JUDGMENT OF THE GENERAL COURT (First Chamber)

9 September 2011 *

In Case T-36/09,

dm-drogerie markt GmbH & Co. KG, established in Karlsruhe (Germany), represented by O. Bludovsky and C. Mellein, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented initially by J. Novais Gonçalves, and subsequently by G. Schneider, acting as Agents,

defendant,

the other party to the proceedings before the Board of Appeal of OHIM being

Distribuciones Mylar, SA, established in Gelves (Spain),

* Language of the case: English.

ACTION against the decision of the First Board of Appeal of OHIM of 30 October 2008 (Case R 228/2008-1), relating to opposition proceedings between Distribuciones Mylar, SA and dm-drogerie markt GmbH & Co. KG,

THE GENERAL COURT (First Chamber),

composed of J. Azizi, President, E. Cremona and S. Frimodt Nielsen (Rapporteur), Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Registry of the General Court on 23 January 2009,

having regard to the response lodged at the Registry of the General Court on 19 May 2009,

having regard to the decision of 1 July 2009 not to allow the lodging of a reply,

having regard to the written questions put to the parties by the General Court,

having regard to the observations lodged by the parties at the Court Registry on 15 April 2011,

having regard to the fact that no application for a hearing was submitted by the parties within the period of one month from notification of closure of the written procedure, and having therefore decided, acting upon a report of the Judge-Rapporteur, to rule on the action without an oral procedure pursuant to Article 135a of the Rules of Procedure of the Court,

gives the following

Judgment

Legal context

1 Recitals 11 and 12 in the preamble to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1), (now recitals 12 and 13 in the preamble to Regulation No 207/2009) state that:

'… administrative measures are necessary at Community level for implementing in relation to every trade mark the trade mark law created by this Regulation; … it is therefore essential, while retaining the Community's existing institutional structure

and balance of powers, to establish an Office for Harmonization in the Internal Market (trade marks and designs) which is independent in relation to technical matters and has legal, administrative and financial autonomy; … to this end it is necessary and appropriate that it should be a body of the Community having legal personality and exercising the implementing powers which are conferred on it by this Regulation, and that it should operate within the framework of Community law without detracting from the competencies exercised by the Community institutions;

… it is necessary to ensure that parties who are affected by decisions made by [OHIM] are protected by the law in a manner which is suited to the special character of trade mark law; … to that end provision is made for an appeal to lie from decisions of the examiners and of the various divisions of [OHIM]; … if the department whose decision is contested does not rectify its decision it is to remit the appeal to a Board of Appeal of [OHIM], which is to decide on it; … decisions of the Boards of Appeal are, in turn, amenable to actions before the Court of Justice of the European Communities, which has jurisdiction to annul or to alter the contested decision'.

2 Article 60a of Regulation No 40/94 (now Article 62 of Regulation No 207/2009), as amended by Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation No 40/94 (OJ 2004 L 70, p. 1), establishes the legal remedy referred to in recital 12 to Regulation No 40/94, which states that, 'if the department whose decision is contested does not rectify its decision it is to remit the appeal to a Board of Appeal of [OHIM], which is to decide on it'. Article 60a of Regulation No 40/94 provides:

'1. Where the party which has lodged the appeal is opposed by another party and if the department whose decision is contested considers the appeal to be admissible and well founded, it shall rectify its decision.

2. The decision may only be rectified if the department whose decision is contested notifies the other party of its intention to rectify it, and that party accepts it within two months of the date on which it received the notification.

3. If, within two months of receiving the notification referred to in paragraph 2, the other party does not accept that the contested decision is to be rectified and makes a declaration to that effect or does not make any declaration within the period laid down, the appeal shall be remitted to the Board of Appeal without delay, and without comment as to its merit.

4. However, if the department whose decision is contested does not consider the appeal to be admissible and well founded within one month after receipt of the statement of grounds, it shall, instead of taking the measures provided for in paragraphs 2 and 3, remit the appeal to the Board of Appeal without delay, and without comment as to its merit.'

3 Article 77a of Regulation No 40/94 (now Article 80 of Regulation No 207/2009), which was also inserted by Regulation No 422/2004, provides:

'1. Where [OHIM] has made an entry in the Register or taken a decision which contains an obvious procedural error attributable to the Office, it shall ensure that the entry is cancelled or the decision is revoked. Where there is only one party to the proceedings and the entry or the act affects its rights, cancellation or revocation shall be determined even if the error was not evident to the party.

2. Cancellation or revocation as referred to in paragraph 1 shall be determined, ex officio or at the request of one of the parties to the proceedings, by the department which made the entry or took the decision. Cancellation or revocation shall be determined within six months from the date on which the entry was made in the Register or the decision was taken, after consultation with the parties to the proceedings and any proprietor of rights to the Community trade mark in question that are entered in the Register.

3. This Article shall be without prejudice to the right of the parties to submit an appeal under Articles 57 and 63, or to the possibility, under the procedures and conditions laid down by the Implementing Regulation referred to in Article 157(1), of correcting any linguistic errors or errors of transcription and obvious errors in [OHIM's] decisions or errors attributable to [OHIM] in registering the trade mark or in publishing its registration.'

4 Rule 53 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation No 40/94 (OJ 1995 L 303, p. 1), to which reference is made in Article 77a(3) of Regulation No 40/94 (now Article 80(3) of Regulation No 207/2009), provides:

'Where [OHIM] becomes aware, of its own motion or at the instance of a party to the proceedings, of a linguistic error, error of transcription or obvious mistake in a decision, it shall ensure that error or mistake is corrected by the department or division responsible.'

Background to the dispute

5 On 13 August 2004, the applicant — dm-drogerie markt GmbH & Co. KG —filed an application at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) for registration of a Community trade mark under Regulation No 40/94.

6 The mark in respect of which registration was sought is the word sign dm.

7 The goods in respect of which registration was sought are, inter alia, in Classes 9 and 16 of the Nice Agreement of 15 June 1957 concerning the international classification of goods and services for the purposes of the registration of marks, as revised and amended, and correspond, for each of those classes, to the following description:

— Class 9: 'Batteries, spectacles, exposed films, photographic apparatus, audio and video cassettes, memories for digital cameras and data processing installations, measuring apparatus, thermometers, plug protectors, electric storage media, cameras, CD burners, apparatus for recording, transmission or reproduction of sound or images, printers for computers';

— Class 16: 'Paper, cardboard; stationery, cloths of paper or cellulose, nappies of paper or cellulose, adhesives for paper and stationery for household purposes, photograph corners, photograph albums, plastic film for packaging, rubbish bags of paper or plastic, packaging bags, envelopes, bags of paper or plastic, foils of metal for packaging, hand towels of paper'.

8 The Community trade mark application was published in *Community Trade Marks Bulletin* No 19/2005 of 9 May 2005.

9 On 26 July 2005, the opponent — Distribuciones Mylar, SA — filed a notice of opposition, pursuant to Article 42 of Regulation No 40/94 (now Article 41 of Regulation No 207/2009), against registration of the mark applied for in respect of all the goods referred to in paragraph 7 above.

10 The opposition was based on the earlier Spanish trade mark No 2561742, which was filed on 13 October 2003 and registered on 19 August 2004, and is represented below:



11 The opposition was based on all the goods and services in respect of which the earlier mark had been registered, which are in Classes 9 and 39 and correspond to the following description:

— Class 9: 'Cash registers, calculating machines, data processing equipments and computers';

— Class 39: Transport, packaging, storage and distribution of computer components, printed matter and stationery'.

12 The ground relied on in support of the opposition was that provided for in Article 8(1)(b) of Regulation No 40/94 (now Article 8(1)(b) of Regulation No 207/2009).

13 The applicant did not submit any observations before the Opposition Division.

14 In a decision of 16 May 2007, which was notified to the applicant on the same day, the Opposition Division upheld the opposition as regards the goods in Class 9 referred to in paragraph 7 above, with the exception of 'spectacles' and 'thermometers'. On the other hand, the opposition was rejected in respect of the spectacles and thermometers in Class 9 and in respect of all the goods in Class 16.

15 As regards the exposed films and audio and video cassettes, the Board of Appeal stated as follows in the first and third paragraphs of page 4 of the decision of 16 May 2007:

'…This degree of similarity is also found regarding audio and video cassettes as they can encompass digital ones and can be used in digital video cameras. Moreover, there are devices that transfer analog cassette tapes to digital DVDs.

…

However, the above mentioned connections are not enough to render exposed films and audio and video cassettes similar to any of the opponent's goods. Bearing all this in mind, materials such as exposed films, which are used with the traditional

alternative to digital cameras or devices such as audio and video cassettes, which are the traditional a [*sic*]'.

16 The Opposition Division went on to find that there was a likelihood of confusion between the mark applied for and the opponent's mark in respect of all the goods considered to be similar, including those which were 'found to be only remotely similar'. Consequently, registration of the mark applied for was refused in respect of those goods, including exposed films and audio and video cassettes.

17 By letter of 8 June 2007, the Opposition Division informed the parties that it intended, on the basis of Article 77a of Regulation No 40/94, to revoke the decision of 16 May 2007 because of an obvious procedural error, in that the decision did not contain a complete comparison of the goods and services. The parties were asked to submit, within a period of two months, their observations as to whether it was appropriate to revoke the decision.

18 The applicant submitted its observations by letter of 23 July 2007, which was received by OHIM on 24 July 2007. In that letter, the applicant claimed that the opponent had not sufficiently established its prior right and that the goods covered by the marks at issue were not similar. Furthermore, the applicant stated:

'The applicant appreciates the intention of the Opposition Division to revoke its decision of May 16, 2007, because the intended appeal against this decision might perhaps be avoided.'

19 On 26 November 2007, a member of the Opposition Division sent a letter to the parties, stating:

'… [OHIM] has finally considered that its decision of 16/05/2007 does not contain any obvious procedural error. Consequently, Article 77a should not be applied to this case. That decision contained, however, an obvious mistake in its page 4 and [OHIM] has proceeded to amend it according to Rule 53 [of Regulation No 2868/95]. This amendment does not change the outcome of the decision.'

20 The Opposition Division appended to the letter of 26 November 2007 an amended version of the decision of 16 May 2007 ('the amended version of the decision of 16 May 2007'), which bore the same date as the original version and contained the same operative part, and in which the third paragraph of page 4 of the original version (see paragraph 15 above) had been replaced with the following paragraph:

'The opponent's data processing equipment is a wide category of goods that encompasses, among other, apparatus that are able to read out from an exposed film the image information that it contains and convert it to optical or electrical digital information (and vice versa). These apparatus can be sold through outlets specialised in the photographic field to professionals or people interested on that field. Taking this into account, [OHIM] considers that there is a remote degree of similarity between exposed films and data processing equipment.'

21 By letter of 26 November 2007, the opponent asked for time to be allowed within which the parties to the opposition proceedings could appeal against the amended version of the decision of 16 May 2007.

22 On 19 December 2007, a member of the Opposition Division wrote the following letter to the parties:

'Please be informed that [OHIM] considers that [the amended version of the decision of 16 May 2007] is a decision open to appeal and consequently, under Article 58 [of Regulation No 40/94] any party adversely affected by this decision has a right to appeal against this decision. Under Article 59 [of Regulation No 40/94] notice of appeal must be filed in writing at [OHIM] within two months from the date of notification of this decision (which was 26/11/2007) and within four months from the same date a written statement of the grounds of appeal must be filed. The notice of appeal will be deemed to be filed only when the appeal fee of 800 euro has been paid.'

23 On 24 January 2008, the applicant filed an appeal with OHIM, pursuant to Articles 57 to 62 of Regulation No 40/94 (now Articles 58 to 64 of Regulation No 207/2009), seeking (i) annulment of the 'amended version of the … decision [of the Opposition Division] of May 16, 2007' and (ii) rejection of the opposition in its entirety.

24 The applicant set out its grounds of appeal in a statement submitted on 17 March 2008. The applicant relied, inter alia, on the following grounds of appeal: (i) the amendments made to the original decision do not concern the correction of obvious errors: those amendments consisted in replacing contradictory and, in part, incomprehensible reasons with new arguments; (ii) the goods covered by the marks at issue are not similar; and (iii) the opponent has not established that it was the proprietor of the mark on which the opposition was based.

25 The opponent did not submit any observations in respect of the appeal.

26 By decision of 30 October 2008 ('the contested decision'), notified to the applicant on 14 November 2008, the First Board of Appeal of OHIM dismissed the appeal as inadmissible.

27 First of all, it found that the version of the Opposition Division's decision notified on 16 May 2007 had not been appealed within the time-limit laid down in Article 59 of Regulation No 40/94 (now Article 60 of Regulation No 207/2009) and that it had therefore become final.

28 The Opposition Division's letter of 8 June 2007 calling on the parties to submit observations on the revocation of that decision did not have any suspensive effect in relation to the time-limit for bringing an appeal.

29 The applicant's reply to that letter cannot be considered to be an appeal against that decision. In any event, that answer — which was received by OHIM on 24 July 2007 — was filed after the expiry of the two-month time-limit for bringing proceedings, for the purposes of which time began to run when the decision was notified.

30 The Board of Appeal also found that the difficulties in comprehension posed by the original version of the decision did not preclude the applicant from filing an appeal but, on the contrary, should have encouraged it to do so.

31 According to the Board of Appeal, the applicant's appeal against the original version of the decision of 16 May 2007, which was filed on 24 January 2008, was therefore out of time and had to be dismissed as inadmissible.

32 Secondly, the Board of Appeal accepted that the corrigendum to the decision of 16 May 2007 was a measure capable of affecting the interests of the applicant by bringing about a distinct change in its legal position.

33 However, the corrigendum at issue in the present case did not adversely affect the parties' interests for the purposes of Article 58 of Regulation No 40/94 (now Article 59 of Regulation No 207/2009). The amended version of the decision of 16 May 2007 contains the same operative part as the original version. Accordingly, in so far as it merely substantiates the operative part of the original decision, the corrigendum in question has not adversely affected the applicant. In consequence, the amended version of the decision of 16 May 2007 is not an actionable measure.

34 Furthermore, by deciding to undertake the correction of clerical errors, as provided for in Rule 53 of Regulation No 2868/95, rather than proceeding with revocation as provided for in Article 77a of Regulation No 40/94, or review as provided for in Article 60a of Regulation No 40/94, the Opposition Division did not replace the original decision with a new decision.

35 Consequently, the appeal was also dismissed as inadmissible in that it was directed against the amended version of the decision of 16 May 2007.

Forms of order sought

36 The applicant claims that the Court should:

— annul the contested decision;

— reject the opposition in its entirety or, in the alternative, refer the case back to OHIM;

— order the opponent to pay the costs.

37 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

38 In the present case, the applicant submits that the Board of Appeal was wrong in dismissing its appeal as inadmissible and seeks, by its first head of claim, annulment of the contested decision. Furthermore, the applicant claims that the General Court should reject the opposition in its entirety or, in the alternative, refer the case back to OHIM.

The claim seeking annulment of the contested decision

Arguments of the parties

39 The applicant submits that the Board of Appeal was wrong in finding that its appeal was inadmissible.

40 First, the observations which the applicant submitted on 23 July 2007, in reply to the letter of 8 June 2007 in which the Opposition Division informed the parties of its intention to revoke the decision of 16 May 2007, had suspensive effect in relation to the time-limit for filing an appeal against that decision.

41 In the view of the applicant, it is illogical and unjust for any party which is adversely affected by a decision to be required to file an appeal against that decision when that decision is, at the same time, the subject of a revocation procedure. If the contrary view were to prevail, it would mean that there would be two separate procedures, dealt with by two separate bodies of OHIM, which could lead to two different outcomes. Moreover, revocation of the decision, were it to take place, would render the appeal redundant.

42 The applicant argues that the initiation of a procedure for the revocation of a decision which was taken while time was running for the purposes of the time-limit for filing an appeal against that decision must therefore be regarded as having a suspensive effect.

43 Secondly, if the initiation of a review procedure in the present case did not have any suspensive effect in relation to the time-limit for filing an appeal, the principle of the protection of legitimate expectations would have required the parties to be warned of this and to be informed of the need to file a separate appeal before the Board of Appeal.

44 Thirdly, there was no basis for the assertion made by the Board of Appeal that the notification of the amended version of the decision of 16 May 2007 was not, in the circumstances, an actionable measure, on the ground that the outcome of that decision was no different from the outcome set out in the original version of that decision. In the present case, account must be taken of the fact that the amended version of the decision of 16 May 2007 substitutes new grounds for the contradictory and, in part, incomprehensible grounds stated in the original version. First, it is impossible to appeal against a decision which is vitiated by a failure to state reasons. Secondly, the parts of the decision to which the amendment relates have to be open to appeal. Moreover, OHIM agrees with the applicant's view, as is apparent both from the instructions given in the amended version of the decision of 16 May 2007 regarding the time allowed for filing an appeal and from the wording of the letter of 19 December 2007 (see paragraph 22 above).

45 Fourthly, the principle of the protection of legitimate expectations required, in the circumstances, that the appeal be regarded as admissible by the Board of Appeal. OHIM clearly and expressly explained twice (see paragraph 44 above) that the amended version of the decision of 16 May 2007 was an act amenable to appeal. OHIM should therefore have been required to adhere to its own instructions.

46 Although OHIM takes the view that the Board of Appeal was right to dismiss the appeal as inadmissible, it begins by referring to the irregularities committed in the present case by the Opposition Division.

47 First, the reasons stated in the decision of 16 May 2007 are flawed, in particular by a line of reasoning which is contradictory and one unfinished sentence.

48 Secondly, the Opposition Division initiated the revocation procedure provided for in Article 77a of Regulation No 40/94 in a case where no obvious error of a procedural nature had been made.

49 Thirdly, although the Opposition Division applied Rule 53 of Regulation No 2868/95, which permits the correction of clerical errors, the amendments made to the original version of the decision of 16 May 2007 do not concern the correction of obvious errors such as linguistic errors, errors of transcription or other kinds of error which obviously require correction, in the sense that nothing but the wording as corrected could have been intended. As the Board of Appeal correctly stated, the Opposition Division, in the letter of 26 November 2007, acted in breach of its obligation under Article 73 of Regulation No 40/94 (now Article 75 of Regulation No 207/2009) to state reasons by not specifying the clerical errors which it had proved necessary to correct.

50 Fourthly, as the Board of Appeal also pointed out, the letter of 26 November 2007 was signed by a single member of the Opposition Division, in breach of Rule 100 of Regulation No 2868/95.

51 Nevertheless, according to OHIM, the Board of Appeal was right to dismiss as inadmissible the applicant's appeal against the amended version of the decision of 16 May 2007, in so far as (i) the notification to the applicant of the letter of 8 June 2007 asking

the parties to submit their observations on the possible revocation of the decision of 16 May 2007 did not have suspensive effect in relation to the time-limit for filing an appeal against that decision; (ii) the applicant is not justified in the present case in relying on the principle of the protection of legitimate expectations; and (iii) the amended version of the decision of 16 May 2007 does not affect the applicant's legal position and does not therefore constitute an actionable measure.

52 In the first place, OHIM contends that, under Article 77a(3) of Regulation No 40/94, initiation of the revocation procedure provided for in Article 77a has no suspensive effect in relation to the time-limit for filing an appeal against a decision pursuant to Article 59 of that regulation.

53 Furthermore, OHIM is not required to inform the parties that time for the purposes of filing an appeal does not stop running if the revocation procedure is initiated.

54 As it is, the applicant did not file an appeal against the decision of 16 May 2007 within the time-limit of two months following notification of that decision. By the appeal filed with the Board of Appeal, the applicant therefore sought the re-examination of a decision which had become final, an exercise which the Board of Appeal was not competent to undertake.

55 In the second place, the applicant is not justified in the present case in relying on the principle of the protection of legitimate expectations.

56 First, the applicant was informed, when it was notified on 16 May 2007 of the decision of the same date, that it had two months in which to file an appeal against that decision.

57 Secondly, the initiation of the revocation procedure does not necessarily culminate in the revocation proposed. In the circumstances, the fact that the defects marring the decision of 16 May 2007 were not obvious procedural errors gave the applicant all the more reason to doubt that that decision could be revoked. Accordingly, the applicant could not reasonably expect the decision in question to be revoked with such a degree of certainty that it could safely forgo the filing of an appeal against the partial rejection of its application for registration.

58 In the third place, the correction which the Opposition Division made in the present case did not have an impact on the applicant's legal position as the extent of the rejection of the application for registration submitted by the applicant remained unchanged.

59 Consequently, according to OHIM, the Board of Appeal had to, and did, dismiss the applicant's appeal as inadmissible.

60 In conclusion, OHIM is of the opinion that the Board of Appeal did not err in law and that the present action should be dismissed. However, in view of the procedural errors made by the Opposition Division, it does not object to a ruling made by the General Court on the basis of considerations of equity.

Findings of the Court

— The possibility of filing an appeal against the amended version of the decision of 16 May 2007

61 Under Article 57 of Regulation No 40/94, read in conjunction with Article 58 thereof, decisions of the Opposition Divisions which terminate opposition proceedings can be appealed before the Boards of Appeal of OHIM by parties to proceedings who are adversely affected by those decisions.

62 In the appeal which it filed before the Board of Appeal, the applicant requested annulment of the 'amended version of the … decision [of the Opposition Division] of May 16, 2007' and the rejection of the opposition in its entirety.

63 As that appeal was dismissed as inadmissible in the contested decision, the applicant requests that the General Court annul that decision.

64 In order to arrive at the conclusion which it reached in the contested decision, the Board of Appeal found, in essence, that, since the applicant had not filed an appeal within the time-limit, in relation to which time began to run with the notification of the original version of the decision of 16 May 2007, it no longer had the right to challenge that decision and that, since the correction which the Opposition Division

had made had not amended the scope of the registration rights attaching to the mark applied for by the applicant, the amended version of the decision of 16 May 2007 did not constitute an actionable measure.

65 In support of the present action, the applicant disputes those two findings.

66 Above all, therefore, it is necessary to consider whether the amended version of the decision of 16 May 2007 constituted an act which is open to appeal before the Board of Appeal. Consequently, it is necessary first to ascertain the extent of the amendments which the Opposition Division made to the original version of the decision of 16 May 2007.

67 In the original version of the decision of 16 May 2007, a paragraph on page 4 was worded as follows:

'…This degree of similarity is also found regarding audio and video cassettes as they encompass digital ones and can be used in digital video cameras. Moreover, there are devices that transfer analogue cassette tapes to digital DVDs.'

68 On the same page, however, the following paragraph — which is reproduced hereunder in its entirety — also appeared:

'However, the above mentioned connections are not enough to render exposed films and audio and video cassettes similar to any of the opponent's goods. Bearing all this in mind, materials such as exposed films, which are used with the traditional

alternative to digital cameras or devices such as audio and video cassettes, which are the traditional a [sic]'

69 Thus, the original wording of the decision of 16 May 2007 contained a contradictory assessment as to whether audio and video cassettes were similar to the goods covered by the opponent's mark. Furthermore, the Opposition Division took the view that exposed films and the goods in respect of which the opponent's mark had been registered were not similar. Nevertheless, the opposition was upheld and, as a consequence, the application for registration filed by the applicant was rejected, both in respect of audio and video cassettes and in respect of exposed films.

70 The correction which the Opposition Division made to the decision of 16 May 2007 consisted in replacing the paragraph reproduced in paragraph 68 above with the following paragraph:

'The opponent's data processing equipment is a wide category of goods that encompasses, among other, apparatus that are able to read out from an exposed film the image information that it contains and convert it to optical or electrical digital information (and vice versa). These apparatus can be sold through outlets specialised in the photographic field to professionals or people interested on that field. Taking this into account, [OHIM] considers that there is a remote degree of similarity between exposed films and data processing equipment.'

71 That correction thus, on the one hand, removed the original contradiction in relation to audio and video cassettes and, on the other, contradicted the original assessment to the effect that there was no similarity between exposed films and the goods covered by the opponent's mark. By contrast, the operative part was not amended.

72 It should be borne in mind that, after initially intending to revoke the decision of 16 May 2007, the Opposition Division recognised that the conditions laid down in Article 77a of Regulation No 40/94 had not been met. In the letter of 26 November 2007, sent with the notification of the amended version of the decision of 16 May 2007 (see paragraph 21 above), one of the members of the Opposition Division stated that the original version of that decision contained an obvious mistake which had to be amended in accordance with Rule 53 of Regulation No 2868/95.

73 Under Rule 53 of Regulation No 2868/95, where OHIM becomes aware, of its own motion or at the instance of a party to the proceedings, of a linguistic error, error of transcription or obvious mistake in a decision, it is to ensure that that error or mistake is corrected by the department or division responsible. It is apparent from that wording that the only legitimate purpose of corrections made on the basis of that provision is to correct spelling mistakes or grammatical errors, errors of transcription — such as errors relating to the names of the parties or to the written forms of the signs — or errors which are so obvious that nothing but the wording as corrected could have been intended.

74 In the present case, however, the amendments made (see paragraphs 67 to 71 above) consisted not only in completing an unfinished sentence the meaning of which was incomprehensible, but also in eliminating an internal contradiction in the grounds in relation to audio and video cassettes and a contradiction between the grounds and the operative part in relation both to those goods and to exposed films.

75 It is clear, therefore, that the correction to the original version of the decision of 16 May 2007 concerned the very substance of that decision and in consequence cannot be construed as the correction of a clerical error. In that regard, it should be pointed out that a contradiction within the grounds of a decision relating to the question whether certain goods covered by the mark applied for and certain goods in respect of which the opponent's mark was registered are similar can just as easily be resolved in favour of one side of the argument as the other. Likewise, a contradiction

between the grounds of a decision and its operative part — arising from the fact that, while certain goods covered by the mark applied for and the goods covered by the opponent's mark are not found to be similar, the opposition is nevertheless upheld as regards those goods — can also be resolved either by a finding that there is a certain degree of similarity between the goods in question or by the rejection of the opposition as regards those goods.

76 It follows that the wording which was substituted for the original wording of the decision of 16 May 2007 was not, manifestly, the only possible choice and that the amendment which was made in the present case cannot be regarded as the correction of one of the types of error envisaged in Rule 53 of Regulation No 2868/95.

77 Nor can that amendment have been adopted on the basis of one of the other provisions which permit the Opposition Divisions to alter their decisions after they have been adopted and notified.

78 As was acknowledged in the letter of 26 November 2007, sent with the notification of the amended version of the decision of 16 May 2007, the conditions laid down in Article 77a of Regulation No 40/94 had not been met as no obvious procedural error attributable to OHIM had been made in the circumstances. Accordingly, the Opposition Division could not revoke the decision of 16 May 2007 and adopt another decision.

79 Nor, in the circumstances, could the Opposition Division make use of its power under Article 60a of Regulation No 40/94 to review its own decisions, since the exercise of that power is conditional upon the filing of an appeal before the Board of Appeal and it was common ground that the applicant had not, within the time allowed under

Article 59 of Regulation No 40/94, filed an appeal against the original version of the decision of 16 May 2007.

80 As is stated in recitals 11 and 12 to Regulation No 40/94, the legislature intended, in adopting that regulation, to define the powers of OHIM and of each of its departments. Accordingly, the usual way of challenging decisions taken by the Opposition Divisions is for the parties adversely affected to have recourse to the legal remedies provided for in Title VII of Regulation No 40/94 (now Title VII of Regulation No 207/2009). Furthermore, Regulation No 40/94 envisages three cases in which the Opposition Divisions may themselves alter decisions which they have adopted, namely the situations considered in paragraphs 72 to 79 above. Those three situations mark the limits of the possibilities available: it is clear from the general scheme of the rules of administrative procedure established by Regulation No 40/94 that, in principle, the Opposition Divisions exhaust their competence when they adopt a decision pursuant to Article 43 of that regulation (now Article 42 of Regulation No 207/2009) and that they are not competent to withdraw or amend decisions which they have adopted other than in the situations envisaged by the legislation.

81 Nevertheless, as has just been pointed out, the correction to the decision of 16 May 2007 was clearly not the correction of an obvious error and was not covered by either of the other situations envisaged by Regulation No 40/94.

82 The amendment made to the original version of the decision of 16 May 2007 was therefore adopted in circumstances which fell outside the situations, envisaged by Regulation No 40/94, in which the Opposition Divisions may alter decisions. Accordingly, there was no legal basis whatsoever for that decision, a point which, moreover, is agreed by the applicant, in its appeal before the Board of Appeal, the Board of

Appeal, in the contested decision, and OHIM, in the response lodged in the present proceedings.

83 In that regard, it is settled law that acts of the institutions, the bodies and the agencies of the European Union are in principle presumed to be lawful and accordingly produce legal effects, even if they are tainted by irregularities, until such time as they are annulled or withdrawn. However, by way of exception to that principle, measures tainted by an irregularity whose gravity is so obvious that it cannot be tolerated by the legal order of the European Union must — *ex officio*, if need be — be treated as having no legal effect, that is to say, they must be regarded as legally non-existent. The purpose of this exception is to maintain a balance between two fundamental, but sometimes conflicting, requirements with which a legal order must comply, namely stability of legal relations and respect for legality. From the gravity of the legal consequences attaching to a finding that a measure is non-existent, it is self-evident that, for reasons of legal certainty, such a finding is reserved for situations which are quite extreme (see, to that effect, Joined Cases 7/56 and 3/57 to 7/57 *Algera and Others* v *Common Assembly* [1957] ECR 39, 60-61; Case 31/76 *Hebrant* v *Parliament* [1977] ECR 883, paragraph 23; Case 15/85 *Consorzio Cooperative d'Abruzzo* v *Commission* [1987] ECR 1005, paragraphs 10 and 11; and Case C-137/92 P *Commission* v *BASF and Others* [1994] ECR I-2555, paragraphs 48 to 50).

84 Accordingly, the Court of Justice has held that, where there are no special circumstances to justify such a delay, a periodic report which was definitively adopted by the administration more than 15 months after the period in respect of which it was drawn up is legally non-existent (*Hebrant* v *Parliament*, paragraph 83 above, paragraphs 22 to 26).

85 Furthermore, the Court of Justice held that it was for it, the Court, in an action for failure of a Member State to fulfil obligations, to ascertain whether the provision of secondary legislation which had allegedly been infringed fell within the scope of the powers delegated to the Communities and, accordingly, did not lack all legal basis in the Community legal system, even though no proceedings for annulment of the decision in question had been brought within the period prescribed and that decision

had therefore become definitive (Joined Cases 6/69 and 11/69 *Commission* v *France* [1969] ECR 523, paragraphs 11 to 13).

86 Those precedents show that irregularities of such a kind as to lead the Courts of the European Union to regard a measure as legally non-existent differ from the illegalities which, in principle, lead to the annulment of measures whose legality is reviewed, as provided for under the Treaty — not on account of their nature, but on account of their gravity and their blatancy. Where measures are tainted by irregularities of such obvious gravity that it affects the conditions essential to their adoption and existence, those measures must be held to be legally non-existent (see, to that effect, *Commission* v *BASF and Others*, paragraph 83 above, paragraphs 51 and 52).

87 In the present case — as has been stated in paragraphs 72 to 82 above — the amended version of the decision of 16 May 2007 was tainted by irregularities relating to the conditions essential to the adoption and existence of that measure, the gravity and blatancy of which could not, in their entirety, have escaped the notice either of the parties to the opposition proceedings or of the Board of Appeal.

88 The Board of Appeal stated that the single member of the Opposition Division who had signed the letter notifying to the applicant the amended version of the decision of 16 May 2007 had failed to explain the reasons for applying in the circumstances the rule permitting the correction of obvious errors (paragraph 11 of the contested decision).

89 For the sake of completeness, it should be pointed out that OHIM itself devoted paragraphs 27 to 32 of the response to pointing out, also of its own motion, the gravity of the illegalities vitiating the amended version of the decision of 16 May 2007.

90 Likewise, in the appeal which it filed before the Board of Appeal, the applicant stated the following with regard to the extracts from the contested decision set out in paragraph 15 above:

'The official consideration [by OHIM] of an "obvious mistake" [tainting the original version of the decision of 16 May 2007] can not be followed.

Studying said page 4 there are some hardly understandable sentences:

…

[The] cited passages are contradictory, but they are not at all an obvious mistake. Which of the 2 opinions should be obviously wrong?

Finally the third paragraph stops in the middle of a sentence:

…

So [that paragraph] is not understandable.

However comparing the third paragraph of page 4 of the [original version of the decision of 16 May 2007] with the third paragraph of the [amended version of the decision of 16 May 2007] it is not this sentence which should have been completed, but there are totally different passages, especially there are new arguments concerning "a remote degree of similarity between exposed films and data processing equipment". These new arguments [do not constitute the correction of] an obvious mistake and

therefore the amendment of the [decision of 16 May 2007] seems not to be in accordance with the Articles and Rules for Community Trade Marks.'

91 Thus, the blatancy of the illegalities tainting the amended version of the decision of 16 May 2007 was pointed out by the applicant, by the Board of Appeal and by OHIM during the proceedings before the Court.

92 As was stated in paragraph 82 above, by the time that the Opposition Division adopted, without any legal basis, the amended version of the decision of 16 May 2007, it had already exhausted its competence to rule on the opposition. In that regard, it must be held that that lack of competence constitutes an irregularity which undermines the conditions essential to the adoption and existence of the measure in question, which must in consequence be held to be legally non-existent (see paragraph 86 above).

93 Accordingly, when an appeal against such a measure was brought before it, it was binding upon the Board of Appeal to find that that measure was legally non-existent and to declare it null and void, as OHIM conceded, moreover, in its answer to the questions which the Court put to the parties on that point.

94 It follows, first, that the Board of Appeal erred in law in examining whether the amended version of the decision of 16 May 2007 affected the applicant's legal position and in dismissing as inadmissible the appeal against that measure and, secondly, that the contested decision must be annulled, *ex officio*, in so far as it did not declare that act null and void.

95 It is also apparent from the foregoing that the scope of the registration rights attaching to the mark whose registration was applied for by the applicant was determined

by the original version of the decision of 16 May 2007. It emerges from the documents placed before the Court by the applicant that the original version of the decision of 16 May 2007 was notified to the applicant on that date. The applicant should therefore, in accordance with Article 59 of Regulation No 40/94, have filed a notice of appeal within two months of that date. However, as the applicant does not deny, it did not appeal against that decision before that time-limit expired. Accordingly, it must be held that, at the time when the applicant filed its appeal before the Board of Appeal, it no longer, in principle, had the right to challenge the merits of the Opposition Division's decision.

96 It is necessary, however, to consider the applicant's arguments relating to the consequences of the notification by OHIM, before the expiry of the time-limit for filing an appeal, in relation to which time began to run with the notification of the original version of the decision of 16 May 2007, of its intention to revoke that decision and also to examine the applicant's arguments regarding the principle of the protection of legitimate expectations.

— The consequences of the notification of the letter of 8 June 2007 for the expiry of the time-limit for filing an appeal

97 By letter of 8 June 2007 (see paragraph 17 above), the applicant was informed of the Opposition Division's intention to revoke the decision of 16 May 2007.

98 The applicant submits that the notification of that letter, which took place during the time allowed for filing an appeal, which began to run with the notification of the original version of the decision of 16 May 2007, must be taken into consideration for the purposes of assessing the admissibility of the applicant's appeal before the Board of Appeal. The applicant also relies on the fact that it replied to the letter of 8 June 2007 within the time-limits set in that letter.

99 In that regard, in the first place, it should be pointed out that the notification to the parties to opposition proceedings of the intention to revoke a decision, pursuant to Article 77a(2) of Regulation No 40/94 (now Article 80(2) of Regulation No 207/2009), constitutes for the Opposition Division a mandatory consultative measure the purpose of which is to enable the parties to state their views as to whether that revocation is justified or not and thus to throw light on OHIM's assessment as to whether the conditions laid down in Article 77a(1) of Regulation No 40/94 (now Article 80(1) of Regulation No 207/2009) are met. In those circumstances, the applicant could not, in view of the letter of 8 June 2007, be certain as regards the decision which OHIM would take concerning the revocation of the decision of 16 May 2007.

100 In the second place, it should be pointed out that, under Article 77a(3) of Regulation No 40/94, the revocation procedure is without prejudice to the right of the parties to file an appeal against the decision the revocation of which is proposed.

101 Accordingly, and in the absence of any express provision in Regulation No 40/94, the initiation, pursuant to Article 77(a)(2) of that regulation, of the consultation of the parties concerned prior to the revocation of a decision cannot have suspensive effect in relation to the time-limit, laid down in Article 59 of that regulation, for filing an appeal (see, to that effect, Case T-419/07 *Okalux* v *OHIM - Messe Düsseldorf (OKAT-ECH)* [2009] ECR II-2477, paragraph 34).

102 The applicant's arguments relating to the inconsistent nature of the co-existence of an appeal procedure and a revocation procedure must, moreover, be rejected.

103 First, if the co-existence of two procedures were actually to constitute an inconsistency, such a finding would not, in any event, make it possible to disapply the unconditional, clear and specific provisions of the legislation relating both to the conditions for revocation and to the time-limits applicable to appeals before the Boards of Appeal.

104 Secondly, the alleged inconsistency has not been established. First, the revocation procedure can be completed rapidly and must be concluded within six months of the notification of the decision. Although it is unlikely, in view of the procedural time-limits applicable, that the Board of Appeal would give a ruling before the end of a revocation procedure, it would merely mean, if a decision confirmed by the Board of Appeal were revoked at a later stage, that a new decision would have to be adopted and, if the decision were annulled by the Board of Appeal, that the revocation procedure concerning that decision would become devoid of purpose. Secondly, if a decision under appeal were revoked, that would result in a finding by the Board of Appeal that there was no longer any need to adjudicate on the appeal. Accordingly, the applicant is not justified in claiming that the initiation of a revocation procedure in parallel with the filing of an appeal against the same decision can culminate in an inconsistent outcome.

105 Lastly, the applicant's submissions challenging the merits of the decision of 16 May 2007 in the revocation procedure, which is a procedure independent of the appeal procedure provided for in Articles 57 et seq. of Regulation No 40/94, cannot be regarded as an appeal against the decision in question. The filing of an appeal is subject to procedural requirements — including the payment of a fee — and formal requirements, which the applicant has not satisfied. In any event, even if the letter with the applicant's observations submitted on 23 July 2007 could be regarded as an appeal against the decision of 16 May 2007, such an appeal would have been filed out of time.

106 It follows from the above that the applicant is not justified in claiming that the notification of the letter of 8 June 2007 had suspensive effect in relation to the time-limit for filing an appeal, for the purposes of which time began to run with the notification of the original version of the decision of 16 May 2007.

— The applicant's arguments relating to the principle of the protection of legitimate expectations

107 The applicant submits that it could file an appeal against the amended version of the decision of 16 May 2007 on account of the legitimate expectations to which the letter written by a member of the Opposition Division on 19 December 2007 had given rise (see paragraph 22 above). It also submits that compliance with that principle required OHIM to inform it that the notification of the letter of 8 June 2007 informing it of OHIM's intention to revoke the decision of 16 May 2007 (see paragraph 17 above) did not have suspensive effect in relation to the time-limit for filing an appeal.

108 It is settled law that, even in the absence of legislation, the possibility of relying on the principle of the protection of legitimate expectations is open to any individual which an institution, by giving him precise assurances, has led to entertain legitimate expectations. Regardless of the form in which it is communicated, precise, unconditional and consistent information which comes from an authorised and reliable source constitutes such assurance (see judgment of the General Court of 5 April 2006 in Case T-388/04 *Kachakil Amar* v *OHIM (Longitudinal line ending with a triangle)*, not published in the ECR, paragraph 26 and the case-law cited).

109 By contrast, a person may not plead breach of that principle unless he has been given precise assurances by the administration (see Joined Cases T-376/06 and T-383/05 *TEA-CEGOS and STG* v *Commission* [2006] ECR II-205, paragraph 88 and the case-law cited).

110 According to the case-law, a party cannot therefore rely with justification on the silence of the administration in order to plead breach of the principle of the protection of legitimate expectations. In those circumstances, the fact that the letter sent to the parties on 8 June 2007, in which a member of the Opposition Division announced its intention to revoke the decision of 16 May 2007 but did not state that the initiation of the revocation procedure did not have the effect of interrupting or suspending the running of time for the purposes of the time-limit, laid down in Article 59 of Regulation No 40/94, for filing an appeal, cannot be regarded as a factor capable of leading the applicant to entertain legitimate expectations as regards the interruption or suspension of that peremptory time-limit, of which it had moreover been reminded at the time of the notification of the decision of 16 May 2007.

111 It is common ground, however, that, by letter of 19 December 2007, an agent for OHIM informed the parties that the amended version of the decision of 16 May 2007 was a decision which was open to appeal within a time-limit for which time began to run with the notification of that new version of the decision of 16 May 2007.

112 It should be noted that that letter merely informed the parties before the Opposition Division that they could file an appeal against the amended version of the decision of 16 May 2007, which was notified to them on 26 November 2007. Such information did not signify, in a precise and unconditional manner, that the applicant could still, at that time, file an appeal against the original version of the decision of 16 May 2007, which — as has been held (see paragraphs 93 to 95 above) — is the only measure which produced legal effects in the present case.

113 In any event, the applicant is not justified in relying on the principle of the protection of legitimate expectations in order to avoid being time-barred for failure to file, within the period for filing an appeal, an appeal against the original version of the decision of 16 May 2007.

114 In order to be able to rely on the principle of the protection of legitimate expectations so as to avoid being time-barred, it is clear from the case-law that an applicant must

be able to show expectations based on specific assurances by the administration such as to give rise to pardonable confusion in the mind of a party acting in good faith and with all the diligence required of a normally informed operator (order in Case C-44/00 P *Sodima* v *Commission* [2000] ECR I-11231, paragraph 50).

115 In the present case, given the peremptory nature of the time-limit for filing an appeal, of which the applicant had been reminded, moreover, at the time of the notification of the original version of the decision of 16 May 2007, since the applicant failed to file within that time-limit, even as a precaution, an appeal against that decision, it did not act with the diligence normally required if a party is to be able to rely on the principle of the protection of legitimate expectations (see, to that effect, *OKATECH*, paragraph 101 above, paragraph 53).

116 It follows from the foregoing that the applicant is not justified in claiming that the Board of Appeal erred in dismissing the appeal as inadmissible in so far as it sought to contest the merits of the decision adopted by the Opposition Division.

The claim that the Court should reject the opposition in its entirety

Arguments of OHIM

117 OHIM contends that the jurisdiction of the Court is defined by Article 63 of Regulation No 40/94 (now Article 65 of Regulation No 207/2009) and that, accordingly, that jurisdiction is limited to the review of the legality of the decisions of the Boards

of Appeal, a review which can culminate, as the case may be, only in the annulment or alteration of those decisions. Consequently, the applicant's claim that the Court should reject the opposition is inadmissible.

Findings of the Court

118 By its second head of claim, the applicant claims that the Court should, after annulling the contested decision, reject in its entirety the opposition brought by the proprietor of the earlier Spanish figurative mark dm.

119 Under Article 63(3) of Regulation No 40/94 (now Article 65(3) of Regulation No 207/2009), the Courts of the European Union have jurisdiction to annul or to alter decisions of the Boards of Appeal. In that regard, a claim that the Court should adopt the decision which, according to one of the parties, the Board of Appeal should have taken is covered by the jurisdiction to amend decisions of the Board of Appeal, provided for in Article 63(3) of Regulation No 40/94 (see, to that effect, Case T-363/04 *Koipe* v *OHIM - Aceites del Sur (La Española)* [2007] ECR II-3355, paragraphs 29 and 30, and judgment of 11 February 2009 in Case T-413/07 *Bayern Innovativ* v *OHIM — Life Sciences Partners Perstock (LifeScience)*, not published in the ECR, paragraphs 14 to 16.

120 However, as has been held (see paragraph 116 above), the Board of Appeal correctly applied the rules relating to the admissibility of appeals, by finding that the applicant was not entitled to contest the merits of the decision by which the Opposition Division had ruled on the opposition. It follows that the applicant's claim that the Court should reject that opposition cannot but be dismissed.

The claim that the Court should refer the case back to OHIM

Arguments of OHIM

121 OHIM contends that it is required to take the necessary measures to comply with the judgments of the Court under Article 63(6) of Regulation No 40/94 (now Article 65(6) of Regulation No 207/2009). It follows that claims that the Court should issue directions to OHIM are inadmissible.

Findings of the Court

122 Under Article 63(6) of Regulation No 40/94, OHIM is required to take the measures necessary to comply with judgments delivered by the Courts of the European Union. It follows that the applicant's claim, submitted in the alternative, that the Court should refer the case back to OHIM is devoid of purpose and therefore inadmissible.

Costs

123 The applicant's claim that the opponent should be ordered to pay the costs cannot but be dismissed as the opponent has not intervened before the Court.

124 Under Article 87(2) of the Rules of Procedure of the General Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. However, under Article 87(3) of the Rules of Procedure, the Court may order a party, even if successful, to pay costs which it considers that party to have unreasonably or vexatiously caused the opposite party to incur.

125 In the circumstances of the present case, regard must be had to (i) the fact that the original version of the decision of 16 May 2007 included incomprehensible reasons; (ii) the gravity of the illegalities relating to the notification of the amended version of the decision of 16 May 2007; and (iii) the fact that the applicant was encouraged to file an appeal before the Board of Appeal by the letter which OHIM sent to it on 19 December 2007. Consequently, all the costs incurred by the applicant in the present proceedings must be held to be unreasonable for the purposes of Article 87(3) of the Rules of Procedure and OHIM must be ordered, on that ground, to pay the costs in their entirety, even though they have not been applied for in the applicant's pleadings.

On those grounds,

THE GENERAL COURT (First Chamber)

hereby:

1. **Annuls the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 30 October 2008 (Case R 228/2008-1) relating to opposition proceedings between Distribuciones Mylar, SA and dm-drogerie markt GmbH & Co. KG in so far**

as it did not declare the amended version of the Opposition Division's decision of 16 May 2007 to be null and void;

2. Dismisses the remainder of the action;

3. Orders OHIM to pay the costs.

Azizi Cremona Frimodt Nielsen

Delivered in open court in Luxembourg on 9 September 2011.

[Signatures]