JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
14 October 2003 *

In Case T-292/01,

Phillips-Van Heusen Corp., established in New York (United States of America), represented by F. Jacobacci, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by E. Joly and S. Laitinen, acting as Agents,

defendant,

* Language of the case: English.

the intervener before the Court being

Pash Textilvertrieb und Einzelhandel GmbH, established in Munich (Germany), represented by W. Städtler, lawyer,

ACTION brought against the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 12 September 2001 (Case R-740/2000-3) relating to opposition proceedings between Pash Textilvertrieb und Einzelhandel GmbH and Phillips-Van Heusen Corporation,

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

composed of: N.J. Forwood, President, J. Pirrung and A.W.H. Meij, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the written procedure and further to the hearing on 4 March 2003,

gives the following

Judgment

Legal background

1 Articles 8, 43, 62 and 74 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1) provide:

'Article 8

Relative grounds for refusal

1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

(b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.

2. For the purposes of paragraph 1, "Earlier trade marks" means:

(a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark...:

...

(ii) trade marks registered in a Member State...;

...

Article 43

Examination of opposition

...

5. If examination of the opposition reveals that the trade mark may not be registered in respect of some or all of the goods or services for which the Community trade mark application has been made, the application shall be refused in respect of those goods or services...

Article 62

Decisions in respect of appeals

1.... 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.'

2 Rule 53 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303 p. 1) is worded as follows:

'Rule 53

Correction of errors in decisions

In decisions of the Office, only linguistic errors, errors of transcription and obvious mistakes may be corrected. They shall be corrected by the department which took the decision, acting of its own motion or at the request of an interested party.'

Background to the proceedings

3 By application written in English and received at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office') on 1 April 1996, the applicant requested the registration of the word mark BASS as a Community trade mark.

4 Registration of the mark was requested for goods falling within Class 25 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, and corresponding to the following description:

'Footwear and clothing'.

5 The trade mark application was published in *Community Trade Marks Bulletin* No 28/97 of 17 November 1997.

6 On 13 February 1998 the intervener filed a notice of opposition pursuant to Article 42(1) of Regulation No 40/94 against the registration of the mark in respect of all the categories of goods covered by the trade mark application. The opposition was based on the existence of a trade mark registered in Germany with a date of priority of 14 October 1988. That trade mark ('the earlier trade mark') consists of the word mark PASH. It is registered for goods falling within Classes 18 and 25 for the purposes of the Nice Agreement and corresponding to the following description:

— Class 18: 'Goods made of leather or of leather imitations and other plastic materials, as far as included in Class 18, namely handbags and other cases not adapted to the product they are intended to contain as well as small articles of leather and plastic materials, in particular purses, pocket wallets, key cases; duffel bags, knapsacks, shoulder straps';

— Class 25: 'Clothing, also made of leather, belts for clothing, footwear, headgear'.

7 In support of the opposition, the intervener raised the ground for refusal referred to in Article 8(1)(b) of Regulation No 40/94.

8 By letter of 4 August 1999 the intervener limited the opposition, restricting it to the registration of the trade mark for the product categories described as 'clothing'.

9 By decision of 19 May 2000 the Opposition Division of the Office ('the Opposition Division') rejected the opposition. Essentially, the Opposition Division held that since the marks at issue were not similar visually, aurally or conceptually, there was no likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 between the two marks in the relevant territory of the Community, namely Germany.

10 On 13 July 2000 the intervener filed an appeal at the Office under Article 59 of Regulation No 40/94. It requested that the Opposition Division's decision be annulled and that the mark applied for be refused in respect of 'clothing'.

11 By decision of 12 September 2001, notified to the applicant on 28 September 2001 ('the contested decision'), the Third Board of Appeal of the Office ('the Board of Appeal') gave a ruling on the case. It held, essentially, that the goods referred to in the trade mark application in respect of which the intervener maintained its opposition to the registration of the mark, namely clothing, were identical to the goods in Class 25 designated by the earlier trade mark, and that the accessories in respect of which the earlier trade mark was also registered were often sold with the clothing manufactured by the same undertaking. The Board of Appeal held that the marks at issue were similar. There was a visual similarity between the two marks, given that they had the same number of letters, that the

two central letters on which the public was likely to focus its attention were the same in both cases, and that the first letters 'B' and 'P' were very similar. As for aural similarity, it held, in particular, that, at least in certain regions of Germany, the consonants 'B' and 'P' were pronounced in a very similar manner. In that context, it pointed out that the likelihood of confusion did not need to be present in the whole of the relevant territory; it was sufficient if the likelihood of confusion existed in respect of an important part of the public. Finally, as regards the comparison of the marks from a conceptual point of view, it held that neither of the two word marks had a settled meaning in relation to the products concerned. Therefore, the Board of Appeal held that, since the goods designated by the two marks were identical, there was a likelihood of confusion between them within the meaning of Article 8(1)(b) of Regulation No 40/94 in the relevant territory of the Community, namely Germany.

12 The operative part of the contested decision states as follows:

'The Board

hereby:

1. Annuls the decision [of the Opposition Division].

2. Upholds the opposition and rejects the application for a Community trade mark.

...'

13 Paragraphs 1, 6 and 40 of the grounds of the contested decision are worded as follows:

'1. ... the applicant sought to register the word mark [BASS] for the following goods (and others which are not in issue in the present proceedings): Class 25 — clothing.

6. The opponent filed an appeal against the decision of [the Opposition Division], requesting the Board to [annul] the decision [of the Opposition Division] and refuse protection of the opposed mark only for the goods "clothing".

40. The Community trade mark application is therefore... not eligible for registration and the decision of the Opposition Division must be annulled.'

14 On 18 February 2002 the Board of Appeal adopted a decision, the operative part of which is worded as follows:

'1. In accordance with Rule 53 of... Regulation (EC) No 2868/95... the Board, acting on its own motion, corrects an obvious mistake in its decision of 12 September 2001 in Case R 740/2000-3.

2. With regard to paragraph 1 and 6 of the decision, the order shall read now as follows:

"On those grounds, the Board... :

2. Upholds the opposition and rejects the application for a Community trade mark as far as registration is requested for 'clothing' in Class 25."'

Procedure and forms of order sought

15 By application written in Italian and lodged at the Registry of the Court of First Instance on 28 November 2001, the applicant brought the present action.

16 By letter of 19 December 2001 the intervener objected to Italian becoming the language of the case.

17 On 10 January 2002 the Registrar of the Court of First Instance determined that English was the language in which the trade mark application had been filed and was thus the language of the case in accordance with Article 131(2) of the Rules of Procedure of the Court of First Instance.

18 The Office lodged its response at the Registry of the Court of First Instance on 8 April 2002. The intervener lodged its response at the Registry of the Court of First Instance on 28 March 2002.

19 The applicant claims that the Court should:

— annul the contested decision;

— reject definitively and in its entirety the opposition to registration of the mark applied for in respect of goods in Class 25;

— order the Office to grant registration of the mark applied for;

— order the Office and the intervener to pay the costs, including those incurred in the opposition proceedings and before the Board of Appeal.

20 The Office contends that the Court of First Instance should:

— reject as inadmissible the claim that the Office should be directed to grant registration of the mark applied for;

— uphold the application to the extent that the mark applied for covers 'footwear', in the light of the Board of Appeal's corrigendum of 18 February 2002;

— reject the remainder of the application;

— order the Office to pay the costs on condition that the applicant withdraw its application in the light of the Board of Appeal's corrigendum of 18 February 2002, and otherwise order the applicant to pay the costs.

21 The intervener contends that the Court of First Instance should:

— reject the application for annulment of the contested decision;

— order the applicant to pay the costs, including those incurred in the proceedings before the Opposition Division and before the Board of Appeal.

22 By letter of 25 February 2003 the applicant withdrew the third head of its application in which it requested that the Office be directed to register the mark applied for. It also submitted evidence in support of the substance of its action. By letter of 28 February 2003 the Registrar of the Court of First Instance informed the applicant that that evidence would not be added to the file.

Law

The subject-matter of the dispute

23 In the proceedings before the Opposition Division the intervener restricted the scope of the opposition, so that it was directed solely against registration of the mark in respect of 'clothing'. However, in paragraph 2 of the operative part of the contested decision, the Board of Appeal refused the trade mark application without limiting the scope of its refusal to that category of goods. Therefore, in so far as it ruled *ultra petita* the contested decision is unlawful.

24 As is apparent from reading the first sentence of Article 43(5), in conjunction with the first sentence of Article 62(1) and Article 74(1) *in fine* of Regulation No 40/94, when deciding on an appeal against a decision of the Opposition Division, the Board of Appeal may reject the trade mark application only to the extent applied for by the opponent in its opposition to the registration of that mark. The Board of Appeal cannot give a ruling which goes beyond the scope of the opposition. Moreover, neither the Office nor the intervener disputes that conclusion.

25 However, by its decision of 18 February 2002 the Board of Appeal corrected the operative part of the contested decision on the basis of Rule 53 of Regulation No 2868/95, so that the refusal of the trade mark application is now limited to 'clothing'. It follows that, in so far as the contested decision refused the trade mark application in respect of goods other than those classed as 'clothing', the action has become devoid of purpose. Therefore, there is no longer any need to rule on the action in so far as it seeks the annulment of the contested decision on that point.

26 Moreover, in response to a written question from the Court of First Instance, the applicant, by letter of 25 February 2003, withdrew the plea that it had raised in its application alleging that the contested decision went beyond the scope of the opposition.

The application for annulment

27 The applicant raises a single plea, alleging an infringement of Article 8(1)(b) of Regulation No 40/94. That plea is subdivided into two parts. The first part of the plea alleges that the word marks BASS and PASH co-exist as German national marks, the second part, which it is appropriate to consider first, alleges that there is no inherent likelihood of confusion.

Arguments of the parties

28 The applicant submits that, in order to determine whether there is a likelihood of confusion between the two marks, consideration must first be given to the visual, aural or conceptual similarity of the marks at issue. Second, the assessment depends on whether those marks have a highly distinctive character, either inherently or because of recognition of them on the market. The third factor to take into consideration is the relative awareness of the relevant public. In that context the applicant refers to the 10th recital in the preamble to First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), paragraphs 22 and 23 of Case C-251/95 *SABEL* [1997] ECR I-6191 and to paragraphs 17, 26 and 28 of Case C-39/97 *Canon* [1998] ECR I-5507.

29 In this case the applicant argues that the marks at issue are not visually, aurally or conceptually similar. In that regard, although they each have four letters, the two word marks have only the two central letters in common, which has no importance from a visual and aural point of view, given that it is the initial letters which have greater weight as regards both pronunciation and appearance.

30 Moreover, the applicant asserts that it is clear from the evidence of the genuine use of the earlier trade mark submitted by the intervener in the proceedings before the Opposition Division that, in commercial practice, the word mark PASH is always accompanied by an additional distinctive element, which further helps to distinguish the earlier trade mark from the mark in respect of which registration is sought.

31 Furthermore, the applicant argues that Unit 15 of the Opposition Division, which issued the decision contested by the intervener before the Board of Appeal, included a member whose mother tongue is German and that, therefore, the characteristics of that language were taken into account when the Opposition Division ruled that the marks at issue were not aurally similar. That conclusion is, in the applicant's submission, confirmed by the fact that the intervener uses the earlier trade mark in its advertising campaigns with a pronunciation clearly orientated towards English.

32 As regards the absence of conceptual similarity, the applicant submits that the Opposition Division rightly held that the average German consumer understands the word mark BASS as referring to the voice of a singer or even to a musical instrument, while the word mark PASH is associated by that public with a well-known term used in German games.

33 Furthermore, the applicant states that the channels of distribution used by it and the intervener are different and that, therefore, the relevant public is also different in the case of the two marks. In that regard it states, referring to extracts from the internet reproduced in Annex 24 to the application, that the earlier trade mark is aimed at a public which tends to purchase goods of a particular trade mark according to the fashion prevailing at the time of purchase. By contrast, according to the applicant, which refers to documents reproduced in Annexes 17 to 19 of the application, the mark applied for is aimed at a public which pays attention both to the trade mark under which the goods are marketed and the quality of those goods, but which gives little thought to the current fashion at the time of purchase.

34 Finally, to substantiate its argument that on the German market there is no likelihood of confusion between the marks at issue, the applicant refers to a market study carried out in November 2000. According to the applicant, it appears from that study that the vast majority of people interviewed consider that there is no possibility of confusion between the two marks.

35 The Office contends that the Board of Appeal did not commit any error of law by holding that there is a likelihood of confusion between the two marks.

36 In that regard it states, first, that the Board of Appeal rightly held that the relevant public was a German public, deemed to be reasonably well informed and reasonably observant and circumspect.

37 Second, the Office points out that the goods designated by the marks at issue are identical.

38 Third, as far as concerns the relationship between the marks at issue, the Office observes, first of all, that the Board of Appeal pertinently observed that they produced the same general impression visually and aurally. Next, the Office argues that the Board of Appeal was right to hold that the two marks were visually similar, given that they had the same number of letters, that the two central letters on which the attention of the public was likely to focus were the same in both cases, and that the first letters 'B' and 'P' were very similar. As for the aural similarity, the Office also shares the view of the Board of Appeal that, at least in certain regions of Germany, the consonants 'B' and 'P' are pronounced in a very similar manner. In that context the Office states that it is not necessary for the likelihood of confusion to exist in the whole of the relevant territory, but it is sufficient if that likelihood exists in a significant part of the relevant territory. In relation to the conceptual dissimilarities alleged by the applicant, the Office considers that the Board of Appeal rightly held that they were irrelevant.

39 As regards the market study submitted by the applicant, the Office considers that the Court of First Instance should not take account of that new piece of evidence.

40 Finally, in relation to the applicant's argument that the manner in which the earlier trade mark was actually used should be taken into account, the Office contends that for the purpose of determining the likelihood of confusion account must be taken of the earlier trade mark only as it was registered, irrespective of how it has actually been used in the market place. In that regard, the Office relies on the principle that trade mark rights are acquired by registration.

41 The intervener considers that there is a likelihood of confusion between the marks at issue. In the first place, it submits that the goods concerned by the opposition, namely clothing, are identical for both marks. The intervener takes the view,

moreover, that the marks are very similar aurally and visually. In that connection, it argues that the letters 'B' and 'P' are pronounced in a similar or even identical manner in many regions in Germany.

Findings of the Court

42 As is apparent from Article 8(1)(b) of Regulation No 40/94, registration of a mark is to be refused if, because of its identity with or similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected. Moreover, under Article 8(2)(a)(ii) of Regulation No 40/94, an earlier mark must be understood as a trade mark registered in a Member State with a date of application for registration which is earlier than the date of application for registration of the Community trade mark.

43 In the present case, the earlier trade mark is registered in Germany. Therefore, when assessing the conditions referred to in the previous paragraph, account must be taken of the point of view of the public in that Member State. Accordingly, it must be held that the relevant public is essentially German-speaking. Moreover, given that the goods designated by the earlier trade mark are everyday consumer goods, that public is composed of average consumers, as the Office rightly stated in paragraph 45 of its response.

44 It is common ground that the goods referred to in the trade mark application in respect of which the intervener has maintained its opposition to registration of the mark sought are partly identical and partly similar to those designated by the earlier trade mark.

45 Regarding the likelihood of confusion, it is clear from the Court's case-law on the interpretation of Article 4(1)(b) of First Council Directive 89/104/EEC, which is in essence the same as Article 8(1)(b) of Regulation No 40/94, that this is the likelihood that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings (*Canon*, cited above, paragraph 29, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17). According to that case-law, the likelihood of confusion in the mind of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case (*SABEL*, cited above, paragraph 22; *Canon*, paragraph 16; *Lloyd Schuhfabrik Meyer*, cited above, paragraph 18; and Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40). That assessment implies some interdependence between the relevant factors and, in particular, a similarity between the trade marks and between the goods or services designated. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, paragraph 17; *Lloyd Schuhfabrik Meyer*, paragraph 19, and *Marca Mode*, cited above, paragraph 40). The interdependence of those factors is expressly referred to in the seventh recital in the preamble to Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the assessment of which depends, *inter alia*, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services designated.

46 In addition, the perception of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25). For the purposes of that global assessment, the average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. Moreover, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but has to place his trust in the imperfect image of them that he has retained in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer*, paragraph 26).

47 Finally, it is clear from the case-law of the Court of Justice that the global assessment of the likelihood of confusion, as far as concerns the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, *inter alia*, their distinctive and dominant components (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik Meyer*, paragraph 25).

48 The question whether the degree of similarity between the marks at issue is sufficiently great for there to be a likelihood of confusion between them must be examined in the light of those considerations.

49 As far as visual similarity between the two marks is concerned, the Board of Appeal pertinently observed in paragraph 17 of the contested decision that they have the same number of letters and that two of the four letters of which they are composed are identical.

50 On the other hand, with regard to the view taken by the Board of Appeal, in paragraph 18 of the contested decision, that the public's attention is likely to focus on the central letters of a word mark, the Court finds that the public's attention focuses with at least the same intensity on the first letters of such a mark. As regards the first letters of the marks at issue, namely 'B' and 'P', their visual similarity is only limited, contrary to what was stated by the Board of Appeal in paragraph 18 of the contested decision.

51 As for aural similarity, it is indeed possible that, at least in certain regions of Germany, the consonants 'B' and 'P' are pronounced in a very similar manner, as the Board of Appeal observed in paragraph 20 of the contested decision. Moreover, it stated pertinently in paragraph 37 of the contested decision that the only vowel contained in the two word marks at issue is identical.

52 On the other hand, the view taken by Board of Appeal, in paragraph 23 of the contested decision, that a significant part of the relevant public might be tempted to pronounce the final two consonants of the word mark PASH as 'pass' is unfounded. As the Board of Appeal itself pointed out, the combination of the letters 'sh' as part of a single syllable is not used in German. Rather, it must be held that a significant part of the relevant public is sufficiently familiar with the pronunciation of current English words, such as 'crash', to be likely to follow that pronunciation also in the case of the word mark 'PASH'.

53 Finally, as concerns the comparison of the marks at issue from a semantic point of view, the word mark BASS calls to mind the voice of a singer or a musical instrument, while the word mark PASH, supposing that the relevant public attributes a clear and specific meaning to it, may be associated with the German word 'Pasch', which designates a dice game. Therefore, it must be held, first of all, that there is no similarity between the two marks at the semantic level.

54 Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game 'Pasch' is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the

sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient — where the other mark does not have such a meaning or only a totally different meaning — to counteract to a large extent the visual and aural similarities between the two marks.

55 In making a global assessment of the likelihood of confusion, account must be taken of all the factors referred to in paragraphs 48 to 51 above. In that connection, as the applicant rightly stated, the degree of aural similarity between the two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods. That is the case with respect to the goods in question here.

56 In the light of all those factors, it must be held that the degree of similarity between the marks at issue is not sufficiently great for the Court to find that the public might believe that the goods in question come from the same undertaking or, as the case may be, from undertakings which are economically linked. Therefore there is no likelihood of confusion between them.

57 Given the differences between the marks at issue, that finding is not invalidated by the fact that the goods covered by the mark applied for, in respect of which the intervener opposed registration of the mark, are identical to some of the goods designated by the earlier trade mark.

58 The second part of the single plea must, therefore, be upheld.

59 Therefore, it is not necessary to examine the applicant's other arguments, or to give a ruling on the first part of the plea, and the contested decision, as rectified by the decision of 18 February 2002, must, in accordance with Article 63(3) of Regulation No 40/94, be altered so that the intervener's appeal before the Office is dismissed.

The application to reject definitively and in its entirety the opposition to registration of the mark applied for in respect of goods falling within Class 25

60 It is not necessary to give a ruling on that head of claim, since the applicant has no interest in asking the Court of First Instance itself to order that the opposition be rejected. The Opposition Division's decision to reject the opposition takes effect as a result of the alteration of the contested decision in the way stated in the preceding paragraph. Moreover, under the second sentence of Article 57(1) of Regulation No 40/94 an appeal brought before the Office has suspensive effect. Therefore, a decision capable of forming the subject of such an appeal, such as the Opposition Division's decision, takes effect if no appeal has been brought before the Office within the time-limit referred to in the first sentence of Article 59 of Regulation No 40/94, or if such an appeal has been dismissed by a definitive decision of the Board of Appeal. In that regard, a decision of the Court of First Instance which, by virtue of the power of alteration, dismisses the appeal brought before the Office must be deemed as a decision to that effect by the Board of Appeal.

Costs

61 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. Moreover, under Article 87(6) of the Rules of

Procedure, where a case does not proceed to judgment, the costs are to be in the discretion of the Court of First Instance. Finally, according to Article 136(1) of the Rules of Procedure, where an action against a decision of a Board of Appeal is successful, the Court of First Instance may order the Office to bear only its own costs.

62 In these proceedings, the applicant has sought an order that the Office and the intervener should pay the costs. However, as the application concerns a relative ground of refusal, the Court finds that, although neither the Office nor the intervener has been successful, the intervener is the party principally concerned by the outcome of the proceedings. However, the Office was partly responsible for the dispute to the extent that, as was observed in paragraphs 23 and 24 above, the contested decision, before it was corrected, was unlawful in so far as it was *ultra petita*. Therefore, the Office must be ordered to pay, in addition to its own costs, one third of the costs incurred by the applicant, and the intervener must be ordered to pay, in addition to its own costs, two thirds of the costs incurred by the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber),

hereby:

1. **Declares that it is unnecessary to rule on the action in so far as it is directed against the rejection in the contested decision of the application for registration of the trade mark in respect of goods other than 'clothing';**

2. Alters the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 12 September 2001 (Case R-740/2000-3), as rectified by the decision of 18 February 2002, so that the intervener's appeal before the Office is dismissed;

3. Declares that it is unnecessary to rule on the application to reject definitively and in its entirety the opposition to registration of the trade mark applied for in respect of goods falling within Class 25;

4. Orders the Office to pay, in addition to its own costs, one third of the costs incurred by the applicant;

5. Orders the intervener to pay, in addition to its own costs, two thirds of the costs incurred by the applicant.

Forwood Pirrung Meij

Delivered in open court in Luxembourg on 14 October 2003.

H. Jung

Registrar

N.J. Forwood

President