

Kluwer Trademark Blog

The CJEU ruling on BASMATI (C-801/21 P) is out – Summary and prospects on the outcome of APE TEES and SHOPPI

Verena von Bomhard (BomhardIP) and Annemarie Malkmes (Bomhard IP) · Friday, June 21st, 2024



With its long-awaited BASMATI judgment of 20 June 2024, the CJEU dismissed EUIPO's appeal.

According to the CJEU, the GC was right to uphold Indo's action. The cease of effect of the earlier right invoked in an opposition *after* the BoA decision the annulment of which is requested before the GC does not mean that the action to the GC loses its purpose, nor that the applicant before the GC loses its legitimate interest in bringing the case before the GC.

For recollection, Indo European Foods brought an opposition against a third party's EUTM application for the figurative mark as shown above that contained the word Basmati. The opposition was based on earlier UK passing off rights (Art. 8(4) EUTMR). In April 2020, the BoA rejected Indo's opposition, arguing that the evidence did not prove the UK passing off rights. Indo brought an action to the GC. During the proceedings before that court, the transition period expired, with the result that UK rights ceased to have effect in the EU. In other words: the (alleged) basis of Indo's opposition no longer existed.

EUIPO argued before the GC that Indo's action had become inadmissible for loss of legitimate interest. The GC disagreed, and so did the CJEU.

Events with *ex nunc* effect occurring after the last EUIPO decision do not mean that an action before the GC loses its purpose. The BoA's decision, at the time it was rendered, was detrimental to the economic interests of Indo, and that is what matters (para. 82).

The CJEU limited its reasoning to the procedural effects of the cease of effect of the earlier right in the proceedings before the GC while the EUIPO's appeal focused on the loss of any material interest in the outcome of the case on the part of Indo, which would need to be considered even if this loss occurred during the proceedings before the GC or even the CJEU.

AG Szpunar (we reported [here](#)) had recognised that, before the EUIPO, an opposition lost its purpose when the earlier right ceases to exist during the proceedings (para. 54 of his opinion). The CJEU remained silent on this point but held that its findings constitute “*the essential support only for the finding that such an interest in bringing proceedings [before the GC] exists*” (para. 95). In conjunction with para. 94 of the judgment this indicates that the effects of Brexit are for the BoA and not the GC to assess (see para. 94 with reference to para. 27 of the GC judgment on BASMATI, T?342/20).

If this understanding is correct, the judgment is to be understood as setting in stone the case-law according to which the decisive point in time is that of the BoA decision. This would mean that the EUIPO’s appeal in **APE TEES** (EUIPO v Nowhere, C-337/22 P, see also [here](#)) would be successful, as in that case, the GC had – surprisingly – considered that what mattered was the date of application of the opposed EUTM. Likewise, Shopify’s appeal in **SHOPPI** (Shopify v EUIPO, C-751/22 P, see [here](#) and [here](#)) would be unsuccessful, as the GC in the decision contested there stuck with the case law setting all the emphasis on the time of the BoA decision. In both these cases, the BoA had decided in February 2021, i.e. after the expiry of the transition period.

Coming back to BASMATI, one of EUIPO’s arguments was that, if the BoA decision was annulled, the case would go back to (another) BoA, which would then have to reject the opposition based on the new facts – namely, as inadmissible, for lack of an earlier right in the sense of Article 8(4) EUTMR. The CJEU did not seem to contradict that but still thought it made sense for the GC to annul the BoA ruling from 2020, knowing for sure what would happen after the case goes back to the BoAs.

It would therefore seem that, one way or another, Indo will come out losing, even though they don’t have to pay the costs of the GC and CJEU proceedings...

To make sure you do not miss out on regular updates from the Kluwer Trademark Blog, please [subscribe here](#).

Kluwer IP Law

The **2022 Future Ready Lawyer survey** showed that 79% of lawyers think that the importance of legal technology will increase for next year. With Kluwer IP Law you can navigate the increasingly global practice of IP law with specialized, local and cross-border information and tools from every preferred location. Are you, as an IP professional, ready for the future?

Learn how **Kluwer IP Law** can support you.

79% of the lawyers think that the importance of legal technology will increase for next year.

Drive change with Kluwer IP Law.

The master resource for Intellectual Property rights and registration.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change

This entry was posted on Friday, June 21st, 2024 at 9:35 am and is filed under [Basmati](#), [Brexit](#), [CJEU](#), [EUTM](#), The General Court is first level court of the European Union, previously known as the Court of First Instance.

“>General Court, [legitimate interest](#), [Trademark](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can leave a response, or [trackback](#) from your own site.