OPINION OF ADVOCATE GENERAL RUIZ-JARABO COLOMER delivered on 23 March 2006 [1]

I — Introduction

1. The appeal is against the judgment of the Court of First Instance of 10 November 2004, [2] dismissing the action for annulment brought against the decision of the Second Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) ('OHIM') [3] which refused registration of a mark representing a twisted sweet wrapper (shape of a sweet wrapper).

2. The issue arises of the distinctive character of the mark, a fundamental condition for registration, and one which in turn has generated a sufficient wealth of case-law on the interpretation of Article 7(1)(b) of the regulation on the Community trade mark [4] to determine the claims of the appellant, which has broadened the debate to include the acquisition of that distinctive character through use of the mark.

3. The dispute covers, in addition, the procedure before the OHIM Boards of Appeal as regards the obligations of those boards to state reasons and to examine the facts of their own motion, and this Opinion addresses those aspects also.

II — The legislative framework

4. The provisions necessary for ruling on the present appeal are to be found in Regulation No 40/94.

5. According to Article 4, Community registration is available to 'any signs capable of being represented graphically, particularly words, including personal names, designs,

1 — Original language: Spanish.

2 — Case T-402/02 *Storck* v *OHIM (Shape of a sweet wrapper)* [2004] ECR II-3849 ('the judgment under appeal').

3 — Decision of 18 October 2002 (Case R 0256/2001-4).

4 — Council Regulation (EC) No 40/94 of 20 December 1993 (OJ 1994 L 11, p. 1), as amended by Council Regulation (EC) No 3288/94 of 22 December 1994 for the implementation of the agreements concluded in the framework of the Uruguay Round (OJ 1994 L 349, p. 83) and, finally, by Council Regulation (EC) No 422/2004 of 19 February 2004 (OJ 2004 L 70, p. 1).

letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

6. By virtue of Article 7(1), entitled 'Absolute grounds for refusal', OHIM will refuse to register:

'(a) signs which do not conform to the requirements of Article 4;

(b) trade marks which are devoid of any distinctive character;

...'

7. Article 7(2) reads:

'Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.'

8. Article 7(3) provides that subparagraphs 1(b), (c) and (d) shall not apply 'if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.'

9. Under the heading 'Statement of reasons on which decisions are based', Article 73 requires that '[d]ecisions of the Office shall state the reasons on which they are based. They shall be based only on reasons or evidence on which the parties concerned have had on opportunity to present their comments.'

10. On the ex officio examination of the facts, Article 74 states that:

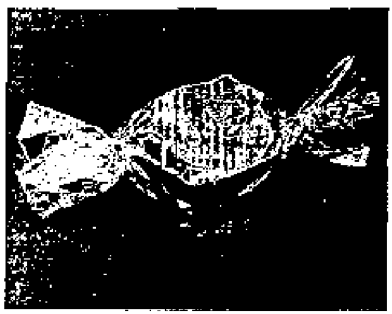
'1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

...'

III — Background to the appeal

A — *The facts of the dispute at first instance*

11. On 30 March 1998, the appellant filed at OHIM an application under Regulation No 40/94 for registration of a Community trade mark consisting of the representation in perspective of a twisted wrapper (shape of a sweet wrapper), reproduced below:



12. The products for which it sought registration belong to Class 30 of the Nice Agreement[5] and fall under the description 'sweets'.

13. By decision of 19 January 2001, the examiner refused the application, because the sign was devoid of distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, and also because it had not acquired distinctive character through use of the caramel sweets within the meaning of Article 7(3) of the regulation.

14. By an appeal lodged with OHIM on 13 March 2001, pursuant to Article 59 of Regulation No 40/94, the appellant sought the annulment of the examiner's decision.

15. By its decision of 18 October 2002, the Second Board of Appeal dismissed the appeal on the same grounds as set out in the contested decision.

16. It found that as a result of the colour of the wrapper, the three shades which the appellant had invoked were not discernible in the graphic representation of the mark applied for and were, furthermore, usual in sweet packaging and frequent in trade.

17. The Board also held that the evidence adduced did not prove the distinctive character of the sweets in general and for caramels in particular, in consequence of the repeated use made of that mark.

5 — Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended.

18. Having exhausted the administrative remedies, on 26 May 2003 August Storck KG lodged an action for annulment at the Registry of the Court of First Instance.

B — *The judgment under appeal*

19. In support of its claim, August Storck KG advanced four pleas in law alleging infringement of Article 7(1)(b), Article 7(3), the first sentence of Article 74(1) and Article 73, respectively, of Regulation No 40/94.

20. Before examining the grounds of the appeal, the Court of First Instance defined the subject-matter of the dispute, since the appellant and OHIM held divergent views on the sign, and expressed its view that it was a figurative mark consisting of the representation of a twisted wrapper shape (shape of a sweet wrapper),[6] of a gold colour[7] and claimed in respect of 'sweets'.[8]

21. As regards the first plea, the first instance court explored distinctive character in relation, on the one hand, to the products and services for which registration was being sought and, on the other, in relation to the perception of the relevant public.[9] Thereafter, in order to ascertain whether consumers perceive the combination of the shape and the colour of the packaging as an indication of origin, it looked at the overall impression given by the configuration in question,[10] concluding that its characteristics were not sufficiently different from the shapes frequently used for sweet wrappers and did not, therefore, stay in the mind as indicators of commercial origin.

22. The Court of First Instance also endorsed the Board of Appeal's warning of the risk of monopolisation of the sign for sweets, since it confirmed that the sign was devoid of distinctive character for the confectionery in question, in accordance with the general interest underlying the absolute ground for refusal in Article 7(1)(c) of Regulation No 40/94.[11]

23. The Court inferred from all of the above considerations that an average consumer, reasonably well informed and reasonably observant and circumspect, would not perceive the sign in such a way as to identify the products nor to distinguish them from those of their competitors and, consequently, dismissed the plea as unfounded.

6 — Paragraphs 21 and 22.
7 — Paragraphs 23 to 28.
8 — Paragraphs 29 to 38.
9 — Paragraphs 48 to 53.
10 — Paragraphs 54 to 58.
11 — Paragraph 60.

24. Nor did it uphold the second plea in law, which alleged infringement of Article 7(3) of Regulation No 40/94, on the ground that the appellant had not proven acquisition of the relevant distinctive character through use.

25. First of all, it called to mind the case-law on the requirements for acquiring distinctive character, relating to the identification of a particular commercial source, [12] to the reference to the part of the European Union where it was devoid of distinctive character [13] and to the consideration of certain objective factors in order to find that a mark had acquired distinctive character. [14]

26. Then, it refuted August Storck KG's claims based on sales figures and data about the high advertising costs of promoting the 'Werther's Original' ('Werther's Echte') caramel sweet, since the advertisements submitted contained no evidence whatsoever of use of the mark in the form applied for, since it was accompanied by word and figurative marks, without stating the proportion of expenditure corresponding to each sign. [15] Furthermore, those costs did not prove that, throughout the Community, consumers perceived the wrapper as an indication of origin. [16]

27. Finally, it also rejected the claim that the surveys which the appellant had submitted in the proceedings suggested that the awareness of the sweet sold by August Storck KG, as an intellectual property right, derived from its shape, since it was based, rather, on the 'Werther's' name. [17]

28. In the third plea in law, the appellant alleged that the Board of Appeal had infringed the first sentence of Article 74(1) of Regulation No 40/94, since it was obliged to carry out an additional investigation to establish use of the mark.

29. The Court of First Instance rejected that argument, asserting that OHIM is only bound to verify the facts showing that the mark claimed has become distinctive through use, within the meaning of Article 7(3) of Regulation No 40/94, if the appellant has pleaded them. Since it was not in dispute that August Storck KG had provided OHIM with certain evidence for that purpose, on which the Board of Appeal based its assess-

12 — Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 52, and Case C-299/99 *Philips* [2002] ECR I-5475, paragraphs 61 and 62.

13 — In accordance with the rulings of the Court of First Instance in Case T-91/99 *Ford Motor* v *OHIM (OPTIONS)* [2000] ECR II-1925, paragraph 27, and Case T-399/02 *Eurocermex* v *OHIM (Shape of a beer bottle)* [2004] ECR II-1391, paragraphs 43 to 47.

14 — *Windsurfing Chiemsee*, paragraphs 51 and 52, and *Philips*, paragraphs 60 and 61.

15 — Paragraphs 82 to 84.

16 — Paragraphs 85 to 87.

17 — Paragraph 88.

ment, the OHIM bodies were under no further duty. In particular, it was not for OHIM to investigate the case further in order to compensate for the lack of probative force of the evidence supporting the application. [18]

30. The Court of First Instance also rejected the fourth plea in law, which claimed that OHIM had infringed Article 73 of Regulation No 40/94 by failing to take into account all the documents submitted by the appellant, and by contravening its right to be given an opportunity to be heard.

31. It dismissed the plea on the ground, on the one hand, that it was founded on a false premiss, since the Board of Appeal had examined the evidence in question, albeit finding it insufficient to prove distinctive character deriving from the use of the mark. It pointed out, further, that the appellant itself had produced those documents in the proceedings, and therefore did have an opportunity to comment on their relevance. [19]

IV — The proceedings before the Court of Justice

32. August Storck KG's application was received at the Registry of this Court on 28 January 2005. OHIM submitted a defence on 15 April 2005, and neither party has applied to file a reply or rejoinder.

33. The hearing, at which the representatives of both parties were present, took place on 16 February 2006, jointly with that in Case C-24/05 P, between the same litigants.

V — Analysis of the pleas in law

34. The appellant undertaking maintains the four pleas in law which it advanced before the Court of First Instance, alleging violation of Article 7(1)(b), of the first sentence of Article 74(1), of Article 73 and of Article 7(3) of Regulation No 40/94.

35. OHIM has applied for a declaration of inadmissibility in relation to the third part of the first plea and the whole of the second plea, and it is therefore necessary to analyse those claims at the outset.

18 — Paragraph 96.

19 — Paragraphs 100 and 101.

A — *The admissibility of a number of the pleas in law*

1. Inadmissibility of the third part of the first plea in law

36. By this complaint, August Storck KG submits that the Court of First Instance erred in assessing the distinctive character of the sweet wrapper, in breach of Article 7(1)(b) of Regulation No 40/94.

37. It claims that the Court of First Instance insufficiently assessed the combination of colours in the wrapper and did not fully examine the behaviour of consumers, whereas OHIM posits that those aspects are matters of fact and, therefore, lie outside the scope of the appeal.

38. A reading of the notice of appeal reveals patently that the appellant is criticising the outcome of the evaluation of certain factual elements. However, the Court of Justice, according to Article 58 of its Statute, cannot address those circumstances nor that evidence, save in the event of distortion or substantive inaccuracy, [20] and the only course available therefore is to suggest that the third part of the first plea be declared inadmissible.

2. Inadmissibility of the second plea in law

39. OHIM reproaches August Storck KG for repeating the arguments on which it based a ground of appeal similar to that invoked at first instance and relies on settled case-law [21] to seek the inadmissibility of the claim.

40. Admittedly, with the aim of establishing that the judgment under appeal infringed the first sentence of Article 74(1) of Regulation No 40/94, the appellant does advance the same claims as in the proceedings at first instance. However, quite apart from the fact that it could not do otherwise, the last sentence of paragraph 32 supports the criticism of the Court of First Instance for precisely endorsing the view of OHIM.

41. That being so, despite the similarity between August Storck KG's arguments before that court and those it is now making

20 — Case C-104/00 P *DKV* v *OHIM* [2002] ECR I-7561, paragraph 22. On the scope of the appellate review, see also my Opinion in that case, points 58 to 60.

21 — It cites the orders in Case C-87/95 P *CNPAAP* v *Council* [1996] ECR I-2003, paragraph 29 et seq., and Case C-62/94 P *Turner* v *Commission* [1995] ECR I-3177, paragraph 17.

on appeal, it was entitled to use identical reasoning in support of the purported infringement of Article 74 by the Court of First Instance. Consequently, OHIM's criticism of the appellant for failing to refute as part of the present plea in law the only new observation in the judgment proves to be irrelevant, since it is for each party to choose the target of its censure.

42. I therefore propose that OHIM's claim that the plea is inadmissible should be rejected.

B — *Analysis of the merits of the pleas in law*

1. The first two parts of the first plea: infringement of Article 7(1)(b) of Regulation No 40/94

(a) The first part

43. The appellant claims that the Court of First Instance incorrectly imposed more stringent conditions on the distinctive character of the sign, requiring it to display considerable differences from other wrappers, whereas it is discernible from Article 7(1)(b) that a small degree of distinctive character is sufficient for registration of a Community mark.

44. OHIM contends that the claim in question fails to take into account the settled case-law on this kind of mark, even though the present case concerns a two-dimensional representation (a photograph) of a three-dimensional sign.

45. Quite clearly, the wording of the article in question seems to suggest that any sign with the slightest distinctiveness should be eligible for registration.

46. The Court of Justice has held that, although the criteria for assessing the distinctive character of three-dimensional signs consisting of the shape of the product are no different from those applicable to other categories of sign, [22] there is a degree of consensus that, in practice, it is more difficult to prove than in relation to a verbal or figurative mark. [23]

22 — *Philips*, paragraph 48, and Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 42.

23 — *Linde and Others*, paragraph 48.

47. Further, that court has on various occasions recognised that the perception of the average consumer, a decisive factor in assessing the distinctive character of signs for which registration is sought, is not necessarily the same in relation to a three-dimensional mark as with other types of mark, where the signs are not the same as the appearance of the goods which they denote, since those consumers are not accustomed to making assumptions about the origin of goods from their shape, independently of any graphic or word element. [24]

48. For those reasons, the Court has held that a simple departure from the norm or customs of the sector is not sufficient to render inapplicable the ground for refusal given in Article 3(1)(b) of Directive 89/104/EEC, [25] and that, in contrast, a trade mark which is markedly different and fulfils its essential original function is not devoid of distinctive character. [26]

49. In paragraphs 56 to 58 of the judgment under appeal, the Court of First Instance, like OHIM before it, made a finding as to the shape which, in its view, the article in issue is most likely to have, following clearly and exactly the rulings referred to in the preceding points of this Opinion, which it transposed to the case in hand without distortion and without increasing the requirements for three-dimensional marks, with the effect that the criticism which August Storck KG levels against it is unfounded.

50. I therefore propose that the Court of Justice should dismiss the first part of the first plea in law as unfounded.

(b) The second part of the plea.

51. The appellant takes issue with the reference in paragraph 60 of the judgment under appeal to the risk of monopolisation of the shape of a sweet wrapper. To its mind, the reference introduces new considerations, relating to the general interest, into assessment of distinctive character under Article 7(1)(b) of Regulation No 40/94, contrary to the applicable case-law.

52. OHIM states that the allusion to this risk was not included with the intention of justifying the refusal to register the mark, but in order to make common cause with the Board of Appeal on the importance of

24 — Case C-218/01 *Henkel* [2004] ECR I-1725, paragraph 52, in relation to packaging, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 65, as regards a colour.

25 — First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

26 — *Henkel*, paragraph 49, in conjunction with Article 3(1)(b) of Directive 89/104, which corresponds to Article 7(3) of Regulation No 40/94.

highlighting such a possibility, because it was confirming its finding that the wrapper had no distinctive character.

53. On that point I entirely share OHIM's view, since the structure of the judgment under appeal reveals that the reasoning relating to competition between undertakings, linked to the need for availability of the sign, was included 'for the sake of completeness', although that judgment does not expressly say so, and the appellant's argument is therefore misplaced, since the lack of distinctive character had been shown in earlier paragraphs of the same judgment.

54. Accordingly, without discussing the extent to which the general interest underpins the ground for refusal under Article 7(1)(b) of Regulation No 40/94,[27] I am bound to propose that it should be dismissed.

55. In accordance with the foregoing considerations in relation to the first plea, I suggest that the first and second parts of the plea should be rejected as unfounded and irrelevant, respectively.

27 — The appellant has contended, on the basis of my Opinion in Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, points 78 to 80, and of that of Advocate General Jacobs delivered in Case C-329/02 P *SAT.1* v *OHIM* [2004] ECR I-8317, point 24, that the general interest and the need to preserve availability do not underlie Article 7(1)(b) of Regulation No 40/94. Whilst I maintain the view I expressed in that Opinion, the Court of Justice held differently (*SAT.1* v *OHIM*, paragraph 25, and *Henkel* v *OHIM*, paragraphs 45 and 46).

2. The second and third pleas in law

56. Paragraphs 55 to 58 of the judgment under appeal confirmed the findings of the Board of Appeal that the shape of the sweet wrapper was 'usual', since it did not stand out sufficiently from the other presentations common on the market for sweets.

57. August Storck KG claims infringement of the principle, under the first sentence of Article 74(1) of Regulation No 40/94, that OHIM should investigate the facts of its own motion (second plea in law) and the maxim that OHIM decisions must be based on reasons or evidence which the parties concerned have addressed, in the second sentence of Article 73 of that regulation, and complains that the breach undermined its rights of defence (third plea in law).

58. The respondent, which had applied for a declaration of inadmissibility in relation to the second plea, seeks, in the alternative, that it be dismissed as ill-founded, as should the third plea, since it concurs with the decision of the Court of First Instance.

59. To my mind, for the following reasons, the appellant's interpretation arises from a misunderstanding of the provisions in question.

60. First, proceedings before OHIM are governed, as regards the absolute grounds of refusal, by the inquisitorial principle, according to which the administrative body is responsible not only for conducting an examination of its own motion but, in addition, for examining the facts on which it bases its decision, independently of the arguments of the parties. [28]

61. However, OHIM is not subject unconditionally to that guiding principle, which encounters certain limits, such as the margin of discretion the body enjoys to decide the extent to which an objective assessment of the factual framework is sufficient [29] and the parties' duty of cooperation.

62. Secondly, in the proper exercise of that investigative power, OHIM not only *can*, as the Court of First Instance suggested in paragraph 58 of the judgment under appeal, but in fact *must* base its analysis on facts arising from practical experience generally acquired from the marketing of mass consumer products which everyone knows. To fail to do so would be to overlook circumstances relevant to the matter in hand, in contravention of the maxim that acts cannot be deemed not to have occurred.

63. In short, good sense and the general principles of law common to the Member States, to which Article 79 of the regulation on the Community trade mark refers, dictate that the Boards of Appeal should have power to use 'well-known facts' as part of their ex officio examinations.

64. Obviously, those well-known facts require no verification whatsoever, the onus of proof being on the person wishing to refute them, in keeping with the adage *res ipsa loquitur*. Accordingly, even were one to entertain the view that the appellant did not have an opportunity to express a view on the matters apparent before the Board of Appeal, it did have the chance to comment on them before the Court of First Instance which, in exercise of its supreme power to assess the case file, found the evidence to be insufficient, with the effect that the complaint of purported infringement of the rights of defence is untenable, and it is not appropriate, given the limited scope of the appellate review, to revisit the correctness of those assessments.

65. It emerges from the foregoing that the Court of First Instance did not contravene

28 — Martín Mateo, R. and Díez Sánchez, J.J., *La marca comunitaria — Derecho público*, Editorial Trivium, Madrid, 1996, p. 111.

29 — Von Mühlendahl, A. and Ohlgart, D.C., *Die Gemeinschaftsmarke*, Verlag C.H. Beck/Verlag Stämpfli + Cie AG, Berne/Munich, 1998, No 9, p. 93. See also Bender, A., 'Artikel 74', in Ekey, D.L. and Klippel, D., *Heidelberger Kommentar zum Markenrecht*, C.F. Müller Verlag, Heidelberg, 2003, No 3, p. 1183.

the first sentence of Article 74(1) of Regulation No 40/94 by confirming the findings of the Board of Appeal based on a number of publicly recognised facts, and that August Storck KG did have the opportunity to comment on them, at the very latest, before the court whose decision is now under appeal, and there was, therefore, no violation of its rights of defence before that Community court.

66. In consequence, I recommend that the second and third pleas in law be dismissed as unfounded.

3. The fourth plea in law

67. Based on a supposed error in law by the Court of First Instance in declining to find that the sign had distinctive character in accordance with Article 7(3) of Regulation No 40/94, the claim rests on two main allegations, the first of which concerns the weight given to certain documents attesting acquisition of distinctive character through use, and the second, the geographical scope of the use of the mark for the purpose of that acquisition of distinctive character.

(a) Assessment of certain commercial data

68. In order to prove the distinctive character of the wrapper, the appellant produced in the proceedings a series of figures relating to sales volumes and to the advertising costs incurred in promoting the growth and the degree of awareness of the packaging in the form of a sweet wrapper.

69. August Storck KG directs its criticism at the Board of Appeal's requirement, which the Court of First Instance adopted, that the market share of the products bearing the mark in issue should be calculated on the basis of market figures which, according to both bodies, they could not do on the basis of the figures submitted by the appellant which, for its part, argues that it has more than sufficiently demonstrated wide distribution, by means of high sales figures over a long period of time.

70. However, because it takes issue with the assessment of the evidence by the Court of First Instance, this part of the plea should be declared inadmissible. Nevertheless, understood as an allegation of an error in law arising from a request for documents without any relevant probative value, of market share, for example, that part of the plea calls for qualification.

71. According to settled case-law, the following may be taken into account in assessing the distinctive character of a mark: its market share; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant sectors which, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations. [30]

72. It is exclusively for the first instance court to assess the relevance and probative value of that data, with no form of appellate review. In the present dispute, the Court of First Instance appraised all the evidence submitted in proceedings by August Storck KG with a view to proving the distinctive character acquired through use of the sign, and it reached the conclusion that the proof was insufficient, which is why it suggested, specifically, that market share was an effective means of proving distinctive character.

73. Since the Court of Justice has acknowledged that criterion to be one of those suitable for the appellant's purposes, no error in law is apparent in the judgment under appeal, since it accords with the case-law cited.

74. The first part of the fourth plea in law must, therefore, be held to be unfounded.

(b) The geographical scope of use of the mark

75. According to the appellant, the Court of First Instance infringed Article 7(3) of Regulation No 40/94 by confirming the finding of the Board of Appeal that it is necessary to submit evidence of the distinctive character acquired in all the Member States of the European Union. That view, it asserts, contravenes the spirit of Article 142a of the regulation, [31] whereas an analysis of the intention behind the precept reveals the need to comply with that requirement in a 'substantial part' of the Community territory.

76. In the view of OHIM, the issue is not one of use of the sign in a 'substantial part', but in the part of the Union where the mark could not, by reason of its characteristics, fulfil the functions typical of that type of intellectual property.

30 — *Windsurfing Chiemsee*, paragraphs 51 and 52, and *Philips*, paragraphs 60 and 61.

31 — In the consolidated version prepared by OHIM, that article is Article 159a (http://oami.eu.int/en/mark/aspects/reg/reg4094.htm).

77. Resolving that discrepancy entails a systematic interpretation of Article 7 of Regulation No 40/94.

78. Accordingly, Article 7(1)(b), in conjunction with Article 7(2), suggests that, where distinctive character is lacking in one part of the Community, the precept is fully applicable and registration must be refused.

79. Furthermore, although Article 7(2) does not refer to Article 7(3), it is inconceivable that the requirement relating to the scope of the distinctive character could be less strict, since it would make no sense to relax the requirement for signs claiming to have acquired distinctiveness through use in comparison with those being registered for the first time, with no prior experience on the market. It is difficult to imagine any reason for the legislature wanting to enshrine any such difference in treatment. Such reasoning would in fact run counter to the scheme of the legislation since, if a lower degree of distinctive character were required where it is acquired by means of long-term use of the sign, there would be little point, in the event of doubt, in first seeking to have OHIM accept the sign as a Community trade mark.

80. The appellant's claim under Article 159a of Regulation No 40/94 is completely without foundation, since the provision reflects the political solution, of course with legal implications, to the problem arising on enlargement of the Community in relation to Community trade marks registered or applied for before 1 May 2004, a solution intended to ensure the legal certainty necessary for the proprietors both of those marks and of signs protected by the legislation of each of the new Member States. The foregoing is discernible from subparagraph 2 of Article 159a of Regulation No 40/94, according to which '[t]he registration of a Community trade mark which is under application at the date of accession may not be refused on the basis of any of the absolute grounds for refusal listed in Article 7(1), *if these grounds became applicable merely because of the accession of a new Member State.*'

81. What is more, according to OHIM's official explanation, [32] the holder in a new Member State of a right earlier than a Community trade mark can prohibit the use of the latter mark in his territory, where the two marks conflict, in accordance with Articles 106 and 107 of Regulation No 40/94, which already included provisions to resolve conflicts arising from the entry into force of Regulation No 40/94 itself in relation to signs registered under national laws.

32 — Communication No 05/03 of the President of the Office of 16 October 2003 (available at http://oami.eu.int/en/office/aspects/communications/05-03.htm).

82. For those reasons, the interpretative guidelines under Article 159a which the appellant advances to define the scope of Article 7(3) of Regulation No 40/94 are out of context and irrelevant.

83. Therefore, since the foregoing allegation is, likewise, untenable, the fourth plea in law and, in consequence, the entire appeal, should be dismissed.

VI — Costs

84. Under Article 122, in conjunction with Article 69(2), of the Rules of Procedure, which by virtue of Article 118 apply to appeal proceedings, the unsuccessful party must be ordered to pay the costs. If, as I propose, the pleas which the appellant invokes are dismissed, it must be required to pay the costs of the appeal.

VII — Conclusion

85. In view of the foregoing arguments, I recommend that the Court of Justice dismiss the appeal brought by August Storck KG against the judgment of the Court of First Instance of 10 November 2004 in Case T-402/02 *Storck* v *OHIM (Shape of a sweet wrapper)*, and order the appellant to pay the costs of the appeal.