

Rechtspraak

Merkenrecht

Nr. 1

Grote Kamer van Beroep EUIPO 15 oktober 2024

zaak R 497/2024-G

Met noot van R. Chalmers Hoyneck van Papendrecht

(Nightwatch)

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tegen
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Samenvatting

Art. 66, lid 1, art. 71 lid 3, art. 139 lid 2 sub b Uniemerkenverordening

Artikel 66, lid 1, artikel 71 lid 3, en artikel 139 lid 2 sub b Uniemerkenverordening moeten aldus worden uitgelegd dat conversie van een Uniemerkaanvraag niet kan worden uitgesloten op grond van een beslissing tot weigering daarvan, in een ex parte of inter partes procedure, wanneer de aanvraag vervolgens wordt ingetrokken voordat de weigeringsbeslissing effect kan sorteren. Zolang de wettelijke termijn voor het instellen van beroep tegen een beslissing van het EUIPO niet is verstreken zonder dat beroep is ingesteld, of een beroep tegen een beslissing door de rechter in hogere aanleg niet is verworpen, is de beslissing niet definitief en heeft deze geen rechtsgevolg.

Opinion

1 On 22 February 2024, the Executive Director referred five questions on a point of law to the Grand Board of Appeal ('the Grand Board' under Article 157(4)(l) and Article 165(4) EUTMR, in conjunction with Article 37(4) and (5) EUTMDR ('the request for a reasoned opinion': 'the request'). The questions were worded as follows:

- *Question 1:* Does the expression 'the decision of the Office in Article 139(2)(b) EUTMR include decisions of the Office containing grounds of refusal of an EUTM application, where no appeal is brought under Article 66 EUTMR, but where the EUTM is withdrawn during the appeal period set out in Article 68(1) EUTMR?
- *Question 2:* Does the answer to question 1 differ where an appeal against the grounds of refusal is brought under Article 66 EUTMR, but where the EUTM is withdrawn prior to a final dismissal of that appeal?
- *Question 3:* Should Article 71(3) EUTMR be interpreted to mean that Article 139(2)(b) EUTMR includes decisions of the Boards of Appeal containing grounds of refusal of an EUTM application, where no

action is brought under Article 72 EUTMR, but where the EUTM is withdrawn during the period set out in Article 72(5) EUTMR?

- *Question 4:* Does the answer to question 3 differ where an action against the grounds of refusal is lodged under Article 72 EUTMR, but where the EUTM is withdrawn prior to a final dismissal of that action?
- *Question 5:* Does the answer to questions 1 to 4 differ where the relevant decision is rendered in ex parte or inter partes proceedings? If so, to what extent?

2 On 2 April 2024, the request for a reasoned opinion was published in the Official Journal of the Office pursuant to Article 37(4) EUTMDR. Within two months of the publication, the Association of Trademark and Design Law Practitioners ('APRAM'), ECTA, the International Trademark Association ('INTA') and MARQUES submitted their written observations pursuant to Article 37(6) EUTMR.

3 The national intellectual property offices 'IPOs' were also invited to submit their observations to the request for a reasoned opinion and, on 31 May 2024, the Benelux Office for Intellectual Property ('BOIP') submitted its observations.

Background to the request for a reasoned opinion

4 The five questions on a point of law referred by the Executive Fourth Director by his request for a reasoned opinion concern mainly the interpretation of Article 66(1), Article 71(3) and Article 139(2)(b) EUTMR, and in particular, the possible conversion-blocking effect of the refusal of an EUTM application in the case of its subsequent withdrawal. Those questions were raised in the context of the Grand Board's decision of 27/09/2006, R 331/2006-G, Optima, claimed to be the basis of the current long-standing Office practice, and the recent Fourth Board of Appeal's ('the Grand Board') Decision of 26/09/2022, R 1241/2020-4, Nightwatch (the Nightwatch decision), claimed to have overruled that Office practice.

5 According to the request, the practice in question has an impact on the Office's users who wish to avail themselves of the conversion mechanism. Indeed, it is claimed that the Nightwatch decision caused a stir in the IP world, prompting questions from user associations as to why the matter was not sent to the Grand Board and whether the Trade Mark Guidelines of the Office ('the Guidelines' would be updated as a result. A reasoned opinion was therefore requested in the interest of legal certainty and consistency (request, § 3 and 4).

6 Further, interpretative differences are alleged to exist as to whether (i) Article 139(2)(b) EUTMR [governing the conversion-blocking effect of a refusal decision] refers only to a 'final' decision of the Office (i.e. a decision that was not appealed or that was upheld on appeal) or

whether (ii) that provision also covers a decision that never became ‘final’, because the EUTM was withdrawn during the appeal period or during the period of suspensive effect produced by the appeal. The interpretative differences would derive principally from the interplay between Article 66(1) EUTMR and Article 139(2)(b) EUTMR (request, § 7).

7 According to the request, the practice of the Office since 2006, initially based on the Optima decision, is that ‘non final’ decisions can exclude conversion under Article 139(2)(b) EUTMR. The Office did not consider that the addition of the second sentence of Article 66(1) EUTMR (‘Those decisions shall take effect only as from the date of expiration of the appeal period referred to in Article 68’) in 2016 changed the meaning of the law as it stood before its revision. Hence, that sentence is not understood as meaning that withdrawal of the EUTM application during the appeal period entails that a refusal decision has no legal consequences at all (request, § 8).

8 The Office interpreted the Optima decision as meaning that an EUTM that is withdrawn during the appeal period, and for which the Office had issued a decision of refusal, will not be treated as ‘refused’ in the Office database and in the Register, but as ‘withdrawn’. However, that refusal decision ‘remains in existence’ and may have ‘possible effects’ under certain provisions of the EUTMR, such as excluding a request on conversion pursuant to Article 139(2)(b) EUTMR (request, § 11).

9 The Fourth Board found in its Nightwatch decision that conversion is not to be excluded under Article 139(2)(b) EUTMR where the Office refuses an EUTM application and then the EUTM applicant withdraws its application during the appeal period. In so doing, according to the request, the Nightwatch decision takes an approach that differs from long-standing Office practice as stated in the Guidelines concerning the conversion of an EUTM pursuant to Articles 139 and 140 EUTMR (request, § 2).

10 In this context, the Grand Board finds it appropriate to cite the Guidelines, Part E: Register operations, Section 2, Conversion. The Grand Board recalls that these Guidelines are not binding on the Boards. It notes that, according to point 2.1 ‘Conversion of EUTMs’, conversion is possible, inter alia, where an EUTM application has been withdrawn by the applicant. However, under point 4 ‘Grounds Precluding Conversion’, the following is stated:

‘Conversion will not take place [...] where the particular ground for which the EUTM application or registered EUTM or IR designating the EU has ceased to have effect would preclude registration of the same trade mark in the Member State concerned [...]. Therefore, a request for conversion of a rejected EUTM will not be admissible in respect of the Member State to which the grounds for refusal [...] apply [...].’

Even when the ground for conversion is the withdrawal of an application, if such a withdrawal takes place during the appeal period after a decision to refuse the mark on the basis of a ground that would preclude registration in the Member State concerned and if no appeal has been filed, the request for conversion will be rejected.’

11 Furthermore, under point 4.3 ‘Withdrawal/surrender after a decision has been rendered’, the following is stated:

‘Where the applicant withdraws the EUTM application [...] before the decision becomes final (i.e. during the appeal period) and

subsequently requests conversion of the mark into national trade marks in some or all of the Member States for which a ground for refusal [...] applies, the request for conversion will be rejected for those Member States.

If the applicant [...] files an appeal and subsequently withdraws [...] the refused application [...] and then requests a conversion, the withdrawal [...] will be forwarded to the competent Board and may be put on hold pending the outcome of the appeal proceedings (24/03/2011, C-552/09 P, *TiMiKinderjoghurt*, EU:C:2011:177, § 43; 22/10/2010, R 463/2009-4, *MAGENTA* (col.), § 25-27; 07/08/2013, R 2264/2012-2, *SHAKEY*’S). Only once the withdrawal [...] has been processed will the conversion either be forwarded as admissible to all the Member States where conversion is requested, or refused, depending on the outcome of the assessment of the request [...].’

Legal context

[...]

Relevant case-law of the Boards of Appeal

15 The Grand Board will first summarise the Grand Board’s Optima decision (27/09/2006, R 331/2006-G, *Optima*), on which, according to the request for a reasoned opinion, the current practice of the Office is based. After that, the Grand Board will summarise the Fourth Board’s Nightwatch decision (26/09/2022, R 1241/2020-4, *Nightwatch*), which, according to the request, differs from this long-standing practice, as described in the Guidelines. Finally, the Grand Board will summarise its recent decision 18/09/2023, R 1508/2019-G, *Zara* (‘the Zara decision’), as far as relevant for the present opinion.

(i) The Optima decision of the Grand Board

16 The Grand Board held in its Optima decision that the use of the term ‘at any time’ in Article 49(1) EUTMR (then Article 44(1) CTMR) clarifies the fact that withdrawal is permissible during any phase of the proceedings, that is to say, not only during the examination proceedings, but also, in particular, during ongoing opposition and appeal proceedings (§ 13).

17 The Grand Board recalled that appeal proceedings have suspensive effect pursuant to Article 66(1), third sentence, EUTMR (then Article 57(1), second sentence, CTMR). The consequence of this provision (which, at the time of the Optima decision, did not even contain its second sentence but only the last one relating to the suspensive effect of appeals) is that a contested decision of the Office at first instance may not take legal effect until the period to lodge an appeal is over or the decision handed down by the Board of Appeal has confirmed the decision. The suspensive effect may even be prolonged further if the applicant appeals the decision of the Boards to the General Court. The decision to refuse the registration of an applied-for mark cannot have the consequence of terminating the examination proceedings until the two-month period to appeal is over. It is therefore possible to withdraw the applied-for mark at any stage during the examination or appeal procedures, as has been decided in a number of earlier decisions of the Boards of Appeal (e.g. 01/12/2004, R 348/2004-2, *BELEBT GEIST UND KÖRPER*, § 18 and 19; 23/03/2006, R 1411/2005-1, *Eurostile*, § 11 and 12) (§ 14).

18 In the Optima decision this meant that, at the point in time when the applicant's withdrawal was received by the Office, the period for filing a notice of appeal against the examiner's decision to refuse the mark applied for had not yet expired. Thus, at this point in time the examiner's refusal decision had not yet become effective, with the result that the suspensive effect of the ongoing period in which it was possible to file notice of an appeal remained in force. Thus, it was still possible for the applicant effectively to withdraw the application (§ 15).

19 The Grand Board stressed that the appeal was against the decision not to accept the withdrawal, and not against the decision to refuse the mark applied for. It therefore considered the latter decision, as from the expiry of the two-month appeal period, to be 'a decision that should remain in the files'. 'The possible effects of such decision of refusal on an applied-for mark' which had later on been withdrawn, were outside the scope of the appeal (§ 16).

(ii) The Nightwatch decision of the Fourth Board of Appeal

20 The Fourth Board's Nightwatch decision concerned a case where the Office had rejected the applicant's conversion request for the United Kingdom because the EUTM application had been refused by the Office on the basis of its descriptiveness and lack of distinctiveness in English in the refusal decision, and the applicant had not filed an appeal against the refusal decision. The applicant had withdrawn the application during the appeal period before requesting the conversion.

21 The main question before the Fourth Board was, whether the Office could apply Article 139(2)(b) EUTMR when the EUTM application had been withdrawn during the appeal period but no appeal against the refusal decision had been filed, or whether the Office should have applied Article 139(1)(a) EUTMR instead.

22 The Fourth Board, after having cited paragraphs 13 and 14 of the Optima decision, recalled that the Boards had indeed already stated that it is always possible to withdraw an application until the point in time at which a decision by the Examination Division refusing the application becomes final and absolute. It is immaterial whether an appeal has (already) been filed against the preceding decision refusing an application, provided the withdrawal is effected within an ongoing period for filing an action (see 01/12/2004, R 348/2004-2, BELEBT GEIST UND KÖRPER, § 17; 23/03/2006, R 1411/2005-1,

Eurostile, § 11) (§ 38).

23 The Fourth Board also recalled that the Office's examination procedure closes not at the time when the final decision on an appeal is taken or delivered but as expressly provided in Article 66(1) EUTMR, only upon the expiry of the period set in Article 68 EUTMR for the filing of a notice of appeal or, if notice of appeal has been filed within this period, upon its final dismissal. Hence decisions of the Examination Division do not take effect until the expiry of the period allowed for appeals, if no notice of appeal has been filed, or until the final dismissal of an appeal by the Board of Appeal or, where applicable, until after the conclusion of an action or proceedings on appeal before the General Court or the Court of Justice of the EU (23/03/2006, R 1411/2005-1, Eurostile, § 14) (§ 39).

24 At the point in time when the applicant's withdrawal was received by the Office, the period for filing a notice of appeal against the refusal

decision had not yet expired. Thus, at this point in time the decision of the Office had not yet taken effect pursuant to Article 66(1) EUTMR, second sentence. Hence, it was still possible for the applicant effectively to withdraw the application (see 27/09/2006, R 331/2006-G, Optima, § 15; 23/03/2006, R 1411/2005-1, Eurostile, § 15 and 16) (§ 40).

25 In addition, in the case of this withdrawal, which was effected while the period for filing an appeal was still ongoing, it was on no account necessary for the applicant, for instance, to have filed a notice of appeal beforehand. This would have resulted in a complication which is legally unnecessary and would be detrimental to the economy of the proceedings if a party to the proceedings were required to file an appeal merely for the purposes of withdrawing an application (01/12/2004, R 348/2004-2, BELEBT GEIST UND KÖRPER, § 22; 23/03/2006, R 1411/2005-1, Eurostile, § 16) (§ 41).

26 It followed that the applicant had terminated the examination proceedings by withdrawing its EUTM application pursuant to Article 49(1) EUTMR. As a consequence of the withdrawal of the EUTM application, the examination proceedings had become without purpose. Therefore, the refusal decision of the examiner should not have become final (§ 42).

27 The Fourth Board held that since there was no final decision on refusal of the EUTM application, the Office should not have applied Article 139(2)(b) EUTMR. In this regard, the Board recalled that this provision, as well as Article 139(6) EUTMR, refer explicitly to 'the decision of the Office'. In other words, in the absence of the decision of the Office, these provisions are not applicable. The Fourth Board could not see any possibility to interpret these provisions as referring to a decision which, in the end, would not have become final (§ 43).

28 The Fourth Board also considered that, as the filing of an appeal cannot be required for a withdrawal to be effective, neither can it be required for a conversion request to be acceptable on the basis of Article 139(1)(a) EUTMR (see paragraph 25 above). In fact, assuming that the applicant intended to file an appeal against the refusal decision and then to withdraw its application only after that moment, the Board would have stated in its decision that the applicant had terminated the proceedings by withdrawing its EUTM application pursuant to Article 49(1) EUTMR and, as a consequence of the withdrawal of the EUTM application, the examination and appeal proceedings had become without purpose. In addition, the Board would have declared both proceedings closed and held that the contested decision of the examiner would not become final. However, within three months of the withdrawal, the applicant would still have had the possibility to file its conversion request pursuant to Article 139(1)(a) EUTMR (§ 44).

29 The Fourth Board could not see any reason why the applicant should have been required to file an appeal against the refusal decision in order to be able to file its conversion request pursuant to Article 139(1)(a) EUTMR. There was no legal basis for this interpretation. Nor could it be seen as an attempt to circumvent the limitations of Article 139(2)(b) EUTMR or as an abuse of process not to file an appeal but merely a withdrawal before conversion. Requiring an appeal to be filed would only complicate matters and be legally unnecessary. It would be detrimental to the economy of proceedings if a party to the proceedings were required to file an appeal merely for the purposes of requesting conversion after withdrawing an application (see paragraph 25 above) (§ 45).

30 In this context, the Fourth Board also noted that the case-law cited under point 4.3 (Withdrawal/surrender after a decision has been rendered) of the Guidelines (see paragraph 11 above) does not concern withdrawal of the EUTM application in *ex parte* proceedings. Instead, judgment 24/03/2011, C-552/09 P, *TiMiKinderjoghurt*, EU:C:2011:177, concerns invalidity proceedings and the effects of a subsequent surrender in these proceedings. Decision 22/10/2010, R 463/2009-4, *MAGENTA* (col.), also concerns invalidity proceedings and a subsequent withdrawal of the request for declaration of invalidity. Finally, decision 07/08/2013, R 2264/2012-2, *SHAKEY'S* concerns revocation proceedings and a subsequent surrender in these proceedings. Therefore, that judgment and those decisions were not of any assistance to the Office in the present proceedings (§ 46).

31 Moreover, the Fourth Board could not agree with the statements in the contested decision concerning the alleged dissimilarity between the present case and decision 01/12/2004, R 348/2004-2, *BELEBT GEIST UND KÖRPER*. The latter decision, as well as decisions 23/03/2006, R 1411/2005-1, *Eurostile* and 27/09/2006, R 331/2006-G, *Optima*, based their reasoning on the suspensive effect of the appeal in order to be able to say that the first-instance decisions cannot take legal effect until the final decisions. However, contrary to the provision applicable in those cases (Article 57(1) CTMR), Article 66(1) EUTMR, second sentence, applicable in the present case, explicitly states that '[t]hose decisions shall take effect only as from the date of expiration of the appeal period referred to in Article 68'. Thus, regardless of whether an appeal has been filed or not, first instance decisions cannot take effect before the expiration of the appeal period. This, in turn, means that if, during that period, an EUTM application or, for example, an opposition is withdrawn, the first-instance decision becomes devoid of purpose and does not become final (§ 47).

32 The Fourth Board continued that, furthermore, contrary to what was stated in the contested decision, it was not confirmed in decision 01/12/2004, R 348/2004-2, *BELEBT GEIST UND KÖRPER*, that 'the withdrawal alone does not remove the existing grounds of refusal that gave rise to its objection'. In fact, the Second Board of Appeal stated the following in paragraph 26 (unofficial translation):

'The applicant also correctly points out that the distinction between the refusal of an application and the withdrawal of an application is on no account irrelevant, but may have significant consequences in the conversion procedure pursuant to [Article 139(2)(b) EUTMR], in accordance with which conversion of [an EUTM] application into a national trade mark application shall not take place for the purpose of protection in a Member State in which, in accordance with the decision of the Office, grounds for refusal of registration apply. Thus, if an application withdrawn during the period for appeal against a decision of the Board were to be regarded as having been refused, the Office could thereby make its refusal decision binding on the national offices, although this decision, as a result of the withdrawal of the application, would not have become effective.' (§ 48).

33 Thus, according to the Fourth Board, following an effective withdrawal of an application, it remains a matter for the relevant national trade mark authorities to decide on the protectability of the converted mark. The national trade mark authorities are neither obliged to nor prevented from coming to the same conclusion as the examiner in the refusal decision, which was issued prior to the withdrawal, on the basis of said authorities' own examination of the

contents (01/12/2004, R 348/2004-2, *BELEBT GEIST UND KÖRPER*, § 27). Due to the withdrawal occurring during the appeal period, the refusal decision has not become effective (§ 49).

34 The Fourth Board concluded that the Office should have applied Article 139(1)(a) EUTMR for the applicant's conversion request also as regards the United Kingdom, instead of applying Article 139(2)(b) EUTMR (§ 51). In other words, the basis of the conversion request for all Member States concerned by it should have been the withdrawal of the EUTM application and not any other ground.

(iii) The *Zara* decision of the Grand Board

35 The Grand Board's *Zara* decision concerned a case where the examiner had entirely refused the request for conversion because the registered mark had been partially revoked on the grounds of non-use.

36 The Grand Board held that conversion is the process of transforming an EUTM (application or registration) into one or more national applications only after this EUTM has been refused by final decision or has ceased to produce any effect (§ 22).

37 According to the Grand Board, conversion was introduced in the EUTM system to 'soften' the consequence of the unitary character of EUTMs and it is the expression of the principle that the Union and national trade mark systems are complementary. However, the fact that conversion can only take place once the protection of the EUTM is denied or ceases to have effect is also an illustration of the autonomy of the EU system in respect of national systems of protection of trade marks (§ 23).

38 The Grand Board held that according to Article 140 EUTMR, the EUIPO will decide whether the request for conversion fulfils the conditions set out in the Regulations in conjunction with any final decisions (their operative part and reasons) that gave rise to the conversion. If one of the grounds precluding conversion exists in a particular Member State or territory, the Office will refuse to forward the conversion request to the respective national or regional office (§ 25).

39 The Grand Board concluded from the combined reading of Article 37 EUTMR, Article 139(2)(a) EUTMR, Article 140(3) EUTMR, Article 139(7) EUTMR and Recital 16 to the Preamble of the EUTMR the following: that the regular filing of an application for an EU trade mark produces in total 26 identical filing dates for the same trade mark; that the said 26 filing dates for the same trade mark are granted automatically *ex lege* by force of unitary EU law; that all matters pertaining to conversion must be interpreted in the spirit of smooth and effective cooperation and coexistence between the EU trade mark system and the national trade mark systems (§ 34).

40 Citing its decision 15/07/2008, R 1313/2006-G, *Cardiva* (fig.) / *Cardima* (fig.), the Grand Board recalled that the conversion of an EUTM application into national trade mark applications is the direct consequence of a decision of the Office (either in *ex parte* or *inter partes* cases) and is further directly conditioned by the substance of that decision or a further decision. Its timing is also the consequence of an Office decision (§ 43).

41 The Grand Board concluded from 15/07/2008, R 1313/2006-G, Cardiva (fig.) / Cardima (fig.), that conversion is an administrative mechanism linking the EUTM system with all of the 25 national and one regional trade mark systems, all of which remain complementary; that the conversion mechanism is, for the users of the EUTM and the national trade mark systems, a legal safety net, namely, their fallback alternative in case they cannot obtain or maintain their rights arising from the unitary EUTM (§ 44).

42 On *res judicata*, the Grand Board held that Article 128 EUTMR aims at avoiding situations in which both EUIPO and an EUTM court would be called upon to assess the validity of the same EUTM. In particular, Article 128(2) EUTMR requires an EUTM court to 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 (§ 48).

43 As to the consequences flowing from identity of proceedings under the EUTMR, the effect of *res judicata* is attached to the first final decision issued either in the form of a judgment delivered by a court of law or in the form of an administrative decision taken by the EUIPO (§ 50).

44 The Grand Board stressed that it is a fundamental constitutional principle of European Union law that the EU legal order is autonomous and independent from the legal orders of the Member States and, vice versa, the individual or regional legal orders of the Member States are autonomous and independent both from the EU legal order (vertical autonomy) and also among themselves (horizontal autonomy) (§ 58).

[...]

Position of the Grand Board

Preliminary observations

89 The Grand Board notes that the Executive Director's request for a reasoned opinion does not question that a decision refusing an EUTM application will never become final if the application is subsequently withdrawn in the appeal period, or later, during proceedings before a higher instance. The Executive Director nevertheless asks whether such a decision could retain any residual legal effect, in particular, conversion-blocking effect (questions 1 and 3). According to the current first-instance practice, where a refused EUTM application is decision, only the operative part of the decision (the order of refusal) will not 'take effect' withdrawn within the appeal period, without challenging the refusal within the meaning of Article 66(1) and Article 71(3) EUTMR, but the grounds for refusal of the refusal decision continue producing legal effects barring conversion in Member States where the ground for refusal applied, in accordance with Article 139(2) (b) EUTMR.

90 The Executive Director also asks whether the situation is any different when an appeal is brought against the refusal decision or an action is brought against the dismissal of the appeal, but the EUTM application is withdrawn prior to a final dismissal of such appeal or action (questions 2 and 4).

91 Lastly, the Executive Director asks whether there is any difference whether the relevant decision is rendered in *ex parte* or *inter partes* proceedings (question 5).

92 The Grand Board does not see any difference in these five scenarios and will therefore provide a joint analysis of all the five questions. Indeed, the legal parameters do not change depending on when the withdrawal of the EUTM application, which has been refused, takes place, or whether it concerns *ex parte* or *inter partes* proceedings, as long as the application is withdrawn before the refusal decision becomes final.

93 Before interpreting the term 'decision of the Office in Article 139(2) (b) EUTMR and the impact of the withdrawal of the refused EUTM application upon conversion, whether the refusal decision has been challenged or not, the Grand Board will first go through some general considerations concerning legal effects of decisions. The Grand Board will also reply to the Executive Director's concerns relating to the alleged circumvention of law, before making some final observations and drawing a conclusion.

Legal effects of decisions

94 According to the request for a reasoned opinion, it would be possible to differentiate between the legal effects of a refusal of an EUTM application according to its operative part and its reasoning.

95 The Grand Board finds it useful to first recall when a decision becomes final and also to give examples of intervening events that prevent a decision from becoming final. It will then examine whether the legal effects of a non-final decision can be divided.

(i) Decision becoming final

96 Both Article 66(1) EUTMR and Article 71(3) EUTMR prescribe two types of events that terminate the suspension of the legal effects of a decision, so that it can 'take effect' (acquire the authority of a final decision / become final).

97 The first is the expiry of the statutory period for filing an appeal to the higher instance, namely (i) the expiry of the appeal period against the first-instance Office decision pursuant to Article 68 EUTMR; (ii) the expiry of the period for bringing an action against the Boards of Appeal decision pursuant to Article 72(5) EUTMR and (iii) the expiry of the appeal period against the General Court's judgment or order pursuant to Article 56 of the Statute of the Court of Justice of the European Union ('CJEU').

98 The second is the dismissal of the appeal filed against the contested decision by the higher instance. As regards a Board of Appeal decision, if an action has been brought before the General Court, the event terminating the suspensive effect is the date of dismissal of that action by the General Court or of any appeal against the General Court's decision by the Court of Justice. Regarding the first-instance decision, Article 66(1) EUTMR does not expressly specify which precise event terminates 'the filing of the appeal'. By analogy to Article 71(3) EUTMR, it can be inferred that, if an appeal was filed, the event terminating the suspensive effect is the date of dismissal of such an appeal by the Board of Appeal or of any further action or appeal brought before a higher instance.

99 When one of the prescribed events occurs, the decision takes effect and acquires the authority of a final decision. The finality of decisions applies equally to first-instance Office decisions under Article 66(1) EUTMR and Boards of Appeal decisions under Article 71(3) EUTMR and extends necessarily both to the operative part of the decision and the grounds constituting the essential basis of that operative part.

(ii) Intervening events that prevent a decision from becoming final

100 Before the end of the suspensive effect, an event may intervene that renders any pending procedure devoid of purpose and any decision rendered by a previous instance inoperative (moot). Inoperative decisions do not 'take effect within the meaning of Article 66(1) EUTMR and Article 71(3) EUTMR. The inoperability of the decision extends necessarily both to the operative part of the decision and the grounds constituting the essential basis of the operative part.

101 For example, the Court of Justice has held that it follows from a combined reading of Article 66(1) EUTMR and Article 71(3) EUTMR that a withdrawal of the application for revocation before the Cancellation Division's decision and the Board of Appeal's decision had taken effect and become final had as a consequence that both decisions became inoperative (moot) (12/04/2018, C-327/17 P, Cryo-Save, EU:C:2018:235, § 15). The same was held in relation to a withdrawal of an opposition during proceedings pending before the Court of Justice (12/12/2019, C-123/19 P & C-125/19 P, OV (fig.) / V (fig.), EU:C:2019:1088, § 23).

102 Likewise, the General Court has held that where an application for a declaration of invalidity is withdrawn within the two-month period for bringing an action before the General Court, the contested Board of Appeal's decision becomes obsolete and cannot take effect or become final (23/05/2019, T-609/18, d:temity / iTemity et al, EU:T:2019:366, § 27-30).

103 The General Court has also held that where the opposition is withdrawn in the course of proceedings before the Boards of Appeal or before the EU Courts, there is no longer any basis for the proceedings, with the result that they become devoid of purpose. When the basis of the opposition proceedings has ceased to exist, the decision which was the subject of the action for annulment in the main proceedings has to be deemed never to have existed (13/09/2021, T-616/19 REV, Wonderland / Wondermix et al., EU:T:2021:597, § 28-30).

104 As regards the revocation of the earlier mark with effect from a date prior to the Board of Appeal's decision on a request for invalidity, although declared after the adoption of the Board of Appeal's decision, it deprived the invalidity proceedings of their very basis. Those proceedings having become devoid of purpose, the contested decision becomes moot (20/07/2021, T-500/19, CORA VIN / CORA HARMONY et al., § 42).

105 Furthermore, the General Court has held that the action becomes devoid of purpose where the contested decision is based exclusively on an earlier mark which has, in the meantime, been declared invalid. The contested Board of Appeal's decision is deemed not to have had effect from the outset and cannot take effect in the future (23/02/2021, T-587/19, Marién (fig.) / MARIN, EU:T:2021:107, § 37-42).

106 It has also been held that the final refusal of the opposed EUTM application (on the basis of absolute grounds for refusal in invalidity proceedings) renders the parallel opposition proceedings devoid of purpose, so that there is no longer any need to adjudicate on the opposition (08/07/2019, T-480/16, For you (fig.) / FOR YOU et al., EU:T:2019:539, § 24-26).

107 The General Court has stressed that it is precisely the suspensory nature of an action before the General Court that allows it to take into account, even at that litigation stage, the withdrawal of an EUTM application or the refusal of the EUTM application or the withdrawal of the opposition or the withdrawal of the notice of appeal or the invalidation of a mark forming the basis of the opposition; those events render the respective administrative proceedings devoid of purpose, so that the General Court is no longer needed to adjudicate on the action before it (12/12/2018, T-565/17, Cheapflights (fig.) / Cheapflights (fig.), EU:T:2018:923, § 64-67).

108 Finally, the Grand Board itself referred in the Optima decision (§ 19) to the judgment 19/01/2006, C-82/04 P, TDI, EU:C:2006:48, § 21, 23 and 24, as an example of a case where the proceedings were closed as devoid of purpose as a result of the withdrawal of the contested application during the proceedings before the Court of Justice.

(iii) Legal effects of a non-final decision

109 The Grand Board recalls that Article 66(1) EUTMR regulates the suspended legal effect of (first-instance) Office decisions in a general, all-encompassing and horizontal manner. Indeed, it

- relates to all decisions of all first-instance decision-making entities (as listed in points to (d) and (f) of Article 159 EUTMR);
- does not differentiate between decisions issued in ex parte and inter partes proceedings;
- treats the decision as an indivisible unit and does not differentiate between the operative part and the reasoning of the decision;
- contains no exception clause, such as 'unless otherwise provided for in this Regulation'; and
- foresees the same suspensive effect in temporal terms, covering both (i) the appeal period referred to in Article 68 EUTMR and (ii) the pendency period of appeal proceedings.

110 Similarly, Article 71(3) EUTMR regulates the suspended legal effect of the decisions of the Boards of Appeal in a general, all-encompassing and horizontal manner. Indeed, it

- relates to all decisions of the Boards, regardless of composition (three Members, single Member or Grand Board, as provided in Article 165(2) EUTMR);
- does not differentiate between decisions issued in ex parte and inter partes proceedings;
- treats the decision as an indivisible unit and does not differentiate between the operative part and the reasoning of the decision; and
- foresees the same suspensive effect in temporal terms, covering both (i) the period for bringing an action before the General Court pursuant to Article 72(5) EUTMR as well as the period for filing a further appeal (*pourvoi*) before the Court of Justice pursuant to Article 56 of the Statute of the CJEU and (ii) the pendency period of court proceedings before the General Court and, where applicable, the Court of Justice.

111 It clearly follows from the foregoing that there is no legal basis for dividing the legal effects of a decision that never becomes final, as also submitted by MARQUES (see paragraph 74 above).

Interpretation of the term 'decision of the Office' in Article 139(2)(b) EUTMR

112 The Grand Board considers, contrary to the views expressed in the request for a reasoned opinion (request, e.g. § 24; see paragraph 55 above), that the expression 'in accordance with the decision of the Office' in Article 139(2)(b) EUTMR must necessarily be interpreted as referring to a final decision, as correctly held in the Nightwatch decision (§ 43; see paragraph 27 above) and also submitted by all the interested parties in their observations (see, e.g. paragraphs 66, 70 and 72-75 above). This is the only possible interpretation that respects cumulatively (i) the suspension of the legal effects of first- and second-instance Office decisions, (ii) the legal effects produced by a final decision, (iii) the jurisprudence that inoperative decisions produce no legal effects at all, (iv) the applicant's right to withdraw the EU1M application at any time and (v) the smooth and effective interface between the EU trade mark system and the national trade mark systems, as foreseen in Recital 16 to the Preamble of the EUTMR.

113 The administrative act at issue, namely the decision refusing the EUTM application, produces its legal effects only once it becomes final. Said interpretation is in line with Article 139(6) EUTMR which requires the applicant to lodge a request for conversion based on a refusal decision within three months calculated from 'the date on which that decision acquired the authority of a final decision'. Therefor, Article 139(6) EUTMR makes it clear that Article 139(2)(b) EUTMR refers to a final refusal decision only.

114 The Grand Board has already confirmed the interpretation that Article 139(2)(b) EUTMR refers only to final refusal decisions in its Zara decision. Indeed, the Grand Board held that 'conversion is the process of transforming an EU1M (application or registration) into one or more national applications only after this EUTM has been refused by final decision or has ceased to produce any effect' (§ 22) and that 'the EUIPO will decide whether the request for conversion fulfils the conditions set out in the Regulations in conjunction with any final decisions (their operative part and reasons) that gave rise to the conversion' (§ 25) (see paragraphs 36 and 38 above).

115 The Grand Board recalls that, generally speaking, a decision is a binding legal act that either may be of general application or may have a specific addressee. Specifically, Article 263(1) and (5) TFEU make reference to acts of the EUIPO intended to produce legal effects in relation to natural or legal persons. It follows from established case-law that the form in which such acts or decisions are adopted is, in principle, immaterial. What is decisive is that the adopted measures/acts, whatever their form, are intended to have binding legal effects capable of affecting the interests of the addressee by bringing about a distinct change in their legal position (11/11/1981, 60/81, IBM v Commission, EU:C:1981:264, § 9; 19/01/2017, C-351/15 P, Commission v Total and Elf Aquitaine, EU:C:2017:27, § 35 and 36; 15/07/2020, T-842/19, Fluid distribution equipment, EU:T:2020:345, § 20 and 21). Thus, the interpretation suggested in the request for a reasoned opinion that a decision whose operative part does not 'take effect' under Article 66(1) EUTMR or Article 71(3) EUTMR could, at the same time, have – residual – effects (or consequences) which would 'take

effect', seems to be at odds with the very concept of what constitutes a 'decision'.

116 Moreover, the premise suggested in the request according to which a decision that does not take effect would still deploy [residual] binding consequences also raises the question of the addressee's right of defence against such 'effects'. Indeed, according to the case-law, there is no rule of law which enables the addressee of a decision to challenge some of the grounds of a decision by way of an action for annulment under Article 263 TFEU unless those grounds produce binding legal effects such as to affect that person's interests (see, to that effect, T-125/97 & T-127/97 Coca-Cola v Commission, EU:T:2000:84, § 77 and 80-85). The grounds of a decision are not in principle capable of producing such effects (08/07/2004, T-50/00, Dalmine v Commission, EU:T:2004:220, § 134).

117 If that approach were followed, the Office's decision that does not take effect would still comprise a provision or measure adopted by the Office producing legal effects which are binding on, and capable of affecting the interests of, its addressee by bringing about a distinct change in their legal position. Since, according to general principles of Union law, any measure taken by a Union body which adversely affects an individual must be challengeable, irrespective of the form that measure might take, the approach suggested in the request for a reasoned opinion would necessarily imply that the individuals adversely affected by the 'residual' effects of a decision – whose operative part does not take effect – would still be entitled to challenge the decision to that extent (25/06/2020, Sateen v KF, C-14/19 P, EU:C:2020:492, § 58-62; 17/04/2024, Romagnoli Fratelli v CPVO (Melrose), EU:T:2024:247, § 21-27).

118 It follows that the reference to the 'decision of the Office' in Article 139(2)(b) EUTMR necessarily means a final decision.

119 Contrary to what is argued in the request (request, § 24; see paragraph 55 above), nothing different follows from the fact that the word 'final' is missing from Article 139(2)(b) EUTMR. There was no legislative need to repeat the word 'final' again in Article 139(2)(b) EUTMR, as also submitted by the BOIP (see paragraph 75 above). Article 66(1) EUTMR and Article 71(3) EUTMR already regulate the general principle of finality and the suspended legal effect of decisions taken.

120 Conversely, the word 'final' IS necessary in Article 139(6) EUTMR for the double legislative purpose of (i) defining the starting point for calculating the time limit within which the applicant may request a conversion and (ii) placing on equal footing – for the purpose of calculating that time limit – the Office's decision refusing an EUTM application the Office's decision cancelling an EUTM and the judgment of an EU trade mark court declaring the EUTM invalid or revoked in a counterclaim (Article 124(d) EUTMR, Article 128 EUTMR and Article 22(f) EUTMR).

121 As regards the argument that, unlike Article 139(6) EUTMR, Article 139(5) EUTMR contains no reference to a 'final decision' (request, § 24; see paragraph 55 above), it suffices to say that the latter provision does not refer to a 'final decision' because it regulates the time limit for requesting a conversion based on withdrawal, surrender or non-renewal of the EUTM application or EUTM, not a 'decision'. There is no place to refer to a 'final decision' or even a 'decision' in Article 139(5)

EUTMR; the notion of ‘finality’ IS relevant only to measures of non-voluntary termination, i.e. acts of the administration.

122 The provisions of Article 139(5) and (6) EUTMR are mutually exclusive. Where there is a final decision refusing an EUTM application (Article 139(6) EUTMR), it is not possible to request conversion pursuant to Article 139(5) EUTMR, as it is no longer possible to withdraw the EUTM application. Where the EUTM application is withdrawn (Article 139(5) EUTMR), it is not possible to request a conversion pursuant to Article 139(6) EUTMR, as any refusal decision preceding the withdrawal will never take effect. In fact, the request for a reasoned opinion confirms that where an EUTM application has been withdrawn subsequent to its refusal, the Register reflects its status as ‘withdrawn’, instead of ‘refused’ (request, § 11; see paragraph 8 above). Indeed, the legal status of such an EUTM application on the Register can only be ‘withdrawn’, and not ‘refused’ or a combination of ‘refused and withdrawn’.

123 It follows from the above considerations that Article 139(2)(b) EUTMR is not applicable to requests for conversion submitted pursuant to Article 139(5) EUTMR (withdrawal, surrender, non-renewal); it only applies to requests for conversion submitted pursuant to Article 139(6) EUTMR.

Impact of the withdrawal of the refused EUTM application upon conversion

124 The Grand Board will first examine the scenario in which the refusal of the EUTM application is not challenged, and after that it will assess whether the situation is any different when the refusal has been challenged.

(i) Where the refusal of the EUTM application is not challenged

125 The Grand Board recalls that as long as the Office’s refusal decision has not yet taken

effect (has not yet become final) pursuant to Article 66(1) EUTMR or Article 71(3) EUTMR, the applicant may still withdraw the EUTM application in accordance with Article 49(1) EUTMR, as correctly held in the Nightwatch decision (§ 38 and 40; see paragraphs 22 and 24 above). As also confirmed in the Optima decision, the applicant is free to withdraw the EUTM application as long as the refusal decision has not yet become effective (§ 13 and 15; see paragraphs 16 and 18 above).

126 By withdrawing the EUTM application pursuant to Article 49(1) EUTMR, the applicant voluntarily terminates the proceedings. As a consequence of the withdrawal of the EUTM application, the examination proceedings become devoid of purpose, and the refusal decision never ‘takes effect’ (never becomes final) pursuant to Article 66(1) EUTMR or Article 71(3) EUTMR, as also correctly held in the Nightwatch decision (§ 42; see paragraph 26 above). Rather, the refusal decision becomes inoperative (moot) and does not produce any legal effects with regard to both (i) the operative part of the refusal decision and (ii) the grounds constituting the essential basis of the operative part.

127 The withdrawal of the EUTM application activates the possibility of requesting a conversion pursuant to Article 139(1)(a) EUTMR and Article 139(5) EUTMR. In the withdrawal scenario, the prohibition of

Article 139(2)(b) EUTMR does not apply, given that there IS no final ‘decision of the Office’ ordering that ‘grounds for refusal of registration apply to the EU trade mark application’. In conclusion, an inoperative (moot) refusal decision cannot prohibit the conversion of the withdrawn EUTM application.

128 The request for a reasoned opinion finds support for the interpretation that an inoperative (moot) refusal decision still has residual legal effects, for example, to block a conversion, in paragraph 16 of the Optima decision, which it cites as ‘such decision exists and should remain in the files after the withdrawal of the application, also noting that the Fourth Board did not directly refer to this paragraph in its Nightwatch decision. The request actually claims that the said paragraph has been the basis for the long-standing first- instance practice relating to conversions (request, § 26; see paragraph 57 above. In this regard, the Grand Board would like to emphasise the following.

129 Firstly, the citation of paragraph 16 is not accurate, as it is not stated in that paragraph (or anywhere in the Optima decision) that the previous decision ‘exists’. Indeed, the cited sentence correctly reads: ‘[The refusal decision] must therefore be considered, as from the expiry of the two-month appeal period, to be a decision that should remain in the files.’ Secondly, it is difficult to justify the current first-instance practice with that paragraph given that the Grand Board explicitly stated that the possible effects of the refusal decision were beyond the scope of the appeal (‘The possible effects of such decision of refusal on an applied-for mark which has later on been withdrawn are outside the scope of the present appeal’) (see paragraph 19 above). It is not stated in the Optima decision that the previous refusal decision would retain any residual legal effects. Indeed, the words ‘should remain in the files’ may equally have been added simply to alert the national offices that a ground of refusal was, according to the Office, applicable to the EUTM application that was later withdrawn and converted to a national application.

130 The Grand Board stresses that the statement in paragraph 16 of the Optima decision that the inoperative decision refusing the EUTM application ‘should remain in the files’ must be read in conjunction with Article 115(1) EUTMR, which foresees the following: ‘The Office shall keep the files of any procedure relating to an EU trade mark application or EU trade mark registration. The Executive Director shall determine the form in which those files shall be kept.’ In other words, all decisions should be docketed and safely stored under the Office’s responsibility.

131 Office decisions as such are, in principle, not confidential; they are public documents and the European Union public has a right to access them. The Office has a legal obligation to ‘make the decisions of the Office [...] available online for the information and consultation of the general public’ in accordance with Article 113(1) EUTMR. The public’s right to access docketed decisions is disconnected from the legal effect of those decisions, which flows *ex lege* and lies beyond the control of the decision-making body. Article 113(1) EUTMR does not condition the publication of a decision upon the finality of that decision. The inoperative (moot) refusal decision must also be published and docketed (‘should remain in the files’). However, this does not mean that it produces legal effects simply due to its docketing.

(ii) Where the refusal of the EUTM application is challenged

132 The request for a reasoned opinion also raises (in questions 2 and 4) whether it makes a difference that the EUTM application is withdrawn during appeal or court proceedings, that is, after the refusal decision had been challenged (before the Boards of Appeal, General Court or Court of Justice) and not merely during the appeal period (without a challenge). Current first-instance practice makes a difference, and does not exclude conversion, despite stated grounds for refusal, provided that the refusal decision has been challenged before the higher instance and the EUTM application is subsequently withdrawn during the appeal or court proceedings. The justification for the distinction seems to be the lack of apparent attempt to circumvent the appeal mechanism by seeking to obtain a different outcome through conversion ‘instead of’ bringing an appeal.

133 The Grand Board considers that no relevant distinction can be made as to whether the refused EUTM application is withdrawn during the period of appeal to the higher instance or after an appeal had been filed. As the suspensive effect is the same, it does not matter whether the EUTM application is withdrawn within the period to challenge the refusal decision before the higher instance or during subsequent appeal or court proceedings. Even where the refusal is challenged before the higher instance (Boards of Appeal, General Court or Court of Justice), the withdrawal of the EUTM application before the refusal decision takes effect renders all previous instance decisions inoperative (moot).

134 Contrary to what is argued in the request for a reasoned opinion (request, § 24 and 28; see paragraphs 55 and 58 above), there is no legal basis for requiring the EUTM applicant to file an appeal against the refusal decision (or any subsequent dismissal of the appeal) before submitting the conversion request. Such an appeal would not change anything concerning the suspended status of the refusal decision, which is anyway provided *ex lege* by Article 66(1) EUTMR and Article 71(3) EUTMR until the expiry of the respective periods of appeal. Accordingly, and as also pointed out by INTA (see paragraph 73 above), the applicant should not be required to incur additional fees and costs and take any additional procedural steps for gaining something (suspensive effect) that it already has *ex lege* (see also the Nightwatch decision, § 41, 44 and 45; see paragraphs 25, 28 and 29 above). Indeed, such a requirement would be contrary to the principle of smooth or good administration and economy of procedure. The Grand Board has already held in its Zara decision (§ 34) that all matters pertaining to conversion must be interpreted in the spirit of smooth and effective cooperation and coexistence between the EU trade mark system and the national trade mark systems (see paragraph 39 above; see also Recital 16 to the Preamble of the EUTMR and paragraph 14 above). Regardless of whether the applicant has filed an appeal or not, the refusal decision cannot take effect before the expiry of the period of appeal (see also the Nightwatch decision, § 47; see paragraph 31 above).

135 Also, contrary to what is suggested in the request for a reasoned opinion (request, § 24, 28 and 29; see paragraphs 55, 58 and 59 above), the Boards of Appeal are no longer competent to decide on the correctness of the refusal where the EUTM application is withdrawn, even if an appeal has been filed. In that scenario, the Boards would be bound to find that the EUTM applicant no longer retains an interest in continuing the proceedings and that the appeal proceedings have

become devoid of purpose (12/12/2018, T-565/17, Cheapflights (fig.) / Cheapflights (fig.), EU:T:2018:923, § 67-68; see also the Nightwatch decision, § 44; see paragraph 28 above), in conformity with the general (procedural) principle of Union law that bringing and pursuing administrative proceedings are only justified to the extent that these administrative proceedings are capable of bringing a specific and current advantage to the person bringing such administrative proceedings (28/02/2024, T-556/22, House Foods Group v CPVO (SK20), EU:T:2024:128, § 23 and 24). Accordingly, such an appeal would be futile, as it could bring no advantage at all to the applicant.

136 The Grand Board notes, that none of the legal parameters outlined above change where the withdrawal is effected during ongoing court proceedings, after an action has been brought before the General Court. Even where an action is filed, the voluntary withdrawal of the EUTM application during the period covered by suspensive effect renders inoperative (moot) both (i) the first-instance refusal decision and (ii) the Board of Appeal’s decision dismissing the appeal. Furthermore, where the EUTM application is withdrawn during the period within which an appeal (*pourvoi*) can be lodged with the Court of Justice against the General Court’s dismissal of that action or during the appeal proceedings before the Court of Justice, it renders inoperative (moot) not only (i) the Office’s refusal decision and the Board of Appeal’s dismissal of the appeal, but also (ii) the General Court’s judgment or order dismissing that action. In sum, inoperative Office decisions and General Court judgments cannot ‘take effect’ and do not produce legal effects within the meaning of Article 66(1) EUTMR and Article 71(3) EUTMR.

137 The Grand Board adds, for the sake of completeness, that the above conclusion does not apply to judgments and orders of the Court of Justice. The Office’s refusal decision becomes final upon dismissal of the *pourvoi* (specifically, on the date of the delivery of the Court of Justice’s judgment or on the date of the notification of the Court of Justice’s order), terminating thus the suspensive effect of (i) the appeal brought before the Board of Appeal, (ii) the action brought before the General Court and (iii) the *pourvoi* brought before the Court of Justice (Article 66(1) EUTMR, Article 71(3) EUTMR and Article 91 of the Rules of Procedure of the Court of Justice). As of that moment, the suspensive effect of the status of the EUTM application is terminated, the Office’s becomes final and the EUTM application can no longer be validly withdrawn.

The alleged circumvention of law

138 The request for a reasoned opinion (request, § 24 and 28; see paragraphs 55 and 58 above) suggests that the applicant may be circumventing the EUTM appeal mechanism and the prohibition of conversion by withdrawing the EUTM application subsequent to its refusal and requesting a conversion, instead of filing an appeal.

139 Contrary to what is implied in the request, the conversion of a withdrawn EUTM application, subsequent to its refusal, cannot be seen as an attempt to circumvent the prohibition of Article 139(2)(b) EUTMR or an abuse of process (see also the Nightwatch decision, § 45; see paragraph 29 above). To the contrary, requesting the conversion of a withdrawn EUTM application qualifies as a lawful exercise of a right, as foreseen in Article 37 EUTMR, Article 49(1) EUTMR, Article 139(1)(a) EUTMR and as being in accordance with the procedure laid down to

that effect in Article 139(5) EUTMR, Article 140(1) EUTMR and Article 22 EUTMR.

140 Indeed, as also pointed out by ECTA (see paragraph 72 above), the Grand Board has already held that the conditions for considering something to be characterised as abuse of process are very strict (11/02/2020, R 2445/2017-G, Sandra Pabst, § 30, 31 and 37, referring to 28/07/2016, C-423/15, Kratzer, EU:C:2016:604). These conditions are certainly not fulfilled in a case where an EUTM application is withdrawn during the appeal period but without filing an appeal, followed by a legitimate conversion request.

141 Furthermore, current first-instance practice, in fact, encroaches upon the competence of national offices affected by the conversion request in as much as it imposes on them an inoperative EUTM application refusal, as if it had been a final decision reflecting the ultimate conclusion of the EU administration or judicature on the matter.

142 The Grand Board recalls that it is settled case-law that the EUTM regime is an autonomous system which is independent of any national trade mark system, despite the high degree of harmonisation of EU trade mark law (see, e.g. 15/09/2009, T-471/07, Tame it, EU:T:2009:328, § 35). Therefore, the autonomous nature of national trade mark systems must also be acknowledged. It follows from the principle of coexistence of the EUTM and the national trade mark systems that the EUTM system is not superior, and EUTM application refusals cannot be considered to be of a 'higher value' (despite the single examination procedure covering the entire EU territory). Thus, as already held by the Boards of Appeal, following an effective withdrawal of an application, it remains a matter for the relevant national trade mark authorities to decide on the protectability of the converted mark. The national trade mark authorities are neither obliged nor prevented from coming to the same conclusion as the examiner in its refusal decision, which was issued prior to the withdrawal on the basis of said authorities' own examination of the contents (01/12/2004, R 348/2004-2, BELEBT GEIST UND KÖRPER, § 27; the Nightwatch decision, § 49; see paragraph 33 above).

143 Imposing the inoperative EUTM refusal on the national offices is all the more inappropriate given that the definitive 'EU position' on the matter will never be known, not knowing whether an appeal would have been filed, and if so, how the higher instances would have decided. An inoperative refusal decision remains, by definition, forever inconclusive.

144 The request for a reasoned opinion also raises concerns about the uniform application of EU trade mark law if conversion is not prohibited, should the competent national administration adopt the contrary outcome to the EUTM application refusal in consequence of the 'second chance' obtained by the applicant (request, § 24; see paragraph 55 above). That concern is not credible given that first-instance practice does not exclude conversion, despite stated grounds for refusal, if the refusal decision is challenged before the higher instance and the application is withdrawn in subsequent proceedings. The argumentation is, therefore, incoherent.

145 In any event, starting a new application procedure as a consequence of conversion is not on an equal footing with, and not comparable to, the EUTM appeal mechanism. As such, withdrawing

the EUTM application after its refusal and asking for its conversion into national trade mark applications is not a circumvention of the EUTM appeal mechanism.

146 Specifically regarding refusals of an EUTM application in an opposition procedure, it is an inconvenient but inevitable consequence of the current legislative framework that the opponent may need to oppose the converted EUTM application also on a national level (request, § 24 and 35; see paragraphs 55 and 63 above). For the reasons already stated in paragraph 144 above, this concern is not credible, as also noted by INTA in its observations according to which the Office already gives a 'second chance' to those applicants who withdraw their applications only after having filed an appeal against the refusal decision (see paragraph 86 above). Furthermore, according to settled case-law, opponents cannot require the Office to examine all the different national rights invoked in an opposition where one is sufficient for the success of the opposition, just to prevent a possible subsequent conversion of the refused EUTM application in the other territories (16/09/2004, T-342/02, Moser Grupo Media, s.l. (fig.) / MGM, EU:T:2004:268, § 41-45; 17/01/2019, T-671/17, TURBO-K / TURBO-K (fig.), EU:T:2019:13, § 96-98).

Final observations

147 In view of the considerations especially in paragraphs 128-131 above regarding the Optima decision, it follows that the Nightwatch decision did not deviate from that case-law. Therefore, it was not incumbent on the Fourth Board to refer the case to the Grand Board on that basis.

Conclusion

148 For the above reasons, the Grand Board considers that all the five questions must be answered in the negative. In the absence of any relevant differentiating factor among the scenarios contemplated by the questions, the Grand Board gives the following joint reply as its opinion:

Article 66(1), Article 71(3) and Article 139(2)(b) EUTMR must be interpreted to mean that conversion cannot be excluded on the basis of a decision refusing the EUTM application in ex parte or inter partes proceedings where the application is subsequently withdrawn before the refusal could take effect. Where conversion is requested subsequent to a withdrawal of the EUTM application (Article 139(5) EUTMR), Article 139(2)(b) EUTMR does not apply.

Consistent converteren

1. Deze zaak heeft betrekking op het proces van zogenaamde “conversie” of “omzetting” van merkrechten, namelijk het proces waarbij een Uniemerkaanvraag of -registratie kan worden ingetrokken en worden omgezet in nationale aanvragen in EU-lidstaten, mochten er zich in specifieke lidstaten problemen voordoen die de registratie van het Uniemer in de hele EU blokkeren. Conversie is vooral nuttig om mogelijke problemen met het unitaire karakter van het Uniemer op te lossen. Als het Uniemer bijvoorbeeld in slechts één of meerdere landen een registratieprobleem heeft op absolute gronden of vanwege een oppositie op basis van een ouder recht dat slechts in één of meerdere EU-landen geldig is, kan de aanvrager van een Uniemer een aanvraag indienen om het Uniemer te converteren naar afzonderlijke, nationale merkaanvragen in de landen waarvoor deze gronden niet gelden. Het voordeel van conversie is dat voor de nationale aanvragen de prioriteitsdatum van de Uniemerkaanvraag zal gelden.

2. Conversie is een tweeledig systeem dat bestaat uit, ten eerste, de betaling van de omzettingstaks en het onderzoek van het verzoek tot conversie voor het EUIPO en, ten tweede, de conversieprocedure zelf voor de nationale merkenbureaus. Afhankelijk van de nationale wetgeving wordt het omgezette merk onmiddellijk door de nationale autoriteit ingeschreven of start het de nationale onderzoeks-, inschrijvings- en oppositieprocedures op dezelfde manier als bij een normale nationale merkaanvraag. Dit laatste is het geval in de Benelux.

3. De vereisten voor de conversie van een Uniemer zijn uiteengezet in artikel 139 lid 2 sub b van de Uniemerkenverordening (“UMVo”), dat conversie verbiedt (onderstreping toegevoegd):

- (a) *“indien het Uniemer wegens niet gebruiken vervallen is verklaard, tenzij het Uniemer in de lidstaat waar om omzetting wordt verzocht zodanig is gebruikt, dat dit gebruik volgens de wetgeving van die lidstaat als normaal gebruik zou worden beschouwd”, en*
- (b) *“in lidstaten waar voor de aanvraag of het Uniemer overeenkomstig de beslissing van het Bureau of van de nationale rechterlijke instantie een grond voor weigering, verval of nietigheid van toepassing is”.*

Feiten in onderhavige zaak

4. In de onderhavige zaak heeft Preventicus GmbH op 3 december 2018 aan aanvraag gedaan voor het Uniemer NIGHTWATCH voor waren en diensten in klassen 9, 10 en 44. De onderzoeker van het EUIPO heeft de aanvraag op 17 juli 2019 integraal geweigerd omdat het aangevraagde merk beschrijvend werd geacht en elk onderscheid vermogen ontbeerde (in de zin van artikel 7 lid 1 sub b en c UMVo) in de Engelse taal. Op 11 september 2019 – voor het verstrijken van de appeltermijn – heeft Preventicus de aanvraag ingetrokken en twee dagen later heeft zij verzocht om conversie van het merk in het Verenigd Koninkrijk, de Benelux, Spanje, Italië, Frankrijk en Polen. Het conversieverzoek werd op 3 oktober 2019 geweigerd door het

EUIPO voor wat betreft het Verenigd Koninkrijk omdat de weigeringsgrond juist was gelegen in het feit dat NIGHTWATCH in de Engelse taal als beschrijvend en niet-onderscheidend was beoordeeld. De weigering van het conversieverzoek werd dus gegrond op de beslissing van het EUIPO waartegen door Preventicus geen beroep was aangetekend. Tegen de weigering van het conversieverzoek voor het Verenigd Koninkrijk is Preventicus in beroep gegaan.

De beslissing van de Vierde Kamer van Beroep en het beleid van EUIPO

5. De Vierde Kamer van Beroep van het EUIPO heeft in zijn beslissing van 26 september 2022¹ besloten dat het EUIPO de conversie moet toestaan wanneer een aanvraag voor een Uniemer wordt ingetrokken voordat een weigeringsbeslissing definitief is (dat wil zeggen, voordat de beroepstermijn tegen een beslissing van het EUIPO is verstreken).

6. Deze beslissing ging in tegen de al lang bestaande praktijk van het EUIPO zoals mede neergelegd in de (overigens niet bindende) Merkenrichtsnoeren van EUIPO²:

“In de volgende gevallen wordt niet overgegaan tot conversie:

- wanneer de specifieke grond op basis waarvan de rechtsgevolgen van de Uniemerkaanvraag of -inschrijving of de internationale inschrijving waarin de EU wordt aangewezen ophouden te bestaan, eraan in de weg zou staan dat hetzelfde merk in de betreffende lidstaat wordt ingeschreven [...]. Een verzoek tot conversie van een geweigerd Uniemer is dus niet ontvankelijk met betrekking tot de lidstaat waarop de gronden voor weigering, nietigverklaring of vervallenverklaring van toepassing zijn;

Ook wanneer de grond voor conversie de intrekking van een aanvraag is, wordt een dergelijk verzoek tot conversie afgewezen indien deze intrekking plaatsvindt tijdens de periode waarin beroep kan worden aangetekend nadat een beslissing tot weigering van het merk is uitgesproken op basis van een grond die inschrijving in de betreffende lidstaat zou beletten en er geen beroep is ingesteld.”

7. Het merkwaardige aan het in de Merkenrichtsnoeren neergelegde beleid was dat veel afhing van de vraag of de aanvrager van het Uniemer beroep aantekende tegen de beslissing tot weigering. Werd beroep aangetekend binnen de beroepstermijn, dan kon vervolgens om intrekking van het merk en de conversie worden verzocht, maar zonder het instellen van beroep kon dat niet. De Vierde Kamer oordeelde dat geen wettelijke basis bestond voor dit beleid en dat een verplichting tot het instellen van beroep de zaken alleen maar ingewikkelder en onnodig kostbaar zou maken.³

8. De uitvoerend directeur van EUIPO achtte het in het belang van de rechtszekerheid en de consistentie passend om de zaak naar de Grote Kamer van Beroep van EUIPO (“Grote Kamer”) te verwijzen, met name omdat de praktijk van het EUIPO grotendeels was gebaseerd op een eerdere beslissing van de Grote Kamer uit 2006 in de zaak *Optima*.⁴ De Grote Kamer had in die zaak besloten dat, hoewel het mogelijk was om een Uniemerkaanvraag tijdens de beroepstermijn

¹ R 1241/2020-4.

² EUIPO Merkenrichtsnoeren Deel E, Afdeling 2 (Conversie), 4. Gronden die conversie beletten, versie: 31 maart 2024.

³ Kamer van Beroep EUIPO, beslissing van 26 september 2022, zaak R 1241/2020-4, par. 45.

in te trekken, de weigeringsbeslissing “*should remain in the files*” en dat deze “*possible effects*” kan hebben voor het aangevraagde merk (par.16).

De Opinie van de Grote Kamer

9. De hamvraag voor de Grote Kamer was daarom of de woorden “*de beslissing van het Bureau*” in artikel 139 lid 2 sub b UMVo ook de situatie omvat waarbij geen beroep is ingesteld tegen een beslissing van het EUIPO krachtens artikel 66 van de Uniemerkenverordening en het Uniemerk tijdens de beroepstermijn is ingetrokken, of dat het steeds moet gaan om een definitieve beslissing, zoals de Vierde Kamer van Beroep in *Nightwatch* had geoordeeld. De daaruit voortvloeiende vraag was of de situatie anders zou zijn wanneer een beroep wordt ingesteld tegen een beslissing van het EUIPO voordat de aanvraag wordt ingetrokken.

10. De Grote Kamer benadrukt bij het beantwoorden van de vragen het bijzondere belang van artikel 66 lid 1, en artikel 71 lid 3 UMVo, die twee soorten gebeurtenissen beschrijven waardoor een beslissing “*in werking treedt*” (en dus definitief wordt). De eerste is het verstrijken van de wettelijke termijn voor het instellen van beroep en de tweede is de verwerping van een dergelijk beroep door de rechter in hogere aanleg.

11. Als een van deze twee voorgeschreven gebeurtenissen zich voordoet, wordt de beslissing van kracht en krijgt deze het gezag van een definitieve beslissing. Gelet op de duidelijke bewoordingen van de artikelen 66 en 71 UMVo, was de Grote Kamer van mening dat het noodzakelijkerwijs zo moest zijn dat artikel 139 lid 2 UMVo moest worden uitgelegd als verwijzend naar een definitieve beslissing. Dit is volgens de Grote Kamer (par. 112) de enige uitleg die cumulatief rekening houdt met:

1. de opschorting van de rechtsgevolgen van beslissingen van het Bureau in afwachting van de instelling van beroep;
2. de rechtsgevolgen van een definitieve beslissing
3. de jurisprudentie die stelt dat voorlopige beslissingen gedurende de beroepstermijn geen rechtsgevolgen hebben;
4. het recht van een EUTM-aanvrager om zijn EUTM-aanvraag op elk moment in te trekken; en
5. de vlotte en doeltreffende wisselwerking tussen het merkenstelsel van de EU en de nationale merkenstelsels (overweging 16 van de preambule van de Uitvoeringsverordening inzake het Uniemerk ((EU) 2018/626).

12. Uit het feit dat het woord “definitief” ontbreekt in artikel 139 lid 2 sub b UMVo mag niet de conclusie worden getrokken dat het voor deze bepaling ook om een niet-definitieve beslissing zou mogen gaan. In het licht van de eerder aangehaalde artikelen 66 lid 1 en 71 lid 3 UMVo, waarin het algemene beginsel van het definitieve karakter van beslissingen wordt behandeld, was er geen noodzaak om het woord in artikel 139 lid 2 sub b UMVo te herhalen. Ten overvloede merkt de Grote Kamer op dat het in de *Zara*-beslissing al had vastgesteld dat het bij toepassing van artikel 139 lid 2 sub b UMVo om definitieve beslissingen moest gaan: “*conversion is the process of transforming an EUTM (application or registration) into one or more national applications*

only after this EUTM has been refused by final decision or has ceased to produce any effect.”^{5,6}

13. De redenering van de Grote Kamer is duidelijk: een beslissing wordt definitief als er geen beroep wordt ingesteld tegen die beslissing. Een beslissing wordt niet definitief en heeft geen rechtsgevolgen als zich vóór het verstrijken van de beroepstermijn een gebeurtenis voordoet die de beslissing buiten werking stelt. Een dergelijke gebeurtenis is de intrekking van de merkaanvraag waarop de beslissing betrekking heeft. Een beslissing die niet definitief wordt, heeft geen (operationele of inhoudelijke) gevolgen. Het enige denkbare effect is dat de (niet-definitieve) beslissing in de openbare databank van het EUIPO blijft staan en aldus voor derden raadpleegbaar is. Deze beslissingen binden de nationale bureaus echter geenszins.

14. Gelet op dit antwoord, behoeft het tweede deel van de vragen van de uitvoerend directeur, over de relevantie van de omstandigheid dat eerst beroep wordt aangetekend tegen een beslissing van EUIPO voordat de Uniemerkaanvraag wordt ingetrokken, geen zelfstandige bespreking. Het staat een aanvrager immers vrij om zijn aanvraag in te trekken op elk moment voordat de weigeringsbeslissing definitief is geworden, ongeacht of er beroep is aangetekend. Door de Uniemerkaanvraag in te trekken overeenkomstig artikel 49 lid 1 UMVo, treedt de afwijzingsbeslissing in de lopende procedure waarin nog geen eindbeslissing is gewezen nooit “in werking” en deze heeft geen rechtsgevolgen.

Het vermeende omzeilen van de wet

15. Tot slot verduidelijkte de Grote Kamer dat een verzoek tot conversie niet kan worden gezien als een poging om de beperkingen van artikel 139 lid 2 sub b UMVo te omzeilen, aangezien het Uniemerkenstelsel – ondanks de hoge mate van harmonisatie – een autonoom systeem is dat onafhankelijk van nationale merksystemen bestaat en het Uniemerkenstelsel niet kan worden beschouwd als “superieur” aan nationale beslissingen (par. 142). De nationale merkenbureaus zijn niet verplicht of verhinderd om tot dezelfde conclusie te komen als het EUIPO in zijn beslissing; er is dus geen sprake van omzeiling.

Tot slot

16. Het lijkt logisch dat de vraag of een Uniemerkaanvraag wordt ingetrokken voor of na het instellen van een beroep, op zichzelf geen wezenlijk effect heeft op het conversieproces. Door de door de Grote Kamer gekozen lijn te hanteren worden onnodige kosten bespaard. Er lijkt dan ook weinig tegen de Opinie van de Grote Kamer in te brengen. In dit kader is vermeldenswaardig dat een aantal vakverenigingen (te weten de *amicus curiae* commissies van APRM, ECTA, INTA en MARQUES⁷) en het BBIE, schriftelijke opmerkingen hebben ingediend in deze procedure. Deze opmerkingen waren zonder uitzondering instemmend ten aanzien van de beslissing van de Vierde Kamer van Beroep in *Nightwatch*. In de submissions werd benadrukt dat het oordeel van de Vierde Kamer van Beroep leidt tot rechtszekerheid en consistentie in het conversieproces.

4 Grote Kamer van Beroep EUIPO, beslissing van 27 september 2006, R 331/2006-G.

5 Grote Kamer van Beroep EUIPO, beslissing van 18 september 2023, R 1508/2019-G, par. 22.

6 In par. 25 van de *Zara*-beslissing (R 1508/2019-G) oordeelde de Grote Kamer van Beroep van EUIPO overigens ook dat de beslissing van het EUIPO op

het conversieverzoek (na intrekking van de Uniemerkaanvraag) zoals bedoeld in artikel 140 UMVo, eveneens alleen rekening mag houden met definitieve beslissingen.

7 Volledigheidshalve merk ik op dat ik medeauteur was van de namens MARQUES ingediende schriftelijke opmerkingen.

17. Wat de beslissing van de Grote Kamer in de praktijk zal betekenen, is dat het eenvoudiger, sneller en goedkoper wordt om een afgewezen Uniemerkaanvraag te converteren, omdat er niet eerst beroep hoeft te worden aangetekend. Dat geldt in oppositieprocedures en nietigheidsacties maar ook voor beslissingen tot voorlopige weigeringen op absolute gronden van Uniemerkaanvragen door het EUIPO. Vóór de beslissing in *Nightwatch* en de Opinie van de Grote Kamer moest de aanvrager na een voorlopige weigering beslissen of hij op de voorlopige weigering zou antwoorden (en het risico lopen op een definitieve weigering) of dat hij zijn merk onmiddellijk zou intrekken en zou converteren (omdat een definitieve weigering zou verplichten tot het instellen van beroep). Dat risico is nu grotendeels verdwenen.

18. Zijn er dan helemaal geen nadelen te bedenken? Jawel. De opposant die in eerste instantie bij het EUIPO met succes zijn oudere merkrecht inzet tegen de Uniemerkaanvraag, kan geconfronteerd worden

met een situatie waarbij de aanvrager van het Uniemerkt voor het verstrijken van de beroepstermijn de Uniemerkaanvraag intrekt en tot conversie van het merk overgaat, zelfs in de landen waar de opposant beschikt over oudere rechten en waar volgens het EUIPO verwarringsgevaar bestond. Dat is een tamelijk onverkwikkelijk vooruitzicht voor de houder van het oudere merk want dat impliceert dat dezelfde – reeds voorlopig beslechte – discussie op nationaal niveau nog eens dunnetjes kan worden overgedaan.⁸ Echter, die situatie was in de praktijk niet wezenlijk anders onder het ‘vorige’ beleid, waarbij de Uniemerkaanvrager ook een tweede kans kreeg op nationaal niveau, zij het dat de conversie pas na het instellen van beroep en het betalen van de bijbehorende fees kon plaatsvinden.

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⁸ De Grote Kamer beaamt dat het een “inconvenient consequence” is van het gehanteerde wettelijk systeem dat mogelijk op nationaal niveau een tweede ronde zal moeten plaatsvinden; par. 146.