JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

11 July 2006 *

In Case T-252/04,

Caviar Anzali SAS, established in Colombes (France), represented by J.-F. Jésus, lawyer,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

* Language of the case: French.

the other party to the proceedings before the Board of Appeal of OHIM having been

Novomarket SA, established in Madrid (Spain),

ACTION brought against the decision of the Second Board of Appeal of OHIM of 19 April 2004 (Case R 479/2003-2) relating to opposition proceedings between Caviar Anzali SAS and Novomarket SA,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (First Chamber),

composed of J.D. Cooke, President, R. García-Valdecasas and I. Labucka, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court of First Instance on 18 June 2004,

having regard to the response lodged at the Registry of the Court of First Instance on 7 September 2004,

further to the hearing on 8 November 2005,

gives the following

Judgment

Legal context

1 Article 59, Article 62(1) and Article 74 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provide:

'*Article 59*

Time-limit and form of appeal

Notice of appeal [before the Board of Appeal] must be filed in writing at the Office [for Harmonization in the Internal Market (Trade Marks and Designs)] within two months after the date of notification of the decision appealed from. The notice shall be deemed to have been filed only when the fee for appeal has been paid. Within four months after the date of notification of the decision, a written statement setting out the grounds of appeal must be filed.

...

Article 62

Decisions in respect of appeals

1. Following the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal. The Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution.

...

Article 74

Examination of the facts by the Office of its own motion

1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

2. The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.'

Background to the dispute

2 On 18 April 2001 Novomarket SA ('the other party to the proceedings before OHIM') made an application for a Community trade mark to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) under Regulation No 40/94.

3 The trade mark in respect of which registration was sought is the figurative sign ASETRA, reproduced below:



4 The goods and services in respect of which registration was applied for come within Classes 29 ('caviar, fish and fish preserves, fish eggs and shellfish preserves; shellfish preserves'), 31 ('fish eggs and shellfish') and 35 ('information and consultancy services in relation to retailing; import and export; business management') of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

5 On 6 May 2002 Caviar Anzali SAS filed a notice of opposition to registration of the Community trade mark applied for. The opposition covered only some of the goods designated in the Community trade mark application, namely the following goods:

— 'caviar, fish and fish preserves, fish eggs and shellfish preserves; shellfish preserves' in Class 29;

— 'fish eggs and shellfish' in Class 31.

6 The ground relied on in support of the opposition was the likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 between the trade mark applied for and an earlier trade mark of which the applicant is the proprietor. The earlier trade mark in question, which was registered in France under number 92 432 018, with a filing date of 28 August 1992, for caviar (Class 29), and internationally under number 597 147, with a filing date of 18 February 1993, for the same product, is the figurative mark CAVIAR ASTARA, reproduced below:



7 The notice of opposition was drafted in French and contained, as evidence of registration of the earlier trade marks, a copy of the registration certificate of 19 November 2001 issued by the Institut national de la propriété industrielle, the French organisation responsible for registration of trade marks, and an extract from the international registration of the trade marks of 14 November 2001 issued by the World Intellectual Property Organisation (WIPO), also in French.

8 On 18 June 2002 the Opposition Division of OHIM asked the applicant to decide, between English and Spanish, the language that it wished to adopt as the language of the proceedings and informed it that any future communication must be submitted in the language of the proceedings or be accompanied by a translation. In reply, on 1 July 2002 the applicant submitted a notice of opposition drafted in English.

9 On 14 October 2002 the Opposition Division notified the applicant that it was allowed a final period until 15 February 2003 to complete the substantiation of its opposition by submitting facts, evidence and arguments. The letter stated that:

'If you do not submit any facts, evidence or arguments within the time allowed, [OHIM] will give a ruling on the opposition on the basis of the evidence before it. Please note that where evidence necessary for the substantiation of the earlier right(s) on which the opposition is based or evidence concerning the essential conditions for the application of the relevant ground(s) is missing, and such evidence is not submitted within the above term, the opposition will be rejected without any examination of its merits.

...

Please note that all documents must be in the language of the proceedings or accompanied by a translation. [OHIM] will not take into account any document that has not been translated into the language of the proceedings ...

A translation is also required for any documents or certificates already submitted in another language ... Any such translation should take the form of a separate document, reasonably reproducing the form and content of the original document. It must cover all the essential particulars indicated in the attached information sheet.

...

If no translation is supplied, [OHIM] will disregard the non-translated evidence and will rule on the case as if the evidence had not been submitted.'

10 An information sheet was annexed to the letter of 14 October 2002 concerning the evidence to be produced in support of the opposition, which contained the following clarification:

'Translations: where it is necessary to translate the registration certificates (or the equivalent documents) into the language of the proceedings, the opponent must translate all the essential particulars listed under 8(1) [Article 8(1) of Regulation No 40/94] above ['Particulars to be proved'], including the standard wording showing to what each entry actually refers, as this is necessary for understanding clearly and unequivocally the relevant information. Only administrative indications with no bearing on the case may be omitted from the translation.'

11 The applicant failed to produce any facts, evidence or further observations within the time-limit set, which expired on 15 February 2003 (see paragraph 9 above).

12 On 10 April 2003 the Opposition Division sent the applicant the observations submitted by the other party to the proceedings before OHIM and stated:

'Please note that new observations can no longer be exchanged. [OHIM] hereby informs you that it will be delivering a decision rejecting the opposition as unfounded since the evidence of the earlier rights has not been produced within the time-limit set by [OHIM]. If you disagree with this conclusion, you will have an opportunity to appeal once the decision has been delivered (Article 57(2) of Regulation No 40/94).'

13 On 14 April 2003, in response to the letter from OHIM, the applicant submitted English translations of the registration certificates which had previously been produced in French.

14 On 11 June 2003 the Opposition Division of OHIM rejected the opposition. It considered that the applicant had failed to file the necessary evidence to substantiate the earlier rights claimed as the basis of the opposition. It did not take into account the translations sent on 14 April 2003 on the ground that they had been filed after the expiry of the time-limit granted for substantiating the opposition. It pointed out that the applicant had chosen English as the language of the proceedings, that it knew that a translation of the evidence submitted had to be produced in accordance with Rule 17(2) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation (EC) No 40/94 (OJ 1995 L 303, p. 91), and that it had been given a period of time in which to file facts, evidence, arguments and translations in accordance with Rule 20(3), Rule 16(3) and Rule 17(2) of Regulation No 2868/95.

15 On 5 August 2003 the applicant brought an appeal against the Opposition Division's decision. In support of the statement setting out the grounds of its appeal, it once again annexed the registration certificates accompanied by an English translation.

16 On 19 April 2004 the Second Board of Appeal of OHIM dismissed the appeal brought by the applicant, adopting Decision R 479/2003-2 ('the contested decision'). The Board of Appeal considered that the Opposition Division was justified in rejecting the opposition without examining the substance of the case since the applicant had not sent the translation of the registration certificates within the time-limit granted to it. The Board stated that the applicant had been duly informed by the Opposition Division of the requirements for translations and of any penalties for failure to comply with those requirements, but that it had not provided translations within the time-limit set or requested a longer time-limit. Lastly, it rejected as inadmissible the translations of the registration certificates that had been annexed to the statement setting out the grounds of the appeal because they had been produced after the expiry of the time-limit set by the Opposition Division under Rule 17(2) and Rule 20(2) of Regulation No 2868/95.

Forms of order sought

17 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to pay the costs.

18 OHIM contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs;

— order the other party to the proceedings before the Board of Appeal to pay the costs incurred by the applicant in the event that the contested decision is annulled.

Law

19 In support of its action, the applicant essentially raises three pleas in law supporting the claim for annulment. The first concerns the infringement of the provisions of Regulations No 40/94 and No 2868/95 relating to the devolutive effect of the appeal before the Board of Appeal. The second relates to a breach of the general principle of equal treatment. In the third plea, the applicant alleges a breach of the principle of good administration and a failure to take account of the 'spirit' of Regulations No 40/94 and No 2868/95.

Arguments of the parties

20 In its first plea, the applicant considers that the contested decision infringes the provisions relating to the powers of the Board of Appeal. It relies on the 12th recital and Article 57(1) and Article 74(2) of Regulation No 40/94 and Rule 49(2) and

Rule 50(1) of Regulation No 2868/95. Under those provisions, the Board of Appeal performs a full decision-making function which is autonomous vis-à-vis the Opposition Division. It does not simply review the lawfulness of the contested decision, but, by virtue of the devolutive effect of appeal proceedings, conducts a reappraisal of the dispute, since the Board of Appeal must re-examine in full the initial application and take into account evidence produced in due time.

21 In the view of the applicant, the Board of Appeal is required, under Rule 49(2) and Rule 50(1) of Regulation No 2868/95, to notify the applicant of all deficiencies connected with the production of evidence or the provision of translations. However, it points out that in the present case the Board of Appeal, which had received the translations for a second time when they were annexed to the statement setting out the grounds of appeal, did not notify it of any difficulties. The applicant takes the view that, if a new ruling could not be given on the application and the evidence, this would allow the Opposition Division to take a position that is detrimental to the opponent, which it would invite to bring an appeal in the knowledge that that appeal before the Board of Appeal was doomed to failure. By failing to invite the applicant to remedy the deficiency found, the Board of Appeal would have deprived the applicant of a means of effectively exercising legal redress.

22 OHIM considers that the Board of Appeal has not committed any error in law by rejecting the translations produced before it.

23 OHIM considers that the Court of First Instance's judgment in CaseT-308/01 *Henkel* v *OHIM — LHS (UK) (KLEENCARE)* [2003] ECR II-3253 cannot be interpreted as allowing a party to produce facts or evidence in support of the opposition for the first time — or, as the case may be, for the second time — before the Board of Appeal even though that party has failed to respect the time-limit granted to it for the submission of those facts or that evidence to the Opposition Division.

24 OHIM takes the view that the time-limits set under Rules 16, 17, 20 and 22(1) of Regulation No 2868/95 are mandatory time-limits. Where, as in the present case, failure to respect such a time-limit is penalised by the loss of a right, on account of the mandatory nature of the time-limit, OHIM cannot apply its discretionary power under Article 74(2) of Regulation No 40/94 to accept or refuse evidence that has not been produced in due time. This finding is confirmed by the very wording of Article 74(2), cited above, which is applicable only where evidence has not been produced 'in due time' and not where it is produced 'out of time'.

25 OHIM considers that bringing an appeal before the Boards of Appeal cannot have the effect of reopening the time-limits granted by the Opposition Division. Such an approach would make proceedings longer, which would undermine the principle of legal certainty, under which proceedings should be closed within a reasonable time. In the view of OHIM, bringing an appeal cannot have a retroactive effect making it possible to nullify the consequences of failure to respect a time-limit originally set at first instance. Conversely, the provisions relating to time-limits would be rendered redundant. Such an interpretation is consistent with the Court of First Instance's ruling in Case T-388/00 *Institut für Lernsysteme* v *OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 29.

26 OHIM also claims that the translations are inadmissible on the basis of the need to comply with the principles of respect of the applicant's rights of defence and equality of arms between the parties. It takes the view that the rights of defence enjoyed by the applicant for registration mean that the applicant is allowed, from the beginning of the opposition proceedings, to satisfy itself as to the existence and the precise scope of protection of the earlier right claimed as the basis of the opposition, which was not the case in this instance. The principle of equality of arms between the parties would be breached if, once the opposition has been rejected, the opponent were able a posteriori to remedy a failure to submit evidence. The negligent opponent could not justify its deficiency on the basis of the need to ensure that its

right to be heard is respected. Such a right would be exhausted with the expiry of the time-limits set by OHIM, save in exceptional circumstances such as the material impossibility to produce facts or evidence within the time-limit set or the disclosure of new facts or evidence during the proceedings.

27 In the view of OHIM, the fact that there is continuity, in terms of their functions, between the Opposition Division and the Boards of Appeal does not make it possible to limit the rights of defence of the other party to the proceedings before OHIM. On the contrary, the continuity in terms of functions requires identical rules of procedure to be adopted as regards time-limits, which means that the legal consequences of failure to observe a time-limit would remain before the Board of Appeal.

28 OHIM contends that Rule 49(2) of Regulation No 2868/95 requires the Board of Appeal to notify the applicant of the deficiency concerning the translations. In the view of OHIM, it follows from the Court of First Instance's ruling in Case T-232/00 *Chef Revival USA* v *OHIM — Massagué Marín (Chef)* [2002] ECR II-2749 that the obligation to notify deficiencies in a notice of opposition applies only to deficiencies affecting the admissibility of the appeal, excluding those relating to the substance of the matter. OHIM (Opposition Divisions and Boards of Appeal) is not required to inform the opponent of a deficiency concerning evidence of the earlier right or its translation, which are substantive conditions of the opposition.

Findings of the Court

29 Article 62(1) of Regulation No 40/94 provides that the Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution. It follows from that provision and from the scheme of Regulation

No 40/94 that in ruling on an appeal the Board of Appeal has the same powers as the department which was responsible for the decision appealed and that its examination concerns the dispute as a whole as it stands on the date of its ruling.

30 That article and the established case-law also show that there is continuity, in terms of their functions, between the different departments of OHIM, namely the examiner, the Opposition Division, the Administration of Trade Marks and Legal Divisions and the Cancellation Divisions, on the one hand, and the Boards of Appeal, on the other (see *KLEENCARE*, paragraph 25, and the case-law cited).

31 It follows from that continuity in terms of functions between the departments of OHIM that, in the review of decisions taken by the departments of OHIM hearing the application at first instance that the Boards of Appeal must undertake, the Boards of Appeal are required to base their decision on all the matters of fact and of law which the parties concerned introduced either in the proceedings before the department which heard the application at first instance or in the appeal (see *KLEENCARE*, paragraph 32; Case T-57/03 *SPAG* v *OHIM — Dann and Backer (HOOLIGAN)* [2005] ECR II-287, paragraph 18; and Case T-275/03 *Focus Magazin Verlag* v *OHIM — ECI Telecom (Hi-FOCuS)* [2005] ECR II-4725, paragraph 37).

32 Thus, the Boards of Appeal may, subject only to Article 74(2) of Regulation No 40/94, allow the appeal on the basis of new facts relied on by the party which has brought the appeal or on the basis of new evidence adduced by that party (Case T-16/02 *Audi* v *OHIM (TDI)* [2003] ECR II-5167, paragraph 81, and *KLEENCARE*, paragraph 26). The review exercised by the Boards of Appeal is not limited to the lawfulness of the contested decision, but, by virtue of the devolutive effect of the appeal proceedings, it requires a reappraisal of the dispute as a whole, since the Boards of Appeal must re-examine in full the initial application and take into account evidence produced in due time.

33 Contrary to OHIM's assertions concerning *inter partes* proceedings, the continuity in terms of their functions between the various departments of OHIM does not mean that a party which, before the department hearing the application at first instance, did not produce certain matters of fact or of law within the time-limits laid down before that department would not be entitled, under Article 74(2) of Regulation No 40/94, to rely on those matters before the Board of Appeal. On the contrary, the continuity in terms of functions means that such a party is entitled to rely on those matters before the Board of Appeal (*Hi-FOCuS*, paragraph 37). OHIM's argument effectively denies the Board of Appeal's general power to rule on the dispute.

34 The rule laid down in Article 74(1) of Regulation No 40/94, according to which OHIM examines the facts of its own motion, makes provision for two limitations. First of all, in proceedings relating to relative grounds for refusal of registration, OHIM is restricted in this examination to the facts relating to the evidence and arguments provided by the parties and the relief sought. Secondly, Article 74(2) gives OHIM the option to disregard evidence which is not submitted 'in due time' by the parties.

35 It follows from the continuity in terms of functions which characterises the relationship between the various departments of OHIM that the notion of 'due time' must be interpreted in appeal proceedings before a Board of Appeal as referring to the time-limit applicable to the lodging of an appeal and to the time-limits granted in the course of those proceedings. Since this notion applies in each of the proceedings pending before OHIM, the expiry of the time-limits granted by the department hearing the application at first instance for producing evidence therefore has no bearing on the question whether the evidence has been produced 'in due time' before the Board of Appeal. The Board of Appeal is therefore required to take into consideration the evidence produced before it, irrespective of whether or not it has been produced before the Opposition Division.

36 OHIM's argument that the notion of 'not in due time' is not the same as the notion of 'out of time' and that the existence of a time-limit granted by the Opposition Division under Rule 22(1) of Regulation No 2868/95 prevents the application of Article 74(2) of Regulation No 40/94 and constitutes an obstacle to the discretion that that provision confers on OHIM cannot be accepted. First of all, it follows from case-law that Article 74(2) of Regulation No 40/94 confers a discretion upon the sections of OHIM as to whether or not to take account of evidence produced after the expiry of a time-limit (Case T-334/01 *MFE Marienfelde* v *OHIM (HIPOVITON)* [2004] ECR II-2787, paragraph 57). Secondly, OHIM's argument amounts to reliance on an interpretation of a rule of the implementing regulation which is contrary to the clear wording of the general regulation.

37 In the present case, it is not contested that, whilst the applicant provided the translation in the language of the proceedings of the registration certificates relied on after the expiry of the time-limit granted to it by the Opposition Division, it nevertheless produced those documents as an annex to its statement setting out the grounds of appeal before the Board of Appeal.

38 Accordingly, since the documents in question were annexed by the applicant to its statement before the Board of Appeal within the four-month time-limit laid down in Article 59 of Regulation No 40/94, the production of those documents cannot be regarded as late for the purposes of Article 74(2) of Regulation No 40/94. Consequently, the Board of Appeal could not refuse to take account of them (see, to that effect, *Hi-FOCuS*, paragraph 38).

39 In those circumstances, there is no relevance in the reference made by OHIM to *Chef* which did not concern evidence produced before the Board of Appeal, but whether the Opposition Division was under an obligation to draw the opponent's attention to the deficiency consisting in its failure to produce, within the period laid down for that purpose, the translation of the registration certificate for the earlier national mark. Moreover, in that case, since the opponent had also not produced the translation after the expiry of the time-limit, the Court of First Instance did not find

it necessary to rule on whether and to what extent facts or evidence produced after the expiry of a time-limit set by OHIM might or might not be taken into account by it under Article 74(2) of Regulation No 40/94 (*Chef*, paragraphs 63 to 65, and *Hi-FOCuS*, paragraph 39).

40 Nor can the reference made by OHIM to *ELS* be of help in respect of the production of evidence of use of the earlier mark after expiry of the time-limit set by OHIM in the proceedings before the Opposition Division since, if evidence has been produced before the Board of Appeal within the time-limits, the Board of Appeal is required to take it into consideration in examining the appeal (*KLEENCARE*, paragraph 32, and *Hi-FOCuS*, paragraph 40).

41 Contrary to the claims made by OHIM, admission of new evidence before the Board of Appeal certainly does not constitute a breach of the rights of defence enjoyed by the applicant for registration where the applicant is able to satisfy itself as to the existence and the precise scope of protection of the earlier right claimed as the basis of the opposition. If those documents are produced only during the appeal proceedings, the rights of defence enjoyed by the applicant for registration are not breached if the applicant is able to contest the existence or the scope of the earlier rights before the Board of Appeal under Article 61(2) of Regulation No 40/94.

42 In the present case, in its statement of 4 October 2002 lodged with the Opposition Division, the other party to the proceedings before OHIM provided its explanations concerning the substance of the dispute even before OHIM asked the applicant to produce the evidence for the opposition in the language of the proceedings and did not complain that it did not understand the certificates drafted in French produced by the applicant. In the light of the foregoing, OHIM cannot claim that the other party to the proceedings before OHIM was not able to satisfy itself as to the

existence and the precise scope of protection of the earlier rights claimed as the basis of the opposition. It must be concluded that in the present case the admissibility of the translations during the appeal proceedings did not breach the rights of defence of the other party to the proceedings before OHIM or the principle of equality of arms between the parties.

43 Moreover, OHIM's argument to the effect that the procedure for registering Community trade marks would be made considerably longer if the parties were able to produce facts or evidence for the first time before the Board of Appeal cannot be accepted in this case. On the contrary, the refusal to accept the additional translation produced before the Board of Appeal has had the effect of making these proceedings longer (see, to that effect, *Hi-FOCuS*, paragraph 42).

44 It follows that, by failing to take into account the documents produced by the applicant before it within the time-limit granted by Article 59 of Regulation No 40/94, the Board of Appeal infringed its obligations relating to the assessment of the likelihood of confusion under Article 8(1)(b) of that regulation and infringed Article 74 of that regulation (see, to that effect, *Hi-FOCuS*, paragraph 43).

45 However, it is necessary to examine the consequences that must be derived from that error in law. According to settled case-law, a procedural irregularity will entail the annulment of a decision in whole or in part only if it is shown that in the absence of such irregularity the contested decision might have been substantively different (Joined Cases 209/78 to 215/78 and 218/78 *Van Landewyck and Others* v *Commission* [1980] ECR 3125, paragraph 47, and Case 150/84 *Bernardi* v *Parliament* [1986] ECR 1375, paragraph 28; Case T-62/98 *Volkswagen* v *Commission* [2000] ECR II-2707, paragraph 283, and Case T-279/02 *Degussa* v *Commission* [2006] ECR II-897, paragraph 416). Similarly, under Article 63(2) and (3) of

Regulation No 40/94, decisions of the Boards of Appeal may be annulled or altered only where they contain a substantive or procedural irregularity (Case T-247/01 *eCopy* v *OHIM (ECOPY)* [2002] ECR II-5301, paragraph 46).

46 In the present case, it cannot be ruled out that the evidence which the Board of Appeal wrongly refused to take into consideration may be such as to modify the substance of the contested decision and it is not for the Court to replace OHIM in assessing the matters at issue.

47 Consequently, the contested decision must be annulled and it is not necessary to adjudicate on the other pleas in law.

Costs

48 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has been unsuccessful, it must be ordered to pay the costs, as applied for by the applicant.

49 OHIM's claim that the other party to the proceedings before the Board of Appeal of OHIM, Novomarket, should be ordered to bear the costs incurred by the applicant in the event that the contested decision is annulled must be rejected. The Rules of Procedure do not provide for the possibility of ordering a party which has not been involved in the proceedings before the Court of First Instance, as is the case with Novomarket in this instance, to bear the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

1. **Annuls the decision of the Second Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) of 19 April 2004 (Case R 479/2003-2);**

2. **Orders OHIM to pay the costs.**

Cooke García-Valdecasas Labucka

Delivered in open court in Luxembourg on 11 July 2006.

E. Coulon R. García-Valdecasas

Registrar President