



Reports of Cases

JUDGMENT OF THE GENERAL COURT (Third Chamber)

22 November 2023*

(EU trade mark – Proceedings for the revocation of decisions or for the cancellation of entries – Cancellation of an entry in the register which contains an obvious error attributable to EUIPO – Registration of licences for the figurative marks LAPLANDIA Land of purity and others – Conditions for the registration of a licence – Evidence that a licence was granted by a registered proprietor – Concept of ‘obvious error attributable to EUIPO’ – Second sentence of Article 27(1) of Regulation (EU) 2017/1001 – First sentence of Article 103(1) of Regulation 2017/1001)

In Case T-679/22,

Oy Shaman Spirits Ltd, established in Tyrnävä (Finland), represented by R. Almaraz Palmero, lawyer,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by E. Markakis, acting as Agent,

defendant,

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

Global Drinks Finland Oy, established in Helsinki (Finland), represented by T. Talvitie, lawyer,

THE GENERAL COURT (Third Chamber),

composed of F. Schalin, President, G. Steinfatt (Rapporteur) and D. Kukovec, Judges,

Registrar: V. Di Bucci,

having regard to the written part of the procedure,

* Language of the case: English.

having regard to the fact that no request for a hearing was submitted by the parties within three weeks after service of notification of the close of the written part of the procedure, and having decided to rule on the action without an oral part of the procedure, pursuant to Article 106(3) of the Rules of Procedure of the General Court,

gives the following

Judgment

- 1 By its action under Article 263 TFEU, the applicant, Oy Shaman Spirits Ltd, seeks the annulment of the decision of the First Board of Appeal of the European Union Intellectual Property Office (EUIPO) of 14 September 2022 (Case R 909/2021-1) ('the contested decision').

Background to the dispute

- 2 Between 2008 and 2016, Brandavid Oy obtained the registration of the following EU figurative marks ('the marks in question'):
 - the EU figurative mark registered on 15 September 2008 under number 6 491 914 designating goods in Classes 32 and 33 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, reproduced below:



- the EU figurative mark registered on 20 October 2009 under number 7 087 281 designating goods in Classes 32 and 33, reproduced below:



- the EU figurative mark registered on 29 February 2016 under number 14 786 883 designating goods in Classes 31, 32 and 33, reproduced below:



MOSBS

- 3 On 5 January 2017, the transfer of ownership of the marks in question to the intervener, Global Drinks Finland Oy, was entered in the register.
- 4 By application filed on 6 July 2020, to which an agreement between the applicant and Brandavid Oy ('the licence agreement') was attached, the applicant requested EUIPO to enter in the register of EU marks an exclusive licence in its favour in respect of the marks in question.
- 5 On 27 July 2020, the EUIPO Register Department informed the applicant and the intervener that the licence had been entered in the register following the applicant's request under Article 111 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).
- 6 By letters of 12 and 19 October 2020, the intervener set out its disagreement with the registration of the licence.
- 7 On 25 November 2020, the Register Department announced that the licence entry would be revoked unless the applicant provided evidence that the intervener agreed to the registration of the licence.
- 8 On 22 December 2020, the applicant submitted six documents to prove that the intervener had accepted the licence agreement.
- 9 By decision of 18 March 2021, on the basis of Article 103(1) of Regulation 2017/1001, the Register Department revoked the recordal of the licence in the EU trade mark register.

- 10 On 14 May 2021, the applicant filed a notice of appeal against the decision of the Register Department.
- 11 On 14 September 2022, the First Board of Appeal issued the contested decision, by which it dismissed the applicant's appeal. It considered that the only item of evidence produced with the application for registration consisted of a licence agreement signed by Brandavid Oy and the applicant in 2016, to which the intervener had never been a party. Failing any evidence to show that a licence had been granted or approved by the intervener as registered proprietor of the marks in question, registration of the licence on 27 July 2020 is an obvious error attributable to EUIPO under Article 103(1) of Regulation 2017/1001, which warranted its revocation. According to the Board of Appeal, it is irrelevant whether the intervener was aware of that licence agreement at the time the application for registration was filed, since the intervener is not a third party, and the legal arguments and evidence regarding Finnish law cannot call into question the finding that the intervener did not consent to that licence agreement.

Forms of order sought

- 12 The applicant claims that the Court should:
- annul the contested decision;
 - order EUIPO and the intervener to pay the costs, including those incurred before the Board of Appeal.
- 13 EUIPO contends that the Court should:
- dismiss the action;
 - order the applicant to pay the costs if an oral hearing is convened.
- 14 The intervener contends that the Court should:
- dismiss the action;
 - order the applicant to pay the costs, including those incurred before the Board of Appeal.

Law

- 15 In support of the action, the applicant raises three pleas in law, alleging, first, infringement of Articles 25 to 27 of Regulation 2017/1001, second, infringement of Articles 19 and 20 of that regulation and, third, infringement of Article 103 of the regulation.

The first plea in law, alleging infringement of Articles 25 to 27 of Regulation 2017/1001

- 16 The applicant complains, in essence, that the Board of Appeal failed to respect the licence agreement by which it obtained a licence relating to the marks in question, in accordance with Article 25(1) of Regulation 2017/1001, and the right to have that licence entered in the register, in accordance with Article 26(1) of that regulation. It specifies that the licence agreement was

signed in 2016 by Brandavid Oy, which, at the time, was the proprietor of the marks in question, and expressly granted it the contractual rights to use those marks and to be entered in the register as exclusive licence holder. The applicant claims that, at the time when the transfer of those marks was recorded, that is in 2017, the intervener was aware of the existence of that licence agreement, so that it accordingly accepted the granting of the exclusive licence to the applicant.

- 17 Moreover, the applicant is of the view that the exclusive licence had been granted to it independently of the ownership of the marks in question.
- 18 EUIPO and the intervener dispute the applicant's arguments.
- 19 Under Article 25(5) of Regulation 2017/1001, on request of one of the parties, the grant or transfer of a licence in respect of an EU trade mark is to be entered in the Register and published.
- 20 According to Article 26(1) of Regulation 2017/1001, Article 20(5) of that regulation and the rules adopted pursuant to that provision apply *mutatis mutandis* to the registration of a licence as referred to in Article 25(5) of the regulation.
- 21 Article 20(5) of Regulation 2017/1001 provides that an application for registration of a transfer is to contain certain information and documents duly establishing the transfer in accordance with paragraphs 2 and 3; paragraph 3 provides that 'an assignment of the EU trade mark shall be made in writing and shall require the signature of the parties to the contract, except when it is a result of a judgment; otherwise it shall be void'.
- 22 Moreover, Article 13(3)(a), (c) and (d) of Commission Implementing Regulation (EU) 2018/626 of 5 March 2018 laying down detailed rules for implementing certain provisions of Regulation 2017/1001, and repealing Implementing Regulation (EU) 2017/1431 (OJ 2018 L 104, p. 37), which applies *mutatis mutandis* to licences under Article 20(6)(b) and Article 26(1) of Regulation 2017/1001, specifies that the signature or agreement of the registered proprietor is a prerequisite for the valid transfer of a licence.
- 23 By revoking the registration of the licence, EUIPO correctly applied Articles 25 and 26 of Regulation 2017/1001, read in conjunction with the provisions to which those articles refer. Indeed, the licence agreement did not mention the intervener, which was the registered proprietor at the time of the application for and registration of the licence, nor had the licence agreement been signed by the intervener. The previously registered proprietor was no longer empowered to give the agreement required by the relevant provisions.
- 24 EUIPO explains correctly that the applicable provisions require, for reasons of legal certainty, the registered proprietor to state actively that he or she wishes to grant a licence, namely either by lodging directly with EUIPO the licence registration request under Article 26(1)(b) of Regulation 2017/1001 and Article 13(3)(a) and (b) of Implementing Regulation 2018/626, or by placing his or her signature on a declaration, agreement or standard form in accordance with Article 13(3)(c) and (d) of that implementing regulation.
- 25 The arguments put forward by the applicant cannot call into question the lawfulness of the contested decision.

- 26 Regarding the applicant's claim that, at the time of registration of the transfer of the marks in question, the intervener and Brandavid Oy were aware of the existence of the licence agreement, it must be stated that, even assuming that the licence granted by the intervener's predecessor in law has effects vis-à-vis the intervener under the second sentence of Article 27(1) of Regulation 2017/1001, this does not, however, mean that EUIPO has an obligation to register that licence. The lawfulness of the contested decision is dependent only on the formalised conditions provided for by the applicable provisions. As those conditions have not been satisfied in the present case (see paragraph 23 above), neither can the contested decision be annulled on the sole basis that it is the intervener which drew EUIPO's attention to the fact that the conditions for registration had not been satisfied.
- 27 Even assuming that a licence can remain valid or confer rights under the national law applicable to the licence agreement after the mark concerned has been transferred, in so far as Brandavid Oy and the intervener had carried out that transfer in full awareness of the licence, as the applicant claims, that substantive legal situation cannot impact the right to registration which follows an approach that is formalised and clearly codified in the applicable provisions, the wording of which leaves no scope for interpretation. It remains open to the applicant to rely on its rights deriving from substantive law before the national courts. In that connection, EUIPO correctly stated that a breach of that licence agreement and its clause applicable to successors could trigger contractual liability vis-à-vis the other contracting party, without, however, that contractual aspect having any effect on the examination of the registration request.
- 28 The first plea must therefore be rejected.

The second plea in law, alleging infringement of Articles 19 and 20 of Regulation 2017/1001

- 29 The applicant infers from Article 19(1) of Regulation 2017/1001 that the law applicable to disputes relating to the transfer or to licences connected to the registrations of the marks in question is Finnish national law, given that the applicant, the intervener and Brandavid Oy have their seats in Finland.
- 30 First, Finnish law does not require a contract to be in writing and, second, in accordance with Finnish law, it is not relevant whether the intervener signed the licence agreement in 2016, given that Brandavid Oy was succeeded in law by the intervener following a complete transfer of the trade mark rights previously recorded in the register, in full awareness of the existence of that licence agreement. The applicant argues that new trade mark proprietors must respect the clauses of earlier agreements concluded by the preceding trade mark proprietors with the holders of licences relating to those marks.
- 31 Moreover, the applicant criticises the Board of Appeal's observation in paragraph 21 of the contested decision that it never submitted the list of marks of which Brandavid Oy was the proprietor and which were subsequently transferred to the intervener. It argues that that list was in Annex I to the statement of grounds for the appeal before the Board of Appeal.
- 32 EUIPO and the intervener dispute the applicant's arguments.

- 33 First, the Court notes, similarly to EUIPO, that Article 19(1) of Regulation 2017/1001, which refers to the law of the Member State in which the proprietor of the EU trade mark has its seat, applies only ‘unless Articles 20 to 28 provide otherwise’. However, the recordal in the EU trade mark register of a licence relating to an EU trade mark is governed autonomously by EU law in Articles 25 to 28 of that regulation and Article 13 of Implementing Regulation 2018/626.
- 34 It follows that the question whether Finnish law has formal conditions for a licence contract or under which conditions such a contract is also binding on the succeeding proprietor of the marks in question is irrelevant to whether the registration of the licence in the applicant’s favour in the EU trade marks register was correct. Accordingly, the applicant’s arguments based on Finnish law cannot call into question the lawfulness of the contested decision regarding the conditions for the registration of a licence.
- 35 Moreover, the applicant’s criticism relating to the Board of Appeal’s observation in paragraph 21 of the contested decision is ineffective in so far as, as EUIPO was correct to raise, that observation was made by the Board of Appeal for the sake of completeness. The contested decision is based primarily on the finding that the applicant has not proved that a licence was granted to it by the registered proprietor. That finding is independent of the question of which marks were licensed.
- 36 The second plea must therefore be rejected.

The third plea in law, alleging infringement of Article 103 of Regulation 2017/1001

- 37 The applicant criticises EUIPO for having exceeded its powers. It claims that EUIPO did not rectify any error. EUIPO went beyond its competence by issuing a decision revoking the registration of a licence agreement which was correct and legal under Finnish law. EUIPO should have applied Finnish law under Article 19 of Regulation 2017/1001, rather than applying Article 103 of the regulation.
- 38 EUIPO and the intervener dispute the applicant’s argument.
- 39 Under the first sentence of Article 103(1) of Regulation 2017/1001, ‘where [EUIPO] has made an entry in the Register or taken a decision which contains an obvious error attributable to [EUIPO], it shall ensure that the entry is cancelled or the decision is revoked’.
- 40 First, as EUIPO and the intervener are correct to note, the cancelled entry of 27 July 2020 was vitiated by an obvious error attributable to EUIPO. The error lies in the fact that the recordal in the register was accepted on the basis of documents that did not meet the requirements set out in the applicable legislation (see paragraph 23 above). The licence agreement annexed to the application for registration did not contain any evidence of a licence granted by the registered proprietor of the marks in question. In that regard, the Board of Appeal stated correctly in paragraph 15 of the contested decision that the applicant had failed to demonstrate that the licence had been granted with the agreement of the proprietor of those marks.
- 41 Second, the Board of Appeal was not required to apply national law, given that the procedure for recording a licence relating to an EU trade mark in the EU trade mark register is governed autonomously by EU law in Articles 25 to 28 of Regulation 2017/1001 and Article 13 of Implementing Regulation 2018/626 (see paragraph 33 above).

- 42 Third, it is appropriate to reject the applicant's complaint that the Board of Appeal exceeded its powers by annulling a decision that was not obviously incorrect, but correct under Finnish law.
- 43 It is clear from the case-law that it does not fall to EUIPO to examine the validity and legal effects of the transfer of an EU trade mark under national law. When dealing with a request for recordal of a transfer of an EU trade mark, EUIPO's competence is, in principle, confined to examining the formal requirements set out in Article 20 of Regulation 2017/1001 and Article 13 of Implementing Regulation 2018/626 and does not imply an assessment of substantive issues that may arise under the applicable national law (judgment of 22 September 2021, *Marina Yachting Brand Management v EUIPO – Industries Sportswear (MARINA YACHTING)*, T-169/20, EU:T:2021:609, paragraph 61). As registration of a licence follows the same rules as that of a transfer, it is appropriate to apply that case-law *mutatis mutandis* to the present case (see paragraph 20 above).
- 44 The third plea must therefore be rejected and, accordingly, the action in its entirety must be dismissed.

Costs

- 45 Under Article 134(1) 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.
- 46 Since the applicant has been unsuccessful, it must be ordered to pay the costs incurred by the intervener, in accordance with the form of order sought by the intervener, including the costs necessarily incurred for the purposes of the proceedings before the Board of Appeal, which are to be regarded, under Article 190(2) of the Rules of Procedure, as recoverable costs.
- 47 By contrast, since EUIPO has applied for the applicant to be ordered to pay the costs only in the event that a hearing is convened, EUIPO must, as a hearing has not been organised, be ordered to bear its own costs.

On those grounds,

THE GENERAL COURT (Third Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Shaman Spirits Ltd to pay the costs incurred by Global Drinks Finland Oy, including those which the latter party incurred before the Board of Appeal;**
- 3. Orders EUIPO to bear its own costs.**

Schalin

Steinfatt

Kukovec

Delivered in open court in Luxembourg on 22 November 2023.

V. Di Bucci
Registrar

M. van der Woude
President