

**EU CTM System
OPPOSITION PROCEEDINGS
IN THE EU, THE US & CANADA:
SAME MELODY IN A DIFFERENT KEY**

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- **Distinctive features of the CTM opposition system**
 1. No “ex officio” examination/refusal of CTM applications on the basis of conflicting earlier rights
 2. Basis for an opposition circumscribed to earlier trade mark (or equivalent) rights
 3. Oppositions based upon unused earlier trade marks may, in certain circumstances, be rejected
 4. Official searches conducted in order to bring earlier conflicting trade marks to the attention of the CTM applicant and in some cases to the attention of the earlier right holder
 5. No counterclaims admitted against the earlier trade mark
 6. Friendly settlement of opposition facilitated through a “cooling off” period
 7. An opposition period of 3 months after the publication of the CTM
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Distinctive features of the CTM opposition system (I)



No “ex officio” examination / refusal of CTM applications on the basis of conflicting earlier rights

● “Ex officio” refusal is confined to formal and absolute grounds. Conflicts between earlier rights and an earlier conflicting trademark right will prevent registration of a new mark only if the earlier right's proprietor successfully objects to the registration of the CTM application. Subsequent CTM applications are to be resolved by an opposition mechanism

● Rationale:

- Impossibility of carrying out complete search on all earlier rights
- “Ex officio” examination of conflicting earlier rights could lead to unjustified rejection of CTM application (unused earlier marks could stop new CTMs)
- The parties and the market decide whether conflicting marks can coexist
- Speed and efficiency in handling CTM registration proceedings

Distinctive features of the CTM opposition system (II)



Basis for an opposition circumscribed to earlier trade mark (or equivalent) rights

Oppositions against the registration of new CTMs may **only** be filed:

- By the proprietors of an earlier trade mark, earlier CTMs; national trade marks registered in a Member State of the EU; well known trade marks in the sense of 6bis of the PC; non registered trade marks if the relevant national law confers on their proprietor the right to prohibit the use of a subsequent trade mark
- By the proprietor of an equivalent earlier right (signs used in the course of trade if recognized by the relevant legislation and trade marks filed by agents without the proprietor's consent)

Distinctive features of the CTM opposition system (II Contd.)



Basis for an opposition circumscribed to earlier trade mark (or equivalent) rights

- Infringement of other prior rights (patents, designs, copyrights) or non conformity with other legal requirements (absolute grounds for refusal; bad faith of the applicant of the subsequent CTM) can not form the basis of an opposition.
- Those issues can only be dealt with after registration by means of an invalidity action brought before OHIM (or as a counterclaim before the CTM courts).
- The person entitled to file an opposition or any 3rd party may, however, file observations to OHIM during the CTM examination procedure, citing absolute grounds on which an application should be refused.
- The 3rd parties observations procedure is dealt with separately from any opposition.



Distinctive features of the CTM opposition system (III)



Oppositions based upon unused earlier trade marks may, in certain circumstances, be rejected

- Earlier registered trade marks unused for more than 5 years after registration should not constitute an obstacle to the registration of new CTMs.
- If the earlier trade mark on which an opposition against the registration of a later CTM is based has been registered for more than 5 years, the CTM applicant may request that the opponent prove genuine use of the earlier trade mark.
- If use has not been proven by the proprietor of the earlier trade mark, the opposition will be rejected.

Distinctive features of the CTM opposition system (IV)



Official searches conducted in order to bring earlier conflicting trade marks to the attention of the CTM applicant and in some cases to the attention of the earlier right holder

To assist CTM applicants and owners of certain earlier rights, a search and notification mechanism has been established:

- OHIM provides reports related to new CTM applications possibly conflicting with earlier CTMs and, if the applicant so requests, with earlier national trade marks in those EU member states whose trade marks offices opted to make these search facilities available to OHIM (many MS opted not to i.e. F, DE, IT, BEN, UK).
- When an earlier CTM is cited in the report, the OHIM notifies the CTM applicant and the earlier CTM proprietor. National trade marks cited will only be notified to the CTM applicant.
- Search reports are generated by automated systems and do not influence the outcome of any eventual opposition proceedings.

Distinctive features of the CTM opposition system (V)



No counterclaims admitted against the earlier trade mark

- No counterclaims against the earlier right upon which the opposition is based are admitted. The possible outcomes of the opposition proceedings may be:
 - Friendly settlement
 - Withdrawal of opposition
 - Withdrawal of CTM application
 - Partial refusal of application
 - Refusal of application or opposition rejection
- The fact that genuine use of the earlier trade mark has not been proven by opponent (when its trade mark has been registered for more than 5 years) only affects the outcome of the opposition. It does not affect the validity of the registration of the earlier trade mark.

Distinctive features of the CTM opposition system (VI)



Friendly settlement of opposition facilitated through a “cooling off” period

- The CTM regulations facilitate the settlement of an opposition by the parties themselves
- The mechanism for that is the establishment within the opposition proceedings of a so-called “cooling off period”
- Once an opposition has been considered admissible, OHIM does not commence immediately the adversarial phase of the opposition, but rather informs the parties that such adversarial phase will start 2 months after
- This period serves for parties to reflect, negotiate, and eventually settle the conflict
- The “cooling off” period may be extended at the request of both parties for an additional 22 months with the possibility of any party to opt out at any time



Distinctive features of the CTM opposition system (VII)

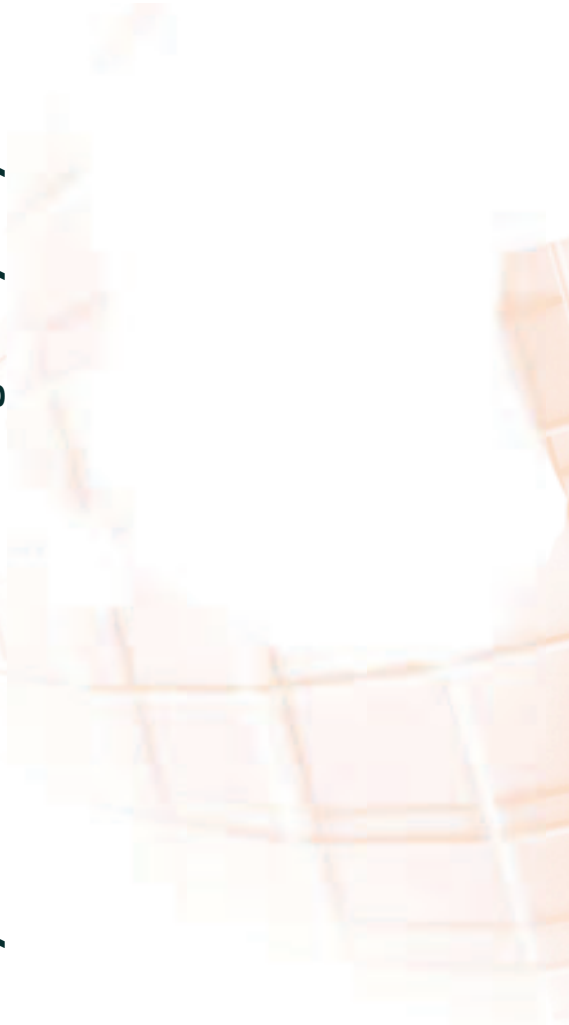


An opposition period of 3 months after the publication of the CTM

Opposition against the registration of a CTM may be filed within a non extendable period of 3 months after the publication of the CTM application concerned.

Within this period a fee of 350 Euros must be paid to OHIM.

Why 3 months? Is this too long? Why only €350?



Distinctive features of the CTM opposition system (VIII)



Costs born by losing party

- The losing party in the opposition proceedings bears the fees incurred by the other party as well as all costs incurred by him essential to the proceedings.
- Withdrawal opposition: opponent bears the costs. Withdrawal CTM: Applicant bears fees and costs. Agreement on closure: each party bears own costs.
- Decision on costs in all opposition proceedings that are closed at the adversarial part. No decision on costs when opposition is closed before or during the “cooling off” period.
- Cost of representation: Maximum €300 irrespective of real amount incurred.

Distinctive features of the CTM opposition system (IX)

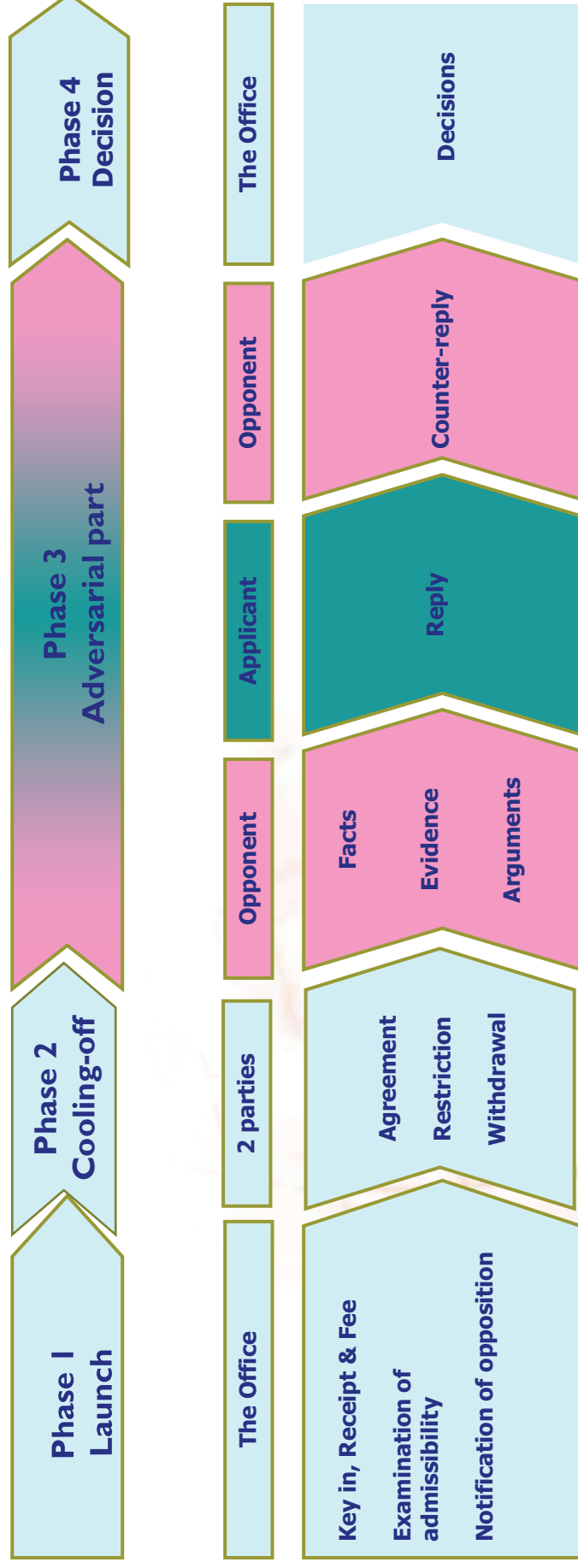


A unique multi-language regime

The notice of opposition shall be filed in one of the following 5 languages (FR, EN, DE, ES, IT). The opponent may choose between:

- The second language indicated by the CTM application in the CTM application form
- The first language of the CTM application provided that this language is one of the 5 above
- Any other official language the EU provided that the CTM applicant agrees

Outline of CTM opposition proceedings (I)



Outline of CTM opposition proceedings (II)



DECISION

Decision taken by Opposition Divisions (3 OHIM examiners) that can be appealed to:

- The Boards of Appeal
- The Court of First Instance of the European Communities (Luxembourg) The Boards of Appeal
- The Court of Justice of the European Communities (Luxembourg)

Some figures related to the CTM opposition proceedings (1)



- About 15% of the published CTM applications face an opposition (OHIM currently has to deal with some 16,000 new oppositions a year). Too much? In the UK the opposition rate is about 5%
- 30% of the oppositions against CTMs are closed by the examiners decision, and 70% are settled otherwise. In the UK only 20% of oppositions are settled by decision
- Success rate of oppositions against CTMs: about 50% of the oppositions filed leads to a withdrawal, or a refusal, or a rejection, which means that approximately 7% of the CTM applications are in one way or another affected by an opposition
- Average duration of cooling-off period: 12 months
- On average, a CTM application file that suffers an opposition takes 25 months to be closed (from CTM filing to closure of proceedings) where the opposition is settled by means other than a decision. If oppositions are closed by decision, this period increases up to 35.7 months
- Once an opposition file is ready for decision, the office takes 6 months to close it.

Some figures related to the CTM opposition proceedings (II)

Origin of CTM Applicant	Origin of CTM Opponent	Origin of Opponent's Agent	Language of Opposition
USA 21%	Germany 28%	Germany 32%	English 78%
Germany 17.8%	Spain 19.7%	Spain 27.5%	German 10.7%
UK 12%	USA 6.46%	UK 11.62%	Spanish 5.3%
Italy 8.2%	France 6.2%	France 7.25%	French 4.7%
Spain 8.2%	UK 4.35%	Italy 4.7%	Italian 1.4%
	Italy 3.9%	Portugal 4.1%	
	Portugal 3.6%	Netherlands 2.7%	
	Switzerland 2.9%	Belgium 2.4%	
	Netherlands 1.94 %	Switzerland 1.8%	
	Belgium 1.55%	Denmark 1.4%	

Concluding remarks

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- CTM opposition proceedings are well designed and work relatively well
- CTM opposition proceedings should be streamlined and dealt with in a more efficient and expedient manner (apart from , all communication and exchanges between parties and the office should be that handled online)
- Opposition filing period should be reduced to 2 months
- Grace period for use of an earlier trade mark should be reduced from 5 to 2 years

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Thank you for your attention!



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