ORDER OF THE COURT (Second Chamber)

1 December 2004 *

In Case C-498/01 P,

APPEAL under Article 49 of the EC Statute of the Court of Justice, brought on 20 December 2001,

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl, M. Schennen and C. Røhl Søberg, acting as Agents, with an address for service in Luxembourg,

applicant,

* Language of the case: German.

supported by

United Kingdom of Great Britain and Northern Ireland, represented by K. Manji, acting as Agent, and M. Tappin, Barrister, with an address for service in Luxembourg,

intervener in the appeal,

the other party to the proceedings being:

Zapf Creation AG, established in Rödental (Germany), represented by A. Kockläuner, Rechtsanwalt, and S. Zech, Patentanwalt, with an address for service in Luxembourg,

applicant at first instance,

THE COURT (Second Chamber),

composed of: C.W.A. Timmermans, President of the Chamber, J.-P. Puissochet (Rapporteur) and R. Schintgen, Judges,

Advocate General: F.G. Jacobs,
Registrar: M.-F. Contet, Principal Administrator,

having regard to the written procedure and further to the hearing on 8 January 2004,

after hearing the views of the Advocate General,

makes the following

Order

1 By its appeal, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM') seeks to have set aside the judgment of the Court of First Instance of the European Communities of 3 October 2001 in Case T-140/00

ZapfCreation v *OHIM (New Born Baby)* [2001] ECR II-2927 ('the judgment under appeal') which, first, annulled the decision of the Third Board of Appeal of OHIM of 21 March 2000 (Case R 348/1999-3) refusing to register the words 'New Born Baby' as a Community trade mark ('the contested decision') and, second, ordered OHIM to bear its costs and to pay those of the applicant.

2 In pronouncing such annulment, the Court of First Instance considered, first, that the words 'New Born Baby' did not designate the quality, intended purpose or any other characteristic of the goods for which registration thereof was sought, namely 'dolls to play with and accessories for such dolls in the form of playthings'. Consequently, the Court of First Instance held that OHIM had wrongly refused to register those words as a Community trade mark on the basis of Article 7(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

3 Second, the Court of First Instance observed that the application of the ground for refusal of registration set out in Article 7(1)(c) of Regulation No 40/94 involved the application of the ground for refusal set out in Article 7(1)(b) of the same regulation. Accordingly, the Court of First Instance held that the annulment of the first ground for refusal of registration under Article 7(1)(c) of Regulation No 40/94 consequently called in question the second ground for refusal of registration under Article 7(1)(b) of that regulation on which the said decision was based.

4 The Court heard the Opinion of the Advocate General at the sitting on 19 February 2004.

5 In his Opinion, the Advocate General considered that the Court of First Instance, in annulling the contested decision, had erred in law in its application both of Article 7(1)(b) of Regulation No 40/94 and of Article 7(1)(c) thereof. Consequently, the Advocate General proposed that the Court of Justice should set aside the judgment under appeal, itself give final judgment in the proceedings and dismiss the application brought by Zapf Creation before the Court of First Instance.

6 By letter of 25 March 2004, Zapf Creation informed the Court of Justice that it had withdrawn its application for registration of the words 'New Born Baby' as a Community trade mark.

7 By letter to the Court of 19 April 2004, OHIM confirmed the withdrawal of that application for registration by Zapf Creation and the validity thereof. In the same letter, OHIM expressed the view that, in those circumstances, 'the proceedings before the Court of Justice and those before the Court of First Instance have become devoid of purpose'. However, OHIM stated that that situation derived from the withdrawal of the trade mark application by Zapf Creation and that, therefore, that company should be ordered to pay the costs of the proceedings before both the Court of Justice and the Court of First Instance.

8 By letter of 11 May 2004, Zapf Creation informed the Court of Justice that it agreed with OHIM's view that the case was now disposed of. On the other hand, Zapf Creation emphasised in the same letter that the Court of First Instance had found in its favour and therefore contended that each party should bear its own costs in the proceedings before both the Court of Justice and the Court of First Instance.

9 Finally, by letter of 26 May 2004, OHIM brought to the notice of the Court the existence of an 'amicable agreement' between the parties as to how the costs should be borne and indicated that, in those circumstances, it withdrew its 'claim

concerning costs submitted on 19 April in relation to Case C-498/01 P, that is to say the claim that Zapf Creation should be ordered to pay the costs of the proceedings before both courts.

Findings of the Court

10 The withdrawal, after delivery of the Advocate General's Opinion, of the application for registration of the words 'New Born Baby' as a Community trade mark does not render the present appeal entirely devoid of purpose.

11 That withdrawal does not, in itself, have any impact on the judgment under appeal. That judgment produced legal effects and OHIM could still demonstrate that it has an interest in taking action to call in question those effects and the interpretation of Article 7(1)(b) and (c) of Regulation No 40/94 which the Court of First Instance considered itself entitled to adopt in this case. Moreover, that judgment upheld Zapf Creation's claims and could be helpful to that company in the context of other proceedings for registration of those words.

12 However, it is common ground that that withdrawal has the effect of bringing to an end the dispute concerning the refusal of registration of those words as a Community trade mark. The parties thus coincide in the view that the dispute is now settled. OHIM considers, in particular, that the withdrawal of the application for registration is 'valid' and considers that its claim for the judgment under appeal to be set aside no longer has any purpose.

13 In those circumstances, it is now unnecessary to give judgment in the present appeal.

Costs

14 Under Article 69(2) of the Rules of Procedure, which are applicable to appeals by virtue of Article 118 of the same rules, the unsuccessful party is to be ordered to pay the costs if they are applied for in the successful party's pleadings. Moreover, under Article 69(6), where a case does not proceed to judgment, the costs are to be in the discretion of the Court.

15 In this case, it must be observed that, according to the Advocate General's Opinion, OHIM was right to claim that the judgment under appeal should be set aside and that the application brought by Zapf Creation against the contested decision should be dismissed. It must then be pointed out that the appeal ultimately became devoid of purpose only because of the decision taken by Zapf Creation on25 March 2004, after the Advocate General delivered an Opinion that was unfavourable to the company, to withdraw the application for registration submitted by it on 6 October 1997.

16 It might therefore have been appropriate, as requested by OHIM in its letter of 19 April 2004, to order Zapf Creation to bear the costs of the proceedings at both instances.

17 However, the judgment under appeal ordered OHIM to bear its own costs and to pay Zapf Creation's costs. Since it is no longer necessary to give judgment on this appeal, no adverse finding can be made concerning the judgment under appeal and therefore the order that OHIM pay the costs of the proceedings before the Court of First Instance cannot be called in question.

18 Moreover, in its letter of 26 May 2004, OHIM abandoned its claim that Zapf Creation should be ordered to pay the costs of the proceedings at both instances.

19 In view of the foregoing considerations, it is appropriate, in the present circumstances, to order Zapf Creation to pay the costs of the present proceedings.

20 The United Kingdom, as intervener, must bear its own costs pursuant to Article 69(4) of the Rules of Procedure.

On those grounds, the Court (Second Chamber) hereby orders:

1. **It is unnecessary to give judgment on the appeal brought by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM).**

2. **Zapf Creation AG shall pay the costs of the present proceedings.**

3. **The United Kingdom of Great Britain and Northern Ireland shall bear its own costs.**

Signatures.