JUDGMENT OF THE COURT OF FIRST INSTANCE (Third Chamber)

13 September 2006 *

In Case T-191/04,

MIP METRO Group Intellectual Property GmbH & Co. KG, established in Düsseldorf (Germany), represented by R. Kaase, avocat,

applicant,

v

Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. Folliard-Monguiral, acting as Agent,

defendant,

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

* Language of the case: English.

Tesco Stores Ltd, established in Cheshunt (United Kingdom), represented by S. Malynicz, Barrister,

ACTION brought against the decision of the First Board of Appeal of OHIM of 23 March 2004 (Case R 486/2003-1), relating to opposition proceedings between MIP METRO Group Intellectual Property GmbH & Co. KG and Tesco Stores Ltd,

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

composed of M. Jaeger, President, V. Tiili and O. Czúcz, Judges,

Registrar: K. Andová, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 27 May 2004,

having regard to the responses of the intervener and OHIM, lodged at the Registry of the Court of First Instance on 13 and 21 September 2004 respectively,

further to the hearing on 30 November 2005,

gives the following

Judgment

Background to the dispute

1 On 20 March 1998, MIP METRO Group Intellectual Property GmbH & Co. KG, formerly METRO Cash and Carry GmbH ('the applicant') filed an application for a Community trade mark at 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 The trade mark for which registration was sought is the figurative sign reproduced below:



3 The application for registration was published in *Community Trade Marks Bulletin* No 86/99 of 2 November 1999.

4 On 28 January 2000, Tesco Stores Ltd ('the intervener') filed a notice of opposition to registration of the trade mark applied for under Article 42 of Regulation

No 40/94. The opposition was based on the earlier national word mark METRO, registered in the United Kingdom on 27 July 1993 under No 1543011, whose initial term of protection expired on 27 July 2000.

5 By letter of 13 June 2000, OHIM informed the intervener that it was to be given a four-month period to submit the additional facts, evidence and arguments it felt necessary to substantiate its opposition. In an information sheet attached to that letter, OHIM informed the intervener that if the term of protection of the earlier mark had expired 'at the time the evidence [was] due' pursuant to Rule 20(2) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 on the Community trade mark (OJ 1995 L 303, p. 1) ('the implementing regulation'), the intervener was also to submit a certificate of renewal or equivalent evidence or, failing that, evidence that an application for renewal had been duly filed with the competent authorities. The four-month deadline was subsequently extended and eventually expired on 13 March 2003.

6 Proof of the renewal of the earlier mark was not adduced within this time-limit.

7 By letter dated 30 April 2003, the intervener was informed that since it had not provided proof that its registration had been renewed, a decision on the opposition would be made on the basis of the evidence available.

8 The Opposition Division, by decision of 12 June 2003 ('the decision of the Opposition Division'), rejected the opposition on the ground that the intervener had not proved, although duly invited to do so, that its earlier right was still in force after 27 July 2000, the date on which the term of protection of its trade mark expired, according to the documentation submitted by the intervener.

9 On 11 August 2003, pursuant to Articles 57 to 62 of Regulation No 40/94, the intervener filed a notice of appeal with OHIM against the decision of the Opposition Division.

10 The First Board of Appeal of OHIM upheld the appeal in its decision of 23 May 2004 ('the contested decision'). It considered that on the date on which the opposition was filed and even on the date the evidence was requested (13 June 2000), the earlier right was still in force and, accordingly, the intervener did not have to prove renewal of its trade mark registration.

Forms of order sought by the parties

11 The applicant claims that the Court should:

— declare the action admissible;

— annul the contested decision;

— order OHIM to pay the costs of the proceedings.

12 OHIM contends that the Court should:

— allow the application for annulment of the contested decision;

— order the intervener to pay the costs.

13 The intervener contends that the Court should:

— dismiss the action;

— order the applicant to pay the intervener's costs.

Admissibility of OHIM's claims

14 So far as OHIM's procedural status is concerned, it is to be noted that, while OHIM does not have the requisite capacity to bring an action against a decision of a Board of Appeal, it cannot be required to defend systematically every contested decision of a Board of Appeal or automatically to claim that every action challenging such a decision should be dismissed (Case T-107/02 *GE Betz* v *OHIM — Atofina Chemicals (BIOMATE)* [2004] ECR II-1845, paragraph 34; Case T-186/04 *Spa Monopole* v *OHIM — Spaform (SPAFORM)* [2005] ECR II-2333, paragraph 20; and Case T-379/03 *Peek & Cloppenburg* v *OHIM (Cloppenburg)* [2005] ECR II-4633, paragraph 22). Nothing prevents OHIM from endorsing an applicant's claim or from simply leaving the decision to the discretion of the Court, while putting forward all the arguments that it considers appropriate for giving guidance to the Court (*BIOMATE*, paragraph 36, and *Cloppenburg*, paragraph 22). On the other hand, it may not seek an order annulling or altering the decision of the Board of Appeal on a point not raised in the application or put forward pleas in law not raised in the application (*Cloppenburg*, paragraph 22; see also, to that effect, Case C-106/03 P *Vedial* v *OHIM* [2004] ECR I-9573, paragraph 34).

15 It follows that the heads of claim by which OHIM endorses the applicant's claim for annulment must be declared admissible since those heads of claim, and the arguments set out in their support, do not go beyond the bounds of the claims and pleas in law put forward by the applicant.

Substance

A — *Arguments of the parties*

16 The applicant puts forward a single plea in support of its claim that the contested decision should be annulled. It asserts that the contested decision infringes Regulation No 40/94, in particular Article 74 thereof, and the implementing regulation, in particular Rules 16 and 20. It follows from those provisions that the relevant time when an earlier right has to be in force and to be proved by the opponent to have this status is the time when the Opposition Division makes its decision, or at the very latest, the date on which the period allowed for providing further evidence expires, and not the date on which the opposition was filed.

17 The applicant then submits that the purpose of Rule 16 of the implementing regulation is to enable the applicant for a trade mark and the Opposition Division to ascertain whether the earlier trade mark relied on to oppose the Community trade mark application is valid, since only a valid trade mark can form the basis of an opposition. The Opposition Division is authorised by Rule 16(3) and Rule 20(2) of the implementing regulation to set a time-limit for furnishing evidence if it was not provided together with the notice of opposition.

18 The applicant also maintains that the finding in the contested decision that the Opposition Division cannot, on the one hand, take account of the fact that the term of protection of an earlier trade mark has expired before it has made a decision on the opposition and, on the other hand, require proof that the earlier mark has been renewed, is contrary to Regulation No 40/94 and the implementing regulation and also to the broad logic underlying the relative grounds for refusal.

19 OHIM supports the applicant's arguments. It observes, in particular, that the contested decision is incompatible with its internal Opposition Guidelines, which provide that '[w]ithin the period of four months to complete the file, the opponent should file evidence that the mark/s on which he relies is/are still in force. If there is no evidence of renewal, the earlier registration will not be taken into account ... or the opposition will be rejected as not substantiated. However, in order to avoid the Opposition Division taking a decision in an opposition that is based on an earlier registration that has not been renewed, if a registration that was validly proved expires between the end of the four-month period and the moment the decision is taken, the examiner must ask the opponent to provide evidence that the registration has been renewed, regardless of whether or not the applicant raises an objection.'

20 The intervener puts forward six pleas in law in support of its argument that the Board of Appeal correctly applied Regulation No 40/94 and the implementing regulation.

21 Firstly, it submits that the wording of Article 8(1) of Regulation No 40/94 uses the present tense ('upon opposition') rather than the future tense. Further, the wording of Article 8(2) of that regulation uses the past tense ('trade marks registered'). It argues that when these two provisions are read together, it is clear that the date of opposition is the relevant date. There is accordingly no provision in Article 8 of Regulation 40/94 that places an obligation on an opponent to retain the status of proprietor of the earlier mark or to prove that he has retained that status beyond the opposition period.

22 Secondly, the intervener states that the only requirement set out in Article 42(1) of Regulation No 40/94 is that notice of opposition be given on the ground that the trade mark may not be registered under Article 8 of that regulation. It notes that the requirement is again expressed in the present tense. In addition, there is the requirement that the opponent be, inter alios, the proprietor of the earlier marks referred to in Article 8(2) of Regulation No 40/94. Again, this is expressed in the present tense. The intervener concludes from this that the opponent is not under any obligation to demonstrate that he will remain the proprietor until some unspecified point in the future that is beyond the opposition period. It considers that Article 42(3) of Regulation No 40/94 confirms this analysis in that it requires the opponent to specify the grounds on which the opposition is made, and points out that again the present tense is used. It contends, moreover, that the opponent is required to set out the grounds then in existence that can be cited against the mark applied for. No opponent would be able to state with certainty what the position might be at some unspecified point in the future that is beyond the opposition period. In any event, that would be contrary to the express wording of Article 42(3) of Regulation No 40/94.

23 As its third plea, the intervener submits that Rules 15 and 16 of the implementing regulation are wholly silent on the proposition contended for by the applicant that the validity of an earlier mark must be shown when the Opposition Division makes its decision on the merits. It argues that the fact that the legislature has provided such detailed provisions, yet did not specify that the opponent should have to prove subsistence of his rights beyond the opposition period, should be understood to signify the legislature's intention that such proof is not required, in accordance with the *expressio unius* principle. The intervener further notes that these provisions are expressed in the present or past tense.

24 The intervener also refers to Rule 15(2)(c)(i) of the implementing regulation, which provides that 'where the opposition is entered by the proprietor of the earlier mark or of the earlier right [the notice of opposition shall contain] ... an indication that he is the proprietor of such mark or right'. It concludes that all that that rule requires to be shown is that, as of the date when the opposition is entered, the opponent is the proprietor of the earlier mark.

25 As its fourth plea, the intervener submits that the principle of legal certainty requires that Community rules must enable those concerned to know precisely the extent of the obligations which are imposed upon them (Case C-233/96 *Denmark* v *Commission* [1998] ECR I-5759, paragraph 38). It maintains that the applicant's contention, namely that the time when OHIM must determine the validity of an earlier mark is the time of the ruling on the opposition, has an arbitrary and uncertain basis. It argues that the fact that proceedings may become protracted would require an opponent to guess when a decision on the merits was likely to be taken or continuously to provide updated evidence of the subsistence of the earlier mark.

26 As its fifth plea, the intervener argues that it would offend against the Community law principle of non-retroactivity to require the opponent to demonstrate subsistence or validity of the earlier mark beyond the opposition period.

27 It points out what when the opposition was filed on 28 January 2000, the opponent was provided with a form that allowed it to provide a copy of the registration at a later date. The opponent filed a copy of the registration certificate for the earlier mark on 24 February 2000. It states at paragraph 18 of its response that that certificate showed that the mark would remain in force until 27 July 2003, that is, beyond the end of the opposition period. On 13 June 2000, OHIM wrote to the opponent informing it of the commencement of the adversarial part of the proceedings and requesting it to furnish facts, evidence and arguments in support. The intervener maintains that if, as the applicant contends, this letter imposed a requirement that the opponent submit evidence of the renewal of the registration that had already been submitted during the opposition period, such a requirement would be retrospective in effect and, therefore, inadmissible.

28 Lastly, as its sixth plea, the intervener submits that Article 74 of Regulation No 40/94 does not support the applicant's contention either. It argues that the purpose of Article 74 is set out in the heading of that section, namely to determine

the extent to which it is permissible for OHIM to examine facts of its own motion. Accordingly, it does not accept that that provision is to be interpreted as meaning that an opponent must prove to OHIM that a mark remains subsisting and valid until the date when the Opposition Division makes its decision.

B — *Findings of the Court*

29 In essence, the applicant, supported by OHIM, criticises two assertions in the contested decision. Firstly, the Board of Appeal wrongly considered that when the term of protection of the mark on which the opposition was based expired, this did not authorise the Opposition Division retrospectively to alter the status of the opponent and reject the opposition. Secondly, it erred in considering that the opponent is required to set out once, and once only, the grounds of its opposition and that, accordingly, neither the Opposition Division nor the Boards of Appeal are entitled to require further proof that the earlier mark on which the opposition is based is still valid. Those assertions are incompatible with the overall scheme of Regulation No 40/94 and the implementing regulation since their effect would be to require the Opposition Division to find that the trade mark applied for and an earlier mark whose term of protection had expired were in conflict.

30 According to well-established case-law, the essential function of a trade mark is to guarantee the identity of the origin of the marked goods to the consumer or end user by enabling him, without any possibility of confusion, to distinguish those goods from others which have another origin (Case 102/77 *Hoffmann-La Roche* [1978] ECR 1139, paragraph 7; Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 48; and Case C-329/02 P *SAT. 1* v *OHIM* [2004] ECR I-8317, paragraph 23). There is no public interest in conferring the benefit of the full protection envisaged by Regulation No 40/94 on a trade mark which does not fulfil its essential function (*Henkel* v *OHIM*, paragraph 48).

31 The essential purpose of Articles 8 and 42 of Regulation No 40/94 and Rules 15, 16 and 20 of the implementing regulation, concerning relative grounds for refusal and opposition proceedings, is to ensure that, by making it possible to refuse registration of a new mark which may conflict with an earlier mark as there is a likelihood of confusion between them, the earlier mark may retain its function of identifying origin.

32 The possibility of such a conflict must be considered from two different angles. Firstly, with regard to the substantive scope of the abovementioned provisions, the earlier mark and the mark applied for must be identical or similar, as must the goods or services designated by those marks, so that confusion may arise between the two signs. Secondly, concerning the temporal scope of those provisions, both those marks must co-exist for a certain period. The function of an earlier mark as a means of identifying its origin cannot be undermined by another mark which is registered only after the term of protection of the earlier mark has expired. If there is no period during which both marks co-exist, no conflict can arise.

33 Accordingly, the Court of First Instance finds that the assertion in the contested decision that '[t]here is nothing that permits the Opposition Division to retroactively change an opponent's status simply because in the course of opposition proceedings ... a national registration ... expires' fails to take account of the fact that no conflict can arise between the mark applied for and an earlier mark which has expired during that period, given that the mark applied for may be registered only after the end of the opposition proceedings. As a consequence, the protection which the Board of Appeal recognised the earlier mark as having is not justified by the need to protect the mark's essential function and is contrary to the spirit and the logic underlying the provisions governing the assessment of relative grounds for refusal and opposition proceedings.

34 Moreover, the applicant and OHIM rightly submit that the Opposition Division and the Boards of Appeal must take account of changes in circumstances that occur between the filing of the opposition and the decision on the opposition as a result of evidence submitted by the parties in response to OHIM's request for information.

35 The Court of First Instance held in Case T-308/01 *Henkel* v *OHIM — LHS (UK) (KLEENCARE)* [2003] ECR II-3253, paragraph 26, that, in the context of the re-examination of the decision on the opposition conducted by the Boards of Appeal under Article 61(1) of Regulation No 40/94, the outcome of the appeal depends on whether or not a new decision with the same operative part as the decision under appeal may be lawfully adopted at the time of the appeal ruling.

36 In the course of that re-examination, the OHIM Boards of Appeal may exercise any power within the competence of the department which was responsible for the decision appealed, except where the case is remitted to that department (*KLEENCARE*, paragraph 24). Consequently, the principle established by that case-law must be regarded as applicable to the findings of the Opposition Division, with the effect that neither the Opposition Division nor the Boards of Appeal may adopt a decision that is unlawful at the time when they make a decision based on the evidence submitted by the parties in the proceedings before them.

37 However, the intervener takes the view that the contested decision correctly established that the opponent must set out the grounds and evidence in support of its opposition once and once only. The Opposition Division cannot rely on the absence of proof of renewal of the earlier trade mark since its request for information concerning renewal of registration was not justified by any of the provisions in Regulation No 40/94 or the implementing regulation.

38 It is clear from the case-law cited at paragraph 30 above that Regulation No 40/94 and the implementing regulation are to be interpreted in the light of the essential function of a trade mark. In order to ascertain whether the earlier trade mark's function of identifying origin may be invalidated as a result of it co-existing in time with the mark applied for, with which it is liable to be confused, OHIM must be aware of the earlier mark's term of protection.

39 The power to request such information from an opponent may be inferred from Regulation No 40/94 and the implementing regulation. Thus, pursuant to Article 76 of Regulation No 40/94, OHIM may request information and the production of documents in any proceedings before it, in particular such information or documents as it deems necessary to enable it to make a decision on the opposition. It follows from Rule 16 in conjunction with Rule 20 of the implementing regulation that OHIM may request the opponent to submit facts, evidence and arguments which are not set out in the notice of opposition, including, inter alia, the certificate of registration of the earlier mark.

40 The intervener, on the other hand, maintains that the opponent cannot be obliged to demonstrate that it will remain the proprietor of the earlier mark until some unspecified point beyond the opposition period.

41 It is to be noted in that regard that, in its first, second, third and sixth pleas, the intervener simply asserts that such an obligation on the part of the opponent does not arise either from Articles 8, 42 or 74 of Regulation No 40/94 or from Rules 15 and 16 of the implementing regulation. It does not advance any argument to deny that Article 76 of Regulation No 40/94 or Rule 16 in conjunction with Rule 20 of the implementing regulation confers the right on OHIM to require an opponent to prove that a trade mark has been renewed after its term of protection has expired where such an event occurs after the notice of opposition has been filed. Moreover, its arguments in that regard are based on an interpretation that relies on the tenses

of the verbs used in the abovementioned provisions, considered in isolation, and do not refer at all to the principles on which the relative grounds for refusal and the opposition proceedings are based.

42 Furthermore, the intervener's argument falls outside the factual ambit of the present case. When the time-limit for providing information expired (13 March 2003) and even at the time of the initial time-limit imposed by the Opposition Division (13 October 2000), the validity of the earlier mark was not dependent on any future factor but on whether the intervener had renewed the registration of its trade mark, whose initial period of protection expired on 27 July 2000. The request made was therefore one for proof of a past event. Accordingly, and contrary to the intervener's assertions, the Court of First Instance considers that the request for information did not concern the validity of the mark at some unspecified time in the future.

43 By its fourth plea, the intervener argues that the fact that the opponent is not in a position to know whether it must provide proof that the registration of the earlier mark has been renewed on its own initiative, continuously or at OHIM's request may produce an uncertain legal situation. The requirement to prove that the earlier mark remains valid therefore means that the intervener must guess the date on which the decision on the opposition will be taken.

44 That argument cannot be accepted either. There is nothing whatsoever in the decision of the Opposition Division to suggest that OHIM requires the opponent continuously to submit proof of renewal in the absence of a request for information on the part of OHIM. Nor does such an obligation arise from the procedural documents lodged by the applicant or OHIM. In fact, OHIM's Opposition Guidelines expressly state the opposite, namely, that 'the examiner must ask the opponent to provide evidence that the registration has been renewed'.

45 With regard to the intervener's fifth argument, that it would be contrary to the principle of non-retroactivity to confer power on OHIM to request information on the renewal of the earlier mark, it is sufficient to note that the intervener admitted, in response to a written question from the Court of First Instance, that it had erroneously indicated, at paragraph 18 of its response, on the basis of the documentation provided to the Opposition Division, that the earlier mark remained in force until 27 July 2003, whereas the correct date was in fact 27 July 2000.

46 In the light of the foregoing, the Court of First Instance finds that the Board of Appeal incorrectly held, firstly, that the fact that the term of protection of the earlier mark expired before the Opposition Division gave a decision on the opposition cannot be taken into account by the latter and, secondly, that the Opposition Division does not have the power to request information on the renewal of the earlier mark after the initial evidence has been filed. In so doing, the Board of Appeal interpreted the provisions of Regulation No 40/94 and the implementing regulation governing assessment of relative grounds for refusal and opposition proceedings in a manner contrary to the principles underlying those provisions and, in particular, infringed Article 76 of Regulation No 40/94 and Rule 20 of the implementing regulation.

47 It follows that the applicant's single plea in law must be upheld and the contested decision annulled.

Costs

48 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 OHIM has been unsuccessful, in that the contested decision has been annulled, it must be ordered to pay the applicant's costs, as applied for by the applicant. Since the intervener has been unsuccessful, it must bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Third Chamber)

hereby:

1. **Declares that the decision of the First Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) of 23 March 2004 (Case R 486/2003-1) is annulled;**

2. **Orders OHIM to bear its own costs and to pay those incurred by the applicant;**

3. **Orders the intervener to bear its own costs.**

Jaeger Tiili Czúcz

Delivered in open court in Luxembourg on 13 September 2006.

E. Coulon M. Jaeger

Registrar President