JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

23 September 2009*

In Joined Cases T-20/08 and T-21/08,

Evets Corp., established in Irvine, California (United States), represented by S. Ryan, Solicitor,

applicant,

v

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

defendant,

ACTION brought against two decisions of the Fourth Board of Appeal of OHIM of 5 November 2007 (Cases R 603/2007-4 and R 604/2007-4), relating to an application for *restitutio in integrum* made by the applicant,

* Language of the case: English.

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

composed of V. Tiili (Rapporteur), President, F. Dehousse and I. Wiszniewska-Białecka, Judges,

Registrar: N. Rosner, Administrator,

having regard to the applications lodged at the Registry of the Court of First Instance on 8 January 2008,

having regard to the responses lodged at the Court Registry on 22 May 2008,

having regard to the order of 5 May 2009 joining Cases T-20/08 and T-21/08 for the purposes of the oral procedure and the judgment,

further to the hearing on 3 June 2009,

gives the following

Judgment

Background to the dispute

1 On 1 April 1996, the applicant, Evets Corp., filed two applications for registration of Community trade marks at the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended (replaced by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark (OJ 2009 L 78, p. 1)).

2 The marks for which registration was sought are the word mark DANELECTRO and the figurative mark QWIK TUNE covering goods in Classes 9 and 15 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.

3 The mark QWIK TUNE was registered on 30 April 1998 and the mark DANELECTRO on 25 May 1998.

4 On 7 and 14 September 2005, pursuant to Article 47(2) of Regulation No 40/94 (now Article 47(2) of Regulation No 207/2009) and Rule 29 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), OHIM informed the applicant's representative of the expiry of the registration of the QWIK TUNE and DANELECTRO marks respectively. According to those notifications, the requests for renewal were to be submitted and the fees were to be paid

before 30 April 2006. The requests could still be submitted and the fees could still be paid within a further period of six months expiring on 1 November 2006.

5 On 21 and 23 November 2006, OHIM issued notifications pursuant to Article 47 of Regulation No 40/94 (now Article 47 of Regulation No 207/2009), Rule 30(5), Rule 84(3)(1) and Rule 84(5) of Regulation No 2868/95 to inform the applicant's representative that the registrations of the trade marks QWIK TUNE and DANELECTRO had been cancelled from the Register of Community trade marks on 1 October 2006, with effect from 1 April 2006. It was stated in each notification that, in the event of disagreement, the applicant's representative could request a decision in writing within two months of receipt of the notification.

6 On 26 January 2007, the applicant's representative filed, in respect of the marks at issue, an application pursuant to Article 78 of Regulation No 40/94 (now Article 81 of Regulation No 207/2009) for *restitutio in integrum*, in which it requested that the right to renew the registrations in question be re-established on the grounds that they had not been renewed due to an error that had occurred owing to circumstances beyond its control and that of the applicant. Responsibility for renewal had been passed to a third party, which did not have the applicant's correct address in its database. The applicant's representative requested OHIM to debit the fees for re-establishment of rights and for renewal from its current account with OHIM. It stated that the applicant had not been aware of the loss of its rights until 26 November 2006, the date on which the applicant's representative forwarded OHIM's notifications to the applicant.

7 On 22 February 2007 the Trade Marks and Register Department of OHIM refused the application for *restitutio in integrum*. It considered that the application had been submitted in due time and was admissible, but that the applicant had not taken all due care required by the circumstances. In its view, the applicant's representative was aware that the marks in question had to be renewed but had not taken any action to check, with the applicant, the third party to which responsibility for renewal had been passed and OHIM, whether the renewal had taken place and, if not, that it was taking place.

Consequently, the registration of the marks DANELECTRO and QWIK TUNE was deemed to have been cancelled pursuant to Rule 30(6) of Regulation No 2868/95.

8 On 21 June 2007, the applicant filed a notice of appeal with OHIM under Articles 57 to 62 of Regulation No 40/94 (now Articles 58 to 64 of Regulation No 207/2009) against the decisions of the Trade Marks and Register Department of 22 February 2007.

9 By decisions of 5 November 2007 ('the contested decisions'), the Fourth Board of Appeal of OHIM dismissed the appeal and declared that the application for *restitutio in integrum* was deemed not to have been filed, in accordance with Article 78(3) of Regulation No 40/94 (now Article 81(3) of Regulation No 207/2009), as the application had been made outside the two month period provided for in Article 78(2) of Regulation No 40/94 (now Article 81(2) of Regulation No 207/2009) and the requisite fee for re-establishment of rights had been paid outside that period. The Board of Appeal found that, since the dates of removal of the cause of non-compliance with the time-limit were 21 November 2006 for QWIK TUNE and 23 November 2006 for DANELECTRO, the dates on which OHIM had informed the applicant's representative that the marks had been cancelled, the application submitted on 26 January 2007 fell outside that period.

Forms of order sought

10 The applicant claims that the Court should:

— annul the contested decisions;

— declare that the application for *restitutio in integrum* was brought within the time-limits prescribed by Article 78(2) of Regulation No 40/94;

— refer the matters back to the Board of Appeal for it to rule on the substantive issue as to whether all due care was taken to renew the trade marks in question;

— order OHIM to pay the costs.

11 OHIM contends that the Court should:

— dismiss the actions;

— order the applicant to pay the costs.

Law

12 In support of its actions, the applicant puts forward, in essence, three pleas alleging, first, breach of the principle prohibiting *reformatio in pejus*, second, infringement of the rights of the defence and of the right to be heard and, third, infringement of Article 78 of Regulation No 40/94.

13 It is appropriate to begin with an examination of the plea alleging infringement of Article 78 of Regulation No 40/94.

The plea alleging infringement of Article 78 of Regulation No 40/94

14 According to the applicant, the Board of Appeal incorrectly calculated the two-month period as running from the removal of the cause of non-compliance with the time-limit on 21 and 23 November 2006, the dates on which OHIM informed the applicant's representative that the rights in question had been lost, because the date to be taken into account is that on which the applicant itself became aware that its rights had been lost.

15 OHIM contests the arguments put forward by the applicant.

16 Under Article 78(2) and (3) of Regulation No 40/94, an application for *restitutio in integrum* must be filed in writing within two months from the removal of the cause of non-compliance with the time-limit which has the direct consequence of causing the loss of any right or means of redress. The application is to be admissible only within the year immediately following the expiry of the unobserved time-limit. The application must state the grounds on which it is based and must set out the facts on which it relies. It is not to be deemed to be filed until the fee for re-establishment of rights has been paid.

17 In the present case, the parties agree, in principle, on the fact that the 'removal of the cause of non-compliance' occurred on the date on which the applicant was informed of the loss of the rights in question.

18 It is not in dispute that the applicant's representative received OHIM's notifications on 21 and 23 November 2006, informing it that the registrations of the marks QWIK TUNE and DANELECTRO respectively had been cancelled from the Register of Community trade marks on 1 October 2006 with effect from 1 April 2006.

19 The Board of Appeal found that the application for *restitutio in integrum* lodged on 26 January 2007 was deemed not to have been filed, in accordance with Article 78(3) of Regulation No 40/94, as the application was filed, and the fee for re-establishment of rights paid, after the expiry of the two-month period laid down in Article 78(2) of Regulation No 40/94, which period expired on Monday 22 January 2007 for the mark QWIK TUNE, and Tuesday 23 January 2007 for the mark DANELECTRO.

20 However, the applicant claims that the two-month period could start to run only on the date on which it, and not its representative, became aware of the loss of the rights in question, because it had taken responsibility by acting as its own representative for the purposes of renewal of the registrations at issue through a third party, and the error which led to non-compliance with the time-limit occurred in the applicant's offices. That date was 26 November 2006 and, therefore, the application for *restitutio in integrum* was filed within the time-limit.

21 That line of argument cannot be accepted. As OHIM correctly contends, the date on which the loss of a right is brought to the attention of the representative must be deemed to be the date on which the represented person, namely the applicant, became aware of it.

22 In that regard, it should be borne in mind that, pursuant to Rule 77 of Regulation No 2868/95, any notification or other communication addressed by OHIM to a duly authorised representative is to have the same effect as if it had been addressed to the represented person. The same applies to any communication addressed to OHIM by a duly authorised representative, which has the same effect as if it originated from the represented person.

23 Therefore, with regard to OHIM, what matters are its communications with the applicant's representative and not the communications between the representative and the applicant.

24 It should also be recalled that, under Article 78(5) of Regulation No 40/94 (now Article 81(5) of Regulation No 207/2009), Article 78 does not apply to the time-limits referred to in paragraph 2 of that article. Thus, where the time-limit of two months, which is one of the conditions of the admissibility of an application for *restitutio in integrum*, has not been observed, there is no longer any possibility of filing a new application for *restitutio in integrum*, even if an explanation is given for that failure to observe the time-limit.

25 Accordingly, the Board of Appeal was right to find that the application for *restitutio in integrum* lodged on 26 January 2007 had to be deemed not to have been filed.

26 In addition, the applicant claims that, in view of the fact that there is an overall time-limit of 12 months within which to bring *restitutio in integrum* proceedings, it was the legislature's intention that the 2-month time-limit should not be calculated from the date on which the expiry was notified to the representative of the proprietor of the mark. Otherwise, the 12-month time-limit would be redundant and the 2-month time-limit for bringing *restitutio in integrum* proceedings would have sufficed. That approach has been adopted by the Boards of Appeal of the European Patent Office (EPO), and in so far as Article 78(2) of Regulation No 40/94 is identical in substance to Article 122(2) of the Convention on the Grant of European Patents of 5 October 1973, as amended, the same approach should be applied in the present case.

27 As a preliminary point, it should be noted that Article 122(2) of the Convention on the Grant of European Patents no longer contains any provision on time-limits, but refers to Rule 136 of the Implementing Regulations to the Convention on the Grant of

European Patents, as adopted by Decision of the Administrative Council of the European Patent Organisation of 7 December 2006. The relevant provision is thus Rule 136(1) of those implementing regulations.

28 As regards the one-year time-limit, suffice it to point out that Article 78(2) of Regulation No 40/94 does not concern solely applications for *restitutio in integrum* in cases of non-submission of a request for renewal, but also concerns failure to observe the time-limit where the non-observance in question has the direct consequence, by virtue of the provisions of that regulation, of causing the loss of any right or means of redress. The non-observance, and in particular the removal of its cause, can take many forms and, therefore, the one-year time-limit is laid down as an absolute deadline. Thus, the applicant cannot claim that that time-limit would become redundant if the two-month time-limit were to be calculated from the 'chronological date' (here, 21 and 23 November 2006) in question. In the event that the cause of non-compliance is removed only one year after the expiry of the unobserved time-limit, the application for *restitutio in integrum* is no longer admissible. The two-month period thus forms part of the one year period.

29 As regards the practice of the EPO's Boards of Appeal, relied on by the applicant, it is sufficient to note that the Community trade mark regime is an autonomous system with its own set of rules and objectives peculiar to it; it applies independently of any other system (see, by analogy, Case T-32/00 *Messe München* v *OHIM (electronica)* [2000] ECR II-3829, paragraph 47).

30 Whilst identically or similarly worded provisions in the field of European intellectual property law must where possible be interpreted with consistent effect, the European Patent Convention is not a Community instrument, nor is the EPO a Community body. The case-law of the Boards of Appeal within that office has no binding authority in Community law (Opinion of Advocate General Sharpston in Case C-29/05 P *OHIM* v *Kaul* [2007] ECR I-2213, point 40).

31 Furthermore, even if Article 78 of Regulation No 40/94 was drafted on the basis of a patent law model, there is nothing to suggest that the respective provisions must be interpreted identically, since the interests at issue in the two areas may differ. The legal context of patent law is different, and the provisions governing patents seek to regulate procedures different from those applicable in the area of trade marks (Case T-136/08 *Aurelia Finance* v *OHIM (AURELIA)* [2009] ECR II-1361, paragraph 21).

32 In any event, the decision of the Technical Board of Appeal of the EPO of 16 April 1985 (T 191/82, OJ EPO 7/1985, p. 189), to which the applicant refers, in no way shows how the EPO would give a different interpretation to the relevant provision. In that case, it was found that, where the employee of an agent discovers that failure to observe a time-limit has led to the loss of a right, the cause of non-compliance which is at the root of that failure — that is to say, the fact of not having realised that the time-limit had not been observed — is deemed not to have been removed, as long as the agent concerned has not been personally informed of the situation, since it is for him to decide whether to file an application for *restitutio in integrum* and, if he decides to file such an application, to outline the grounds and circumstances which should be invoked before the EPO.

33 In the present case, the agent, that is to say the applicant's representative, has not claimed that it was not personally informed of the situation on the dates of the notifications. Thus, the EPO decision in no way supports the applicant's arguments. Moreover, the relationship between the representative and its employee cannot be treated in the same way as the relationship between a party which is represented and its representative.

34 In those circumstances, the plea alleging infringement of Article 78 of Regulation No 40/94 must be rejected.

The plea alleging breach of the principle prohibiting reformatio in pejus

35 The applicant submits, in essence, that, in breach of the principle prohibiting *reformatio in pejus*, the Board of Appeal placed it, following its appeal, in a less favourable position than it would have enjoyed had it not appealed, by finding for the first time that the application for *restitutio in integrum* had been filed with the Trade Marks and Register Department outside of the two month time-limit.

36 OHIM contests the arguments put forward by the applicant.

37 Even on the assumption that the principle relied on by the applicant may be invoked in proceedings in which the Board of Appeal either exercises any power within the competence of the department responsible for the decision under appeal before it or remits the case to that department for further consideration, it suffices to observe that, by dismissing the applicant's appeal, the Board of Appeal upheld the decision of the Trade Marks and Register Department. Therefore, since the decision of that department did not grant the applicant's claims, the applicant is not, following the contested decision, in a less favourable legal position than before the appeal was brought.

38 Furthermore, it must be borne in mind that it follows from Article 62(1) of Regulation No 40/94 (now Article 64(1) of Regulation No 207/2009) that, following the examination as to the merits of the appeal, the Board of Appeal is to decide that appeal and that, in doing so, it may 'exercise any power within the competence of the department which was responsible for the decision appealed', that is to say, in the present case, rule itself on the application for *restitutio in integrum* by rejecting it or declaring it to be well founded, thereby either upholding or reversing the decision taken at first instance. Consequently, through the effect of the appeal brought before it, the Board of Appeal is called upon to carry out a new, full examination of the merits of the application for *restitutio in integrum*, in terms of both law and fact (*OHIM* v *Kaul*, paragraphs 56 and 57).

39 As OHIM argues, issues relating to admissibility cannot be excluded from that 'new, full examination' of the application for *restitutio in integrum*. According to settled case-law, the rules on time-limits were laid down with a view to ensuring legal certainty and avoiding any discrimination or arbitrary treatment (see order in Case T-426/04 *Tramarin* v *Commission* [2005] ECR II-4765, paragraph 60 and the case-law cited). That general statement applies also to time-limits laid down in regulations on the Community trade mark (Case T-218/06 *Neurim Pharmaceuticals (1991)* v *OHIM — Eurim-Pharm Arzneimittel (Neurim PHARMACEUTICALS)* [2008] ECR II-2275, paragraph 44).

40 In that regard, the applicant cannot rely on the judgment in Case T-122/99 *Procter & Gamble* v *OHIM (Soap bar shape)* [2000] ECR II-265, inasmuch as the Court had held that the Board of Appeal was not competent to re-examine the circumstances in which the application for registration had been filed and declare the application for registration inadmissible (paragraphs 29 to 34). By raising of its own motion and a posteriori a formal irregularity not raised by the examiner, the Board of Appeal had deprived the applicant of the option of making a fresh application for registration to OHIM enabling it to have a filing date earlier than that which it could have obtained after the adoption of the contested decision at issue (*Soap bar shape*, paragraphs 29 and 30).

41 In the present case, the expiry of the time-limit in question could not have been rectified in any way, so that the Board of Appeal has not deprived the applicant of any choice whatsoever.

42 As regards the practice of the Boards of Appeal of the EPO, relied upon by the applicant, it suffices to recall that the decisions of that office have no binding authority in Community law.

43 In any event, the decision of the Enlarged Board of Appeal of the EPO of 14 July 1994 (G 9/92, OJ EPO 12/1994, p. 875), relied on by the applicant, is not capable of being applied to the present case, because that case did not concern non-compliance with a time-limit, but the issue of whether the wording of a patent as approved in an interlocutory decision could be contested.

44 In those circumstances, the plea alleging breach of the principle prohibiting *reformatio in pejus* must be rejected.

The plea alleging infringement of the rights of the defence and the right to be heard

45 The applicant claims, in essence, that the Board of Appeal infringed Article 61(2) and the second sentence of Article 73 of Regulation No 40/94 (now Article 63(2) and the second sentence of Article 75 of Regulation No 207/2009) by failing to give it the opportunity, before adopting the contested decisions, to submit its observations on the reasons for which the Board of Appeal dismissed its appeal and asserted, for the first time, that the application for *restitutio in integrum* had been filed with the Trade Marks and Register Department out of time.

46 OHIM contests the arguments put forward by the applicant.

47 It should be pointed out that, pursuant to the second sentence of Article 73 of Regulation No 40/94, decisions of OHIM are to be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments. The general principle of protection of the right to defend oneself is enshrined in the law of Community trade marks by that provision. According to that general principle of Community law, a person whose interests are appreciably affected by a decision taken by a public authority must be given the opportunity to make his point of view known. The right to be heard extends to all the factual and legal material which forms the basis

of the decision, but not to the final position which the authority intends to adopt (see Case T-317/05 *Kustom Musical Amplification* v *OHIM (Shape of a guitar)* [2007] ECR II-427, paragraphs 24, 26 and 27 and the case-law cited).

48 Moreover, it follows from the case-law that the rights of the defence are infringed by reason of a procedural irregularity only in so far as the irregularity actually has an effect on the ability of the undertakings involved to defend themselves. Consequently, non-compliance with rules in force whose purpose is to protect the rights of the defence can vitiate the administrative procedure only if it is shown that the procedure could have had a different outcome if the rules had been observed (see Case T-410/07 *Jurado Hermanos* v *OHIM (JURADO)* [2009] ECR II-1345, paragraph 32 and the case-law cited).

49 As has been stated in the examination of the plea alleging infringement of Article 78 of Regulation No 40/94, the Board of Appeal was right to find that the application for *restitutio in integrum* had been lodged outside of the two-month time-limit and, therefore, had to be considered not to have been filed.

50 Thus, even if the Board of Appeal had been guilty of an infringement of the applicant's right to be heard, such an infringement could not have affected the legality of the contested decisions (see, to that effect, Case T-273/02 *Krüger* v *OHIM — Calpis (CALPICO)* [2005] ECR II-1271, paragraph 68).

51 In addition, in the present case, in reply to a question from the Court on the issue of what the applicant would have said had it had the opportunity to submit its observations in that regard, the applicant merely claimed that there was a discrepancy regarding the identity of the representative, and that OHIM's practice was different to that of the EPO. In respect of OHIM, the applicant's representative was the person who received the notifications and, indeed, filed the application for *restitutio in integrum*. If that was not the case, then that representative would not have been able to file the application which should then, all the more so, be deemed never to have been filed.

Moreover, as has already been stated above, the EPO's practice does not bind OHIM. Therefore, the applicant's reply supports the finding that its right to be heard was not infringed.

52 In those circumstances, the applicant cannot rely on the judgment in *Soap bar shape*, according to which the Board of Appeal had infringed the applicant's rights of defence by not giving it the opportunity to make submissions on two new absolute grounds for refusal which the Board of Appeal raised of its own motion (*Soap bar shape*, paragraph 47).

53 Accordingly, the plea alleging infringement of the rights of the defence and the right to be heard must be rejected.

54 It follows from all of the foregoing that the applicant's actions must be dismissed.

55 In those circumstances, it is not necessary to rule on the admissibility of the applicant's second and third heads of claim.

Costs

56 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. As the applicant has been unsuccessful, it must be ordered to pay the costs in accordance with the form of order sought by OHIM.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

1. Dismisses the actions;

2. Orders Evets Corp. to pay the costs.

Tiili Dehousse Wiszniewska-Białecka

Delivered in open court in Luxembourg on 23 September 2009.

[Signatures]