

Relative Grounds of Refusal – All change in the UK

Introduction

by Keith Havelock

We have chosen Relative Grounds of Refusal to be the subject of this Round Table – the first ECTA Round Table to be held in the United Kingdom – as the subject is a current and controversial one in this country.

For over a century, the official search, examination and ex officio refusal of applications conflicting with earlier registered rights have been lynchpins of United Kingdom trade mark law, and have formed the basis of corresponding laws in many other countries of the world. The system seemed sacrosanct.

But in comparatively recent times, international influences upon UK trade mark law and practice, such as the Community Trade Mark and the Madrid Protocol, have led to a shift in opinion as to whether the search and refusal system should be maintained. Anomalies have arisen between UK registrations simpliciter and CTM and Madrid registrations so far as these covered the UK. CTM registrations having effect in the UK often have wider specifications of goods and services than would normally be allowed under local official practice. Add to this that big industry has for years questioned the value of the official search.

On the other side, it was maintained that the search and refuse system has assisted small and medium sized businesses not used to making the independent searches commonplace in big business. After consultation (which will continue for a further period on one point, that of the so-called “opt-in fee”), the UK Intellectual Property Office has announced that Section 5 (relative grounds) procedures in the UK will change from 1 October 2007 to be replaced by a “search and notify” system.

This is a momentous decision, as the UK will be the first of the world’s common law countries to take such a step. It will be interesting to see whether others follow suit in the future. In the context of the EU, it is probable that Ireland will consider doing so in due course as it is inconvenient for the jurisdictions of neighbouring member states with similar economies to have laws that do not correspond in major respects, of the Uniform Law of the Benelux countries.

But just as interesting will be to see how trade mark applicants in the UK react to the new regime. Practitioners will need to be diligent in advising their clients of the new conditions and their likely effects.

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Finally, I would like to thank ECTA Council member Clarke Graham and his firm Marks & Clerk for kindly hosting this Round Table.

Keith Havelock is a former Senior Partner of D Young & Co of London and Southampton, a Council and Founder member of ECTA and an Honorary Fellow of the Institute of Trade Mark Attorneys. He is also Secretary General of ECTA.

The Changes to the UK's Examination Arrangements

by Michael Knight

The United Kingdom Intellectual Property Office (UKIPO), formerly The Patent Office, has consulted extensively on the legislative changes (primary and secondary) required to implement the changes in the examination arrangements insofar as its obligations under Section 5 (2) (relative grounds) of the UK Trade Marks Act 1994 are concerned. These currently require the Registrar to refuse to accept applications in respect of trade marks which are the same as or similar to an earlier protected trade mark and where the later filed application is in respect of the same or similar goods and services.

The arrangements that will be in place from 1 October 2007 will require the Registrar to examine an application on relative grounds but there will be no power to refuse to accept an application if earlier conflicting trade marks are found. The applicant will be informed of the earlier rights, given an opportunity to amend his specification to avoid the conflict (or withdraw the application). If the application is not restricted so as to avoid the conflict, the application will be published for opposition purposes; at the same time, the holder of the earlier conflicting right will be informed of the existence of the later filed application (subject to qualifications referred to in the next paragraph).

The holders of earlier rights to be notified of later filed applications which in the view of the examiner conflict with their rights will be (1) holders of UK registrations, (2) holders of international registrations which have designated the UK, and (3) holders of international registrations which have designated the EU. The holders of all these rights will be entitled by law to be notified of any later filed applications which conflict with their earlier rights. The holders of Community Trade Marks (CTMs) will not be so entitled. They can however "opt-in" to the notification system for a fee (which is likely to be for a period of five or ten years).

There will be no right to a hearing on the examiner's view as to whether or not an earlier protected right does conflict with an application for registration, nor will an examiner enter into correspondence on the subject. The applicant will have one opportunity only to restrict the application once the official examination report has been issued. A period of two months (extendible) will be allowed for that purpose.

The ability to claim "honest concurrent use" will no longer be available.

There will be no change in the arrangements for examination of applications in respect of the requirements for registration set out in

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Section 3 of the Act (absolute grounds). Any objection taken by the examiner under that section will still be the subject of correspondence, evidence of factual distinctiveness and a hearing. The fact that there may be correspondence on a Section 3 issue will not provide an opportunity to enter into correspondence with an examiner on a Section 5 issue and thus extend the period for dealing with the earlier rights issue.

Where there is both a Section 3 objection and earlier conflicting rights have been identified, the application will not be accepted and published, and the holders of any earlier protected rights informed, unless or until the Section 3 objection is resolved.

The opposition arrangements will remain as currently. There will continue to be an unextendable period of three months for the opponent to file a notice of opposition and for the applicant to file a defence. The cooling-off period will also continue to be available. Where the opposition is based in whole or in part on Section 5 (1) or (2) of the Act, a "Preliminary Indication" will be issued by a principal hearing officer. If either party wishes to move into the adversarial stage then they can do so and the evidence rounds will follow with a substantive decision by another principal hearing officer.

There will be one change in the opposition arrangements: currently, anyone may oppose an application for registration on relative grounds.

Because of the way in which the Act is constructed, once the revised examination arrangements come into effect, only the holder of an earlier right may pursue an opposition on relative grounds based on that right. The Trade Mark Rules will however be amended to allow an interested party to intervene in an opposition. Thus it will be possible for eg a licensee to pursue the opposition once the holder of the earlier right has entered it.

Finally, the UKIPO will now suspend cases where there is an objection under Sections 5 (1) or (2) of the Act. Once the amended legislation comes into force on 1 October 2007, arrangements will be made to publish the application (assuming there to be no other objection) and for the holder of the earlier rights to be notified.

Mike Knight is former Head of Inter Partes Proceedings at the United Kingdom Intellectual Property Office and an Honorary Member of the Institute of Trade Mark Attorneys.

A UK Trade Mark Practitioner's Viewpoint

by Jeremy Pennant

As the UK becomes the first common law jurisdiction worldwide to do away with relative grounds refusal during the examination of trade marks, there are various issues that need to be considered by trade mark practitioners both in house and in private practice.

Watching Services

Whilst for many years practitioners have been advocating the importance of watching services in general to their clients, this will become much more so in the United Kingdom from October 2007 onwards. Practitioners should therefore ensure that their clients are informed of the changes in practice and reminded of the benefits of watching services.

Opting In and Opting Out

Owners of Community Trade Marks and International Registrations designating the European Union will only receive notifications from the UK Trade Mark Office if they opt in. The official fee for the "opting in" form is £50 per mark, valid for a period of three years. Practitioners will need to liaise with their clients as to whether watching services currently provide enough in terms of notification of later applications and publication thereof or, alternatively, if they need to opt in to the new system being operated by the UK Trade Mark Office. Practitioners should be aware that even if owners of CTM's have a seniority claim which has been accepted based upon an earlier UK Registration which has subsequently been allowed to lapse, it will still be necessary for them to opt in if they wish to receive notifications.

It is anticipated that the first applications published for opposition purposes under the new practice will take place on 26th October 2007.

There is also the ability to opt out of the notification system. Owners of UK (only) rights arising from UK Registrations or International Registrations specifically designating the United Kingdom will automatically be notified with regard to any later filed conflicting marks. Some practitioners may wish to consider with their clients whether to opt out of this automatic notification system, especially where sophisticated watching systems are already in place.

How the Changes Affect the Prosecution of an Application

If the only issue raised in the examination report is that the search has revealed earlier marks which apparently conflict, Applicants will be given

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the opportunity to decide whether or not they want their application to proceed to publication. If no response is lodged within two months, the Office will automatically progress the application to acceptance and publication for opposition purposes. This two month period can, however, be extended if there are good reasons such as consent is being sought from the proprietor of an earlier mark. Applicants will have the opportunity to respond to the list of potentially conflicting remarks. Applicants and practitioners should be aware, that the Office is only expecting one round of submissions. It will be permissible therefore to argue that trade mark X is not likely to be confused with Y for the following reasons and therefore there is no need to notify the owner of the earlier right; but if the Office disagrees, the Applicant wishes to limit the specification by deleting the following goods/services before publication. It is therefore important that all of the issues relating to earlier marks are addressed in full.

Practitioners will not have any right to appeal against an examiner decision to notify the owners of earlier marks. Nor will it be possible to request a hearing to argue against the issuing of a notification of an earlier rights holder.

Overall, from the practitioners prospective it is anticipated that the change in practice should speed up the process of registration even further, and that for clients and applicants as the application process is simplified this should lead to reduction in costs associated with securing trade mark protection in the UK.

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Survey on Examination – Relative grounds November 2007

Introduction

by Mireia Curell

As stated by Keith Havelock in his introduction to the Round Table *Relative Grounds of Refusal – All Change in the UK*, the United Kingdom is the “World’s first Common Law Country” to take the step to do away with relative grounds for refusal during the examination process of trade marks.

This is a historical moment for our British colleagues as this principle was well established for decades in their law.

In order to offer ECTA Members and readers of the Gazette with a complete picture of the situation of examination on relative grounds in the different member states and jurisdictions of the European Union, we thought it would be useful to carry out a survey on this aspect of the trade mark registration procedure.

The survey has been conducted amongst ECTA Council Members and provides with short answers to the following questions:

- whether a search on earlier rights is conducted by the trade mark office during the registration procedure and to whom are the results notified,
- whether the trade mark office proceeds with ex officio refusals based on relative grounds,
- whether there is an opposition procedure (prior and/or post registration).

The conclusion is that out of 26 jurisdictions¹ (corresponding to 27 countries) from which relevant information has been obtained, 13 jurisdictions (corresponding to 14 countries, including the UK) do not provide for ex officio refusals on relative grounds.

Ex officio examination of earlier rights remain in Bulgaria, Cyprus, the Czech Republic, Estonia, Finland, Greece, Ireland, Malta, Poland, Portugal, Romania, Slovakia and Sweden. In Denmark, Italy and Malta there is no examination on earlier rights, either ex officio or upon opposition.

¹ The Community Trade Mark System is included in the survey

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The UK, first Common Law country not having ex officio refusals on relative grounds, has therefore aligned its law and practice with an important part of its fellow EU countries, including the Community Trade Mark system.

Sincere thanks to the ECTA Council Members who contributed to completing this survey.

Mireia Curell
President of ECTA and Member of the Editorial Board

**Survey on Examination – Relative grounds
November 2007**

	Does your jurisdiction provide for relative grounds examination	Comment
Austria	Search with notification to applicant only. No refusal ex officio. Opposition post registration.	
Benelux	No search. No refusal ex officio. Opposition prior to or post registration.	
Bulgaria	Search for examination purposes and put at the disposal of the applicant in case of a provisional refusal. Refusal ex officio. Opposition prior to registration.	
Cyprus	Search with notification to applicant only. Refusal ex officio. Opposition prior to registration.	
Czech Republic	No search. Refusal ex officio for identical marks or marks with an element likely to create confusion. Opposition prior to registration.	
Denmark	Search with notification to applicant only. No refusal ex officio. No opposition.	Ex officio refusal was provided in the past and changed on 1 January 1999.

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Estonia	<p>Search for examination purposes only with no notification.</p> <p>Refusal ex officio.</p> <p>Opposition prior to registration.</p>	
Finland	<p>Search with notification to applicant only.</p> <p>Refusal ex officio.</p> <p>Opposition post registration.</p>	<p>This matter was discussed in a committee some years ago and it was decided not to change it. There are no official discussions about the matter, at least for the moment.</p>
France	<p>No search.</p> <p>No refusal ex officio.</p> <p>Opposition prior to registration.</p>	
Germany	<p>No search.</p> <p>No refusal ex officio.</p> <p>Opposition post registration.</p>	<p>Ex officio refusal has not been provided in the past.</p>
Great Britain	<p>Search with notification to holder of earlier right and to applicant.</p> <p>No refusal ex officio.</p> <p>Opposition post registration.</p>	<p>The UK does this as of 1 October 2007.</p>
Greece	<p>Search with notification to applicant only.</p> <p>Refusal ex officio.</p> <p>Prior to the hearing, which takes place before the Administrative Trade Mark Committee for the official examination of the trade mark application, the applicant is informed of the Examiner's possible objections.</p> <p>Opposition post publication and prior to registration.</p>	<p>The existing system is considered efficient and thus the general opinion is that it should be maintained as it is.</p>

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Hungary	Search with - automatic notification to the applicant; and – notification to the holder of the earlier right upon request. No refusal ex officio. Opposition prior to registration.	The law was changed when Hungary joined the European Union in 2004.
Ireland	Search with notification to applicant only. Refusal ex officio. Opposition prior to registration.	
Italy	No search. No refusal ex officio. No opposition.	The Italian Trade Mark Office with the support of the Government is discussing the possibility to introduce the opposition system in Italy.
Latvia	No search. No refusal ex officio. Opposition post registration.	
Lithuania	No search. No refusal ex officio. Opposition after registration, but prior to the issuance of the registration certificate.	
Malta	Search with notification to applicant only. Refusal ex officio. No opposition.	
Poland	Search with notification to applicant only. Refusal ex officio. Opposition post registration.	

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Portugal	Search for examination purposes only with no notification. Refusal ex officio. Opposition prior to registration.	The law on Industrial Property (Industrial Property Code) is currently being reviewed, but it might well be that the current situation be maintained.
Romania	Search for examination purposes only with no notification. Refusal ex officio. Opposition prior to registration.	There is a new law being discussed in the Romanian Parliament. According to this new law the examination ex officio for relative grounds of refusal will be suppressed. The law is expected to come into force within the next few months (5-6 months).
Slovakia	No search. Refusal ex officio for identical marks. Opposition prior to registration.	
Slovenia	No search. No refusal ex officio. Opposition prior to registration.	
Spain	Search with notification to holder of earlier right only. No refusal ex officio. Opposition prior to registration.	Ex officio refusal on the basis of earlier rights was abolished on 31 July 2002, when the Trade Marks Act 17/2001 entered into force .

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Sweden	<p>Search for examination purposes only with no notification.</p> <p>Refusal ex officio.</p> <p>Opposition post registration.</p>	<p>A proposition for a new Trade Marks Act in Sweden has been issued. For the time being it is not known when this Act will enter into force. In the proposition it is suggested that the ex officio refusal on relative grounds be dropped. It is not indicated how this practice will be changed. It is likely that the Trade Marks Office at least will conduct a search and inform the applicant of the search results. The opposition will most likely prevail.</p>
EU - CTM	<p>Search in the CTM registry with notification to holder of earlier right and to applicant.</p> <p>Search in some of the national registries with notification to applicant, but no notification to holder of earlier right.</p> <p>No refusal ex officio.</p> <p>Opposition prior to registration.</p>	<p>As from 10 March 2008, optional search in some of the national registries upon request with no notification to holder of earlier right.</p>