OPINION OF ADVOCATE GENERAL SHARPSTON
delivered on 26 October 2006 [1]

1. In circumstances where:

— the proprietor of an existing trade mark has sought to oppose an application to register a Community trade mark,

— the opposition division in the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office' or 'OHIM') has set time-limits for the production of material in support of the opposition and has rejected the opposition on the basis of that produced within the time-limits set, and

— the opponent has appealed against that rejection to a Board of Appeal within the Office,

may the Board of Appeal disregard new material presented to it in support of the opposition but not submitted within the time-limits set by the opposition division? Or is the opponent automatically entitled to a fresh assessment of the substance of the opposition on the basis of any submissions at that stage?

2. Those are, essentially, the questions to be answered in the present appeal from a judgment of the Court of First Instance. [2] More generally, the issue raised concerns the role and function of the Boards of Appeal within the appeals procedure as a whole.

1 — Original language: English.

2 — Case T-164/02 *Kaul* v *OHIM — Bayer (ARCOL)* [2004] ECR II-3807.

The legislative background

3. The legislative framework in which the opposition and appeal procedures are situated comprises Council Regulation (EC) No 40/94 [3] (also referred to as 'the Trade Mark Regulation' or 'the CTMR') and Commission Regulation (EC) No 2868/95 [4] (also referred to as 'the Implementing Regulation').

The Trade Mark Regulation

4. Under Article 8 of the Trade Mark Regulation ('Relative grounds for refusal'), an application for registration of a Community trade mark is to be refused if the proprietor of an earlier trade mark establishes that there is identity or similarity between the two marks and between the goods or services covered by them, giving rise to a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected (Article 8(1)(b)). For that purpose, 'earlier trade marks' include those which on the relevant date are 'well known' [5] in a Member State (Article 8(2)(c)) — even if they are not registered.

5. Article 42(1) sets a time-limit of three months from publication of the trade mark application for proprietors of earlier trade marks to oppose registration on the grounds set out in Article 8. [6]

6. Article 42(3) provides that opposition must be expressed in writing and must specify the grounds on which it is made. It is not treated as duly entered until the opposition fee has been paid. The opponent may submit facts, evidence and arguments in support of his case within a period to be fixed by the Office.

7. Article 43(1) provides: 'In the examination of the opposition the Office shall invite the parties, as often as necessary, to file observations, within a period set them by the Office, on communications from the other parties or issued by itself.'

8. Under Article 57, an internal appeal is available against decisions of the first-

3 — Of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1). The regulation has been amended on a number of occasions but not, before the material time in the present case, in any way relevant to the issues in the case.

4 — Of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1). For relevant subsequent amendments, see points 22 to 24 below.

5 — In the sense in which those words are used in Article 6 bis of the Paris Convention for the Protection of Industrial Property, of 20 March 1883.

6 — Proprietors of earlier trade marks do not lose all possibility of challenging registration if they fail to oppose it within the three months. Pursuant to Article 52(1)(a), they may bring invalidity proceedings governed by Articles 55 and 56, for which there is no time-limit. Within the Office, such proceedings take place before a cancellation division. There is also provision in Article 96 for 'Community trade mark courts' designated by the Member States to determine such claims.

instance departments of the Office (that is to say, essentially, examiners, opposition divisions and cancellation divisions). Article 59 provides that notice of appeal must be filed in writing within two months after the date of notification of the decision appealed from, but is deemed to have been filed only when the fee for appeal has been paid. Within four months after the date of notification of the decision, a written statement setting out the grounds of appeal must be filed.

9. Under Article 60, the first-instance department may rectify its decision within a month at that stage if it considers rectification justified. Otherwise, or if the appeal is opposed by another party to the proceedings, the appeal is to be remitted to a Board of Appeal.

10. Under Article 61(2), the Board of Appeal is to 'invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself'.

11. Under Article 62(1), after examining the merits [7] of the appeal, the Board of Appeal is to adopt a decision, in which it 'may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution'.

12. Article 63 allows actions to be brought against such decisions before the Court of Justice (that is to say, in the first place, the Court of First Instance [8]) within two months, on grounds of lack of competence, infringement of an essential procedural requirement, infringement of any relevant rule of law, or misuse of power. The Court may annul or alter the contested decision. (And an appeal lies, on points of law only, from the Court of First Instance to the Court of Justice, pursuant to the second subparagraph of Article 225(1) EC.)

13. Articles 73 to 80 of the Trade Mark Regulation contain general provisions governing procedure.

14. Article 73 specifies: 'Decisions of the Office shall state the reasons on which they

7 — Rendered barbarously, in the English text of the Regulation, as the 'allowability' of the appeal — a term apparently taken, in this sense, from the European Patent Convention. See further point 36 et seq. below.

8 — See the 13th recital to the Trade Mark Regulation.

are based. They shall be based only on reasons or evidence on which the parties concerned have had an opportunity to present their comments.'

15. Article 74 provides:

'1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

2. The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.'

16. Under Article 76(1), in 'any proceedings before the Office', the means of giving or obtaining evidence include: hearing the parties; requests for information; production of documents and items of evidence; hearing witnesses; opinions by experts; and sworn statements in writing or those having a similar effect.

The Implementing Regulation

17. At the material time in the present case, Title II of the Implementing Regulation ('Procedure for opposition and proof of use') included the following relevant rules.

Opposition proceedings

18. Rule 15(2)(d) provided that a notice of opposition was to contain 'a specification of the grounds on which the opposition is based'.

19. Rule 16(1) provided that the notice 'may contain particulars of the facts, evidence and arguments presented in support of the opposition, accompanied by the relevant supporting documents'. Under Rule 16(3), such particulars and supporting documents could also be submitted 'within such period after commencement of the opposition proceedings as the Office may specify pursuant to Rule 20(2)'.

20. Rule 20(2) provided: 'Where the notice of opposition does not contain particulars of the facts, evidence and arguments as referred to in Rule 16(1) and (2), the Office shall call upon the opposing party to submit such particulars within a period specified by the Office. ...'

Appeals

21. Title X of the Implementing Regulation concerns appeals. Rule 50(1) stated, at the material time: 'Unless otherwise provided, the provisions relating to proceedings before the department which has made the decision against which the appeal is brought shall be applicable to appeal proceedings mutatis mutandis.'

Subsequent amendments

22. Titles II and X have been amended since the material time in the present case. [9]

23. Although Title II was reframed completely, the relevant rules remain substantially the same. However, Rule 19(4) now specifies: 'The Office shall not take into account written submissions or documents, or parts thereof, that have not been submitted ... within the time-limit set by the Office.'

24. The amendment also added two subparagraphs to Rule 50(1) in Title X, the latter of which reads:

'Where the appeal is directed against a decision of an Opposition Division, the Board shall limit its examination of the appeal to facts and evidence presented within the time-limits set in [10] or specified by the Opposition Division in accordance with the Regulation and these Rules, unless the Board considers that additional or supplementary facts and evidence should be taken into account pursuant to Article 74(2) of the [Trade Mark] Regulation.'

Case-law of the Court of First Instance

25. When faced with issues such as those which arise in the present case, [11] the Court

9 — By Commission Regulation (EC) No 1041/2005 of 29 June 2005 (OJ 2005 L 172, p. 4), with effect from 25 July 2005.

10 — The words 'the [Trade Mark] Regulation' are presumably meant here; the language versions differ.

11 — See point 1 above.

of First Instance has not always been consistent in its approach. The Office has made it clear that its appeal is motivated by a desire for guidance as to which of the different approaches to be found in the case-law is correct. It is therefore helpful to outline those approaches.

26. The basis in all cases is the notion of 'continuity in terms of their functions' [12] between, on the one hand, the first-instance departments within the Office (in particular, examiners and opposition divisions) and, on the other hand, the Boards of Appeal.

27. That notion was enunciated by the Court of First Instance in *BABY-DRY*, [13] the first Community trade mark case to be brought before it. The Court noted that application of the Trade Mark Regulation was the responsibility of the Office as a whole, of which the Boards of Appeal formed part. It was apparent from the scheme of the Trade Mark Regulation, and from Articles 59, 60, 61(2) and 62(1) in particular, that a close interconnection existed between the duties of examiners and Boards of Appeal.

28. Consequently, it was not open to a Board of Appeal to reject arguments solely on the ground that they had not been raised before the examiner. Having considered the appeal, it should have either ruled on the substance of that issue or remitted the matter to the examiner. That did not preclude it from disregarding facts or evidence not submitted to the Board of Appeal itself in due time, [14] although that did not cover a situation in which the appellant had indicated the provision on which it intended to rely in its statement of grounds of appeal and had not been given a time-limit within which to produce substantiating evidence.

29. *BABY-DRY* concerned ex parte proceedings (an appeal from a decision of an examiner refusing an application to register a mark, in which there was no opposing party). The notion of functional continuity has also been applied in inter partes proceedings such as those in the present case (appeals from decisions of an opposition division, in which there are two parties — the trade mark applicant and an opponent).

30. The first such case was *Kleencare*. [15] There, the Court of First Instance further considered that, because Boards of Appeal

12 — 'Continuité fonctionnelle' in French; for convenience, I shall refer hereinafter to 'functional continuity'.

13 — Case T-163/98 *Procter & Gamble* v *OHIM (BABY-DRY)* [1999] ECR II-2383, paragraphs 30 to 45. That judgment was quashed by the Court of Justice in Case C-383/99 P *Procter & Gamble* v *OHIM* [2001] ECR I-6251, but not on grounds connected with the presentation of new material before the Board of Appeal.

14 — Article 74(2) of the Trade Mark Regulation.

15 — Case T-308/01 *Henkel* v *OHIM — LHS (UK) (KLEENCARE)* [2003] ECR II-3253, paragraphs 24 to 32, especially paragraphs 26, 29 and 32.

re-examine decisions of the first-instance departments, the extent of their examination is in principle determined not by the grounds relied on by the party concerned but by the question whether a new decision with the same operative part may lawfully be adopted in the light of all the relevant matters of fact and of law which that party has introduced at either stage — in the first proceedings or (subject only to Article 74(2) of the Trade Mark Regulation [16]) in the appeal. In restricting the examination of an appeal concerning relative grounds of refusal to 'facts, evidence and arguments provided by the parties', Article 74(1) of the Trade Mark Regulation refers to the factual and legal basis of the Office's decision — that is to say, the facts and evidence on which it may validly be based and the provisions which must be applied. Article 74(1) does not, however, imply that such material must have been explicitly raised or dealt with at the first-instance level.

31. As the Office pointed out at the hearing, starting from *BABY-DRY* and *Kleencare*, the Court of First Instance's case-law has followed three divergent paths. Some judgments have taken the approach that, when time-limits for the production of material are fixed by the first-instance department, they cannot be circumvented by its production at a later stage. Others have considered the question to be essentially a matter for the discretion of the relevant department or Board of Appeal. And the third line of case-law has been based on the notion that, in essence, time-limits are automatically 'reset to zero' on appeal.

32. An illustration of the first approach may be found in *ILS.* [17] The Court of First Instance noted that, by virtue of Rule 22(1) of the Implementing Regulation (under which the Office specifies a time-limit for an opponent to furnish proof of use of an earlier mark) and Article 43(2) of the Trade Mark Regulation, an opposition must be rejected if evidence establishing use is not produced within the period specified. The peremptory nature of that time-limit means that the Office cannot take account of evidence submitted late. Where an opponent submits documents after the period specified has expired, the fact that the applicant then challenges such evidence cannot cause that period to start afresh, retroactively authorising the opponent's production of supplementary evidence. The Office is required to take account only of the documents produced within the period specified. All additional evidence produced after that time-limit must be excluded.

33. An example of the second approach is provided by *Marienfelde,* [18] in which the

16 — I take this somewhat laconic formulation to mean: subject to the application of Article 74(2) with respect to material submitted outside a time-limit in the appeal procedure itself.

17 — Case T-388/00 *Institut für Lernsysteme* v *OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraphs 27 to 30.

18 — Case T-334/01 *MFE Marienfelde* v *OHIM — Vétoquinol (HIPOVITON)* [2004] ECR II-2787, paragraphs 56 and 57.

Court of First Instance took the view that Rule 22(1) of the Implementing Regulation cannot be interpreted as precluding additional evidence from being taken into consideration where new factors emerge, even if such evidence is adduced after the expiry of that time-limit, and that Article 74 (2) of the Trade Mark Regulation confers a discretion upon the sections of the Office as to whether to take account of evidence produced after the expiry of a time-limit.

34. The third approach, finally, is exemplified in the judgment under appeal in the present case. It has also been followed in more recent cases, to the effect that a document is not submitted out of time for the purposes of Article 74(2) of the Trade Mark Regulation if it is lodged before the Board of Appeal within the four-month time-limit laid down in Article 59 of that regulation, with the result that the Board may not refuse to take account of such a document. [19]

35. The Boards of Appeal, for their part, have consistently held that parties to proceedings before the Office cannot simply disregard time-limits and produce evidence which could and should have been produced in due time, unless the Board considers that additional or supplementary facts and evidence should be taken into account pursuant to Article 74(2) of the Trade Mark Regulation. [20]

Case-law of the European Patent Office

36. Before turning to the judgment under appeal, it is interesting to look briefly at the case-law of the European Patent Office with regard to comparable situations. That office, set up by the European Patent Convention, [21] has a structure very similar to OHIM, and a number of the most relevant provisions of the Trade Mark Regulation [22] are either identical [23] or very similar to equivalent provisions of that convention. Indeed, the explanatory memorandum to the Commis-

19 — See, for example, Case T-275/03 *Focus Magazin Verlag* v *OHIM — ECI Telecom (HI-FOCuS)* [2005] ECR II-4725, paragraph 38; and most recently Case T-252/04 *Caviar Anzali* v *OHIM — Novomarket (ASETRA)* [2006] ECR II-2115, paragraph 38.

20 — See, for example, the decision of 2 March 2005 in case R 389/2004-1 — HYPERCO (FIG. MARK)/HIPERCOR (FIG. MARK), at paragraphs 26-29, and the decisions cited therein.

21 — Convention on the Grant of European Patents, signed in Munich on 5 October 1973. Currently, the signatories to the Convention include all the Member States of the European Union (with the exception of Malta, which is in the process of acceding) and the European Economic Area, together with Bulgaria, Monaco, Romania, Switzerland and Turkey.

22 — In particular Articles 43(1), 60, 62(1), 74 and 76(1).

23 — In English, French and German, the languages of the European Patent Convention.

sion's original proposal for a Community Trade Mark Regulation makes it clear that the general provisions on procedure were inspired by those of the European Patent Convention.

37. Moreover, issues similar to that which the Court must address in the present case have arisen before the Boards of Appeal in the European Patent Office.

38. The leading authority appears to be the decision of the Enlarged Board of Appeal in Cases G 9/91 and G 10/91. [24] Paragraph 18 of that decision reads as follows:

'The purpose of the appeal procedure inter partes is mainly to give the losing party the possibility of challenging the decision of the Opposition Division on its merits. It is not in conformity with this purpose to consider grounds for opposition on which the decision of the Opposition Division has not been based. Furthermore, in contrast to the merely administrative character of the opposition procedure, the appeal procedure is to be considered as a judicial procedure ... Such procedure is by its very nature less investigative than an administrative procedure. Although Article 114(1) EPC [25] formally covers also the appeal procedure, it is therefore justified to apply this provision generally in a more restrictive manner in such procedure than in opposition procedure. In particular with regard to fresh grounds for opposition, for the above reasons the Enlarged Board considers that such grounds may in principle not be introduced at the appeal stage. This approach also reduces the procedural uncertainty for patentees having otherwise to face unforeseeable complications at a very late stage of the proceedings, putting at risk the revocation of the patent, which means an irrevocable loss of rights. Opponents are in this respect in a better position, having always the possibility of initiating revocation proceedings before national courts, if they do not succeed before the EPO. However, an exception to the above principle is justified in case the patentee agrees that a fresh ground for opposition may be considered: *volenti non fit injuria*. It may in some cases be in his own interest that such a ground is not excluded from consideration in the centralised procedure before the EPO. However, it goes without saying that such a ground should only be raised by a Board of Appeal or, if raised by an opponent, be admitted into the proceedings, if it is considered by the Board to be already prima facie highly relevant. If a fresh ground is admitted, the case should, having regard to the purpose of the appeal procedure as stated above, be remitted to the first instance for further prosecution, unless special reasons present themselves for doing otherwise. It may be added that if the patentee does not

24 — 31 March 1993 (*Official Journal of the European Patent Office* 1993, p. 408).

25 — Whose wording is similar to that of Article 74(1) of the Trade Mark Regulation, except that examination is expressly *not* restricted to facts, evidence and arguments presented by the parties (Articles 114(2) and 74(2) however are identical).

agree to the introduction of a fresh ground for opposition, such a ground may not be dealt with in substance in the decision of the Board of Appeal at all. Only the fact that the question has been raised may be mentioned.'

39. Those considerations are undoubtedly of interest in the context of the present appeal. They should none the less be embraced with caution, for several reasons.

40. First, whilst identically or similarly worded provisions in the field of European intellectual property law should where possible be interpreted with consistent effect, the European Patent Convention is not a Community instrument, nor is the European Patent Office a Community body. The case-law of the Boards of Appeal within that office has no binding authority in Community law.

41. Second, decisions of the Boards of Appeal in OHIM are subject to review by the Court of First Instance and the Court of Justice, whereas those of the Boards in the European Patent Office are subject to no further appeal. The overall procedural framework is thus different.

42. At a more detailed level, opposition proceedings in the context of the European patent are post-grant, which makes them more akin to cancellation proceedings in the context of the Community trade mark. In addition, unlike the situation under Rules 15(2)(d) and 16(1) of the Implementing Regulation as they stood at the material time in the present case, Rule 55(c) of the Implementing Regulations to the European Patent Convention requires a statement of the grounds of opposition to be included in the notice of opposition, together with an indication of the facts, evidence and arguments presented in support of those grounds.

Facts and procedure in the present case

43. In 1996, Atlantic Richfield Company applied to register the word ARCOL as a Community trade mark for, inter alia, 'chemical substances for preserving foodstuffs'. [26]

26 — The application has since been transferred to Bayer AG, now the applicant before the Office.

44. Kaul GmbH ('Kaul') opposed registration on grounds of likelihood of confusion, within the meaning of Article 8(1)(b) of the Trade Mark Regulation, with its own earlier Community trade mark CAPOL, registered for 'Chemical preparations for keeping fresh and preserving foodstuffs, namely, raw materials for smoothing and preserving prepared food products, in particular, confectionery.'

45. The opposition was rejected on the ground that there could be no likelihood of confusion between the marks in the Community, taking into account their visual and phonetic differences.

46. Kaul appealed against that rejection, but the appeal was dismissed. [27]

47. According to the contested decision, [28] Kaul submitted that its earlier trade mark was highly distinctive on two counts. First, it did not contain a descriptive reference to the goods. Second, Kaul was both the leading supplier of glazing and anti-sticking agents (for 1.4 million tons of confectionery in over 60 countries) and the world's largest consumer of the MCT oil used in its products bearing the trade mark. To support the latter contention, Kaul provided the Board of Appeal with an affidavit from its managing director and a list of its principal customers. Before the opposition division, it had merely provided a brochure describing the products covered by its mark.

48. Paragraphs 10 to 14 of the contested decision, headed 'New evidence and arguments', read as follows:

> '(10) The argument that the earlier mark is distinctive because it lacks descriptive character, which the opponent has consistently maintained throughout the opposition proceedings and in the appeal, is separate from the argument that the earlier mark is highly distinctive because it is well known. The latter argument, the relevance of which the applicant contests, is raised for the first time in the appeal proceedings and is supported by an affidavit from its managing director and a schedule indicating the names and contact details of its main customers. The brochure, faxed

27 — By decision of the Third Board of Appeal in Case R 782/2000-3 — ARCOL/CAPOL, at http://oami.europa.eu/LegalDocs/BoA/2000/en/R0782_2000-3.pdf ('the contested decision').

28 — At paragraph 6.

with the observations of 2 August 1999, was merely submitted in order to demonstrate that the goods protected by the earlier mark are identical to the goods in the application and cannot be construed as supporting the last argument.

(11) According to the consistent case law of the Boards, new facts, evidence and "relief sought" after the time-limit set out by the Opposition Division for their submission cannot in principle be allowed since opposition proceedings, the procedural balance of which is ensured by the time-limit system, unlike ex parte proceedings, entail a confrontation between two parties ...

(12) The Board must have regard to the rights and duties of the parties in opposition proceedings since those proceedings are governed by the adversarial principle. The purpose of a time-limit is, firstly, to ensure that due account is taken of a party's right to be heard pursuant to Article 73 CTMR, second sentence, and to allow the Office to manage the proper conduct of those proceedings. Insofar as the inter partes stage of the procedure has been terminated by a final decision of the Opposition Division, the Board cannot reopen that procedure on the basis of new facts, evidence and "relief sought" which the opponent could and should have submitted before the Opposition Division.

(13) In the subject case indeed the appellant has not really submitted a new argument but just changed the legal basis of his opposition. Well-known trade marks are specifically mentioned by Article 8 (2)(c) CTMR and must be expressly indicated as one of the possible earlier trade marks upon which the opposition is based.

(14) The argument that the mark is distinctive because it is well known cannot therefore be admitted in the appeal proceedings.'

49. Kaul applied to the Court of First Instance for annulment of that decision, alleging breach of the obligation to examine the evidence adduced by it before the Board of Appeal, infringement of Article 8(1)(b) of the Trade Mark Regulation, infringement of the principles of procedural law acknowledged in the Member States and the procedural rules applicable before the Office, and breach of the duty to state reasons.

50. The Court of First Instance examined the first plea, considered it well founded, and annulled the decision of the Board of Appeal without examining the other pleas. The relevant part of its judgment reads:

'(27) The Board of Appeal, in paragraphs 10 to 12 of the contested decision, and then OHIM, in paragraph 30 of its response, considered that that new statement of facts could not be taken into account, because it was made after the expiry of the time-limits set by the Opposition Division.

(28) It must be stated, however, that that position is not compatible with the continuity in terms of their functions between the departments of OHIM as affirmed by the Court of First Instance as regards both ex parte proceedings ... and inter partes proceedings ...

(29) It has been held that it follows from the continuity in terms of their functions between the departments of OHIM that, within the scope of application of Article 74(1) in fine of Regulation No 40/94, the Board of Appeal is required to base its decision on all the matters of fact and of law which the party concerned introduced either in the proceedings before the department which heard the application at first instance or, subject only to Article 74(2), in the appeal ... Thus, contrary to OHIM's assertions concerning inter partes proceedings, the continuity in terms of their functions between the various departments of OHIM does not mean that a party which, before the department hearing the application at first instance, did not produce certain matters of fact or of law within the time-limits laid down before that department would not be entitled, under Article 74(2) of Regulation No 40/94, to rely on those matters before the Board of Appeal. On the contrary, the continuity in terms of functions means that such a party is entitled to rely on those matters before the Board of Appeal, subject to compliance with Article 74(2) of that regulation before the Board.

(30) Accordingly, in the present case, since the disputed factual evidence was not submitted out of time for the purposes of Article 74(2) of Regulation No 40/94, but was annexed to the statement lodged by the applicant before the Board of Appeal on 30 October 2000, that is, within the four-month time-limit laid down in Article 59 of Regulation No 40/94, that board could not refuse to take account of that evidence.'

51. The Court of First Instance also rejected the 'alternative argument' of the Board of Appeal in paragraph 13 of its decision to the

effect that Kaul was 'in reality, attempting to prove that its mark has a reputation or is well known' and had 'changed the legal basis of its opposition from Article 8(1)(b) of Regulation No 40/94 to Article 8(2)(c) thereof'.

52. It stated that the legal basis had remained Article 8(1)(b) throughout. The Board of Appeal could thus not, without infringing Article 74 of the Trade Mark Regulation, refuse to consider the new factual evidence adduced by Kaul for the purpose of proving the highly distinctive character of the earlier mark resulting from its use in the market. Having found that the goods in question were identical and that there were similarities between the two marks, the Board could not rule as it did on the likelihood of confusion without taking into account all the relevant factors, including the new evidence adduced to establish the highly distinctive character of the earlier mark. By failing to take that evidence into account, the Board of Appeal had therefore infringed its obligations relating to the assessment of the likelihood of confusion under Article 8(1)(b). [29]

29 — Paragraphs 33 to 37 of the judgment under appeal.

The appeal

53. The Office now asks the Court of Justice to set aside the judgment under appeal, refer the case back to the Court of First Instance for a decision on the remaining pleas in law, and order Kaul to pay the costs of the appeal.

54. It claims that, in particular in paragraphs 29 and 30 of its judgment, the Court of First Instance misinterpreted and/or misapplied

— Articles 42(3) and 62(1) of the Trade Mark Regulation, read in conjunction with Rules 16(3) and 20(2) of the Implementing Regulation; and

— Article 74(2) of the Trade Mark Regulation.

55. There are thus two grounds of appeal. First, the Office takes issue with the Court of First Instance's approach to the nature of the

time-limits for submitting material in support of an opposition (Article 42(3) of the Trade Mark Regulation and Rules 16(3) and 20(2) of the Implementing Regulation) and the effect on those time-limits of the Board of Appeal's powers under Article 62(1) of the Trade Mark Regulation. Second, it objects to interpreting Article 74(2) of the Trade Mark Regulation as requiring a Board of Appeal to consider material submitted after the time-limit set for its production by an opposition division.

56. The arguments may be set out, succinctly, as follows.

57. As regards the first set of provisions, the Office states that it has consistently treated evidence produced after the imperative time-limit ('Ausschlussfrist') set by the opposition division as inadmissible before the Board of Appeal. Such practice follows essentially from the nature of any appeal procedure, as well as from the provisions cited, and its validity is confirmed by the addition to Rule 50(1) of the Implementing Regulation — although the amendment is not applicable to this case. The notion of functional continuity concerns the competence of the Boards of Appeal as regards the decisions they may take, but does not affect the chronological requirements of the procedure.

58. Kaul points out that under the Trade Mark Regulation the Boards of Appeal may exercise the same powers as the department which took the decision appealed against. It considers they must therefore undertake a fresh investigation of the same type of the substantive matters before them. Their (sui generis, quasi-judicial) role in assessing the merits of cases before them — as distinct from the purely legal review by the Court of First Instance and Court of Justice — confirms that view. Article 76(1), on the taking of evidence, refers to *any* proceedings before the Office and thus explicitly envisages that the Boards of Appeal will hear new evidence. It is only when a case reaches the Court that an appeal is explicitly restricted to points of law. Time-limits to be fixed by the Office, as referred to in Articles 42(3) and 61(2) of the Trade Mark Regulation, are not imperative, unlike those laid down in the Regulation itself. The Implementing Regulation, being a lower-ranking norm, cannot override those provisions.

59. On Article 74(2) of the Trade Mark Regulation, the Office argues that the Boards of Appeal cannot be required to accept evidence submitted after the imperative time-limit set for its production by an

opposition division. Where a specific time-limit is laid down in the legislation, or where the setting of a time-limit is provided for and a time-limit has duly been set, that time-limit must always be regarded as imperative. Article 74(2) is not relevant in such cases, since material submitted after the expiry of an imperative time-limit can never, by the very nature of such a time-limit, be accepted. The notion of 'due time' in Article 74(2) refers only to other situations, where a certain discretion is available and the parties are insufficiently diligent.

60. Kaul submits that the judgment under appeal merely noted that the new evidence was produced within the period allowed for filing an appeal and that Article 74(2) therefore did not apply. The scope of the opposition is defined at the first stage of the proceedings, but the evidence produced is not limited at that stage. It may well be the case that the need for certain evidence is only apparent after the opposition division's decision. It would not be in the interest of procedural efficiency to require *all* evidence to be produced at the earlier stage, simply on the off-chance that it might be necessary.

Assessment

Types of time-limit

61. The Trade Mark Regulation and the Implementing Regulation provide for two types of time-limit for submissions in opposition proceedings: those specified in the legislation itself, and those which it is for the Office to fix in each individual case.

62. Those two types of time-limit relate to two types of submission. The first concerns the lodging of notice of opposition or appeal, as the case may be, accompanied by a specification of the grounds on which it is based and by payment of the relevant fee. The second concerns the presentation of supporting material, for which the terms 'facts', 'evidence', 'arguments', 'observations' and 'supporting documents' are variously used.

63. I must point out that there is no great uniformity between the various language versions of the Trade Mark Regulation and the Implementing Regulation, in particular as regards 'facts, evidence and arguments'. The discrepancies derive in part from the

European Patent Convention, the wording of Article 114 of which was copied over into Article 74 of the Trade Mark Regulation in English, French and German.

64. Consequently, it does not seem to me possible to distinguish finely between the terms used. Rather, I infer a broad distinction between, on the one hand, the formal submission of an opposition or appeal, which must specify the legal grounds on which it is made, within a time-limit expressly laid down in the legislation, and, on the other hand, the submission of supporting (factual or legal) material intended to establish that the specified grounds of opposition or appeal are well founded, within time-limits to be fixed, and possibly renewed, by the Office.

The nature of the submissions in issue in the present case

65. In the contested decision, the submissions in issue are described initially as 'new evidence and arguments', then as 'not really ... a new argument' but a change in 'the legal basis of [the] opposition'.

66. The judgment under appeal refers to '[factual] evidence' and to a 'new statement of facts'. At paragraph 25, the Court of First Instance makes it clear that what it is considering is 'evidence' consisting of the affidavit and schedule in question. At paragraph 32 et seq., it dismisses the idea that there was any change in the legal basis for the opposition.

67. In view of the difference between the two types of time-limit, it therefore seems relevant to decide at this point whether what the Board of Appeal refused to take into consideration was a new ground of opposition (a change of legal basis), or a new argument or new evidence in support of a ground already submitted.

68. In my view, the Court of First Instance's finding that there was no attempt to change the legal basis of the opposition from Article 8(1)(b) to Article 8(2)(c) of the Trade Mark Regulation — and thus no attempt to introduce a new ground of opposition — is correct.

69. The opposition was based on the existence of an identical or similar earlier trade mark covering identical or similar goods, giving rise to a likelihood of confusion on the

part of the public, as contemplated by Article 8(1)(b).

70. Article 8(2)(c) indicates that for that purpose 'earlier trade marks' include — in addition to those which are registered with effect in a relevant territory (Article 8(2)(a)) or for which such registration has been requested (Article 8(2)(b)) — those which are entitled to protection not because they are registered but because they are 'well known' within the meaning of Article 6bis of the Paris Convention.

71. Since in the present case the earlier trade mark on which the opposition is based is a registered Community trade mark, Article 8(2)(c) cannot be relevant. To show that a registered trade mark is also 'well known' is otiose. The purpose of Kaul's submission of an affidavit and list of customers could thus not have been to invoke that provision. Rather, as is confirmed by paragraph 33 et seq. of its application to the Court of First Instance, it sought to rely on the case-law to the effect that likelihood of confusion must be assessed globally, taking all relevant factors into account, and that the more distinctive the earlier mark, the greater the likelihood of confusion, so that marks with a highly distinctive character (either per se or because of the recognition they possess on the market) enjoy broader protection than marks with a less distinctive character. [30]

72. The question therefore is whether the Court of First Instance was correct in deciding that the Board of Appeal was required to accept an argument and supporting evidence relating to a ground of opposition, when that ground had been submitted within the three-month period laid down in Article 42 of the Trade Mark Regulation but the argument and evidence had not been submitted within the periods set by the opposition division pursuant to Articles 42(3) and 43(1).

30 — See for example Case C-251/95 *SABEL* [1997] ECR I-6191, paragraphs 22 to 24; Case C-39/97 *Canon* [1998] ECR I-5507, paragraphs 16 to 18; and Case C-342/97 *Lloyd Schuhfabrik* [1999] ECR I-3819, paragraphs 18 to 20. Those cases concerned 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), but the wording and interpretation of that provision are essentially the same as for Article 8(1)(b) of the Trade Mark Regulation.

The discretion conferred by Article 74(2) of the Trade Mark Regulation

73. The Office claims that the Court of First Instance misinterpreted and/or misapplied, on the one hand, Articles 42(3) and 62(1) of the Trade Mark Regulation, and Rules 16(3) and 20(2) of the Implementing Regulation, and, on the other hand, Article 74(2) of the Trade Mark Regulation.

74. In my view, it is the latter provision which is central to the issue in the present case. It allows the Office to 'disregard facts or evidence which are not submitted in due time by the parties concerned'.

75. By allowing the Office to *dis*regard facts or evidence (which, as I have said, I take to cover also arguments in support of a previously specified ground of opposition or appeal) not submitted in due time, Article 74(2) clearly and necessarily also allows it to have regard to such material. In other words, it confers a discretion on the Office to decide either way. [31]

76. The discretion applies however only to material supporting a stated legal ground of opposition or appeal, and not to the statement of such a ground itself, for which specific time-limits, not covered by the terms of the discretion, are laid down. In that context, 'due time' must thus refer not to the time-limits specified in the legislation but to those set by the Office. (In addition — to state the obvious — there is no discretion to disregard submissions which are made in due time.)

77. Nor can the discretion be unfettered. In particular, since the opposition division or the Board of Appeal, as the case may be, is required to invite the parties to submit observations 'as often as is necessary' on communications from the other parties or issued by itself, [32] it must be possible to challenge a refusal to take account of facts, evidence or arguments if insufficient oppor-

31 — As recognised by the Court of First Instance at paragraph 57 of its judgment in *Marienfelde* (cited above in footnote 18).

32 — Articles 43(1) and 61(2) of the Trade Mark Regulation. It may be remembered that the use of the terms 'observations' and 'arguments' in the relevant parts of the legislation is not uniform as between language versions, so that it seems difficult to distinguish formally between the two.

tunity was given to the party in question to submit such observations.

78. As a general principle, therefore, I conclude that a decision of a Board of Appeal either to have regard to or to disregard facts, evidence or arguments not submitted in due time may be annulled if it is not justified having regard to the opportunity given for the presentation of such material. Where that is not the case, however, and there is no other legal defect, such a decision falls properly within the discretion of the Board of Appeal if the time-limit not observed is one covered by that discretion.

The competing views

79. The Court of First Instance, at paragraph 30 of the judgment under appeal, considers that the material in issue was submitted in due time because it was lodged within the four-month time-limit laid down (for the filing of a written statement of grounds of appeal) in Article 59 of the Trade Mark Regulation. Consequently, it was not open to the Board of Appeal to disregard the material.

80. The approach taken, deriving essentially from the judgment in *Kleencare*, [33] is that the role of the Board of Appeal is to decide whether, in the light of all the relevant matters of fact and of law, a new decision with the same operative part may be lawfully adopted at the time of the appeal ruling. For that purpose, 'relevant matters of fact and of law' are not confined to those raised at the opposition stage but include also any submitted to the Board of Appeal within the time-limits for an appeal. Article 74(2) therefore does not confer any discretion on the Board of Appeal as to whether to have regard to or to disregard matters submitted within the latter time-limits.

81. That view is based in turn on the existence of functional continuity between the first-instance departments and the Boards of Appeal, deriving in particular from the latter's ability to exercise, pursuant to Article 62(1) of the Trade Mark Regulation, any power within the competence of the former.

82. The Office's argument, as I understand it, is that the material in issue related not to a ground of appeal but to a ground of opposition. Such material should therefore have been submitted within the period or periods set by the opposition division pursuant to Articles 42(3) and/or 43(1) of the Trade Mark Regulation for, respectively, the submission of supporting facts, evidence

33 — Cited in footnote 15.

and arguments and the filing of observations. Since that was not done, the Board of Appeal was not obliged to have regard to it. Indeed, the Office appears to go further and to argue that it was not even open to the Board of Appeal to take account of the material.

83. I note here that the new third subparagraph of Rule 50(1) of the Implementing Regulation is consistent with the latter view but — unequivocally — incompatible with the approach taken in the judgment under appeal. That subparagraph provides that, in opposition appeals, the Board of Appeal is to limit its examination to facts and evidence presented within the time-limits specified in the Trade Mark Regulation or by the opposition division, unless it considers that additional material should be taken into account pursuant to Article 74(2).

84. That provision, it is true, had not been adopted at the material time in the present case, and did not enter into force until 25 July 2005. Nor, as Kaul rightly points out, can it validly override or displace any rule contained in or necessarily entailed by the provisions of the Trade Mark Regulation. However, from recital 7 in the preamble to Regulation No 1041/2005,[34] which introduced the new subparagraph, I infer that the Commission's intention was to specify more clearly the content and contours of the existing rules with regard to the legal consequences of various procedural irregularities, and not to modify those rules. Its understanding of the situation under the Trade Mark Regulation appears therefore to have been consistent with that of the Office.

85. The Court is thus asked to decide between two views of the appeal procedure.

86. If the reasoning in the judgment under appeal is correct, it is difficult to see how the new subparagraph in Rule 50(1) of the Implementing Regulation could have been validly adopted. Conversely, if there was scope for the Commission to adopt the latter provision, it seems that the Court of First Instance must have misinterpreted the Trade Mark Regulation.

Compatibility with the Trade Mark Regulation

87. I find nothing in the terms of the Trade Mark Regulation which explicitly confirms

34 — Cited in footnote 9: 'The provisions concerning the opposition procedure should be reframed completely [so] as to specify the admissibility requirements, to specify clearly the legal consequences of deficiencies and to bring the provisions in the chronological order of the proceedings.'

or invalidates either view (and the same was true — at the material time — of the Implementing Regulation). Both views are based on an interpretation of the scheme of the regulation.

88. However, the approach taken by the Court of First Instance in at least some of its case-law, and the result which it reached in the present case, does not seem to me consistent with the nature of appeal procedures in general, of which the internal appeal provided for in the Trade Mark Regulation is an example.

89. It is true that appeal procedures may vary greatly in detail and form. However, they have in common a two-stage structure. The first stage [35] is to determine whether there is a flaw in the decision appealed against. If — but only if — there is such a flaw (which may consist, inter alia, in the fact that insufficient evidence or argument was taken into account), the next stage (which may be carried out in whole or in part by the same body as the first stage, or by a different body — sometimes the body which reached the first decision) will be to determine what decision should have been reached or should now be reached. In the course of that determination, it may or may not be possible, depending on the rules and circumstances of the procedure in question, to consider evidence or argument which, for whatever reason, was not taken into account when reaching the original decision.

90. It is true also that there may be procedures in which the fact that a decision has been taken on the basis of certain evidence and arguments does not preclude a new application for a different decision on the same subject-matter, made on the basis of new evidence and arguments, or of changed circumstances. However, such procedures are not appeal procedures. They are formally distinct from procedures leading to any previous decision. Although they may override such a decision, they do not review or affect the validity of the way in which it was reached. Normally, moreover, there are no strict time-limits on their initiation, since there is no reason to suppose that new evidence will appear or a change in circumstances will occur within any specified period after the previous decision.

91. In Articles 57 to 62 of the Trade Mark Regulation, it is abundantly clear that what is contemplated is an appeal procedure of the former category, regardless of any variation

35 — I leave aside for present purposes any preliminary scrutiny of formal admissibility.

in terminology between language versions. [36] In particular, the time-limit of two months from the date of notification of the decision appealed against seems to make it clear that a reconsideration in the light of changed circumstances is not what is envisaged. Nor does it appear to be intended to provide an opportunity to present new evidence or argument where the first-instance department considers that the evidence or argument presented was inadequate. Such an opportunity should be available before that department itself by virtue of the requirement that the Office should invite observations as often as is necessary at first instance. [37]

92. It further seems to me that in any appeal procedure of the kind contemplated the two stages must be treated separately, and that the second stage — of determining what decision should have been taken, or should now be taken — does not arise, and therefore should not take place, unless grounds have been established for setting aside the original decision, in whole or in part.

93. Corresponding to the two stages of the appeal assessment are two types of submission.

94. At the first stage, the review body (in the present case, the Board of Appeal) should examine any aspects of the manner or circumstances in which the original decision was reached which might vitiate that decision. Those matters include the grounds of appeal (which must be lodged within four months of the date of the contested decision, pursuant to Article 59 of the Trade Mark Regulation) and any further material submitted in support of those grounds (within various time-limits fixed by the Board of Appeal pursuant to Article 61(2) of the Trade Mark Regulation and the relevant provisions of the Implementing Regulation).

95. At the second stage — if the first stage leads to the conclusion that the decision under review must be set aside in whole or in part — it is appropriate to consider material (which may include new material) relevant to the correct decision now to be taken.

96. Facts, evidence and arguments relevant to the outcome of the original application made are clearly relevant to the second stage of an appeal to a Board of Appeal, if that stage is reached. In that context, they may be assessed by the Board of Appeal itself and/or by the first-instance department, depending on the extent to which the Board finds it necessary to remit the case to that department for further action.

36 — For example, in English 'appeal' is used for the procedure before the Boards of Appeal and 'action' for the procedure before the Court of First Instance (with an 'appeal' to the Court of Justice), whereas both procedures are 'recours' in French (with a 'pourvoi' to the Court of Justice), and in German the corresponding terms are 'Beschwerde', 'Klage' and 'Rechtsmittel'.

37 — Article 43(1) of the Trade Mark Regulation, as regards opposition proceedings. Equivalent provisions are contained in Article 56(1) as regards annulment proceedings and, in the slightly different context of applications for registration, in Articles 38(3) and 41(2).

97. They may also however be relevant to the first stage, for example if it is alleged that material submitted in the first-instance procedure was unduly excluded from consideration, or was wrongly assessed.

98. However, in the absence of some such link between new facts, evidence or arguments and an allegation that the original decision was vitiated by some aspect of the manner or circumstances in which it was reached, consideration of such facts, evidence or arguments must properly be confined to the second stage, if any, of the appeal examination. [38]

99. The approach taken by the Court of First Instance in paragraphs 29 and 30 of the judgment under appeal does not distinguish between the two stages of the appeal procedure as I have outlined them. It thus leads in my view to the wrong result in the present case.

100. The disputed material here concerns the relevance of market recognition of Kaul's trade mark as a factor in the assessment of likelihood of confusion with the contested mark. [39] If it had been submitted in due time to the opposition division, that division would have been required to take account of it. If it had been submitted to the same division but not in due time, the division would have enjoyed a discretion, pursuant to Article 74(2) of the Trade Mark Regulation, to have regard to it or not. The same discretion would in my view have extended to the Board of Appeal, if and to the extent that it had first found grounds for setting aside the contested decision (which might have consisted, for example, in the fact that the opposition division should have exercised its discretion favourably rather than unfavourably).

101. However, when the material was not submitted at all to the opposition division, I can see no reason why the Board of Appeal should have been obliged to take it into account at the first stage of the appeal examination, unless it was relevant also to a ground for setting aside the contested decision, that is to say, to an alleged vitiating factor in the manner or circumstances in which that decision was reached. I find no suggestion in either the contested decision or the judgment under appeal that that was the case.

102. The approach taken by the Court of First Instance in the present case implies that, whenever new evidence or argument in support of an original application or opposition is submitted within the time-limit for

38 — See further points 53 to 55 of my recent Opinion in Case C-239/05 *BVBA Management, Training en Consultancy*, delivered on 6 July 2006.

39 — See point 71 above.

lodging an appeal, the Board of Appeal must — regardless of whether the original decision was vitiated by anything in the manner or circumstances in which it was taken — take such submissions into account in order to decide whether the first-instance department should have reached a different decision if it had had them at its disposal.

103. That approach effectively changes the nature of the procedure from an appeal to a new application or opposition, to which the previous decision is no impediment. It seems to me also to run counter to the requirements of procedural efficiency.

104. It would mean that the time-limits set in or by virtue of the Trade Mark Regulation for the submission of evidence and arguments in support of the original application or opposition have, essentially, no binding effect.

105. An opponent aware that the final deadline for submitting full evidence and argument is in fact the time-limit for lodging grounds of appeal (and that in any event the trade mark to which he objects will not be registered until that appeal has been finally settled) has no incentive to prepare and submit his case fully at first instance. It may possibly appear tactically preferable to him to reserve some matters. Even if that is not the case, there is no urgency in preparing his case assiduously at the outset.

106. If that attitude were taken by a significant number of opponents, the likely result would be twofold. On the one hand, the Boards of Appeal could find themselves dealing to an excessive extent with matters which should have been, but were not, considered first by the opposition division. And, on the other hand, the opposition divisions could find themselves dealing too often with matters which were not central to any serious grounds for opposition, reaching their decisions on the basis of inadequate relevant material and finding those decisions reversed on appeal.

107. Such a situation would not seem compatible with the way in which the Office is set up and organised to deal with oppositions and appeals. I therefore infer that the substance of any opposition is intended to be examined first and foremost — and if possible definitively — by the opposition divisions. [40]

108. For all the above reasons, I am of the view that the Court of First Instance was

40 — The same considerations apply, of course, with regard to the examination of applications for registration and of invalidity proceedings.

wrong to conclude in the present case that the Board of Appeal was obliged, without first determining whether the contested decision was itself vitiated by any aspect of the manner or circumstances in which it was reached, to take account of evidence and argument concerning a ground of opposition, when that evidence and argument had not been submitted in due time in the opposition procedure but only within the period for lodging a statement of grounds of appeal.

109. I do not think, however, that my view conflicts entirely with the case-law on which the Court of First Instance based that conclusion.

110. I do not, for example, take issue with the view that the role of the Board of Appeal is to determine whether a new decision with the same operative part may lawfully be adopted in the light of all the relevant matters of fact and of law which the parties have introduced either in the first proceedings or in the appeal. I consider simply that that role comes into play only at the second stage, that is, once grounds have been established for considering that the original decision was vitiated by some aspect of the manner or circumstances in which it was reached. Where such matters of fact and of law are relevant to the original decision but were not submitted in due time in the procedure leading up to it, the Board of Appeal then enjoys a discretion to take account of them pursuant to Article 74(2) of the Trade Mark Regulation. That discretion must be exercised within the contours of the appeal procedure as set up by the Trade Mark Regulation and its exercise may be challenged, where appropriate, before the Court.

111. Nor do I contest the notion of functional continuity within the Office as between the first-instance departments and the Boards of Appeal. However, that continuity cannot in my view *require* a Board of Appeal to take account of material which could validly have been disregarded by the first-instance department as not submitted in due time before that department. On the contrary, if 'continuity' means anything, it must surely imply a consistency in the application of the same rules. It might indeed be noted that there is a degree of functional continuity between the Court of First Instance and the Court of Justice in appeal matters, which has many points of similarity with the functional continuity within the Office, but which has certainly never been interpreted to the effect that the Court of Justice must have regard to elements not submitted in due time to the Court of First Instance, in order to set aside the judgment of the latter.

112. The existence of functional continuity between the first-instance department and the Board of Appeal, taken together with the discretion conferred by Article 74(2) of the Trade Mark Regulation, must in my view *allow* a Board of Appeal to take account of

material in circumstances such as those of the present case but cannot *require* it to do so. The exercise of the discretion must be based on valid reasons. In particular, the Board of Appeal should not take account of material at a stage of the appeal assessment to which it is not relevant.

113. Finally, I do not consider that my view of the appeal procedure entails a restriction of any party's opportunity to present evidence or argument which may not initially have appeared relevant or necessary.

114. The provisions of the Trade Mark Regulation make it clear that an applicant for registration is to be given the opportunity of withdrawing or amending the application or of submitting his observations before his application can be refused on absolute grounds, and of commenting on any observations of third parties. [41] If the application is opposed, or if the trade mark is registered and there is a subsequent application for cancellation, both parties are to be invited to submit observations 'as often as is necessary'. [42]

115. Where the first-instance department has not given sufficient opportunity for new argument or evidence in compliance with those provisions, that is a factor which may justify the Board of Appeal in setting aside its decision and examining the submissions in question.

116. However, the mere production of new material before the Board of Appeal, when sufficient opportunity was given for its presentation in the initial proceedings, will not normally justify such a course of action. The discretion conferred by Article 74(2) may enable the Board of Appeal to take that course in exceptional circumstances, although it is difficult to define in advance what such exceptional circumstances might be.

117. In the light of all the foregoing, I consider that the judgment of the Court of First Instance should be set aside because the reasoning in paragraphs 29 and 30 of that judgment is incorrect in so far as it leads to the conclusion that the Board of Appeal was obliged to take the disputed material into account.

118. In principle, the question remains open whether the Board of Appeal made proper use of its discretion under Article 74(2) of the Trade Mark Regulation when it refused to take the material into account. [43] No argument has been presented to this

41 — Articles 38(3) and 41(2).

42 — Articles 43(1) and 56(1).

43 — See points 73 to 78 and 116 above.

Court — or, apparently, to the Court of First Instance — in that regard. However, whether that matter must still be decided or not, a number of other pleas raised by Kaul have not been examined at all. The state of the proceedings thus does not permit this Court to give final judgment itself, nor does the Office request it to do so. The case should therefore be referred back to the Court of First Instance for judgment.

Costs

119. Under Article 69(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. The Office has applied for costs, and Kaul's arguments on appeal should in my view be unsuccessful. However, there are outstanding matters to be decided by the Court of First Instance, and the costs before that Court should therefore be reserved.

Conclusion

120. I am accordingly of the opinion that the Court should:

— set aside the judgment of the Court of First Instance in Case T-164/02;

— refer the case back to the Court of First Instance for judgment;

— order Kaul GmbH to pay the costs of the appeal;

— reserve the remainder of the costs.