

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

11 July 2007\*

In Case T-192/04,

**Flex Equipos de Descanso, SA**, established in Madrid (Spain), represented initially by R. Ocquet, and subsequently by I. Valdelomar Serrano, lawyers,

applicant,

v

**Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)**, represented by S. Laitinen and G. Schneider, acting as Agents,

defendant,

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

\* Language of the case: English.

**Leggett & Platt, Inc.**, established in Carthage, Missouri (United States), represented by G. Cronin and S. Castley, Solicitors, and G. Hollingworth, Barrister,

APPEAL against the decision of the First Board of Appeal of OHIM of 18 March 2004 (Case R 333/2003-1) relating to opposition proceedings between Flex Equipos de Descanso, SA and Leggett & Platt, Inc.,

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

composed of H. Legal, President, I. Wiszniewska-Białecka and E. Moavero Milanese,  
Judges,

Registrar: K. Pocheć, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 28 May 2004,

having regard to the responses lodged at the Registry of the Court of First Instance on 29 October 2004,

ruling without the parties having appeared at the hearing fixed for 14 June 2006,

having regard to the decision to reopen the oral procedure of 30 April 2007,

having regard to the observations lodged by the parties within the period prescribed by the Court of First Instance on the conclusions to be drawn from the judgment of the Court of Justice in Case C-29/05 P *OHIM v Kaul* [2007] ECR I-2213, for the purposes of the present case

gives the following

## Judgment

### Legal framework

- <sup>1</sup> Article 8(1), (2) and (5) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, provide:

‘1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

(b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which

the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.

2. For the purposes of paragraph 1, “earlier trade marks” means:

- (a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trade mark ...:

...

- (ii) trade marks registered in a Member State ...

...

- (c) trade marks which, on the date of application for registration of the Community trade mark ..., are well known in a Member State, in the sense in which the words “well known” are used in Article 6 bis of the Paris Convention.

...

5. Furthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where ... in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.'

### **Background to the dispute**

2 On 12 April 2000, Leggett & Platt, Inc. applied for registration as a Community trade mark of the word mark LURA-FLEX in respect of goods in Classes 6 and 20 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 described as follows:

— Class 6 — 'Spring assemblies for incorporation into furniture, beds, bedding, upholstered furniture, mattresses and seating; parts and fittings for the aforesaid goods';

— Class 20 — 'Furniture, upholstered furniture and seating all incorporating springs; beds; bedding; mattresses; divan beds'.

3 The Community trade mark application was filed in English and published in *Community Trade Marks Bulletin* No 13/01 of 5 February 2001.

- 4 On 3 May 2001, Fábricas Lucía Antonio Betere, SA Flabesa filed a notice of opposition under Article 42 of Regulation No 40/94 against registration of the Community mark applied for.
- 5 Flabesa based its opposition on two earlier figurative marks registered in Spain on 21 September 1998 under numbers 2147658 and 2147672 respectively, which are as follows:



- 6 Trade mark No 2147658 was registered for the following goods: 'common metals and their alloys, metallic construction materials, metallic portable constructions; non-electric metallic materials, metallic locksmith's products and ironmongery; metallic tubes, safe boxes, metallic goods not comprised in other classes, minerals, metallic bed frameworks, wheels for metallic beds', falling within Class 6.
- 7 The following goods are covered by trade mark No 2147672: 'beds, mattresses and pillows made from wool, flock and thatch palm, horsehair and similar, mixed mattresses with metallic springs, rubber pillows and mattresses, foam and all kind[s] of polyurethane foams; cradles, divans; straw mattresses with iron and wood framework, bunk beds, tables, cradles, furniture for country and beach, all kind[s] of

furniture, including metallic and tubular furniture; air mattresses not adapted for medical use; mattresses and spring mattresses; wooden bed skeletons; bed items (except bed linen); (non-metallic) bed frameworks; small wheels for (non-metallic) beds; spring mattresses; hospital beds; hydrostatic beds not adapted for medical use; furniture, mirrors, frames; products not comprised in other classes; of wood, cork, reed, cane, wicker, horn, bone, ivory, whale, shell, amber, nacre, sea-foam, substitutes for all these materials or plastic materials', falling within Class 20.

- 8 The opposition was directed against all the goods covered by the trade mark application and was based on all the goods covered by the earlier national trade marks.
  
- 9 In accordance with Article 115(5) of Regulation No 40/94, Flabesa filed its notice of opposition in English, which thus became the language of the opposition proceedings by virtue of Article 115(6).
  
- 10 By letter of 29 August 2001, the Opposition Division allowed Flabesa a period of four months, until 29 December 2001, to submit the facts, evidence and observations in support of its opposition, noting that all documents had to be in the language of the opposition proceedings or accompanied by a translation. In that regard, OHIM stated that such a translation was also required of any documents or certificates already submitted in another language and that account would not be taken of any documents that had not been translated into the language of the proceedings.
  
- 11 In a document dated 20 December 2001, Flabesa submitted that the application for a Community trade mark should be dismissed, relying on Article 8(1)(b) and Article 8 (5) of Regulation No 40/94.

- 12 Flabesa submitted that, owing to the identical nature of the products covered by the two conflicting signs and their close visual, aural and conceptual similarities, there was a likelihood of confusion — at the very least in the form of a likelihood of association with the earlier marks — which was heightened by the reputation of the earlier marks.
- 13 In Flabesa's view, Article 8(5) of Regulation No 40/94 had therefore also to be applied to the goods covered by the trade mark application which were not similar to those covered by the earlier marks.
- 14 In support of its contentions, Flabesa submitted the following documents in Spanish without, however, providing a translation in the language of the opposition proceedings:
- a judgment of the Spanish Supreme Court of 13 July 1999, confirming rejection of the application for registration of the term 'goliatflex', on the basis of the likelihood of confusion with the well-known earlier word mark FLEX;
  - extracts from its website;
  - other decisions recognising the reputation of the FLEX marks;
  - certificates issued by the chambers of commerce of Barcelona, Madrid, Bilbao and Valencia;



- a report and certificate drawn up by an advertising agency;
  
- a declaration under oath from its representative attesting to the reputation of its marks and a list of trade marks, trade names and commercial establishments of which the business name included the words ‘flex’ and ‘multielastic’;
  
- extracts from four advertisements;
  
- a certificate of advertising and promotion costs;
  
- a catalogue of products.

<sup>15</sup> By registered letter of 24 April 2002, Leggett & Platt contended that account could not be taken of those documents since they had not been translated into the language of the opposition proceedings.

<sup>16</sup> By letter of 9 August 2002, Flabesa provided a translation in that language of the documents in question and again submitted that the application for a trade mark should be dismissed, relying on Article 8(1)(b) of Regulation No 40/94 and, in the alternative, Article 8(5) thereof.

- 17 Flabesa stated, further, that it had been taken over by Flex Equipos de Descanso on 31 December 1999, with all its assets, rights and obligations, including the claims made in its capacity as opponent before OHIM, and that it had lodged before the latter the powers of attorney granted by the two companies for their joint representation.
- 18 By letter of 30 August 2002, the Opposition Division sent the intervener's observations to Leggett & Platt and informed it that new arguments could no longer be put forward.
- 19 By Decision No 715/2003 of 24 March 2003, the Opposition Division rejected the opposition, notwithstanding the identity or similarity of the goods in question, on the basis of the differences between the conflicting signs.
- 20 The Opposition Division stated that the outcome might have been different if the opponent had, within the prescribed period, submitted persuasive evidence of the enhanced distinctiveness of its earlier trade marks owing to their widespread use and had lodged the necessary translations of the relevant evidence. In the absence of that, the contentions and evidence submitted by the applicant could not be taken into account.
- 21 On 5 May 2003, the opponent challenged that decision before the Board of Appeal, criticising the Opposition Division's refusal to accept the evidence of the reputation of its earlier marks, although that evidence and the translation of it had been submitted in response to the arguments of Leggett & Platt that the earlier marks were devoid of any distinctive character per se or had enhanced distinctiveness from their reputation.

- 22 That appeal was dismissed by decision of 18 March 2004 ('the contested decision') of the First Board of Appeal of OHIM.
- 23 The Board approved the Opposition Division's exclusion of the evidence and documents put forward to show the reputation of the earlier marks on the ground that they had not been submitted in the language of the opposition proceedings, contrary to Rule 17(2) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 on the Community trade mark (OJ 1994 L 303, p. 1), and that such an omission did not enable Leggett & Platt to exercise its rights of defence.
- 24 The Board of Appeal went on to take the view that, having regard to the differences between the conflicting signs, the Opposition Division had rightly concluded that there was no likelihood of confusion.
- 25 Finally, inasmuch as the competing signs were not to be regarded as similar, the Board of Appeal rejected the opponent's arguments based on Article 8(5) of Regulation No 40/94 on the ground that the opponent had not provided evidence of the reputation of its earlier marks within the prescribed period nor had it shown how use of the Community trade mark applied for would allow Leggett & Platt to take unfair advantage of the distinctive character or the reputation of the earlier marks or cause damage to them.

### **Procedure and forms of order sought**

- 26 By application lodged at the Registry of the Court of First Instance on 28 May 2005, the applicant brought the present action pursuant to Article 63 of Regulation No 40/94.

- 27 The parties did not attend the hearing which took place on 14 June 2006.
- 28 By order of 30 April 2007, the oral procedure was reopened to allow the parties to submit their observations following the delivery of the judgment of the Court of Justice in Case C-29/05 P *OHIM v Kaul* [2007] ECR I-2213.
- 29 The applicant claims that the Court should:
- annul and alter the contested decision in so far as it rejected the evidence lodged and rejected the opposition;
  - remit the case to OHIM and order it to refuse to register the mark LURA-FLEX for all the products for which registration is sought;
  - order OHIM to bear the costs.
- 30 OHIM and Leggett & Platt, the intervener before the Court of First Instance, contend that the Court should:
- reject the applicant's second head of claim as inadmissible;

- dismiss the action;
  
- order the applicant to bear the costs.

## Law

### *Admissibility of the applicant's second head of claim*

- 31 OHIM and Leggett & Platt contend that the applicant's second head of claim is inadmissible since it asks the Court of First Instance to direct OHIM to refuse registration of the Community mark applied for, although such a direction falls outside the competence of the Court.
- 32 The Court of First Instance notes that it is settled case-law that in the context of an action brought before the Community judicature against a decision of a Board of Appeal of OHIM, the latter is required under Article 233 EC and Article 63(6) of Regulation No 40/94 to take the measures necessary to comply with any annulment judgment of the Community judicature.
- 33 Accordingly, the Court of First Instance is not entitled to issue directions to OHIM. On the other hand, it is for the latter to draw, where relevant, the conclusions from the operative part of judgments of the Court of First Instance and the grounds on which they are based (Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33).

34 The applicant's second head of claim must therefore be rejected as inadmissible in so far as it asks the Court of First Instance to direct OHIM to refuse registration of the Community mark applied for in respect of all the goods claimed in the trade mark application.

*Substance*

35 In support of its action, the applicant relies, first, on infringement of two essential procedural requirements. In that respect, it submits that the Board of Appeal infringed Rule 18(2) and Rule 22(4) of Regulation No 2868/94 and, in the alternative, that its right to be heard was infringed.

36 The applicant then claims that the Board of Appeal misapplied Article 8(1)(b) of Regulation No 40/94 by holding that there was no likelihood of confusion and wrongly excluded the application of Article 8(5) of that regulation.

Infringement of Rule 18(2) and Rule 22(4) of Regulation No 2868/95

— Arguments of the parties

37 The applicant claims that the Board of Appeal infringed Rule 18(2) and Rule 22(4) of Regulation No 2868/95 by refusing to allow the evidence of the reputation of its

earlier trade marks on the ground that that evidence had not been translated into the language of the proceedings within the period prescribed by the Opposition Division.

38 While Rule 18(2) obliges OHIM to call upon the opponent to remedy the deficiencies it has noted in the notice of opposition within a period of two months, Rule 22(4) allows it to require the opposing party to submit, within a period specified by it, a translation in the language of the opposition proceedings of the indications and evidence submitted in another language as proof of use of the earlier marks.

39 Instead of merely inserting the standard-form paragraph in its letter of 29 August 2001, the Opposition Division should therefore have formally requested the applicant to provide translations once it had established that there were none, or allowed it a period within which to correct the irregularity once that irregularity had been pointed out by Leggett & Platt.

40 As is clear from paragraph 44 of the judgment in Case T-232/00 *Chef Revival USA v OHIM — Massagué Marin (Chef)* [2002] ECR II-2749, where evidence and documents and a translation of them into the language of the proceedings are not presented in support of the opposition within the period initially laid down for that purpose or extended pursuant to Rule 71(1) of Regulation No 2868/95, the Opposition Division may either reject the opposition as unfounded or, as in the present case, give a ruling on the basis of the evidence which it already has before it, in accordance with Rule 20(3) of Regulation No 2868/95 provided, however, that all the evidence presented to it has been taken into account.

41 In any event, the evidence provided by the applicant should at least have been taken into account as evidence of enhanced distinctiveness of its earlier marks through use, for the purposes of the application of Article 8(1)(b) of Regulation No 40/94.

42 OHIM and Leggett & Platt reply that, under Rule 17(2) of Regulation No 2868/95, the opposing party must file the translation of the proof of the reputation of the earlier marks either within a period of one month from the expiry of the opposition period or, as in the present case, within the period specified by OHIM under Rule 16(3) in accordance with Rule 20(2).

43 However, by the deadline of 29 December 2001 legitimately set by OHIM the applicant had not filed a translation in English of the proof of the reputation of its earlier trade marks. The Opposition Division and the Board of Appeal therefore acted correctly in refusing to consider the evidence produced in Spanish of the rights of the applicant allegedly arising under Article 8(5) of Regulation No 40/94.

44 Contrary to the applicant's claims, the contested decision cannot therefore be annulled on the ground that, pursuant to Rule 18(2), OHIM has an obligation to give opponents the opportunity to supplement their evidence within an additional period set by OHIM.

45 Rule 18 concerns the admissibility of the opposition, which OHIM is required to examine on its own initiative, not the requirement to file a translation in the language of the proceedings laid down under Rule 17(2), infringement of which constitutes failure to comply with a substantive condition equivalent to lack of evidence of the facts on which the opposition is based (see *Chef*, cited in paragraph 40 above, paragraph 44, and Case T-107/02 *GE Betz v OHIM — Atofina Chemicals (BIOMATE)* [2004] ECR II-1845, paragraph 70).

46 Rule 22(4) of Regulation No 2868/95 does not apply to the present case because it deals solely with proof of use of earlier marks, required only when the earlier marks have been registered for not less than five years and when the party applying for registration of a Community trade mark requests the opponent to provide proof of that use, which is not the situation in this case.



— Findings of the Court

- 47 Rule 16(3) of Regulation No 2868/95 provides that the evidence of the reputation of the trade marks on which the opposition is based may, if it is not submitted together with the notice of opposition or subsequent thereto, be submitted within such period after commencement of the opposition proceedings as OHIM may specify pursuant to Rule 20(2) of Regulation No 2868/95.
- 48 In addition, Rule 17(2) of that regulation, concerning languages in opposition proceedings, provides that where the evidence in support of the opposition is not filed in the language of the opposition proceedings, as in the present case, the opposing party is to file a translation of that evidence into that language within the period specified by OHIM pursuant to Rule 16(3).
- 49 It follows that the applicant was required to provide the Opposition Division with translations of the evidence of the reputation of its earlier marks before the expiry, on 29 December 2001, of the four-month period specified, in accordance with Rule 20(2), for submitting the facts, evidence and observations which the party concerned considers necessary to substantiate its opposition.
- 50 It may be inferred from the reference in Rule 16(3) to Rule 20(2) on the one hand, and in Rule 17(2) to Rule 16(3) on the other, that the period set by the Opposition Division pursuant to Rule 20(2) for the submission of the particulars of the facts, evidence and arguments in support of the opposition also applied to the translations in the language of the opposition proceedings of the evidence of the reputation of the applicant's earlier marks.

- 51 It should be noted in that regard that, in its letter of 29 August 2001, the Opposition Division expressly pointed out to the applicant that all the documents were to be submitted in the language of the opposition proceedings, in this case in English, or be accompanied by a translation in that language, and that such a translation of any document or certificate already submitted in another language was also required, since documents which had not been translated in the language of the proceedings would not be taken into account.
- 52 Although the applicant duly filed before the Opposition Division, on 20 December 2001, the particulars of the facts, evidence and arguments in support of its opposition, on that occasion it submitted the evidence and documents in support of the reputation of its earlier marks only in Spanish. It was not until 9 August 2002, that is, after the expiry, on 29 December 2001, of the four-month period set by the Opposition Division, that the applicant filed a translation of that evidence in English, the language of the opposition proceedings.
- 53 The applicant submits in vain that the Opposition Division infringed Rule 18(2) and Rule 22(4) of Regulation No 2868/95 by refusing to take into account the translations submitted, without first specifically calling upon the applicant to provide translations once it had established that there were none, or allowing the applicant a specific period within which to remedy the irregularity once it had been pointed out by Leggett & Platt.
- 54 First, Rule 18(2), under which OHIM is to inform the opponent of any deficiencies affecting the notice of opposition and invite him to remedy that deficiency within a period of two months, which may not be extended, does not apply to the dispute, even by analogy, since that rule deals with grounds for the inadmissibility of the opposition (*Chef*, cited in paragraph 40 above, paragraph 36).

- 55 However, the legal requirements concerning the presentation of the facts, evidence and observations and of the documents submitted in support of the opposition, including their translations in the language of the opposition proceedings, are conditions relating to the examination of the substance of the opposition (*Chef*, cited above, paragraphs 37 and 52).
- 56 The Opposition Division was therefore not obliged to point out to the applicant the deficiency constituted by its failure to file a translation of the evidence of the reputation of its earlier marks, as the absence of such a translation is not contrary to any provision of Regulation No 40/94 or of Regulation No 2868/95 that is covered by Rule 18(2) of the latter regulation (*BIOMATE*, cited in paragraph 45 above, paragraph 70).
- 57 Secondly, OHIM did not infringe Rule 22(4), which allows it to invite the opposing party to submit, within a period specified by OHIM, a translation in the language of the proceedings of the evidence submitted in another language in support of its use of the earlier marks within the meaning of Article 43(2) and (3) of Regulation No 40/94.
- 58 That latter provision, which allows the opponent to furnish proof, at the request of the trade mark applicant that, during the period of five years preceding the date of publication of the Community trade mark application, the earlier mark on which the opposition is based has been put to genuine use, is manifestly inapplicable to the present case.
- 59 The applicant, whose earlier marks were not registered until 1998, cannot claim a five-year use as at the date of the publication of the Community trade mark application, because that took place on 5 February 2001.

- 60 In any event, the applicant did not properly request the application of Rule 71 of Regulation No 2868/95 under which OHIM may, when that is appropriate under the circumstances, grant an extension of a period specified by it if such extension is requested by the party concerned and the request is submitted before the original period expired.
- 61 Since it was out of time in providing the Opposition Division with translations in the language of the proceedings of the evidence and documents supporting the reputation of its earlier marks, the applicant is to be regarded as having failed to submit that evidence in due time, within the meaning of Article 74(2) of Regulation No 40/94, so that OHIM could disregard it, pursuant to that provision.
- 62 Article 74(2) grants the Board of Appeal a wide discretion to decide, while giving reasons for its decision in that regard, whether or not to take account of facts and evidence before it which, as in the present case, were submitted out of time before the Opposition Division (*OHIM v Kaul*, cited in paragraph 28 above, paragraphs 43 and 63, on which the parties were given an opportunity to submit their observations).
- 63 Taking such facts or evidence into account is particularly likely to be justified where, first, the material which has been produced late is, on the face of it, likely to be relevant to the outcome of the opposition and, second, the stage of the proceedings at which that late submission takes place and the circumstances surrounding it do not argue against such matters being taken into account (*OHIM v Kaul*, paragraph 44).
- 64 Such a possibility for the Board of Appeal is likely to contribute de facto to ensuring that marks whose use could later on successfully be challenged by means of annulment or infringement proceedings are not registered (*OHIM v Kaul*, paragraph 48).

- 65 In addition, by providing that the Board of Appeal may exercise any power within the competence of the department of OHIM which was responsible for the decision appealed, Article 62(1) of Regulation No 40/94 grants the Board of Appeal power to carry out a new, full examination of the merits of the opposition, in terms of both law and fact (*OHIM v Kaul*, paragraph 57).
- 66 In the present case, from the outset the Board of Appeal refused to allow the translations of the evidence and documents submitted by the applicant in support of the reputation of its earlier marks on the sole ground that taking account of them was automatically precluded owing to their submission out of time before the Opposition Division. Accordingly, it considered that it had no discretion to take account of the evidence at issue.
- 67 It follows that the Board of Appeal erred in law by declining from the outset to exercise its discretion in deciding whether or not to take account of the evidence and documents supporting the reputation of the applicant's earlier marks.
- 68 It may be noted, as regards the relevance of the evidence at issue, that the Opposition Division expressly pointed out that it might not have concluded that there was no likelihood of confusion between the signs at issue if the applicant had pleaded, within the prescribed period, enhanced distinctiveness of its earlier trade marks owing to their widespread use and had submitted the necessary translations to prove that enhanced distinctiveness.
- 69 Moreover, it is apparent from the contested decision that, for its part, the Board of Appeal did not consider it to be irrelevant that the applicant had not adduced evidence of the reputation of its earlier marks within the period prescribed.

70 It should also be noted, as regards the stage of the procedure at which the filing of the evidence took place, that the applicant filed the translations at issue with the Opposition Division on 9 August 2002 and brought the matter before the Board of Appeal on 5 March 2003. The Board of Appeal gave the contested decision on 18 March 2004.

71 In those circumstances, the documents before the Court do not show that a time constraint could have prevented the Board of Appeal from taking into account the translations of the evidence of the reputation of the earlier marks on which the opposition was based.

72 It follows from the foregoing that the contested decision is unlawful and that it must therefore be annulled. There is no need to examine the other pleas put forward by the applicant.

### **Costs**

73 Under Article 87(2) of the Rules of Procedure of the Court of First Instance, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings.

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

75 Since the intervener has been unsuccessful, it must bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

- 1. Annuls the decision of the First Board of Appeal of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) of 18 March 2004 (Case R 333/2003-1);**
- 2. Orders OHIM to bear its own costs and to pay those incurred by the applicant;**
- 3. Orders the intervener to bear its own costs.**

Legal                      Wiszniewska-Białecka      Moavero Milanese

Delivered in open court in Luxembourg on 11 July 2007.

E. Coulon

Registrar

H. Legal

President