

JUDGMENT OF THE COURT OF FIRST INSTANCE (Fourth Chamber)

16 September 2004 *

In Case T-342/02,

Metro-Goldwyn-Mayer Lion Corp., established in Santa Monica, California (United States), represented by F. de Visscher, E. Cornu, E. De Gryse and D. Moreau, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by S. Laitinen and D. Botis, acting as Agents,

defendant,

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

Moser Grupo Media SL, established in Santa Eulalia del Rio (Spain),

ACTION brought against the decision of the Third Board of Appeal of OHIM of 5 September 2002 (Case R 437/2001-3) declaring inadmissible the appeal brought against the decision of the Opposition Division relating to opposition proceedings between Moser Grupo Media SL and Metro-Goldwyn-Mayer Lion Corp.,

* Language of the case: English.

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

composed of: H. Legal, President, V. Tiili and M. Vilaras, Judges,
Registrar: J. Plingers, Administrator,

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

having regard to the response lodged at the Court Registry on 7 May 2003,

further to the hearing on 28 April 2004,

gives the following

Judgment

Facts

1 On 7 November 1996, Moser Grupo Media SL filed at 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, an application for registration of a Community trade mark.

2 The mark for which registration was sought is the following figurative mark:



3 The goods and services in respect of which registration was sought are in Classes 9, 16, 38, 39 and 41 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:

- ‘films, exposed; compact discs (audio-video); cinematographic, optical and photographic apparatus and instruments’, in Class 9;

- ‘magazines, photographs, posters, printed matter and printed publications’, in Class 16;

- ‘television and radio broadcasting services’, in Class 38;

- ‘distribution services for all kinds of printed publications, videos and films’, in Class 39;

— ‘film production services; video tape film production; services provided by businesses dedicated to the rental of video tapes and motion pictures; production of radio and television programmes; services provided by movie studios’, in Class 41.

4 On 9 March 1998, the application was published in the *Community Trade Marks Bulletin* No 16/1998.

5 On 9 June 1998, Metro-Goldwyn-Mayer Lion Corp. (‘the applicant’) gave notice of opposition, under Article 42 of Regulation No 40/94, to the registration applied for and did so in respect of all the goods and services covered by the application. The opposition was based on the earlier national trade mark ‘MGM’ registered in Denmark (Classes 9, 16 and 41), Finland (Classes 9 and 41), France (Classes 9, 15, 16, 35, 38 and 41), Germany (Class 9), Italy (Classes 9, 15, 16, 35, 38 and 41), Portugal (Class 9), Spain (Class 9), Sweden (Class 9), the Benelux countries (Classes 9, 15, 16, 20 and 41), Greece (Classes 9, 15 and 16), the United Kingdom (Classes 9, 35 and 41) and Austria (Classes 9, 16 and 41), and also on Community trade mark application No 141820, filed on 1 April 1996 and including goods and services in Classes 9, 38 and 41.

6 By decision of 19 February 2001 (‘the decision of the Opposition Division’), the Opposition Division upheld the opposition in respect of all the goods and services concerned. When examining the case, the Opposition Division did not take into consideration certain earlier national trade marks, namely rights claimed in Austria, Greece and the United Kingdom, or the Community trade-mark application. The national trade marks mentioned above were excluded for the following reasons. First, the document submitted with the aim of proving the national registration obtained in Austria showed that the holder of the right in question was not the applicant, but Metro-Goldwyn-Mayer Film Corp. Second, the translation relating to

the national registration obtained in Greece was neither correct nor sufficient and was therefore not accepted. Third, the evidence of the ownership of national registrations in the United Kingdom was based solely on information from a private database and was therefore insufficient.

- 7 The decision of the Opposition Division was founded on the ground of likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 and specified that, since the opposition succeeded on the basis of that provision, an examination of the arguments based on other grounds of opposition, under Article 8 (4) and (5), was not necessary.

- 8 On 4 April 2001, the applicant filed notice of appeal at OHIM, under Article 59 of Regulation No 40/94, against the decision of the Opposition Division. It claimed that the Opposition Division should have taken account of the earlier national rights obtained in Austria, Greece and the United Kingdom and also of the Community trade mark application and that it should have refused the Community trade mark application for the entire European Union in order to prevent a possible conversion of the Community trade mark application into a national trade mark application, pursuant to Article 108 of Regulation No 40/94.

- 9 By decision of 5 September 2002 ('the contested decision') the Third Board of Appeal held that the appeal was inadmissible on the ground that the decision of the Opposition Division had not adversely affected the applicant for the purposes of Article 58 of Regulation No 40/94. The applicant did not make any request, either expressly or by implication, for a decision which would prevent Moser Grupo Media SL from converting its Community trade mark application into a national trade mark application. Furthermore, in accordance with Article 42 of Regulation No 40/94, the opposition procedure is not designed to resolve conflicts between signs at national level, but to prevent registration of a Community trade mark which is in

conflict with earlier rights. According to the Board of Appeal, an obligation to conduct an examination of the opposition beyond the issue of registrability of the Community trade mark would be in conflict with the basic function of the opposition procedure and the principles of procedural economy.

- 10 The word sign MGM was registered as a Community trade mark for the applicant on 7 October 2002.

Procedure and forms of order sought

- 11 By application lodged at the Court Registry on 8 November 2002, the applicant brought the present action.

- 12 The applicant claims that the Court should:

- annul the contested decision;

- confirm the decision of the Opposition Division, in so far as it upholds the opposition for all the goods and services covered by the application of Moser Grupo Media SL and refuses the application for registration in its entirety on the basis of the MGM marks registered at national level;

- annul in part the decision of the Opposition Division, principally, in so far as it does not take into account the applicant's application for registration of a Community trade mark and, alternatively, in so far as it does not take into account the earlier national trade marks registered in Austria, Greece and the United Kingdom;

- order OHIM to pay the costs.

13 OHIM contends that the Court should:

- dismiss the application;

- order the applicant to pay the costs.

Law

14 The applicant puts forward essentially a single plea in law, alleging breach of Articles 42(1)(a), 8(2) and 58 of Regulation No 40/94.

Arguments of the parties

15 The applicant submits that the Board of Appeal erred in holding that the decision of the Opposition Division did not adversely affect it. The decision of the Opposition Division did adversely affect it because it deprived the applicant of its right to a

detailed examination of its case. In this regard, the applicant claims that, because the Opposition Division did not take into account either the earlier national trade marks obtained in Austria, Greece and the United Kingdom or its Community trade mark application, which was being dealt with at the time, Moser Grupo Media SL can still convert its Community trade mark application into a national trade mark application in those Member States in which the applicant had earlier rights which were not taken as a basis for the refusal of the Community trade mark application by the Opposition Division, in accordance with Article 108 of Regulation No 40/94. This conversion would not have been possible if the Opposition Division had based its decision, as it should have done, either on all the applicant's earlier national rights or on its Community trade mark application. Consequently, the reasons which form the basis of the decision of the Opposition Division limit the effects of the refusal of Moser Grupo Media SL's application.

- 16 With regard to the assertion that the applicant did not expressly request that a refusal have the broadest possible effects, the applicant claims that such a request is neither necessary nor required by Regulation No 40/94. Since the applicant based its opposition on a number of earlier national rights and on its Community trade mark application, in accordance with Article 8(2) of Regulation No 40/94, its application was intended to obtain refusal of the Community trade mark application with the widest effects possible.
- 17 It asserts that, under Rule 20(6) of Commission Regulation (EC) No 2868/95 of 13 December 1995 implementing Regulation No 40/94 (OJ 1995 L 303, p. 1), the Opposition Division should have suspended the opposition proceeding pending final registration of the Community trade mark MGM and then based its decision on the registered mark.
- 18 Furthermore, the decision of the Opposition Division not to take into account the earlier national rights obtained in Austria, Greece or the United Kingdom was not based on any legitimate reason.

- 19 The evidence of registration of the mark MGM in Austria was rejected because the registration was in the name of Metro-Goldwyn-Mayer Film Corp. and not in the applicant's name. However, this is the same legal person. In this regard, the applicant refers to the list of its subsidiaries and sister companies, which is attached as Annex 6 to the application.
- 20 The applicant claims that the registration of the Greek trade mark was not taken into account because the number mentioned in the translation was not the same as that of the registration certificate. That was a misunderstanding since the translation filed with the first observations in support of the opposition did not even mention the disputed number.
- 21 Finally, the marks registered in the United Kingdom were not taken into consideration because the documents lodged were copies taken from private databases. However, the documents supplied on 20 February 2000 by the applicant's lawyers following OHIM's request for additional information (renewal certificates) are documents from the United Kingdom Patent Office database and are accepted in the case of local trade mark offices.
- 22 As to the argument that the opposition procedure is not designed to resolve conflicts between signs at national level, the Board of Appeal disregarded the fact that the conversion procedure stems from Regulation No 40/94 itself, in particular Article 108 thereof.
- 23 Therefore the Board of Appeal and the Opposition Division should have taken into account the possibility of Moser Grupo Media SL converting its Community trade mark application into a national trade mark application and should therefore have based refusal to register the mark applied for on all the earlier national marks relied on and on the applicant's Community trade mark application.

- 24 The applicant adds that, since the mark MGM was finally registered on 7 October 2002, the proceedings need no longer be suspended and the Court can take the registration into account. Since the Opposition Division held — correctly, in the applicant's view — that there was a likelihood of confusion between the applicant's mark, MGM, and the figurative mark Moser Grupo Media SL, the same reasoning should be applied to the Community trade mark, MGM, which is now registered.
- 25 According to OHIM, the applicant did not request, either expressly or by implication, a decision which would prevent the Community trade mark applicant from converting its application into a national trade mark application.
- 26 As regards whether OHIM had a duty to examine the opposition as broadly as possible, OHIM submits that the main purpose of the opposition procedure is to provide an instrument to the owners of earlier rights in order to prevent the registration of Community trade marks which are in conflict with their earlier rights, and not to protect trade mark rights or to resolve conflicts between signs at national level.
- 27 For OHIM, Article 8(2)(b) of Regulation No 40/94 merely means that it cannot base rejection of the opposition on the fact that a mark is not yet registered. Rule 20(6) of Regulation No 2868/95 does not in any way impose upon OHIM the obligation to suspend opposition proceedings.
- 28 Furthermore, Articles 108 to 110 of Regulation No 40/94, which lay down the rules on the conversion of a Community trade mark application into a national trade mark application, do not give rise to any legal interest on the part of opponents to require that questions relating to conversion into a national trade mark be answered at the opposition stage. It is OHIM's view that the legal interest which the applicant claims to have should have been direct and present at the time of the opposition proceedings.

- 29 OHIM recalls that in practice the Opposition Division tries to take into account as many earlier rights as possible or, alternatively, to give decisions with the broadest possible territorial scope, provided that this does not render the proceedings more cumbersome.
- 30 Finally, as regards the fact that the Opposition Division did not take into account the applicant's national marks registered in Austria, Greece and the United Kingdom, OHIM observes that the Austrian trade mark was not held by the applicant but by a company in the same group, which is a distinct legal person. There was a discrepancy in respect of the Greek trade mark between the registration number which appeared on the registration certificate and the number appearing in its translation. The evidence of the applicant's ownership of the United Kingdom trade marks was drawn from a private database. There was therefore no guarantee that the information was correct and up to date. Thus OHIM is of the view that the Opposition Division was right not to take account of the national marks in question.

Findings of the Court

- 31 The applicant essentially blames OHIM for the fact that Moser Grupo Media SL could still convert its Community trade mark application into a national trade mark application in the Member States in respect of which the applicant had earlier marks which were not taken as a basis for the refusal of the Community trade mark application by the Opposition Division, in accordance with Article 108 of Regulation No 40/94, since the Opposition Division did not take into account either the applicant's earlier national trade marks obtained in Austria, Greece and the United Kingdom or its Community trade mark application, which was being dealt with at the material time.

32 It is appropriate to observe at the outset that Article 58 of Regulation No 40/94 provides that 'any party to proceedings adversely affected by a decision may appeal'.

33 In this instance, it is common ground that the contested decision declared the appeal before the Board of Appeal inadmissible on the ground that the applicant was not adversely affected by the Opposition Division's decision for the purposes of Article 58 of Regulation No 40/94.

34 In this connection, it should be stated that the aim of opposition proceedings is to prevent Community trade marks being registered which are in conflict with earlier marks or rights. That interpretation is the only one wholly apt to achieve the objectives of Regulation No 40/94. The second recital in the preamble to Regulation No 40/94 states that the Community arrangements for trade marks enable undertakings, by means of one procedural system, to obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community and that the principle of the unitary character of the Community trade mark thus stated is to apply unless otherwise provided for in the regulation.

35 Accordingly, the aim of opposition proceedings is to give undertakings an opportunity to challenge, by means of one procedural system, applications for Community trade marks which might give rise to a likelihood of confusion with their earlier marks or rights, and not to settle pre-emptively potential conflicts at national level.

36 It is not disputed in this case that the applicant's opposition was upheld for all the goods and services concerned and that registration of the Community trade mark Moser Grupo Media SL was refused. The decision of the Opposition Division thus allowed the applicant's claim.

- 37 It is still necessary to consider the applicant's argument that the fact that the Opposition Division did not examine either its earlier national marks granted in Austria, Greece and the United Kingdom or its application for a Community trade mark had negative legal consequences for it, irrespective of the outcome of the case.
- 38 On this point, it is certainly the case that Rule 15(1) of Regulation No 2868/95 provides that 'opposition may be entered on the basis of one or more earlier marks within the meaning of Article 8(2) of the Regulation ("earlier marks") or of one or more other earlier rights within the meaning of Article 8(4) of the Regulation ("earlier rights")'.
- 39 Furthermore, it follows from Regulation No 40/94, and in particular from Article 108(1)(a) thereof, which was in force at the material time in this case, that 'the applicant for or proprietor of a Community trade mark may request the conversion of his Community trade mark application or Community trade mark into a national trade mark application ... to the extent that the Community trade mark application is refused, withdrawn, or deemed to be withdrawn'.
- 40 It is also the case that the grounds for refusal of an application for a Community trade mark determine whether the application for a Community trade mark may succeed at national level. Article 108(2)(b) of Regulation No 40/94 provides that conversion is not to take place for the purpose of protection in a Member State in which, in accordance with the decision of the Office or of the national court, grounds for refusal of registration or grounds for revocation or invalidity apply to the Community trade mark application or Community trade mark.

41 However, it is common ground that conversion of a Community trade mark application into a national trade mark application is merely optional for an applicant for a Community trade mark. Nor does the conversion procedure confer on applicants the right to have their applications registered by the competent national authorities. Instead, the decision on any national registration is left to the competent national authorities. Furthermore, opposing parties have the opportunity to assert their rights before the national authorities.

42 Moreover, nothing prevents an applicant whose Community trade mark application has been refused following opposition proceedings from filing similar applications with national authorities without having recourse to the conversion procedure.

43 Consequently, the Court finds that the interest which the applicant relies on concerns a future and uncertain legal situation.

44 It must be noted that it is clear from settled case-law that an action brought by a natural or legal person is admissible only in so far as that person has an interest in the contested measure being annulled (Joined Cases T-480/93 and T-483/93 *Antillean Rice Mills and Others v Commission* [1995] ECR II-2305, paragraph 59; Case T-102/96 *Gencor v Commission* [1999] ECR II-753, paragraph 40; Case T-212/00 *Nuove Industrie Molisane v Commission* [2002] ECR II-347, paragraph 33). That interest must be vested and present (Case T-138/89 *NBV and NVB v Commission* [1992] ECR II-2181, paragraph 33) and is assessed at the day on which the action is brought (Case 14/63 *Forges de Clabecq v High Authority* [1963] ECR 357, 371; and Case T-159/98 *Torre and Others v Commission* [2001] ECR-SC I-A-83 and II-395, paragraph 28). If the interest which an applicant claims concerns a future legal situation, he must demonstrate that the prejudice to that situation is already

certain. Therefore, an applicant cannot rely upon future and uncertain situations to justify its interest in applying for annulment of the contested act (*NBV and NVB v Commission*, cited above, paragraph 33).

45 It must therefore be held that the decision of the Opposition Division did not adversely affect the applicant when it upheld its opposition for all the goods and services concerned even though the opposition was not upheld on the basis of all the trade marks put forward as grounds for opposition.

46 As regards the alleged need to take into account the applicant's Community trade mark application, OHIM rightly raises considerations of procedural economy. Since the opposition could be upheld on the basis of a number of earlier national marks, it was not necessary to prolong the proceeding further by suspending it under Rule 20 (6) of Regulation No 2868/95, in order to wait until the Community trade mark was registered. Rule 20(6) of Regulation No 2868/95 provides that 'the Office may suspend any opposition proceeding where the opposition is based on an application for registration pursuant to Article 8(2)(b) of the Regulation until a final decision is taken in that proceeding, or where other circumstances are such that such suspension is appropriate'. Accordingly, suspension remains optional for OHIM, which avails itself of it only when it considers it appropriate.

47 Indeed, to accept the applicant's argument that OHIM must suspend any opposition proceeding where the opposition is based on an application for registration pursuant to Article 8(2)(b) of Regulation No 40/94 until a final decision is taken in that proceeding could result in a chain reaction. The application for registration pursuant to Article 8(2)(b) of the regulation might itself be subject to an opposition in relation to another application for registration which, in turn, would — if the applicant's argument is accepted — have to be suspended.

48 As to whether or not the applicant requested, expressly or by implication, a decision on the opposition with the widest effects possible, namely a decision encompassing all the earlier national marks on which it based its opposition and the Community trade mark application, the applicant's argument cannot be accepted. Since the Opposition Division was in any event under no obligation to examine all the earlier marks or rights for the reasons explained above, the question of the effect, as regards any such obligation, of the scope of the opposition is wholly irrelevant.

49 For the same reasons it is also not necessary to consider whether the application to register the mark MGM at Community level and the existence of Austrian, Greek and United Kingdom marks would have been valid grounds for an opposition.

50 It follows that the action must be dismissed.

Costs

51 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, it must be ordered to pay the costs, in accordance with the form of order sought by the defendant.

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 16 September 2004.

H. Jung

H. Legal

Registrar

President