

## General Court allows new evidence of use of trade name in Germany on appeal

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- The General Court has upheld an appeal seeking to cancel the EU trademark for XTRADE
- The ruling relied on evidence brought by the plaintiff for the first time at appeal, which the General Court agreed was admissible
- The decision reinforces the protection of foreign companies operating in Germany under German trademark legislation

In its decision of 26 July 2023, in [Guma Holdings v EUIPO](#) (Case T-67/22), the General Court has upheld a decision of the EUIPO Fifth Board of Appeal, which found that trade name rights in 'X-Trade Brokers' in Germany had been sufficiently established on appeal to potentially cancel an EU trademark for XTRADE.

### Background

In 2015, Guma Holdings registered the figurative mark XTRADE as an EU trademark for a broad list of goods and services in Classes 9, 35, 36 and 41.

In 2018, Polish company X-Trade Brokers Dom Maklerski Spółka Akcyjna lodged a cancellation action against the registration, based on its rights in 'X-Trade Brokers', which it used as a trade name in the course of trade in Germany for, among other things, brokerage and financial services in Class 36. X-Trade Brokers claimed that its rights were protected under Paragraphs 5 and 15 of the German Trademark Act (Markengesetz), as it was trading in Germany through a branch of the company.

The EUIPO Cancellation Division rejected the cancellation action on the grounds that the first two of the four conditions laid down in Article 8(4) of EU Trademark Regulation (2017/1001) had not been satisfied. The four conditions are as follows:

- The sign must be used in the course of trade.

- The sign must be of more than mere local significance.
- The right to the sign must have been acquired in accordance with the law of the member state in which the sign was used before:
  - the date of application for registration of the EU trademark; or
  - the date of priority claimed in the application for registration of the EU trademark.
- The sign must confer on its owner the right to prohibit the use of a subsequent trademark.

On appeal, the EUIPO Fifth Board of Appeal annulled the decision and remitted the matter to the Cancellation Division. The board relied to a significant extent on evidence provided by X-Trade Brokers for the first time on appeal.

## Decision

Guma Holdings appealed to the General Court, invoking three pleas on:

- the late and inadmissible nature of the observations and evidence submitted for the first time before the Board of Appeal;
- an insufficient statement of reasons for the contested decision; and
- an infringement of Articles 8(4) and 53(1)(c) of the EU Trademark Regulation.

Regarding the first plea, the General Court noted that the EUIPO Board of Appeal has significant discretion as to whether to take into consideration evidence filed for the first time on appeal. Because X-Trade Brokers had produced some evidence at first instance, and the Cancellation Division had found such evidence to be insufficient, the court held that the Board of Appeal had not erred in using its discretion to admit the evidence. This also applied to evidence that the trade name was used continually – and was still in use – in Germany, which was hardly dealt with in the contested decision.

Regarding the second plea, the General Court held that the Board of Appeal had given sufficient reasoning, but Guma Holdings effectively disagreed with that reasoning, which is different.

Regarding the final plea, the General Court agreed with the Board of Appeal that the evidence showed that there was a right protected by German trademark legislation, and the case that should be remitted to the EUIPO Cancellation Division was for that substantive infringement. Accordingly, the appeal was dismissed.

## Comment

This case is interesting first because it shows that foreign companies trading in Germany can avail themselves of the protection under German trademark legislation. Second, it shows that evidence filed for the first time on appeal can be accepted; however, it is essential that the evidence supplements evidence already filed at first instance.

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