

JUDGMENT OF THE COURT OF FIRST INSTANCE (Second Chamber)

10 June 2008*

In Case T-85/07,

Gabel Industria Tessile SpA, established in Rovellasca (Italy), represented by
A. Petruzzelli, lawyer,

applicant,

v

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

defendant,

the other party to the proceedings before the Board of Appeal of OHIM having been

Creaciones Garel, SA, established in Logroño (Spain),

* Language of the case: Italian.

ACTION brought against the decision of the Second Board of Appeal of OHIM of 25 January 2007 (Case R 960/2006-2), relating to opposition proceedings between Creaciones Garel, SA, and Gabel Industria Tessile SpA,

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

composed of I. Pelikánová (Rapporteur), President, K. Jürimäe and S. Soldevila Fragoso, Judges,

Registrar: B. Pastor, Deputy Registrar,

having regard to the application lodged at the Registry of the Court on 20 March 2007,

having regard to the response lodged at the Registry of the Court on 4 July 2007,

having regard to the written questions put by the Court to the parties on 13 December 2007,

having regard to the observations of the parties lodged at the Registry of the Court on 19 and 20 December 2007,

further to the hearing on 30 January 2008,

gives the following

Judgment

Background to the dispute

- 1 On 2 April 2004, the applicant, Gabel Industria Tessile SpA, filed an application for registration of a Community trade mark with the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) under 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 mark for which registration was sought is the word sign GABEL.
- 3 The goods in respect of which registration was sought fall within Classes 24 and 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond, for each of those classes, to the following description:
 - Class 24: ‘Fabric, bed and table covers, travelling rugs, sheets, pillowcases, towels, bath sponges, bedspreads, quilts, eiderdowns, bath linen’;
 - Class 25: ‘Clothing, including boots, shoes and slippers’.

- 4 The application for registration was published in *Community Trade Marks Bulletin* No 2/05 of 10 January 2005.
- 5 On 6 April 2005, the opponent, Creaciones Garel, SA, filed a notice of opposition to registration of the trade mark applied for, under Article 42 of Regulation No 40/94.
- 6 The opposition was based on the ground of a likelihood of confusion, within the meaning Article 8(1)(b) of Regulation No 40/94, between the mark applied for and several earlier trade marks, namely nine Spanish trade marks, six international trade marks and two Community trade marks. Those earlier marks corresponded to, inter alia, the earlier Community figurative trade mark No 1806199 ('the earlier Community figurative mark'), registered on 5 January 2005 and reproduced below:



- 7 The goods in respect of which the earlier Community figurative mark was registered fall within Classes 24, 25 and 26 of the Nice Agreement and correspond, for each of those classes, to the following description:

- Class 24: 'Textiles and textile goods, not included in other classes; bed and table covers';
- Class 25: 'Girdles, brassieres, breeches (for wear), slips and bodies';
- Class 26: 'Lace, embroidery, ribbons and braid'.

- 8 By decision of 22 June 2006, the Opposition Division upheld the opposition, rejected the application for registration in its entirety and ordered the applicant to bear the costs. The Opposition Division took the view that, owing to the similarity of the trade mark applied for to the earlier Community figurative mark and the identical nature of the goods covered by those marks, there was a likelihood of confusion in the mind of the public in the European Union. In addition, the Opposition Division did not regard it as necessary to examine whether the earlier trade marks relied on by the opponent had been put to genuine use in the Community, within the meaning of Articles 15 and 50 of Regulation No 40/94, since its decision was based exclusively on the earlier Community figurative mark, which had been registered for less than five years and was therefore not subject to such a condition.
- 9 By letter of 12 July 2006, the applicant notified to OHIM, with regard to its application for registration, its decision to limit the list of the goods falling within Class 25, as follows:
- ‘... instead of “clothing, including boots, shoes and slippers”, ... limit those goods to only ‘bath gowns’, themselves belonging to Class 25.’
- 10 On 17 July 2006, the applicant filed a notice of appeal against the decision of the Opposition Division with OHIM, under Articles 57 to 62 of Regulation No 40/94.
- 11 By decision of 25 January 2007 (‘the contested decision’), notified to the applicant on 29 January 2007, the Second Board of Appeal of OHIM set aside the decision of the Opposition Division, allowed the trade mark applied for to proceed to registration in respect of bath gowns falling within Class 25 and ordered each party to bear its own costs.

Forms of order sought by the parties

12 The applicant claims that the Court should:

- annul in part the contested decision, in so far as it implicitly refuses registration of the trade mark applied for in respect of the goods falling within Class 24;
- uphold the contested decision, in so far as it allows registration of the trade mark applied for in respect of bath gowns falling within Class 25;
- order OHIM to proceed to registration of the trade mark applied for in respect of the goods falling within Class 24 and bath gowns falling within Class 25;
- declare that the opponent's earlier trade marks, with the exception of the earlier Community figurative mark, have not been used for goods falling within Class 24 and that that constitutes an abuse of the registration of those trade marks under Articles 15 and 50 of Regulation No 40/94;
- order OHIM to pay the costs.

13 OHIM contends that the Court should:

- dismiss the action;
- order the applicant to pay the costs.

14 In its observations in response to the Court's questions, lodged at the Registry on 19 December 2007, the applicant declared that it intended to withdraw its third head of claim, a fact of which the Court took formal note in its record of the hearing.

Admissibility

15 The admissibility of an action is an issue of public policy which may be raised by the Court of its own motion; its review, in that respect, is not confined to objections of inadmissibility raised by the parties (Case 294/83 *Les Verts v Parliament* [1986] ECR 1339, paragraph 19; Case T-99/95 *Stott v Commission* [1996] ECR II-2227, paragraph 22; and judgment of 27 September 2006 in Case T-172/04 *Telefónica v OHIM — Branch (emergia)*, not published in the ECR, paragraph 22).

16 By its second head of claim, the applicant asks the Court to uphold the contested decision, in so far as it allows registration of the trade mark applied for in respect of bath gowns falling within Class 25. By its fourth head of claim, it asks the Court, in addition, to declare that the opponent's earlier trade marks, with the exception of the earlier Community figurative mark, have not been used for goods falling within Class 24 and that that constitutes an abuse of the registration of those trade marks under Articles 15 and 50 of Regulation No 40/94.

17 It must be held that, by its second and fourth heads of claim, the applicant is seeking to obtain from the Court a ruling which is confirmatory or declaratory, respectively. It follows, however, from Article 63(2) and (3) of Regulation No 40/94 that an action brought before the Court under those provisions seeks to have the lawfulness of decisions of the Boards of Appeal examined and to obtain, as the case may be, the annulment or alteration of those decisions (Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 28; see also, in that regard, Case T-247/01 *eCopy v OHIM*

(*ECOPI*) [2002] ECR II-5301, paragraph 46, and Case T-407/05 *SAEME v OHIM — Racke (REVIAN's)* [2007] ECR II-4385, paragraph 65), with the consequence that such an action cannot have the objective of obtaining confirmatory or declaratory rulings in respect of those decisions.

- 18 Consequently, the applicant's second and fourth heads of claim must be rejected as being inadmissible.

Substance

- 19 In support of its first head of claim, which seeks the annulment of the contested decision in so far as it refuses registration of the trade mark applied for in respect of the goods falling within Class 24, the applicant relies on three pleas. The first plea alleges, essentially, a failure by the Board of Appeal to comply with its obligation to rule expressly on the application for registration in respect of the goods falling within Class 24. The second plea is based on an infringement of Article 8(1)(b) of Regulation No 40/94. The third plea alleges an infringement of Articles 15 and 50 of that regulation, defined as an abuse of the registration of the trade marks in question.
- 20 It should be noted at the outset that, pursuant to the first sentence of Article 62(1) of Regulation No 40/94, '[f]ollowing the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal'. That obligation must be understood to mean that the Board of Appeal is obliged to rule on each of the heads of claim submitted for its consideration in its entirety, either by upholding it, rejecting it as inadmissible or rejecting it on substantive grounds (see, to that effect, Case C-29/05 P *OHIM v Kaul* [2007] ECR I-2213, paragraphs 56 and 57). Since disregard of that obligation can affect the content of the Board of Appeal's decision, this is a question of an essential procedural requirement, the infringement of which can be raised by the Court of its own motion.

- 21 In the present case, the Court must examine of its own motion whether, in the contested decision, the Board of Appeal ruled on the pleas of the applicant which were directed against the refusal of the Opposition Division to proceed to registration of the trade mark applied for in respect of the goods falling within Class 24.
- 22 The parties to the present action agree that the Board of Appeal implicitly ruled on those pleas in the contested decision. OHIM adds that the Board of Appeal, in practice, confirmed the decision of the Opposition Division in that regard. The parties also agree that that refusal was based on the existence of a likelihood of confusion, within the meaning of Article 8(1)(b) of Regulation No 40/94, resulting from the similarity of the earlier Community figurative mark to the trade mark applied for and from the identical or similar nature of the goods covered by those two marks. In response to a written question of the Court concerning a possible failure by the Board of Appeal to rule on the refusal to register the trade mark applied for in respect of goods falling within Class 24, the parties confined themselves to confirming their previous arguments.
- 23 It must, however, first of all, be pointed out that paragraph (1) of the operative part of the contested decision, by which the Board of Appeal set aside the decision of the Opposition Division rejecting the application for registration, excludes the possibility — asserted by OHIM — that the Board implicitly upheld that decision with regard to the refusal contained therein to register the trade mark applied for in respect of the goods falling within Class 24.
- 24 It must be stated, second, that no other paragraph of the operative part of the contested decision expressly allows or rejects registration of the trade mark applied for in respect of the goods falling within Class 24. Paragraph (2) of the operative part of the contested decision confines itself, indeed, to allowing registration of the trade mark applied for in respect of bath gowns falling within Class 25. Since the operative part of a decision of the Board of Appeal must, however, be interpreted in the light of the factual and legal grounds on which it is necessarily based, it is necessary to examine, in the present case, whether paragraph (2) of the operative part of the contested decision, read in the light of the grounds of that decision, can be

interpreted as also containing an implicit rejection or refusal to register the trade mark applied for in respect of the goods falling within Class 24 covered by the application for registration.

- 25 The applicant has not furnished any proof in support of its assertions that the Board of Appeal, in the grounds of the contested decision, stated briefly its refusal to register the trade mark applied for in respect of the goods falling within Class 24. It follows, by contrast, from paragraph 16 of those grounds that the Board of Appeal found that, following the adoption of the decision of the Opposition Division, the applicant had limited the goods covered by its application for registration to bath gowns falling within Class 25. It also follows from paragraphs 17 and 18 of the contested decision that, therefore, the Board of Appeal concluded that bath gowns falling within Class 25 were the only goods at issue before it.
- 26 It is therefore necessary to examine whether, in the circumstances of the present case, the Board of Appeal was entitled to conclude that there was such a limitation of the application for registration and, therefore, to confine its examination to bath gowns falling within Class 25. As OHIM confirmed in its response to a written question of the Court, paragraph 16 of the grounds of the contested decision is based on the applicant's letter of 12 July 2006, referred to in paragraph 9 above. That letter, which does not mention the goods in Class 24 covered by the application for registration, could not, however, be interpreted to mean that the applicant intended to withdraw its application for registration for those goods. It must therefore be concluded that the action brought by the applicant before the Board of Appeal was directed against the whole decision of the Opposition Division, including the refusal to register the trade mark applied for in respect of the goods falling within Class 24, and not against only a part of that decision.
- 27 Having regard to the operative part and to the grounds of the contested decision, it must therefore be held that the Board of Appeal failed to rule on the action brought before it, in so far as that action was directed at the refusal of the Opposition Division to register the mark applied for in respect of the goods in Class 24, and that it therefore infringed the first sentence of Article 62(1) of Regulation No 40/94, since the applicant had not previously waived registration of the mark applied for in respect of those goods.

28 Although Article 63(3) of Regulation No 40/94 enables the Court to alter the decisions of the Boards of Appeal, that possibility is, in principle, limited to situations in which the case has reached a stage appropriate for judicial adjudication. In the present case, the fact that the Board of Appeal failed to rule on one of the heads of claim means that that stage had not been reached. Alteration of the contested decision would in effect imply that the Court was deciding for the first time on the substance of the pleas on which the Board of Appeal had failed to rule. Such a determination does not, however, fall within the jurisdiction of the Court as laid down in Article 63(2) and (3) of Regulation No 40/94 (see paragraph 17 above).

29 Having regard to all of the foregoing, it must be held that the contested decision was adopted in infringement of an essential procedural requirement which, in the present case, obliged the Board of Appeal to rule on the refusal of the Opposition Division to register the mark applied for in respect of the goods falling within Class 24, and that that decision must, as a result of that infringement, and without it even being necessary to rule on the pleas raised by the applicant in support of its first head of claim, be annulled in its entirety.

Costs

30 Pursuant to Article 87(3) of the Rules of Procedure of the Court of First Instance, the Court may order that the costs be shared or that each party bear its own costs where each party succeeds on some and fails on other heads.

31 In the present case, the applicant has failed in its pleas. Account must, however, be taken of the procedural defect vitiating the contested decision. Since the contested decision is annulled, on that basis, by the Court, OHIM must also be considered as having failed in its pleas. In those circumstances, each party must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (Second Chamber)

hereby:

- 1. Annuls the decision of the Second Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 25 January 2007 (Case R 960/2006-2);**

- 2. Dismisses the action as to the remainder;**

- 3. Orders Gabel Industria Tessile SpA and OHIM each to bear their own costs.**

Pelikánová

Jürimäe

Soldevila Fragoso

Delivered in open court in Luxembourg on 10 June 2008.

E. Coulon

I. Pelikánová

Registrar

President