

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)
12 December 2002 *

In Case T-247/01,

eCopy Inc, established in Nashua, New Hampshire (United States), represented
by B. Reid, Barrister,

applicant,

v

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

defendant,

* Language of the case: English.

ACTION brought against the decision of the First Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) of 13 July 2001 (Case R 47/2001-1) relating to registration of the word ECOPY as a Community trade mark,

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

composed of: M. Vilaras, President, V. Tiili and P. Mengozzi, Judges,

Registrar: J. Plingers, Administrator,

having regard to the written procedure and further to the hearing on 11 September 2002,

gives the following

Judgment

Legal background

1 Articles 7, 8, 9, 26 and 27 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 as follows:

Article 7

Absolute grounds for refusal

1. The following shall not be registered:

...

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

...

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

Article 8

Relative grounds for refusal

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

- (a) if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;
- (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;...

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, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

- (i) Community trade marks;

...

- (b) applications for the trade marks referred to in subparagraph (a), subject to their registration;

...

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 Community trade mark the trade mark has a reputation in the Community and, 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.

...

Article 9

Rights conferred by a Community trade mark

...

3. The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of matters arising after the date of publication of a Community trade mark application, which matters would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The court seized of the case may not decide upon the merits of the case until the registration has been published.

...

Article 26

Conditions with which applications must comply

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.

...

Article 27

Date of filing

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.'

Background to the dispute

- 2 On 21 June 2000 the applicant, acting under its previous name, Simplify Development Corporation, filed an application for a Community trade mark (application No 1718667) at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under Regulation No 40/94.
- 3 The trade mark in respect of which registration was sought was the word ECOPY.

4 The goods in respect of which registration of the trade mark was sought are in Class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description:

‘Software discs and associated apparatus for enabling the scanning and electronic distribution of documents over computer networks’.

5 By decision of 10 November 2000, the examiner refused the application under Article 38 of Regulation No 40/94 on the ground that the trade mark for which registration was sought was descriptive of the goods in question and devoid of any distinctive character within the meaning of Article 7(1)(c) and (b) of Regulation No 40/94.

6 On 8 January 2001, the applicant appealed against the examiner’s decision to OHIM under Article 59 of Regulation No 40/94. In the appeal, the applicant requested, for the first time, that Article 7(3) of Regulation be held to apply, and submitted supporting evidence to that end.

7 By a decision of 13 July 2001, which was served on the applicant on 18 July 2001, the First Board of Appeal dismissed the appeal (hereinafter ‘the contested decision’). The Board of Appeal essentially held that the term ‘ECOPY’ meant ‘electronic copy’ and that it therefore referred to the nature and intended purpose of the goods covered by the application. It accordingly found that the mark applied for was caught by Article 7(1)(c) of Regulation No 40/94. It also found that the mark sought was devoid of any inherent distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94. Finally, the Board considered

that the mark claimed could not be registered pursuant to Article 7(3) of the regulation. In that connection it found, firstly, that part of the evidence submitted by the applicant was not sufficient to prove that the mark had acquired distinctive character through use. Secondly, it found that other parts of the evidence submitted by the applicant could not be taken into account because that evidence related to the period after the date of filing of the application.

Procedure and forms of order sought

- 8 By an application lodged at the Registry of the Court on 26 September 2001 and completed on 26 October, 29 November, 5 December, 7 December and 20 December 2001, the applicant brought this action. On 30 January 2002 OHIM lodged its response at the Registry of the Court.

- 9 The applicant claims that the Court should:

— annul the contested decision;

— order OHIM to grant Community trade mark application No 1718667 or, in the alternative, to continue prosecution of the application according to the judgment of the Court;

— order OHIM to pay the costs.

10 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Admissibility of the applicant's second head of claim

Arguments of the parties

11 OHIM considers this head of claim to be inadmissible. It asserts that the Court of First Instance is not entitled to issue directions to OHIM since Article 63(6) of Regulation No 40/94 requires OHIM to take the necessary measures to comply with the judgment of the Community court.

12 The applicant, whilst not formally withdrawing this head of claim, acknowledged at the hearing that the Court of First Instance is not entitled to issue directions to OHIM.

Findings of the Court

- 13 Article 63(6) of Regulation No 40/94 requires OHIM to take the necessary measures to comply with the judgment of the Community court. In that regard, as OHIM rightly points out, the case-law makes it clear that the Court of First Instance is not entitled to issue directions to OHIM (see judgments in Case T-163/98 *Proctor and Gamble v OHIM (BABY-DRY)* [1999] ECR II-2383, paragraph 53, and Case T-331/99 *Mitsubishi HiTec Paper Bielefeld v OHIM (Giroform)* [2001] ECR II-433, paragraph 33).
- 14 The applicant's second head of claim must therefore be dismissed as inadmissible.

Substance

Preliminary observations

- 15 It should be observed at the outset that, under Article 19 of the EC Statute of the Court of Justice, which applies to proceedings before the Court of First Instance by virtue of Article 46 of that Statute, and under Articles 44(1)(c) and 130(1) of the Rules of Procedure of the Court of First Instance, an application must state a summary of the pleas in law on which the application is based. That summary must be sufficiently clear and precise to enable the defendant to prepare its defence and the Court to decide the case, if appropriate without other information in support. In order to ensure legal certainty and the sound administration of justice, the essential elements on which the action is based must

be apparent, at least in summary, and in a coherent and intelligible form, from the text of the application itself (see judgments in Case T-348/94 *Enso Española v Commission* [1998] ECR II-1875, paragraph 143, and Case T-251/97 *T. Port v Commission* [2000] ECR II-1775, paragraph 91). In that connection, the application must specify the grounds on which the action is based, with the result that a mere abstract statement of the grounds does not satisfy the requirements of the Rules of Procedure (see judgments in *T. Port v Commission*, cited above, paragraph 90, and Case T-111/99 *Samper v Parliament* [2000] ECR-SC I-A-135 and II-611, paragraph 27).

- 16 The contested decision in this case is based on Article 7(1)(b) and (c) and Article 7(3) of Regulation No 40/94. In its application, the applicant advances two pleas in law alleging, first of all, misuse of powers in that, by examining the registrability of the term E-COPY rather than the word ECOPY, the Board of Appeal erred as to the subject-matter of the dispute before it, and, secondly, infringement of Article 7(3) of Regulation No 40/94. However in its application the applicant does not criticise the contested decision for the way in which the Board of Appeal interpreted and applied the provisions of Article 7(1)(b) and (c); it merely states, in the context of the first plea, in general and abstract terms, that the Board of Appeal infringed Regulation No 40/94 'since marks not barred by Article 7 should be registered' (paragraph 13 of the application). It was not until the hearing that the applicant stated, for the first time, the reasons why it considers that the Board of Appeal erred in law in refusing the trade mark application under Article 7(1)(b) and (c) of Regulation No 40/94.

- 17 In those circumstances it must be held that the applicant has not validly pleaded an alleged infringement of Article 7(1)(b) and (c) of Regulation No 40/94. The explanations it gave at the hearing cannot be taken into account.

First plea, alleging misuse of powers

Arguments of the parties

- 18 The applicant submits that the Board of Appeal erroneously considered the registrability of the word E-COPY, while the mark for which registration was sought was the word ECOPY.
- 19 In that respect, it submits that the absence of a hyphen between the letter ‘E’ and the word ‘COPY’ represents a crucial distinction between the two terms. Its effect is that the ‘E’ in ECOPY is pronounced as a short vowel and not as a long vowel. In addition, the applicant asserts that it has not been established that, while consumers are aware of current terms such as ‘E-Mail’ or ‘E-Shopping’, they are equally familiar with the corresponding unhyphenated words. Moreover, consumers unfamiliar with the English language will not be able to ascribe a meaning to the term ECOPY on the basis of the visual presentation of the mark claimed.
- 20 Therefore, in the applicant’s view, the Board of Appeal misunderstood the subject-matter of the dispute and the contested decision is accordingly based on a misuse of powers.
- 21 OHIM counters that, contrary to the applicant’s allegations, the Board of Appeal did examine the registrability of the term ECOPY. In that regard, OHIM submits that the fact that the Board of Appeal also referred to the definition of the word ‘e-copy’ on the IROI (Institute of RF & OE-ICS of Southeast University) website, whose address is <http://iroi.seu.edu.cn/books/whatis/ecopy.htm>, does not suggest

any confusion as to the trade mark applied for. In that context, OHIM notes that the Board of Appeal stated, at paragraph 12 of the contested decision, that the term ECOPY as such does not appear in dictionaries and is a pronounceable word. According to OHIM, that shows clearly that the Board of Appeal did examine the word ECOPY, consisting of the fusion of two elements, and not the term E-COPY.

Findings of the Court

- 22 It must be observed that the concept of misuse of powers has a precisely defined scope in Community law and refers to cases where an administrative authority has used its powers for purposes other than that for which they were conferred on it. In that respect, it has been consistently held that a decision may amount to a misuse of powers only if it appears, on the basis of objective, relevant and consistent evidence, to have been taken for purposes other than those stated (see judgments in Joined Cases T-551/93 and T-231/94 to T-234/94 *Industrias Pesqueras Campos and Others v Commission* [1996] ECR II-247, paragraph 168, and Case T-19/99 *DKV v OHIM (Companyline)* [2000] ECR II-1, paragraph 33).
- 23 In this case, however, the applicant has not established or even alleged that there was any evidence to that effect. More particularly, even if, as the applicant claims, the Board of Appeal misapprehended the subject-matter of the dispute before it by examining the registrability of the term E-COPY rather than the word ECOPY, that would not constitute evidence that the decision was taken exclusively, or at the least largely, for purposes other than those stated.

- 24 In addition the Court finds that it is clear from the contested decision that the Board of Appeal did examine the registrability of ECOPY rather than E-COPY and that it did not therefore misapprehend the subject-matter of the dispute before it.
- 25 The first plea must therefore be dismissed.

Second plea, alleging infringement of Article 7(3) of Regulation No 40/94

Arguments of the parties

- 26 The applicant submits that the Board of Appeal erred in law by not taking into consideration, for the purpose of applying Article 7(3) of Regulation No 40/94, evidence of use of the mark applied for after the date of filing of the application. The applicant submits in that connection that OHIM's internal instructions are of no relevance to this question.
- 27 In addition it points out that Article 9(3) of Regulation No 40/94 provides that rights conferred by a trade mark prevail against third parties only from the date of publication of the registration. In the applicant's view, it follows from that provision that when assessing the registrability of a mark under Article 7(3) of the regulation, evidence must be taken into account up to the date of registration.

- 28 Consequently, according to the applicant, the Board of Appeal ought to have taken into account the evidence submitted which related to the period up to the date on which the Board adopted its own decision, namely 13 July 2001, or at least of the evidence which related to the period up to the date of the examiner's decision, namely 10 November 2000.
- 29 Finally, in Annexes 4 to 7 to the application, the applicant submits additional evidence to the Court intended to show that the mark applied for has, by virtue of the use made of it, acquired distinctive character.
- 30 OHIM submits that it is a precondition for registration of a trade mark under Article 7(3) of Regulation No 40/94 that the mark has become distinctive as a consequence of use by the date of filing of the application and remains so until registration.
- 31 As to that, OHIM points out that the date of filing determines the priority of one mark over another. Accordingly, if a mark which became distinctive through use only after an application for its registration was filed were nevertheless registered, that mark could, in annulment or opposition proceedings, constitute a relative ground for refusal to register a mark whose date of filing postdated that of the first mark. That situation could arise even though at the date of filing of the second mark, the first mark had not yet acquired any distinctive character through use.
- 32 With regard to the applicant's argument on Article 9(3) Regulation No 40/94, OHIM submits that, contrary to the applicant's contention, the rights conferred by a trade mark may become effective before its registration. Thus, under that provision, reasonable compensation may be claimed in respect of matters arising after publication of the trade mark application.

- 33 Finally OHIM submits that, save in exceptional circumstances, new evidence may not be presented for the first time in proceedings before the Court of First Instance, since the purpose of an action before that Court is to review the legality of decisions taken by the Boards of Appeal. In the present case, OHIM considers that the applicant has not demonstrated that there were exceptional circumstances.

Findings of the Court

- 34 It should be noted at the outset that, in the context of this plea, the applicant is challenging the contested decision only in so far as the Board of Appeal failed to take into account the evidence on acquisition of distinctive character through use in the period after the application was filed. The applicant is not challenging the fact that the contested decision found some of the evidence on the period prior to the date when the trade mark application was filed to be inherently inadequate. There is therefore no need to consider whether the contested decision was well founded on this point.
- 35 Consideration must, however, be given to whether, as the applicant claims, the Board of Appeal erred in law in disregarding other evidence on the ground that it related to the period after the application was filed.
- 36 In that regard, Article 7(3) of Regulation No 40/94 must be interpreted as meaning that a mark must have become distinctive through use before the application was filed. Accordingly, it is irrelevant that the mark may have acquired distinctiveness through use after the application was filed but before OHIM, in the person of the examiner or, where appropriate, the Board of

Appeal, has determined whether there are any absolute grounds for refusing registration of the mark. It follows that OHIM may not have regard to evidence of use that occurred after the date of filing.

- 37 First of all, that interpretation is the only one compatible with the logic of the system of absolute and relative grounds for refusal in regard to the registration of Community trade marks. As Article 8(2)(a) and (b) of Regulation No 40/94 makes clear, the date of filing of the application, as defined in Article 27 of the regulation, determines the priority of one mark over another. In that connection, it must be pointed out that if a mark which became distinctive through use only after an application for its registration was filed were none the less registered, it could, in opposition or annulment proceedings, constitute a relative ground for refusal to register a mark whose date of filing postdated that of the first mark. That situation could arise even though at the date of filing of the second mark, which had by that time become distinctive, the first mark had not yet acquired distinctiveness through use, and did not therefore satisfy the conditions for registration. Such an outcome cannot be accepted.
- 38 Secondly, the wording of Article 7(3) of Regulation No 40/94, which states that subparagraphs (b), (c) and (d) of Article 7(1) are not to apply if the trade mark ‘has become distinctive’ in relation to the goods or services for which registration ‘is requested’ in consequence of the use ‘which has been made of it’, supports this interpretation.
- 39 Thirdly, the interpretation suggested avoids a situation in which the chances that a mark’s distinctiveness acquired through use will be taken into account increase the longer the registration procedure takes.

40 That interpretation cannot be called in question by the applicant's submissions on Article 9(3) of Regulation No 40/94.

41 In the first place, the applicant's argument is contradictory. At paragraph 16 of the application, the applicant claims that it follows from Article 9(3) of Regulation No 40/94 that, for the purposes of assessing the registrability of a trade mark, evidence must be taken into account up to the date of its registration. Yet at paragraph 18 of the application, it argues that the relevant point in time is the date when OHIM (which is to say the examiner or, where appropriate, the Board of Appeal) determines whether there are any absolute grounds for refusing registration of the mark. However, these are plainly two different points in time. Once OHIM has decided that there is no absolute ground for refusing registration of the mark claimed, the trade mark application is published in accordance with Articles 38(1) and 40(1) of Regulation No 40/94. Under Article 45 of the regulation, the mark can only be registered after the expiry of the period for entering an opposition, which is three months from publication of the application (Article 42(1) of the regulation), or, if appropriate, after the opposition has been dismissed.

42 Next, as OHIM rightly points out, contrary to what the applicant contends, the rights conferred by the Community trade mark may entail consequences with regard to certain situations pertaining prior to registration of the mark. It is clear from the second sentence of Article 9(3) of Regulation No 40/94 that reasonable compensation may, in certain circumstances, be claimed in respect of matters arising after the date of publication of the application.

43 As to the applicant's argument in relation to OHIM's internal instructions, the Court notes that the applicant was unable at the hearing to identify the exact

document to which it was referring. Furthermore, assuming the applicant was referring to the 'Examination Guidelines' adopted by the President of OHIM (Decision EX-96-2 of 26 March 1996, OJ of OHIM 9/96, p. 1347), the Court finds that those guidelines contain no provision on the relevant point in time for assessing a trade mark's registrability. In any event that argument cannot be valid in this case because, as discussed above, the position adopted by OHIM is in fact consistent with a logical and purposive interpretation of the relevant provisions of Regulation No 40/94, irrespective of whether or not OHIM's internal instructions contain conflicting provisions.

44 It follows from the foregoing that the Board of Appeal did not err in law in rejecting the evidence submitted by the applicant showing that the mark sought had acquired distinctive character through use after the application was filed.

45 The applicant appended certain documents to its application (Annexes 4 to 7), which it had not produced in the proceedings before the Board of Appeal, and by which it seeks to show that the mark claimed had acquired distinctive character through use. Before considering the weight of that evidence and, more particularly, whether it relates to the period preceding the filing of the application, it is necessary to determine whether that evidence may be taken into account by the Court.

46 In that connection, it must first of all be noted that it is clear from a combined reading of subparagraphs (2) and (3) of Article 63 of Regulation No 40/94 that decisions of the Boards of Appeal may be annulled or altered only where they contain a substantive or procedural irregularity. Next, it is settled case-law that the legality of a Community measure falls to be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted (see judgments in Case T-123/97 *Salomon v Commission* [1999] ECR II-2925,

paragraph 48, and Case T-126/99 *Graphischer Maschinenbau v Commission* [2002] ECR II-2427, paragraph 33). The legality of a decision of the Board of Appeal cannot therefore be called into question by pleading new facts before the Court of First Instance unless it is proved that the Board of Appeal should have taken those facts into account of its own motion during the administrative procedure before adopting any decision in the matter.

- 47 In that connection, firstly, the Court notes with regard to Article 7(3) of Regulation No 40/94 that it is true that there is no rule stipulating that the examination by OHIM (that is, by the examiner or, if appropriate, the Board of Appeal) must be limited to the facts relied on by the parties, contrary to what is stated at the end of Article 74(1) of the regulation with regard to the relative grounds for refusal. None the less, if the applicant for the mark does not plead distinctiveness acquired through use, OHIM is in practical terms unable to take account of the fact that the mark claimed may have become distinctive. Accordingly it must be held that, under the maxim *ultra posse nemo obligatur* (no one is obliged to do the impossible), and notwithstanding the rule in the first sentence of Article 74(1) of Regulation No 40/94 whereby OHIM ‘shall examine the facts of its own motion’, OHIM is not bound to examine facts showing that the mark claimed has become distinctive through use within the meaning of Article 7(3) of Regulation No 40/94 unless the applicant has pleaded them.

- 48 Secondly, OHIM is required to take account of evidence establishing that the mark claimed has become distinctive through use only if the applicant for the mark produced that evidence during the administrative procedure before OHIM. In the light of the considerations set out in the preceding paragraph, there is no material difference between claiming that the mark sought has become distinctive

through use on the one hand, and adducing evidence in support of such a claim on the other. Furthermore, Article 74(2) of Regulation No 40/94 treats both those aspects alike, providing that OHIM may disregard 'facts or evidence which are not submitted in due time by the parties concerned'.

49 In those circumstances, the contested decision is not vitiated by illegality and cannot therefore be annulled or altered under Article 63(2) and (3) of Regulation No 40/94. Accordingly the new evidence produced by the applicant for the first time before the Court of First Instance must be disregarded without it being necessary to consider whether it is adequate.

50 In the light of the foregoing, the second plea must also be dismissed.

51 It follows that the application must be dismissed.

Costs

52 Under Article 87(2) of the Rules of Procedure, the unsuccessful party is to be ordered to pay the costs if they have been asked for in the successful party's pleadings. Since the applicant has been unsuccessful and OHIM has asked for costs, it must be ordered to pay OHIM's costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

- 1. Dismisses the application;**
- 2. Orders the applicant to pay the costs.**

Vilaras

Tiili

Mengozzi

Delivered in open court in Luxembourg on 12 December 2002.

H. Jung

Registrar

M. Vilaras

President