Opposition and Cancellation Proceedings
Similarities and Differences
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Introduction

The focus of this paper is the procedural similarities and differences between opposition and cancellation proceedings in respect of Community trade marks (CTMs) before the Office. The paper was prepared to provide the background to a presentation given by the author to the 26th Annual Meeting of ECTA in June 2008. Cancellation of a CTM comprises both revocation and invalidity actions. The procedural differences between opposition and cancellation are best understood against the background of the substantive differences between opposition and cancellation.

The paper firstly summarises the substantive and procedural similarities. It then addresses substantive issues that are different. Finally it addresses procedural differences and an additional issue. The annex contains a table which summarises the principal procedural differences.

Substantive similarities between opposition and cancellation

Basis for the action

Opposition to the registration of a CTM may be based only on the grounds set out in Article 8 of the Community Trade Mark Regulation (CTMR). In summary:

• Earlier registered trade marks with effect within the EU or applications for them, which marks are identical to the CTM application and the respective goods and services of both marks are identical or,
• If not identical, there is a likelihood of confusion because of the identity/similarity of the marks and the goods and services in question.
• Rights arising from signs used in the course of trade of more than mere local significance where the law governing such signs would allow the proprietor to prohibit the use of a subsequent trade mark
• Where the earlier trade mark has a reputation and is identical or similar to the CTM application but is registered for dissimilar goods or services but the use of CTM would either take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

1 Office for Harmonization in the Internal Market (trade marks and designs)
2 Community Trade Mark Regulation (Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark)
3 CTMs; national or Benelux trade marks; international registrations having effect within the EU.
All of these grounds are available for the invalidation of a CTM.

**Defences against an action**

The applicant for a CTM may request proof by the opponent of genuine use of an earlier trade mark that is the basis of the opposition where the earlier mark has been registered for five years or more.\(^4\) Similarly, the proprietor of a CTM may request that the applicant for a declaration of invalidity prove genuine use of the trade mark(s) on which the action is based, if the registration is at least five years old.\(^5\) In both cases, where proof of use has not been provided, establishing proper reasons for non-use will enable the action to continue.

**Partially successful actions**

Where the grounds for opposition or cancellation are found to apply only in respect of some of the goods or services, the decision to refuse the CTM application or cancel the CTM will be limited to only those goods.\(^6\)

**Procedural similarities**

In actions before the Office the aggrieved party (opponent or applicant for revocation or a declaration of invalidity) must initiate the procedure. The Office itself has no right or duty to oppose, on relative grounds, the registration of a CTM application or to seek the cancellation of a CTM on any grounds.

All decisions of the Office must state the reasons on which they are based. They can be based only on reasons or evidence on which the parties have had an opportunity to comment.\(^7\)

In proceedings relating to relative grounds (opposition or invalidation) the Office is restricted to the examination of the facts, evidence and arguments of the parties and the relief sought.\(^8\)

Time limits are subject to broadly the same rules. Exceptions are mentioned elsewhere. During the examination of an opposition or an application for cancellation the Office will invite the parties, as often as necessary, to file observations within a period set by the Office.\(^9\)

The language regime of both opposition and cancellation proceedings before the Office are essentially the same. It needs to be recalled that a CTM application can be filed in any of the official languages of the European Community (EC) and that a second (different) language must be chosen as a possible language of proceedings for opposition or cancellation proceedings.\(^10\) The second language must be one of the five\(^11\) languages of the Office. The opposition or application for cancellation must

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\(^4\) Article 43(2) and (3) CTMR  
\(^5\) Article 56(2) and (3) CTMR  
\(^6\) Articles 43(5), 50(2), 51(3) and 56(5) CTMR  
\(^7\) Article 73 CTMR  
\(^8\) Article 74 CTMR  
\(^9\) Articles 43(1) and 56(1) CTMR  
\(^10\) Article 115(1) and (3)  
\(^11\) English, French, German, Italian and Spanish
be filed in one of these five languages.\textsuperscript{12} If the language chosen is neither of the two languages of the application a translation into the appropriate language must be filed.\textsuperscript{13} For oppositions the period for filing the translation is one month from the expiry of the opposition period\textsuperscript{14} and for applications for cancellation one month from the filing of the application\textsuperscript{15}. The proceedings themselves must be in the appropriate language unless agreement is reached between the parties on the use of one of the other official languages of the EC.\textsuperscript{16} In opposition cases the time limit for this agreement is when the opposition period is deemed to commence.\textsuperscript{17} For invalidity proceedings the time limit for notifying agreement to the use of another language is two months from the receipt by the CTM proprietor of the invitation from the Office to file observations on the application for a declaration of invalidity.\textsuperscript{18}

**Multiple actions**

Where **multiple** oppositions have been entered in respect of the same CTM application the Office may deal with them in one set of proceedings. It may subsequently decide no longer to deal with them in this way.\textsuperscript{19} It is important to realise that multiple in this context does not mean that the basis of the opposition is more than one earlier right, or that there are multiple owners of the earlier rights concerned, but rather that there is more than one party filing an opposition to the same CTM application\textsuperscript{20}.

The Office may suspend one opposition until one which appears more decisive has been decided. Where a decision rejecting the CTM becomes final in these circumstances the other oppositions will be deemed to have been disposed of. The Office will refund 50% of the opposition fee to the opponents whose oppositions were suspended.\textsuperscript{21}

Parallel provisions apply to multiple cancellation proceedings before the Office.\textsuperscript{22}

**Refund of fees**

If the opposition fee is paid after the period for filing the opposition has expired, the fee will be refunded.\textsuperscript{23} A similar provision applies to cancellation actions.\textsuperscript{24}

Where there are multiple oppositions and as a result of a decision in respect of one of them other oppositions are disposed of 50% of the opposition fee will be refunded to each of those opposing parties.\textsuperscript{25} The cancellation fee is dealt with in the same manner.\textsuperscript{26}

\textsuperscript{12} Article 115(5) CTMR
\textsuperscript{13} Article 115(6) CTMR
\textsuperscript{14} Rule 16(1) CTMIR
\textsuperscript{15} Rule 38(1) CTMIR
\textsuperscript{16} Article 115(7) CTMR
\textsuperscript{17} Rule 16(2) CTMIR
\textsuperscript{18} Rule 38(3) CTMIR
\textsuperscript{19} Rule 21(1) CTMIR
\textsuperscript{20} Opposition Guidelines
\textsuperscript{21} Rule 21(2), (3) and (4) CTMIR
\textsuperscript{22} Rule 41 CTMIR
\textsuperscript{23} Rule 17(1) CTMIR
\textsuperscript{24} Rule 39(1) CTMIR
\textsuperscript{25} Rule 21(4) CTMIR
\textsuperscript{26} Rule 41(2) CTMIR
Substantive differences

Grounds for revocation

An action for revocation of a CTM may be based on claims that either:

- The CTM has not been put to genuine use in the Community for a continuous period of five years after its registration, unless there are proper reasons for non-use, or
- The trade mark has become the common name in the trade for a product or service in respect of which it is registered, in consequence of acts or inactivity of the proprietor, or
- The trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of the goods and services for which it is registered, as a result of use of the trade mark by the proprietor or with his consent for those goods or services.  

Absolute grounds for invalidity

In addition to the claim that the CTM was registered in breach of one of the grounds contained in Article 7 CTMR, an invalidity action may be based on a claim that the applicant acted in bad faith when the CTM application was filed.

Even where the CTM is found to have been registered contrary to Article 7, if the grounds are confined to the provisions of 7(1)(b), (c) or (d) there is a possible defence to the action. If in consequence of the use made of it, the CTM has, after registration, acquired a distinctive character in respect of the goods or services for which it is registered it may not be invalidated.

Relative grounds for invalidity

In addition to the grounds for opposition (Article 8 CTMR) a CTM may be declared invalid where the use of such trade mark may be prohibited pursuant to another earlier right, in particular:

- A right to a name
- A right of personal portrayal
- A copyright
- An industrial property right.

Proof of use

In opposition proceedings, where the CTM applicant requests proof of use the relevant period in respect of which proof must be given is the five years preceding the date of publication of the CTM application which is attacked.

Where the proprietor of a CTM requests proof of use of the earlier mark(s) from the applicant for invalidity of the CTM, the proof must relate to two periods. As in the case of opposition, the proof must relate to the five years preceding the date of registration.

27 Article 50 CTMR
28 Article 51(1)(a) CTMR
29 Article 51(1)(b) CTMR
30 Article 51 (2) CTMR
31 Article 52(2) CTMR
32 Article 43(2) CTMR
publication of the CTM application. In addition the proof must relate to the five years preceding the date of the application for a declaration of invalidity.\textsuperscript{33}

Other forms of defence

Where the proprietor of an earlier trade mark has acquiesced in the use of a later CTM, while being aware of that use he may no longer use that earlier mark as the basis for an action for invalidity against the later CTM. The acquiescence must have lasted through five consecutive years of known use. This defence is not available where the later CTM was applied for in bad faith.\textsuperscript{34}

A CTM may not be declared invalid on the basis of an earlier right where the proprietor of that right expressly consented to the registration of the CTM. The express consent must predate the application to the Office for a declaration of invalidity or the counterclaim before a Community trade mark court.\textsuperscript{35}

Where the proprietor of an earlier has previously applied for a declaration of invalidity or made a counterclaim he may not initiate a new action on the basis of any other right which could have been invoked in the earlier action.\textsuperscript{36}

An application for revocation or for a declaration of invalidity is inadmissible if an application relating to the same subject matter, cause of action and involving the same parties has been decided by a court in a Member State and has acquired the status of a final decision.

Procedural differences

Who may initiate an action?

Opposition may be brought only by the proprietor of an earlier trade mark or other sign satisfying the conditions of Article 8(4) CTMR.

Applications for revocation or for invalidity on absolute grounds may be brought by any natural or legal person. An action on these grounds may also be brought by any group or body set up for the purposes of representing the interests of manufacturers, producers, suppliers of services, traders or consumers provided that the body concerned has the capacity in its own name to sue and be sued.\textsuperscript{37}

Relative grounds for invalidity may be invoked only by the proprietor of the earlier right(s) concerned.\textsuperscript{38}

Time limits

Notice of opposition can be filed only within the three month period commencing on the date of publication of the CTM application.\textsuperscript{39} It is a matter of practice by the Office that oppositions filed earlier than the formal opening of the opposition period,
namely, the publication of the CTM application are deemed not to have been filed and the corresponding fees are refunded in such cases. This practice is in contrast to oppositions filed against international registrations (IR) under the Madrid Protocol which designate the EC. In the latter case oppositions filed before the opening of the opposition period are held in abeyance until the opening of the period for opposition and treated as if they had been filed in a timely fashion. Applicants to the Office for cancellation are free to choose their own time to file their application. Defendants in infringement proceedings who want to use cancellation of the CTM at issue as a defence before the Community trade mark court are bound by the time limits that would apply to the same type of action relating to a national trade mark in the Member State in question.

Where an opposition is found admissible the Office communicates to the parties that that the proceedings will be deemed to commence two months after receipt of this notice. There is a possibility of extending this cooling off period from two to a maximum of twenty four months. Where the request for extension is filed the period granted is automatically for the full twenty four months. Either party may bring the cooling off period to an end by written request to the Office. Once the cooling off period has been interrupted by a request of one of the parties it may not be re-started.

There is no parallel provision in respect of cancellation proceedings.

Where the applicant for a CTM faces an opposition and decides to request proof of use of the earlier trade mark(s) the request must be made within the time limit given by the Office to the applicant to file observations on the submission of the opponent. There is no statutory time limit within which the proprietor of a CTM must request proof of use of the rights on which an invalidity action is based.

Payment of fees

An opposition to the registration of a CTM is not properly filed unless the opposition fee has been paid within the three month period for filing the opposition. On the other hand where the fee for an application for cancellation has not been paid the Office will invite the applicant for cancellation to pay the fee within a period specified by it, normally two months. Only if the fee is not paid within the prescribed period will the application for cancellation be deemed inadmissible.

Amount of fees

The Fees Regulation (FR) currently specifies a fee of €350 for the filing of an opposition and a fee of €700 for an application for revocation or for a declaration of invalidity.

Other admissibility criteria

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40 Article 97(2) CTMR
41 Rule 18(1) CTMR
42 Communication No 1/06 of the President of the Office of 2 February 2006
43 Rule 22(1) CTMIR
44 Article 42(3) CTMR and Rule 17(1) CTMIR
45 Rule 39(1) CTMIR
46 Commission Regulation (EC) No 2869/95 of 13 December 1995
47 Article 2.5 FR
48 Article 2.17 FR
If the notice of opposition does not clearly identify, as specified by Rule 15(2) CTMR: the CTM application against which opposition is entered, the other earlier right or the earlier mark upon which the opposition is based, or if the grounds are not specified as required by that Rule the opposition will be rejected as inadmissible. The opposition can be saved if these deficiencies are remedied within the opposition period. The Office does not send any deficiency notice in respect of these issues. The onus is on the opponent to note and correct the deficiencies.

Similar deficiencies in an application for revocation or for a declaration of invalidity will be brought to the applicant’s attention. If they are remedied within the period set by the Office the application will not be rejected as inadmissible.

Refund of fees

If, before the commencement of proceedings, the opposition is closed by a withdrawal of the application or a restriction of the list of goods and services against which the opposition is based, or the Office is informed of a settlement between the parties the opposition fee will be refunded.

There is no equivalent provision for cancellation actions.

Costs

If the opposition proceedings are closed before the commencement of proceedings on the basis referred to in the paragraph above no decision on costs will be taken.

There is no equivalent provision for cancellation actions.

Additional issue

Choice of forum

Opposition can be conducted only before the Office.

However, in the context of infringement actions, counterclaims for revocation or invalidity may be made before Community trade mark courts. If the proprietor of the CTM so requests, it is open to the Community trade mark court to stay proceedings and direct the defending party to submit the application for cancellation to the Office. In practice Community trade mark courts rarely, if ever, take this option preferring to deal with both the infringement and any counterclaims together.

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49 Rule 17(2) CTMIR
50 Rule 39(3) CTMIR
51 Rule 18(5) CTMIR
52 Rule 18(40 CTMIR
53 Articles 50, 51 and 52 CTMR
54 Article 92(d) CTMR
55 Article 96(7) CTMR
## Procedural differences between opposition and cancellation proceedings before the Office

<table>
<thead>
<tr>
<th></th>
<th>Opposition</th>
<th>Cancellation</th>
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<tbody>
<tr>
<td><strong>Amount of Fee</strong></td>
<td>€350</td>
<td>€700</td>
</tr>
<tr>
<td><strong>Payment of fee</strong></td>
<td>Within opposition deadline</td>
<td>Within time limit set by Office</td>
</tr>
<tr>
<td><strong>Deadline for filing</strong></td>
<td>3 months from publication</td>
<td>Any time after registration (except revocation for non-use)</td>
</tr>
<tr>
<td><strong>Who may act</strong></td>
<td>Only proprietor of earlier mark</td>
<td>Anyone, but only proprietor of earlier right for invalidity on relative grounds</td>
</tr>
<tr>
<td><strong>Cooling off period</strong></td>
<td>From 2 to 24 months</td>
<td>None</td>
</tr>
<tr>
<td><strong>Consequence of absence of basic admissibility data</strong></td>
<td>Opposition deemed not filed</td>
<td>Can be remedied within period set by the Office</td>
</tr>
<tr>
<td><strong>Limit for requesting proof of use of earlier mark</strong></td>
<td>Time limit for filing observations</td>
<td>None</td>
</tr>
<tr>
<td><strong>Refund of fee (settlement)</strong></td>
<td>If settled in cooling off</td>
<td>No equivalent provision</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>No costs decision if settled As above</td>
<td>No equivalent provision</td>
</tr>
</tbody>
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