



Reports of Cases

JUDGMENT OF THE COURT (Fifth Chamber)

13 October 2022*

(Reference for a preliminary ruling – EU trade marks – Regulation (EU) 2017/1001 – Article 124(a) and (d) – Article 128 – Jurisdiction of EU trade mark courts – Action for infringement – Counterclaim for a declaration of invalidity – Withdrawal of the action for infringement – Outcome of the counterclaim – Autonomous nature of the counterclaim)

In Case C-256/21,

REQUEST for a preliminary ruling under Article 267 TFEU from the Oberlandesgericht München (Higher Regional Court, Munich, Germany), made by decision of 15 April 2021, received at the Court on 22 April 2021, in the proceedings

KP

v

TV,

Gemeinde Bodman-Ludwigshafen,

THE COURT (Fifth Chamber),

composed of E. Regan, President of the Chamber, D. Gratsias (Rapporteur), M. Ilešič, I. Jarukaitis and Z. Csehi, Judges,

Advocate General: G. Pitruzzella,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

- Gemeinde Bodman-Ludwigshafen, by E. Stolz, Rechtsanwalt,
- the European Commission, by G. Braun, É. Gippini Fournier and G. Wilms, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 5 May 2022,

* Language of the case: German.

gives the following

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Article 124(a) and (d) and Article 128 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ 2017 L 154, p. 1).
- 2 The request has been made in proceedings between KP, on the one hand, and TV and Gemeinde Bodman-Ludwigshafen (the Municipality of Bodman-Ludwigshafen, Germany), on the other, concerning an action for infringement of an EU word mark and a counterclaim for a declaration of invalidity of that mark.

Legal context

European Union law

- 3 Recitals 4 and 32 of Regulation 2017/1001 state:

(4) ... It would appear necessary to provide for Union arrangements for trade marks whereby undertakings can by means of one procedural system obtain EU trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Union. The principle of the unitary character of the EU trade mark thus stated should apply unless otherwise provided for in this Regulation.

...

(32) It is essential that decisions regarding the validity and infringement of EU trade marks have effect and cover the entire area of the Union, as this is the only way of preventing inconsistent decisions on the part of the courts and the [European Union Intellectual Property] Office [(EUIPO)] and of ensuring that the unitary character of EU trade marks is not undermined. The provisions of Regulation (EU) No 1215/2012 of the European Parliament and of the Council [of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ 2012 L 351, p. 1)] should apply to all actions at law relating to EU trade marks, save where this Regulation derogates from those rules.'
- 4 Article 1 of Regulation 2017/1001, entitled 'EU trade mark', provides, in paragraph 2 thereof:

'An EU trade mark shall have a unitary character. It shall have equal effect throughout the Union: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Union. This principle shall apply unless otherwise provided for in this Regulation.'
- 5 In accordance with Article 6 of that regulation, entitled 'Means whereby an EU trade mark is obtained', an EU trade mark is to be obtained by registration.

6 Article 7 of Regulation 2017/1001, entitled ‘Absolute grounds for refusal’, lists, in paragraph 1 thereof, the types of sign and mark which are not to be registered. That provision states, in particular:

‘The following shall not be registered:

...

- (b) trade marks which are devoid of any distinctive character;
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

...’

7 Article 59 of Regulation 2017/1001, entitled ‘Absolute grounds for invalidity’, provides, in paragraph 1(a) thereof:

‘An EU trade mark shall be declared invalid on application to [EUIPO] or on the basis of a counterclaim in infringement proceedings:

- (a) where the EU trade mark has been registered contrary to the provisions of Article 7’.

8 Article 63 of that regulation, entitled ‘Application for revocation or for a declaration of invalidity’, provides, in paragraphs 1 and 3 thereof:

‘1. An application for revocation of the rights of the proprietor of an EU trade mark or for a declaration that the trade mark is invalid may be submitted to [EUIPO]:

- (a) where Articles 58 and 59 apply, by any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which, under the terms of the law governing it, has the capacity in its own name to sue and be sued;

...

3. An application for revocation or for a declaration of invalidity shall be inadmissible where an application relating to the same subject matter and cause of action, and involving the same parties, has been adjudicated on its merits, either by [EUIPO] or by an EU trade mark court as referred to in Article 123, and the decision of [EUIPO] or that court on that application has acquired the authority of a final decision.’

9 Under paragraphs 1 and 2 of Article 122 of Regulation 2017/1001, entitled ‘Application of Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters’:

‘1. Unless otherwise specified in this Regulation, the Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters shall apply to proceedings relating to EU trade marks and applications for EU trade marks, as well as to proceedings relating to simultaneous and successive actions on the basis of EU trade marks and national trade marks.

2. In the case of proceedings in respect of the actions and claims referred to in Article 124:

- (a) Articles 4 and 6, points 1, 2, 3 and 5 of Article 7 and Article 35 of Regulation (EU) No 1215/2012 shall not apply;
- (b) Articles 25 and 26 of Regulation (EU) No 1215/2012 shall apply subject to the limitations in Article 125(4) of this Regulation;
- (c) the provisions of Chapter II of Regulation (EU) No 1215/2012 which are applicable to persons domiciled in a Member State shall also be applicable to persons who do not have a domicile in any Member State but have an establishment therein.’

10 Article 123 of Regulation 2017/1001, entitled ‘EU trade mark courts’, provides, in paragraph 1 thereof:

‘The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, which shall perform the functions assigned to them by this Regulation.’

11 Article 124 of that regulation, entitled ‘Jurisdiction over infringement and validity’, is worded as follows:

‘The EU trade mark courts shall have exclusive jurisdiction:

- (a) for all infringement actions and – if they are permitted under national law – actions in respect of threatened infringement relating to EU trade marks;

...

- (d) for counterclaims for revocation or for a declaration of invalidity of the EU trade mark pursuant to Article 128.’

12 Article 127 of Regulation 2017/1001, entitled ‘Presumption of validity – Defence as to the merits’, provides, in paragraph 1 thereof:

‘The EU trade mark courts shall treat the EU trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity.’

13 Article 128 of Regulation 2017/1001, entitled ‘Counterclaims’, provides:

‘1. A counterclaim for revocation or for a declaration of invalidity may only be based on the grounds for revocation or invalidity mentioned in this Regulation.

2. An EU trade mark court shall reject a counterclaim for revocation or for a declaration of invalidity if a decision taken by [EUIPO] relating to the same subject matter and cause of action and involving the same parties has already become final.

...

4. The EU trade mark court with which a counterclaim for revocation or for a declaration of invalidity of the EU trade mark has been filed shall not proceed with the examination of the counterclaim, until either the interested party or the court has informed [EUIPO] of the date on which the counterclaim was filed. [EUIPO] shall record that information in the Register. If an application for revocation or for a declaration of invalidity of the EU trade mark had already been filed before [EUIPO] before the counterclaim was filed, the court shall be informed thereof by [EUIPO] and stay the proceedings in accordance with Article 132(1) until the decision on the application is final or the application is withdrawn.

...

6. Where an EU trade mark court has given a judgment which has become final on a counterclaim for revocation or for a declaration of invalidity of an EU trade mark, a copy of the judgment shall be sent to [EUIPO] without delay, either by the court or by any of the parties to the national proceedings. [EUIPO] or any other interested party may request information about such transmission. [EUIPO] shall mention the judgment in the Register and shall take the necessary measures to comply with its operative part.

7. The EU trade mark court hearing a counterclaim for revocation or for a declaration of invalidity may stay the proceedings on application by the proprietor of the EU trade mark and after hearing the other parties and may request the defendant to submit an application for revocation or for a declaration of invalidity to [EUIPO] within a time limit which it shall determine. If the application is not made within the time limit, the proceedings shall continue; the counterclaim shall be deemed withdrawn. Article 132(3) shall apply.’

14 Under Article 129 of Regulation 2017/1001, entitled ‘Applicable law’:

‘1. The EU trade mark courts shall apply the provisions of this Regulation.

2. On all trade mark matters not covered by this Regulation, the relevant EU trade mark court shall apply the applicable national law.

3. Unless otherwise provided for in this Regulation, an EU trade mark court shall apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State in which the court is located.’

15 Article 132 of that regulation, entitled ‘Specific rules on related actions’, provides:

‘1. An EU trade mark court hearing an action referred to in Article 124 other than an action for a declaration of non-infringement shall, unless there are special grounds for continuing the hearing, of its own motion after hearing the parties or at the request of one of the parties and after hearing the other parties, stay the proceedings where the validity of the EU trade mark is already in issue before another EU trade mark court on account of a counterclaim or where an application for revocation or for a declaration of invalidity has already been filed at [EUIPO].

2. [EUIPO], when hearing an application for revocation or for a declaration of invalidity shall, unless there are special grounds for continuing the hearing, of its own motion after hearing the parties or at the request of one of the parties and after hearing the other parties, stay the proceedings where the validity of the EU trade mark is already in issue on account of a counterclaim before an EU trade mark court. However, if one of the parties to the proceedings before the EU trade mark court so requests, the court may, after hearing the other parties to these proceedings, stay the proceedings. [EUIPO] shall in this instance continue the proceedings pending before it.

3. Where the EU trade mark court stays the proceedings it may order provisional and protective measures for the duration of the stay.’

German law

16 Under Paragraph 33(1) of the Zivilprozessordnung (German Code of Civil Procedure; ‘the ZPO’), a counterclaim may be brought in the court before which an action has been brought if there is a legal connection between the subject matter of the counterclaim and the subject matter of the main claim or the grounds of defence raised against the main claim.

17 Paragraph 261 of the ZPO, entitled ‘Pendency’, provides, in subparagraph 3(2) thereof, that the jurisdiction of a court seised is not to be affected by any change to the circumstances giving rise to the jurisdiction.

The dispute in the main proceedings and the question referred for a preliminary ruling

18 KP is the proprietor of the EU word mark Apfelzüge (‘the contested mark’), registered on 19 October 2017 for services in Classes 35, 41 and 43 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. It is common ground that the term ‘Apfelzüge’ denotes a vehicle designed for the harvesting of apples, consisting of several trailers pulled by a tractor.

19 On 26 September 2018, TV, who operates a fruit farm, and the Municipality of Bodman-Ludwigshafen published promotional information on an activity involving the harvesting and tasting of apples as part of a ride on the Apfelzüge.

20 KP brought an action for infringement of the contested mark before the Landgericht München (Regional Court, Munich, Germany), seeking an order prohibiting TV and the Municipality of Bodman-Ludwigshafen from using the term ‘Apfelzüge’ for the services covered by that mark.

Before that court, TV and the Municipality of Bodman-Ludwigshafen filed counterclaims for a declaration of invalidity of the contested mark, pursuant to Article 59(1)(a) of Regulation 2017/1001, read in conjunction with Article 7(1)(b), (c) and (d) thereof.

- 21 At the hearing before the Landgericht München (Regional Court, Munich), KP withdrew his action for infringement.
- 22 TV and the Municipality of Bodman-Ludwigshafen having pursued their counterclaims in spite of that withdrawal, the Landgericht München (Regional Court, Munich), by a judgment of 10 March 2020, held that those claims were admissible, declared the contested mark invalid in respect of the services in Class 41 and rejected the claims in question as to the remainder.
- 23 The Municipality of Bodman-Ludwigshafen appealed against that judgment before the Oberlandesgericht München (Higher Regional Court, Munich, Germany) – the referring court – seeking a declaration of invalidity of the contested mark also as regards the services in Classes 35 and 43.
- 24 In its decision, the referring court states that it must first assess the admissibility of the counterclaims brought by the defendants in the light of the withdrawal by KP, noting that it is not bound on that point by the decision of the court of first instance.
- 25 In that regard, relying on the spirit and purpose of the counterclaim provided for by Regulation 2017/1001, the referring court expresses doubts as to whether an EU trade mark court may rule on such a counterclaim if there has been a withdrawal of the action for infringement in response to which the counterclaim was brought.
- 26 Specifically, the referring court notes that the registration of an EU trade mark is an act of a body of the European Union and that national courts do not have jurisdiction to annul such acts, save in the case of an exception expressly provided for, such as that of the filing of a counterclaim, which is, moreover, confirmed in Article 128(7) of Regulation 2017/1001. In the view of the referring court, EUIPO has ‘jurisdiction in principle’ in the matter, which is conferred on it ‘as a matter of priority’. That follows, *inter alia*, from Article 63(1) of Regulation 2017/1001.
- 27 The referring court observes that, according to the predominant view in German legal literature, a case such as the present one comes not within the scope of Regulation 2017/1001 but rather, pursuant to Article 129(3) of that regulation, within the scope of the rules governing German civil procedure and, specifically, of Paragraph 261(3)(2) of the ZPO, according to which the jurisdiction of the EU trade mark court established as a result of the filing of a counterclaim is independent of the outcome of the action for infringement and cannot therefore cease to exist in the event that that action is withdrawn.
- 28 However, in the view of the referring court, the need to give the defendant an opportunity to defend himself or herself no longer exists where, as a result of a withdrawal, there is no longer any need for the EU trade mark court to rule on the action for infringement. That interpretation is, moreover, supported by the judgment of 19 October 2017, *Raimund* (C-425/16, EU:C:2017:776). Thus, national procedural law should apply only for as long as an action provided for under EU law is pending. Furthermore, such an interpretation would not place an undue and disproportionate burden on the counterclaimant, since he or she will still be able to bring proceedings before EUIPO under Article 63 of Regulation 2017/1001.

29 In those circumstances, the Oberlandesgericht München (Higher Regional Court, Munich) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

‘Must Article 124(d) and Article 128 of Regulation 2017/1001 be interpreted as meaning that the EU trade mark court has jurisdiction to rule on the invalidity of an EU trade mark asserted by a counterclaim within the meaning of Article 128 of Regulation 2017/1001 even after the action for infringement based on that EU trade mark for the purposes of Article 124(a) [of that regulation] has been validly withdrawn?’

The question referred

30 By its question, the referring court asks, in essence, whether Article 124(a) and (d) and Article 128 of Regulation 2017/1001 must be interpreted as meaning that the EU trade mark court hearing an action for infringement based on an EU trade mark the validity of which is challenged by means of a counterclaim for a declaration of invalidity still has jurisdiction to rule on the validity of that mark, in spite of the withdrawal of the main action.

31 In order to answer that question, it is necessary to define the meaning and scope to be given to the term ‘counterclaim’ within the meaning of that regulation.

32 According to settled case-law, both the uniform application of EU law and the principle of equality require that the terms of a provision of EU law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an autonomous and uniform interpretation throughout the European Union. In addition, the meaning and scope of terms for which EU law provides no definition must be determined by reference to their usual meaning, while also taking into account the context in which they occur and the purposes of the rules of which they are part (judgment of 27 January 2022, *Zinātnes parks*, C-347/20, EU:C:2022:59, paragraph 42 and the case-law cited).

33 Regulation 2017/1001 makes no express reference to the law of the Member States as regards the meaning and scope to be given to that term. The said term must therefore be regarded as an autonomous concept of EU law and interpreted uniformly throughout the European Union (judgments of 3 September 2014, *Deckmyn and Vrijheidsfonds*, C-201/13, EU:C:2014:2132, paragraph 15 and the case-law cited, and of 25 November 2021, *État luxembourgeois (Information on a group of taxpayers)*, C-437/19, EU:C:2021:953, paragraph 50 and the case-law cited).

34 The reference made by Article 129(3) of Regulation 2017/1001 to national procedural rules ‘unless otherwise provided for’ in that regulation cannot invalidate that finding.

35 It cannot be assumed that that regulation does not deal with the question whether a counterclaim continues to exist in spite of the withdrawal of the action for infringement in response to which that counterclaim was brought. The answer to that question depends specifically on the scope that the EU legislature intended to give to that legal remedy.

36 It is appropriate, therefore, in the absence of a definition of the term ‘counterclaim’ in Regulation 2017/1001 to note, in the first place, that that term is usually understood, as the Advocate General observed in point 37 of his Opinion, and as is borne out by the terms used, inter alia, in the

versions of the relevant provisions of that regulation in Danish (*Modkrav*), in German (*Widerklage*) and in Greek (*ανταγωγή*), as referring to a cross-action lodged by the defendant in proceedings brought against him or her by the applicant before the same court.

- 37 As regards, in the second place, the context of those provisions, it must, first, be noted that, as recital 32 of Regulation 2017/1001 states, Article 122 thereof makes the EU rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters applicable to proceedings relating to EU trade marks. It is therefore appropriate, as the Advocate General observed in points 50 and 51 of his Opinion, to interpret the term ‘counterclaim’, within the meaning of Regulation 2017/1001, in a manner consistent with those rules and the case-law relating thereto.
- 38 It follows, in that regard, from the case-law on the system created by the Convention of 27 September 1968 on jurisdiction and the enforcement of judgments in civil and commercial matters (OJ 1978 L 304, p. 36), as amended and subsequently reproduced first in Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (OJ 2001 L 12, p. 1) and then in Regulation No 1215/2012, that a counterclaim is not indissociable from a mere defence. Although brought in proceedings initiated by means of another legal remedy, it is a separate and self-standing claim the procedural treatment of which is independent of the main claim and which can thus be proceeded with even if the claim of the principal claimant is dismissed (see, to that effect, judgment of 12 October 2016, *Kostanjevec*, C-185/15, EU:C:2016:763, paragraph 32 and the case-law cited).
- 39 In the light of the foregoing, it must be concluded that the term ‘counterclaim’, within the meaning of Regulation 2017/1001, must be understood as a legal remedy which remains conditional, admittedly, on the bringing of an action for infringement and which is, consequently, linked to that action. Nevertheless, such a legal remedy is intended to extend the subject matter of the dispute and to obtain recognition of a claim which is separate and independent from the main claim, inter alia in order to have the mark concerned declared invalid.
- 40 Thus, by involving the extension of the subject matter of the dispute and notwithstanding the link between the main action and the counterclaim, the counterclaim becomes independent of the main action and continues to exist in the event of withdrawal of the main action. The counterclaim can therefore be distinguished from a mere defence and its outcome does not depend on that of the action for infringement on the occasion of which it was brought.
- 41 Second, it is apparent from the general scheme of Regulation 2017/1001 that, by using the expression ‘counterclaim’ in the context of that regulation, the EU legislature intended to give that expression the same meaning and scope as those specified in paragraphs 36 to 39 above.
- 42 It is true, as the referring court notes, that Regulation 2017/1001 reserves exclusive jurisdiction to EUIPO over registration of EU trade marks and opposition to such registration (judgment of 21 July 2016, *Apple and Pear Australia and Star Fruits Diffusion v EUIPO*, C-226/15 P, EU:C:2016:582, paragraph 50). However, that is not the case as far as concerns the validity of those marks. Although Regulation 2017/1001 opts, as a rule, for the centralised treatment of applications for a declaration of invalidity or for revocation by EUIPO, that rule is nevertheless tempered and jurisdiction to declare an EU trade mark invalid or to revoke an EU trade mark is shared, pursuant to Articles 63 and 124 of that regulation, between the EU trade mark courts

designated by the Member States, in accordance with Article 123(1) thereof, and EUIPO (see, by analogy, judgment of 16 February 2012, *Celaya Emparanza y Galdos International*, C-488/10, EU:C:2012:88, paragraph 48).

- 43 In that regard, given the doubts expressed by the referring court as to the exact scope of that division of jurisdiction, it should also be noted that the jurisdiction conferred on those trade mark courts constitutes the direct application of a rule conferring jurisdiction laid down in Regulation 2017/1001 and cannot therefore be considered to constitute an ‘exception’ to EUIPO’s jurisdiction in the matter.
- 44 Furthermore, the jurisdictions in question are exercised in accordance with the principle of the priority of the body seised. According to Article 132(1) of Regulation 2017/1001 and the first sentence of paragraph 2 thereof, ‘unless there are special grounds for continuing the hearing’, it is the body first seised of a dispute concerning the validity of an EU trade mark which has jurisdiction in the matter.
- 45 The fact that, under Article 128(7) of Regulation 2017/1001, the proprietor of a mark the validity of which is being challenged before an EU trade mark court by means of a counterclaim may arrange for the decision on the validity of that mark to be taken at the end of proceedings before EUIPO, does not call into question the priority principle referred to above. As is apparent from its very wording, that provision grants a mere option of staying the proceedings, as the EU trade mark court can just as well decide to rule on the counterclaim.
- 46 The same applies to the situation referred to in the second sentence of Article 132(2) of Regulation 2017/1001. The EU trade mark court is obliged to stay the proceedings pending before it only if an application for revocation or for a declaration of invalidity of the EU trade mark at issue had already been filed before EUIPO before the counterclaim was filed, in accordance with Article 128(4) of that regulation.
- 47 Thus, having regard to the system of division of jurisdiction described in paragraphs 42 to 46 above, it should be observed that, in the context of the scheme established by Regulation 2017/1001, which, in accordance with recital 4 and Article 1(2) thereof, enshrines the unitary character of the EU trade mark, the EU legislature intended to confer jurisdiction to review the validity of EU trade marks both on EUIPO and, in respect of their decisions on counterclaims, on EU trade mark courts.
- 48 In that regard, as is apparent from recital 32 of that regulation, decisions on the validity of an EU trade mark have *erga omnes* effect in the entire area of the Union, both where they come from EUIPO and where they are made on a counterclaim brought before an EU trade mark court (see, to that effect, judgment of 19 October 2017, *Raimund*, C-425/16, EU:C:2017:776, paragraphs 28 and 29).
- 49 That *erga omnes* effect is confirmed in Article 128(6) of Regulation 2017/1001, which provides that an EU trade mark court must send a copy of the decision which has become final on a counterclaim for revocation or for a declaration of invalidity of an EU trade mark to EUIPO, which must enter that decision in the Register and take the measures necessary to comply with its operative part (see, to that effect, judgment of 19 October 2017, *Raimund*, C-425/16, EU:C:2017:776, paragraph 30).

- 50 Conversely, the decision of an EU trade mark court on an action for infringement has effect only *inter partes*, and therefore, once such a decision has become final, it is binding only on the parties to that action (see, to that effect, judgment of 19 October 2017, *Raimund*, C-425/16, EU:C:2017:776, paragraph 31).
- 51 Thus, the Court has held that such a court is required to rule on the counterclaim for a declaration of invalidity of an EU trade mark brought, in accordance with Article 128(1) of Regulation 2017/1001, in the context of an action for infringement of that mark, as provided for by Article 124(a) of that regulation, before it may rule on that action, which is challenged on the basis of the same ground for absolute invalidity (see, to that effect, judgment of 19 October 2017, *Raimund*, C-425/16, EU:C:2017:776, paragraphs 33 and 34).
- 52 In the light of the specificities of the scheme governing the counterclaim, if that autonomous legal remedy, which is intended to assess the validity of EU trade marks, were to be interpreted as meaning that the proprietor of an EU trade mark could, by withdrawing his or her action for infringement, deprive an EU trade mark court of the possibility of ruling on the counterclaim for a declaration of invalidity brought in the context of that action, the scope of the jurisdiction that the legislature intended to confer on EU trade mark courts would effectively be disregarded. It is therefore apparent from the general scheme of Regulation 2017/1001 that such a claim continues to exist in the event of withdrawal of the main action.
- 53 Last, in the third place, the meaning and scope of the term ‘counterclaim’ within the meaning of Regulation 2017/1001, as set out in paragraphs 39 and 52 above, are confirmed by the objectives pursued by Regulation 2017/1001.
- 54 First, it is apparent from the case-law on the system established by the Convention of 27 September 1968, as amended and subsequently reproduced first in Regulation No 44/2001 and then in Regulation No 1215/2012, that, in the interests of the sound administration of justice, the possibility of bringing a counterclaim enables the parties, in the same proceedings and before the same court, to litigate all their claims against each other that have a common origin and, in so doing, seeks, *inter alia*, to avoid unnecessary multiple proceedings, entailing a risk of contradictory judgments (see, to that effect, judgments of 31 May 2018, *Nothartová*, C-306/17, EU:C:2018:360, paragraphs 21 and 22 and the case-law cited, and of 21 June 2018, *Petronas Lubricants Italy*, C-1/17, EU:C:2018:478, paragraph 29 and the case-law cited). As is apparent from recital 32 of Regulation 2017/1001, such objectives are covered by the scheme provided for by that regulation as a whole and, specifically, in Articles 124 and 128 thereof.
- 55 It follows that, in order to achieve such objectives, an EU trade mark court must be able to rule on the claim brought by the defendant in an action for infringement by means of a counterclaim for a declaration of invalidity of the EU trade mark concerned, in spite of the withdrawal of the main action.
- 56 By contrast, compelling the party who filed a counterclaim to initiate proceedings before EUIPO in the event of withdrawal by the principal claimant in order to ensure that he or she no longer has to defend himself or herself in the future against the principal claimant would run counter to the principle of procedural economy.
- 57 Second, interpreting the term ‘counterclaim’ as meaning that, in the event of withdrawal of the main action, it would no longer be possible for an EU trade mark court to give judgment on a counterclaim for a declaration of invalidity would allow the proprietor of an EU trade mark, by

withdrawing from infringement proceedings which he or she has himself or herself initiated, to continue to use, as the case may be in bad faith, an EU trade mark that could be registered in disregard of the absolute grounds for refusal of registration referred to in Article 7(1) of Regulation 2017/1001. Such a situation would undermine the effective attainment of the objectives pursued by that regulation (see, to that effect, order of 30 April 2015, *Castel Frères v EUIPO*, C-622/13 P, not published, EU:C:2015:297, paragraphs 46 and 47 and the case-law cited).

- 58 In the light of all the foregoing considerations, the answer to the question referred is that Article 124(a) and (d) and Article 128 of Regulation 2017/1001 must be interpreted as meaning that an EU trade mark court hearing an action for infringement based on an EU trade mark the validity of which is challenged by means of a counterclaim for a declaration of invalidity still has jurisdiction to rule on the validity of that mark, in spite of the withdrawal of the main action.

Costs

- 59 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Fifth Chamber) hereby rules:

Article 124(a) and (d) and Article 128 of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark,

must be interpreted as meaning that an EU trade mark court hearing an action for infringement based on an EU trade mark the validity of which is challenged by means of a counterclaim for a declaration of invalidity still has jurisdiction to rule on the validity of that mark, in spite of the withdrawal of the main action.

[Signatures]