JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
9 April 2003 *

In Case T-224/01,

Durferrit GmbH, established in Mannheim (Germany), represented by P. Koch Moreno, lawyer, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl and O. Waelbroeck, acting as Agents,

defendant,

* Language of the case: English.

intervener

Kolene Corporation, established in Detroit, Michigan (USA), represented by C. Gielen, lawyer,

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 6 July 2001 (Case R 864/1999-1), relating to opposition proceedings between Durferrit GmbH and Kolene Corporation,

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

composed of: M. Vilaras, President, V. Tiili and P. Mengozzi, Judges,

Registrar: D. Christensen, Administrator,

having regard to the written procedure and further to the hearing on 27 November 2002

gives the following

Judgment

Legal background

1 Articles 7, 8, 38 and 41 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provides as follows:

'*Article 7*

Absolute grounds for refusal

1. The following shall not be registered:

...

(f) trade marks which are contrary to public policy or to accepted principles of morality;

...

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 38

Examination as to absolute grounds for refusal

1. Where, under Article 7, a trade mark is ineligible for registration in respect of some or all of the goods or services covered by the Community trade mark application, the application shall be refused as regards those goods or services.

...

Article 41

Observations by third parties

1. Following the publication of the Community trade mark application, any natural or legal person and any group or body... may submit to the Office written

observations, explaining on which grounds under Article 7, in particular, the trade mark shall not be registered ex officio. They shall not be parties to the proceedings before the Office.

...'

Facts

2 On 1 April 1996, Kolene Corporation ('the intervener') filed an application for a Community trade mark pursuant to Regulation No 40/94 at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('OHIM').

3 The trade mark in respect of which registration was sought was the word mark 'NU-TRIDE'.

4 Registration was sought for goods and services in Classes 1 and 40 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, for each of those classes, to the following descriptions:

— Class 1: 'Chemical products for use in the treatment of metals';

— Class 40: 'Metal treatment'.

5 On 11 August 1997, the trade mark application was published in the *Community Trade Marks Bulletin*.

6 On 6 November 1997, the applicant, acting under its previous name, Degussa Aktiengesellschaft, filed a notice of opposition pursuant to Article 42(1) of Regulation No 40/94. The opposition was based on the existence of a mark held by the applicant and registered in Germany on 17 August 1962. That mark ('the earlier mark') consisted of the word mark 'TUFFTRIDE', registered for products within Classes 1, 7 and 11 of the Nice Agreement and corresponding to the following description:

'Inorganic salts, particularly alkali cyanide and alkali cyanate for metal treatment, salt bath furnaces together with accessories, namely pyrometers for the measurement of the temperature of the nitriding bath, exhaust hoods and fans for the elimination of exhaust gases, air intakes and compressors for the ventilation of the baths, equipments to remove the sediments deposited in the baths, all of these devices intended for the nitriding treatment of steel and steel parts.'

7 In support of the opposition, the applicant relied on the relative grounds for refusal referred to in Article 8(1)(a) and (b) of Regulation No 40/94.

8 On 19 May 1998, the intervener limited the list of goods and services in the trade mark application to the following goods and services:

— Class 1: 'chemicals, none consisting of or containing cyanide, all for use in the treatment of metals';

— Class 40: 'metal treatment, not involving the use or application of cyanide'.

9 By a decision of 15 October 1999 the Opposition Division rejected the opposition on the grounds that the marks were not identical and that there was no likelihood of confusion between them in the relevant territory of the Community, namely Germany.

10 On 13 December 1999, the applicant lodged an appeal with OHIM pursuant to Article 59 of Regulation No 40/94 seeking annulment of the decision of the Opposition Division.

11 By a decision of 6 July 2001 ('the contested decision'), which was served on the applicant on 23 July 2001, the First Board of Appeal of OHIM dismissed the appeal. The Board of Appeal essentially considered that, based on a visual, phonetic and conceptual comparison, the marks in question were not sufficiently similar for there to be a likelihood of confusion between them in the relevant territory of the Community, namely Germany (paragraphs 16 to 19 of the contested decision). The Board of Appeal also found that was no likelihood of confusion in the form of a likelihood of association of the marks in question, since the mark claimed was not built on the earlier mark and there were no

obvious links between the two (paragraph 20 of the contested decision). Lastly, the Board of Appeal found that this conclusion would not be affected even if it was established that the earlier mark enjoyed great renown (paragraph 21 of the contested decision).

Procedure and forms of order sought

12 By an application drafted in English and lodged at the Registry of the Court on 24 September 2001, the applicant brought this action.

13 The intervener did not object to English becoming the language of the case by the deadline set for that purpose by the Registrar of the Court.

14 OHIM lodged its defence at the Registry of the Court on 18 February 2002. The intervener lodged its statement at the Registry of the Court on 31 January 2002.

15 The applicant claims that the Court should:

— annul the contested decision;

— annul the decision of the Opposition Division;

— declare that the mark claimed and the earlier mark are incompatible;

— refuse registration of the mark claimed;

— order the intervener to pay the costs.

16 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

17 The intervener contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs, including the costs incurred by the intervener.

18 At the hearing, the applicant withdrew its second, third and fourth heads of claim, which was formally recorded by the Court of First Instance in the minutes of the hearing.

Law

19 In support of its action, the applicant puts forward two pleas in law, the first alleging infringement of Article 8(1)(b) of Regulation No 40/94 and the second infringement of Article 7(1)(f) thereof.

The first plea: infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

20 The applicant maintains that there is a likelihood of confusion between the mark claimed and the earlier mark.

21 The applicant argues that the two marks cover the same goods and that the relevant public is limited and highly specialised. That public is, moreover, aware of the commercial links which existed for many years between itself and the intervener.

22 According to the applicant, the two marks are similar, both phonetically and visually. It points out that the comparison of the two marks must be based on the overall impression they convey. It maintains that the Board of Appeal was wrong to 'dissect' them. The applicant asserts that, contrary to the findings of the Opposition Division, the suffix '-tride' is not descriptive in relation to the goods and services in question here. This should be taken into account for the purposes of comparing the two marks.

23 The applicant adds that there is a likelihood of association between the two marks, because the relevant public will be led to perceive the mark claimed as a variant of the earlier mark and hence to think that the two marks have the same trade origin.

24 In addition, the applicant argues that it is one of the primary companies in the chemicals sector and that the sign 'TUFFTRIDE', being registered in many countries, is a well-known, even famous, mark. According to the applicant, the mark should, then, be given greater protection. Using the mark claimed would enable the intervener to profit from the commercial efforts of the applicant.

25 Lastly, the applicant asks the Court of First Instance to order certain measures of inquiry in order to establish, first, the existence, nature, duration and scope of the commercial links which existed for many years between itself and the intervener, and, second, that the suffix '-tride' is not generic in nature in the chemicals sector.

26 OHIM contends that there are considerable differences between the two marks. To begin with, visually, the mark claimed, NU-TRIDE, is perceived as a conjunction of two elements, whilst the earlier mark TUFFTRIDE is less easy to

split. Next, phonetically, the first syllables of the two marks are pronounced quite differently, both in English and in German. Lastly, the two marks have nothing in common conceptually, since the 'NU' part might suggest novelty or improvement, whilst 'TUFF' (or 'TUFFT') might suggest durability. As regards the element 'TRIDE', OHIM takes the view that it refers to the nitriding process and is merely marginally distinctive in relation to the goods and services in question. Consequently, the fact that it is part of both marks is not liable to give rise to a likelihood of confusion between them.

27 Given those considerable differences between the two opposing marks, OHIM maintains that the Board of Appeal did not err in law in holding that there is no likelihood of confusion between them. OHIM points out that this finding would not be affected even if some of the goods covered by the two marks were to be regarded as being identical, the relevant public being highly specialised in the nitriding of metals using chemical products.

28 OHIM also submits that the Board of Appeal was right to find that it had not been established that the earlier mark enjoyed great renown and so not to have regard to that factor. The only evidence adduced by the applicant in this connection during the administrative procedure, namely a list of the countries where the mark TUFFTRIDE is registered as a trade mark, is insufficient. It follows from Case C-375/97 *General Motors Corporation* v *Commission* [1999] ECR I-5421 that a mark cannot be regarded as well known unless it is recognised by a significant part of the public concerned.

29 In addition, OHIM maintains that, in the present case, there is no likelihood of confusion in the form of a likelihood of association between the two marks, since the mark claimed was not built on the earlier mark and there are no obvious links between the two.

30 Regarding the commercial links which did exist previously between the applicant and the intervener, OHIM acknowledges that such links may, in principle, constitute a factor which must be taken into account in the overall assessment of the likelihood of confusion, as long as the relevant public is aware of them. However, OHIM takes the view that it has not been established in the present cast that this was so.

31 Regarding the applicant's request that the Court order certain measures of inquiry, OHIM takes the view that all the relevant evidence for the purposes of assessing the likelihood of confusion must be submitted before the Opposition Division and may not therefore be submitted for the first time before the Court of First Instance.

32 The intervener submits that the goods designated by each of the two marks in question here are significantly different from each other. The earlier mark is registered for 'inorganic salts, particularly alkali cyanide and alkali cyanate'. By contrast, the list of goods covered by the mark claimed specifically excludes cyanide, which is a highly toxic product. The intervener adds that even though the end result of using the products covered by each of the two marks may be the same, namely metal nitriding, the relevant public is more interested in the nitriding process, which is different for those products. The intervener states that the relevant public is one specialised in chemical products used for nitriding.

33 As regards the comparison of the marks, the intervener takes the view that they are not visually, phonetically or conceptually similar. It observes that, under the case-law of the Court (Case C-251/95 *SABEL* [1997] ECR I-6191), the overall assessment of the likelihood of confusion must be based on the overall impression conveyed by the opposing marks, bearing in mind their distinctive and dominant components. In this case, the suffix '-TRIDE' is descriptive of the goods and services in issue and could not be considered to be a distinctive component of either mark. Furthermore, the intervener argues that the relevant public is inclined to attach more importance to the first component of a compound word

mark. Lastly, the first syllables of the marks in issue here are completely distinguishable from each other, both phonetically and in terms of the number and type of letters used.

34 As regards the commercial links that existed between the applicant and the intervener in the past, the intervener affirms that the relevant public is highly specialised and will be aware that those links have been terminated. The intervener adds that those links never extended to the European market and therefore do not affect the assessment of the likelihood of confusion on that market.

35 Lastly, in response to the applicant's argument that the earlier mark is well known, the intervener maintains that this is unsubstantiated. The intervener argues that the earlier mark is used only in a very specialised niche market and has no particular reputation. The intervener denies having taken advantage of the commercial efforts of the applicant.

Findings of the Court

36 It should be recalled, as a preliminary point, that Article 8(1)(b) of Regulation No 40/94 provides that, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered where, 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. The likelihood of confusion includes the likelihood of association with the earlier trade mark. Moreover, under Article 8(2)(a)(ii) of Regulation No 40/94, earlier trade marks are to be understood to mean marks registered in a Member State applications for which were filed on a date prior to the date of application for the Community trade mark.

37 In the present case, the earlier trade mark is registered in Germany. Thus, in order to establish the possible existence of a likelihood of confusion between the opposing marks, it is necessary to take account of the point of view of the relevant public in Germany. In their written pleadings and at the hearing, all the parties affirmed that that public comprises a limited number of highly-specialised undertakings in the industrial chemical sector and, in particular, in the process of nitriding. In those circumstances, and having regard to the nature of the goods and services covered by the two trade marks, it is appropriate to consider that the relevant public is composed of a limited number of highly specialised operators in the treatment of metals through chemical processes (see paragraph 19 of the contested decision).

38 Second, it should be noted that, according to the Court's case-law on the interpretation of Article 4(1)(b) of 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), the normative content of which is essentially similar to that of Article 8(1)(b) of Regulation No 40/94, it is necessary, for the purposes of application of that provision, to adduce evidence of similarity between the goods or services covered (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 22).

39 According to that same case-law, in assessing the similarity of the goods or services concerned, all the relevant factors of the case relating to those goods or services themselves should be taken into account, including, in particular, their nature, their end users and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 23).

40 In the present case, it is apparent from the contested decision and the decision of the Opposition Division to which it refers (see paragraphs 16 and 18 of the contested decision) that the Board of Appeal considered, albeit impliedly, that there is a similarity between the goods and services covered by the requested trade mark and the goods covered by the earlier mark. That assessment is correct. First,

as regards the goods covered by each of the two trade marks, they have the same end-use, namely the nitriding of metals, and are aimed at the same public. It is, moreover, undisputed and was confirmed by the statements of the parties at the hearing that the goods in question are in competition with each other. Second, as regards the comparison between, on the one hand, services called 'metal treatment' as stated in the trade mark application and, on the other hand, goods designated by the earlier mark, it should be borne in mind that those services involve the use of those goods. Thus, there is a similarity between them.

41 This finding cannot be called in question by the intervener's argument that, unlike the goods covered by the earlier mark, the goods designated in the trade mark application, as amended on 19 May 1998, do not contain cyanide. In that regard, it should be recalled, as the applicant rightly stated without being contradicted on the point by either OHIM or the intervener, that the 'inorganic salts' category of goods covered by the earlier mark also includes goods which do not consist of or comprise cyanide. In fact it is clear from the use of the term 'in particular' in those products' descriptions that cyanide is given merely as an example. Accordingly, the intervener's argument is based on an erroneous premiss and must be rejected as irrelevant for the purposes of comparing the goods and services in question here (see, by analogy, Case T-106/00 *Streamserve* v *OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 45).

42 Third, it should be recalled that, under the case-law, the likelihood of confusion is constituted by the risk 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*, paragraph 29; and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17). According to that same case-law, the likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (*SABEL*, paragraph 22; *Canon*, paragraph 16; *Lloyd Schuhfabrik Meyer*, paragraph 18; and Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40).

43 That assessment implies some interdependence between the factors taken into account, in particular similarity between the trade marks and between the goods or services. Accordingly, a lesser degree of similarity between the 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*, paragraph 40). The interdependence of those factors is expressly mentioned in the seventh recital to Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the appreciation of which depends on the recognition of the trade mark on the market and the degree of similarity between the trade mark and the sign and between the goods or services identified.

44 Moreover, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (*SABEL*, paragraph 23; and *Lloyd Schuhfabrik Meyer*, paragraph 25). For the purposes of that global assessment, account should also be taken of the fact 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).

45 It is in light of the foregoing considerations that it is necessary to examine whether the degree of visual, aural or conceptual similarity of the marks in question is sufficiently high for there to be a finding of a likelihood of confusion between them.

46 With regard to the first respective elements of the trade marks in question, namely the elements 'TUFF' and 'NU', the Court finds, first, that they are not visually similar. To begin with, they consist of a different number of letters. In addition, the letters used are different, except for the letter 'U', which appears in second place in each of them. Lastly, in the mark claimed, the 'NU' element is separated from the suffix 'TRIDE' by a hyphen whilst in the earlier mark the 'TUFF' and 'TRIDE' elements are written together in a single word.

47 Second, when aural similarity is compared, the two elements in question are not phonetically similar either. If the relevant public pronounces the two in German, the 'TUFF' element will be pronounced 'toof' and the 'NU' element will be pronounced 'noo'. If, however, the relevant public pronounces the same syllables in English, the 'TUFF' element will be pronounced like the English word 'tough' and the 'NU' element like the English word 'new'.

48 Third, a conceptual comparison of the elements is irrelevant in the hypothesis that the relevant public pronounces those two syllables in German, given that none of them have any particular significance in German. By contrast, if the relevant public pronounces them in English, they will at the very most have completely different meanings, since 'TUFF' in English can be likened to 'hard' and 'durable', whilst 'NU' is easily associated with the English word 'new'.

49 Next, as regards the suffix 'TRIDE', which is common to the two trade marks in question, it should be recalled that, in the contested decision, the Board of Appeal held that it should be considered to be descriptive of the process of nitriding, for which not only the goods and services covered by the two opposing trade marks are used but also goods and services covered by other marks (paragraphs 19 and 8 of the contested decision). Moreover, the applicant itself acknowledged during the proceedings before the Board of Appeal that, in the metal treatment industry, the element 'TRIDE' refers to nitriding processes (paragraph 12 of the contested decision). Thus the Board of Appeal held that the element 'TRIDE' did not have any specific distinctive character and that, consequently, it should not be given undue importance for the purposes of comparing the two marks.

50 The Court finds, as rightly pointed out by OHIM and the intervener, that the suffix 'TRIDE' is not — or at most is but to a very limited extent — distinctive of the goods and services at issue in the present case. It relates to the method of nitriding and thus covers the end-use of those goods and services. Moreover, the file from the administrative proceedings before the Board of Appeal shows that

the same suffix is commonly used in trade to designate goods and services used in the nitriding process, a fact confirmed by the registration of other marks containing the suffix, such as VITRIDE, SULFTRIDE, CHLOTRIDE, STRIDE, and BALTRIDE, which are registered as national marks in several Member States. The fact that only one of those marks, namely VITRIDE, is registered in Germany does not cast doubt on that consideration, since the relevant public, being highly specialised in a market which is equally specialised, is likely to be aware of marks existing in other markets within the Community.

51 In those circumstances, it is not appropriate to grant the applicant's request to order an expert assessment by way of measure of inquiry to demonstrate that the suffix 'TRIDE' does not relate to the end-use of the goods and services in question.

52 In light of all the foregoing considerations, it must be concluded that the degree of similarity between the marks in question is not sufficiently high for a finding that there is a likelihood of confusion between them. That conclusion is corroborated by the fact that the relevant public is highly specialised in the sector of the goods and services in question and, accordingly, is likely to take great care in the selection of those good and services.

53 This conclusion cannot be called in question by the other arguments submitted by the applicant.

54 First, as regards the argument that the earlier mark allegedly has a reputation or is well known, the applicant stated at the hearing that it meant to refer only to the reputation of that mark.

55 It is important to note that the concept of a 'trade mark' with a 'reputation' is found in a different provision, namely Article 8(5) of Regulation No 40/94. That provision confers greater protection on marks belonging to that category in that an opposition procedure may be validly based on such a mark without its being necessary to demonstrate either a similarity between the goods or services concerned or the existence of a likelihood of confusion. However, it cannot but be stated that the applicant did not plead that provision, either during the administrative proceedings before OHIM or in its application.

56 None the less, it should be recalled that the Court held in paragraph 24 of *Canon* that the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether there is a likelihood of confusion.

57 In the present case, in order to underpin its argument that the earlier mark has a reputation, the applicant merely referred in its application to the fact that the word mark TUFFTRIDE has been registered as a national mark in several countries.

58 However, that fact is insufficient in itself to demonstrate that the earlier mark has a reputation in the relevant territory within the Community, namely Germany. It follows from the case-law of the Court that a mark may be considered to have a reputation in the relevant territory only if the earlier mark is known by a significant part of the public concerned (*General Motors*, paragraphs 20 to 31). No evidence to this effect has been adduced by the applicant in the present case.

59 It follows that the applicant's argument based on the alleged reputation of the earlier mark must be rejected.

60 Second, as regards the applicant's argument concerning the likelihood of association, it should be noted that, under the Court's case-law, that likelihood constitutes a specific case of the likelihood of confusion (*SABEL*, paragraphs 18 and 26; and *Marca Mode*, paragraph 34). More specifically, the likelihood of association arises from the fact that the two marks in question, whilst not likely to be confused directly by the relevant public, could be perceived as being two marks belonging to the same holder. This could occur, for example, when the two marks appear to derive from a common core element.

61 It is, however, common ground that the applicant does not use a series of marks containing the element 'TRIDE'. Moreover, even on the supposition that an element which lends itself to being perceived as forming the core element of a potential series of marks is sufficient to give rise to a likelihood of association, it cannot but be noted that that could not in any event be so in the present case, since, as has already been stated, the suffix 'TRIDE' is merely descriptive.

62 A likelihood of confusion between two marks can also exist when the earlier mark is also the name of the undertaking which holds it. In such a case, the relevant public may assume that the two marks belong to the same holder or, at the very least, that there are organisational or economic links, such as a licensing agreement, between the two undertakings concerned (see, on this last point, Case C-317/91 *Deutsche Renault* [1993] ECR I-6227, paragraph 36 et seq.). In the present case, the earlier mark is not the name of the applicant.

63 In addition, the commercial links which existed in the past between the applicant and the intervener are not sufficient to establish the likelihood of confusion relied on by the applicant. Apart from the fact that those commercial links never existed

on the German market, the relevant public, which is highly specialised in the limited market for the goods and services concerned, is in a position to be aware of the cessation of those links, a point not really contested by the applicant in reply to a question from the Court at the hearing.

64 Nor in those circumstances is it appropriate to order the measure of inquiry requested by the applicant seeking to have one of its representatives heard on the existence, nature, duration and scope of the commercial links which existed between the applicant and the intervener.

65 It follows from the foregoing that the applicant's line of argument based on the existence of an alleged likelihood of confusion in the form of a likelihood of association between the marks in question must also be rejected.

66 Accordingly, the first plea must be dismissed as unfounded.

The second plea: infringement of Article 7(1)(f) of Regulation No 40/94

Arguments of the parties

67 The applicant states that the intervener was its commercial representative in the United States and Canada for several years. The applicant also states that,

following the end of commercial links between the two companies, the intervener has pursued a marketing strategy aimed at leading the public to believe that there are still links between the mark claimed and the applicant's company.

68 According to the applicant, the intervener, by attempting to obtain registration of a mark which is highly similar to the earlier mark, and with the intent to copy, has set out to appropriate for itself the applicant's image, thereby acting in bad faith and committing an abuse of process. Accordingly, the applicant submits that the mark claimed is contrary to public policy and accepted principles of morality within the meaning of Article 7(1)(f) of Regulation No 40/94.

69 OHIM submits essentially that Article 7(1)(f) of Regulation No 40/94 does not provide for relative grounds for refusal in the context of an opposition procedure, and does not cover a situation where a trade mark applicant acts in bad faith.

70 The intervener maintains that Article 7(1)(f) of Regulation No 40/94 is not a ground of opposition within the meaning of Article 42(1) of that regulation.

71 The intervener also takes issue with the applicant's argument that it deliberately misleads the public as to the commercial origin of the goods and services in question. It states that the nitriding process involving the goods and services covered by the earlier mark had been the subject of patents held by the applicant and that the protection period for most of those patents has expired. Thus, according to the intervener, the applicant does not have the right to prevent other

companies either from marketing the goods or services covered by that mark, or from using the suffix '-tride' as part of a trade mark.

Findings of the Court

72 It follows from the wording of Article 42(1), and from the structure of Article 42 and 43 of Regulation No 40/94, that the absolute grounds for refusal contained in Article 7 of that regulation do not fall to be examined as part of the opposition procedure. The grounds on which an opposition may be based, as laid down in Article 42(1) of Regulation No 40/94, are merely the relative grounds for refusal in Article 8 of the regulation. Those are the terms on which OHIM is required to give a decision on the opposition under Article 43(5) of Regulation No 40/94. Moreover, the registration procedure comprises various stages. Thus, in the examination procedure, OHIM automatically examines whether registration of the mark claimed is precluded by an absolute ground of refusal (Article 38(1) of Regulation No 40/94). If that is not the case, the application for trade mark registration is published in accordance with Article 38(1) and Article 40(1) of the regulation. Then, if a notice of opposition has been filed pursuant to Article 42(1) of Regulation No 40/94 within a period of three months following the publication of the application, OHIM examines, as part of the opposition proceedings, the relative grounds of refusal put forward by the party opposing the registration (Article 74(1) *in fine* of the regulation).

73 It is certainly true that under Article 41(1) of Regulation No 40/94, third parties may submit observations to OHIM concerning, *inter alia*, absolute grounds of refusal. None the less, it is not apparent from the case file that in the present case the applicant submitted to OHIM such observations concerning Article 7(1)(f) of the regulation. Even if it had done so, the effect of those observations would have been limited to an examination by OHIM as to whether there were grounds to reopen the examination procedure to check whether the absolute ground of refusal put forward precluded registration of the mark claimed. Accordingly, it is

not in the context of opposition proceedings that OHIM has to take account of observations submitted by third parties pursuant to Article 41(1) of Regulation No 40/94. This is true even if observations by third parties are submitted in the course of an opposition procedure. Faced with such a situation, OHIM may suspend the opposition proceeding pursuant to Rule 20(6) 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).

74 It should also be recalled that, pursuant to Article 58 of Regulation No 40/94, an action may be brought before the Board of Appeal only by a party to a proceeding before OHIM. In addition, under Article 63(4) of the regulation, an action before the Community courts is available only to parties to the proceedings before the Board of Appeal which led to the contested decision. Under the last sentence of Article 41(1) of Regulation No 40/94, persons submitting observations to OHIM are not parties to the proceedings before it. Therefore, such a person may not bring proceedings before the Board of Appeal or, *a fortiori*, before the Community courts to contest the legality of a decision by OHIM on the absolute ground of refusal relied on. The same is true of a party who has filed a notice of opposition against registration of a Community trade mark and submits observations to OHIM pursuant to Article 41(1) of Regulation No 40/94, since that party is no different from any other third party who might submit observations. Consequently, in such a situation, the party concerned may not, in proceedings before either the Board of Appeal or the Community courts seeking review of the legality of the decision by OHIM on the opposition, contest the legality of that decision on the absolute ground of refusal referred to in its observations.

75 It follows that Article 7(1)(f) of Regulation No 40/94 is not one of the provisions in relation to which the legality of the contested decision must be appraised. Consequently, the plea alleging infringement of Article 7(1)(f) of Regulation No 40/94 must be dismissed as immaterial.

76 In any event, it should be noted that the requirement of Article 7(1)(f) of Regulation No 40/94, namely that the trade mark must be contrary to public policy and to accepted principles of morality, is not met in the present case. As OHIM rightly pointed out in its defence, that provision does not cover the situation in which the trade mark applicant acts in bad faith. An overall reading of the various subparagraphs of Article 7(1) of Regulation No 40/94 shows that they refer to the intrinsic qualities of the mark claimed and not to circumstances relating to the conduct of the person applying for the trade mark, such as those relied on by the applicant in the present case.

77 Accordingly, the second plea must also be dismissed as unfounded.

78 It follows from all the foregoing that the action must be dismissed.

Costs

79 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful, it must, having regard to the form of order sought by OHIM and the intervener, be ordered to pay their costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

1. **Dismisses the action;**

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

Vilaras Tiili Mengozzi

Delivered in open court in Luxembourg on 9 April 2003.

H. Jung
Registrar

M. Vilaras
President