



Reports of Cases

JUDGMENT OF THE GENERAL COURT (Fourth Chamber)

20 April 2016 *

(EU trade mark — Invalidity proceedings — EU word mark SkyTec — Earlier national word mark SKY — Relative ground for refusal — Limitation in consequence of acquiescence — Article 54(2) of Regulation (EC) No 207/2009 — Likelihood of confusion — Article 8(1)(b) of Regulation No 207/2009)

In Case T-77/15,

Tronios Group International BV, established in Breda (Netherlands), represented by R. van Leeuwen and H. Klingenberg, lawyers,

applicant,

v

European Union Intellectual Property Office (EUIPO), represented by S. Crabbe and A. Folliard-Monguiral, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of EUIPO, intervener before the General Court, formerly British Sky Broadcasting Group plc, being

Sky plc, established in Isleworth (United Kingdom), represented initially by J. Barry, Solicitor, and subsequently by M. Schut and A. Meijboom, lawyers,

ACTION brought against the decision of the Fourth Board of Appeal of EUIPO of 28 November 2014 (Case R 1681/2013-4), relating to invalidity proceedings between British Sky Broadcasting Group plc and Tronios Group International BV,

THE GENERAL COURT (Fourth Chamber),

composed of M. Prek, President, I. Labucka and V. Kreuschitz (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 12 February 2015,

having regard to the response of EUIPO lodged at the Court Registry on 22 June 2015,

having regard to the response of the intervener lodged at the Court Registry on 12 June 2015,

having regard to the decision of 27 July 2015 refusing leave to lodge a reply,

* Language of the case: Dutch.

having regard to the fact that no request for a hearing was submitted by the main 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

Judgment¹

Background to the dispute

- 1 On 18 November 1999, the applicant, Tronios Group International BV, filed an application for registration of a European Union trade mark at the European Union Intellectual Property Office (EUIPO), under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark (OJ 2009 L 78, p. 1).
- 2 The mark in respect of which registration was sought is the EU word mark SkyTec ('the contested mark').
- 3 On 2 May 2001, the sign SkyTec was registered as an EU trade mark under Number 001386812.
- 4 The goods for which the mark was registered are in Classes 9 and 11 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for Class 9, to the following description: 'Apparatus for receiving, recording, passing on, processing and reproducing electric and electromagnetic signals including wireless microphones and systems, microphones; disc, CD and DVD players; CD and DVD recording apparatus; cables, connecting leads and connectors; digital and analogue sound processing apparatus, low and high capacity audio amplifiers; loudspeakers, cabinets for loudspeakers and accessories'.
- 5 The registration of the contested mark was renewed on 19 November 2009 and the renewed EU trade mark was published in *Community Trade Marks Bulletin* No 2009/047 of 25 November 2009.
- 6 On 23 March 2007, British Sky Broadcasting Group plc ('BSkyB'), the predecessor in title of the intervener, Sky plc, filed an application, pursuant to Article 50(1)(a) of Regulation No 40/94, seeking revocation of the contested mark. On 2 April 2007, the applicant provided evidence of use of the contested mark. By decision of 11 July 2008, the Cancellation Division held that the contested mark had been put to genuine use and dismissed the application for revocation. That decision has become final.
- 7 On 21 March 2012, BSkyB submitted an application for a declaration of invalidity of the contested mark, pursuant to Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) and (5) of that regulation, and Article 53(1)(c), read in conjunction with Article 8(4) of that regulation, to the extent that the mark was registered for Class 9 goods, such as those referred to in paragraph 4 above.

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

- 8 In support of its application for a declaration of invalidity, BSKyB relied on, in particular, the earlier European Union word mark SKY, registered on 24 September 1998 and renewed until 1 April 2016 under number 126425, as well as the earlier British word mark SKY, registered on 18 April 1995 and renewed until 7 November 2015 under reference 2044507B. Those marks were registered for goods and services in classes 9, 38 and 41.
- 9 The Class 9 goods, such as those covered by the earlier British mark, correspond to the following description: ‘radio, television, sound recording, sound reproducing, telecommunications, signalling, checking (supervision), optical testing (other than medical) and teaching apparatus and instruments; recorded programmes for television and for radio; computers; computer programs; tapes, discs and wires, all being magnetic; cassettes and cartridges, all adapted for use with the aforesaid tapes; encoded cards; blank and pre-recorded audio and video cassettes, tapes and cartridges; compact discs; photographic records; radio signal antennae; laser readable discs for recording sound or video; apparatus for decoding encoded signals; video projectors, video screens; sunglasses; electronic computer games, electronic interactive computer games; parts and fittings for all the aforesaid goods; all included in Class 9’.
- 10 By decision of 28 June 2013, the Cancellation Division upheld the application for a declaration of invalidity of the contested mark on the basis of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) of that regulation, and declared the partial invalidity of the contested mark, to the extent that it was registered for the goods at issue included in Class 9.
- 11 On 27 August 2013, the applicant lodged an appeal before EUIPO against the decision of the Cancellation Division, pursuant to Articles 58 to 64 of Regulation No 207/2009.
- 12 By decision of 28 November 2014 (‘the contested decision’), the Fourth Board of Appeal of EUIPO endorsed the position taken by the Cancellation Division and dismissed the appeal.
- 13 In the contested decision, first, the Board of Appeal rejected the plea alleging limitation in consequence of acquiescence within the meaning of Article 54(2) of Regulation No 207/2009 which the applicant had relied on against the application for a declaration of invalidity. The applicant purportedly had not demonstrated that, at the date on which the application was lodged, 21 March 2012, BSKyB had been aware of the use of the contested mark for over five years, since the first evidence of that use was adduced by the applicant on 2 April 2007, in the course of the revocation proceedings (paragraphs 15 to 25 of the contested decision). Second, the Board of Appeal held that there was a likelihood of confusion between the contested mark and the earlier British mark (‘the marks at issue’) regarding the goods covered by Class 9, within the meaning of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) of that regulation, without examining the other grounds for invalidity and the earlier rights upon which the application for a declaration of invalidity was based (paragraphs 26 to 45 of the contested decision).

Forms of order sought

- 14 The applicant claims that the Court should:
- annul the contested decision;
 - dismiss the application for a declaration of invalidity;
 - order the intervener to pay the costs, including those incurred before EUIPO.

15 EUIPO contends that the Court should:

- ‘declare the application for annulment unfounded in its entirety’;
- order the applicant to pay the costs.

16 The intervener contends that the Court should:

- dismiss the action;
- ‘uphold the contested decision’.

Law

17 In support of the action, the applicant relies on, in essence, two pleas in law, namely, first, infringement of Article 54(2) of Regulation No 207/2009 and, second, an error of assessment of the likelihood of confusion within the meaning of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) of that regulation.

The first plea in law, alleging infringement of Article 54(2) of Regulation No 207/2009

18 The applicant disputes the Board of Appeal’s finding that, before 21 March 2007, BSKyB was unaware of the use of the contested mark within the meaning of Article 54(2) of Regulation No 207/2009, and became aware of it only from 2 April 2007.

19 The applicant states, in essence, that, until the filing of the application for a declaration of invalidity, the contested mark had already been put to continuous genuine use in the EU Member States, including in the United Kingdom, since 1998, and had therefore existed for about 14 years alongside the earlier marks of BSKyB. According to the applicant, that period would be reduced to approximately 11 years if the period between its registration as a European Union trade mark, on 2 May 2001, and the date of filing the application for a declaration of invalidity, based on a risk of likelihood of confusion between the marks at issue, on 21 March 2012, were taken into account. BSKyB did not, however, consider that likelihood as a sufficient reason to initiate court proceedings earlier, or consider it a sufficient reason to file an application for a declaration of invalidity of the contested mark, either after the application for revocation of 23 March 2007, or after 2 April 2007, that is to say when, purportedly, the applicant submitted evidence of its use and BSKyB, in any event, became aware of that use. Consequently, in the present case, the requirements of Article 54(2) of Regulation No 207/2009 were met. The applicant states that, although theoretically the burden of proving that BSKyB was aware of the use of the contested mark rests on it, it is very difficult, even impossible, for it to adduce such evidence which falls within the internal workings of BSKyB. That evidence or the presumption of such awareness can also be based on objective circumstances, such as a commercial relationship or close competition illustrated, for example, by the presentation in parallel of goods or services bearing the marks at issue at the same fair. Indeed, numerous facts and circumstances, partly relied on in the course of the proceedings before EUIPO, lead to the finding that BSKyB must have been aware of the contested mark.

...

27 EUIPO and the intervener dispute the applicant’s arguments and contend that the present plea should be rejected. In that context, the intervener contends that the evidence that the applicant submitted for the first time before the Court is inadmissible.

- 28 The Court states that, in the present case, it is not disputed that, further to the filing of a revocation application against the contested mark by BSKyB on 23 March 2007, the applicant submitted the first items of evidence of use of the contested mark on 2 April 2007. Furthermore, BSKyB filed an application for a declaration of invalidity on 21 March 2012, that is to say within a period of less than five years from the first submission of evidence of use.
- 29 The parties do not agree however on the issue of whether the expiry of the period of limitation in consequence of acquiescence, provided for in Article 54(2) of Regulation No 207/2009, applied to BSKyB because it was aware of the use of the contested mark, at the very least before 21 March 2007.
- 30 It should be noted that, in accordance with settled case-law, four conditions must be satisfied before the period of limitation in consequence of acquiescence starts running if there is use of a later trade mark identical to the earlier trade mark or confusingly similar. First, the later trade mark must be registered; second, the application must have been made in good faith by its proprietor; third, the later trade mark must be used in the Member State where the earlier trade mark is protected; fourth, the proprietor of the earlier trade mark must be aware of the use of that trade mark after its registration (judgments of 28 June 2012 in *Basile and I Marchi Italiani v OHIM — Osra (B. Antonio Basile 1952)*, T-134/09, EU:T:2012:328, paragraph 30, and of 23 October 2013 in *SFC Jardibric v OHIM — Aqua Center Europa (AQUA FLOW)*, T-417/12, EU:T:2013:550, paragraph 19; see also, by analogy, judgment of 22 September 2011 in *Budějovický Budvar*, C-482/09, ECR, EU:C:2011:605, paragraphs 54 and 56 to 58).
- 31 It is also apparent from that case-law that the purpose of Article 54(2) of Regulation No 207/2009 is to penalise the proprietors of earlier marks who have acquiesced in the use of a later European Union trade mark registered for a period of five successive years, while being aware of such a use, by excluding them from seeking a declaration of invalidity or from bringing opposition proceedings in respect of that trade mark. That provision is intended to strike a balance between the interests of the proprietor of a mark in safeguarding its essential function and the interests of other economic operators in having signs capable of denoting their goods and services. That objective implies that, in order to safeguard that essential function, the proprietor of an earlier trade mark must be in a position to oppose the use of a later mark identical or similar to his own. Indeed, it is only once the proprietor of the earlier trade mark becomes aware of the use of the later European Union trade mark that it has the option of not acquiescing in its use and, therefore, opposing it or seeking a declaration of invalidity of the later trade mark and that, consequently, the period of limitation in consequence of acquiescence starts running (see, to that effect, judgments in *B. Antonio Basile 1952*, paragraph 30 above, EU:T:2012:328, paragraph 32 and 33, and in *AQUA FLOW*, paragraph 30 above, EU:T:2013:550, paragraphs 20 and 21; see also, to that effect and by analogy, judgment in *Budějovický Budvar*, paragraph 30 above, EU:C:2011:605, paragraphs 46 to 48).
- 32 It follows therefore from a teleological interpretation of Article 54(2) of Regulation No 207/2009 that the relevant date from which the period of limitation in consequence of acquiescence starts running is when the proprietor becomes aware of the use of that mark (see, to that effect, judgments in *B. Antonio Basile 1952*, paragraph 30 above, EU:T:2012:328, paragraph 33).
- 33 Similarly, as the Board of Appeal rightly stated in paragraph 22 of the contested decision, that interpretation requires the proprietor of the later mark to submit evidence of an actual awareness of the use of that mark by the proprietor of the earlier mark, failing which the latter would not be able to oppose the use of the later mark. Indeed, as EUIPO correctly maintains, in this respect, it is necessary to take into account the similar rule on limitation in consequence of acquiescence contained in Article 9(1) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989, L 40, p. 1), replaced by Article 9(1) of Directive 2008/95/EC of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks (OJ 2008 L 299, p. 25), a rule in relation to which the eleventh recital in the preamble to Directive 89/104/EC (Recital 12 to Directive 2008/95) states that the claim of

limitation in consequence of acquiescence is applicable where the proprietor of the earlier trade mark 'has knowingly tolerated the use for a substantial length of time', in other words 'intentionally' or 'in full knowledge of the facts' (see, to that effect, judgment in *Budějovický Budvar*, paragraph 30 above, EU:C:2011:605, paragraphs 46 and 47, and opinion of Advocate General Trstenjak in case *Budějovický Budvar*, C-482/09, ECR, EU:C:2011:46, paragraph 82). It must be noted that this assessment applies *mutatis mutandis* to Article 54(2) of Regulation No 207/2009, the wording of which corresponds to that of Article 9(1) of Directives 89/104 and 2008/95.

34 Consequently, the arguments of the applicant seeking to demonstrate, in essence, that it is sufficient to prove BskyB's partial awareness of the use of the contested mark or to compile a body of consistent evidence giving rise to a presumption of the existence of such awareness must be rejected.

35 However, it is necessary to assess whether the applicant has nevertheless established that, on 21 March 2007 at the latest, BskyB was actually aware of the use of the contested mark.

36 As a preliminary point, as the intervener rightly requests, the annexes to the application which the applicant submitted for the first time before the General Court must be rejected as inadmissible. Indeed, it follows from Article 65(2) of Regulation No 207/2009 that the General Court is called upon to assess the legality of the decisions of the Boards of Appeal of EUIPO by reviewing their application of EU law, having regard, in particular, to the facts which were submitted to them. Thus, facts not relied on by the parties before the bodies of EUIPO may not be invoked at the stage of the action brought before the Court and the Court may not re-evaluate the factual circumstances in the light of evidence which has been adduced for the first time before it, except facts which should have been examined of their own motion by EUIPO's bodies, in accordance with Article 76(1) of Regulation No 207/2009 [see, to that effect, judgment of 10 November 2011 in *LG Electronics v OHIM*, C-88/11 P, EU:C:2011:727, paragraphs 23 to 26 and case-law cited; judgment of 24 November 2005 in *Sadas v OHIM — LTJ Diffusion (ARTHUR ET FELICIE)*, T-346/04, ECR, EU:T:2005:420, paragraph 19; and judgment of 12 December 2014 in *Wilo v OHIM (Pioneering for You)*, T-601/13, EU:T:2014:1067, paragraph 12]. In the present case, the new elements of facts and of proof submitted by the applicant, including turnovers and catalogues, fall within its own area of responsibility and it did not claim that they should have been subject to an examination of EUIPO's own motion. Therefore, those elements cannot affect the lawfulness of the contested decision and they must be rejected without the need to examine their probative value.

37 Furthermore, the inevitable conclusion is that the assessment by the Board of Appeal of the evidence relied on by the applicant in the course of the proceedings before EUIPO (paragraphs 21 and 22 of the contested decision) is not vitiated by error, given that it was for the applicant to demonstrate that BskyB was actually aware of the use of the contested mark, and not only aware of the registration of that mark (see paragraph 30 above). By its arguments, the applicant tries to infer that BskyB had actual awareness of such a use, precisely from BskyB's proven awareness of the registration of the contested mark alone or from certain items of proof which, according to the applicant, make it possible to assume that there existed awareness of use, including the pro-active strategy developed by BskyB to protect its marks against identical or similar marks containing the element 'sky'.

...

44 It follows from the considerations above as a whole that the Board of Appeal rightly found, in paragraph 22 of the contested decision, that the items of evidence relied on by the applicant in the course of the proceedings before EUIPO, admittedly capable of showing a certain use of the contested mark, were insufficient to establish actual awareness of that use by BskyB before 21 March 2007.

...

47 Consequently, the first ground of appeal must be rejected as unfounded.

The second plea in law, alleging infringement of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) of that regulation ...

- 62 Therefore, the second plea in law, alleging infringement of Article 53(1)(a) of Regulation No 207/2009, read in conjunction with Article 8(1)(b) of that regulation, must also be dismissed.
- 63 Consequently, having regard to the main head of claim of EUIPO, which must be understood as seeking confirmation of the lawfulness of the contested decision by the Court (see paragraph 63 of the response), and to that of the intervener, the action must be dismissed in its entirety.

Costs

- 64 Under Article 134(1) of the Rules of Procedure of the Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.
- 65 Since the applicant has been unsuccessful, it must be ordered to pay the costs, in accordance with the form of order sought by EUIPO.
- 66 The intervener having failed to claim for costs, it must be held that it is to bear its own costs, in accordance with Article 138(3) of the Rules of Procedure.

On those grounds,

The GENERAL COURT (Fourth Chamber)

hereby:

- 1. Dismisses the action;**
- 2. Orders Tronios Group International BV to bear its own costs and to pay those incurred by the European Union Intellectual Property Office (EUIPO);**
- 3. Orders Sky plc to bear its own costs.**

Prek

Labucka

Kreuschitz

Delivered in open court in Luxembourg on 20 April 2016.

[Signatures]