

ORDER OF THE COURT (Tenth Chamber)

7 February 2013 (*)

(Appeals – Community trade mark – Regulation (EC) No 40/94 – Article 51(1)(b) – Applicant’s bad faith when filing the Community trade mark – Figurative mark ‘FS’ – Application for a declaration of invalidity)

In Case C-266/12 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 28 May 2012,

Jaroslav Majtczak, residing in Łódź (Poland), represented by J. Radłowski, radca prawny, applicant,

the other parties to the proceedings being:

Feng Shen Technology Co. Ltd, established in Gueishan Township (Taiwan), represented by P. Rath, Rechtsanwalt,

applicant at first instance,

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant at first instance,

THE COURT (Tenth Chamber),

composed of A. Rosas, President of the Chamber, D. Šváby and C. Vajda (Rapporteur), Judges,

Advocate General: J. Kokott,

Registrar: A. Calot Escobar,

having regard to the decision adopted, after hearing the Advocate General, to give a decision on the action by reasoned order,

makes the following

Order

1 By his appeal, Mr Majtczak seeks to have the judgment of the General Court of the European Union in Case T-227/09 Feng Shen Technology v OHIM – Majtczak (FS) [2012] ECR II-0000 (‘the judgment under appeal’) set aside. By that judgment, the General Court annulled the decision of the Fourth Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 1 April 2009 (Case R 529/2008-4) (‘the contested decision’) concerning proceedings for a declaration of invalidity brought by Feng Shen Technology Co. Ltd (‘Feng Shen’) regarding the Community trade mark obtained by Mr. Majtczak.

Legal context

2 Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) was repealed and replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), which entered into force on 13 April 2009. Nevertheless, in view of the time at which the events in question occurred, the present case remains governed by Regulation No 40/94, as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1) (‘Regulation No 40/94’).

3 Under the heading ‘Absolute grounds for invalidity’, Article 51(1) of Regulation No 40/94 provided:

‘A Community trade mark shall be declared invalid on application to [OHIM] or on the basis of a counterclaim in infringement proceedings:

...

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.’

Background to the dispute

4 Feng Shen is a Taiwanese company which produces and distributes various articles, including zip fasteners. It holds several Taiwanese marks registered, in particular, to designate goods in Class 26 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 corresponding, in particular, to the following description, namely ‘Zip fasteners’ (‘the Taiwanese marks’). Those marks are represented by the following figurative sign:



5 Feng Shen entered into commercial relations with Mr Majtczak who undertook commercial activities in Poland under the trade name ‘PHU Berotex’. Since the commercial relations between Feng Shen and Mr Majtczak had ended in January 2005, Feng Shen used the services of another distributor for Poland, namely Pik Foison sp. z o.o., a company created in 2004.

6 On 7 June 2005, Mr Majtczak filed an application for registration of a Community trade mark with OHIM pursuant to Article 25 of Regulation No 40/94 for goods in Class 26 of the Nice Agreement and corresponding to the following description, namely ‘Zip fasteners’. The Community trade mark, registered on 15 May 2006 under number 4431391, is represented by the following figurative sign:



7 On 29 September and 2 October 2006, at the request of Mr Majtczak, the Polish customs authorities seized from Pik Foison sp. z o.o. consignments of zip fasteners bearing the earlier Taiwanese marks.

8 On 17 October 2006, pursuant to Article 51(1)(b) of Regulation No 40/94, Feng Shen filed an application for a declaration of invalidity of the trade mark registered by Mr Majtczak on the ground that he was acting in bad faith when he filed the application for the mark. In support of its application, Feng Shen claimed that Mr Majtczak knew that it was using a sign

comprising the capital letters 'F' and 'S' in the European Union as a mark for zip fasteners and that the application for registration of the contested mark had been filed with the aim of preventing that use.

9 On 24 January 2008, the Cancellation Division rejected the application for a declaration of invalidity.

10 On 25 March 2008, Feng Shen lodged an appeal with OHIM against that decision. By the contested decision, the Fourth Board of Appeal of OHIM dismissed that appeal on the ground that Feng Shen had not shown proof in that case of Mr Majtczak's bad faith when he filed the application for registration of the Community trade mark.

The action before the General Court and the judgment under appeal

11 By application lodged at the Registry of the General Court on 10 June 2009, Feng Shen brought an action for annulment of the contested decision and for a declaration of invalidity of the disputed mark. Mr Majtczak intervened in those proceedings in support of OHIM.

12 In support of its application, Feng Shen has invoked infringement of Article 51(1)(b) of Regulation No 40/94. It has submitted that the bad faith, within the meaning of that provision, can be demonstrated when the applicant for the mark seeks, by registration of the mark, to dispossess the third party with which he has entered into commercial relations of its trade mark. In order to show Mr Majtczak's bad faith, Feng Shen has pointed out that it has used the Taiwanese marks in the European Union since 2000 and that Mr Majtczak was informed of that use.

13 By the judgment under appeal, the General Court upheld the action brought by Feng Shen and annulled the contested decision.

14 First of all, the General Court pointed out, in paragraph 50 of the judgment under appeal, that four of the six considerations taken into account by the Board of Appeal were not based on an analysis of all of the relevant factors and were not substantiated by the evidence in the file or were based on incorrect factual findings. In that regard, the General Court held that OHIM's decision was vitiated by four separate errors. The first error was that OHIM found that there was no identity or similarity between the disputed mark and the Taiwanese marks without having carried out an overall analysis of all the relevant factors, and particularly without having examined the visual, phonetic and conceptual similarities between them. A second error committed by OHIM is, in the view of the General Court, that it took the view that Feng Shen manufactured zip fasteners in accordance with the instructions of Mr

Majtczak. The third error lies in the fact of having decided that Mr Majtczak did in fact use the disputed mark. Finally, the fourth error which can be attributed to OHIM is that it held that Feng Shen did not sell zip fasteners in the European Union between 2000 and 2005.

15 Next, the General Court held, in paragraphs 51 and 52 of the judgment under appeal, that the two remaining considerations on which OHIM's finding that Mr Majtczak did not act in bad faith when filing his application for a Community trade mark rest are insufficient in themselves to determine whether he acted in bad faith and to act as a basis for rejecting the application for a declaration of invalidity.

16 Taking the view, finally, in paragraphs 54 to 57 of the judgment under appeal, that the factors established in the contested decision were insufficient to justify the finding that Mr Majtczak was acting in bad faith, the General Court rejected Feng Shen's application for alteration requesting that that Court declare the contested mark invalid.

17 It must be stated that the General Court, pursuant to Article 63 of Regulation No 40/94 and Article 135(4) of its Rules of Procedure, disregarded the documents which Feng Shen and Mr Majtczak annexed to the reply and the rejoinder, giving its reasons in paragraphs 24 to 26 of the judgment under appeal, since those documents were filed for the first time before it.

Forms of order sought by the parties before the Court

18 By his appeal, the appellant claims that the Court should:

- principally, set aside the judgment under appeal and dismiss the action of Feng Shen before the General Court against the contested decision;
- in the alternative, set aside the judgment under appeal and refer the case back to the General Court, and
- rule on costs in his favours.

19 By its appeal, OHIM claims that the Court should set aside the judgment under appeal and order the appellant to pay the costs.

20 Feng Shen claims that the Court should dismiss the appeal and order the appellant to bear the costs.

The appeal

21 Under Article 181 of its Rules of Procedure, where an appeal is, in whole or in part, clearly inadmissible or clearly unfounded, the Court may at any time, acting on a report from the Judge-Rapporteur and after hearing the Advocate General, by reasoned order decide to dismiss the appeal in whole or in part, without opening the oral procedure.

22 It is appropriate to make use of that power in this case.

Admissibility of the appeal

23 While replying to the appellant's arguments in support of his application to have the judgment under appeal set aside, OHIM expresses doubts, first of all, as to the admissibility of the appeal as a whole. In the opinion of OHIM, the general presentation of the appeal and the statement of the arguments lack clarity and precision, which could prevent full understanding of the appellant's arguments and the factors relied on in support thereof.

24 In that regard, it must be borne in mind that, in accordance with settled case-law, it follows from a combined reading of Article 256 TFEU, the first paragraph of Article 58 of the Statute of the Court of Justice of the European Union and Article 112(1)(c) of the Rules of Procedure of the Court of Justice, in the version applicable at the date on which the present appeal was lodged, that an appeal must indicate precisely the contested elements of the judgment which the appellant seeks to have set aside and also the legal arguments specifically advanced in support of the appeal (see, to that effect, inter alia, Case C-234/06 P *Il Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 44). An appeal or a plea which is too vague to be answered does not satisfy those requirements and must be declared inadmissible (see, to that effect, Case C-194/99 P *Thyssen Stahl v Commission* [2003] ECR I-10821, paragraph 106).

25 In the present case, it must be held that, as OHIM rightly points out, the general presentation of the appeal lacks clarity and is devoid of any coherent structure. Under a single heading, 'Grounds for appeal', there are different arguments in support of the application to have the judgment under appeal set aside, which have not been drafted with all the clarity sufficient to show precisely the contested elements of the judgment under appeal and the legal arguments specifically advanced in support of his application.

26 In that regard, it must be noted, firstly, that the appellant's arguments complaining that the General Court gave its judgment, on the basis of incorrect factual conclusion and a selective assessment of the evidence, in breach of the Rules of Procedure do not meet the requirements set out in paragraph 24 of the present order. Those arguments either are couched in vague and unsubstantiated terms or do not indicate precisely the contested elements of that judgment.

27 Secondly, the appellant's submission complaining that the General Court used the term 'registered Taiwanese marks' in the judgment under appeal and referring, in support thereof, to the judgment in Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893 does not state which error in law the General Court thereby allegedly committed and fails to show, clearly and precisely, the legal arguments which support his criticism, which does not comply with the requirements set out in paragraph 24 of the present order.

28 Thirdly, the appellant's argument which merely criticises the General Court's finding in paragraph 40 of the judgment under appeal that OHIM was incorrect to find that there was no similarity between the two marks identifies neither the error in law committed by the General Court nor the legal reasoning supporting that argument, contrary to the requirements set out in paragraph 24 of the present order.

29 Fourthly, with regard to the appellant's argument seeking to contest paragraph 34 of the judgment under appeal which refers to the relevant considerations of the judgment in *Chocoladefabriken Lindt & Sprüngli*, it must be held that the appellant does not specify the reasons for his challenging the General Court's position or the error in law on which he relies. It follows that the appellant's arguments do not meet the requirements set out in paragraph 24 of the present order.

30 Those arguments must therefore be rejected as manifestly inadmissible.

31 What is more, it must be borne in mind that, in accordance with established case-law, it is clear from Article 256 TFEU and Article 58 of the Statute of the Court of Justice, the General Court alone has jurisdiction to find and appraise the facts, save where the factual inaccuracy of its findings results from the documents in the case before it (see Case C-100/11 *P Helena Rubenstein and L'Oréal v OHIM* [2012] ECR I-0000, paragraph 84). When the General Court has found or assessed the facts, the Court of Justice has jurisdiction under Article 256 TFEU to review the legal characterisation of those facts by the General Court and the legal conclusions it has drawn from them (see Case C-167/04 *P JCB Service v Commission* [2006] ECR I-8935, paragraph 106).

32 In addition, it follows from settled case-law that the Court of Justice has no jurisdiction to establish the facts or, in principle, to examine the evidence which the General Court accepted in support of those facts. Provided that the evidence has been properly obtained and the general principles of law and the rules of procedure in relation to the burden of proof and the taking of evidence have been observed, it is for the General Court alone to assess the value which should be attached to the evidence produced to it. Save where that evidence has been distorted, its appraisal therefore does not constitute a point of law which is subject, as such, to review by the Court of Justice (see Case C-311/11 P Smart Technologies v OHIM [2012] ECR I-0000, paragraph 52).

33 The appellant's appeal in essence criticises the factual findings and the assessment of evidence made by the General Court in paragraphs 47 and 48 of the judgment under appeal, without advancing any arguments to support the view that the General Court distorted the evidence submitted to it.

34 It follows that those arguments must be rejected as manifestly inadmissible.

35 To the extent that the arguments advanced by the appellant meet the conditions for admissibility, it is possible to identify one ground for appeal alleging a failure to have proper regard to the notion of bad faith and two grounds for appeal of a procedural nature concerning, first, the refusal by the General Court to take into account certain evidence submitted for the first time before the General Court and, second, an alleged reversal of the burden of proof.

The ground for appeal alleging that the judgment under appeal failed to have proper regard to the notion of bad faith

The appellant's arguments

36 The appellant alleges that the General Court failed to take into consideration all the relevant criteria, laid down in the judgment in the *Chocoladefabriken Lindt & Sprüngli* case, in order to examine the notion of bad faith. In his opinion, if all the relevant factors in the present case are taken into account, it is not possible to find that he acted in bad faith.

Findings of the Court

37 It is clear that the error allegedly committed by the General Court in that it failed to state the effect of the similarity of the two marks and the other factors identified in the judgment under appeal on the notion of bad faith is manifestly unfounded.

38 In paragraphs 33 to 36 of the judgment under appeal, the General Court recalled that it follows from the judgment in the *Chocoladefabriken Lindt & Sprüngli* case that bad faith on the part of an applicant for registration of a Community trade mark, within the meaning of Article 51(1)(b) of Regulation No 40/94, must be assessed globally, taking into account all factors relevant to the circumstances of the case. The factors which should be taken into account include the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product. It follows from the judgment under appeal that the General Court considered that the fact that there is similarity between the two marks was relevant to a finding of bad faith. As regards the other factors identified in the judgment under appeal, the General Court held, in paragraph 50 of the judgment under appeal, that four of the six considerations taken into account by OHIM concerning bad faith were not based on an analysis of all of the relevant factors and were not substantiated by the evidence in the file or were based on incorrect factual findings. Similarly, in paragraph 52 of that judgment, the General Court clearly stated that those considerations of fact and law, as set out in the contested decision, could not form the basis of a finding that the applicant was not acting in bad faith.

39 If the appellant's allegation is to be understood as complaining that it was held in the judgment under appeal that the applicant acted in bad faith, clearly that allegation lacks any basis in fact. It is apparent from the judgment under appeal that the General Court did not reach such a conclusion. In paragraph 56 of that judgment, in order to reject, in paragraph 57 of the judgment, Feng Shen's application for alteration requesting the General Court to declare the contested mark invalid, the General Court held that the factors established in the contested decision did not justify a finding that the applicant had not acted in bad faith nor, on that basis alone, a finding that he had so acted.

40 Consequently, that ground for appeal must be dismissed as manifestly unfounded.

The ground for appeal alleging that the judgment under appeal refused to take into account certain pieces of evidence submitted for the first time before the General Court

Arguments of the parties

41 The appellant submits that, contrary to the finding of the General Court in paragraph 25 of the judgment under appeal, the appellant did not alter the object of the proceedings within the meaning of Article 135(4) of the Rules of Procedure of the General Court by submitting

for the first time evidence in his rejoinder before the General Court. In that regard, he argues that he merely amplified arguments previously submitted and made them more specific.

42 OHIM disputes the appellant's argument, referring to the case-law of the Court of Justice, in accordance with which the General Court does not have jurisdiction to annul or alter decisions of the Boards of Appeal on grounds submitted after those decisions are delivered.

43 Feng Shen argues that the General Court was correct in disregarding the evidence added to the file by the appellant since that evidence is without probative value.

Findings of the Court

44 First of all, it must be noted that it is on the basis only of the alleged infringement of Article 135(4) of the Rules of Procedure of the General Court that the appellant criticises the conclusion which that Court reached in paragraph 25 of the judgment under appeal as regards the inadmissibility of evidence produced for the first time before it, without, however, disputing either the fact that that was indeed evidence which the appellant produced for the first time before it, or the legal basis of that declaration of inadmissibility by the General Court, namely Article 63 of Regulation No 40/94, by virtue of which the General Court cannot re-examine the facts in the light of evidence produced for the first time before it.

45 The General Court was right to recall, in paragraph 25 of the judgment under appeal, that the purpose of an action before the General Court is to review the legality of decisions of the Boards of Appeal for the purposes of Article 63 of Regulation No 40/94 and the legality of the contested measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted, since the General Court's function is not to re-evaluate the factual circumstances in the light of evidence which has been adduced for the first time before it. Accordingly, the General Court was also correct to state that to admit such evidence is contrary to Article 135(4) of the Rules of Procedure of the General Court, which states that the parties' pleadings may not change the subject-matter of the proceedings before the Board of Appeal.

46 Consequently, that ground for appeal must be dismissed as manifestly unfounded.

The ground for appeal alleging that the burden of proof was reversed in the judgment under appeal

Arguments of the parties

47 The appellant submits that it would be contrary to the principle of the presumption of innocence to place the burden of proof of his good faith on the applicant for registration of a trade mark. In his opinion, in the present case the General Court reversed the burden of proof.

48 OHIM is of the opinion that the appellant has read the judgment under appeal incorrectly since the General Court merely annulled the decision of the Board of Appeal without establishing that the appellant acting in bad faith in the case.

Findings of the Court

49 In paragraph 13 of the judgment under appeal, the General Court points out, on one hand, that the contested decision states that burden of proving that the applicant for a trade mark is acting in bad faith is on the applicant for cancellation of the trade mark, namely, in the present case, Feng Shen. Next, the General Court notes, in paragraph 14 of the judgment under appeal, on the basis of six separate considerations, Feng Shen had not adduced evidence of such bad faith. Finally, at the end of the examination of those considerations, carried out in paragraphs 38 to 49 of the judgment under appeal, the General Court concluded, in paragraph 50 of the judgment under appeal, that four of those considerations are not based on an analysis of all of the relevant factors, as required by *Chocoladefabriken Lindt & Sprüngli*, and are not substantiated by the evidence in the file or are based on incorrect factual findings. On the other hand, in paragraph 51 of the judgment under appeal, the General Court holds that the two remaining considerations are insufficient in themselves to determine whether the applicant for registration acted in bad faith, since it is a question of factors which do not enable identification of his intentions when filing his application for a Community trade mark. The General Court concludes therefrom, in paragraphs 52 and 56 of the judgment under appeal, that OHIM could not on that basis find, in the contested decision, that the applicant for registration was not acting in bad faith or that he was so doing. It follows from the foregoing that the General Court did not reverse the burden of proof which rested on Feng Shen.

50 In those circumstances, that ground for appeal must be dismissed as manifestly unfounded.

51 In the light of the foregoing, the present appeal must be dismissed as being in part manifestly inadmissible and in part manifestly unfounded.

Costs

52 Under Article 138(1) of the Rules of Procedure of the Court of Justice, which applies to appeal proceedings by virtue of Article 184(1) thereof, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has applied for costs and the appellant has been unsuccessful, the latter must be ordered to pay the costs of the appeal.

On those grounds, the Court (Tenth Chamber) hereby orders:

- 1. The appeal is dismissed.**
- 2. Mr Jarosław Majtczak shall pay the costs.**

[Signatures]

* Language of the case: English.