JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)
20 June 2001 *

In Case T-146/00,

Stefan Ruf, of Ettlingen (Germany),

Martin Stier, of Pfinztal (Germany),

represented by V. Spitz, A.N. Klinger and A. Gaul, lawyers, with an address for service in Luxembourg,

applicants,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by A. von Mühlendahl, D. Schennen and E. Joly, acting as Agents, with an address for service in Luxembourg,

defendant,

* Language of the case: German.

ACTION against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 28 March 2000 (Case R 198/1998-1) dismissing the applicants' request for their rights to be re-established by according their application for registration a filing date of the date when the application was lodged with the Office,

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

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

Registrar: J. Palacio González, Administrator,

having regard to the application lodged at the Registry of the Court on 30 May 2000,

having regard to the response lodged at the Registry of the Court on 18 September 2000,

further to the hearing on 14 March 2001,

gives the following

Judgment

Legal background to the proceedings

1 Article 26 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 as follows:

'1. An application for a Community trade mark shall contain:

(a) a request for the registration of a Community trade mark;

(b) information identifying the applicant;

(c) a list of the goods or services in respect of which the registration is requested;

(d) a representation of the trade mark.

2. The application for a Community trade mark shall be subject to the payment of the application fee and, when appropriate, of one or more class fees.

3. An application for a Community trade mark must comply with the conditions laid down in the implementing Regulation referred to in Article 140.'

2 Article 27 of Regulation No 40/94 provides:

'The date of filing of a Community trade mark application shall be the date on which documents containing the information specified in Article 26(1) are filed with the Office by the applicant..., subject to payment of the application fee within a period of one month of filing the abovementioned documents.'

3 Under Rule 9(1) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 (OJ 1995 L 303, p. 1, hereinafter 'the implementing regulation'), if the application fails to meet the requirements for according a filing date because, *inter alia*, the basic fee for the application is not paid to the Office within one month of the filing of the application with the Office, the Office must notify the applicant that a date of filing cannot be accorded in view of the deficiency.

4 Under Rule 9(2) of the implementing regulation, if deficiencies are remedied within two months of receipt of the notification referred to above, the date on which all the deficiencies are remedied is to determine the date of filing. If the

deficiencies are not remedied before the time-limit expires, the application is not to be dealt with as a Community trade mark application.

5 Finally, Article 78 of Regulation No 40/94, headed '*Restitutio in integrum*', provides as follows:

'1. The applicant for or proprietor of a Community trade mark or any other party to proceedings before the Office who, in spite of all due care required by the circumstances having been taken, was unable to observe a time-limit *vis-à-vis* the Office shall, upon application, have his rights re-established if the non-observance in question has the direct consequence, by virtue of the provisions of this Regulation, of causing the loss of any right or means of redress.

...

3. The application must state the grounds on which it is based and must set out the facts on which it relies. It shall not be deemed to be filed until the fee for re-establishment of rights has been paid.'

Background to the dispute

6 Through their representative, Mr S, the applicants filed an application with the Office on 15 April 1996 for registration of the figurative Community trade mark 'DAKOTA' (No 227 306).

7 In the space on the application form relating to fees, the applicants stated that the application fee would be paid later.

8 By fax of 21 May 1996 the Office acknowledged receipt of the application for registration.

9 By letter of 17 June 1996 Mr S sent to the Office a copy of the certificate of registration of the trade mark 'DAKOTA' at the German Patent Office (Deutsches Patentamt), together with the applicants' authorisation.

10 By letter of 19 December 1996 Mr S sent the Office a further authorisation at the latter's request.

11 On 5 February 1997 Mr S realised that the application fee had not been paid.

12 On 12 February 1997 the Office's account was credited with the amount of the application fee, that is to say ECU 975, plus ECU 200 representing the fee for *restitutio in integrum*.

13 By letter of 18 March 1997 Mr S applied for *restitutio in integrum* 'as regards the award of a filing date.' In support of that application, Mr S submitted that the application fee had been paid out of time owing to an oversight by a member of his staff, Ms C.

14 By letter of 4 September 1997 Mr S enquired as to what progress had been made in examining his applications for *restitutio in integrum* in the 'DAKOTA' matter and on seven other applications for registration.

15 By letter of 24 October 1997 the Office informed the applicants that their application for registration had been accorded a filing date of 12 February 1997, the date on which the application fee was paid.

16 By decision of 8 October 1998 the examiner dismissed the application for *restitutio in integrum*.

17 On 27 November 1998 the applicants appealed to the Office under Article 59 of Regulation No 40/94 seeking annulment of that decision.

18 That appeal was dismissed by a decision of the First Board of Appeal of 28 March 2000 (hereinafter 'the Decision').

Forms of order sought

19 The applicants claim that the Court should:

— annul the Decision;

— order the Office to accord the application for registration of Community trade mark No 227 306 a filing date of 15 April 1996;

— call Mr S, his predecessor, and Ms C as witnesses;

— order the defendant to pay the costs.

20 The Office contends that the Court should:

— dismiss the action;

— order the applicants to pay the costs.

21 During the hearing, the applicants withdrew the second head of the forms of order they were seeking and the Court takes formal notice thereof.

The application for annulment

22 The pleas in law relied on in support of the action are that Article 27 of Regulation No 40/94 is incompatible with certain international conventions on

the protection of industrial property; that the defendant failed to inform the applicants on its own initiative that there was a one-month time-limit for payment of the application fee under Article 27 of Regulation No 40/94; infringement of Article 78 of Regulation No 40/94; and, lastly, infringement of Rule 9(1) of the implementing regulation, under which the Office was under a duty to inform the applicants that their application for registration could not be accorded a filing date because the application fee had not been paid within the prescribed period.

23 It must be observed at the outset that this action is solely for annulment of the Decision, inasmuch as it refused the applicants' request for *restitutio in integrum*, essentially by according as a filing date for their application for registration the date on which it was lodged at the Office, that is to say 15 April 1996.

24 In the light of that, the Court of First Instance considers it appropriate to deal with the fourth plea first.

Fourth plea in law: infringement of Rule 9 of the implementing regulation

Arguments of the parties

25 The applicants submit that under Rule 9(2) of the implementing regulation the filing date of the application for registration is to be determined by the date on

which the deficiencies pointed out by the Office are remedied, within two months of receipt of such notification. However, because the Office did not, in this case, issue any such notification, it was not entitled to take the date of payment of the application fee as the filing date.

26 The Office replies that the purpose of notification under Rule 9(2) of the implementing regulation is not to maintain the date when the application for registration was filed, but to avert the immediate and automatic consequence of failing to remedy any defect in that application, namely that the application is not dealt with as a Community trade mark application.

Findings of the Court

27 The fourth plea in fact amounts to a challenge to the legality not of the Decision, which, as the Office has correctly pointed out, is not being called into question in these proceedings, but of the Office's decision in its letter of 24 October 1997 to accord a filing date of 12 February 1997 to the applicants' application for registration.

28 In fact, Rule 9 of the implementing regulation does not lay down the detailed provisions for the application of Article 78 of Regulation No 40/94 which is relevant here. It lays down a specific procedure for remedying applications for registration that enables applicants to obtain as their filing date the date on which they remedy any defects in their application.

29 Since the fourth plea does not support the applicants' request for annulment, there is no need for the Court to consider whether it is well founded.

First plea in law: incompatibility of Article 27 of Regulation No 40/94 with certain international conventions on the protection of industrial property

Arguments of the parties

30 The applicants refer to Article 4 A(3) of the Paris Convention for the Protection of Industrial Property of 20 March 1883, as subsequently amended, and to Article 87(3) of the Munich Convention of 5 October 1973 on the Grant of European Patents, which provide that by a regular national filing is meant any filing that is sufficient to establish the date on which the application was filed, whatever the outcome of the application.

31 The applicants infer from that that the filing date of an application is to be determined irrespective of the subsequent fate of the application and, therefore, of payment of the application fee. The same is true under the Patent Cooperation Treaty adopted in Washington on 19 June 1970.

32 The Office essentially replies that there is no single text of international law which regulates the time-limits laid down for payment of the application fee, or the legal consequences of late payment or non-payment of the fee.

Findings of the Court

33 The Paris Convention for the Protection of Industrial Property does not contain substantive rules governing the conditions for according filing dates. It follows from Article 4 A(2) of that Convention that the validity of filing is determined by the law of each of the countries in the Union or by bilateral or multilateral treaties concluded between them.

34 Furthermore, it follows from the provisions of Articles 78(2) and 90(3) of the Munich Convention on the Grant of European Patents that the application fee must be paid within one month of filing the application at the latest, failing which the European patent application is deemed to be withdrawn.

35 Finally, the Washington Patent Cooperation Treaty contains, as the applicants themselves point out at paragraph 52 of their application, an express reference to the Paris Convention for the Protection of Industrial Property.

36 The international conventions referred to, even if they were relevant, therefore do not establish any principle with which Article 27 of Regulation No 40/94 must be considered to be incompatible.

37 The first plea in law must therefore be dismissed.

Second plea in law: the defendant's failure to inform the applicants on its own initiative that there was a one-month time-limit for payment of the application fee

Arguments of the parties

38 The applicants criticise the Office for not having drawn the attention of Mr S to the time-limit for payment of the application fee. Notification in accordance with Rule 9 of the implementing regulation was all the more necessary during the initial period of application of Regulation No 40/94 because Article 27 contains novel provisions.

39 Applying Article 139 of the German Code of Civil Procedure by analogy, the Office was under an obligation to notify. Infringement of that provision is a material procedural defect that violates Article 3(1) of the Basic Law of the Federal Republic of Germany.

40 Finally, the applicants argue that the Office's acknowledgments of receipt of applications for registration do now contain a reminder of the time-limit for payment of the application fee and the consequences of failure to observe that time-limit. Since the Office is bound to observe the principle of equal treatment, it cannot treat the applicants less favourably than it treats applicants now.

41 The Office contends that, contrary to German law, Regulation No 40/94 does not contain provision for a reminder of the requirement to pay the application fee.

Accordingly, quite apart from the fact that the applicants are not entitled to rely on national procedural rules, the Office does not consider itself bound to issue such reminders.

42 At the hearing the Office stated that its current practice is simply to draw applicants' attention to their obligation to pay the application fee.

Findings of the Court

43 It appears from the description of Mr S's system for monitoring time-limits described in the context of the second plea in law considered below that Mr S issued his staff with general instructions to ensure that the one-month time-limit for payment of the application fee laid down by Article 27 of Regulation No 40/94 was observed.

44 Accordingly, given that the applicants' representative was aware of the obligation to pay the application fee within that time-limit, the alleged defect, if it were proven, is in any event irrelevant as, therefore, is the plea of infringement of the principle of equal treatment.

45 The second plea in law must therefore be dismissed as irrelevant.

Third plea in law: infringement of Article 78 of Regulation No 40/94

Arguments of the parties

46 The applicants consider that they took all due care required by the circumstances within the meaning of Article 78(1) of Regulation No 40/94. The Office was therefore wrong to refuse to re-establish their rights and to accord their application for registration a filing date of 15 April 1996.

47 The procedures applied in Mr S's office to ensure that time-limits for payment are observed do not in principle allow any room for error. The time-limits applicable in respect of applications for registration are noted on the inside cover of each file and on a form stapled to the back of the outside cover. That form bears the file number and a date falling 14 days before expiry of the time-limit. It is clearly marked with a large red dot in cases where failure to observe the time-limit for payment results in rights lapsing. Where this is so, the files are stored in a separate cupboard.

48 The time-limits for payment are also recorded in card indexes composed of 365 daily cards bearing the file numbers and owners' details. Three months before a time-limit expires, the corresponding file number is recorded on one such card.

49 Every working day, a member of staff who is monitored by spot-checks carried out by Mr S goes through the cupboard containing the files that are subject to time-limits and the card indexes, and those files are kept under review until both the amount of the fee and the fact that it has been paid have been confirmed.

Furthermore, the dates on which payments are due are noted and monitored on calendars by Mr S himself and by staff. Finally, Mr S has issued general instructions to his staff to ensure that the one-month time-limit in Article 27 of Regulation 40/94 for payment of the application fee is observed.

50 The fact that the application fee was not paid within the time-limit in this case is thus due purely to an isolated error on the part of Ms C, a specialist assistant recruited in 1972 by Mr S's predecessor and regarded as a reliable member of staff. She put the cheque made out to pay the application fee in the 'DAKOTA' file, and then inadvertently placed that file on the stack of German files awaiting payment, to which completely different time-limits apply. The 'DAKOTA' file was discovered in the wrong pile during a routine check and it was then discovered that the time-limit for payment of the application fee had expired.

51 Finally, the stringency of the conditions laid down by Article 78 of Regulation No 40/94 should be relaxed in this case in view of the excessive workload and organisational strains encountered by the applicants' representatives when that regulation entered into force.

52 The Office contends that *restitutio in integrum* may be accorded where there is an exceptional error, such as a file being inadvertently placed on a pile, if a representative's office functions properly otherwise.

53 However, *restitutio in integrum* is precluded where the time-limit would still not have been observed had that error not been made. Ms C's alleged oversight alone could not be the reason for the deadline for payment of the application fee having been missed. Her error should have been discovered immediately from the form with the red dot giving the time-limit or at the latest when the 'DAKOTA' file was

put away in the appropriate cupboard. It is also unlikely that the file was only discovered in the wrong pile in February 1997. Finally, the fact that the cheque was in the 'DAKOTA' file should have been noticed when the file was placed before Mr S for the purposes of correspondence with the Office.

54 The Office submits that professional agents responsible for representing third parties should have been particularly vigilant because the new registration procedure for Community trade marks was unfamiliar.

Findings of the Court

55 Ms C's alleged error constitutes an instance of non-observance within the meaning of Article 78 of Regulation 40/94. It was a direct consequence of that non-observance, by virtue of the provisions of that regulation, that the applicants lost the right to have as the filing date for their application for registration 15 April 1996, the date on which the application was lodged at the Office.

56 However, it cannot be accepted that the non-observance that led to the failure to pay the application fee within the prescribed period was exclusively attributable, as the applicants maintain, to the fact that Ms C placed the 'DAKOTA' file on a stack of pending national files.

57 The system for verifying time-limits in force in Mr S's office should normally have resulted in that error being noticed within a short time.

58 Mr S's staff should have been alerted when the file was put away by the form with the red dot which was supposed to be stapled on the outside cover of the file and to give the time-limit for paying the application fee.

59 Moreover, under Mr S's system for monitoring time-limits, it was impossible, unless the system was not being followed, for the 'DAKOTA' file to have been left awaiting filing in the wrong pile until 5 February 1997, that is to say for a period of almost 10 months from when the application for registration was made.

60 Finally, Ms C's alleged error should normally have been discovered on the occasions when there was an exchange of correspondence on the 'DAKOTA' file with the Office, that is to say on 21 May 1996, and then on 17 June and 19 December 1996.

61 It does not therefore appear that all due care required by the circumstances within the meaning of Article 78 of Regulation No 40/94 was taken.

62 The exceptional workload and organisational strains to which the applicants claim they were subject as a result of the entry into force of Regulation No 40/94 are irrelevant in that connection.

63 The third plea in law must therefore be dismissed.

64 It follows from all the circumstances set out above that the action must be dismissed in its entirety.

The application for witnesses to be called

65 Having regard to all the circumstances set out above, the Court has been able to determine the matter on the basis of the submissions, pleas in law and arguments presented during the written and oral procedure and in the light of the documents produced.

66 That being so, the application for witnesses to be called by the applicants under the third head of their forms of order sought must be dismissed

Costs

67 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 applicants have been unsuccessful, they must be ordered to pay the costs as applied for by the defendant.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. **Dismisses the action;**

2. **Orders the applicants to pay the costs.**

Meij Potocki Pirrung

Delivered in open court in Luxembourg on 20 June 2001.

H. Jung A.W.H. Meij

Registrar President