



Office for Harmonization in the Internal Market
(Trade Marks and Designs)
Avenida de Europa, 4
03008 Alicante
SPAIN

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Comments of MARQUES on the President's Proposals How to Shorten Opposition Proceedings

At the MARQUES annual conference held in Brighton in September 2009, the President - Wubbo de Boer - put forward some suggestions for possible ways to shorten the duration of opposition proceedings. In general, MARQUES is in favour of shortening opposition proceedings where that can fairly and reasonably be done. MARQUES therefore welcomes the initiative taken by OHIM. The following is MARQUES' view on these ideas and includes further suggestions.

1. Reduction of opposition period from 3 months to 1 month

The President suggested a reduction of the opposition period from 3 months to only 1 month, pointing to the fact that nowadays, with modern communication technologies such as the internet, 3 months are no longer needed.

MARQUES notes that a reduction to 2 months is also proposed in the Study on the Overall Functioning of the Trade Mark System in Europe.

MARQUES is reluctant to move away from the 3 months opposition period for the following reasons.

MARQUES does not see a substantial speeding-up of the pre-opposition activities by the use of the internet. Prior to the internet, facsimile has been used. The gain in time by the use of internet versus facsimile is a few days, if any. This does not warrant a reduction of the opposition period by one or two months.

On the contrary, the 3 months term is mainly needed for analyzing the trademark situation and for the following decision making process. Experience shows that 3 months is often not much, in particular given the fact that filing an opposition against a CTM can be a complex strategic decision resulting in significant costs, e.g. to select the appropriate right(s) on which to base the opposition, to check which out of the national rights have been upheld by use, to decide which market is (or are) most important and which may influence the selection of the basis for the opposition. In other situations where the opponent is a SME, time is needed for explaining the procedure and the necessity of actually taking the step of filing the opposition.

Also, the parties often try to negotiate before filing an opposition. If the 3-months opposition term was shortened, a number of oppositions would be filed “just to be safe”. Thus, the effect of a reduced opposition term might well increase the number of oppositions filed, which is exactly the opposite of what is envisaged.

2. Reduction of cooling-off period from 2 to 1 month

A further proposal was to reduce the cooling-off period from 2 months to 1 month.

MARQUES would support this proposal.

However, as an alternative to the two-step procedure of 2-months + 22-months, MARQUES suggests providing for a single-step procedure with a 24-months cooling-off period. This would reduce administrative work at OHIM, which could better be used elsewhere within OHIM to speed up the opposition proceedings internally.

There would be no draw-back for the parties to the proceedings as either party can file a request for entering into the adversarial phase of the opposition proceedings any time.

If this is not an agreeable approach, one might think of dividing the cooling-off period into two steps of 12 months. Within the first 12 months many cases might be settled. A two-step procedure (or the former multi-step procedure with 2-month steps) keeps the parties at the negotiation table.

3. Only one submission allowed for each party

It was further proposed to limit the parties’ rights so that the parties may exchange observations only once "by default" with OHIM able to allow an "extra" exchange of observations which it would exercise only in cases where it considered that to be advisable and useful.

MARQUES agrees that a flexible approach is important which takes account of the fact that cases involving more complicated issues do require more submissions. Also, MARQUES would not consider it fair or appropriate if the opponent was not permitted to comment on the applicant's reply. For these reasons, MARQUES strongly suggests maintaining two exchanges "by default" and also maintaining OHIM's discretion under Art. 42(1) as well as under Rule

20(4). The opposition division should not be bound by inflexible rules and the existing exceptions for extra exchange of observations should find rather broad than narrow application, because late filed arguments and facts are excluded from the proceedings.

While there are countries where generally only one submission per party is provided for, such as in Switzerland, these procedural rules are felt to be extremely restrictive.

4. Removal of up-front admissibility check

It was also proposed to check the admissibility of an opposition (payment, time limit, completeness, translations ...) only at the time when it comes to the adversarial phase of the opposition, because many oppositions are settled before. It was suggested that the up-front check could be limited to the payment of the opposition fee and the meeting of the three months time limit.

MARQUES tends to favour maintaining the up-front admissibility check.

Before the parties enter into settlement negotiations, they should know about the admissibility of the opposition. It would be wrong not to have this done first, because there is then a risk that a costly decision making process in relation to the chances of winning the opposition (which needs in any case to be done before the parties enter into negotiations so they know how strong their position is) is started even if the opposition may in fact be declared inadmissible later on. That would be highly frustrating for one, or possibly both parties.

5. Direct communication between the parties to the opposition

It was further suggested to provide for direct communication between the parties, so as to avoid delays resulting from OHIM being the postman.

MARQUES does not consider this an appropriate step for several reasons.

First, this is an official procedure and OHIM should have the overall control.

Second, in order to ensure that all documents reach the other party, the gateway must be through OHIM.

Third, for a direct exchange of documents, we assume that there would have to be an electronic platform at OHIM to be used by the parties. This almost necessarily implies that at least the receiving party must accept electronic mail. MARQUES is of the opinion that, presently, there is no legal basis for such restrictions to the opposition proceedings. The opposition procedure must be such that everybody can make use thereof. At least, it seems to be too early to move straight to a system that only works on email right now, notwithstanding that it is likely to be appropriate to do so in due course.

6. Substantiation of appeal during the two-months appeal term

The President's final proposal was to change the law such that the written statement setting out the grounds of appeal must be filed during the two-months term within which the notice of appeal must be filed, whereas under the current law the notice of appeal must be filed within two months and the written statement within four months after the date of notification of the decision.

MARQUES is of the opinion that the current appeal system should be maintained, or at least that the additional two-months term for filing the written statement should be maintained.

The reason for this is that instructions to file an appeal are often received in the last minute and careful drafting of an appeal needs thorough consideration. This is also important for a possible continuation of the proceedings in the next instance(s), since the proceedings do not necessarily end with the decision of the Boards of Appeal.

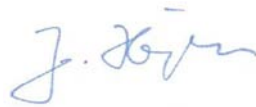
However, MARQUES does not rule out that the term for filing the notice of appeal could be reduced from two months to one month. One month might be sufficient for evaluating the reasons of the decision of the Opposition Division and deciding whether or not an appeal should be filed. This step is less time consuming and might need less thorough consideration than preparing and filing the written statement setting out the grounds of appeal.

We would be delighted to contribute further to this initiative and would particularly welcome OHIM's comments on our above statements. Please address all future communication in this matter to Christina Duch (cduch@marques.org).

Very truly yours,



Guido Baumgartner
President of MARQUES



Jochen Höhfeld
Vice Chair of Trademark Law and
Practice Team within MARQUES