

Yearbook

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A global guide for practitioners

Opposition – an underestimated weapon
Weickmann & Weickmann Patent- und Rechtsanwälte PartmbB
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Opposition – an underestimated weapon

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In the context of protecting trademark rights, an opposition is an underestimated tool to stop infringing activities from the beginning – even before infringing products and services appear on the market. The negotiation leverage for an amicable solution is much higher than in trademark litigation and the cost risk for the trademark owner is significantly lower.

Significant differences are seen in opposition systems around the globe. This chapter looks at the German, European and US systems with regard to formalities, proceedings, remedies, costs and recommends appropriate strategies from the opponent's perspective. A good strategy and necessary preparations are key to success.

Opposition proceedings in Germany

Germany follows the unique principle of opposing a preliminarily registered trademark. The trademark applicant is already in possession of a preliminarily registered trademark that has been examined on formalities and absolute grounds for refusal. The trademark registration can be enforced even if an opposition has been filed and proceedings are ongoing.

Opposition must be filed with the German Patent and Trademark Office within a three-month period after the publication date of the trademark's registration (Section 42(1) of the Trademark Act). The opposition period is not extendable and reinstatement

is not possible. After the Trademark Act was amended in January 2019, several opposition grounds can now be introduced into one opposition proceeding by paying additional fees. Previously, separate oppositions for each ground had to be filed. The official fee for filing an opposition against a trademark based on one ground is the basic fee plus additional fees for each further ground.

Opposition proceedings allow the applicant to ask the opponent to provide proof of use of the opposition trademark or marks (Section 43(1) of the act). In the context of choosing the basis for the opposition, a grace period of use is important. Experience shows that proof of use is a nagging request, since within a short period proof must be furnished for the relevant timeframe concerning the place, time, extent and nature of use of the opposition trademark for all the goods and services of the opposition mark. Keeping in mind this possible request, it is advisable for the opponent to be well prepared for such a defence.

An initial cooling-off period during which the parties can settle the matter amicably now also exists in Germany's opposition proceedings. Extensions to deadlines are possible to a certain degree, but a speedy proceeding is definitely in the applicant's interest.

The first decision is rendered by the Patent and Trademark Office. This decision

can be appealed, depending on the first decision panel, either to the Patent and Trademark Office or the Federal Patent Court (Section 64(1) and Section 66(1)). Oral hearings with the Patent and Trademark Office are rare, whereas oral hearings with the Federal Patent Court take place regularly at the request of at least one party. In rare cases, the Federal Patent Court allows the appeal, then the Federal Supreme Court gets involved as a further appeal stage (Section 83(1)).

A decision in opposition proceedings becomes final if not appealed or rendered in the last instance. At any stage of the

proceedings, the applicant is permitted to alter the list of goods and services and to withdraw the preliminarily registered trademark. The opponent's consent is unnecessary.

The general rule is that no cost decision in favour of one party can be achieved. Only in exceptional cases, such as where the opposition lacks any basis from the beginning (eg, if the opposition trademark was younger than the application trademark), the cost award can be expected. The amount is calculated based on the value of the matter, depending on the fame of the opposition trademark.



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The final decision will be executed by the Patent and Trademark Office or the Federal Patent Court, which will inform the office of its decision. The opposed trademark registration is either partially or fully cancelled or remains registered.

The communication of the Patent and Trademark Office in respect of the closing of the opposition proceedings is important for the calculation of the grace period regarding use, depending on whether the opposition was partially or fully unsuccessful.

Opposition in Germany is cost efficient and can involve the applicant in lengthy proceedings because deadline extensions are

usually granted. However, special attention is needed in respect of choosing the basis for the opposition and preparing in advance for the possible request of proof of use.

Opposition proceedings in the European Union

Unlike oppositions in Germany, the European Union follows the principle of opposing a trademark application. After examination of the application on absolute grounds and formalities, the application will be published for opposition proceedings. Opposition must be filed with the EUIPO within three months of publication (Article 46(1) of the EU Trademark Regulation) in one of the languages of the application. This three-month opposition period is not extendable and no reinstatement is possible. Several opposition grounds can be introduced into one proceeding without paying an additional fee.

Similar to opposition proceedings in Germany, opposition proceedings in the European Union allow the trademark applicant to ask the opponent to provide proof of use of the opposition trademark (Article 47(2) of the regulation). Strict formalities for submitting proof of use must be followed (Article 55(2)). Proof of use of an EU opposition trademark is regarded as sufficient for the entire territory if used in a relevant territory (eg, use in only one country can be sufficient). Strategically choosing the basis for the opposition trademark which lies within the grace period is advisable.

Opposition proceedings in the European Union are straightforward and have strict deadlines. Extensions to deadlines are possible but must be well-founded. However, the EUIPO initially gives the parties a two-month cooling-off period, in which the parties can settle the matter amicably. If so, and the specification of goods or services is altered, the opposition fee will be refunded (Article 6(5)).

Decisions are rendered by the opposition division, consisting of three members, at the EUIPO. Within two months from the date of the notification of the decision, an appeal can be filed with the EUIPO, moving on to the Board of Appeals if the opposition decision is not granted appeal. A strict four-month



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Particular attention should be paid to the basis of the opposition to block a possible transformation into national applications

deadline from issuing the decision also exists for substantiating the appeal.

In general, there are no oral hearings in the entire opposition proceedings with the EUIPO and the Board of Appeals. The Board of Appeals decision moves on to the General Court (Article 72) and can then be further appealed to the Court of Justice of the European Union.

The decision of the opposition proceedings in the European Union comprises not only the substance but also the cost. The amount of costs awarded to the winning party of the opposition proceedings is usually €300 plus the opposition fee of €320. At the appeal stage, the cost awarded is generally €550 plus the appeal fee of €720 (Article 109).

A decision in the opposition proceedings becomes final if not appealed or issued in the last instance. At any stage of the proceedings, the trademark applicant can alter the list of the respective goods or services or withdraw the trademark application. The opponent's consent is unnecessary. However, if the applicant withdraws the application, the office will render the decision on the cost against the applicant or vice versa.

The final decision will be given by the EUIPO. The cost award is enforced in the member state with jurisdiction in the relevant territory and is governed by national law, which can be legally enforced after receiving approval. The opposed trademark application is either fully or partially rejected or registered. There is a possibility to transform the rejected EU application into a national application in such member states not affected by these grounds.

Opposition proceedings are straightforward and even if the cooling-off period is extended for 24 months the parties can opt out and speed up the decision-making process. Costs

are awarded up to a certain amount. Particular attention should be paid to the basis of the opposition to block a possible transformation into national applications.

Opposition proceedings in the United States

Similar to oppositions in the European Union, the United States follows the principle of opposing a trademark application. However, US proceedings also govern the examination on relative grounds. After examination of the application on absolute grounds, as well as on existing registrations or prior applications and formalities, the application will be published for opposition proceedings.

An opposition must be filed with the USPTO TTAB within 30 days of the publication date. Unlike the non-extendable opposition deadlines in Germany and the European Union, the US opposition period is extendable up to 120 days without the applicant's consent, or 180 days from the date of publication with the applicant's consent.

Contrary to Germany and the European Union, the United States is a first-to-use jurisdiction. This is mirrored in use-based trademark rights (or 'common law' trademark rights), which can be introduced as a basis of the opposition.

Before filing an opposition, the question of prior rights, especially in respect of prior use, must be examined closely.

Since prior trademark rights have already been examined prior to publication, the opponent must possibly leap the hurdle of an already existing decision issued by the examining attorney. However, the TTAB is not bound by this decision during examination of the opposition.

An opponent can base the opposition on multiple trademark registrations and

applications, as well as on any common law rights or other grounds that an opponent may have. Other grounds for refusal can be introduced into the opposition proceedings, such as abandonment of the trademark, fraud and dilution. The official fee is due for an opposition against a trademark application per class.

Contrary to the opposition proceedings in Germany and the European Union, US opposition proceedings are similar to a court proceeding. A battle of exchange of information and material starts. The TTAB sets the dates for discovery and trial. Initially, the TTAB issues an institution order setting out timeframes for answers to the opposition for discovery and testimony. Finally, extensions are granted to each party unless the party attempts to delay the case.

Discovery allows the parties to receive and request information and materials to evaluate the respective claims by written interrogations, request for production of documents, depositions and requests for admission.

Briefs will be exchanged by the parties, followed by a possible oral hearing. The TTAB terminates the proceedings with a decision.

The TTAB decides whether the opposition will be granted or rejected. In general, an appeal can be filed with the TTAB within 30 days. Further appeal is possible to the Court of Appeals for the Federal Circuit.

A withdrawal of the opposition and an alteration of the application is – depending on the opposition stage – possible only with the consent of the other party or by prejudice. If the opposition is finally sustained, the application is refused in its entirety or refused in part and is abandoned or partially

abandoned. If the opposition is finally denied, the application is eligible for registration.

Unlike in EU opposition proceedings, the decision does not address the cost award and each party must bear its own costs and fees.

Similar to court proceedings, US opposition proceedings are costly and lengthy, whereas the TTAB's jurisdiction is limited to determining the trademark's registrability.

Opposition gives the trademark owner a tool with which to hinder the applicant from obtaining a final registration at the registry level. The opponent involves the applicant in a lengthy dispute over the registration and gains time, especially for preparing possible infringement actions. The dispute can and will delay the kick-off of the infringing products or services on the market. Time is on the opponent's side and the opponent can, at any time, initiate court action and escalate the matter.

Oppositions are not a second-best option in trademark infringement, they should be regarded as the best option. **WTR**

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