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**TRADEMARK OPPOSITION PROCEDURES
POSSIBLE AREAS OF CONVERGENCE**

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I. INTRODUCTION

1. At the fifteenth session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), held in Geneva from November 28 to December 2, 2005, the SCT requested the Secretariat to prepare an information document on trademark opposition procedures. Accordingly, the Secretariat prepared document SCT/16/4, on the basis of the information contained in the Summary of Replies to the Questionnaire on Trademark Law and Practice (document WIPO/STrad/INF/1, hereinafter referred to as the “Questionnaire”), which reflects the replies received from 73 Member States and three intergovernmental organizations.
2. At its sixteenth session, held in Geneva from November 13 to 17, 2006, the SCT discussed the contents of document SCT/16/4 and requested the Secretariat to develop a new working document on the basis of submissions by SCT Members. As agreed by the Standing Committee, the following members of the SCT provided information concerning the opposition procedures applied in their jurisdiction: Australia, Bulgaria, China, Croatia, Denmark, Ecuador, Finland, France, Japan, Moldova, Morocco, Norway, Republic of Korea, Russian Federation, Slovakia, Slovenia, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, United Kingdom, United States of America, the European Community and the Benelux Organization for Intellectual Property (BOIP) on behalf of Belgium, Luxembourg and the Netherlands.
3. At the seventeenth session of the Standing Committee, held in Geneva from May 7 to 11, 2007, the SCT debated at length the issues contained in document SCT/17/4, and decided to request the Secretariat to draft a working document for the next session, setting out “Key Learnings” in the field of Opposition Procedures. A first draft of the document was posted on the SCT Electronic Forum, seeking comments from Member States to be used in the final version of the document.
4. During the eighteenth session of the SCT, Member States provided additional comments on document SCT/18/3 Prov., entitled “Trademark Opposition Procedures – Key Learnings” and requested the Secretariat to finalize that document on the basis of the report of the session. Furthermore, the SCT requested the Secretariat to prepare a new working document for discussion at the nineteenth session, reflecting possible areas of convergence in the field of trademark opposition procedures taking into account administrative cancellation procedures (see document SCT/18/9, paragraph 8).
5. The present document identifies issues that were outlined and discussed by SCT Members during three consecutive sessions and in so doing (Part II) suggests conclusions and possible areas of convergence that might be derived from the Committee’s submissions and deliberations.

II. POSSIBLE AREAS OF CONVERGENCE

(a) Third Party Intervention in Trademark Registration Procedures

6. The registration of a trademark usually carries a legal presumption of ownership of the mark and at least a *prima facie* right to prevent use of that mark by any unauthorized party. With specific reference to those effects of a trademark registration, the question is asked

whether the registration procedure should provide an opportunity for third parties to prevent the registration of a given sign as trademark. If the answer to that question is affirmative, one may further ask to what extent third parties should have the right to intervene in the registration process and what should be the modalities of such intervention. The number of trademark registrations both in developed and developing markets is constantly growing thus adding to the already impressive numbers of registered trademarks. These issues are becoming more important due to the increasing number of jurisdictions which have recently introduced opposition procedures.

(i) *The issues*

7. Opposition systems may take different modalities around the world. Pre-registration opposition is the most common procedure to oppose the registration of signs that are potentially conflicting with already registered marks. Among the countries providing for pre-registration opposition, some allow opposition before the examination of an application by the Trademark Office (hereinafter referred to as “the Office”) takes place, but the majority allows oppositions only after such an examination.

8. The establishment of a pre-registration opposition system may be based on an assumption that it is better to prevent the acquisition of trademark rights rather than to grant rights only to invalidate them later on. The core benefit of the system can be seen in the fact that it allows a determination as to whether an applicant has the right to register a given sign over a potentially conflicting sign, and that this determination takes place prior to the registration of the “junior” or later mark and thus before any rights in that sign are granted.

9. Pre-registration opposition may be intended to avoid the uncertainty of not fully tested registrations on the register. It may be regarded as a means to protect the rights of third parties and respond to the interests of applicants in legal certainty. On the other hand, the opposition procedure may prolong the registration process substantially. In pre-registration opposition procedures, applications can only be registered once the opposition period has expired. This has an effect on all applications, also on those that are not opposed, and results in potentially longer registration procedures for all trademarks, whether they are contested or not.

10. Some systems provide for opposition only after formal grant of a registration. In such systems, the pre-opposition grant of registration is sometimes of a preliminary nature, full grant being confirmed in the absence or disposal of any opposition.

11. A post-registration opposition system may be seen as a means to simplify the registration procedure and render it more efficient. Advantages may be derived from the fact that the Office need not take any further measures after registration if no opposition is lodged. The post-registration system requires only one publication of the trademark whereas, under a pre-registration system, both the trademark application and the final trademark registration are published – regardless of whether an opposition is raised.

12. Certain systems do not foresee opposition procedures and provide only for cancellation or invalidation procedures after grant of the trademark registration. The procedure of invalidation can, in most cases, be initiated before the Office or before a court. If the trademark is declared invalid in the course of the invalidation procedure, the registration may be deemed to have never been made. The different stages of invalidation procedures held before the Office may be similar to the steps taken in the course of opposition procedures.

13. Practically at any time after a mark has been registered, it is possible to request the cancellation of the registration. This kind of action is mainly used to attack older registrations on grounds of non-use. Without proof of genuine use, the trademark registration attacked becomes invalid and will be removed from the register. A cancellation action may also be used instead of an opposition, after expiry of the opposition deadline.

14. Independently from the type of procedure that a country may have in place, the presence of opposition as part of the trademark registration system is widely regarded as a useful feature of trademark registration procedures. It provides an opportunity for third parties to actively engage in preventing the registration of potentially conflicting marks. Moreover, where oppositions may be filed on absolute grounds of protection, third parties may submit to the Office additional information which the Office may not have had at its disposal and which could prevent the registration of a particular trademark.

15. Pre-registration opposition avoids the uncertainty of untested registrations on the register. However, they tend to prolong the registration procedure, which is an undesirable effect especially for those applications which will never be subject to an opposition.

16. Post-registration opposition systems may be balanced with provisions intended to discourage oppositions based on marks that are no longer used. In such cases, the applicant may be allowed to require the opponent to prove use of a cited mark that has been used for more than five years.

17. The nature and timing of post-registration opposition procedures raises questions as to how they differ from cancellation or invalidation procedures, particularly where they can be based on any grounds for refusal. Cancellation or invalidation procedures might, however, increase the costs for users if a change of forum results in the need for legal representation or the submission of additional evidence.

18. Whether pre or post-registration, opposition systems can share common features, such as a relatively simple and low cost administrative procedure that takes into account a limited number of grounds, without requiring the submission of evidence. Also, oppositions can be easily directed to and be heard by a specialized body, such as a board of appeal that can ensure consistency in decision making. Systems may also resemble a court action implying: notice, pleadings, counterstatement, opponent's evidence, applicant's evidence, evidence in reply, a hearing and the possibility of an appeal route.

(ii) *Possible area of convergence No. 1*

The availability of opposition procedures (pre-registration or post-registration opposition) is a desirable feature in trademark registration procedures and the SCT considers the implementation of opposition procedures in national and regional trademark registration systems to be useful for applicants, holders of registrations and trademark administrations.

(b) Relation Between Opposition and Examination Procedures

(i) *The issues*

19. The relation between examination and opposition procedures depends on a number of factors, namely, the type of opposition procedure in place, either pre-registration, post-registration opposition, or the possibility of administrative cancellation or invalidation proceedings. The choice of opposition procedure will determine the intensity, level and degree of examination applied and these factors may vary considerably from country to country, as shown in the summary tables that follow.

| Pre-registration Opposition (Examination Modalities) | | |
|---|---------------------------------------|--|
| Examination (Type) | Examination (Grounds) | Opposition (Grounds) |
| Full Examination | Formal, absolute and relative grounds | Absolute and relative grounds |
| Partial Examination | Formal and absolute grounds | Absolute and relative grounds |
| Partial Examination (<i>bis</i>) | Formal and absolute grounds | Relative grounds only Possibility to make observations on absolute grounds only |

| Post-registration Opposition (Examination Modalities) | | |
|--|---------------------------------------|---------------------------------------|
| Examination (type) | Examination (grounds) | Opposition (grounds) |
| Full examination | Formal, absolute and relative grounds | Formal, absolute and relative grounds |
| Full examination (<i>bis</i>) | Formal, absolute and relative grounds | Absolute and relative grounds |
| Partial examination | Formal and absolute grounds | Relative grounds only |

| No opposition (Examination Modalities) | | |
|---|---|---|
| Examination (type) | Examination (grounds) | Invalidation/ Administrative Cancellation (grounds) |
| Full examination | Formal, absolute and relative grounds | Absolute and relative grounds |
| Full examination | Formal, absolute and relative grounds (possibility to make observations) | |

20. Both pre and post-registration opposition systems may be combined with either full or partial Office examination of applications and also allow the same grounds to form the basis of examination and opposition. Where no opposition procedures are provided, full examination may be carried out, independently of whether the same grounds may be raised in invalidation or cancellation procedures. These choices may be dictated by additional considerations relating to cost and allocation of government resources (see documents SCT/17/4, Section II and SCT/18/3, Section III (a)).

21. In a system which applies a full examination of applications on absolute and relative grounds for refusal, oppositions will in practice concentrate on unusual technical or trade-specific absolute grounds and/or relative grounds based on user rights or registered rights not revealed in official searches. In a system where examination is conducted only as to absolute grounds of refusal, opposition will most often concentrate on relative grounds of refusal based on prior registered or unregistered rights, as the case may be.

22. In some systems, opposition may be considered an integral part of the examination process, with the burden of examination being shared to a greater or lesser extent between the applicant and the Office. However, in other systems, opposition can be seen as an opportunity for reviewing and supplementing Office decisions. Depending on the approach that is chosen in a specific system, opposition enables third parties to become part of the examination procedure.

23. Official examination has its limits and such limits may also be the result of a particular choice. Any examination system, even one that applies a detailed examination on absolute and relative grounds, will still be unable to exhaustively identify certain marks that should not be registered. Providing for opposition on, for example relative grounds only, while, at the same time, limiting Office examination to absolute grounds may be seen as sharing the burden of examination between the Office and third parties. Providing Office examination on absolute and relative grounds and offering those grounds as basis for oppositions may be understood as an approach to improve the quality of the examination procedure by allowing third parties to raise issues that were not known or overlooked by the Office examiner.

24. Full examination of applications followed by an opposition procedure may offer some cost advantages to trademark users. Applications which may be considered unsuitable for registration can be prevented from acceptance by the full examination system, thereby avoiding oppositions to be raised. Thus, only a limited number of applications may be opposed. In turn, this may be beneficial for holders of registered trademarks who might lack the necessary resources to police their registrations through regularly raising oppositions.

25. There is however a possibility not to allow opposition on absolute grounds where official *ex parte* examination is carried out, at least on absolute grounds. In such cases, there may be an expectation that the application process needs to be kept short and be extended by opposition only when third party rights are invoked. It may also be considered that an official view on registrability should not be easily questioned.

(ii) *Possible area of convergence No. 2*

The combination of various trademark examination and opposition procedures presents a variety of options that follow established legal traditions and administrative practices. The SCT does not consider any of the existing approaches to constitute a preferred model. However, the SCT considers that factors such as procedural economy, timeliness of decisions, transparency of the examination procedures and the safeguarding of third party interests should be guidelines to be followed by trademark administrations in implementing opposition procedures.

(c) Grounds for Opposition

(i) *The issues*

26. As mentioned earlier, opposition may be based on either absolute or relative grounds. While such a distinction is widely accepted, not all systems do necessarily follow that categorization, and oppositions may also be raised on any ground provided by law. Absolute grounds usually refer to the innate characteristics of the sign to function as a mark, and relative grounds relate to conflicts with established third party rights.

27. Article 6*quinquies*(B)(1) to (3) of the Paris Convention for the Protection of Industrial Property stipulates a maximum of grounds based on which States party to the Paris Convention may deny the registration of a trademark or invalidate a registered trademark covered by that article. Although the provision concerns the registration of a trademark, duly registered in the country of origin, in another country of the Paris Union, the grounds may be taken up also as relative and absolute grounds, respectively. In addition, the applicable legislation may require compliance with the definition of trademark and include a requirement that the sign for which an application is filed be visually perceptible or capable of graphic representation (see document SCT/16/4, pp. 3 to 6).

28. The lists of possible grounds for opposition vary from one jurisdiction to another, notably, when provision is made to account for specific rights, such as rights acquired on the basis of use. The replies to the Questionnaire on Trademark Law and Practice, as well as the individual Member submissions on this very issue provided a very comprehensive list of possible grounds that an opponent may be raised against the registration of a trademark (see document SCT/17/4, pp. 3 to 5).

29. The nature of grounds upon which a trademark may be opposed – invalidated or cancelled, as the case may be – varies in different trademark systems. Trademark systems tend to stipulate detailed and sometimes exhaustive lists of grounds for opposition. Nevertheless, more general references as to conflicts with provisions of national or international law can be found, such as those included in international conventions or treaties in force for the jurisdiction concerned.

30. While in certain systems there is no clear division between absolute and relative grounds, such a distinction seems relevant in systems that have limited the type of grounds which may be raised for refusal during official examination, for example where the Office examines only on absolute grounds, and in opposition, where only relative grounds may be raised by third parties. More recently, too, so called “observations” by third parties may also be filed on absolute grounds only (see document SCT/18/3, pp. 4 and 5).

(ii) *Possible area for convergence No. 3*

Oppositions may be based on a variety of grounds, some systems using a distinction between absolute and relative grounds for opposition. The SCT considers that opposition procedures should allow at least that oppositions be raised on relative grounds for opposition, meaning registered prior rights in the jurisdiction concerned that may enter in conflict with the application.

(d) Entitlement to File an Opposition

(i) *The issues*

31. There are essentially two positions with regard to the issue of standing to file an opposition. A liberal view, according to which standing to oppose extends to any person (natural or legal) who believes that it has valid grounds for raising an opposition. According to this view, it is in the public interest to avoid registrations which do not comply with basic trademark law principles, such as distinctiveness or non-descriptiveness.

32. A more restricted approach requires that the opponent have a legitimate interest, which follows either from an application for registration or the registration of a potentially conflicting mark.

33. In systems where opposition can be raised only on relative grounds, standing to oppose extends to the holder of an earlier registered right. Where national law provides for rights to be protected on the basis of use in the course of trade, standing may extend to persons authorized under the applicable law to exercise those rights.

34. Where prior rights are asserted, it is usually required that they be locally established rights. However, a qualification may be needed in relation to the notion of local, in cases where common legislation applies across different jurisdictions. An assignee or a licensee may also be valid opponents. It may be a requirement under certain national or regional laws that the assignment or license contract be recorded with the Office if it is to produce legal effects in relation to third parties.

35. The possibility of filing joint oppositions may be open, as long as each party fulfills the minimum formal requirements (e. g., the payment of fees) or may be restricted to a situation in which the two different parties are co-owners of each earlier right invoked.

36. Experiences in relation to the issue of standing to file an opposition are contrasted and generally reflect different procedural options and legal perceptions. In systems where opposition complements official examination (either pre or post-registration) there is a clear interest in providing the Office with all information and evidence which may not have been available to the examiner. Entitlement to file oppositions would hence not be limited only to persons showing a legitimate interest. Conversely, where opposition is perceived as a process in itself, including a rather rigorous sequence, entitlement may be limited, in order to discourage, for example, reckless oppositions which may conspire against an efficient trademark administration.

(ii) *Possible area of convergence No. 4*

There is considerable variety among different trademark registration systems with respect to the question of who is entitled to file an opposition against the registration of a trademark. The SCT considers that at least holders of registered prior rights in the jurisdiction concerned that may enter in conflict with the application should be entitled to raise an objection based on such prior registered rights.

(e) Opposition Period

(i) *The issues*

37. The opposition period comprises a fixed initial time limit, usually two or three months, after which extensions may be granted. A shorter period of 30 days or longer periods of up to six months can be found in some national or regional laws. Depending on whether the system in place provides for pre-registration or post-registration opposition, the initial time limit may be counted from the date of publication of the application or the registration of the mark. In some systems, the initial time limit might be counted from the date of acceptance of the application (see the Annex to document SCT/18/3).

38. Extensions of the initial time limit may either be granted or statutorily precluded. In some cases, a first extension may be granted upon request of the opponent, but a further extension may require the consent of the applicant and/or a showing of good cause. There may be a requirement that the request for extension should be filed before the expiration of the initial or previously extended opposition period.

39. Opposition procedures may however comprise different time limits, depending on the nature of the procedural steps required for reply, counterstatement, submission of evidence, etc., and some of these time limits may again be subject to extension. There may also be additional time limits set by agreement between the parties, such as the “cooling-off” period, which will be mentioned later.

40. There is a marked tendency of not allowing extensions of the initial opposition period (see the Annex to document SCT/18/3), and even jurisdictions which had a generous practice of allowing such extensions have changed their laws to restrict that possibility. In some systems, however, it is perceived that once an opposition procedure is engaged, it is up to the parties to settle the matter, the Office having only an obligation to oversee the procedures.

41. The issue of time in opposition procedures is closely related with the parties having an opportunity to settle their dispute. Indeed, extensions of the opposition period may help the parties to reach a negotiated settlement or realize that the issue does not perhaps retain its initially perceived importance. Reasonable time limits may also account for less oppositions having to be settled by the Office or by the court and provide a greater chance for amicable settlement.

(ii) *Possible area of convergence No. 5*

Trademark registration systems provide for different initial opposition time limits. The SCT considers that initial opposition periods should provide a sufficient time frame for potentially opposing parties to obtain information about a particular application and to take the necessary steps to obtain advice and raise an opposition. The minimum initial time period available should at least be one month from the date of the publication of the application/registration or equivalent office action. Ideally, an initial opposition period would run over two months and in any case not more than six months.

(f) Observations

(i) *The issues*

42. Where they are available, observations or letters of protest may be presented by third parties in connection with or in parallel to opposition procedures. Observations are intended to provide the Office with any information that could lead to the refusal of the registration of a particular sign. The person filing the observation does not become a party to the proceedings and should not expect an official reply. Systems that provide for observations to be made, may limit them to absolute grounds only or may allow them also on relative grounds.

43. Other procedural details concerning observations may vary in different jurisdictions (see document SCT/18/3, p. 4). However, it seems that depending on national or regional legislation, observations may or may not constitute an alternative to opposition. The latter is true in systems where observations are based on absolute grounds only. Grounds raised here would include in particular lack of distinctiveness, descriptiveness or generic terms.

44. Informal observations may be helpful and effective where the issue raised is not known to the examiner, for example, because the descriptive term would be known only to a specialized sector of the public. General observations regarding the lack of distinctiveness of a sign would probably be disregarded. A letter of protest regarding, for example, the ownership of the relevant registration could result in citation of an examiner of an existing registration or prior-filed application.

(ii) *Possible area of convergence No. 6*

The SCT considers that the raising of observations constitutes a useful means of bringing facts to the attention of the examining Office, which could have a bearing on the decision of whether or not to register a given sign as a trademark, and which otherwise could remain unnoticed. Nevertheless, observations would not have to engage any obligation on the part of the Office to enter into a formal procedure with the person that has made the observation.

(g) “Cooling-Off” Period

(i) *The issues*

45. A “cooling-off” period as part of an opposition procedure is, generally speaking, a single additional time limit, which is granted in addition to the initial opposition period upon request from one of the parties. During this period, applicant and opponent may engage in informal consultations and evaluate their positions with a view to reaching a settlement of the case (see document SCT/18/3, p. 9).

46. During this period, there is no cost risk for the parties, because while they are deliberating informally, there is no need to compile and submit evidence to the Office. They may evaluate the relative strength or weakness of their positions and decide whether they will pursue the issue further. If the issue gets settled at this point, there will not be an awarding of costs.

47. Since the cooling-off period may also be extended, it could prolong opposition and therefore registration procedures. This could be considered a positive or negative feature, depending on the overall design and management of each specific trademark system. There are certainly different perceptions of the role that Offices and trademark administrations in general are expected to play.

48. The presence of this feature in trademark opposition procedures is quite recent and also geographically restricted. Nevertheless, the preliminary evaluation is quite encouraging as shown by the percentages of oppositions settled during the cooling-off period. It may be an indication that parties see a merit in settling rather than having an administrative or judicial authority decide for them. A similar effect may be obtained through appropriate extensions of the respective time limits.

(ii) *Possible area of convergence No. 7*

The SCT considers that cooling-off periods in opposition procedures or the extension of time limits to the same effect are a useful means of encouraging the settlement of cases, which, otherwise, would go to administrative or judicial decision making. Nevertheless, the implementation of such procedures should occur within carefully managed time frames so as to avoid their potential abuse in detriment of applicants.

III. CONCLUSION

49. The survey presented in the Replies to the Questionnaire on Trademark Law and Practice and the subsequent work carried out by the SCT during three sessions reveals that opposition procedures are seen internationally as an important mechanism by which third parties can intervene in the registration process and prevent the registration of marks which could be potentially detrimental to established rights and commercial interests. As the work undertaken by the SCT has so far shown, there exists a large variety of concepts and procedural mechanisms for opposition procedures. Nevertheless, the present document attempts to identify some of the areas in opposition procedures, in which a convergence of Member States practices appears to be feasible and desirable.

50. The SCT is invited to consider the present document and, in particular

(i) comment on the possible areas for convergence No. 1 to 7 presented in this document;

(ii) amend the possible areas for convergence presented in the document, to add further possible areas of convergence or to omit any of them;

(iii) consider any further course of action in respect of points (i) to (ii), above.

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