

# General Court: EUIPO Board of Appeal's refusal to suspend appeal proceedings if the opposing mark is under attack is subject to strict scrutiny

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In a judgment of 12 November 2015, the Court annulled the Fourth Board of Appeal's decision refusing to suspend opposition proceedings, even though the trademark applicant proved that it has filed for revocation of the Romanian mark held against registration of its mark – by the way the baby food mark ALETE, which is very well known in some EU countries (T-544/14, Nestlé SA v. EUIPO [ALETA v. ALETE] (not available in English)).

Nestlé's application for ALETE related essentially to baby food and specific food supplements. The earlier Romanian mark ALETA was registered for a broad list in class 5. Before the Opposition Division, Nestlé lost, so it appealed. The Romanian became subject to the use requirement during the appeal proceedings. Nestlé filed for revocation in Romania exempting from that request pharmaceuticals for the treatment of Parkinson's disease, for which ALETA appeared to be used. The aim was of course to limit the earlier mark to the actual goods of interest, thereby reducing the likelihood of confusion.

Nestlé then requested the suspension of the appeal proceedings, but the Board refused. It argued that the opponent had proved the existence and validity of its mark in due time, that Nestlé had not questioned the use of the earlier mark for specific pharmaceuticals, that it was unclear whether the owner of the Romanian mark would defend it by submitting evidence of use, that the Regulation provides for a request for proof of use of an earlier mark only if it was registered for five years at the time of (then:) publication of the opposed mark (now: application for the opposed mark), and that a weighing of interests did not prompt the suspension of the proceedings.

The Court disagreed. While conceding the Board a wide discretion when deciding whether to suspend opposition proceedings, it emphasised that the Board has to carry out a fair and complete analysis of the interests at stake. Holding against Nestlé that it had not questioned the use of the earlier mark for specific goods was incorrect. It was similarly incorrect to rely on the mere uncertainty whether the Romanian mark would be defended – an uncertainty that is present in each and every revocation proceeding. Also the fact that the proof of use request as part of the opposition proceedings was cut off for earlier marks that became subject to the use requirement only after the relevant point in time was no argument for refusing to suspend in the event of a later revocation action.

This is in line with the judgment of one year earlier in the matter KAISERHOFF (T-556/12, Royalton Overseas v. EUIPO), which, curiously, also involved an opposition based on a Romanian registration. Here, the Court also found that the Board had incorrectly balanced the parties' interests, disregarding certain aspects pertaining to the cancellation action filed against the earlier mark.

The Court itself of course normally does not suspend proceedings in view of an attack on the validity of an opposing mark. Where this attack was only made after the Board's decision, in the opinion of the Court, it is not incumbent on the Court's decision which only deals with the legality of the Board's decision. A good example for this is the judgment of 8 October 2014 in case T-342/12, Max Fuchs v. OHIM/Les Complices SA [STAR design]. Here, the earlier mark only became subject to the use requirement after the appeal decision. It was challenged and subsequently even cancelled due to non-use – and even so, the Court upheld the appeal decision refusing the EU trademark application. One can only say – tough luck for the applicant.

The lesson to be learnt is: if you face an opposition and you can challenge the earlier mark's validity, do so as soon as possible, submit full proof of this to the EUIPO, and request suspension providing arguments as to the weighing of interests. Once the appeal decision is out, it is too late.