JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

10 July 2006 *

In Case T-323/03,

La Baronia de Turis, Cooperativa Valenciana, established in Turís (Spain), represented by J. Carreño Moreno, lawyer,

applicant,

v

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

defendant,

* Language of the case: French.

the other party to the proceedings before the Board of Appeal of OHIM, intervener before the Court of First Instance, being

Baron Philippe de Rothschild SA, established in Pauillac (France), represented by K. Manhaeve, lawyer,

ACTION brought against the decision of the Second Board of Appeal of OHIM of 9 July 2003 (Case R 57/2003-2) concerning the opposition proceedings between La Baronia de Turis, Cooperativa Valenciana and Baron Philippe de Rothschild SA,

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

composed of J. D. Cooke, President, R. García-Valdecasas and V. Trstenjak, Judges,

Registrar: J. Plingers, Administrator,

having regard to the written procedure and further to the hearing on 17 November 2005,

gives the following

Judgment

Legal background

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 [to 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 26 January 2001 Baron Philippe de Rothschild SA ('the intervener') filed a Community trade mark application at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) under Regulation No 40/94.

3 The trade mark sought to be registered is the word sign LA BARONNIE. The trade mark application was published in the *Community Trade Marks Bulletin* on 23 July 2001.

4 The goods for which registration was applied for are within Class 33 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 are described as follows: 'alcoholic beverages (not including beers)'.

5 On 2 October 2001 La Baronia de Turis, Cooperativa Valenciana filed a notice of opposition against the registration of the Community trade mark applied for. The opposition was directed against all the goods designated in the Community trade mark application.

6 The legal basis of the opposition was the likelihood of confusion referred to in 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 is the word mark BARONIA, registered in Spain under number 699.163/7 on 3 November 1976. The goods in respect of which the earlier mark was registered are within Class 33 and are described as follows: 'all types of wine'.

7 The opposition was based also on Article 8(4) of Regulation No 40/94. In that regard, the applicant referred also in box 99 of the opposition form headed 'Explanation of grounds' to the exclusive rights attached to its business name La Baronia de Turis, Coop. V. By contrast, the applicant did not complete boxes 82 to 85 and 97 of the opposition form, in which an opponent may refer to the existence of an earlier sign that has been used in the course of trade as a legal basis for the opposition, applying Article 8(4) of Regulation No 40/94.

8 On 28 January 2002 the applicant filed documents intended to serve as proof of use of the earlier mark, namely: a Gold Medal certificate from the 1929 Barcelona International Exhibition, a copy of a 1946 lottery ticket, four copies of undated labels, five samples of labels, one of which dates from 2000, two copies of labels from 1929, a leaflet on BARONIA wines, two copies of a publicity photograph used on buses in Spain in 1984, an undated copy of a photograph of bottles of wine, an undated copy of an article on wine and an undated copy of wine bottle labels.

9 By a letter dated 5 July 2002 the intervener contacted the Opposition Division of OHIM to request, in accordance with Article 43(2) and (3) of Regulation No 40/94, that the applicant furnish proof of use of the earlier mark upon which the opposition was based. The intervener stated in its letter:

'We request that the opponent furnish proof of use during the last five years of the mark referred to in support of the opposition. The documents sent by the opponent on 4 April 2002 do not prove actual use and are not dated within the period concerned.'

10 On 9 July 2002 OHIM asked the applicant to provide such proof by 10 September 2002, explaining that its opposition would be rejected in respect of all goods or services for which the applicant failed to furnish proof of use of the earlier mark. The applicant did not produce any new documents.

11 On 19 November 2002 the Opposition Division rejected the opposition on the ground that the evidence was insufficient to establish genuine use of the trade mark BARONIA during the five years preceding the Community trade mark application. It stated that the certificate, lottery ticket and 1929 labels clearly did not relate to the reference period (23 July 1996 to 23 July 2001) and that the other documents did not give any indication as to the period or extent of use of the earlier mark in respect of the designated goods. As regards the reference period, it noted just one label dating from 2000. As far as the extent of use was concerned, it found that no information as to quantum could be gleaned from the documents produced to the Court. As to the plea based on Article 8(4) of Regulation No 40/94, the Opposition Division rejected the opposition on the ground that the applicant had not produced sufficient proof of actual use (beyond merely local use) in the course of trade of the business name La Baronia de Turis, Coop. V. at the time the Community trade mark application was filed. It stated that, similarly, no indication as to the extent, period or duration of use of that sign could be inferred from the documents filed.

12 On 8 January 2003 the applicant appealed against the decision of the Opposition Division. It produced new evidence in support of its appeal, namely an authentic instrument certifying that the applicant was known by the name 'La Baronia de Turis, Coop. V.', an authentic instrument certifying the existence of bottles of wine marketed under the BARONIA trade mark, invoices from 1993 to 2002 drawn up by the applicant's suppliers in respect of goods bearing the BARONIA trade mark, invoices issued by the applicant to the order of several customers for the sale of wines marketed under the BARONIA trade mark for the period from 1996 to 2002

as well as several bundles of invoices issued by the applicant, dating from 1999 to 2002, showing sales of wines under the BARONIA trade mark.

13 By a decision of 9 July 2003 (R 57/2003-2; 'the contested decision') the Second Board of Appeal of OHIM dismissed the appeal. It confirmed the Opposition Division's assessment of the evidence, as well as the conclusions drawn as to the insufficiency of the evidence of use. As regards the opposition based on the business name, the Board of Appeal deemed it to be admissible but unfounded, on the ground that the opponent had not produced sufficient evidence of use of the business name and had not submitted the national legislative provisions applicable. As regards the evidence that was submitted for the first time at the appeal stage, the Board of Appeal held it to be inadmissible, as it had been filed after expiry of the time-limit set by the Opposition Division.

Procedure and forms of order sought by the parties

14 The applicant brought the present proceedings by application lodged at the Registry of the Court of First Instance on 12 September 2003.

15 OHIM and the intervener filed their statements at the Registry of the Court of First Instance on 19 March 2004 and 8 March 2004 respectively.

16 Upon hearing the report of the Judge-Rapporteur, the Court of First Instance (First Chamber) decided to open the oral procedure.

17 The parties presented oral argument and replied to the questions put to them by the Court at the hearing on 17 November 2005.

18 In essence, the applicant claims that the Court should:

— annul the contested decision;

— dismiss the application for registration of the Community trade mark LA BARONNIE.

19 At the hearing the applicant withdrew the requests for measures of inquiry which had been included in its application, with the exception of the request that the Oficina Española de Patentes y Marcas (Spanish Patents and Trade Marks Office; 'OEPM') be ordered to explain the current status of the trade mark BARONIA and to state what documentation was produced to it in support of the application for renewal of registration No 699.163/7.

20 OHIM contends that the Court should:

— dismiss the application;

— order the applicant to pay the costs.

21 The intervener contends, in essence, that the Court should:

— dismiss the application;

— annul the decision of the Board of Appeal in so far as it declared the applicant's opposition based on Article 8(4) of Regulation No 40/94 to be admissible, and accordingly to declare the opposition inadmissible in so far as it is based on that provision;

— order the applicant to pay the costs.

Law

Application seeking refusal of the registration of the Community trade mark applied for

22 Under its second head of claim, the applicant is essentially asking the Court to refuse registration of the trade mark applied for.

23 In that regard it must be noted that under Article 63(6) of Regulation No 40/94 OHIM is to take the measures necessary to comply with the judgment of the

Community judicature. Accordingly, the Court of First Instance is not entitled to issue a direction to OHIM. It is for the latter to draw the consequences of the operative part of the Court's judgments and the grounds on which they are based (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld* v *OHIM (Giroform)* [2001] ECR II-433, paragraph 33; Case T-34/00 *Eurocool Logistik* v *OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 12; and Case T-129/01 *Alejandro* v *OHIM — Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 22).

24 The application by the applicant for the Court to refuse the application for registration of the Community trade mark LA BARONNIE is thus inadmissible.

Application by the intervener for partial annulment of the contested decision

25 Under its second head of claim, the intervener asks the Court to annul the decision of the Board of Appeal in so far as it declared the applicant's opposition based on Article 8(4) of Regulation No 40/94 to be admissible and, accordingly, to declare the opposition inadmissible in so far as it is based on that provision.

26 It must be noted that according to Article 134(3) of the Rules of Procedure of the Court of First Instance, an intervener who has been a party to the proceedings before the Board of Appeal may, in his response, seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application and put forward pleas in law not raised in the application. Therefore the intervener's second head of claim is admissible.

27 The intervener argues that the opposition form was wrongly completed by the applicant, particularly the boxes relating to the legal grounds on which the opposition is based. Specifically, it observes that the applicant failed to fill in boxes 82 to 85 and 97 relating to the existence of a business name as an earlier sign used in the course of trade. It adds that although the applicant mentioned the existence of its business name La Baronia de Turis, Coop. V. in box 99 of the opposition form, headed 'Explanation of grounds', it is apparent from the applicant's particulars that the legal basis of the opposition was Article 8(1)(b) of Regulation No 40/94. It submits that, in so far as it is based on Article 8(4)(b) of Regulation No 40/94, the opposition does not satisfy the provisions set out in the relevant rules on the admissibility of notices of opposition. It concludes from this that the Board of Appeal should have dismissed the opposition as inadmissible in that it was based on the business name La Baronia de Turis, Coop. V.

28 The Court observes that under Rule 18(1) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) OHIM is to reject the notice of opposition as inadmissible where the notice of opposition 'does not clearly identify ... the earlier right on the basis of which the opposition is being entered'.

29 In the present case, although it is common ground that the applicant failed to fill in boxes 82 to 85 and 97 of the opposition form, which allow the opponent to refer to the existence of an earlier sign used in the course of trade as the legal basis for the opposition, it is equally undisputed that the applicant referred in box 99 to the protection associated with the use of its business name La Baronia de Turis, Coop. V.

30 Moreover, it is clear that OHIM never regarded the notice of opposition as being imprecise in relation to the reference to the business name La Baronia de Turis, Coop. V. as the basis of the opposition, notwithstanding the arguments to that effect which the intervener raised in its letter of 5 July 2002. Indeed, the letter from OHIM

of 9 July 2002, the purpose of which was to convey to the applicant the intervener's request for proof of genuine use of the BARONIA trade mark, did not include any request for clarification of that issue.

31 Therefore, the opposition was properly declared admissible in the contested decision, in so far as the opposition was based on the use of the business name La Baronia de Turis, Coop. V., pursuant to Article 8(4) of Regulation No 40/94.

32 The intervener's second head of claim must therefore be dismissed as unfounded.

The application for annulment of the contested decision

33 In essence, the applicant puts forward three pleas in law supporting the claim for annulment. The first plea is based on a breach of the provisions of Article 43(2) and (3) of Regulation No 40/94 and of Rule 22(1) of Regulation No 2868/95. In its second and third pleas, the applicant refers to breaches of Article 8(4) and Article 8(1)(b) respectively of Regulation No 40/94.

34 In relation to the first plea, the applicant essentially argues, first, that the evidence which it submitted to the Opposition Division was sufficient to prove the genuine use of its earlier trade mark and the use of the business name La Baronia de Turis, Coop. V. Second, it claims that the Board of Appeal failed to fulfil its obligation to examine the evidence which was disclosed for the first time in the annex to the statement setting out the grounds of the appeal.

1. Sufficiency of the evidence produced to the Opposition Division

— Arguments of the parties

35 The applicant submits that the contested decision contravenes the provisions applicable to the proof of use of the earlier mark and relies on Article 43(2) and (3) of Regulation No 40/94 as well as Rules 16(2), 22(1) and 92(1) of Regulation No 2868/95. According to the applicant, the evidence annexed to the notice of opposition was sufficient to demonstrate actual use of the trade mark covered by Spanish registration No 699.163/7, as it clearly showed that the applicant had used the name BARONIA continuously for more than 75 years to market all classes of wine. Similarly, the registration renewal formalities completed by the applicant constitute proof that that trade mark is still in force.

36 The applicant makes particular reference to the Spanish registration certificate No 699.163/7, which shows that the application for registration was made on 16 January 1973 and that the BARONIA trade mark was renewed on 25 October 1996. It states that, according to Spanish trade mark legislation, it is necessary, in order to renew a trade mark, to demonstrate the use of the trade mark in question in the years immediately preceding the date of the renewal application. The registration certificate No 699.163/7 therefore demonstrated beyond doubt the use of the earlier trade mark referred to.

37 OHIM and the intervener submit that the Board of Appeal's assessment of the insufficiency of the evidence produced to the Opposition Division is well-founded.

38 OHIM considers also that the departments of OHIM were right to reject all documents predating the reference period. As regards the other documents it observes that, with the exception of a single label dating from 2000, they are undated, and it cannot be established whether they relate to the relevant period. Furthermore, those documents do not establish the scale of use of the earlier trade mark since, in the present case, none of the documents states the number of bottles of wine sold.

39 As to the probative value of the Spanish registration certificate No 699.163/7, OHIM states that OEPM is content when proceeding with the renewal of a registration to accept a sworn statement on behalf of the undertaking concerned and does not examine the actual use of the trade mark sought to be renewed. The registration certificate is, at best, only an indication of actual and genuine use which is not corroborated by any tangible or verifiable proof.

40 The intervener adds that the applicant did not substantiate the existence of the conditions allegedly laid down by Spanish law in respect of the renewal of a registration, not did it provide proof of the documents which it had submitted to OEPM. The intervener explains also that although the renewal of the trade mark on 25 October 1996 should have been taken into account, the applicant can claim the genuine use of its earlier trade mark only for a period of three months in the relevant total period of five years.

— Findings of the Court

41 According to settled case-law, the genuine use of a trade mark is the actual use, not intended solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. The protection the mark confers and the

consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial raison d'être, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings (Case T-334/01 *MFE Marienfelde* v *OHIM — Vétoquinol (HIPOVITON)* [2004] ECR II-2787, paragraph 33; see also, by analogy, Case C-40/01 *Ansul* [2003] ECR I-2439, paragraphs 36, 37 and 43).

42 Where use of the mark does not have as its essential aim the creation or preservation of market share for the goods and/or services which it protects, such use must be considered in fact to be intended to defeat any request for revocation. Such use cannot be characterised as 'genuine' (see, by analogy, the Order of 27 January 2004 in Case C-259/02 *La Mer Technology* [2004] ECR I-1159, paragraph 26).

43 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (*HIPOVITON*, cited above, paragraph 34; see also, by analogy, *Ansul*, cited above, paragraph 43).

44 Concerning the extent of the use made of the earlier mark, account must be taken, in particular, of the commercial volume of all the acts of use on the one hand and the duration of the period in which those acts of use occurred, and the frequency of

those acts, on the other. Thus, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness (*HIPOVITON*, cited above, paragraphs 35 and 37).

45 In the present case, the departments of OHIM were right to describe as insufficient the evidence presented to the Opposition Division of the use of the BARONIA trade mark during the five-year period which preceded the filing by the applicant of the application for a Community trade mark. The Opposition Division correctly observed that the certificate, the lottery ticket and the 1929 labels did not clearly relate to the reference period (23 July 1996 to 23 July 2001) and that, with one exception, the other documents — namely the other labels, the leaflet on BARONIA wines, the photograph of bottles of wine and the magazine article — did not provide any indication of the period or extent of use of the earlier mark in respect of the designated goods. As regards the period to be taken into account, the only relevant document is a wine bottle label dating from 2000. As to the extent of use of the earlier mark, as the Opposition Division rightly found, no information as to quantum could be gleaned from the documents produced. A label does not, by itself, give any indication of the volume of sales.

46 Moreover, as the Board of Appeal stated in paragraph 19 of the contested decision, by relying on the evidence adduced the applicant did not provide any explanation of the extent of use of the BARONIA trade mark, particularly as regards the volume of sales, the geographical extent of distribution (in particular, the number of distributors and the distribution channels), the duration of the period in which the acts of use of the trade mark occurred, or their frequency.

47 The renewal of Spanish registration No 699.163/7 and the fact that Spanish law requires that, in order for a registration to be renewed, it must be demonstrated that

the trade mark has been used in the years immediately preceding the application for renewal, cannot suffice to prove the genuine use of the earlier mark after 25 October 1996, the date on which the Spanish registration was renewed. The renewal of Spanish registration No 699.163/7 shows merely that the BARONIA trade mark was still in force in Spain when the intervener filed its application for a Community trade mark. Further, the applicant did not provide any information about the documents which it submitted to OEPM. Lastly, and in any event, the applicant did not produce to the Opposition Division any evidence to show that its BARONIA trade mark was used after 25 October 1996, the date of renewal of the Spanish registration.

48 Moreover, even if OEPM did examine the evidence of recent use of a trade mark sought to be renewed, that cannot relieve the applicant of its obligation to produce proof of genuine use of the rights relied upon in support of its opposition, where an application to that effect has been made by the intervener. The presentation of such a request has the effect of shifting the burden of proof to the opponent to demonstrate genuine use (or the existence of proper reasons for non-use) upon pain of having his opposition dismissed, that proof having to be provided within the time allotted by OHIM in accordance with Rule 22 of Regulation No 2868/95 (Joined Cases T-183/02 and T-184/02 *El Corte Inglés* v *OHIM — González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-965, paragraph 38).

49 Finally, the legality of decisions of the Boards of Appeal must be evaluated solely on the basis of Regulation No 40/94, as interpreted by the Community Courts, and not on the basis of a previous decision-making practice followed by a Member State (Case T-162/01 *Laboratorios RTB* v *OHIM — Giorgio Beverly Hills (GIORGIO BEVERLY HILLS)* [2003] ECR II-2821, paragraph 53).

50 It must be concluded from this that the applicant has failed to show both before the Opposition Division and the Board of Appeal, in light of the evidence produced before the Opposition Division, that there was genuine use of the earlier trade mark. The first part of that plea in law must therefore be dismissed as unfounded.

2. Admissibility of the evidence produced for the first time before the Board of Appeal

— Arguments of the parties

51 The applicant takes the view that the Board of Appeal should have accepted the evidence annexed to the statement setting out the grounds of its appeal. According to the applicant, those were not new documents (which would be inadmissible) but, on the contrary, documents which supplemented the evidence submitted in good time to the Opposition Division.

52 OHIM considers that the judgment of the Court in Case T-308/01 *Henkel* v *OHIM — LHS (UK) (KLEENCARE)* [2003] ECR II-3253 cannot be interpreted as giving a party authority to produce matters of fact and evidence in support of an opposition for the first — or, as the case may be, for the second — time before the Board of Appeal, even though that party did not comply with the time-limit fixed for submission of those matters of fact and evidence to the Opposition Division.

53 OHIM, in common with the intervener, considers that the Board of Appeal was justified in declaring that evidence inadmissible on the ground that it was produced after the time-limit for proving the use of the BARONIA trade mark — which the Opposition Division had imposed on the applicant on the basis of Rule 22(1) of Regulation No 2868/95 — had expired. OHIM refers to the decision of the Court in Case T-388/00 *Institut für Lernsysteme* v *OHIM — Educational Services (ELS)* [2002] ECR II-4301, and adds that the applicant chose not to complete the documentation which it had supplied on 28 January 2002, although OHIM had formally invited it to do so.

54 OHIM takes the view that, in inter partes proceedings, the imposition of a time-limit under Rule 22(1) of Regulation No 2868/95 limits its discretion under Article 74(2) of Regulation No 40/94 to accept or reject evidence which has not been submitted in due time. That analysis is supported by the text of the provision itself, which applies only where the evidence has not been submitted 'in due time', not where it is submitted 'out of time'. Moreover, if it were possible to submit evidence after expiry of the time-limit, that would result in a prolongation of opposition procedures that is incompatible with the principle of economy of procedure. Consequently, OHIM submits that bringing an appeal before the Boards of Appeal cannot have the effect of starting time running again in respect of the time-limits imposed by the Opposition Division, once those time-limits have expired. That assessment is unaffected by the fact that there is a continuity in terms of their functions between the Opposition Division and the Boards of Appeal. Furthermore, any other interpretation would be contrary to the principle of equality of arms as between the parties, and would be prejudicial to the other party's interests.

55 The intervener adds that even if the new evidence before the Board of Appeal were admissible, it would in any event be insufficient to prove the genuine use of the BARONIA trade mark during the relevant period. The invoices for the printing of labels do not prove the extent of marketing of the goods sold under the BARONIA trade mark. There are only very few invoices which mention wines sold under that trade mark, and the number of bottles referred to on those invoices is always limited to a few dozen at most.

— Findings of the Court

56 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 as well as the scheme of Regulation No 40/94 that the Board of Appeal has the same powers when ruling on an appeal as the department which was responsible for the contested decision, and that its examination covers the whole dispute as it stands at the date of its ruling.

57 It is apparent also from that provision, as well as from settled case-law, that there is continuity in terms of their functions between the different units of OHIM, namely the examiner, the Opposition Division, the division responsible for the administration of trade marks and legal issues and the Cancellation Divisions on the one hand, and the Boards of Appeal on the other (see *KLEENCARE*, cited above, paragraph 25, and the case-law cited).

58 It follows from that continuity in terms of their functions between the different departments of OHIM that, in the context of the review which the Boards of Appeal must undertake of the decisions taken by the OHIM units which heard the application at first instance, the Boards are required to base their decisions on all the matters of fact and of law which the parties put forward either in the proceedings before the department which heard the application at first instance or in the appeal (*KLEENCARE*, cited above, 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).

59 Thus the Board of Appeal may grant the appeal on the basis of new facts relied on by the party which brought the appeal or on the basis of new evidence submitted by that party, subject only to Article 74(2) of Regulation No 40/94 (Case T-16/02 *Audi* v *OHIM (TDI)* [2003] ECR II-5167, paragraph 81, and *KLEENCARE*, cited above, paragraph 26). The review by the Boards of Appeal is not confined to a review of the legality of the contested decision but, given the devolved nature of the appeal procedure, entails a new assessment of the whole dispute, the Boards of Appeal being required to examine in full the initial application and to take account of the evidence submitted in due time.

60 Contrary to OHIM's claim, in inter partes proceedings the continuity in terms of functions between the different departments of OHIM does not mean that one party is precluded by virtue of Article 74(2) of Regulation No 40/94 from relying before the Board of Appeal on new matters of fact and of law which were not put to the department which heard the application at first instance (*Hi-FOCuS*, cited above, paragraph 37). OHIM's argument effectively challenges the Board of Appeal's general power to rule on the dispute.

61 The rule laid down in Article 74(1) of Regulation No 40/94, by which OHIM examines the facts of its own motion, envisages two limitations. First, in relation to proceedings concerning the grounds for refusal of registration, the examination is limited to the facts relating to the pleas in law and to the claims put forward by the parties. Second, Article 74(2) gives OHIM the discretionary power to disregard evidence which the parties did not submit 'in due time'.

62 It follows from the continuity of functions which characterises the relationship between the departments of OHIM, that the phrase 'due time' must be interpreted in the context of appeal proceedings before a Board of Appeal as referring to the time-limit for bringing an appeal as well as to the time-limits imposed during the proceedings in question. Since that phrase applies in relation to every procedure pending before OHIM, the expiry of time-limits for the production of evidence imposed by the department hearing the application at first instance therefore remains irrelevant to the issue of whether that evidence was produced 'in due time' before the Board of Appeal. The Board of Appeal is thus obliged to take into consideration the evidence that is presented to it, regardless of whether or not it was submitted to the Opposition Division.

63 In the present case, the applicant submitted to the Board of Appeal, first, two notarised declarations and, second, a series of invoices referring to wines sold under the LA BARONIA trade mark in the period from 1996 to 2002, which were drawn up either by the applicant itself or by its supplier of wine labels. Those documents were submitted in support of the arguments already put to the Opposition Division in support of the claim that there had been genuine use of that trade mark.

64 Thus, since the applicant produced the documents at issue annexed to its statement before the Board of Appeal within the four-month time-limit set by Article 59 of Regulation No 40/94, their production cannot be regarded as out of time for the purposes of Article 74(2) of Regulation No 40/94. Therefore, the Board of Appeal could not refuse to take them into consideration (see, to that effect, *Hi-FOCuS*, cited above, paragraph 38).

65 The reference by OHIM to the judgment in *ELS*, cited above, concerning the production before the Opposition Division of evidence of use of the earlier mark after expiry of the time-limit set by OHIM cannot be allowed to stand, given that if the evidence before the Board of Appeal is produced within the time-limit, the Board of Appeal is obliged to take it into consideration in its examination of the appeal (*KLEENCARE*, cited above, paragraph 32, and *Hi-FOCuS*, cited above, paragraph 40). Furthermore, in the present case the Opposition Division had not requested the applicant to submit specified documents, but any kind of document that would prove the earlier use of the trade mark. Since the applicant produced certain documents which, in the view of the Opposition Division, did not establish the earlier use of the trade mark, there was nothing to prevent the applicant from submitting new documents to the Board of Appeal.

66 Contrary to the claims of OHIM, the admission of new evidence before the Board of Appeal does not constitute any infringement of the rights of the defence of the applicant for registration, if he is in a position to check the existence and precise

scope of the protection of the earlier right relied upon in support of the opposition. Although, as in the present case, those documents became part of the evidence only at the appeal procedure stage, the rights of the defence of the applicant for registration are not infringed if he can challenge the existence or scope of the earlier rights before the Board of Appeal, in accordance with Article 61(2) of Regulation No 40/94. In the present case the intervener could have made reasonable observations on those documents before the Board of Appeal. Having regard to the foregoing, OHIM cannot maintain that the intervener was not in a position to check the existence and precise scope of the protection of the earlier rights relied upon in support of the opposition. It must be concluded that the admissibility of the documents at issue at the appeal procedure stage does not infringe the intervener's rights of defence or the principle of equality of arms as between the parties.

67 Moreover, the argument of OHIM that the procedure for the registration of Community trade marks would be considerably prolonged if the parties could still produce matters of fact or evidence for the first time before the Board of Appeal cannot be allowed to stand. On the contrary, the fact that the supplementary translation produced before the Board of Appeal was rejected had the effect of prolonging that procedure (see, to that effect, *Hi-FOCuS*, cited above, paragraph 42).

68 It follows that by failing to take into consideration the evidence produced to it by the applicant within the time-limit set by Article 59 of Regulation No 40/94, the Board of Appeal was in breach of Article 74 of Regulation No 40/94 (see to that effect, *Hi-FOCuS*, cited above, paragraph 43).

69 It is nevertheless necessary to consider the conclusions to be drawn from that error of law. According to settled case-law, a procedural irregularity leads to annulment of all or part of a decision only if it is established that the content of that decision could have differed if that irregularity had not occurred (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, it is clear from a combined reading of subparagraphs (2) and (3) of Article 63 of Regulation No 40/94 that 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).

70 In the present case, the possibility cannot be ruled out that the evidence which the Board of Appeal wrongly refused to take into consideration could substantively have altered the contested decision. It relates to the reference period (23 July 1996 to 23 July 2001), whereas the Opposition Division had rejected the opposition inter alia because the evidence submitted included only a single label, dating from 2000, relating to the reference period. In that regard it is not, however, for the Court to stand in for OHIM in assessing the evidence concerned.

71 In the light of all the foregoing, the contested decision must be annulled, without there being any need to consider the other pleas in law or to allow the applicant's measures of inquiry. The Court notes that the applicant does not state why it was prevented from submitting the evidence in question and needed the Court to intervene.

Costs

72 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's

pleadings. By virtue of the third paragraph of Article 87(4) the Court may order an intervener to bear his own costs.

73 In the present case OHIM and the intervener have been unsuccessful. However, the applicant has not applied for OHIM and the intervener to be ordered to pay the costs.

74 Accordingly, the parties must be ordered to bear their own 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 9 July 2003 (Case R 57/2003-2);

2. **Dismisses as inadmissible the application of the applicant, La Baronia de Turis, Cooperativa Valenciana, for the registration of the Community trade mark applied for to be refused;**

3. **Dismisses the application of the intervener, Baron Philippe de Rothschild SA, that the opposition be declared inadmissible, in so far as it is based on Article 8(4) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark;**

4. **Dismisses the action as to the remainder;**

5. **Orders the parties to bear their own costs.**

Cooke García-Valdecasas Trstenjak

Delivered in open court in Luxembourg on 10 July 2006.

E. Coulon R. García-Valdecasas

Registrar President