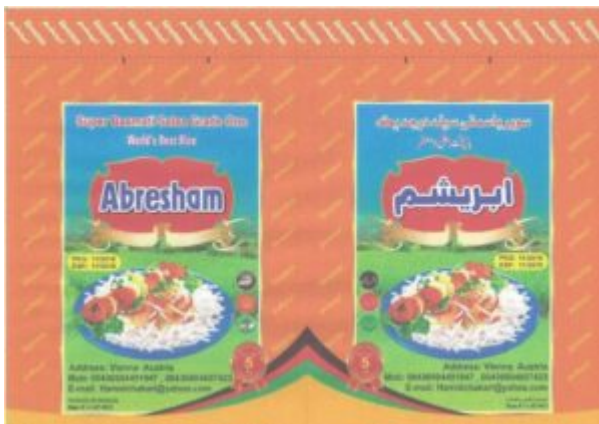


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BASMATI – or: Back into the Past?

Verena von Bomhard (BomhardIP) · Monday, January 15th, 2024

On AG Szpunar’s Opinion in Case C-801/22 P



BASMATI was the first of the appeals to the CJEU in the three „Brexit cases“. The other two are APE TEES (EUIPO v Nowhere, C-337/22 P) and SHOPPI (Shopify v EUIPO, C-751/22 P, see [here](#) and [here](#)). The CJEU allowed all three appeals to proceed, and in BASMATI, AG Szpunar issued his opinion on 23/11/2023.

On BASMATI and APE TEES, we commented [here](#), [here](#), and [here](#). In short, in BASMATI, Indo European Foods’ opposition to the EUTM application for the sign shown above based on UK passing-off rights failed before the EUIPO Board of Appeal (BoA) in April 2020, during the transition period. Before the GC, EUIPO argued that the action must be dismissed for lack of legitimate interest on Indo’s part, not least because, upon annulment of the BoA decision, the case would go back to the BoA which would have to reject the opposition absent a valid prior right under Article 8 EUTMR. The GC did not agree and annulled the BoA decision on passing-off, considering inter alia that the BoA, when deciding again, would have to pretend it was still April 2020 (§ 27, T-342/20).

With its appeal, EUIPO further pursues its line of argument. The AG recommends that the CJEU dismiss EUIPO’s appeal on rather technical grounds.

He argues that the action before the GC did not lose its purpose, because that would only apply if that decision “should be found to have never existed”. Later events with ex tunc effect (such as the declaration of invalidity of the prior right, or the withdrawal of the opposition) mean that, at hindsight, the decision should not have “existed”, but later events with ex nunc effect (such as

revocation or non-renewal or, as in the Brexit cases, loss of eligibility as an opposing right in EUTM proceedings) do not have that result. Therefore, the action to the GC did not lose its purpose. The AG, however, recognises that, before the EUIPO, the opposition does indeed lose its purpose when the earlier right ceases to exist during the proceedings (§ 54).

On the issue of legitimate interest, while the AG endorses that this must exist at the outset and throughout any legal proceedings (§ 63, 64), he considers it irrelevant whether the registration of the trade mark in the EU can adversely affect Indo's legal interests – because this does not render the action to the GC inadmissible. In the AG's opinion, substantive issues that arose after the BoA decision cannot be considered by the GC (§ 71, 73).

In any event, according to the AG, Indo has a continuing interest in the proceedings because it might be subject to a claim for reasonable compensation (Art. 11(2) EUTMR) for infringing acts in the UK between the publication of the EUTM and the end of the transition period. However, not only is this highly hypothetical, as the AG itself accepts (§ 80), it does not exist. As EUIPO correctly argued, Indo's prior rights, if they existed, would shield them from any such claim.

In addition, an opposition before the EUIPO is not about prevention of possible compensation claims, just like it is not about preventing conversion. This is a mere option for the applicant, and a future and uncertain legal situation (MGM, T-342/02, § 41, 43), not a basis for legitimate interest.

On the GC's point that, in its new decision, the BoA must pretend it's still 2020, the AG does not endorse the GC's position, stating, however, that the effects of Brexit are for the BoA and not the GC to assess (§ 90). In other words – the GC must rule on substance even if it is clear that the opposition will ultimately be rejected.

If the outcome of BASMATI is as the AG suggests, namely, that the date of the BoA decision is what matters, that is unfortunate but in line with past practice – and it bodes well for the other two cases. As long as the CJEU confirms that the filing date of the opposed application is not the only relevant date for an opposition is, much is won for legal certainty.

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