JUDGMENT OF THE COURT OF FIRST INSTANCE (Eighth Chamber)

13 May 2009 *

In Case T-136/08,

Aurelia Finance SA, established in Geneva (Switzerland), represented by M. Elmslie, Solicitor, and N. Saunders, Barrister,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by D. Botis, acting as Agent,

defendant,

ACTION brought against the decision of the First Board of Appeal of OHIM of 9 January 2008 (Case R 1214/2007-1), concerning the application for *restitutio in integrum* lodged by the applicant,

* Language of the case: English.

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

composed of E. Martins Ribeiro, President, S. Papasavvas (Rapporteur) and N. Wahl, Judges,

Registrar: N. Rosner, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 4 April 2008,

having regard to the response lodged at the Court Registry on 8 July 2008,

further to the hearing on 21 January 2009,

gives the following

Judgment

Background to the dispute

1 On 24 August 2000, the applicant, Aurelia Finance SA, was granted registration of the word sign AURELIA as a Community trade mark by the Office for Harmonization in

the Internal Market (Trade Marks and Designs) (OHIM), under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

2 On 21 November 2005, OHIM reminded the applicant's representative for the mark in question of the possibility of renewing the registration, which was due to expire on 19 June 2006. OHIM pointed out that the relevant request had to be submitted, and the renewal fee paid, before 2 July 2006, but that, upon payment of an additional fee for late payment, the deadline could be extended until 2 January 2007.

3 On 22 January 2007, OHIM notified the applicant's representative of the expiry of the deadline and of the removal of the mark from the Register of Community trade marks as of 19 June 2006.

4 On 5 March 2007, the applicant filed at OHIM an application for *restitutio in integrum* within the meaning of Article 78 of Regulation No 40/94, and asked OHIM to deduct the corresponding renewal fee and the fee for *restitutio in integrum* from its current account. In this connection, the applicant stated that it had employed, inter alia for the renewal of the mark in question, a specialist firm providing trade mark renewal services ('the specialist firm'). The specialist firm has established a computerised system linked to a database, into which various data concerning the proprietors, trade marks and patents subject to renewal are manually entered. When the renewal of a specific registration is due, the system is supposed to generate three warning letters to the proprietor asking for its consent before the renewal is made. Where one of those letters fails to be generated, a safety system is supposed to be activated, printing and sending out a replacement letter. However, in the present case, since an employee of the specialist firm omitted to enter into the database certain data on the applicant necessary to ensure that the system operated correctly, no notification was sent to the applicant. In addition, it subsequently transpired that the safety system designed to detect that type of error was not activated, since it had been set up only for patents and not for trade mark renewals.

5 By decision of 1 June 2007, OHIM's 'Trade Marks and Register' Department dismissed the application for *restitutio in integrum* on the ground that the specialist firm had not shown the due care required.

6 On 31 July 2007, the applicant filed notice of appeal requesting that that decision be set aside and the application for *restitutio in integrum* granted.

7 By decision of 9 January 2008 ('the contested decision'), the First Board of Appeal dismissed that appeal, holding that Article 78 of Regulation No 40/94 did not apply, since the trade mark renewals service chosen by the applicant had failed to take the care required by the circumstances of the case. In essence, the Board considered that the specialist firm ought to have set up a trade mark renewals system offering assurance that it functioned properly and containing a monitoring mechanism capable of detecting possible errors and anomalies. Without such a mechanism, errors in functioning such as those in the present case are foreseeable. Moreover, no evidence was adduced regarding the purported tests for ensuring that the system had been correctly set up.

Forms of order sought by the parties

8 The applicant claims that the Court should:

— annul the contested decision;

— refer the application for *restitutio in integrum* back to OHIM for reconsideration;

— order OHIM to pay the costs.

9 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

10 In support of its action for annulment of the contested decision, the applicant raises a single plea in law, alleging that Article 78 of Regulation No 40/94 has been infringed.

11 First, the applicant criticises the Board of Appeal for holding, at paragraph 12 of the contested decision, that whether due care was exercised had, in the present case, to be assessed with regard to the trade mark renewals service to which the applicant had delegated the task of renewing the trade mark in question. The applicant submits that the assessment must be made in relation to itself or even its representative. It points out that it is common to delegate administrative tasks, such as trade mark renewals, to

specialist firms, and that the requirement to exercise due care is therefore discharged by choosing a qualified and experienced person.

12 In that regard, it should be borne in mind that, under Article 78(1) of Regulation No 40/94,'[t]he … proprietor of a Community trade mark … who, in spite of all due care required by the circumstances having been taken, was unable to observe a time-limit vis-à-vis [OHIM] shall, upon application, have his rights re-established if the non-observance in question has the direct consequence, by virtue of the provisions of this Regulation, of causing the loss of any right … '.

13 It is apparent from that provision that *restitutio in integrum* is subject to two requirements, the first being that the party has exercised all due care required by the circumstances, and the second that the non-observance by the party has the direct consequence of causing the loss of any right or means of redress (order of 6 September 2006 in Case T-366/04 *Hensotherm* v *OHIM — Hensel (HENSOTHERM)*, not published in the ECR, paragraph 48).

14 It is also apparent from that provision that the requirement to exercise due care lies in the first instance with the proprietor of the trade mark. Thus, if the proprietor delegates administrative tasks relating to the renewal of a mark, it must ensure that the person chosen offers the assurance necessary to enable it to be assumed that those tasks will be carried out properly.

15 It should also be observed that, since those tasks have been delegated, the person chosen is subject to the requirement to exercise due care just as much as the proprietor. Since that person acts on behalf of and in the name of the proprietor, its actions must be regarded as being the proprietor's actions. Consequently, the Board of Appeal was correct to hold that it was necessary to ascertain whether the specialist firm had exercised all due care required by the circumstances.

16 In so far as the applicant refers to an allegedly different practice in the national courts and the Boards of Appeal regarding mistakes made by courier services and regarding the interpretation of Article 47(1) of Regulation No 40/94, it should be borne in mind, first, that the Community trade mark regime is an autonomous system, and second, that the legality of the decisions of the Boards of Appeal must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of previous decision-making practice of those boards (see Case T-128/07 *Suez* v *OHIM (Delivering the essentials of life)*, not published in the ECR, paragraph 32).

17 Second, the applicant criticises the Board of Appeal for having erred in finding that it, and even its representative, should have supervised the trade mark renewals service that the applicant had chosen. It submits that neither of them was responsible for supervising the work of a specialist trade mark renewals firm.

18 In that connection, it must be observed that, contrary to the applicant's claim, the Board of Appeal did not find, at paragraph 15 of the contested decision, that the applicant or its representative ought to have supervised the service in question. It merely held that a system installed by a specialist trade mark renewals firm ought to have offered sufficient assurance that it functioned properly, including a monitoring mechanism for detecting and correcting any errors caused by poor management of the files by the employees of the service or by the computerised system itself.

19 Third, the applicant submits that the Board of Appeal wrongly considered the standard of care required in connection with trade mark renewals to be the same or higher than that required when making a trade mark application. It submits that the standard of care for renewals must be regarded as lower, since the procedure for renewing trade marks involves only administrative tasks that do not require experience in the interpretation of trade mark law, in contrast to trade mark applications, which involve tasks of a legal nature and which are therefore entrusted to specialists in that field. The applicant further submits that the context of patent law should be taken into account, in

which it has been held that the standard of care required of professional specialists is not required of office assistants, who do not possess the same level of expertise.

20 In that connection, it must be observed that the standard of care required does not vary according to whether the tasks to be performed are administrative or legal in nature. If the distinction between legal and administrative tasks put forward by the applicant were upheld, any failure to comply with a procedural time-limit could then be presented as being an administrative oversight, which would allow negligent trade mark applicants to benefit in all cases from a lower standard of care, as OHIM correctly points out. In any event, Article 78 of Regulation No 40/94 does not make such a distinction, but calls for all due care required by the 'circumstances'.

21 In addition, even if Article 78 of Regulation No 40/94 was drafted on the basis of a patent law model, there is nothing to suggest that the respective provisions must be interpreted identically, since the interests at issue in the two areas may differ. The legal context of patent law is different, and the provisions governing patents seek to regulate procedures different from those applicable in the area of trade marks.

22 It should also be noted, in that context, that the legislature has inserted Article 78a in Regulation No 40/94, the first paragraph of which allows the parties to have their rights re-established where certain time-limits have been exceeded, without having to prove that they have taken all due care required by the circumstances. The fact that the legislature, by virtue of Article 78a(2), expressly retained the non-observance of time-limits for trade mark renewals within the scope of Article 78 of that regulation indicates that it intended to make such time-limits subject to the general duty of care under Article 78(1), as OHIM correctly states.

23 Fourth, the applicant submits that Article 78(6) and (7) of Regulation No 40/94 is intended to protect third parties who, in good faith, have put goods on the market or supplied services under a sign which is identical or similar in the course of the period

between the loss of the right in the Community trade mark and publication of the mention of re-establishment of that right. It argues that such protection implies that the standard of care required by Article 78(1) of Regulation No 40/94 is lower than the standard of care applied in the contested decision.

24 In that regard, it must be noted that the criterion of 'all due care required by the circumstances' is found in Article 78(1) of Regulation No 40/94, which sets out the conditions under which an application for *restitutio in integrum* is to be granted. By contrast, Article 78(6) and (7) of Regulation No 40/94 applies only where the application for *restitutio in integrum* has in fact been granted, and seeks to protect the interests of third parties who have acted in good faith. Consequently, Article 78(6) and (7) of Regulation No 40/94 is of no relevance in determining the standard of care required by Article 78(1) of the regulation.

25 Fifth, the applicant submits that the Board of Appeal erred in assessing the evidence that had been submitted to it, and therefore concluded wrongly that the application for *restitutio in integrum* should be dismissed. The applicant submits that the system used by the specialist firm was consistent with the requirements of the OHIM guidelines, which, at section 6.2.3 thereof, interpret the words 'all due care required by the circumstances' appearing in Article 78(1) of Regulation No 40/94 as meaning to 'maintain a system of internal control and monitoring of time-limits that generally excludes the involuntary non-observance of time limits'. In the applicant's submission, the word 'generally' indicates that *restitutio in integrum* may be granted in the case of exceptional errors. In the present case, the failure of the system was entirely due to the fact that, exceptionally, an employee of the specialist firm did not input the required data. Furthermore, the applicant submits that neither those guidelines, Article 78 of Regulation No 40/94 nor case-law require the installation of a control mechanism for the computer system, such as that set up for patents, since the computer system itself generally ensures that time-limits are observed, even where such a mechanism is absent.

26 In that connection, it must be observed that the words 'all due care required by the circumstances' in Article 78(1) of Regulation No 40/94 require a system of internal control and monitoring of time-limits to be put in place that generally excludes the involuntary non-observance of time-limits, as laid down in the OHIM guidelines. It

follows that *restitutio in integrum* may be granted only in the case of exceptional events, which cannot therefore be predicted from experience.

27 In the present case, since the specialist firm had installed a computerised renewal reminder system, the due care required by the circumstances demanded, first, that the overall design of the system should ensure that time-limits were adhered to; second, that the system should be capable of detecting and correcting any foreseeable error in both the performance of the tasks of the specialist firm's staff and the functioning of the computerised system; and third, that the staff of the specialist firm responsible for inputting the required data and using the system should be adequately trained, required to check their operations and supervised.

28 However, even if the design of the computerised renewal reminder system generally ensured that time-limits were adhered to, the Board of Appeal rightly considered that human errors in inputting data cannot be ruled out, even in cases where staff have been adequately trained, and adequately instructed and supervised. Human errors in inputting cannot be regarded as exceptional or unforeseeable events. Consequently, that system ought to have provided for a mechanism for detecting and correcting such errors. However, since such a mechanism had not been set up, the Board of Appeal correctly held that the due care required by the circumstances had not been exercised.

29 Consequently, the application to set aside the contested decision must be dismissed.

30 Accordingly, the applicant's second head of claim requesting that the Court should refer the application for *restitutio in integrum* back to OHIM for reconsideration must also be dismissed, and, consequently, so must the action in its entirety.

Costs

31 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since the applicant has been unsuccessful, it must be ordered to pay the costs in accordance with the forms of order sought by OHIM.

On those grounds,

THE COURT OF FIRST INSTANCE (Eighth Chamber)

hereby:

1. Dismisses the action.

2. Orders Aurelia Finance SA to pay the costs.

Martins Ribeiro Papasavvas Wahl

Delivered in open court in Luxembourg on 13 May 2009.

[Signatures]