

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

30 June 2004*

In Case T-186/02,

BMI Bertollo Srl, established in Pianezze San Lorenzo (Italy), represented by F. Tedeschini, M. Pinnarò, P. Santer, V. Corbeddu and M. Bertucelli, lawyers, with an address for service in Luxembourg,

applicant,

v

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

defendant,

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

Diesel SpA, established in Molvena (Italy), represented by G. Bozzola and C. Bellomunno, lawyers,

ACTION brought against the decision of the Third Board of Appeal of the OHIM of 19 March 2002 (Case R 525/2001-3), concerning an opposition procedure between BMI Bertollo Srl and Diesel SpA,

* Language of the case: Italian.

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

composed of: H. Legal, President, V. Tiili and M. Vilaras, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Court Registry on 14 June 2002,

having regard to the response lodged at the Court Registry on 8 November 2002,

having regard to the response lodged by the intervener, Diesel SpA, lodged at the Court Registry on 31 October 2002,

and further to the hearing on 4 February 2004,

gives the following

Judgment

Background to the dispute

- 1 On 17 July 1998, BMI Bertollo SpA filed an application under Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended, for registration of a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) ('the Office').

- 2 The trade mark in respect of which registration was sought is the sign reproduced below which, according to the description of the colours contained in the application, is red.

DIESELIT

- 3 The goods in respect of which registration of the mark was sought are in Classes 7, 11 and 21 of the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description:

— Class 7: 'Flat irons';

— Class 11: ‘Steam irons (not machines or parts of machines)’;

— Class 21: ‘Ironing boards’.

4 The application was published in *Community Trade Marks Bulletin* No 55/99 of 12 July 1999.

5 On 7 October 1999, Diesel SpA filed a notice of opposition under Article 42 of Regulation No 40/94 against the registration of that Community trade mark. The notice was filed in respect of all the goods covered in the application for registration of the mark. The ground relied on in support of the opposition was that referred to in Article 8(1)(b) of Regulation No 40/94. The basis of the opposition was the existence, first, of a national trade mark No 686092, registered in Italy on 23 August 1996 to designate all goods and services in Classes 1 to 42 of the Nice Agreement, cited above, and, secondly, of a Community trade mark No 743401, registered on 27 April 1999, to designate all goods in Classes 11, 19, 20 and 21 of that Agreement. Those two earlier trade marks (hereinafter ‘the earlier marks’) consist of the word mark DIESEL.

6 The opposition was based on part of the goods and services covered by the earlier marks, namely:

— Class 7: ‘Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs’;

— Class 11: ‘Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes’;

— Class 21: ‘Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes’.

7 By decision of 28 February 2001, the Opposition Division upheld the opposition and accordingly refused registration of the mark applied for, on the ground that there was a likelihood of confusion in Italy in relation to the goods covered by Classes 11 and 21 and that, given the high degree of similarity between the signs and the interdependence between signs and goods in the assessment of the likelihood of confusion, there was also a likelihood of confusion in relation to the applicant’s ‘flat irons’ which possess a degree of similarity to the intervener’s goods.

8 On 8 May 2001, the applicant filed an appeal, pursuant to Article 59 of Regulation No 40/94, with the Office against the decision of the Opposition Division.

9 By decision of 19 March 2002 (hereinafter ‘the contested decision’), the Third Board of Appeal dismissed the appeal. In essence, the Board considered that, having regard to the intrinsic nature of the earlier marks and the high degree of similarity between the marks, as well as to the fact that the goods claimed were identical or similar, there was a likelihood of confusion in terms of Article 8(1)(b) of Regulation No 40/94 on the part of the relevant public in the territory in which the earlier marks are protected.

Forms of order sought

10 The applicant claims that the Court should:

- annul the contested decision;

- grant the application for a Community trade mark.

11 The Office claims that the Court should:

- dismiss the action;

- order the applicant to pay the costs.

12 The intervener claims that the Court should:

- uphold the contested decision and dismiss the application for registration of the DIESELIT mark;

— order the applicant to pay the costs.

- 13 At the hearing, the applicant abandoned the second head of its claim, seeking an order for registration of the mark applied for. The Court took formal notice of that fact in the minutes of the hearing.

Law

- 14 The applicant essentially relies on three pleas in law, alleging infringement of Article 8(1)(b) of Regulation No 40/94, infringement of Article 43(2) and (3) of that regulation and, in the alternative, infringement of Article 7(1) of that regulation.

The first plea, alleging infringement of Article 8(1)(b) of Regulation No 40/94

Arguments of the parties

- 15 The applicant argues, first, that, contrary to the findings of the Board of Appeal, the DIESEL earlier marks do not possess a particularly high degree of distinctiveness in relation to the type of goods covered by those marks.

- 16 According to the applicant, even if a term in common use, such as the word 'diesel', does not bear any direct lexical connection with certain of the goods claimed, such as clothes, it may on the other hand suggest a conceptual or lexical connection when it relates to goods belonging to other classes also claimed for the same sign, for example types of machine, as the word 'diesel' refers to a type of engine. According to the applicant, the Board of Appeal should have considered the descriptive scope of the DIESEL sign for the goods covered by Classes 7, 11 and 21, which include 'motors and engines', 'machine coupling and transmission components', 'agricultural implements' and 'apparatus for lighting, heating, steam generating, water supply', and should have accepted that there is a lexical connection or descriptive connotation for those goods.
- 17 Therefore, according to the applicant, a mark consisting of the word 'diesel', when associated with utensils or tools which are 'machines', acquires a generic and purely descriptive connotation which suggests a wholly natural and commonplace connection between the goods and the sign. A descriptive mark is a weak mark with a lesser degree of distinctiveness, and thus entitled to a lesser degree of protection in the event of alleged confusion with another mark. In particular, a weak mark is not entitled to exclusive and complete protection where variants or amendments relating to a term in common use are added to the sign in question, as with the DIESELIT sign in the present case. The applicant refers to its national case-law, according to which weak marks are signs which are conceptually connected with goods or comprise terms in common use which cannot be the subject of an exclusive and complete right of appropriation. The applicant states that the wider field of application of the Community mark means that there should be an even stricter prohibition on registering names and generic and descriptive signs which form part of the vocabulary of the different Member States.
- 18 The applicant adds that, for the relevant section of the public, comprising, for example, housewives who usually have no experience of motors or engines of any kind, the DIESEL sign, when associated with utensils and domestic appliances, is capable of evoking a purely descriptive connection.

- 19 According to the applicant, for a mark to be characterised as strong, there must be no relationship in the minds of consumers between that mark and the terms designating the goods to which it is applied. To be entitled to protection, a mark should not be the same as either the generic description of the goods covered by it or the description of different goods which consumers could none the less equate to or associate with the former goods.
- 20 It follows, according to the applicant, that the finding that the DIESEL earlier marks are strong marks even though they are associated with goods which could, in the mind of the relevant section of the public, evoke a connection with the meaning of the word, presupposes a comparison, on a product by product basis, to which the Board of Appeal referred, but which it did not carry out.
- 21 The formulation of a principle without any explanation renders the contested decision unlawful on the ground of inadequate reasoning. The applicant claims that it cannot identify the basis on which the principle so laid down was applied, and that it is impossible to establish the reasoning which led to the contested decision.
- 22 Secondly, the applicant claims that there is no aural or visual similarity between the mark applied for and the earlier marks.
- 23 As regards an aural comparison, the word DIESELIT could, particularly in the case of the public in question, be pronounced in two ways (as 'di:eizelit' or 'di:zelit'). According to the applicant, as the Italian language has aphonic accents, the word would, in every case and irrespective of its Italian or Anglo-Saxon pronunciation, be pronounced in a completely different way from the word 'diesel'. Were it desired to show all the voiceless and non-visible accents which Italian grammar requires in the pronunciation of the word 'diesel', it would be necessary to write it as 'di:zel', whereas the word 'dieselit' would need to be written as 'di:eizelit'.

- 24 As regards a visual comparison, the applicant observes that the earlier marks are represented in a basic and ordinary typeface (Times New Roman), while the word DIESELIT is represented using quite different characters.
- 25 Thirdly, the applicant challenges the findings in the contested decision as to the alleged similarity of the goods.
- 26 The applicant argues in that regard that the difference between ‘steam irons (not machines or parts of machines)’ and ‘steam generating apparatus’, the category in which the Board of Appeal included the goods claimed by the applicant, is plain as the former do not generate steam unless they are associated with a machine designed for that purpose.
- 27 The applicant also challenges the association of an ‘ironing board’ with ‘household or kitchen utensils and containers’. It challenges too the alleged complementary relationship between a ‘flat iron’ and an ‘ironing board’. Such a relationship does not exist when they are acquired, but only when they are used.
- 28 Lastly, the applicant contests the finding of the Board of Appeal that the word ‘dieselit’ could be perceived by consumers as the Italian version or the web version of the DIESEL mark. Consumers of flat irons or of household utensils are not directly concerned by internet marketing. Moreover, as the reputation of the DIESEL marks relates to sectors distinct from those considered in this case, that is to say sportswear and young persons’ clothing, it therefore concerns a category of consumers which is not in any way the same as the section of the public which is concerned by household utensils.

- 29 The Office submits that the Board of Appeal was right to consider that, having regard to the intrinsic nature of the earlier marks and their high degree of similarity, as well as the fact that the goods claimed are identical or similar, there was a likelihood of confusion on the part of the relevant public in the territory in which the earlier marks are protected.
- 30 The Office is of the view that the signs involved in the dispute, DIESEL and DIESELIT, bear no distinctive character in relation to the goods in question, which are identical or at least very similar. Accordingly, the DIESEL earlier marks could be regarded as strong marks in relation to the goods in question.
- 31 The intervener states, first, that its marks have acquired a considerable worldwide reputation over the years for casual clothing. They were subsequently extended to numerous other categories of goods, as the intervener increased and diversified its production. However, it states that its opposition was based on the existence of two previous registrations and not on its reputation, to which it has made reference only in the light of the proceedings before the Board of Appeal.
- 32 As regards the determination of the relevant section of the public, the intervener submits that this may involve different parties, a majority of whom may be female, but none the less not only housewives or people who have no knowledge of engines. It cannot therefore be accepted that in buying a flat iron, a steam iron or an ironing board, the average consumer might think that those items were equipped with a diesel engine or were powered by diesel fuel. Furthermore, given the importance of the internet, and the reputation of the DIESEL marks, the suffix 'IT' in the sign DIESELIT could be interpreted by most people as the internet version of DIESEL.

Findings of the Court

- 33 Article 8(1)(b) of Regulation No 40/94 provides that, upon opposition by the proprietor of an earlier trade mark, a trade mark applied for is not to be registered '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'. It also states that 'the likelihood of confusion includes the likelihood of association with the earlier trade mark'. Moreover, under Article 8(2)(a) (i) and (ii) of Regulation No 40/94, earlier trade marks mean Community trade marks and trade marks registered in a Member State, where the date of application for registration is earlier than the date of application for registration of the Community trade mark.
- 34 According to the case-law of the Court of Justice on the interpretation of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), and the case-law of the Court of First Instance on Regulation No 40/94, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion (Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 29; Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; Case T-104/01 *Oberhauser v OHIM — Petit Liberto (Fifties)* [2002] ECR II-4359, paragraph 25).
- 35 The likelihood of confusion in the mind of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; *Canon*, cited in paragraph 34 above, paragraph 16; *Lloyd Schuhfabrik Meyer*, cited in paragraph 34 above, paragraph 18; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; *Fifties*, cited in paragraph 34 above, paragraph 26).

36 That global assessment implies some interdependence between the factors taken into account, and in particular similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between the goods or services covered may be offset by a greater degree of similarity between the marks, and vice versa (*Canon*, cited in paragraph 34 above, paragraph 17, and *Lloyd Schuhfabrik Meyer*, cited in paragraph 34 above, paragraph 19). The interdependence of these factors is expressly referred to in the seventh recital in the preamble to Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the assessment of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the mark and the sign and between the goods or services identified (*Fifties*, cited in paragraph 34 above, paragraph 27).

37 It is also clear from the case-law that the more distinctive the earlier mark, the greater will be the likelihood of confusion (*SABEL*, cited in paragraph 35 above, paragraph 24, and *Canon*, cited in paragraph 34 above, paragraph 18), and such a high degree of distinctiveness must be established either in the light of the intrinsic qualities of the mark or owing to the reputation associated with it (*Canon*, cited in paragraph 34 above, paragraph 18; Case T-99/01 *Mystery Drinks v OHIM — Karlsberg Brauerei (MYSTERY)* [2003] ECR II-43, paragraph 34, and Case T-311/01 *Éditions Albert René v OHIM — Trucco (Starix)* [2003] ECR II-4625, paragraph 42).

38 Moreover, the perception of marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*SABEL*, cited in paragraph 35 above, paragraph 23, and *Lloyd Schuhfabrik Meyer*, cited in paragraph 34 above, paragraph 25). For the purposes of that global assessment, the average consumer of the goods concerned is deemed to be reasonably well-informed and reasonably observant and circumspect. In addition, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between

the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be remembered that the average consumer's level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer*, cited in paragraph 34 above, paragraph 26).

39 In this case, the DIESEL sign is registered in Italy as a national trade mark for all goods and services in Classes 1 to 42, and registered with the Office as a Community trade mark for all goods in Classes 11, 19, 20 and 21. The goods referred to in the application for a Community trade mark are in Classes 7, 11 and 21. Therefore, the relevant territory for analysing the likelihood of confusion is the whole of the Community, for goods in Classes 11 and 21, and Italy, for goods in Class 7. In addition, as the goods in question are everyday consumer products, the target public is the average consumer, who is deemed to be reasonably well-informed and reasonably observant and circumspect.

40 Having regard to the above, a comparison should be undertaken, first, between the goods concerned and, secondly, between the signs involved in the dispute.

— Comparison of the goods

41 As regards a comparison of the goods in question, it should be noted that the case-law of the Court of Justice provides that in assessing the similarity of the goods or services concerned all the relevant factors which characterise the relationship

between them should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary (*Canon*, cited in paragraph 34 above, paragraph 23).

- 42 As the intervener's application for registration of its trade mark in Italy referred to the headings of all the classes, its national registration clearly covers all goods capable of being comprised within those classes. Similarly, its Community registration covers all goods capable of being comprised within the classes applied for at the Community level, that is to say Classes 11, 19, 20 and 21, given that the intervener referred to those classes in its application. Accordingly, the goods in question must be treated as identical for the purposes of assessing the likelihood of confusion.
- 43 It must therefore be held, as the Board of Appeal found at paragraph 16 of the contested decision, that the goods covered by the mark applied for and those covered by the earlier marks are identical or similar.

— Comparison of the signs

- 44 As regards a comparison of the signs, it is clear from the case-law that the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components (*SABEL*, cited in paragraph 35 above, paragraph 23, and *Lloyd Schuhfabrik Meyer*, cited in paragraph 34 above, paragraph 25).

- 45 It is therefore necessary to consider whether the degree of similarity of the signs in question is sufficiently high for there to be a finding of a likelihood of confusion between them. To that end, the two signs are set out below:

DIESEL

DIESELIT

Earlier marks

Mark applied for (red)

- 46 As regards a visual comparison, it should be noted that the whole of the DIESEL sign is contained in the DIESELIT mark applied for. The latter includes a supplementary verbal component compared with the earlier marks, namely the suffix 'IT'. The mere addition of the suffix 'IT' to the earlier marks is not sufficient to remove the visual similarity of the two signs.

- 47 Furthermore, as the Board of Appeal and the intervener have pointed out, the figurative element of the mark applied for is marginal. A graphic representation consisting of the reproduction in printed characters, of a more or less commonplace and ordinary kind, coloured red, of the word 'dieselit' will not draw consumers' attention to any figurative components of the mark applied for other than the letters of which it consists.

- 48 The Board of Appeal was therefore correct in holding that the signs which are the subject of the dispute are visually similar.

49 As regards an aural comparison, the Board of Appeal stated (at paragraph 23 of the contested decision):

‘... the “IT” suffix of the Community trade mark application does not alter the conceptual value of the DIESEL mark which continues to be identifiable as the core of the applicant’s mark. It is of little importance how the word “diesel” is pronounced by the Italian consumer (“die[di:]” or “di[di:e]”): the word appears in both signs and therefore the aural effect, with either pronunciation, is the same.’

50 The Board of Appeal was correct in its finding. The two signs have their first six letters in common (namely the whole of the DIESEL sign) and those first six letters will be pronounced in the same way, both in Italy (for Class 7) and elsewhere in the Community. Therefore, the addition of the suffix ‘IT’ in the applicant’s sign is not decisive in the aural comparison.

51 The signs which are the subject of the dispute are therefore aurally similar.

52 As regards a conceptual comparison of the signs which are the subject of the dispute, it should be noted that the Board of Appeal did not undertake such a comparison as such, but restricted itself to assessing the semantic content of the term diesel. It held in that respect that the DIESEL earlier marks, applied to the goods in question, are marks which are inherently strong since they do not bear any connection from a conceptual viewpoint with the goods they distinguish (paragraph 21 of the contested decision).

- 53 The Board of Appeal thus held that the earlier marks had a high degree of distinctiveness. It should be noted that the high degree of distinctiveness of a trade mark must be established either in the light of the intrinsic qualities of the mark or on the basis of the reputation associated with it. In this case, the Board of Appeal found that the DIESEL marks possessed a high degree of distinctiveness in relation to the goods at issue by reason of their intrinsic qualities.
- 54 As regards the applicant's argument that the Board of Appeal ought to have assessed the descriptive scope of the DIESEL sign for goods in Classes 7, 11 and 21, which include 'motors and engines', 'machine coupling and transmission components', 'agricultural implements' and 'apparatus for lighting, heating, steam generating [and] water supply purposes', as the Office and intervener have argued, the assessment of the extent of the distinctiveness of the DIESEL sign must be carried out having regard to the goods which form the basis of the opposition.
- 55 It should be noted that all of the goods claimed by the applicant are among the goods which are covered by the earlier marks. It is therefore sufficient to assess distinctiveness having regard only to 'flat irons', 'steam irons' and 'ironing boards' claimed by the applicant, and unnecessary to consider the other goods claimed by the intervener which belong to those classes, such as 'machines' and 'motors and engines (except for land vehicles)'.
- 56 The term 'diesel', which means a fuel or type of engine, is not in any sense descriptive of 'flat irons', 'steam irons' and 'ironing boards'. The Court agrees with the reasoning of the Board of Appeal that the DIESEL marks, applied to the goods in question, are marks which are inherently strong, and that there is accordingly a likelihood of confusion even when variants and alterations are made which allow the substantial identity of those marks to remain.

- 57 The DIESELIT sign may be regarded as a variant of the DIESEL sign. Consumers will have their attention drawn to the familiar term in the DIESELIT sign, namely the term 'diesel'. They will thus give that sign the same conceptual value as the earlier marks. That assessment applies both to Italy and to the whole of the territory of the Community. The addition of the suffix 'IT' is not sufficient to eliminate the conceptual similarity, as the word 'diesel' is dominant in the DIESELIT sign. Furthermore, the Board of Appeal was correct to hold at paragraph 24 of the contested decision that the addition of the 'IT' suffix in the applicant's sign may even suggest to the consumer the idea that there is a connection between the two signs, as the DIESELIT sign could be perceived as the Italian version of the DIESEL sign.
- 58 The signs which are the subject of the dispute are therefore also conceptually similar.
- 59 In the light of all those factors, it must be held that the degree of similarity between the marks in question is sufficiently high for the target public to be able to believe that the goods in question come from the same undertaking or, as the case may be, from economically-linked undertakings. There is therefore a likelihood of confusion between those marks.
- 60 As regards the applicant's allegation that the reasoning of the Board of Appeal was inadequate when it held that the DIESEL earlier marks had a high degree of distinctiveness, it is sufficient to note that it is clear from paragraph 21 of the contested decision that the Board of Appeal considered that the earlier marks, applied to the goods in question in this case, are inherently strong marks since they do not bear any connection from a conceptual viewpoint, either directly or indirectly, with the goods they distinguish. That amounts to adequate reasoning in that regard.

61 Moreover, as regards the applicant's argument that the Board of Appeal was wrong in taking into account the reputation or renown of the DIESEL marks, it should be pointed out that paragraph 12 of the contested decision states:

'... the [intervener's] claims concerning the world-wide reputation of its mark, claims which were related to and arose from the actual use of the sign, are not relevant since no evidence of use was either requested by the applicant pursuant to Article 43(2) [of Regulation No 40/94] or spontaneously supplied by the [intervener] itself. The assessment of the likelihood of confusion can therefore only be based, on the one hand, on the mark as filed in the Community trade mark application and, on the other, on the earlier mark on which the opposition is based.'

62 It is clear from those statements that the Board of Appeal took account of neither the renown nor the reputation of the DIESEL earlier marks. The applicant's argument is therefore wrong on the facts.

63 In light of all the above, the applicant's first plea must be dismissed.

The second plea, alleging infringement of Article 43(2) and (3) of Regulation No 40/94

Arguments of the parties

64 The applicant argues that the intervener has furnished no proof that the earlier marks were put to genuine use in connection with goods in the classes in question

and that the opposition should therefore be dismissed *ab initio*. The reputation of the mark is in fact confined to the clothing sector.

65 The Office points out that Article 43(2) and (3) of Regulation No 40/94 provides for the proprietor of an earlier Community or national trade mark to furnish proof of use, if the applicant so requests. In proceedings relating to relative grounds for refusal of registration, the Office is required by Article 74 of Regulation No 40/94 to restrict its examination to the facts, evidence and arguments provided by the parties and the relief sought. The applicant did not make any such request. According to case-law, the Court cannot take account of a request which was neither made nor discussed before the Board of Appeal. At the hearing, the Office pointed out that, given that the five-year period laid down in Article 43(2) of Regulation No 40/94 in relation to the registration of the earlier mark had not yet expired, proof of genuine use could not yet be requested.

66 The intervener points out that proof of use, unless provided spontaneously, only requires to be furnished in response to a request from the other party, which was not made in this case. As regards the Community registration of the DIESEL mark, which was granted on 27 April 1999, as the period of five years referred to above had not yet expired, the applicant could not in any event have requested any form of proof.

Findings of the Court

67 It should be noted that under Article 43(2) of Regulation No 40/94, if the applicant so requests, the proprietor of an earlier Community trade mark who has given notice of opposition is to furnish proof that, during the period of five years preceding the date of publication of the Community trade mark application, the

earlier Community trade mark has been put to genuine use in the Community in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided that the earlier Community trade mark has at that date been registered for not less than five years. Article 43(3) provides for paragraph 2 to apply to earlier national trade marks, by substituting use in the Member State in which the earlier national trade mark is protected for use in the Community.

68 In this case, the earlier Community trade mark was registered on 27 April 1999 and the earlier national trade mark on 23 August 1996, while the application for registration of the DIESELIT sign as a Community trade mark was published on 12 July 1999. The five-year period had therefore not expired on that date, either in respect of the earlier Community trade mark or in respect of the earlier national trade mark. Proof of genuine use could thus not be required and the earlier marks had to be deemed to have been used.

69 The applicant's second plea must accordingly be rejected.

The third plea, put forward in the alternative, alleging infringement of Article 7(1) of Regulation No 40/94

70 The applicant submits in the alternative that there was an absolute ground for refusal which precluded the DIESEL sign being validly registered as a Community trade mark for Classes 11 and 21 and as a national trade mark for Class 7.

71 The applicant cannot rely, in an opposition procedure, on an absolute ground for refusal precluding valid registration of a sign by a national registry or by the Office. It must be pointed out that the absolute grounds for refusal contained in Article 7 of Regulation No 40/94 do not fall to be examined as part of the opposition procedure and that that article is not one of the provisions in relation to which the legality of the contested decision must be appraised (Case T-224/01 *Durferrit v OHIM — Kolene (NU-TRIDE)* [2003] ECR II-1589, paragraphs 72 and 75). If the applicant is of the view that the DIESEL trade mark was registered in breach of the provisions of Article 7 of Regulation No 40/94, it ought to have applied for cancellation of the earlier Community trade mark under Article 51 of that regulation. Furthermore, the validity of the registration of a sign as a national trade mark may not be called into 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).

72 The applicant's third plea must accordingly be rejected.

73 In those circumstances, the action must be dismissed in its entirety.

Costs

74 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 asked for in the successful party's pleadings. Since the applicant has been unsuccessful it must be ordered to pay the costs of the Office and the intervener, in accordance with the forms of order sought by them.

On those grounds,

THE COURT OF FIRST INSTANCE (Fourth Chamber)

hereby:

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

Legal

Tiili

Vilaras

Delivered in open court in Luxembourg on 30 June 2004.

H. Jung

Registrar

H. Legal

President