2009].’

17. Rule 71(1) foresees that the Office may grant, under certain conditions, extensions of a time period it has specified.

The procedure before OHIM

18. New Yorker SHK Jeans GmbH & Co. KG (‘New Yorker Jeans’) applied on 31 October 2003 for registration of the word sign ‘FISHBONE’ as a Community trade mark. It sought to register that mark in connection with goods in, inter alia, Classes 18 and 25 of the Nice Agreement.¹⁵ That application was published on 1 November 2004.

19. On 28 January 2005, Vallis K. – Vallis A. & Co. OE (‘Vallis’) filed a notice of opposition against that registration. Its opposition was based on the existence of an earlier Greek figurative mark containing the words ‘Fishbone’ and ‘Beachwear’, which had been registered on 17 May 1996 for ‘T-shirts, beachwear’ in Class 25 of the Nice Agreement.¹⁶

20. By letter of 5 April 2006, New Yorker Jeans requested that Vallis furnish proof of use of its mark. OHIM invited the latter to do so on or before 6 June 2006.

21. By letter of 6 June 2006, Vallis submitted the following evidence: (i) a sworn statement dated 1 June 2006, (ii) various invoices and (iii) a number of photographs. By letter of 25 September 2006, New Yorker Jeans objected that the evidence (‘the first batch of evidence’) was insufficient to demonstrate genuine use of the earlier mark.

22. By letter of 14 November 2006, OHIM invited Vallis to respond to that objection and file observations before 14 January 2007.

23. By letter received on 15 January 2007,¹⁷ Vallis filed further observations and evidence, notably catalogues dating from 2000, 2001 and 2003 (‘the second batch of evidence’).

24. On 26 May 2008,¹⁸ OHIM’s Opposition Division upheld the opposition in so far as it applied to ‘bags, rucksacks’ in Class 18 and all goods in Class 25. Its conclusion that there existed a likelihood of confusion was based on, inter alia, the 2001 catalogue filed with the letter of 15 January 2007 (and thus after 6 June 2006).

15 — Of 15 June 1957 concerning the International Classification of Goods and Services for the purposes of the Registration of Marks, as revised and amended.

16 — The grounds of opposition were those referred to in Article 8(1)(a) and (b) and Article 8(4) of Regulation No 40/94 (which are now Article 8(1)(a) and (b) and 8(4) of Regulation No 207/2009).

17 — 14 January 2007 was a Sunday; pursuant to Rule 72(1) of the Implementing Regulation, the time-limit extended to the following day. See point 29 of the judgment under appeal.

18 — I noticed however that the Board of Appeal referred to the Opposition Division’s decision of 26 March 2008.

25. Following New Yorker Jeans' appeal against that decision, on 30 July 2009, the Board of Appeal of OHIM upheld the Opposition Division's decision concerning the goods in Class 25 but rejected the opposition for 'bags, rucksacks' in Class 18. In particular, it found that the Opposition Division had not erred by taking into account the second batch of evidence submitted with the letter received on 15 January 2007.

Judgment of the General Court

26. In its application at first instance, New Yorker Jeans asked the General Court to:

- amend the decision of the Board of Appeal and declare that the appeal was justified and that the opposition was rejected for the goods in Class 25;
- alternatively, annul the decision of the Board of Appeal in so far as it dismissed the appeal and confirmed the rejection of the application for the goods in Class 25 and
- order OHIM to pay the costs, including those incurred by the applicant in the appeal before the Board of Appeal.

27. New Yorker Jeans advanced four pleas in law, namely infringement of:

- Article 42(2) and (3) and Article 76(2) of Regulation No 207/2009 and Rule 22(2), second sentence, of the Implementing Regulation in so far as the Board of Appeal's assessment of the evidence was erroneous;
- Article 75 of Regulation No 207/2009, because the Board of Appeal failed to state grounds that enabled the applicant to understand why additional evidence was taken into consideration;
- Article 42(2), (3) and (5) and the first subparagraph and second subparagraph, heading (a), of Article 15(1) of Regulation No 207/2009, because the Board of Appeal concluded that genuine use existed based on evidence (whether or not submitted in time) that was insufficient to show the nature and the extent of the use and
- Article 8(1)(b) of Regulation No 207/2009, because the Board of Appeal's assessment on the likelihood of confusion was erroneous.

28. On 29 September 2011, the General Court dismissed the action as unfounded and ordered New Yorker Jeans to pay the costs.

29. New Yorker Jeans' appeal concerns only that part of the judgment in which the General Court considered the second batch of evidence submitted with the letter of 15 January 2007.

30. At paragraphs 23 and 24 of the judgment under appeal, the General Court summarised the case-law on OHIM's discretion to take account of facts and evidence submitted after the expiry of the relevant time-limit:

- '23 It can be inferred from the wording of Article 76(2) of Regulation No 207/2009 that, as a general rule and unless otherwise specified, the submission of facts and evidence by the parties remains possible after the expiry of the periods governing such submission provided for in Regulation No 207/2009 and that OHIM is in no way prohibited from taking account of facts and evidence which are submitted late (see, to that effect, *OHIM v Kaul*, paragraph 42, and *CORPO*

livre, [19] paragraph 44).

24 Although parties to proceedings before OHIM may submit facts and evidence after expiry of the periods specified for that purpose, that facility is not without conditions, but is subject to the absence of any provision to the contrary. It is only if that condition is met that OHIM has the discretion, which the Court of Justice acknowledged that it had when it interpreted Article 76(2) of Regulation No 207/2009 (*CORPO livre*, paragraph 47).'

31. At paragraphs 25 and 26 of the judgment under appeal, the General Court (indirectly) applied the Court of Justice's decision in *OHIM v Kaul* to Rule 22(2) of the Implementing Regulation:

'25 Rule 22(2) of [the Implementing Regulation] provides that, where, pursuant to Article 42(2) and (3) of Regulation No 207/2009, the opposing party is required to furnish proof of genuine use of the earlier mark, OHIM is to invite that party to provide the proof required within such period as it specifies. The second sentence of Rule 22(2) adds that, if the opposing party does not provide such proof before that period expires, OHIM is to reject the opposition.

26 It follows from that second sentence that submission of proof of use of the earlier mark after the period fixed for that purpose has expired means, in principle, that the opposition will be rejected, without OHIM having any discretion in that regard. Genuine use of the earlier mark is a preliminary matter which must, accordingly, be settled before a decision is taken on the opposition proper (*CORPO livre*, paragraph 49).'

32. Next, at paragraphs 27 to 36 of the judgment under appeal, the General Court set out its reasons for rejecting the appellant's plea:

'27 ... the [General] Court has held that the second sentence of Rule 22(2) of [the Implementing Regulation] cannot be interpreted as precluding additional evidence from being taken into consideration where new factors emerge, even if such evidence is adduced after the expiry of that period (*HIPOVITON*, [20] paragraph 56, and *CORPO livre*, paragraph 50).

28 In the present case, the applicant alleges, in essence, that the Board of Appeal was wrong to hold that the Opposition Division was entitled to take account of the catalogues, on the ground that they had been submitted outside the time-limit set for submission of proof of genuine use of the earlier mark. That line of argument, however, cannot succeed.

...

30 Second, the view must be taken that, by having filed within the time-limit, namely on 6 June 2006, relevant evidence such as an affidavit, invoices and photographs, the intervener must be regarded as having complied with the time-limit provided for in the second sentence of Rule 22(2) of [the Implementing Regulation]. Furthermore, it is not in dispute that, following the applicant's observations that that evidence was insufficient, OHIM provided the intervener with the opportunity to file its observations by 14 January 2007. In that context, the evidence filed with the intervener's observations in compliance with that time-limit was capable of being taken into account by the Opposition Division.

31 Rule 22(2) of [the Implementing Regulation] must be understood as meaning that nothing precludes additional evidence, which merely adds to other evidence submitted within the time-limit set, from being taken into account, since the initial evidence is not irrelevant, but was

19 — Case T-86/05 *K & L Ruppert Stiftung v OHIM - Lopes de Almeida Cunha and Others (CORPO livre)* [2007] ECR II-4923.

20 — Case T-334/01 *MFE Marienfelde v OHIM - Vétouinol (HIPOVITON)* [2004] ECR II-2787.

challenged by the other party as being insufficient. Such a consideration, which in no way renders the above rule superfluous, is all the more valid since the intervener did not abuse the time-limits set by knowingly employing delaying tactics or by demonstrating manifest negligence.

...

33 In the present case, since the evidence submitted by the intervener outside the time-limit set by the Opposition Division was not the initial and only proof of use, but rather evidence additional to relevant proof which was submitted within the time-limit, the fact that the applicant disputed that evidence was sufficient to justify production by the intervener of additional evidence when it filed its observations. The fact that that evidence was taken into consideration made it possible for the Opposition Division and then the Board of Appeal to decide on the genuine use of the earlier mark on the basis of all the relevant facts and evidence.

34 Third, the conclusion that the Opposition Division was entirely correct to take account of the catalogues, filed before it on 15 January 2007, also appears to comply with the more general objective underlying the opposition proceedings, in the context of which Article 76(2) of Regulation No 207/2009 has been interpreted as meaning that even evidence which had been submitted out of time must be taken into consideration provided that it appears to be relevant and that the stage of the proceedings at which it is filed and the surrounding circumstances do not preclude its submission.

...

36 It follows that the first plea, alleging breach of Article 42(2) and (3) and Article 76(2) of Regulation No 207/2009 and of the second sentence of Rule 22(2) of [the Implementing Regulation], must therefore be rejected as unfounded.'

Summary of the appeal and the form of remedy sought

33. The appeal is based on the single ground that the General Court infringed Articles 42(2), 42(3) and 76(2) of Regulation No 207/2009 and Rule 22(2) of the Implementing Regulation by accepting that OHIM may consider additional evidence of genuine use filed after the expiry of the time-limit set by OHIM for submitting that evidence.

34. New Yorker Jeans asks the Court to set aside the judgment under appeal, annul the decision of 30 July 2009 of the Board of Appeal in so far as the appeal is dismissed and the rejection of the application for goods in Class 25 is confirmed or, alternatively, refer the case back to the General Court for final judgment. It also asks the Court to order OHIM to pay the costs of the proceedings at first instance and on appeal.

35. OHIM submits that the entire appeal is unfounded and requests that the Court order the appellant to pay its costs.

The parties' arguments

36. New Yorker Jeans argues that a combined reading of paragraphs 2, 3 and 4 of Rule 22 of the Implementing Regulation shows that OHIM must reject an opposition and has no discretion to decide otherwise if no adequate evidence of the place, time, extent and nature of use of the opposing mark is submitted within the period described in the second sentence of Rule 22(2) (in this case: on or before 6 June 2006). That rejection does not result in any undue disadvantage for an opposing party which

was aware, when filing its opposition, that it might be asked to prove genuine use of the mark it invoked. The opposing party thus had sufficient time to prepare the evidence and, if necessary, apply for an extension of the time-limit referred to in Rule 22(2). In those circumstances, there is no need to allow an opposing party to file a second batch of evidence. Rule 22(2) is thus an exception to the general rule in Article 76(2) of Regulation No 207/2009 as well as to the rules laid down in Article 42(1) and the second sentence of Article 74 of Regulation No 207/2009,²¹ and Rule 20(4) of the Implementing Regulation.

37. Even if this Court agrees with the General Court that the second batch of evidence is admissible additional evidence and finds that Rule 20(4) of the Implementing Regulation applies, New Yorker Jeans submits that the General Court erred by deciding that OHIM did not abuse its discretion by taking that evidence into account.

38. In OHIM's view, Rule 22(2) is unclear as regards the distinction between new and complementary evidence. The second sentence stipulates that the Office must reject the opposition if the opponent does not provide 'such proof' before the time-limit expires. That covers cases where the opponent provides nothing within the time-limit, but does not expressly refer to cases where something by way of 'such proof' is provided, but is insufficient. The Court must thus determine whether the apparent deadline in Rule 22(2) applies (i) only to belated and new evidence (and possibly also to evidence submitted to supplement initial evidence that was demonstrably irrelevant, manifestly incomplete or *de minimis* with regard to the relevant elements of use – because, in such cases, the principles of procedural expediency and efficiency would be being directly abused by the very party asking to be given a second chance); or (ii) also to additional evidence that, although it supplements and completes previously submitted material, is 'new' because it raises novel points of fact or covers arguments which were previously unsubstantiated. OHIM takes the view that Article 76(2) of Regulation No 207/2009 would become devoid of purpose if evidence filed after the expiry of the time-limit set could never be considered. It further rejects the contention that additional evidence should be accepted only if it substantiates use that has already been proven: if the initial evidence were sufficient to prove genuine use, there would be neither need nor reason to submit additional evidence.

39. Both parties are concerned about the impact of the interpretation of Rule 22(2) on the operation of opposition proceedings. New Yorker Jeans submits that the time-limit referred to in Rule 22(2) cannot be circumvented by inviting an opposing party to submit further observations based on Rule 20(4). If the opposing party were allowed to submit evidence as well as observations, the applicant would do better not to react to the insufficient evidence filed within the initial time-limit set. That outcome would be at odds with the objective of Rule 22(2), which is to render opposition proceedings efficient and foreseeable as well as with the principle of legal certainty and the need for clear and ordered proceedings.

40. OHIM submits that Rule 22(2) is a specific expression of the principle of procedural economy inasmuch as it requires that an examination be terminated immediately if it is clear that the opposition is manifestly unfounded. However, when there is at least some evidence of use, there is no basis for terminating the examination there and then. The evidence thus far submitted must be communicated to the applicant so that he may exercise his right of defence by commenting on it. Thereafter OHIM can either open a new round of observations under Article 42(1) of Regulation No 207/2009 (as it did in this case) or take a final decision on the merits by discussing the sufficiency of the evidence and the substantive grounds together.

21 — On this particular provision, see footnote 42 below.

41. OHIM submits that the General Court's interpretation is correct and in conformity with the principles set out in *OHIM v Kaul* because:

- the Court of Justice referred in *OHIM v Kaul* to the possibility of accepting late evidence as a general procedural principle; any exception to the general rule should thus be interpreted narrowly;
- the late filing of genuine complementary evidence appears to fulfil the criteria set out in *OHIM v Kaul*;
- preserving the option of accepting such complementary evidence appears to be closer to the spirit of *OHIM v Kaul*, where the Court of Justice relied on the principles of legal certainty and sound administration and
- in circumstances such as those at issue, there seems to be no overriding reason why the opposing party should not be allowed to strengthen or clarify its initial evidence by adducing complementary materials even after the initial time-limit has expired.

Assessment

Preliminary remarks

42. The appeal turns entirely on whether or not OHIM's Opposition Division has discretion to decide to take account of evidence of genuine use which it received after the expiry of the initial time-limit it set for submitting that evidence.

43. In support of its sole ground of appeal, New Yorker Jeans puts forward three arguments. They partly correspond to those made in support of its first plea in law before the General Court. Its main argument concerns the submission of evidence to prove genuine use in opposition proceedings. In the alternative, the appellant submits that the General Court erred in its characterisation of additional evidence. If the Court were to disagree, New Yorker Jeans makes a further argument regarding the General Court's position on the exercise of OHIM's discretion to decide whether or not to take account of that evidence. I shall address each argument separately.

44. New Yorker Jeans alleges infringements of Regulation No 207/2009 and the Implementing Regulation. The latter contains rules necessary for implementing the former.²² It cannot therefore be interpreted in a manner that would be contrary to the regulation.

Discretion to take account of evidence filed in opposition proceedings after the expiry of the time-limit set by OHIM

45. This appeal is about whether or not OHIM, in particular its Opposition Division, has a discretion to decide to take account of evidence submitted by an opposing party after the time-limit set for doing so had expired in response to an invitation to present, within a new time-limit, observations on an allegation that the evidence originally submitted was inadequate.²³ Put slightly differently: does an invitation to *reply* to an applicant's observations on an opposition under Rule 20(4) (such as was contained in OHIM's letter to Vallis of 14 November 2006) allow the opposing party to submit additional *evidence* to supplement the evidence it has already submitted which OHIM may then take

²² — See the fifth recital in the preamble to the Implementing Regulation; Article 162 of, and recital 19 in the preamble to, Regulation No 207/2009.

²³ — See points 23 and 24 above.

into account when ruling on the opposition? That question is raised in the context of an opposition which is a pre-registration proceeding during which a Community trade mark holder has the right to object, based on the grounds listed in Article 8 of Regulation No 207/2009, to the registration of a new Community trade mark following publication of the application. Through that proceeding, trade mark conflicts are resolved and registration of the mark is delayed and possibly rejected.²⁴ Its objective is to make sure (upstream) that a mark does not become registered if it should not be; this is more efficient than solving the problem post-registration (downstream) by annulment or infringement proceedings. It also ensures that consumers are not misled in the meantime.

46. In my opinion, Regulation No 207/2009 allows the Opposition Division to take such additional evidence into account.

47. My position is based on the principles established in *OHIM v Kaul*.

48. The first principle is that of parallelism between the competence of the Board of Appeal and that of the department of OHIM which issued the decision being appealed against. In *OHIM v Kaul*, this Court found that it follows from reading together what are now Articles 63(2) and 78 of Regulation No 207/2009 that the Board of Appeal, which is called upon to carry out a new and full review of the merits of the opposition, 'is to invite the parties, as often as necessary, to file observations on communications issued by itself and that it may also order preliminary measures, among which feature the submission of matters of fact or evidence'.²⁵ In principle, the Board of Appeal may thus exercise a power within the competence of the Opposition Division that was responsible for deciding the contested decision.²⁶ Without expressly using the phrase, the Court thereby endorsed the notion of continuity of functions within OHIM as between the first-instance departments and the Board of Appeal.

49. The second principle states that OHIM has a discretion to decide whether or not to take into account facts and evidence submitted after the expiry of the time-limit set unless a provision (expressly or by necessary implication) excludes that discretion. The Court found in *OHIM v Kaul* that 'as a general rule and unless otherwise specified, the submission of facts and evidence by the parties remains possible after the expiry of the time-limits to which such submission is subject under the provisions of Regulation No 40/94'.²⁷ That finding was made in the context of an opposition proceeding, but was based on the wording of what is now Article 76(2) of Regulation No 207/2009 – which forms part of the generally applicable procedural provisions – as well as reasons of legal certainty and sound administration.²⁸ This interpretation of Article 76(2) was, 'at least in respect of opposition proceedings, likely to contribute to ensuring that marks whose use could later successfully be challenged by means of annulment or infringement proceedings are not registered'.²⁹

50. The starting point must therefore be that OHIM normally has discretion to decide whether or not to take into account evidence that is submitted after the expiry of the time-limit it has set.

51. Rule 22(2) of the Implementing Regulation is an apparent exception to that general rule inasmuch as its second sentence provides that '[i]f the opposing party does not provide such proof before the time-limit expires, the Office *shall* reject the opposition'.³⁰ That phrase also appears to confirm Article 42(2) of Regulation No 207/2009.

24 — See also point 49 below.

25 — *OHIM v Kaul*, cited in footnote 3 above, paragraphs 57 and 58.

26 — *OHIM v Kaul*, cited in footnote 3 above, paragraph 56. See also Article 64 of Regulation No 207/2009.

27 — *OHIM v Kaul*, cited in footnote 3 above, paragraph 42.

28 — *OHIM v Kaul*, cited in footnote 3 above, paragraphs 42, 43, 47 and 48.

29 — *OHIM v Kaul*, cited in footnote 3 above, paragraph 48.

30 — Emphasis added.

52. In what circumstances does this exception exclude OHIM's discretion to decide whether or not to take account of a second batch of evidence submitted in response to the trade mark applicant's argument that the first batch of evidence was insufficient to prove genuine use of the mark?

53. Rule 22 implements Article 42 of Regulation No 207/2009. Both provisions set out, in particular, the procedure that is to be respected when the applicant requests that the opposing party proves genuine use of its trade mark. The reference to 'the Office' in Rule 22(2) is thus to the Opposition Division.³¹

54. The procedure set out in Article 42 of Regulation No 207/2009 is as follows. After the Opposition Division has found the opposition to be admissible, *inter partes* proceedings commence and, in that context, upon the applicant's request, the opposing party must furnish proof of genuine use of the earlier Community (or national)³² trade mark which is cited as justification for its opposition or submit that there are proper reasons for non-use.³³ 'In the absence of proof to this effect', the second sentence of Article 42(2) provides that OHIM *must* reject the opposition.

55. Article 42(2) must be read together with Rules 20 and 22 of the Implementing Regulation. The first rule applies to the examination of the opposition whereas the second concerns, in particular, proof of use in the course of such a proceeding. Both rules offer additional insight into the organisation of an opposition proceeding where such proof has been requested. According to those rules, OHIM must communicate the opposition to the applicant and invite him to file observations within a time-limit set by OHIM.³⁴ That is also the time-limit within which the applicant can request proof of use,³⁵ but it is not necessary to formulate that request together with the observations on the opposition.³⁶

56. Following such a request, OHIM must invite the opposing party to furnish proof within the time-limit it sets.³⁷ Rule 22(3) makes it clear that the opposing party is to give 'indications and evidence for the furnishing of proof of use'. Thus, the opposing party must give indications of the place, time, extent and nature of the use of the mark and submit supporting evidence.³⁸ That evidence is, in principle, confined to the submission of supporting documents and items such as those listed in Rule 22(4).³⁹

57. If no 'such proof' is submitted within that time-limit, Rule 22(2) provides that OHIM *must* reject the opposition. As I have already said,⁴⁰ it thus confirms Article 42(2) of Regulation No 207/2009.

58. However, whether or not evidence is filed within the time-limit set, it is clear that opposition proceedings may continue after expiry of that time-limit.

31 — According to Article 132(1) of Regulation No 207/2009, the 'Opposition Division shall be responsible for taking decisions on an opposition to an application to register a Community trade mark'.

32 — If the opposition is based on an earlier national trade mark, Article 42(3) of Regulation No 207/2009 states that proof of 'use in the Member State in which the earlier national trade mark is protected' is to be substituted for 'use in the Community' in Article 42(2) of the same regulation.

33 — Article 42(2) of Regulation No 207/2009.

34 — Rule 20(2) of the Implementing Regulation.

35 — Rule 22(1) of the Implementing Regulation.

36 — Rule 22(5) of the Implementing Regulation.

37 — Rule 22(2) of the Implementing Regulation.

38 — Rule 22(3) of the Implementing Regulation.

39 — Rule 22(4) of the Implementing Regulation.

40 — See point 51 above.

59. Thus, Article 42(1) of Regulation No 207/2009 instructs OHIM, in the examination of opposition proceedings, to invite the parties, as often as necessary, to file observations within a time-limit set by OHIM. That is confirmed by Rule 20(4) of the Implementing Regulation, which states that OHIM, if it considers it necessary to do so, shall invite the opposing party to ‘reply’ to the applicant’s observations.

60. Where the opposing party has filed documents to show genuine use, the principles of due process and rights of defence would appear to require OHIM to invite the applicant to comment on that evidence.⁴¹ Otherwise, OHIM could take a position on evidence on which the applicant had not had an opportunity to present comments. That would be contrary to the second sentence of Article 75 of Regulation No 207/2009. Rule 20(2) and (4) also confirms that each party must, in turn, be given a right to respond.

61. In my opinion, Article 42(1) of Regulation No 207/2009 also requires OHIM, in observing the rights of defence, to grant an equivalent right to respond to the opposing party once the trade mark applicant has reacted to the evidence filed, if that is ‘necessary’ in the circumstances of the case.

62. Against that background, it becomes clear that the second sentence of Rule 22(2) of the Implementing Regulation can only apply to one particular step in this procedure, namely the expiry of the time-limit for showing proof of use at the Office’s (initial) invitation to do so, following the applicant’s first response to the opposition. If the opposing party files *no* evidence to that effect, the Opposition Division *must* reject the opposition. It has no discretion to decide whether or not to take account of evidence that might be filed later (in whatever circumstances). Thus, if the opposing party fails to respond within the time to the (initial) request to prove genuine use of the earlier mark, it must bear the consequences thereof.

63. Unlike New Yorker Jeans, I do not consider that Rule 22(2) of the Implementing Regulation, so construed, is really an exception to either Article 42(1) of Regulation No 207/2009 or Rule 20(4) of the Implementing Regulation.⁴² The two last-mentioned provisions require OHIM to invite parties to make observations so that they can exercise the right to respond. By contrast, Rule 22(2) concerns the consequences that OHIM must attach to the failure to provide any evidence, within the time-limit, to show genuine use.

64. In my view, Rule 22(2) cannot be interpreted more widely.

65. If the opposing party has, in good faith, submitted credible evidence to prove genuine use of its trade mark, it is no longer true that that party has ‘not provide[d] such proof’. The exception to the general rule in Article 76(2) of Regulation No 207/2009 therefore no longer applies. If the applicant, when invited to comment on the evidence filed (Rule 20(2)), retorts that it is insufficient to show genuine use and that response is communicated to the opposing party, the most logical reaction is to try to file additional evidence. Otherwise the exchange of observations risks degenerating into a mere slanging match: ‘My original evidence was sufficient!’, ‘No, it wasn’t!’, ‘Yes, it was!’.

66. If Rule 22(2) is interpreted more widely, there seems no logical reason why it would not also apply to other subsequent time-limits that may be set by the Opposition Division in accordance with the Regulation. That would mean that OHIM could not invite parties pursuant to Article 42(1) of Regulation No 207/2009 to submit evidence with their observations; and that opposing parties could

41 — Article 42(1) of Regulation No 207/2009.

42 — Nor do I agree with New Yorker Jeans that Rule 22(2) creates a general exception to Article 74, second sentence, of Regulation No 207/2009. In that regard, I can be very short: that provision contains no second sentence and concerns grounds for invalidity of Community collective marks. It is therefore irrelevant to this appeal. If New Yorker Jeans intended to refer to the second sentence of Article 75 of Regulation No 207/2009, it has advanced insufficient arguments in support of its position.

not file further evidence, as part of their reply to an invitation, pursuant to Rule 20(4). If an oral procedure were to be organised, the Opposition Division would likewise be barred from hearing and asking for further evidence. It would thus not have all the powers envisaged by Rule 57 of the Implementing Regulation.⁴³

67. Nor would it be consistent with the principle of procedural efficiency and the notion of parallelism articulated by this Court in *OHIM v Kaul*⁴⁴ to permit the Board of Appeal to take into account certain types of evidence filed after the expiry of the time-limit set, if the Opposition Division were precluded from doing so. That would mean that, if the opposing party's evidence in response to the applicant's allegations about insufficiency was excluded by the Opposition Division, it would be forced to appeal against the rejection of the opposition for failure to submit sufficient proof of genuine use. On appeal, the Board of Appeal would have discretion to decide whether or not to take into account that same evidence. (In appeals against decisions of the Opposition Division, the Board of Appeal has such a discretion with regard to additional or supplementary facts and evidence.⁴⁵ Rule 22(2) of the Implementing Regulation evidently cannot be read so as to exclude that discretion.) If it did not appeal, the opposing party would have to await until the mark was registered and then initiate cancellation proceedings. To me, such an interpretation makes little sense.

68. The interpretation of Rule 22(2) of the Implementing Regulation which I propose does not prevent OHIM from rejecting an opposition for lack of proof of genuine use if the opposing party submits evidence that is manifestly deficient or irrelevant or that pertains to irrelevant facts. In such circumstances, the Opposition Division has a discretion not to take any further evidence into account. On the other hand, if (for example) the applicant complains that the evidence is manifestly deficient or clearly irrelevant when evidently it is not, there may be no need for the Office to invite the opposing party to respond under Rule 20(4). The mere submission of the applicant's observations is thus a procedural matter. As such, that fact bears no connection with the assessment of the opposition, including the preliminary matter of proof of use.

69. If, as here, the applicant submits that the evidence is insufficient (without apparently claiming it is irrelevant), OHIM will have good cause to invite the opposing party to respond in accordance with Article 42(1) of Regulation No 207/2009 and Rule 20(4) of the Implementing Regulation. Indeed, if the Opposition Division is to state the reasons for its decision as required by Article 75 of Regulation No 207/2009, it must address the applicant's argument regarding the alleged insufficiency of the evidence submitted and evaluate that evidence. In most cases, that will require OHIM to hear the opposing party before it takes that decision.

70. At that stage, OHIM has discretion whether or not to take into account evidence, for example, in support of arguments contesting the allegation that the evidence initially submitted was insufficient or that amplifies the existing evidence and supports facts already asserted in the opposing party's initial observations.

71. Against that background, I conclude that the General Court was correct to accept that the Opposition Division may consider additional evidence of genuine use filed after the expiry of the time-limit set by it.

43 — Rule 57 of the Implementing Regulation sets out rules regarding the taking of evidence by OHIM during oral proceedings.

44 — See points 48 and 49 above.

45 — See the third subparagraph of Rule 50(1) of the Implementing Regulation. See also points 62 to 66 of my Opinion in Cases C-120/12 P, C-121/12 P and C-122/12 P which is also delivered today.

Exercise of the discretion to take account of a second batch of evidence filed after the expiry of the time-limit set by OHIM in opposition proceedings

72. The discretion to decide whether or not to take account of a second batch of evidence filed after the expiry of the initial time-limit set by OHIM in opposition proceedings may be broad but its exercise is neither unlimited nor exempt from judicial review. What is the position in relation to evidence that is submitted ‘late’ in the sense that it might have been, but was not, submitted earlier?

73. The Court explained in *OHIM v Kaul* how the exercise of that discretion is circumscribed: ‘taking such facts or evidence into account is particularly likely to be justified where OHIM considers, first, that the material which has been produced late is, on the face of it, likely to be relevant to the outcome of the opposition brought before it and, second, that the stage of the proceedings at which that late submission takes place and the circumstances surrounding it do not argue against such matters being taken into account’.⁴⁶ In whatever manner that discretion is exercised, OHIM must give reasons for its decision whether or not to take such facts and evidence into account.⁴⁷

74. New Yorker Jeans is therefore incorrect in submitting that a narrow interpretation of Rule 22(2) of the Implementing Regulation will mean that the mere submission of the trade mark applicant’s observations on the insufficiency of the evidence initially filed will always justify the Opposition Division taking into account evidence filed after the expiry of the initial time-limit set.

75. If the Opposition Division decides to exercise its discretion so as to take account of facts or evidence submitted after the expiry of the initial time-limit set, it must then explain in its decision (i) whether the material is prima facie relevant to OHIM’s decision on the opposition, (ii) the stage of the proceedings at which the evidence was submitted, (iii) the circumstances surrounding that submission⁴⁸ and (iv) (in my view) why, in the light of (i) to (iii), OHIM considered it appropriate to take that evidence into account.

76. I consider that, in the present case, the General Court was correct in finding that OHIM did not abuse its discretion.

77. As I read paragraphs 30 to 36 of the judgment under appeal, the General Court did not distinguish in its analysis between the existence of discretion and its exercise together. At paragraph 34, it summarised the guidance on the exercise of the discretion which the Court set out in *OHIM v Kaul*. However, the fact that the General Court structured its reasoning in that way does not render its reasoning erroneous.

78. Opposition proceedings are aimed at avoiding trade mark conflicts prior to the registration of a new Community trade mark. In deciding on the preliminary matter of whether the opposing party used the trade mark on which it relies, OHIM (and in particular the Opposition Division) must have before it all available facts and evidence in order to enable it to decide whether the earlier mark has been put to genuine use. Additional evidence submitted to redress the insufficiency of evidence already filed appears to me likely to be highly relevant to the outcome of the proceedings and to enable OHIM to perform a full review of the opposition. As regards relevance, the General Court accepted that the Opposition Division may take account of ‘additional evidence, which merely adds to

46 — *OHIM v Kaul*, cited in footnote 3 above, paragraph 44.

47 — *OHIM v Kaul*, cited in footnote 3 above, paragraph 43.

48 — See *OHIM v Kaul*, cited in footnote 3 above, paragraph 44.

other evidence submitted within the time-limit set ... since the initial evidence is not irrelevant, but was challenged by the other party as being insufficient'.⁴⁹ In the present case, the second batch of evidence 'was not the initial and only proof of use but rather evidence additional to relevant proof which was submitted within the time-limit'.⁵⁰

79. Moreover, the fact that the Opposition Division may take account of such evidence at an early stage of the opposition proceedings and the fact that the evidence is filed in rebuttal of the applicant's observations justify allowing OHIM to rely on the evidence. In that regard, the General Court also had regard for the overall efficiency of opposition proceedings before OHIM in the manner intended by the Court at paragraph 44 of its judgment in *OHIM v Kaul*. Thus, the General Court relied on the uncontested fact that, following the applicant's observations on the insufficiency of the evidence filed, OHIM gave the opposing party, by its letter of 14 November 2006, the opportunity to file its observations. The opposing party also filed evidence with its observations. Both observations and evidence were submitted within the new time-limit set.

80. As both New Yorker Jeans and OHIM point out, the opposing party cannot use this second round of observations to file evidence that it failed to introduce when it was initially asked to demonstrate genuine use. If it needed more time to find, collect or otherwise prepare that evidence, it could request an extension of the initial time-limit set by OHIM prior to its expiry.⁵¹ If it failed to do so in a timely manner, the opposing party cannot subsequently remedy its failure to respect the time-limit set by filing the evidence later. However, the General Court addressed that concern when expressly finding as a fact, at paragraph 31 of the judgment under appeal, that 'the intervener did not abuse the time-limits set by knowingly employing delaying tactics or by demonstrating manifest negligence'. It further considered, at paragraph 33, that 'the fact that that evidence was taken into consideration made it possible for the Opposition Division and then the Board of Appeal to decide on the genuine use of the earlier mark on the basis of all the relevant facts and evidence'; which corresponds with the Court's description of the assessment of genuine use.⁵²

81. Based on these considerations, I therefore consider that the General Court did not err in upholding the decision of the Board of Appeal that the Opposition Division was correct to take account of evidence submitted with the letter of 15 January 2007 (the second batch of evidence).

Costs

82. Under Article 138(1) of the Rules of Procedure, which applies to appeals on the basis of Article 184(1) of the same rules, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. In this case, OHIM has applied for costs.

Conclusion

83. For these reasons, I consider that the General Court did not err and I therefore propose that the Court should:

- dismiss the appeal in its entirety and
- order New Yorker Jeans to pay the costs incurred by OHIM.

49 — Paragraph 31 of the judgment under appeal.

50 — Paragraph 33 of the judgment under appeal.

51 — The second sentence of Rule 71(1) of the Implementing Regulation provides that '[t]he Office may, when this is appropriate under the circumstances, grant an extension of a period specified if such extension is requested by the party concerned and the request is submitted before the original period expired'.

52 — See Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 38.