



Reports of Cases

ORDER OF THE COURT (Chamber determining whether appeals may proceed)

10 December 2021 *

(Appeal – Community design – Determination as to whether appeals should be allowed to proceed – Article 170b of the Rules of Procedure of the Court of Justice – Request demonstrating that an issue is significant with respect to the unity, consistency or development of EU law – Appeal allowed to proceed)

In Case C-382/21 P,

APPEAL under Article 56 of the Statute of the Court of Justice of the European Union, brought on 23 June 2021,

European Union Intellectual Property Office (EUIPO), represented by D. Hanf, D. Gája, E. Markakis and V. Ruzek, acting as Agents,

appellant,

the other party to the proceedings being:

The KaiKai Company Jaeger Wichmann GbR, established in Munich (Germany),

applicant at first instance,

THE COURT (Chamber determining whether appeals may proceed),

composed of L. Bay Larsen, Vice-President of the Court, L.S. Rossi (Rapporteur) and N. Wahl, Judges,

Registrar: A. Calot Escobar,

having regard to the proposal from the Judge-Rapporteur and after hearing the Advocate General, T. Čapeta,

makes the following

* Language of the case: German.

Order

- 1 By its appeal, the European Union Intellectual Property Office (EUIPO) asks the Court of Justice to set aside the judgment of the General Court of the European Union of 14 April 2021, *The KaiKai Company Jaeger Wichmann v EUIPO (Gymnastic or sports equipment)* (T-579/19, EU:T:2021:186; ‘the judgment under appeal’), by which the General Court annulled the decision of the Third Board of Appeal of EUIPO of 13 June 2019 (Case R 573/2019-3) concerning an application for registration of gymnastic or sports equipment as Community designs claiming the right of priority of an international patent application filed under the Patent Cooperation Treaty, concluded in Washington on 19 June 1970 and last modified on 3 October 2001 (*United Nations Treaty Series*, Vol. 1160, No 18336, p. 231).

The request that the appeal be allowed to proceed

- 2 Under the first paragraph of Article 58a of the Statute of the Court of Justice of the European Union, an appeal brought against a decision of the General Court concerning a decision of an independent board of appeal of EUIPO is not to proceed unless the Court of Justice first decides that it should be allowed to do so.
- 3 In accordance with the third paragraph of Article 58a of that statute, an appeal is to be allowed to proceed, wholly or in part, in accordance with the detailed rules set out in the Rules of Procedure of the Court of Justice, where it raises an issue that is significant with respect to the unity, consistency or development of EU law.
- 4 Under Article 170a(1) of those rules, in the situations referred to in the first paragraph of Article 58a of that statute, the appellant is to annex to the appeal a request that the appeal be allowed to proceed, setting out the issue raised by the appeal that is significant with respect to the unity, consistency or development of EU law and containing all the information necessary to enable the Court of Justice to rule on that request.
- 5 In accordance with Article 170b(1) and (3) of those rules, the Court’s decision on the request that the appeal be allowed to proceed is to be taken as soon as possible in the form of a reasoned order.

Arguments of the appellant

- 6 In support of its appeal, the appellant relies on a single ground of appeal, alleging infringement of Article 41(1) of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1).
- 7 That ground of appeal consists of three parts.
- 8 By the first of those parts, the appellant claims the General Court erred, in paragraphs 56, 57 and 64 to 66 of the judgment under appeal, in holding that the fact that Article 41(1) of Regulation No 6/2002 does not provide that a patent may serve as a basis for a priority claim for a subsequent Community design constitutes a legislative lacuna. In fact, according to the appellant, that fact reflects the EU legislature’s choice to limit priority claims solely to earlier designs or utility models.

- 9 According to the appellant, it is clear from the wording of that provision that it establishes both the nature of the industrial property rights on which a priority claim may be based, namely an earlier design or utility model, and the duration of the period within which such priority may be claimed, namely six months from the date of the first application. The fact that that provision does not refer to patent applications must necessarily be understood as an exclusion of those applications. Furthermore, if an international application made under the Paris Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883, last revised at Stockholm on 14 July 1967 and amended on 28 September 1979 (*United Nations Treaty Series*, Vol. 828, No 11851, p. 305; ‘the Paris Convention’), could form the basis for a right of priority in accordance with Article 41 of Regulation No 6/2002, that would be possible only in so far as such an application concerns a utility model.
- 10 By the second part of the single ground of appeal, the appellant submits that, by recognising a right of priority of 12 months, the General Court, in paragraphs 75 to 86 of the judgment under appeal, did not simply interpret Article 41(1) of Regulation No 6/2002 in a manner consistent with Article 4 of the Paris Convention, since such an interpretation in conformity with EU law cannot be stretched to the point of granting a priority period which is not provided for by a clear and unconditional provision of EU law. Thus, according to the appellant, in those paragraphs the General Court in fact disapplied that Article 41 and replaced it with that Article 4. In so doing, the General Court gave direct effect to the latter provision. However, first, Article 4 of the Paris Convention does not meet the conditions laid down by the case-law on the direct applicability of international law under EU law, stemming inter alia from the judgment of 3 June 2008, *Intertanko and Others* (C-308/06, EU:C:2008:312, paragraph 45), which requires that the provision at issue be clear, precise and unconditional, and, second, recognition of such direct effect of that Article 4 is contrary to Article 25 of the Paris Convention and to the case-law stemming from the judgment of 25 October 2007, *Develey v OHIM* (C-238/06 P, EU:C:2007:635, paragraphs 37 to 44), according to which, in essence, that Article 4 does not produce direct effect.
- 11 By the third part of the single ground of appeal, the appellant complains that the General Court substituted Article 4 of the Paris Convention for Article 41(1) of Regulation No 6/2002 by misinterpreting that Article 4. Contrary to what the General Court stated in paragraphs 77 to 84 of the judgment under appeal, the Paris Convention does not lay down any general rule that the nature of the earlier right determines the period for the right of priority attached to it. Rather, the general rule provides that an earlier application on which the right of priority is based must have the same subject matter as the subsequent application. It is only by way of exception that Article 4(E)(1) of the Paris Convention provides that an application having as its subject matter a utility model may give rise to a right of priority for a subsequent application for a design, which therefore has a different subject matter from that of the earlier application. Thus, the General Court’s finding that the period applicable to the priority claim of a patent application for a subsequent application for a design is 12 months has no basis in law.
- 12 In support of its request that the appeal be allowed to proceed, the appellant submits that its single ground of appeal raises issues that are significant with respect to the unity, consistency or development of EU law.
- 13 In that regard, it observes, first, that the consequences of the misinterpretation of Article 4 of the Paris Convention go beyond the scope of the law on designs. Given the general nature of the principle enshrined in paragraphs 77 to 80 and 85 of the judgment under appeal, according to

which the nature of the earlier right is decisive in determining the duration of the priority period, that principle is liable to affect the system of priority claims applicable to intellectual property rights other than designs, such as EU trade marks.

- 14 Second, according to the appellant, the erroneous interpretation of Article 4 of the Paris Convention is imposed, first, on the EU legislature, which cannot overturn it by amending Regulation No 6/2002 or the other provisions of EU law relating to priority claims, and, second, on the Member States, which, all being parties to the Paris Convention, are, under EU law, bound by that convention as interpreted by the EU judicature, as is apparent from the judgment of 16 June 1998, *Hermès* (C-53/96, EU:C:1998:292, paragraph 32).
- 15 Third, the appellant submits that the recognition by the General Court of a right, for individuals, to rely directly on the provisions of the Paris Convention as regards priority claims constitutes a precedent for future cases and limits the EU legislature's discretion in that area. A decision of the Court is thus necessary to determine the nature and extent of the obligations imposed by the Paris Convention on the European Union and on the Member States.
- 16 Fourth, according to the appellant, by giving direct effect to Article 4 of the Paris Convention and thus departing from the Court's case-law, the judgment under appeal not only undermines the institutional balance of the European Union and the autonomy of its legal system, but also has systemic consequences which run counter to the objectives of the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights, contained in Annex 1C to the Marrakesh Agreement establishing the World Trade Organization (WTO), which was approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1).
- 17 On the one hand, the judgment under appeal creates an unjustified discrimination between design applications, which open up a 6-month right of priority, and patent applications, which open up a 12-month right of priority, which could lead economic operators to file patent applications first in order to circumvent the 6-month period provided for in Article 41(1) of Regulation No 6/2002 in respect of design applications.
- 18 On the other hand, the judgment under appeal could give rise to legal uncertainty and a lack of reciprocity in certain third countries. The appellant takes the example of the United States of America, in which industrial designs are protected under patent law (design patents). If the nature of the earlier right determines the duration of the priority period, applicants for a design patent in the United States have a priority period of 12 months for a subsequent Community design, whereas applicants for Community designs are granted only a 6-month period of priority over a subsequent design patent application.
- 19 Fifth, the judgment under appeal could lead to an imbalance in the substantive assessment of the novelty of a Community design, in that it extends from 18 to 24 months the period during which, in accordance with Article 7(2)(b) of Regulation No 6/2002, disclosure by the applicant itself is not to be taken into account where the priority claim is based on a patent application.

Findings of the Court

- 20 As a preliminary point, it must be recalled that it is for the appellant to demonstrate that the issues raised by its appeal are significant with respect to the unity, consistency or development of EU law (order of 24 October 2019, *Porsche v EUIPO*, C-613/19 P, EU:C:2019:905, paragraph 13 and the case-law cited).
- 21 Furthermore, as is apparent from the third paragraph of Article 58a of the Statute of the Court of Justice of the European Union, read together with Article 170a(1) and Article 170b(4) of the Rules of Procedure, the request that an appeal be allowed to proceed must contain all the information necessary to enable the Court to give a ruling on whether the appeal should be allowed to proceed and to specify, where the appeal is allowed to proceed in part, the pleas in law or parts of the appeal to which the response must relate. Given that the objective of the mechanism provided for in Article 58a of that statute whereby the Court determines whether an appeal should be allowed to proceed is to restrict review by the Court to issues that are significant with respect to the unity, consistency and development of EU law, only grounds of appeal that raise such issues and that are established by the appellant are to be examined by the Court in an appeal (see, inter alia, orders of 24 October 2019, *Porsche v EUIPO*, C-613/19 P, EU:C:2019:905, paragraph 14, and of 11 November 2021, *Sun Stars & Sons v EUIPO*, C-425/21 P, not published, EU:C:2021:927, paragraph 13).
- 22 Accordingly, a request that an appeal be allowed to proceed must, in any event, set out clearly and in detail the grounds on which the appeal is based, identify with equal clarity and detail the issue of law raised by each ground of appeal, specify whether that issue is significant with respect to the unity, consistency or development of EU law and set out the specific reasons why that issue is significant according to that criterion. As regards, in particular, the grounds of appeal, the request that an appeal be allowed to proceed must specify the provision of EU law or the case-law that has been infringed by the judgment or order under appeal, explain succinctly the nature of the error of law allegedly committed by the General Court, and indicate to what extent that error had an effect on the outcome of the judgment or order under appeal. Where the error of law relied on results from an infringement of the case-law, the request that the appeal be allowed to proceed must explain, in a succinct but clear and precise manner, first, where the alleged contradiction lies, by identifying the paragraphs of the judgment or order under appeal which the appellant is calling into question as well as those of the ruling of the Court of Justice or the General Court alleged to have been infringed, and, second, the concrete reasons why such a contradiction raises an issue that is significant with respect to the unity, consistency or development of EU law (see, to that effect, order of 24 October 2019, *Porsche v EUIPO*, C-613/19 P, EU:C:2019:905, paragraph 15 and the case-law cited).
- 23 In the present case, it follows from paragraph 56 of the judgment under appeal, cited by the appellant, that the General Court held that Article 41(1) of Regulation No 6/2002 does not provide for the situation in which an application for a design is lodged while claiming priority of a patent application and does not govern the period for claiming such priority. As stated in paragraph 66 of the judgment under appeal, also cited by the appellant, recourse to the Paris Convention is intended to fill a gap in that regulation, which is silent as to the priority period arising from an international application for a patent. Accordingly, the General Court interpreted the Paris Convention and, as the appellant points out, held, in paragraph 85 of the judgment under appeal, that the nature of the earlier right is decisive in determining the duration of the priority period.

- 24 It should be noted, first, that the appellant describes its single ground of appeal in detail, stating that the General Court misinterpreted Article 41 of Regulation No 6/2002 as meaning that there is a gap in that provision, with regard to the priority period of an application for Community designs referring to an earlier international application for a patent, and filled that gap by conferring, in breach of the relevant case-law, direct effect on Article 4 of the Paris Convention, while also misinterpreting that provision.
- 25 As regards, in particular, the argument that the General Court conferred, in contradiction to the case-law of the Court of Justice (judgment of 25 October 2007, *Develey v OHIM*, C-238/06 P, EU:C:2007:635, paragraphs 37 to 44), direct effect on Article 4 of the Paris Convention, as set out in paragraph 10 of this order, it must be pointed out that the appellant states where the alleged contradiction lies, identifying both the paragraphs of the judgment under appeal and those of the Court of Justice’s decision which were disregarded.
- 26 Secondly, the appellant complains that the General Court held that Article 41(1) of Regulation No 6/2002 authorises a priority period of 12 months for a subsequent Community design and, consequently, annulled the decision of the Board of Appeal of EUIPO which had limited to 6 months the period for claiming priority of an international patent application. Thus, it is clear from the request that the appeal be allowed to proceed that the alleged infringement of Article 41(1) of Regulation No 6/2002 has an effect on the outcome of the judgment under appeal. If, contrary to what the General Court held, the priority period was 6 months rather than 12 months, the action should have been dismissed.
- 27 Third, in accordance with the burden of proof which lies with an appellant requesting that an appeal be allowed to proceed, the appellant must demonstrate that, independently of the issues of law invoked in its appeal, the appeal raises one or more issues that are significant with respect to the unity, consistency or development of EU law, the scope of that criterion going beyond the judgment under appeal and, ultimately, its appeal (order of 4 May 2021, *Dermavita v EUIPO*, C-26/21 P, not published, EU:C:2021:355, paragraph 16).
- 28 In order to demonstrate that that is the case, it is necessary to establish both the existence and significance of such issues by means of concrete evidence specific to the particular case, and not simply arguments of a general nature (order of 4 May 2021, *Dermavita v EUIPO*, C-26/21 P, not published, EU:C:2021:355, paragraph 20).
- 29 First, the appellant identifies the issue raised by its single ground of appeal, which consists, in essence, in the question whether a possible legislative lacuna in an act of EU law can be made good by the direct application of a provision of international law which does not satisfy the conditions required by the case-law of the Court of Justice in order to have direct effect.
- 30 Second, the appellant sets out the specific reasons why such an issue is significant with respect to the unity, consistency and development of EU law.
- 31 In that regard, the appellant points out, first of all, that the point of law raised by its appeal goes beyond the scope of that appeal in that the allegedly erroneous interpretation of Article 41(1) of Regulation No 6/2002 will have repercussions on the admissibility of priority claims for Community designs and on the assessment of the novelty of a Community design. As regards the latter aspect, the appellant provides specific evidence to demonstrate the potential imbalance

which would result from the extension from 18 to 24 months of the period during which, in accordance with Article 7(2)(b) of Regulation No 6/2002, the disclosure by the applicant itself is not to be taken into account where the priority claim is based on a patent application.

- 32 Next, the appellant states that its appeal also goes beyond the context of the law applicable to Community designs in that the principle established by the judgment under appeal is liable to determine the system of priority claims applicable to other types of intellectual property rights. In that regard, it provides concrete examples of the consequences that the judgment under appeal could have for patent applicants and points to the risk of legal uncertainty and lack of reciprocity in certain third countries resulting from the recognition of a 12-month priority period for Community designs where the priority claim is based on a patent application.
- 33 Last, the appellant highlights the systemic consequences, affecting the unity, consistency and development of EU law, of recognising that Article 4 of the Paris Convention has direct effect in that, first, the interpretation of that article by the EU judiciary would be imposed on the EU legislature and the Member States of the European Union and, second, such recognition would run counter to the objectives of the Paris Convention and the agreement mentioned in paragraph 16 of this order.
- 34 In the light of the evidence adduced by the appellant, it must be held that the appellant's request demonstrates to the requisite legal standard that the appeal raises an issue that is significant with respect to the unity, consistency and development of EU law.
- 35 In the light of the foregoing considerations and of the fact that the appeal is based on a single ground of appeal, which consists of three related parts, the appeal should be allowed to proceed in its entirety.

Costs

- 36 Under Article 170b(4) of the Rules of Procedure, where an appeal is allowed to proceed, wholly or in part, having regard to the criteria set out in the third paragraph of Article 58a of the Statute of the Court of Justice of the European Union, the proceedings are to continue in accordance with Articles 171 to 190a of those rules.
- 37 Under Article 137 of the Rules of Procedure, applicable to proceedings on appeal pursuant to Article 184(1) of those rules, a decision as to costs is to be given in the judgment or order which closes the proceedings.
- 38 Accordingly, since the request that the appeal be allowed to proceed must be allowed, the costs must be reserved.

On those grounds, the Court (Chamber determining whether appeals may proceed) hereby orders:

- 1. The appeal is allowed to proceed.**
- 2. The costs are reserved.**

[Signatures]