

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

12 December 2007*

In Case T-86/05,

K & L Ruppert Stiftung & Co. Handels-KG, established in Weilheim (Germany),
represented by D. Spohn and A. Kockläuner, lawyers,

applicant,

v

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

defendant,

the other party to the proceedings before the Board of Appeal of OHIM being

Natália Cristina Lopes de Almeida Cunha, residing in Vila Nova de Gaia
(Portugal),

* Language of the case: German.

Cláudia Couto Simões, residing in Vila Nova de Gaia,

Marly Lima Jatobá, residing in Vila Nova de Gaia,

ACTION brought against the decision of the First Board of Appeal of OHIM of 7 December 2004 (Case R 328/2004-1), relating to opposition proceedings between K & L Ruppert Stiftung & Co. Handels-KG and Natália Cristina Lopes de Almeida Cunha, Cláudia Couto Simões and Marly Lima Jatobá,

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

composed of A.W.H. Meij, acting for the President, I. Pelikánová and S. Papasavvas,
Judges,

Registrar: K. Andová, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance
on 22 February 2005,

having regard to the response lodged at the Court Registry on 23 June 2005,

further to the hearing on 12 June 2007,

gives the following

Judgment

Background to the dispute

- ¹ On 16 August 2000, Natália Cristina Lopes de Almeida Cunha, Cláudia Couto Simões and Marly Lima Jatobá applied to OHIM, pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as revised and amended, for registration as a Community trade mark of the figurative mark reproduced below.

The image shows a trade mark consisting of two parts. The upper part is the word 'CORPO' in a bold, uppercase, sans-serif font with a halftone dot pattern. The lower part is the word 'Lima' in a black, cursive script font. The 'L' in 'Lima' is large and loops around the 'O' in 'CORPO'.

- 2 The goods in respect of which registration was sought are in Classes 18 and 25 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, for each of those classes, to the following description:
 - ‘Travelling trunks; handbags; beach bags; travelling bags; cases of leather or leatherboard (imitation leather); travelling sets (leatherware); key cases (leatherware); briefcases; purses, not of precious metal’ in Class 18;

 - ‘Articles of clothing; namely beach clothes and sportswear; shoes, namely beach shoes and sports shoes; headgear’ in Class 25.

- 3 The application for the trade mark was published in *Community Trade Marks Bulletin* No 33/2001 of 9 April 2001.

- 4 On 4 July 2001, K & L Ruppert Stiftung & Co. Handels-KG (‘Ruppert’ or ‘the applicant’) lodged an opposition against registration of the mark applied for, on the basis of Article 8(1)(b) of Regulation No 40/94. The opposition was directed against the goods in Class 25.

- 5 The opposition was based on the following earlier marks ('the earlier marks'):
- the German word mark No 1 173 609, LIVRE, filed on 23 March 1990, registered on 5 March 1991 and renewed with effect from 24 March 2000 to cover the 'clothing and shoes' in Class 25;
 - the international word mark No 568 850, LIVRE, filed on 27 March 1991 and registered on 3 June 1991, with effect in Austria, France and Italy to cover the 'clothing and shoes' in Class 25.
- 6 Following a request dated 19 April 2002 from the applicants for the Community trade mark, OHIM granted Ruppert, by letter of 8 May 2002, a period expiring on 9 July 2002 in which to prove the use of the earlier marks, in accordance with Article 43(2) of Regulation No 40/94 and with Rule 20(4) and Rule 22 of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Council Regulation (EC) No 40/94 (OJ 1995 L 303, p. 1), in the version applicable to the facts of the case.
- 7 On 9 July 2002, Ruppert's representative submitted at 16:56, by fax, a request seeking to have the period specified extended until 9 September 2002. The reason given for the application was as follows:

'Unfortunately, we have not yet received the documents which are necessary to prove the use of the earlier mark, but we will remind the opposing party to make them quickly available. For that reason we request that you grant this extension.'

- 8 By letter of 15 July 2002, OHIM told Ruppert that its request for an extension of the period specified would not be granted, given that the reasons it had submitted did not show that there were any exceptional and unforeseen circumstances.
- 9 On 6 September 2002, Ruppert nevertheless sent to OHIM various documents to provide proof of use of the earlier marks. On 9 September 2002, it protested against the refusal to extend the period specified and requested that the documents sent be taken into account despite the expiry of the initial time-limit.
- 10 On 11 October 2002, OHIM informed the parties that neither the documents sent on 6 September 2002 nor the observations of 9 September 2002 would be taken into consideration.
- 11 By decision of 2 March 2004, the Opposition Division rejected Ruppert's opposition on account of failure to prove use of the earlier marks.
- 12 On 29 April 2004, Ruppert appealed against that decision. In that context, Ruppert argued that, in the light of OHIM's practice concerning the extension of time-limits, it was entitled to think that an initial extension would be granted to it in the context of the present procedure. Ruppert further submitted that the person within the company who was authorised to sign the sworn statement, which constituted part of the evidence of use of the earlier marks, was on a trip at the time when the period expired.

13 By decision of 7 December 2004 ('the contested decision'), the First Board of Appeal of OHIM dismissed the appeal. It found, in essence, that:

- pursuant to Rule 71 of Regulation No 2868/95, OHIM could refuse a request for extension of the period specified where that extension was not appropriate in the circumstances; in the present case, the request for an extension had been submitted only a few hours before the expiry of the time-limit and without reference to particular reasons;

- the reason submitted after the expiry of the time-limit (absence on holiday) did not, moreover, constitute an exceptional circumstance and was foreseeable before the expiry of the time-limit;

- it was not appropriate for the Board of Appeal to take into account the documents produced after the expiry of the time-limit, in view of the wording of Rule 22 of Regulation No 2868/95 in the version applicable to the facts of the case and given the related case-law (Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, and Case T-334/01 *MFE Marienfelde v OHIM — Vétoquinol (HIPOVITON)* [2004] ECR II-2787).

Procedure and forms of order sought by the parties

14 By order of 24 April 2006, the President of the Second Chamber of the Court of First Instance, after hearing the parties, ordered the proceedings to be stayed pending a

final decision in the case which gave rise to the judgment in Case C-29/05 P *OHIM v Kaul* [2007] ECR I-2213. As a measure of organisation of procedure, the parties were requested to express their views at the hearing on the consequences which, in their opinion, had to be drawn in respect of the present case from the judgment in *OHIM v Kaul*.

15 By decision of the President of the Court of First Instance of 21 March 2007, Mr A.W.H. Meij was designated as acting President of the Chamber, replacing Mr J. Pirrung who was unable to sit, and Mr S. Papasavvas was designated to complete the formation.

16 The applicant claims that the Court should:

- annul the contested decision;

- order OHIM to pay the costs.

17 OHIM contends that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

Law

- 18 In support of its claims, the applicant relies on five pleas in law, alleging, respectively, misapplication of Rule 71 of Regulation No 2868/95, read in conjunction with Rule 22 thereof; infringement of the obligation to state reasons pursuant to Article 73 of Regulation No 40/94; infringement of Article 74(1) and (2) of Regulation No 40/94; and, lastly, infringement of the principle that the subject-matter of an action is delimited by the application initiating proceedings, and of certain general provisions stemming from the nature of inter partes proceedings.

The first plea, alleging misapplication of Rule 71 of Regulation No 2868/95, read in conjunction with Rule 22 thereof

Arguments of the parties

- 19 The applicant maintains that its request to the Opposition Division for an extension of the period specified for submitting proof of use of the earlier marks was in compliance with the requirements of Rule 71 of Regulation No 2868/95. That request was the first such request made in the course of the proceedings and the reason for it was the fact that it had not been possible to gather the evidence in the period specified. Furthermore, the request was received by OHIM before the expiry of the period specified, namely on the last day thereof, and there is no rule which prohibits a request for an extension on the last day of the period specified. As regards the statement of reasons, the applicant maintains that the reason given was sufficient for a first request for an extension, particularly since its request was submitted during the holiday period. The applicant submits that the person responsible for trade marks matters within the company had left on a long trip and was therefore unable to gather together the documents showing use of the earlier marks. The applicant adds that it was OHIM's practice to grant initial requests for extensions even in the absence of a detailed statement of reasons.

- 20 Basing its argument on the wording of Rule 71 of Regulation No 2868/95, OHIM takes the view that the circumstances relied on in support of the request for an extension of the period specified must be special if they are to be capable of justifying the extension. OHIM refers, in that regard, to the directives relating to proceedings before it, which have been published on its Internet site, and to the various language versions of Rule 71. In OHIM's opinion, the statement of reasons set out by the applicant in the present case, according to which it had still not been possible to obtain the items of evidence, amounts to nothing more than a statement of the fact that the period specified could not be complied with, and as such could not justify an extension of that period.

Findings of the Court

- 21 The second sentence of Rule 71(1) of Regulation No 2868/95 states that '[OHIM] may, when this is appropriate under the circumstances, grant an extension of a period specified if such extension is requested by the party concerned and the request is submitted before the original period expired'. It follows that the extension of a period specified is not automatic: in each case, it depends on circumstances which are specific to the individual case and which make it appropriate to grant an extension, as well as on the submission of a request for an extension. That holds especially true in relation to inter partes proceedings, in which an advantage granted to one of the parties constitutes a disadvantage for the other. In such cases, OHIM must therefore ensure that it remains impartial with regard to the parties.
- 22 It is for the party requesting an extension to plead the circumstances making it appropriate, since it is in the interests of that party that the extension is sought and may be granted. Furthermore, where those circumstances are — as is the case here — specific to the party requesting the extension, that party is the only one who can provide OHIM with the relevant information regarding them. Accordingly, for the Opposition Division to be able to assess the existence of circumstances which make it appropriate to grant an extension, those circumstances must be specified in the related request.

23 In the present case, the applicant stated the reasons for the request for an extension in the terms set out in paragraph 7 above. The applicant's lawyer thus explained that the applicant had not yet provided him with the necessary documents and that he would remind the applicant that it had to do so quickly. He therefore stated the reason why he was not himself able, within the time-limit, to send OHIM the documents proving use of the earlier marks. By contrast, he did not state the reasons why the applicant was unable to send him those documents. It is precisely that information that should have been communicated to the Opposition Division so that it could assess whether, in the circumstances, it was appropriate to grant an extension of the period specified. Although the applicant explained in its letter of 9 September 2002 that the person responsible for the matter within the company was on a trip at the time when the period expired, it must be pointed out — independently of the question whether that fact was in itself sufficient to justify the extension requested — that the explanation was received by OHIM two months after the request, which was lodged on the day the period expired. Clearly, therefore, the applicant had not stated, in its request for an extension, the reason why it was necessary. Accordingly, the statement of reasons given by the applicant in its request for an extension did not meet the requirements laid down in the second sentence of Rule 71(1) of Regulation No 2868/95, as set out above.

24 In so far as the applicant submits that it is constant practice on the part of OHIM to grant an initial extension automatically, on the basis of a simple request that does not state the reasons on which it is based, it is sufficient to point out that the applicant has not produced any evidence to show the existence of such a practice.

25 It must therefore be held that the Opposition Division correctly applied the second sentence of Rule 71(1) of Regulation No 2868/95 in refusing to extend the period specified. It follows that the applicant's first plea must be rejected.

The second plea, alleging infringement of the obligation to state reasons pursuant to Article 73 of Regulation No 40/94

Arguments of the parties

- 26 The applicant submits that neither the Opposition Division nor the Board of Appeal of OHIM stated the reasons which would enable it to understand why its request for an extension of the period specified for submission of proof of use of the earlier marks had been refused and that OHIM had thus infringed Article 73 of Regulation No 40/94. According to the applicant, that provision requires a statement of the reasons why the particulars given in the request do not satisfy the legal conditions. The mere assertion that the grounds put forward in support of the applicant's request for an extension were insufficient does not meet that requirement.
- 27 OHIM submits that, where the interested party does not give adequate reasons for its request for an extension, by refraining from mentioning special circumstances, a finding that there is no justification is sufficient for the purposes of stating the reasons on which the refusal is based.

Findings of the Court

- 28 It must be stated, first, that, in so far as the Board of Appeal, in the contested decision, merely upheld the refusal of the Opposition Division to extend the period specified for submission of proof of use of the earlier marks, the second plea must be examined in the light of the statement of reasons on which the Opposition Division's refusal was based.

- 29 Furthermore, as regards the obligation to state reasons, it must be borne in mind that, under the first sentence of Article 73 of Regulation No 40/94, decisions of OHIM must state the reasons on which they are based. That obligation has the same scope as that enshrined in Article 253 EC. 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 (Case C-350/88 *Delacre and Others v Commission* [1990] ECR I-395, paragraph 15, and Joined Cases T-124/02 and T-156/02 *Sunrider v OHIM — Vitakraft-Werke Wührmann and Friesland Brands (VITATASTE and METABALANCE 44)* [2004] ECR II-1149, paragraph 72).
- 30 In the present case, by letter of 15 July 2002, the Opposition Division stated in the following terms the reasons on which its refusal was based:

‘The request for an extension of the period specified, which you submitted on 9 July 2002, has not been accepted by OHIM because the reasons you give are not regarded as adequate for the extension of time-limits.

In consequence of Rule 71[1] of Regulation [No 2868/95], extensions of periods specified are granted only when this is appropriate under the circumstances. You were granted two months to send the proof [of] use sought and OHIM takes the view that that period has been sufficient. An extension would be acceptable only if exceptional or unforeseen circumstances had arisen.’

- 31 It is apparent from that letter that the Opposition Division took the view that the reasons submitted by the applicant in support of its request for an extension of the period specified did not bring to light circumstances which would make such an extension appropriate and that, in the absence of such circumstances, an extension was not possible.
- 32 In view of the fact, stated in paragraph 23 above, that the request for an extension did not contain a sufficient statement of reasons for the purposes of the second sentence of Rule 71(1) of Regulation No 2868/95, the applicant cannot criticise OHIM for not explaining in what respect the circumstances of the case — which the applicant had not specified — did not justify an extension. The decision refusing the request could thus be limited to a mere statement that there were no valid reasons justifying an extension, which was sufficient to enable the applicant to understand why its request had been refused.
- 33 It follows that the applicant's second plea must be rejected.

The third and fourth pleas, alleging infringement of Article 74(1) and (2) of Regulation No 40/94

- 34 As the provisions the infringement of which is alleged by the third and fourth pleas are closely linked, it is appropriate to consider those two pleas together.

Arguments of the parties

- 35 The applicant submits, in its written pleadings, that OHIM should have taken into account — in accordance with the principle of continuity in terms of functions between OHIM departments, which was expounded by the Court of First Instance in the context of the application of Article 74(1) of Regulation No 40/94 — the proof of use of the earlier marks which it had submitted on 6 September 2002. It maintains that the Board of Appeal must base its decision on all of the pleas relied on by the applicant, as well as all the applications that it has submitted, in the context both of the proceedings before the Opposition Division and of the appeal proceedings.
- 36 At the hearing, while the applicant acknowledged that Article 74 of Regulation No 40/94 did not confer upon it any right to have the documents produced on 6 September 2002 taken into consideration, it did not formally withdraw its third plea.
- 37 Furthermore, the applicant submits that, in accordance with the interpretation of Article 74(2) of Regulation No 40/94 applied by the Court of Justice in *OHIM v Kaul*, the Board of Appeal enjoyed a measure of discretion with respect to the taking into account of those documents. The applicant maintains that, by not taking into account the proof of use of the earlier marks produced after the expiry on 6 September 2002 of the period specified, OHIM failed to fulfil its obligation to exercise its discretion under that provision. According to the applicant, the contested decision does not show that the Board of Appeal exercised that discretion; rather, it contains only views as to the imprudence and lack of vigilance displayed by the applicant. The Board of Appeal thus infringed Article 74(2) of Regulation No 40/94.

38 Furthermore, in light of the fact that the Opposition Division did not give its decision until more than one and a half years had elapsed after the communication of 11 October 2002 rejecting the applicant's evidence, the refusal to take into account the proof of use of the earlier marks which was produced after the expiry of the period specified is, contrary to the decision of the Second Board of Appeal of 15 December 2000 in Case R 714/1999-2 *SAINCO v SAINCOSA*, unlawful.

39 OHIM rejects the applicant's arguments as regards the alleged obligation to take into account documents submitted out of time.

40 As for the discretion attributed to OHIM, OHIM stated at the hearing that the second sentence of Rule 22(1) of Regulation No 2868/95, in the version applicable to the facts of the case, clearly states that if the opposing party does not provide proof of use before the time-limit expires, OHIM is to reject the opposition. In *HIPOVITON* (paragraph 56), the Court of First Instance has already held that that rule should not be interpreted as completely precluding the submission of new material once the time-limit has expired. According to OHIM, that approach was upheld in *OHIM v Kaul* (paragraph 43) by the Court of Justice, which, ruling on Article 74(2) of Regulation No 40/94, found that OHIM has a wide discretion as regards the taking into account of information submitted out of time.

41 Against that background, OHIM submits that, according to the case-law of the Court of Justice, where the administrative bodies have a discretion, review by the courts of the assessment made by those bodies is limited to checking that there has been no manifest error of assessment or misuse of powers.

42 In paragraph 44 of *OHIM v Kaul*, the Court of Justice specified, by way of illustration, certain aspects which, in the exercise of its discretion under Article 74(2) of Regulation No 40/94, OHIM must take into account, such as the stage of the proceedings at which the late submission takes place. According to OHIM, it is also necessary to take into account the fact that the period referred to in Rule 22(1) of Regulation No 2868/95, in the version applicable to the facts of the case, is intended as a peremptory time-limit. According to OHIM, the stricter the application of the provisions to which Article 74(2) of Regulation No 40/94 relates, the more it is necessary to construe the latter provision narrowly. The Court of Justice also found, in *OHIM v Kaul*, that the effectiveness of the provisions relating to time-limits must be preserved. Thus, in the present case, in order to preserve the effectiveness of Rule 22(1) of Regulation No 2868/95, Article 74(2) of Regulation No 40/94 must be narrowly construed.

43 OHIM maintains that, in the contested decision, the Board of Appeal used its discretion. The Board of Appeal stated *inter alia* that the particulars provided by the applicant were not sufficient to justify an extension of the period specified and that Rule 22(1) of Regulation No 2868/95 provided for peremptory time-limits, making it necessary to construe Article 74(2) of Regulation No 40/94 narrowly.

Findings of the Court

- 44 First, as the Court of Justice has held, it is clear from the wording of Article 74(2) of Regulation No 40/94 that, as a general rule and unless otherwise specified, the submission of facts and evidence by the parties remains possible after the expiry of the time-limits to which such submission is subject under the provisions of Regulation No 40/94 and that OHIM is in no way prohibited from taking account of facts and evidence which are submitted or produced late (*OHIM v Kaul*, paragraph 42).
- 45 However, it is equally apparent from that wording that a party has no unconditional right to have facts and evidence submitted out of time taken into consideration by OHIM (*OHIM v Kaul*, paragraph 43).
- 46 It follows that, in any event, OHIM had no unconditional obligation to take into consideration the documents submitted out of time by the applicant on 6 September 2002.
- 47 Secondly, the possibility for parties to proceedings before OHIM to submit facts and evidence after the expiry of the periods specified for that purpose is conditional upon there being no provision to the contrary. It is only if that condition is met that OHIM has the discretion — attributed to it by the Court of Justice when interpreting Article 74(2) of Regulation No 40/94 — as regards the taking into account of facts and evidence submitted out of time.

48 As it is, in the present case, there is a provision which precludes the taking into account of the material submitted to OHIM by the applicant on 6 September 2002, namely Article 43(2) and (3) of Regulation No 40/94, as implemented by Rule 22(1) of Regulation No 2868/95 in the version applicable to the facts of the case. Rule 22(1) of Regulation No 2868/95 provides as follows:

‘Where, pursuant to Article 43(2) or (3) of Regulation [No 40/94], the opposing party has to furnish proof of use or show that there are proper reasons for non-use, [OHIM] shall invite him to provide the proof required within such period as it shall specify. If the opposing party does not provide such proof before the time limit expires, [OHIM] shall reject the opposition.’

49 It is apparent from the second sentence of that provision that submission of proof of use of the earlier mark after the expiry of the period specified for that purpose results, in principle, in the rejection of the opposition without OHIM having a discretion in that regard. Genuine use of the earlier mark is a preliminary matter which must accordingly be settled before a decision is taken on the opposition proper (Case T-112/03 *L’Oréal v OHIM — Revlon (FLEXI AIR)* [2005] ECR II-949, paragraph 26).

50 It is true that, as OHIM has stated, the Court of First Instance held in *HIPOVITON* (paragraph 56) that the second sentence of Rule 22(1) of Regulation No 2868/95 cannot be interpreted as precluding additional evidence from being taken into consideration where new factors emerge, even if such evidence is adduced after the expiry of that time-limit. However, the conditions for such evidence being taken into consideration have not been met in the present case. Firstly, the evidence submitted by the applicant on 6 September 2002 was not additional evidence, but constituted the initial and only proof submitted by the applicant of its use of the earlier marks. Secondly, in the present case, there were no new factors capable of justifying the late submission of evidence, whether additional or not.

51 It follows that OHIM did not have discretion in the present case as regards the taking into account of the evidence submitted by the applicant on 6 September 2002.

52 The applicant's third and fourth pleas must therefore be rejected.

The fifth plea, alleging infringement of the principle that the subject-matter of an action is delimited by the application initiating proceedings, and of certain general provisions stemming from the nature of inter partes proceedings

Arguments of the parties

53 The applicant submits that OHIM infringed the principle that the subject-matter of an action is delimited by the application initiating proceedings, and certain general provisions which stem from the nature of inter partes proceedings and which are necessary to ensure the equal treatment of the opposing party and the applicant for the Community trade mark. In particular, the applicant criticises the fact that OHIM did not refer the question of the additional period to the other party for its assessment, in accordance with Rule 71(2) of Regulation No 2868/95.

54 OHIM disputes the applicant's arguments.

Findings of the Court

55 Rule 71(2) of Regulation No 2868/95 provides that, where there are two or more parties, OHIM may extend the period specified, subject to the agreement of the other parties.

56 In that regard, it is clear that the applicant's assertion that if the other party to the proceedings before OHIM had consented to an extension of the period specified for submission of proof of use, the Opposition Division might have extended that period, stems from a misreading of that provision. It is apparent from the overall scheme of Rule 71 that paragraph 2 thereof does not lay down a single condition sufficient for the extension of a period specified; rather, it adds another condition to those set out in paragraph 1 (that the extension must be requested by the party concerned before the expiry of the period specified and that it must be appropriate under the circumstances).

57 Accordingly, OHIM was right to find that, as the legal conditions for an extension of the period specified had not been met (see paragraph 23 above), there was no need to refer the question of an extension to the other party.

58 It follows that the applicant's fifth plea must be rejected.

59 As all the applicant's pleas have been rejected, the action must be dismissed in its entirety.

Costs

60 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. Since the applicant has been unsuccessful, and OHIM has applied for costs, the applicant must be ordered to pay the costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

1. Dismisses the action;

2. Orders the applicant, K & L Ruppert Stiftung & Co. Handels-KG, to pay the costs.

Meij

Pelikánová

Papasavvas

Delivered in open court in Luxembourg on 12 December 2007.

E. Coulon

A.W.H. Meij

Registrar

Acting President