JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
15 November 2001 *

In Case T-128/99,

Signal Communications Ltd, established in Hong Kong (China), represented by J. Grayston and A. Bywater, lawyers, with an address for service in Luxembourg,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by F. López de Rego and G. Humphreys, acting as Agents, with an address for service in Luxembourg,

defendant,

* Language of the case: English.

ACTION brought against the decision of 24 March 1999 of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (Case R 219/1998-1), notified to the applicant on 25 March 1999,

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

composed of: P. Mengozzi, President, R.M. Moura Ramos and V. Tiili, Judges,

Registrar: D. Christensen, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 25 May 1999,

having regard to the response lodged at the Registry of the Court of First Instance on 23 August 1999,

having regard to the written answers to the questions raised by the Court of First Instance,

further to the hearing on 22 February 2001,

gives the following

Judgment

Relevant legislation

1 Article 29 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:

'1. A person who has duly filed an application for a trade mark in or for any State party to the Paris Convention or to the Agreement establishing the World Trade Organisation, or his successors in title, shall enjoy, for the purpose of filing a Community trade mark application for the same trade mark in respect of goods or services which are identical with or contained within those for which the application has been filed, a right of priority during a period of six months from the date of filing of the first application.

2. Every filing that is equivalent to a regular national filing under the national law of the State where it was made or under bilateral or multilateral agreements shall be recognised as giving rise to a right of priority.

3. By a regular national filing is meant any filing that is sufficient to establish the date on which the application was filed, whatever may be the outcome of the application.

4. A subsequent application for a trade mark which was the subject of a previous first application in respect of the same goods or services, and which is filed in or in respect of the same State shall be considered as the first application for the purposes of determining priority, provided that, at the date of filing of the subsequent application, the previous application has been withdrawn, abandoned or refused, without being open to public inspection and without leaving any rights outstanding, and has not served as a basis for claiming a right of priority. The previous application may not thereafter serve as a basis for claiming a right of priority.

5. If the first filing has been made in a State which is not a party to the Paris Convention or to the Agreement establishing the World Trade Organisation, paragraphs 1 to 4 shall apply only in so far as that State, according to published findings, grants, on the basis of the first filing made at the Office and subject to conditions equivalent to those laid down in this regulation, a right of priority having equivalent effect.'

2 Article 30 of Regulation No 40/94 provides that:

'An applicant desiring to take advantage of the priority of a previous application shall file a declaration of priority and a copy of the previous application....'

3 Article 31 of Regulation No 40/94 provides that:

'The right of priority shall have the effect that the date of priority shall count as the date of filing of the Community trade mark application for the purposes of establishing which rights take precedence.'

4 Under Article 44(2) of Regulation No 40/94,

'... a Community trade mark application may be amended, upon request of the applicant, only by correcting the name and address of the applicant, errors of wording or of copying, or obvious mistakes, provided that such correction does not substantially change the trade mark or extend the list of goods or services. Where the amendments affect the representation of the trade mark or the list of goods or services and are made after publication of the application, the trade mark application shall be published as amended'.

Background to the dispute

5 On 27 May 1998 the applicant filed an application pursuant to Regulation No 40/94 for a Community trade mark, in the form of a word mark, together with a claim of priority at the United Kingdom Patent Office, which forwarded that application to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (hereinafter 'the Office').

6 The trade mark for which registration was sought, as shown in the application form, was the word TELEYE. Subsequently, a request for correction of that mark was made.

7 The goods in respect of which registration of the mark was sought fall within Class 9 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:

'Video systems, equipment and apparatus; monitoring and surveillance systems, equipment and apparatus; closed circuit TV systems, equipment and apparatus; remote video monitoring and surveillance system[s] employing closed circuit TV cameras and electronic hardware to transmit video, alarm control and telemetry signals over a low bandwidth network to a computerised display and storage system.'

8 The claim of priority accompanying the application for the Community trade mark and recorded on the form on which the trade mark application was made referred to the application for the trade mark TELEEYE filed in the United States on 20 January 1998.

9 By letter of 18 June 1998 the applicant lodged at the Office a certified copy of the application for registration in the United States of the mark TELEEYE (No 75/420 484).

10 By facsimile letter of 7 July 1998 the Office notified the applicant, pursuant to Article 27 of Regulation No 40/94 and Rule 9 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation No 40/94 (OJ 1995 L 303, p. 1), that its application had been accorded the filing date of 27 May 1998.

11 By facsimile letter of 6 August 1998 the applicant informed the Office that a typographical error had been made in its application for the Community trade mark and requested that it be corrected to show the mark TELEEYE instead of

TELEYE to accord with the trade mark application made in the United States which was evidenced by the abovementioned certified copy and on the basis of which it claimed priority.

12 After receiving the applicant's observations on his view that Article 44 of Regulation No 40/94 and Rule 13 of Regulation No 2868/95 did not allow the correction sought, the examiner informed the applicant by letter of 20 October 1998 of his decision that the correction was not possible because it substantially changed the trade mark.

13 On 11 December 1998 the applicant appealed against the examiner's decision before the Office, pursuant to Article 59 of Regulation No 40/94.

14 The appeal was dismissed by decision of 24 March 1999 (hereinafter 'the contested decision').

15 The Board of Appeal found that the correction requested by the applicant substantially changed the original representation of the trade mark, the marks TELEYE and TELEEYE differing in their pronunciation and visual impact and in the way in which they would be understood by the public (paragraph 13 of the contested decision). It held that the applicant's argument concerning the effect of the claim of priority was not decisive and that, although there was a discrepancy between the signs covered by the Community trade mark application and the application filed in the United States, there was no reason for considering that it should have been obvious to the examiner that the applicant's intention was to register as a Community trade mark 'TELEEYE' with exactly the same spelling as that used in the application filed in the United States, it being equally plausible that a mistake had been made in the drafting of the United States application (paragraph 14 of the contested decision). The Board of Appeal held that the applicant could not blame the Office for failing to point out the discrepancy in question before the expiry of the priority period and that it was incumbent on the applicant to take the necessary steps to file an accurate Community trade mark application within the proper period (paragraph 15 of the contested decision).

Forms of order sought by the parties

16 The applicant claims that the Court of First Instance should:

— annul the contested decision;

— order that Community trade mark application No 837096 be amended to show TELEEYE instead of TELEYE, and

— order the Office to pay the costs.

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

— dismiss the action, and

— order the applicant to pay the costs.

The request for a mandatory order

18 In its statement of the relief which it seeks the applicant requests an order requiring the Office to amend Community trade mark application No 837096 to show TELEEYE instead of TELEYE.

19 According to the case-law of the Court of First Instance, under Article 63(6) of Regulation No 40/94, the Office must take the necessary measures to comply with judgments of the Court of Justice. Accordingly, the Court of First Instance is not entitled to issue directions to the Office. It is for the Office to draw the necessary inferences from the operative part of this judgment and the grounds on which it is based (Case T-163/98 *Proctor & Gamble* v *OHIM, BABY-DRY* [1999] ECR II-2383, paragraph 53, and judgment of 31 January 2001 in Case T-331/99 *Mitsubishi Hitec Paper Bielefeld* v *OHIM, Giroform* [2001] ECR II-433, paragraph 33).

The application for annulment

20 It is clear from the applicant's arguments, which are based on an allegation of breach of essential procedural requirements in that the statement of reasons for the contested decision is internally inconsistent, insufficient and/or wrong as a matter of fact or law, that the action is based on two pleas in law.

21 The first plea concerns the alleged inadequacy of the statement of reasons set out in paragraph 14 of the contested decision.

22 The second concerns the allegedly erroneous nature of the reasoning set out in paragraphs 13 to 15 of the contested decision. Under the first limb of the second plea, concerning paragraphs 13 and 14 of the contested decision, the applicant

claims that the Board of Appeal infringed the combined provisions of Articles 29 and 44(2) of Regulation No 40/94. Under the second limb, which concerns paragraph 15 of the contested decision, the applicant alleges infringement of Articles 74(1) and 76(1)(b) of Regulation No 40/94.

23 It is appropriate to begin by considering the first limb of the second plea.

Arguments of the parties

24 The applicant's argument rests upon Article 29(1) of Regulation No 40/94 according to which the application for the Community trade mark must be for the same trade mark as that relied on for the purposes of the right of priority. The applicant's intention to apply for the Community trade mark with the same spelling as that used in the United States trade mark application should have been obvious to the examiner. If there was no reason for it to have been obvious to the examiner, then the correction of the discrepancy between the two trade marks cannot constitute a substantial alteration.

25 According to the applicant, paragraphs 13 and 14 of the statement of reasons for the contested decision are logically inconsistent in that the first states that the addition of an extra 'E' to the mark TELEYE amounts to a substantial change and the second states there was no reason for considering that it should have been obvious to the examiner that the applicant's intention was to register as a Community trade mark the word 'TELEEYE' with exactly the same spelling as that used in the application filed in the United States. Whether it is the first or second reason that is erroneous, the Office should have made the correction applied for pursuant to Article 44(2) of Regulation No 40/94.

26 The applicant further submits, in relation to paragraph 14 alone, that, given its contention that rectifying a Community trade mark application to make it conform to an application for a mark on the basis of which priority is claimed does not constitute a change of the Community mark because the two applications must necessarily relate to the same mark, the possibility of a mistake having been made in the United States application for registration of the mark TELEEYE, a point raised in the same paragraph, is of no importance. The reasoning in paragraph 14 is thus misconceived.

27 The Office maintains that the applicant is interpreting Article 44(2) of Regulation No 40/94 incorrectly in contending that the terms 'substantial' and 'obvious' are interdependent. An error may be substantial without being obvious and, conversely, may be obvious without being substantial.

28 The Office states that, in applying Article 44(2) of Regulation No 40/94, it adopts an approach intended to achieve a fair balance between two requirements. The first of these, namely 'reasonableness', exists in the interests of the applicant and involves establishing whether there is an error or an obvious mistake. The second, which is 'rigour', exists in the interests of third parties and addresses the situation where a mark is accepted by the Office which differs from the mark as originally filed. Moreover, in accordance with that approach, where it determines that the amendment is substantial and will thus have to be refused, the Office will not consider — and is not required to consider — whether there has been any error or obvious mistake.

29 As regards ascertaining whether an error or obvious mistake has been made, the Office states that, in order to determine whether the applicant's intention at the time of making the Community trade mark application actually related to the mark as amended, it takes into consideration the documents before it at the time when it examines the application, and that it will only be in an exceptional case that an apparent indication of the applicant's intention can be rebutted by evidence subsequently put forward by the applicant of its actual intention at the time of making the application.

30 The Office adds that that approach accords with the Joint Statements by the Council and the Commission entered in the Minutes of the Council Meeting at which the Council Regulation of 20 December 1993 on the Community trade mark was adopted (OJ OHIM 1996, p. 607, 613), and in particular declaration No 16, according to which '"obvious mistakes" should be understood as meaning mistakes which obviously require correction, in the sense that nothing else would have been intended than what is offered as the correction'.

31 The Office contends that, in the present case, the applicant's mistake was not, for the Board of Appeal, an obvious one.

32 The Office states that, when considering whether or not an amendment to a mark applied for amounts to a substantial change, it applies an objective standard whereby the mark as filed is compared with the mark as amended in order to establish whether the change affects the overall impression of the mark. Given that all amendments relating to the mark itself imply a change, that change will be accepted only if it does not result in a new mark which is substantially different from the mark originally applied for. In the case of a word mark, the examiner will consider the visual, phonetic or conceptual impact of the amendment on the mark as a whole, placing himself in the position of a third party conducting a search of Community trade mark applications pending before the Office in order to see what signs remain available for registration.

33 In the present case, the Office contends that the mark applied for, TELEYE, and the earlier mark TELEEYE are substantially different phonetically, in that the earlier mark contains an additional syllable, conceptually, in that the prefix TELE- brings to mind the field of telecommunications goods and services whereas the prefix tel- calls to mind the narrower field of telephones and telephony goods and services, and also visually, in that TELEEYE is clearly a compound word.

34 Lastly, the Office denies that it ought to have been obvious to the examiner, given the claim of priority, that the spelling intended for the Community trade mark was that shown in the application filed earlier in the United States. First, there was no reason for the examiner to assume that the trade mark shown in the copy of the application filed in the United States constituted the applicant's obvious, real intention because both the claim of priority and the letter accompanying the document evidencing the prior mark referred to the mark TELEYE. Second, the Office maintains it would only have been when the filing date and other procedural formalities were checked — a check which did not take place — that such inconsistencies might have been noticed, but it is not certain that this would have been the case because, according to the Board of Appeal, the mistake was not obvious.

35 The reference to the plausibility of a mistake having been made in the application filed in the United States was made purely by way of example to show that an examiner cannot deduce from the fact that certain ancillary information conflicts with an intention expressly stated in the claim of priority and in the letter accompanying the document evidencing that priority that there is a mistake in the Community trade mark application. If it were otherwise, no claim of priority could ever be rejected, so that there would be no real need to make any proper priority examination, as required by Article 29 of Regulation No 40/94, or to take account of conflicts between information contained in trade mark applications relied upon for the purposes of claiming priority and information given in the application for the Community trade mark in point.

Findings of the Court

36 The Court considers that, in order to determine whether the position adopted in paragraphs 14 and 15 of the contested decision by the Board of Appeal, which bases its refusal of a request to correct a Community trade mark application accompanied by a claim of priority on the fact that the correction sought would substantially change the trade mark, infringes Articles 29 and 44(2) of Regulation

No 40/94, it is first necessary to analyse the objectives pursued by those articles, which provide respectively for the right of priority and the possibility of withdrawal, restriction and amendment of trade mark applications.

37 The right of priority provided for in Article 29 of Regulation No 40/94 has its origin in Article 4 of the Paris Convention for the Protection of Industrial Property of 20 March 1883 (hereinafter 'the Convention'), an instrument which has been amended on a number of occasions and to which all the Member States are party.

38 The right of priority is one of the main pillars of the Convention and was designed by the framers of the Convention to enable holders of such a right in one of the countries party to the Convention (hereinafter collectively referred to as 'the Union'), who are faced with the impossibility of simultaneously filing applications for a given trade mark in all the countries of the Union, to apply for it successively in each such country. The right of priority thereby gives an international dimension to the protection which is obtained in any one of the countries of the Union without a multiplicity of formalities needing to be accomplished. It is one of a number of rules laid down by the Convention which are designed to coordinate the protection of industrial property rights throughout the territory of the Union.

39 For that purpose, the Convention lays down a period of six months within which a person applying for registration of a trade mark in one of the countries of the Union may apply for the same mark in the other countries of the Union without any subsequent application or applications made by him being affected by applications for registration of the same mark made by third parties. The original version of the Convention severely limited the right of priority, in that exercise of the right was subordinated to rights of third parties. The removal of that limitation, however, widened the scope of the right of priority and emphasised the importance of the objective pursued, which is to assimilate a subsequent application for registration of a given trade mark to the original application for that mark, so far as concerns the rights of the applicant.

40 The right of priority thus confers upon the applicant for a limited period of time immunity from the effects of any other applications for registration of the same trade mark that may be made by third parties during the priority period.

41 Regulation No 40/94 contains its own rules on the acquisition of a right of priority in Articles 29 to 31, which follow the system laid down in the Convention by establishing a right of priority that includes applications for registration made in any country of the Union or in a country that is party to the Agreement establishing the World Trade Organisation.

42 The right of priority arises when an initial application for registration of a trade mark is made in one of the abovementioned countries. It is an autonomous right in that it exists independently of the eventual outcome of that initial application. Where a Community trade mark application is accompanied by a claim of priority, the right of priority becomes an essential component of the application in that it determines one of its essential features, namely the filing date, which, for the purpose of determining the precedence of rights, will be the same as that of the initial application. Thus, applications made or rights arising during the period between the initial and the second application cannot be raised in opposition to the applicant or the future rights holder.

43 In the case of an application made in accordance with Article 29 of Regulation No 40/94 the fact that the applicant's intention is to apply for registration of the same mark as that on which he relies for the purpose of claiming priority does not, as such, mean that there is no point in examining the claim of priority or, as the Office maintains, that a claim of priority could never be rejected because the document evidencing the priority would be compelling for the Office as regards showing the applicant's intention.

44 An application for a Community trade mark accompanied by a claim of priority cannot be accepted automatically on the basis of an absolute presumption that the applicant's intention is to apply for the same mark as that by reference to

which he claims priority, but must be subjected to an examination in which the Office considers whether all the requirements, both substantive and formal, have been satisfied.

45 Where, as in the present case, there is a discrepancy between the document evidencing the priority and the intention expressly stated in the claim of priority and the letter accompanying the aforesaid document, it is following examination of the claim of priority that the Office, enlightened by the applicant's observations on the discrepancy which has been noted, determines the nature of the discrepancy and the applicant's intention and confirms whether or not the applicant is in fact seeking to obtain a Community trade mark that is the same as the mark for which he had applied earlier. In doing so, the Office defines the subject-matter of the application.

46 That being so, contrary to the applicant's submission, the abovementioned discrepancy does not by itself imply that it ought to have been clear to the examiner that the applicant wished to use for the Community trade mark the same spelling as that used in the earlier application.

47 In the present case the applicant requested a correction by facsimile letter of 6 August 1998 in which it stated that its associates in the United States had drawn its attention to a typographical error in their letter to the applicant asking it to make a Community trade mark application for the mark TELEYE. It must have been evident to, and it is not disputed by the Office that a typographical error had been made and that the applicant's intention was to register its earlier mark TELEEYE. Nevertheless, the Office decided to refuse to make the correction sought on the ground that it would substantially change the Community trade mark originally applied for.

48 Regulation No 40/94 provides for the possibility of amending a Community trade mark application at the request of the applicant in the cases set out in

Article 44(2) and under certain specific conditions in order, in particular, to correct errors of wording or of copying, or obvious mistakes, provided that such correction does not substantially change the trade mark. In providing for that possibility, the Community legislature sought to achieve two aims. First, it wished to avoid the difficulties — including the need for the applicant to file a new application — which would be occasioned by an absolute prohibition of amendment of applications for a trade mark. Second, in limiting that possibility by requiring that the amendment should not substantially change the trade mark, the legislature meant to prevent the abuses that might result from a very liberal system of amendment and thus to protect the interests of third parties so far as the availability of signs is concerned.

49 There is, in the present case, an additional factor, namely that the request for correction of the Community trade mark applied for is directly linked to the claim of priority in the sense that the correction is intended to make the spelling of that mark coincide with that of the mark applied for earlier, this being clear from a comparison of the two marks as they are shown in the form of application for the Community trade mark and in the trade mark application relied on for the purpose of claiming priority, both of which were filed at the Office, and from the observations submitted to the Office by the applicant. That factor is one which must be taken into account in construing the requirement, mentioned above, that the amendment should not substantially change the trade mark.

50 Thus, it clearly follows, on the one hand, from the fact that Article 29 of Regulation No 40/94 implies that the subject-matter of the application for a Community trade mark is identical to that of the earlier application and, on the other hand, from the nature of the error in point and the applicant's clear intention to register the same mark as that on which it relies for the purpose of claiming priority, that the correction sought is in no way abusive and does not entail substantial alteration of the trade mark.

51 Moreover, acknowledgement of the possibility for the applicant, in the circumstances in point, to apply for a correction of the trade mark in accordance

with Article 44(2) does not conflict with the need to protect third parties which is evidenced by the six-month period laid down in Article 29. Admittedly, whilst that period is intended to take account of the interests of third parties, who should not have to contend with excessively long priority periods during which any rights they may wish to acquire cannot validly be obtained, it nevertheless remains the case that it is also intended to safeguard the interests of the applicant, who must be allowed a certain amount of time in which to arrange for the trade-mark right to be extended internationally.

52 The Board of Appeal was therefore wrong in basing its assessment in paragraphs 13 and 14 of the contested decision on the criteria mentioned in paragraph 33 of the present judgment and failing to take into account all of the foregoing considerations, and in particular the effect which the claim of priority could have on its analysis of the question whether the correction sought by the applicant substantially altered the trade mark.

53 It follows that, without there being any need to examine the second limb of the second plea, or the first plea, the action must be held to be well founded. The contested decision must therefore be annulled.

Costs

54 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. Since the Office has been unsuccessful and the applicant has asked for costs to be awarded against it, the Office must be ordered to bear its own costs and to pay those of the applicant.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber),

hereby:

1. **Annuls the decision of 24 March 1999 of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (Case R 219/1998-1);**

2. **Orders the Office to bear its own costs and to pay those of the applicant.**

Mengozzi Tiili Moura Ramos

Delivered in open court in Luxembourg on 15 November 2001.

H. Jung

Registrar

P. Mengozzi

President