

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

28 April 2004 *

In Joined Cases T-124/02 and T-156/02,

The Sunrider Corp., established in Torrance, California (United States of America), represented by A. Kockläuner, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by G. Schneider, acting as Agent,

defendant,

the other parties to the proceedings before the Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) being

Vitakraft-Werke Wüßmann & Sohn, established in Bremen (Germany),

in Case T-124/02,

* Language of the case: German.

and

Friesland Brands BV, established in Leeuwarden (the Netherlands),

in Case T-156/02,

ACTIONS brought, in Case T-124/02, against the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 17 January 2002 (Case R-386/2000-2), relating to opposition proceedings between Vitakraft-Werke Wührmann & Sohn and The Sunrider Corp., and, in Case T-156/02, against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 21 February 2002 (Case R-34/2000-1), relating to opposition proceedings between Friesland Brands BV and The Sunrider Corp.,

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

composed of: N.J. Forwood, President, J. Pirrung and A.W.H. Meij, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the written procedure and following the hearing on 16 September 2003,

gives the following

Judgment

Law

1 Article 81 of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provides:

‘Costs

1. The losing party in opposition proceedings, proceedings for revocation, proceedings for a declaration of invalidity or appeal proceedings shall bear the fees incurred by the other party as well as all costs ... incurred by him essential to the proceedings...

2. However, where each party succeeds on some and fails on other heads, or if reasons of equity so dictate, the Opposition Division, Cancellation Division or Board of Appeal shall decide a different apportionment of costs.

3. The party who terminates the proceedings by withdrawing the Community trade mark application, the opposition, the application for revocation of rights, the application for a declaration of invalidity or the appeal, or by not renewing

registration of the Community trade mark or by surrendering the Community trade mark, shall bear the fees and the costs incurred by the other party as stipulated in paragraphs 1 and 2.

4. Where a case does not proceed to judgment the costs shall be at the discretion of the Opposition Division, Cancellation Division or Board of Appeal.

5. Where the parties conclude before the Opposition Division, Cancellation Division or Board of Appeal a settlement of costs differing from that provided for in the preceding paragraphs, the department concerned shall take note of that agreement.

...'

- 2 Rule 51 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 (OJ 1995 L 303, p. 1), provides as follows:

‘Reimbursement of appeal fees

The reimbursement of appeal fees shall be ordered in the event of interlocutory revision or where the Board of Appeal deems an appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation. In the event of interlocutory revision, reimbursement shall be ordered by the department whose decision has been impugned, and in other cases by the Board of Appeal.’

Background to the disputes

Case T-124/02

- 3 On 28 March 1996, the applicant filed an application at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) for registration of a Community trade mark. That application was recorded as received on 1 April 1996.

- 4 The trade mark in respect of which registration was sought was the word mark VITATASTE.

- 5 The goods in respect of which registration of the trade mark was sought are in Classes 5 and 29 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following descriptions:
 - Class 5: ‘Medicines, pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use; food for babies; vitamin preparations and mineral food-supplements; material for stopping teeth; herbal food preparations and herbal teas for medicinal purposes’;

— Class 29: ‘Meat, fish, non-living mollusk and crustacean, poultry and game; meats and sausages, seafood, poultry and game, also preserved or deep-frozen; fruits and vegetables (including mushrooms and potatoes, especially french fries and other potato products) preserved, deep-frozen, dried, boiled or prepared for immediate consumption; soups or soup preserves; delicatessen salads; dishes of meat, fish, poultry, game and vegetable, also deep-frozen; eggs, milk, cheese and other milk products; drinks mainly of milk; desserts mainly of milk or milk products; jams, marmalades, fruit sauces, fruit- and vegetable-jellies; meat- and bouillon extracts; vegetable extracts and preserved herbs for the kitchen; edible oils and fats including margarine; non-medical nutritional concentrates or nutritional supplements on herbal basis, herbal food, also in form of snack bars.’

6 That application was published in the *Community Trade Marks Bulletin* on 12 January 1998.

7 On 6 April 1998, the other party to the proceedings before the Board of Appeal of OHIM gave notice of opposition to registration of that trade mark, pursuant to Article 42(1) of Regulation No 40/94, in respect of all classes of goods covered by the trade mark application. The opposition was based on the existence of the German trade marks VITAKRAFT and VITA, registered in respect of various goods within Class 5.

8 By letter of 30 November 1998, the applicant restricted the list of goods contained in the trade mark application by withdrawing its application in respect of ‘veterinary preparations’.

- 9 By letter of 19 January 1999, the applicant requested, inter alia, that OHIM take account in any future decision on the costs of the opposition proceedings of the fact that there was no similarity between a large number of the goods covered by the trade mark application and the goods covered by the registered trade marks on which the opposition was based.
- 10 By letter of 16 April 1999, the other party to the proceedings before the Board of Appeal withdrew its opposition.
- 11 By letter of 10 May 1999, the Opposition Division of OHIM informed the applicant and the other party to the proceedings before the Board of Appeal ('the parties to the opposition proceedings') that it was going to make a decision on the costs of the opposition proceedings in accordance with Article 81 of Regulation No 40/94 unless the parties to the opposition proceedings notified it, before 10 July 1999, of an agreement between them in that respect.
- 12 By letter of 30 December 1999, the other party to the proceedings before the Board of Appeal requested that OHIM make a decision on the costs of the opposition proceedings.
- 13 By decision of 16 March 2000, the Opposition Division ordered, pursuant to Article 81(3) of Regulation No 40/94, that the applicant bear the costs of the opposition proceedings. The Opposition Division considered, essentially, that the other party to the proceedings before the Board of Appeal withdrew its opposition after the partial withdrawal of the trade mark application, which occurred after the inter partes stage of the opposition proceedings had begun.

- 14 On 13 April 2000, the applicant filed notice of appeal at OHIM in accordance with Article 59 of Regulation No 40/94. It applied to have the decision of the Opposition Division annulled, for an order that the other party to the proceedings before the Board of Appeal bear the costs of the opposition proceedings and for reimbursement to it of the appeal fees pursuant to Rule 51 of Regulation No 2868/95.
- 15 By decision of 17 January 2002, notified to the applicant on 9 April 2002 ('the contested decision in Case T-124/02'), the Second Board of Appeal of OHIM annulled the decision of the Opposition Division and ordered that each party to the opposition proceedings bear its own costs of the opposition proceedings and of the appeal. Essentially, the Board of Appeal considered that the decision on the costs of the opposition proceedings should have been taken on the basis of Article 81(2) and (3) of Regulation No 40/94. More particularly, it considered that reasons of equity dictated that the costs be shared between the parties to the opposition proceedings, within the meaning of Article 81(2) of Regulation No 40/94, given that, by partially withdrawing the application and the opposition, they had 'both, to some extent, brought the proceedings to an end'.

Case T-156/02

- 16 On 28 March 1996, the applicant filed an application at OHIM for a Community trade mark. That application was recorded as received on 1 April 1996.
- 17 The trade mark in respect of which registration was sought was the word mark METABALANCE 44.

18 The goods in respect of which registration of the trade mark was sought are in Classes 5 and 29 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following descriptions:

- Class 5: ‘Medicines, pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use; food for babies; vitamin preparations and mineral food-supplements; material for stopping teeth; herbal food preparations and herbal teas for medicinal purposes’;

- Class 29: ‘Meat, fish, non-living mollusk and crustacean, poultry and game; meats and sausages, seafood, poultry and game, also preserved or deep-frozen; fruits and vegetables (including mushrooms and potatoes, especially french fries and other potato products) preserved, deep-frozen, dried, boiled or prepared for immediate consumption; soups or soup preserves; delicatessen salads; dishes of meat, fish, poultry, game and vegetable, also deep-frozen; eggs, milk, cheese and other milk products; drinks mainly of milk; desserts mainly of milk or milk products; jams, marmalades, fruit sauces, fruit- and vegetable-jellies; meat- and bouillon extracts; vegetable extracts and preserved herbs for the kitchen; edible oils and fats including margarine; non-medical nutritional concentrates or nutritional supplements on herbal basis, herbal food, also in form of snack bars.’

19 That application was published in the *Community Trade Marks Bulletin* on 14 April 1998.

- 20 On 13 July 1998, the other party to the proceedings before the Board of Appeal of OHIM gave notice of opposition to the registration of that trade mark pursuant to Article 42(1) of Regulation No 40/94, in respect of all classes of goods covered by the trade mark application. The opposition was based on the existence in various Member States of the trade marks BALANCE and BALANS registered in respect of various goods within Classes 3, 5, 29, 30, 31 and 32.
- 21 By letter of 16 April 1999, the applicant restricted the list of goods contained in the trade mark application by withdrawing its application to register the trade mark in respect of ‘eggs, milk, cheese and other milk products; drinks mainly of milk; desserts mainly of milk or milk products; edible oils and fats including margarine’. It also informed OHIM that the parties to the opposition proceedings had arrived at an amicable settlement and that the restriction of the list of goods contained in the trade mark application formed part of that settlement.
- 22 By letter of 11 May 1999, confirmed by letter of 17 June 1999, the other party to the proceedings before the Board of Appeal withdrew its opposition.
- 23 By letter of 28 June 1999, the Opposition Division informed the parties to the opposition proceedings that it was going to make a decision on the costs of the opposition proceedings in accordance with Article 81 of Regulation No 40/94 unless the parties to the opposition proceedings notified it, before 28 August 1999, of an agreement between them in that respect.
- 24 By letter of 17 August 1999, the applicant informed OHIM that no agreement had been reached between the parties to the opposition proceedings in respect of the costs of the opposition proceedings and requested that it adopt a decision in that regard. Moreover, the applicant asked OHIM to take account in any future

decision of the fact that there was no similarity between a large number of the goods covered by the trade mark application and the goods covered by the registered trade marks on which the opposition was based.

- 25 By decision of 30 November 1999, the Opposition Division ordered, pursuant to Article 81(3) of Regulation No 40/94, that the applicant bear the costs of the opposition proceedings. The Opposition Division considered, essentially, that the other party to the proceedings before the Board of Appeal withdrew its opposition after the partial withdrawal of the trade mark application, which occurred after the inter partes stage of the opposition proceedings had begun.
- 26 On 16 December 1999, the applicant filed a notice of appeal at OHIM in accordance with Article 59 of Regulation No 40/94. It applied to have the decision of the Opposition Division annulled, for an order that the other party to the proceedings before the Board of Appeal bear the costs of the opposition proceedings and for reimbursement to it of the appeal fees pursuant to Rule 51 of Regulation No 2868/95.
- 27 By decision of 21 February 2002, notified to the applicant on 13 March 2002 ('the contested decision in Case T-156/02'), the First Board of Appeal of OHIM annulled the decision of the Opposition Division and ordered that each party to the opposition proceedings bear half of the costs of the opposition proceedings together with its own costs of the opposition proceedings and of the appeal. Essentially, the Board of Appeal considered that the decision on the costs of the opposition proceedings should have been taken on the basis of Article 81(2) and (3) of Regulation No 40/94. More particularly, it considered that the costs should be shared between the parties to the opposition proceedings, given that, by partially withdrawing the application and the opposition, 'the dispute between the parties had been brought to an end by common consent'. As for reimbursement of the appeal fees, the Board of Appeal pointed out that the Opposition Division had implicitly, and without adequate statement of reasons, rejected the applicant's

application made in its letter of 17 August 1999, to the effect that account be taken of the extent of the opposition in the decision on the costs of the opposition proceedings. Consequently it considered that the decision of the Opposition Division was flawed by a substantial procedural violation.

Procedure and forms of order sought by the parties

28 By applications lodged at the Registry of the Court of First Instance on 17 April 2002 and 15 May 2002 the applicant brought these actions, registered as T-124/02 and T-156/02 respectively.

29 OHIM lodged its responses at the Court Registry on 4 September 2002.

30 By order of the President of the Second Chamber of the Court of First Instance of 3 July 2003, Cases T-124/02 and T-156/02 were joined for the purposes of the oral procedure and judgment in accordance with Article 50 of the Rules of Procedure of the Court of First Instance.

31 The applicant claims that the Court should:

- partially annul the contested decision in Case T-124/02 in so far as it ordered the applicant to bear its own costs incurred in the opposition proceedings and on appeal and did not order reimbursement to the applicant of the appeal fees;

- partially annul the contested decision in Case T-156/02 in so far as it ordered the applicant to bear its own costs incurred in the opposition proceedings and on appeal;

- in Cases T-124/02 and T-156/02, order OHIM to pay the costs.

32 OHIM contends that, in Cases T-124/02 and T-156/02, the Court should:

- dismiss the actions;

- order the applicant to pay the costs.

Law

33 In Case T-124/02, the applicant makes essentially two separate claims. The first seeks annulment of the contested decision in so far as it orders that the applicant bear its own costs incurred in the opposition proceedings and on appeal. The second seeks annulment of the contested decision in so far as it fails to order reimbursement to the applicant of the appeal fees. In Case T-156/02, the applicant makes one claim similar to the first in Case T-124/02.

34 The applicant raises two pleas in law in support of the first claim in Case T-124/02 and the action in Case T-156/02. The first alleges that the contested decision should have been based on Article 81(4) of Regulation No 40/94 and not on Article 81(3). The second plea in law alleges an error in the application of the combined provisions of Articles 81(2) and (3) of Regulation No 40/94. In support of the second claim in Case T-124/02, the applicant raises two further pleas in law alleging an infringement of Rule 51 of Regulation No 2868/95 and an infringement of the duty to state reasons.

The claims relating to the costs of the opposition proceedings and of the appeal

The first plea in law: the contested decisions should have been based on Article 81 (4) of Regulation No 40/94 and not Article 81(3)

— Arguments of the parties

35 The applicant asserts that, following the settlement agreements between the parties, the opposition proceedings became devoid of purpose. Accordingly, in the applicant's view, the decisions on the costs of the opposition proceedings ought to have been based on Article 81(4) of Regulation No 40/94 and not on Article 81 (3). It submits that, in the circumstances of the present case, the first provision constitutes a *lex specialis* in relation to the second.

36 OHIM contends that the Boards of Appeal were entitled to base the contested decisions on Article 81(3) of Regulation No 40/94. It states in that connection that that provision applies to cases, such as the present, in which the administrative

proceedings are brought to an end by a procedural step taken by the parties in the course of those proceedings. By contrast it considers that Article 81(4) of that regulation only applies where such proceedings become devoid of purpose because of circumstances external thereto, such as removal from the register of the trade mark on which the opposition is based or dismissal of the trade mark application following another notice of opposition. Therefore, in OHIM's view, Article 81(3) of Regulation No 40/94 constitutes a *lex specialis* in relation to Article 81(4).

— Findings of the Court

37 As OHIM rightly points out, Article 81(3) of Regulation No 40/94 applies to cases in which the administrative proceedings come to an end by a unilateral procedural step carried out by one of the parties to those proceedings, or even, in the case of the non-renewal of the registration of the Community trade mark, by failing to take a procedural step. Among the procedural steps so covered is the withdrawal of another procedural measure such as the trade mark application, the opposition or the appeal. That provision does not draw a distinction on the basis of whether or not the procedural measure withdrawn was the one initiating the proceedings in question. In the second case, for example, upon the withdrawal of the trade mark application in the course of opposition proceedings, those proceedings become devoid of purpose, thus rendering it unnecessary to proceed to judgment. By contrast, Article 81(4) of Regulation No 40/94 applies more generally to all cases which do not proceed to judgment.

38 It is therefore apparent from the wording and the broad logic of those provisions that Article 81(3) of Regulation No 40/94 constitutes a *lex specialis* in relation to Article 81(4) in that Article 81(3) covers cases in which the proceedings become devoid of purpose as a result of the unilateral withdrawal of a procedural measure.

39 Moreover, Article 81(3) of Regulation No 40/94 also applies where, in inter partes proceedings, each party withdraws the procedural measure which it has filed. It is irrelevant in that connection, for the purposes of applying that provision, whether or not the withdrawal of the procedural measure or measures arose as a result of a side-agreement between the parties to the proceedings in question.

40 In the present case, the applicant partially brought the opposition proceedings to an end by restricting the list of goods contained in its trade mark applications. To that extent those proceedings were therefore devoid of purpose, without the application of Article 81(4). Then, to the extent that the opposition proceedings had not yet become devoid of purpose following the restriction of the list of goods, the other parties to the proceedings before the Boards of Appeal brought those proceedings to an end by withdrawing the oppositions.

41 In those circumstances, the Boards of Appeal were entitled to base their respective decisions with regard to the costs of the opposition proceedings solely on Article 81(3) of Regulation No 40/94.

42 Accordingly, the first plea in law must be rejected.

The second plea in law: error in the application of the combined provisions of Articles 81(2) and (3) of Regulation No 40/94

— Arguments of the parties

43 The applicant submits that the Boards of Appeal erred in applying the combined provisions of Article 81(2) and (3) of Regulation No 40/94. It submits in that

connection that an equitable decision as required by Article 81(2) of Regulation No 40/94 necessitates an assessment, at least summarily, of the chances of success of the opposition. It refers in that context to Paragraph 91a of the Zivilprozessordnung (German Civil Procedure Code) which, as interpreted by the case-law, requires such a summary assessment. The applicant claims that that assessment criterion is applicable in the present case on the basis of Article 79 of Regulation No 40/94. The Boards of Appeal expressly refrained from assessing the chances of success of the opposition. Accordingly, the contested decisions were not equitable in so far as they ordered a mechanical division of the costs between the parties to the opposition proceedings.

- 44 The applicant asserts that, had the Boards of Appeal assessed, even summarily, the chances of success of the opposition, it would have to have concluded in both cases that all costs of the opposition proceedings should have been borne by the other party to the proceedings before the Board of Appeal. According to the applicant, the oppositions filed by those parties were bound to fail.
- 45 The applicant refers in this regard, first, to the clear difference in its view between the trade marks applied for and the trade marks on which the oppositions were based.
- 46 More particularly with regard to Case T-124/02, the applicant refers, second, to the lack of distinctiveness of the element 'vita'. Lastly, it submits that the goods covered by the trade mark application after it had been restricted are not similar to those in respect of which the trade marks on which the opposition was based were registered.

47 In Case T-156/02, the applicant further refers to the lack of evidence of genuine use of the trade marks on which the opposition was based and of the legal validity of some of those trade marks.

48 Furthermore, the applicant claims that the Boards of Appeal infringed the principle of proportionality by ordering one party to bear 50% of the costs of the opposition proceedings, when that party had only withdrawn eight categories of goods (in Case T-156/02), and only one category of goods (in Case T-124/02), out of a total of 50 to 60 categories of goods referred to in the trade mark applications.

49 In that context the applicant deploys a series of arguments of a general nature which it says undermine the division of costs ordered by the Boards of Appeal. First, it states that the effect of that solution is that there is no penalty for a manifestly unfounded opposition. Second, undertakings will be encouraged to file notice of opposition against the registration of a trade mark for all the products covered by the application since they will face no unfavourable consequence in costs where the opposition proceedings come to an end prematurely. Third, the applicant asserts that the applicants for a trade mark have no incentive to bring to an end opposition proceedings which are clearly bound to fail as a result of the restriction of the list of goods in respect of which registration of the trade mark is sought, since that would entail a decision on the costs of the proceedings less favourable than that which would be taken where OHIM makes a finding on the opposition in the course of inter partes proceedings.

50 OHIM replies that the Boards of Appeal correctly applied the combined provisions of Article 81(2) and (3) of Regulation No 40/94. It submits that Article 81(2) of Regulation No 40/94 makes no provision as to the requirements to be satisfied by a decision on the division of costs. Accordingly, both the application of the rule of equity laid down by that provision and any decision

adopted pursuant to that rule in a particular case fall within the discretionary power of the Boards of Appeal, since the Court of First Instance's power of review is restricted to the issue of whether there has been any abuse of that power. It submits that in the present case there is no evidence on which to conclude that the Boards of Appeal abused their discretionary power.

51 In OHIM's view, the situation in the present cases, characterised by the fact that both parties to the opposition proceedings brought those proceedings to an end, one by the partial withdrawal of the trade mark application and the other by the withdrawal of the opposition, is similar to that in which the parties each fail on one or more heads.

52 More particularly, OHIM submits that the Boards of Appeal were under no obligation to assess the chances of success of the opposition. It submits in this regard that neither the rights of the Member States in relation to administrative and judicial proceedings nor the Rules of Procedure of the Court of First Instance require that, for the purposes of a decision on the costs of proceedings which have been brought to an end by certain steps taken by the parties, it is necessary to take account of the chances of success of the applications in question or even of the particular stage of the proceedings.

— Findings of the Court

53 Pursuant to Article 81(3) of Regulation No 40/94, the party who terminates the proceedings by withdrawing the Community trade mark application, the opposition, the application for revocation of rights, the application for a declaration of invalidity or the appeal, or by not renewing registration of the Community trade mark or by surrendering the Community trade mark, is to bear the fees and the costs incurred by the other party as stipulated in paragraphs 1 and

2. Article 81(1) provides that the losing party in opposition proceedings, proceedings for revocation, proceedings for a declaration of invalidity or appeal proceedings is to bear the fees incurred by the other party as well as all costs incurred by him essential to the proceedings.

54 It follows that, in opposition proceedings, where a party brings such proceedings to an end by abandoning his claims, in particular by withdrawing the trade mark application or the opposition, it is similar to a losing party and therefore must in principle bear the fees and costs incurred by the other party. The only exception to that rule is where Article 81(2) of Regulation No 40/94 applies, which states that ‘where each party succeeds on some and fails on other heads, or if reasons of equity so dictate, the Opposition Division, Cancellation Division or Board of Appeal shall decide a different apportionment of costs’. Whilst that provision envisages two distinct cases giving rise to a division of costs different from that laid down by Article 81(1), it does not preclude those two cases occurring simultaneously. Thus, where the costs are divided on the basis that each party succeeds on some and fails on other heads, OHIM may take into consideration reasons of equity where a division which fails to take account of the relative success of the heads of claim leads to an inequitable outcome. Accordingly, OHIM enjoys a wide margin of discretion in the actual division of costs between the parties.

55 In the present cases the trade mark applications were partially withdrawn and the oppositions were also partially withdrawn in so far as the opposition proceedings had not already become devoid of purpose following the restriction of the trade mark applications. Accordingly, each party partially abandoned its claims.

56 That situation must be equated to that in which each party succeeds on some and fails on other heads. In the situation covered by Article 81(3) of Regulation No 40/94, in which OHIM is not called upon to make a finding on the opposition because of the withdrawal of the trade mark application or the opposition, by

definition there can be no losing party. In that case therefore the reference to Article 81(2) only makes sense if those combined provisions are interpreted as meaning that the situation in which each of the parties to the administrative proceedings fails in part is equated to that in which each of those parties partially abandons its claims. Moreover, it would be inconsistent not to equate a party who partially abandons its claims with one who partially fails because, as stated at paragraph 54 above, the combined provisions of Article 81(1) and (3) of Regulation No 40/94 draw such equivalence in the case of a party which abandons all of its claims.

57 Accordingly, in the present case, the Boards of Appeal were entitled to have regard to equity when making their decisions on the actual division of the costs between the parties since they have a wide margin of discretion in that regard.

58 Contrary to the applicant's submission on this point, in dividing the costs between the parties, the Boards of Appeal were not required, even summarily, to assess the chances of each party prevailing in those proceedings. It would be contrary to procedural economy to assess the merits of the opposition solely for the purposes of dividing the costs.

59 Furthermore, it is true that in the two cases, the reduction of the lists of goods contained in the trade mark applications merely concerned only a small number of all goods referred to therein, and that therefore that restriction made the opposition procedures devoid of purpose only to a limited extent. By contrast the withdrawals of opposition concerned a substantial number of the goods covered by the trade mark applications. Accordingly, the other parties to the proceedings before the Boards of Appeal abandoned their claims to a greater extent than did the applicant.

60 Nevertheless the Boards of Appeal were also not required, in dividing the costs between the parties to the opposition proceedings, to take account of the exact extent to which each of the parties had withdrawn its claims. As stated at paragraph 54 above, they enjoy a wide margin of discretion in the matter. It should also be pointed out in that context that, pursuant to Article 2(5) of Commission Regulation (EC) No 2869/95 of 13 December 1995 on the fees payable to the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OJ 1995 L 303, p. 33), the amount of the opposition fee, which is a recoverable cost under the combined provisions of Article 81(1) of Regulation No 40/94 and Rule 94(6) of Regulation No 2868/95, does not depend on the number of goods in respect of which the party filing notice of opposition wishes to prevent registration of the trade mark applied for. In accordance with those provisions, the same applies in respect of other recoverable costs such as, *inter alia*, the costs of representation. Therefore, the fact that a party giving notice of opposition withdraws its claims to a greater extent than does the applicant for the trade mark does not mean that equity requires that party to bear a greater share of the costs of the opposition proceedings.

61 Therefore, by ordering, in Case T-124/02 that each party to the opposition proceedings bear its own costs incurred in the opposition proceedings and on appeal and, in Case T-156/02, that each party to the opposition proceedings bear half of the opposition fee as well as its own costs incurred in the opposition proceedings and on appeal, the Boards of Appeal have not infringed the requirements of equity.

62 It follows that the second plea in law must be rejected.

63 Consequently, the claims for annulment of the contested decisions in so far as they order that the applicant bear its own costs incurred in the opposition proceedings and on appeal must be rejected.

The claim for reimbursement of the appeal fees in Case T-124/02

Arguments of the parties

- 64 The applicant submits that the contested decision in Case T-124/02 infringes Rule 51 of Regulation No 2868/95. It claims that the Board of Appeal wrongly failed to order reimbursement to the applicant of the appeal fees, when the decision of the opposition division was flawed by a substantial procedural violation. It asserts in this connection that the Opposition Division did not take account of or even refer to the applicant's argument, set out in its letter of 19 January 1999, that account should be taken of the extent of the opposition in the future decision in respect of the costs of the opposition proceedings.
- 65 The applicant also criticises the Second Board of Appeal for not complying with the duty to state reasons by failing to set out in the contested decision in Case T-124/02 the reasons for which it did not grant to the application for reimbursement of the appeal fee which the applicant had put forward in its written statement setting out the grounds of the appeal filed with OHIM.
- 66 OHIM replies, first, that, in the written statement setting out the grounds of the appeal filed with OHIM, the applicant did not rely in support of its application for reimbursement of the appeal fees on substantial procedural violation by the Opposition Division. By contrast, OHIM says the applicant merely criticised the Opposition Division in that statement for having erred in its interpretation of Article 81(3) of Regulation No 40/94. Moreover, there was no evidence on which to conclude that the Opposition Division's decision was flawed by a substantial procedural violation.

- 67 OHIM further considers that since the conditions for the reimbursement of the appeal fees are plainly not satisfied in the present case, the Second Board of Appeal was under no obligation to state why it did not grant the application to that end. In OHIM's view, the decision of the Board of Appeal on the appeal fee is implicitly contained in its decision on costs in general. OHIM states in that context that the application of Rule 51 of Regulation No 2868/95 presupposes that the party concerned has wholly prevailed. In the present case the Board of Appeal had only partially upheld the applicant's claim that the other party to the proceedings before the Board of Appeal should bear the costs of the opposition proceedings.

Findings of the Court

- 68 It should be noted in connection with the plea in law alleging infringement of Rule 51 of Regulation No 2868/95 that, pursuant to that provision, the reimbursement of appeal fees is to be ordered in the event of interlocutory revision or where the Board of Appeal deems such an appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation. In the event of interlocutory revision, reimbursement is to be ordered by the department whose decision has been impugned, and in other cases by the Board of Appeal.
- 69 It is clear from the wording of that provision that the decision to order reimbursement of the appeal fees is made automatically without the need for the party bringing the appeal before OHIM to include any such claim in the form of order it seeks.
- 70 That does not mean however that the Board of Appeal is required every time it annuls a decision to consider, of its own initiative, whether that decision is flawed by a substantial procedural violation such as to justify the application of Rule 51 of Regulation No 2868/95. Such an obligation cannot arise either from an

application for reimbursement of the appeal fee made by a party where that application is unsupported by specific allegations to the effect that there has been a substantial procedural violation.

- 71 Since in its written statement setting out the grounds of appeal the applicant did not put forward any substantial procedural violation, the Board of Appeal did not infringe Rule 51 of Regulation No 2868/95 by implicitly rejecting the applicant's claim. The present plea in law must therefore be rejected.
- 72 As regards the plea in law alleging an infringement of the duty to state reasons, it should be noted that, under the first sentence of Article 73 of Regulation No 40/94, decisions of OHIM are to state the reasons on which they are based. That duty has the same scope as that enshrined in Article 253 EC.
- 73 It is settled case-law that the duty to give reasons for a decision has two purposes: to allow interested parties to know the justification for the measure so as to enable them to protect their rights and to enable the Community judicature to exercise its power to review the legality of the decision (see, in particular, Case C-350/88 *Delacre and Others v Commission* [1990] ECR I-395, paragraph 15, Case T-188/98 *Kuijer v Council* [2000] ECR II-1959, paragraph 36, and Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 59). Whether a statement of reasons satisfies those requirements is a question to be assessed with reference not only to its wording but also to its context and the whole body of legal rules governing the matter in question (Case C-122/94 *Commission v Council* [1996] ECR I-881, paragraph 29, and *Kuijer*, paragraph 36).

- 74 In the present case, it is necessary to consider whether, as the applicant claims, the Board of Appeal infringed the duty to give reasons by failing to state why it had not ordered the reimbursement of the applicant's appeal fee when the applicant had applied for that reimbursement in the written statement setting out the grounds of its appeal.
- 75 It is true that the Board of Appeal would have been required to respond, albeit summarily, to any allegations made by the applicant seeking to show that the conditions set out in Rule 51 of Regulation No 2868/95, and in particular that of the existence of a substantial procedural violation by the department of OHIM which made the decision at first instance, were satisfied in the present case. However, it is clear that the applicant put forward no such evidence in its written statement setting out the grounds of appeal. On the contrary, as OHIM rightly pointed out, it did no more than submit that the Opposition Division had erred in law in its interpretation of Article 81(3) of Regulation No 40/94.
- 76 It follows that the Board of Appeal has not infringed the duty to give reasons by failing to state why it had not ordered reimbursement of the appeal fees to the applicant. Accordingly, the plea in law alleging infringement of the first sentence of Article 73 of Regulation No 40/94 must also be rejected.
- 77 The applicant's claim for the annulment of the contested decision in so far as it did not order reimbursement of the appeal fees to the applicant is therefore unfounded.
- 78 It follows from all of the foregoing that the actions must be dismissed in their entirety.

Costs

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

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. Dismisses the actions;
2. Orders the applicant to pay the costs.

Forwood

Pirrung

Meij

Delivered in open court in Luxembourg on 28 April 2004.

H. Jung

N.J. Forwood

Registrar

President