Reports of Cases

JUDGMENT OF THE GENERAL COURT (Second Chamber)

14 February 2012 *

(Community trade mark — Invalidity proceedings — Community word mark BIGAB — Absolute ground for refusal — No bad faith — Article 52(1)(b) of Regulation (EC) No 207/2009)

In Case T-33/11,

Peeters Landbouwmachines BV, established in Etten-Leur (Netherlands), represented by P. Claassen, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by P. Geroulakos, acting as Agent,

defendant,

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

AS Fors MW, established in Saue (Estonia), represented by M. Nielsen and J. Hansen, lawyers,

ACTION brought against the decision of the First Board of Appeal of OHIM of 4 November 2010 (case R 210/2010-1), relating to invalidity proceedings between Peeters Landbouwmachines BV and AS Fors MW,

THE GENERAL COURT (Second Chamber),

composed of N.J. Forwood (Rapporteur), President, F. Dehousse and J. Schwarcz, Judges,

Registrar: E. Coulon,

having regard to the application lodged at the Court Registry on 24 January 2011,

having regard to the response of OHIM lodged at the Court Registry on 11 May 2011,

having regard to the response of the intervener lodged at the Court Registry on 27 April 2011,

* Language of the case: English.

having regard to the fact that no application for a hearing was submitted by the parties within the period of one month from notification of closure of the written procedure, and having therefore decided, acting upon a report of the Judge Rapporteur, to give a ruling without an oral procedure, pursuant to Article 135a of the Rules of Procedure of the General Court,

gives the following

Judgment

Background to the proceedings

1 On 31 March 2005, the intervener — AS Fors MW — filed an application for registration of a Community trade mark at the Office for Harmonisation 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 mark in respect of which registration was sought is the word sign BIGAB.

3 The goods in respect of which registration was sought fall within Classes 6, 7 and 12 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 correspond, for each of those classes, to the following description:

— Class 6: 'Common metals and their alloys, non-electric cables and wires of common metal; goods of common metal not included in other classes; metal containers';

— Class 7: 'Machines and machine tools; motors and engines (except for land vehicles); machine couplings and transmission components (except for land vehicles); agricultural implements other than hand-operated; tractor processors; cranes (lifting and hoisting apparatus)';

— Class 12: 'Vehicles; apparatus for locomotion by land, air or water; hook lift trailers; tip trailers; transport trailers; lumber trailers'.

4 The trade mark application was published in *Community Trade Marks Bulletin* No 45/2005 of 7 November 2005 and the mark BIGAB was registered as a Community trade mark on 20 March 2006 under No 4363842.

5 On 6 September 2007 the applicant — Peeters Landbouwmachines BV — filed an application with OHIM for a declaration of invalidity of that mark for all of the goods in respect of which it had been registered. The grounds for invalidity relied on in support of that application were those referred to in Article 51(1)(b) of Regulation No 40/94 (now Article 52(1)(b) of Regulation No 207/2009), in Article 52(1)(c) of Regulation No 40/94 (now Article 53(1)(c) of Regulation No 207/2009), read in conjunction with Article 8(4) of Regulation No 40/94 (now Article 8(4) of Regulation No 207/2009), and in Article 52(1)(b) of Regulation No 40/94 (now Article 53(1)(b) of Regulation No 207/2009), read in conjunction with Article 8(3) of Regulation No 40/94 (now Article 8(3) of Regulation No 207/2009).

6 In essence, the applicant alleges that the intervener was acting in bad faith at the time of filing the application for registration of the mark at issue. The intervener's sole objective in making that application was to prevent the applicant from continuing to market agricultural goods under the mark BIGA — despite the fact that the applicant had an earlier right over that mark.

7 By decision of 4 December 2009, the Cancellation Division rejected the application for invalidity in its entirety.

8 On 2 February 2010, the applicant filed a notice of appeal with OHIM under Articles 58 to 64 of Regulation No 207/2009 against the decision of the Cancellation Division.

9 By decision of 4 November 2010 ('the contested decision'), the First Board of Appeal of OHIM dismissed the appeal, relying in essence on the following grounds:

— the legal regime established by Regulation No 207/2009 is based on the 'first-to-file' principle, in the sense that property in a Community trade mark is not acquired through earlier use but through prior registration;

— one of the applications of that rule is provided for in Article 52(1)(b) of Regulation No 207/2009, under which a Community trade mark is to be declared invalid if its proprietor was acting in bad faith at the time of filing the application for registration of that mark and, under that provision, 'bad faith' means 'dishonesty which would fall short of the standards of acceptable commercial behaviour';

— the applicant had not shown that the intervener had been acting in bad faith;

— the mark BIGAB had been used since 1991, initially by the predecessor of the current proprietor of that mark, then by that proprietor itself — namely, the intervener — whereas the applicant did not start using the sign BIGA until 1996;

— added to that is the fact that the sign at issue originated in the trade name of the business which the intervener acquired at a later stage: 'Blidsberg Investment Group BIG AB';

— the intervener was free, therefore, to apply for registration of that mark as a Community trade mark in order to strengthen its protection at European level; the applicant was free to do likewise but did not take the trouble to register the sign BIGA as a Community trade mark, even though it had used it since 1996;

— those findings are not called into question by Case C-529/07 *Chocoladefabriken Lindt & Sprüngli* [2009] ECR I-4893, since the main and prior intention of the intervener was to protect its trade mark rights 'on a European scale' and not to prevent the applicant from using the mark BIGA; an indication of that intention is the fact that the intervener used the mark at issue in various European Union countries before seeking its registration as a Community trade mark;

— it matters little in that connection that the intervener knew or, at least, should have known of the applicant's use of the sign BIGA at the time of filing the application for registration and that the applicant was able to assert a degree of legal protection over the non-registered mark BIGA pursuant to Article 2.4(1)(f) of the Benelux Convention on Intellectual Property (Trade marks and Designs), signed at The Hague on 25 February 2005, because it has been established that, in any event, the intervener had an earlier right.

Forms of order sought

10 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to declare invalid the registration of the Community trade mark covered by the application for invalidity or, in the alternative, order OHIM to declare that registration invalid in so far as it concerns the goods in Class 7;

— order OHIM to pay the costs.

11 OHIM and the intervener contend that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

Admissibility of the evidence which was first produced before the Court

12 OHIM disputes the admissibility of the evidence which the applicant first produced before the Court. In issue are Annexes 19 and 20 to the application, which respectively contain copies of various pages from the intervener's website and various pages from a search engine, relating to the marks BIFA, FARMA and NIAB.

13 It should be noted in that context that the purpose of actions before the Court is to secure review of the legality of decisions of the Boards of Appeal for the purposes of Article 65 of Regulation No 207/2009 and that, in proceedings for annulment, the legality of the contested measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted. Accordingly, it is settled case-law that the role of the Court is not to re-evaluate the factual circumstances in the light of evidence which has been produced for the first time before it: to admit such documents would be contrary to Article 135(4) of the Rules of Procedure of the General Court, under which the parties' pleadings may not change the subject-matter of the proceedings before the Board of Appeal (judgment of 11 November 2009 in Case T-162/08 *Frag Comercio Internacional* v *OHIM — Tinkerbell Modas (GREEN by missako)*, not published in the ECR, paragraph 17).

14 It follows that, since the documents at issue were first produced before the Court, they must be declared inadmissible.

Substance

15 In support of its action, the applicant relies on a single plea, alleging infringement of Article 52(1)(b) of Regulation No 207/2009. According to the applicant, the Board of Appeal erred in law by not finding that the intervener was acting in bad faith when it filed an application with OHIM seeking to register the mark at issue as a Community trade mark.

16 As the Board of Appeal rightly stated in paragraph 20 of the contested decision, the Community trade mark registration system is based on the 'first-to-file' principle, laid down in Article 8(2) of Regulation No 207/2009. In accordance with that principle, a sign may be registered as a Community trade mark only in so far as this is not precluded by an earlier mark, whether a Community trade mark, a trade mark registered in a Member State or by the Benelux Office for Intellectual Property, a trade mark registered under international arrangements which have effect in a Member State or a trade mark registered under international arrangements which have effect in the European Union. On the other hand, without prejudice to the possible application of Article 8(4) of Regulation No 207/2009, the mere use by a third party of a non-registered mark does not preclude an identical or similar mark from being registered as a Community trade mark for identical or similar goods or services.

17 The application of that principle is moderated, inter alia, by Article 52(1)(b) of Regulation No 207/2009, under which, following an application to OHIM or on the basis of a counterclaim in infringement proceedings, a Community trade mark is to be declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark. Where the applicant for a declaration of invalidity seeks to rely on that ground, it is for that party to prove the circumstances which substantiate a finding that the Community trade mark proprietor had been acting in bad faith when it filed the application for registration of that mark.

18 The Court of Justice has provided some clarification regarding the way in which the concept of bad faith, as referred to in Article 52(1)(b) of Regulation No 207/2009, should be interpreted (see, by analogy, *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above). It thus found that the question whether the applicant had been acting in bad faith, for the purposes of that provision, must be decided by means of an overall assessment in which all the factors relevant to the particular case are taken into account and, in particular, the following:

— the fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for identical or similar goods, which could give rise to confusion with the sign for which registration is sought;

— the applicant's intention of preventing that third party from continuing to use such a sign;

— the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought.

19 In addition, the Court of Justice found, in paragraph 43 of *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above, that the intention of preventing certain goods from being marketed may, in certain circumstances, be indicative of bad faith on the part of the applicant. That is the case, in particular, where it subsequently becomes apparent that the applicant had the sign registered as a Community trade mark with no intention of using it, his sole objective being to prevent a third party from entering the market.

20 That being so, as the Board of Appeal rightly stated in paragraph 20 of the contested decision, it is apparent from the wording used in *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above, that the three factors set out in paragraph 18 above are only examples drawn from a number of factors which can be taken into account in order to decide whether the applicant was acting in bad faith at the time of filing the application.

21 It must therefore be held that, in the context of the overall analysis undertaken pursuant to Article 52(1)(b) of Regulation No 207/2009, account may also be taken of the origin of the sign at issue and its use since its creation, and of the commercial logic underlying the filing of the application for registration of that sign as a Community trade mark.

22 In the present case, it is common ground that the mark at issue has been used since 1991, initially by Blidsberg Investment Group BIG AB — the initials of which are represented by the mark BIGAB — and then, from 1999, by the intervener, following the acquisition of all rights relating to that mark. The applicant, on the other hand, did not start using the sign BIGA until 1996. Furthermore, as at the date on which the application for registration of the mark at issue was filed, that sign had never been registered, whether at European, Benelux or national level. Those circumstances show that the sign at issue was neither created nor used by the intervener with the deliberate intention of creating confusion with the existing sign and, in that way, of competing with the proprietor of that sign in an unfair manner.

23 Also — contrary to the assertions made by the applicant — it is understandable, from a commercial point of view, that the intervener wished to extend the protection of the mark at issue by registering it as a Community trade mark. During the period which preceded the filing of the application for registration, the number of Member States in which the intervener generated turnover from goods marketed under the mark BIGAB increased. As the Board of Appeal rightly found in paragraph 32 of the contested decision, that was a plausible incentive for filing an application for the registration of a Community trade mark.

24 Moreover, it cannot be claimed that the intervener registered the mark at issue with no intention of using it and with the sole objective of preventing a third party from entering the market, since the goods have been marketed under that mark in a great many areas of the European Union since the date of that registration.

25 In that connection, it should be noted that, as a rule, it is legitimate for an undertaking to seek registration of a mark, not only for the categories of goods and services which it markets at the time of filing the application, but also for other categories of goods and services which it intends to market in the future.

26 In the present case, it has not been shown in any way that in so far as the application for registration of the mark at issue concerned the goods in Class 7 — in particular, cranes — it was artificial and not commercially logical for the intervener. That is all the more so because it is not disputed that the goods in that class were marketed by the intervener, even if under another mark. Accordingly, the mere fact that the application for registration covered goods in Class 7, to which the goods marketed by the applicant belong, does not demonstrate that the application was motivated solely by the intervener's intention of preventing the applicant from continuing to use the mark BIGA.

27 Furthermore, the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for identical or similar goods, which could give rise to confusion with the sign for which registration is sought, is not sufficient in itself to permit the conclusion that the applicant was acting in bad faith (see, to that effect, *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above, paragraph 40). Accordingly, it cannot be excluded that, where a number of producers use, on the market, identical or similar signs for identical or similar goods, which could give rise to confusion with the sign for which registration is sought, the applicant's registration of the sign may be in pursuit of a legitimate objective (see *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above, paragraph 48). As the intervener observed, that can be the position, in particular, where the applicant knows, at the time of filing the application for registration, that a third undertaking is making use of the mark covered by that application by giving its clients the impression that it officially distributes the goods sold under that mark, even though it has not received authorisation to do so.

28 As regards the claim that it was inconsistent for the intervener to have sought to secure protection as a Community trade mark for the mark at issue, but not for the other two marks of which it is proprietor (FARMA and NIAB), even if that claim had to be regarded as admissible despite having been raised for the first time before the Court, it cannot be upheld. In providing that any natural or legal person may be the proprietor of a Community trade mark, Article 5 of Regulation No 207/2009 creates merely the option of registration, which is left entirely to the discretion of the proprietor of a mark. It follows that the good faith of a trade mark applicant cannot be challenged solely because that applicant is the proprietor of other marks and it did not take the initiative of applying to have those marks registered as Community trade marks.

29 Nor has the existence of bad faith on the part of the intervener been established by dint merely of the fact that it did not go ahead with the registration of the mark BIGAB as a Benelux mark, since the decision to protect a mark both at national and at Benelux level, or at Community level, is a choice dictated solely by the proprietor's market strategy and, in consequence, it is not for OHIM or the Court to interfere with such an assessment.

30 It should be added that, for the purposes of determining whether the trade mark applicant was acting in bad faith, consideration may be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration as a Community trade mark was filed, since the extent of that reputation might justify the applicant's interest in ensuring a wider legal protection for his sign (*Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above, paragraphs 51 and 52).

31 In that regard, at the time when the application for registration was filed, the mark at issue had already been used for approximately 14 years. Furthermore, as the Board of Appeal found in paragraph 32 of the contested decision, that mark had experienced growth in Europe in the years preceding its registration as a Community trade mark. That growth reinforced the reputation of the mark, which supports the idea that the intervener had a legitimate commercial interest in ensuring that it had more extensive protection and that the intervener was not acting in bad faith, therefore, when it filed the application for registration.

32 Accordingly, it matters little whether or not the goods marketed by the applicant under the mark BIGA are similar or identical to the goods marketed by the intervener under the mark at issue, since, in any event, it has not been shown that the sole purpose of the registration was to prevent the applicant from using the mark BIGA.

33 Similarly, the fact that, a few weeks after successfully registering the mark at issue, the intervener sent a letter of formal notice to the applicant and another company demanding that they cease using the sign BIGA in their commercial relations is not an indication of bad faith, since such a request falls within the scope of the rights attaching to the registration of a mark as a Community trade mark, referred to in Article 9 of Regulation No 207/2009.

34 As regards the applicant's argument that it used the sign BIGA in the Benelux countries before the sign at issue was used in the same territory, that is not sufficient to rebut the presumption that the intervener was acting in good faith at the time of filing the application for registration. Even if it were established, that fact does not affect the finding that the mark at issue was created and used in commercial relations before the applicant's mark. Moreover, as the Board of Appeal found in paragraph 26 of the contested decision, there was nothing, in principle, to prevent the applicant from registering the mark BIGA both at national and at Benelux level or Community level, which would have protected it against registration of the mark at issue as a Community trade mark.

35 Lastly, the claim that the Board of Appeal erred in relying on the reference in Article 12 of Regulation No 207/2009 to 'honest practices in industrial or commercial matters', for the purposes of defining 'bad faith' as used in Article 52(1)(b) of that regulation, cannot be upheld.

36 It is admittedly true that the subject-matter of those two provisions is different, Article 12 of Regulation No 207/2009 relating to the conduct of a third party towards the proprietor of the mark and Article 52(1)(b) to the conduct of the proprietor itself at the time of filing the application for registration of the mark as a Community trade mark. However, the Board of Appeal in no way erred in law by considering the two provisions in parallel, as this was justified by the fact that they are both designed to penalise commercial dishonesty.

37 In any event, in interpreting the concept of bad faith for the purposes of Article 52 of Regulation No 207/2009, the Board of Appeal in no way confined itself to considering those two provisions in parallel. On the contrary, as is apparent from paragraphs 22 to 34 above, the Board of Appeal correctly applied the principles of interpretation laid down in that regard by the Court of Justice in *Chocoladefabriken Lindt & Sprüngli*, paragraph 9 above.

38 In the light of all of the foregoing, it must be held that the Board of Appeal was fully entitled to find, in paragraph 33 of the contested decision, that even if the intervener knew or should have known of the applicant's use of the sign BIGA for the marketing of vertical feed mixers, it did not act in bad faith by seeking registration of the mark at issue.

39 Accordingly, the single plea in law must be rejected as unfounded, as must the action in its entirety.

Costs

40 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.

41 Since the applicant has been unsuccessful, it must be ordered to pay the costs in accordance with the forms of order sought by OHIM and the intervener.

On those grounds,

THE GENERAL COURT (Second Chamber)

hereby:

1. Dismisses the action;

2. Orders Peeters Landbouwmachines BV to pay the costs.

Forwood Dehousse Schwarcz

Delivered in open court in Luxembourg on 14 February 2012.

[Signatures]