

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fifth Chamber)

21 April 2005*

In Case T-269/02,

PepsiCo, Inc., established in Purchase, New York (United States), represented by E. Armijo Chávarri, lawyer,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented initially by J. Novais Gonçalves and J. Crespo Carrillo, and subsequently by A. von Mühlendahl et J. Novais Gonçalves, acting as Agents,

defendant,

* Language of the case: English.

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

Intersnack Knabber-Gebäck GmbH & Co. KG, formerly Convent Knabber-Gebäck GmbH & Co. KG, established in Cologne (Germany), represented by M. Schaeffer, lawyer,

ACTION brought against the decision of the First Board of Appeal of OHIM of 10 June 1002 (Case R 114/2000-1) relating to opposition proceedings between PepsiCo, Inc. and Intersnack Knabber-Gebäck GmbH & Co. KG,

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

composed of M. Vilaras, President, F. Dehousse and D. Šváby, Judges,

Registrar: J. Palacio González, Principal Administrator,

having regard to the written procedure and further to the hearing on 16 December 2004,

gives the following

Judgment

Background to the dispute

1 On 1 April 1996, PepsiCo, Inc. filed an application for a Community trade mark with the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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 amended.

2 The trade mark for which registration was sought is the word sign RUFFLES.

3 The goods in respect of which registration of the trade mark was sought fall within Classes 29 and 30 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 in each case to the following descriptions:

- Class 29: 'Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats';

- Class 30: ‘Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals; bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces. (condiments); spices; ice’.
- 4 On 22 December 1997, the trade mark application was published in the *Community Trade Marks Bulletin*.
- 5 On 23 March 1998, the intervener, Intersnack Knabber-Gebäck GmbH & Co. KG (formerly Convent Knabber-Gebäck GmbH & Co. KG), filed a notice of opposition to registration of the trade mark applied for, pursuant to Article 42(1) of Regulation No 40/94.
- 6 The ground relied on in support of the opposition was a likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation No 40/94, between the mark applied for with respect to ‘dried vegetables’ (Class 29) and ‘cereal preparations; ... fine pastry and confectionery’ (Class 30), covered by that mark, and the earlier national trade mark RIFFELS, registered in Germany by the intervener with respect to ‘potato chips’, covered by that earlier mark.
- 7 By decision of 23 November 1999, the Opposition Division upheld the opposition with respect to ‘dried vegetables’ and ‘fine pastry and confectionery’ on the ground that, because of the identity and partial similarity of the goods covered by the signs in conflict and having regard to the similarity of those signs, there was a likelihood of confusion between the two marks. It rejected the opposition in regard to ‘cereal preparations’, however.

8 On 24 January 2000, the applicant filed an appeal at OHIM against the Opposition Division's decision, pursuant to Article 59 of Regulation No 40/94. On 23 June 2000 it filed a statement setting out the grounds of its appeal.

9 On 2 May 2001, the intervener lodged its observations on the applicant's appeal, which were notified to the latter for information by letter of 4 May 2001 from OHIM.

10 By letter of 13 June 2001, the applicant applied to the Board of Appeal for leave to file further observations, in accordance with Article 61(2) of Regulation No 40/94.

11 By letter of 27 June 2001, the Board of Appeal refused that application.

12 By decision of 10 June 2002, notified to the applicant on 24 June 2002 ('the contested decision'), the First Board of Appeal of OHIM dismissed the appeal. After finding that the appeal consisted solely of the assertion that the applicant was the holder in Germany of an earlier right than that of the intervener, the Board of Appeal took the view that that assertion was not such as to cast doubt on the Opposition Division's decision. The earlier national registration was irrelevant to the outcome of the opposition proceedings and, in any event, the existence of such registration had not been demonstrated by the applicant (paragraphs 17 to 21 of the contested decision).

Procedure and forms of order sought

- 13 By application lodged at the Registry of the Court of First Instance on 2 September 2002, the applicant brought the present action.
- 14 On 23 and 31 January 2003 respectively, the intervener and OHIM filed their responses. On 27 January 2003, the intervener filed documents supplementary to its response.
- 15 By letter of 5 March 2003, the applicant requested leave from the Court to file a reply, pursuant to Article 135(2) of the Rules of Procedure of the Court of First Instance, and requested the Court to give a decision on the request that it claimed to have made previously for a legal opinion to be obtained from the German law firm Lovells concerning the German mark claimed.
- 16 By letter of 22 April 2004, the Court rejected those two requests and, as regards the second request, stated that it was for the applicant to adduce the evidence on which it intended to rely, and to do so within the time-limits and in accordance with the conditions set out in the Rules of Procedure.
- 17 By letter of 30 April 2004, the applicant filed at the Court Registry a legal opinion from Lovells of the same date, which was entered in the file.

18 The applicant claims that the Court of First Instance should:

- annul the contested decision;

- order OHIM to pay the costs.

19 OHIM contends that the Court of First Instance should:

- dismiss the application;

- order the applicant to pay the costs.

20 The intervener contends that the Court of First Instance should dismiss the application.

Law

21 The applicant raises three grounds in support of its action for annulment. In its first plea, alleging infringement of its rights of defence, the applicant complains that the Board of Appeal did not afford it the opportunity to prove the existence of its earlier German mark RUFFLES. In its second plea, alleging breach of the principle of

observance of the parameters of the proceedings, the applicant complains that the Board of Appeal did not take account of that mark, the existence of which was common ground in the dispute before OHIM, given the evidence produced and the fact that there was no challenge on this point by the intervener. In its third plea, alleging breach of the principle of coexistence and equivalence between Community marks and national marks, the applicant submits essentially that the mere existence of its earlier German mark RUFFLES should have led to rejection of the opposition.

- 22 It is common ground that, in countering the opposition before OHIM, the applicant relied solely on the existence of the German mark RUFFLES, which preceded the intervener's mark and of which it was the holder. In the applicant's submission, the existence of that mark alone justified rejection of the opposition.
- 23 Thus the applicant did not at any stage of the proceedings before OHIM rely on the use of that mark in order to prove *de facto* coexistence of that mark and the intervener's mark, although such coexistence could have been a relevant factor in the assessment, carried out independently by OHIM in application of Regulation No 40/94, of the likelihood of confusion between the Community mark requested and the intervener's mark.
- 24 Nor did the applicant claim, and even less prove, that it had used its earlier German mark to obtain cancellation of the intervener's mark before the competent national authorities, or even that it had commenced proceedings for that purpose.
- 25 In those circumstances, the Court notes that, quite irrespective of the question whether the applicant had adduced evidence of the existence of its earlier German mark before OHIM, the existence of that mark alone would not in any event have

been sufficient reason for rejecting the opposition. The applicant would still have had to prove that it had been successful in having the intervener's mark cancelled by the competent national authorities.

- 26 The validity of a national trade mark, in this case the intervener's, may not be called in question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned (Case T-6/01 *Matratzen Concord v OHIM – Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 55). Moreover, although it is for OHIM to ascertain, on the basis of evidence which it is up to the opponent to produce, the existence of the national mark relied on in support of the opposition, it is not for it to rule on a conflict between that mark and another mark at national level, such a conflict falling within the competence of the national authorities.
- 27 Thus the Board of Appeal, at paragraph 17 of the contested decision, was able to state that 'the alleged priority of one national registration with respect to another in a Member State ha[d] no effect on the opposition proceedings before the Office, since it [had] not been demonstrated that the applicant [for the Community mark] ever filed a cancellation action against the opponent's registration'.
- 28 Contrary to the applicant's assertions, there is nothing absurd or anomalous in OHIM's allowing an opposition based on an earlier national mark, even when the applicant for the Community trade mark invokes an even earlier national mark, where the validity of the opponent's mark is not challenged before the competent national authorities. On the contrary, that approach is fully in keeping with the division of competence between OHIM and those national authorities.

- 29 The applicant puts forward other arguments. The first argument is that OHIM's position would lead to the absurd situation that the rejection of its application for the Community trade mark RUFFLES would obstruct the conversion of that application into a national trade-mark application exclusively in Germany, the country where the applicant has a registration allowing it to market the goods in question under that mark. Next, it argues that it is anomalous for it to be refused the protection relating to the Community mark when in practice it can obtain such protection through national registrations. Those two arguments are based on the unsubstantiated premiss that the applicant actually does have the right to market its products in Germany under the RUFFLES trade mark. In fact, it has not been established at all that the intervener is unable to challenge that right on the basis of its mark RIFFELS.
- 30 As to the applicant's reference to the decision by the First Board of Appeal of OHIM of 12 September 2000 (Case R 415/1999-1), relating to opposition proceedings, the Court notes that the legality of the decisions of Boards of Appeal must be assessed solely on the basis of Regulation No 40/94, as interpreted by the Community judicature, and not on the basis of a previous decision-making practice of those boards (Case T-106/00 *Streamserve v OHIM (STREAMSERVE)* [2002] ECR II-723, paragraph 66, and Case T-36/01 *Glaverbel v OHIM (Glass sheet surface)* [2002] ECR II-3887, paragraph 35). That reference is therefore irrelevant. In any event, it concerns a case completely different from the present case. In Case R 415/1999-1, the applicant for a Community mark, far from relying, as in this case, on the mere existence of a right to an earlier national mark, had proved that right and its actual and peaceful coexistence with the opponent's mark in the national territory. It was, in particular, on that ground that the Board of Appeal found that there was no likelihood of confusion and rejected the opposition (paragraph 22 of the decision of the First Board of Appeal of OHIM of 12 September 2000, cited above). It would in fact have been problematic in such a context to allow the opposition and therefore refuse Community protection, when the applicant for the mark was able to obtain the same protection throughout the European Union through national proceedings (see the penultimate sentence of paragraph 21 of that decision). The situation is quite different in the present case where, given the uncertainty as to the effectiveness of the German trade mark claimed by the applicant, it has not been established that the applicant could obtain, through national proceedings, protection as extensive as that which would result from Community registration.

- 31 Lastly, contrary to the applicant's assertion, Article 106 of Regulation No 40/94 is not applicable by analogy to the present case. That provision concerns the right existing under the laws of the Member States to invoke, before the national authorities, claims for infringement of earlier rights in relation to the use of a later Community trade mark. In the present case, however, it is not a question of the applicant's opposing, before the competent German authorities, the use in Germany of a Community mark which infringes an earlier right, but rather of its challenging, before OHIM, the effectiveness of a German mark, namely the opponent's. There is therefore no analogy between the situation in this case and that covered by Article 106 of Regulation No 40/94. Moreover, as stated earlier, such a challenge falls exclusively within the competence of the German authorities and is governed by German law.
- 32 It follows from the foregoing that the third ground for annulment, based on the argument that the Board of Appeal was in breach of the principles of coexistence and equivalence between national marks and Community marks, must be dismissed.
- 33 As to the first and second pleas based, respectively, on infringement of the rights of the defence and breach of the principle of the observance of the parameters of the proceedings, the Court notes that, by those pleas, the applicant criticises OHIM, in a contradictory manner it must be said, both for not having afforded it the opportunity of proving the existence of its earlier German mark and for not having taken account of that mark, the existence of which was purportedly common ground in the dispute before OHIM. It is clear, however, that neither of these pleas, even if it were well founded, would be such as to justify annulment of the contested decision. As stated earlier and as the Board of Appeal essentially stated in paragraph 17 of the contested decision, the mere existence of the German mark relied on by the applicant could not justify rejection of the opposition, in the absence of additional evidence to show that the opponent's mark had been cancelled. It is common ground that, before OHIM, the applicant merely confined itself to referring to the mere existence of its purported German mark.

- 34 It follows from the foregoing that the first and second pleas in annulment are invalid.
- 35 Lastly, the certificate of registration of the applicant's earlier German mark and the legal opinion from the German law firm Lovells concerning the effectiveness of that mark in relation to the intervener's mark, both of which were produced by the applicant before the Court, are inadmissible. In accordance with settled case-law, the purpose of actions brought before the Court of First Instance is to review the legality of decisions of the Boards of Appeal within the meaning of Article 63 of Regulation No 40/94. Facts which are pleaded before the Court without previously having been brought before the departments of OHIM can affect the legality of such a decision only if OHIM should have taken them into account of its own motion. It follows from the concluding words of Article 74(1), according to which, in proceedings relating to relative grounds for refusal of registration, OHIM is to be restricted in its examination to the facts, evidence and arguments provided by the parties and the relief sought, that OHIM is not required to take account of its own motion of facts which have not been put forward by the parties. Therefore, such facts cannot affect the legality of a decision of the Board of Appeal (see, most recently, Case T-115/03 *Samar v OHIM — Grotto (GAS STATION)* [2004] ECR II-2939, paragraph 13).
- 36 In the light of all the foregoing, this application must be dismissed.

Costs

- 37 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 incurred by OHIM in accordance with the form of order sought by the latter.

38 Pursuant to Article 87(4) of the Rules of Procedure and given that the intervener has not applied for costs, it must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fifth Chamber)

hereby:

1. **Dismisses the application;**

2. **Orders the applicant to bear its own costs and to pay those incurred by the Office for Harmonisation in the Internal Market (Trade Marks and Designs);**

3. **Orders the intervener to bear its own costs.**

Vilaras

Dehousse

Šváby

Delivered in open court in Luxembourg on 21 April 2005.

H. Jung

Registrar

M. Vilaras

President

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