



Reports of Cases

JUDGMENT OF THE GENERAL COURT (Ninth Chamber)

12 October 2022*

(EU trade mark – Cancellation proceedings – EU figurative mark Shoppi – Earlier EU word mark SHOPIFY – Relative ground for refusal – No likelihood of confusion – Article 8(1)(b) and Article 53(1)(a) of Regulation (EC) No 207/2009 (now Article 8(1)(b) and Article 60(1)(a) of Regulation (EU) 2017/1001) – Lack of enhanced distinctiveness of the earlier mark – Agreement on the withdrawal of the United Kingdom from the European Union and from Euratom (Brexit))

In Case T-222/21,

Shopify Inc., established in Ottawa, Ontario (Canada), represented by S. Völker and M. Pemsel, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by V. Ruzek, acting as Agent,

defendant,

the other parties to the proceedings before the Board of Appeal of EUIPO, interveners before the General Court, being

Massimo Carlo Alberto Rossi, residing in Fiano (Italy),

Salvatore Vacante, residing in Berlin (Germany),

Shoppi Ltd, established in London (United Kingdom),

represented by V. Roth and A. Hogertz, lawyers,

THE GENERAL COURT (Ninth Chamber),

composed, at the time of the deliberations, of M.J. Costeira, President, M. Kancheva (Rapporteur) and P. Zilgalvis, Judges,

Registrar: A. Juhász-Tóth, Administrator,

* Language of the case: English.

having regard to the written part of the procedure,

further to the hearing on 17 March 2022,

gives the following

Judgment¹

...

Law

...

The enhanced distinctiveness of the earlier mark acquired through use

...

- 93 In the first place, as regards the evidence concerning the United Kingdom, in paragraphs 71 to 74 of the contested decision, the Board of Appeal found that, on 1 February 2020, the United Kingdom had withdrawn from the European Union pursuant to Article 50 TEU and had become a third country. While EU law continued to apply to the United Kingdom and within its territory during a transition period, that transition period had ended on 31 December 2020 in accordance with Articles 126 and 127 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ 2020 L 29, p. 7; ‘the withdrawal agreement’). As from 1 January 2021, EU trade mark legislation no longer applied to the United Kingdom and within its territory, unless and to the extent that such continued application was explicitly provided for by the withdrawal agreement. The Board of Appeal also referred to paragraph 2 of Communication 2/20 of the Executive Director of EUIPO of 10 September 2020 on the impact of the United Kingdom’s withdrawal from the European Union on certain aspects of the practice of EUIPO.
- 94 The Board of Appeal inferred from this that evidence of reputation or enhanced distinctiveness relating to the United Kingdom could no longer sustain or contribute to the protection of an EU trade mark as from 1 January 2021, even if that evidence predated 1 January 2021. Such a mark had to be reputed or possess enhanced distinctiveness ‘in the EU’ at the moment that the decision was taken (see also Communication 2/20, point 15 concerning reputation). Therefore, in so far as the applicant stressed the enhanced distinctiveness of the earlier mark in the United Kingdom, the Board of Appeal found that that element was irrelevant for the purposes of the proceedings before it.
- 95 The applicant submits that, although the time for assessing enhanced distinctiveness acquired through use is the date of filing of the application for registration of the contested mark – 8 May 2017 – the United Kingdom was still a member of the European Union at that

¹ Only the paragraphs of the present judgment which the Court considers it appropriate to publish are reproduced here.

time and the evidence relating to that territory should therefore be taken into account. At the hearing, it also cited the judgment of 16 March 2022, *Nowhere v EUIPO – Ye (APE TEES)* (T-281/21, under appeal, EU:T:2022:139).

- 96 In that regard, it should be recalled that the withdrawal agreement, which was adopted on 17 October 2019 and entered into force on 1 February 2020, provides for a transition period from 1 February to 31 December 2020 ('the transition period'). Since the expiry of that transition period, the withdrawal of the United Kingdom from the European Union, commonly called 'Brexit', has been in full effect.
- 97 Article 127 of the withdrawal agreement stipulates that, unless otherwise provided, EU law continues to be applicable in the United Kingdom during the transition period (judgment of 23 September 2020, *Bauer Radio v EUIPO – Weinstein (MUSIKISS)*, T-421/18, EU:T:2020:433, paragraph 32). *A contrario*, as the Board of Appeal noted, as from 1 January 2021, EU trade mark legislation no longer applies to the United Kingdom and within its territory, unless and to the extent that such continued application is expressly provided for by the withdrawal agreement.
- 98 In the present case, it is common ground that the date on which the contested mark was filed is 8 May 2017, that is, before the expiry of the transition period, and that the date of adoption of the contested decision is 18 February 2021, that is, after the expiry of the transition period. Such a factual context is clearly distinguishable from the case where the date of the contested decision predates that expiry (see, to that effect, judgment of 6 October 2021, *Indo European Foods v EUIPO – Chakari (Abresham Super Basmati Selaa Grade One World's Best Rice)*, T-342/20, under appeal, EU:T:2021:651, paragraph 22).
- 99 It is apparent from the case-law of the Court that, in the context of cancellation proceedings, the proprietor of an industrial property right, particularly an earlier mark, must establish that he or she may prohibit the use of the EU trade mark at issue, not only on the filing or priority date of that mark but also on the date on which EUIPO decides on the application for a declaration of invalidity (see, to that effect, judgment of 2 June 2021, *Style & Taste v EUIPO – The Polo/Lauren Company (Representation of a polo player)*, T-169/19, EU:T:2021:318, paragraphs 29 and 30). The same applies, a fortiori, in the context of opposition proceedings (judgment of 14 February 2019, *Beko v EUIPO – ACER (ALTUS)*, T-162/18, not published, EU:T:2019:87, paragraphs 41 to 43).
- 100 It follows, in essence, that, for the evidence of enhanced distinctiveness of the earlier mark acquired through use in the United Kingdom to be relevant for the application for a declaration of invalidity of the contested mark, that use must still be capable of being relied on at the date on which EUIPO rules on the application for a declaration of invalidity.
- 101 In the present case, however, the date of the contested decision – 18 February 2021 – post-dates the expiry of the transition period.
- 102 Therefore, the Board of Appeal was obliged not to take into account the use of the earlier mark in the United Kingdom – which was no longer enforceable against the interveners at the date of the contested decision – and to disregard the evidence relating to it.
- 103 Furthermore, it must be noted, as EUIPO has done, that, in the light of the fundamental principle of territoriality of intellectual property rights, set out in Article 1(2) of Regulation 2017/1001, after the expiry of the transitional period, no conflict can arise in the United Kingdom between the

contested mark and the earlier mark, which are no longer protected in that territory. At the date of the contested decision, the public of the United Kingdom was no longer part of the relevant public of the European Union.

104 Lastly, while it is true that the date to be taken into account for assessing the enhanced distinctiveness of the earlier mark is the filing date of the contested trade mark application (see judgment of 15 October 2020, *athlon custom sportswear*, T-349/19, not published, EU:T:2020:488, paragraph 74 and the case-law cited), the fact remains that the requirement of permanence or persistence of the prior right at the date on which EUIPO rules on the application for a declaration of invalidity is a matter of enforceability, previous to such a substantive assessment.

...

On those grounds,

THE GENERAL COURT (Ninth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Shopify Inc. to pay the costs.**

Costeira

Kancheva

Zilgalvis

Delivered in open court in Luxembourg on 12 October 2022.

[Signatures]