



# Trademark Opposition Procedure needed

## For Russia's Part IV of the Civil Code

**Anne Gundelfinger**, Vice President and Associate General Counsel of Intel Corporation explains why it is so important for the Russian Federation to give serious consideration to the addition of a pre-registration trademark opposition procedure

At the end of 2006, Part IV of the Civil Code was signed into law in the Russian Federation. It overhauls all aspects of intellectual property protection, including trademark protection. Similar to the current Law on Trademarks, Service Marks and Origins of Goods, Part IV provides a post-registration procedure for challenging a trademark registration. However, Part IV missed the opportunity to integrate the internationally accepted practice of pre-trademark opposition procedures into Russia's IP protection framework. Now that the State Duma is considering amendments to Part IV, it will be important for the Russian Federation to give serious consideration to the addition of a pre-registration trademark opposition procedure. Trademark protection in the Russian Federation would benefit significantly if Rospatent were to adopt such a procedure. This article addresses why.

What is an opposition procedure? And how does it differ from cancellation or invalidation procedures? While the specifics vary from country to country, the fundamental feature of an opposition procedure is that once examination is complete, the trademark office publishes the pending trademark application and third parties have a designated period of time in which to oppose the trademark application *before* the application matures to registration and *before* all of the rights and inferences that arise from registration attach.<sup>1</sup>

If an opposition to the application is brought, the process for the opposition usually looks like a very abbreviated adjudication or court hearing. The parties gather and submit evidence and arguments, and a tribunal within the trademark office, but independent of the examination corps, decides the case (usually without a hearing) and publishes a written decision stating the tribunal's ruling and rationale. Generally, there is opportunity for appeal to a higher tribunal and eventually to an independent court of law. Grounds for opposition usually include absolute grounds (*e.g.*, the mark is generic, descriptive or misleading) and almost always include relative grounds (*e.g.*, conflicts with pre-existing third-

party rights). Generally, the opposer must have standing to oppose, that is, a legitimate interest that would be threatened by registration of the mark.

### Differences in opposition procedures

In most countries, an opposition procedure differs some, but not a lot, from a cancellation or invalidation procedure. The primary and most important difference is that opposition is available for a very limited time before the application matures to registration, whereas cancellation or invalidation occurs after the mark has registered and is available for a number of years after registration. In many countries, the grounds for cancellation or invalidation are narrower than for opposition in recognition of the fact the owner of a registration should be able to have a reasonable degree of confidence in the rights accorded by registration and should not be subject to challenges except on the most significant grounds. Finally, in some countries, the burden of proof on certain issues shifts from the challenger to the mark owner (or vice versa) after registration.

Well over 80% of jurisdictions around the world provide for an opposition procedure despite the fact that no treaty mandates such a procedure. Surely there must be good reason for this. The reasons for, and benefits of, an opposition procedure vary from country to country, depending on the workings of the opposition process and how it relates to the rest of the trademark registration process. However, even across widely varying systems, some broad conclusions are relatively easy to draw.

First, and most broadly, the rights conferred by a trademark registration are substantial and include rights of exclusion. The rights are of such significance, and of such potential detriment to third parties, that it should not be possible to obtain trademark rights without third parties first having had the chance to raise legitimate objections. Otherwise, owners of possibly invalid trademark registrations could rely on bogus rights to prevent legitimate use by competitors of generic or descriptive terms or to threaten customers of a competitor

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from supplying competing products under an allegedly infringing brand, among other things, all to the detriment of fair competition and to a free, fair, and efficient marketplace.

### Dictionaries and published sources

More specifically, no matter how strong a trademark office's examination process is, and no matter how strong the corps of examiners is, there is simply no way that every examiner will have sufficient marketplace knowledge to avoid all error in examination, on both absolute and relative grounds. For example, in many industries, new generic terminology is being created every day. This is especially so in high-tech industries such as electronics, computers, communications, pharmaceuticals, automotive, and many others, but is even true in less technical industries such as food and clothing. It takes a long time, months or years, for such generic terms to gain currency and be recognized and acknowledged by dictionaries around the world. During this time, bad faith actors will attempt to register and garner exclusive rights in terms that are generic or highly descriptive, relying on the fact that examiners (and the dictionaries and other published sources they consult) cannot possibly be completely current in the constantly evolving technical terminology of particular industries. History is rife with such examples. There was a period of several years in the mid-1990s that many pirates attempted to register the term INTERNET for a global communications network, and they succeeded in a number of countries for several years until trademark offices realised the error. In the same manner a notorious Russian trademark pirate was able back in 1995 to trademark the word PAGER which registration was later invalidated through cancellation proceedings.

Even more difficult is for examiners to have the requisite in-depth industry and marketplace knowledge to determine whether two marks conflict, especially where the marks or the goods and services are not identical. In order to determine whether there is potential for confusion, the examiner would need to understand how strong and well-known the senior mark is, whether the goods and services of the senior and junior marks are related in some way, whether they are offered to the same customers in the same channels of trade, how sophisticated the customers are, etc. It would be entirely unreasonable, and beyond the resources of any trademark office, to expect examiners to be as intimately familiar with the marketplace in all industries as would be

required to conduct an accurate confusion analysis in every case.

### Informed decision making

However, companies active in an industry *do* have such in-depth marketplace knowledge. An opposition procedure allows such companies to submit relevant evidence to which examiners do not have access and make arguments regarding what actually will happen in the marketplace if an applicant is permitted to use and register a particular mark. The trademark office can then make better, more informed decisions regarding what should and should not be registered. As a result, the availability of an opposition procedure contributes to a more accurate registration process, a more reliable trademark register, and to fair and effective competition in the marketplace.

In addition, there will be circumstances where an opposer has rights that an examiner does not know about because they are not reflected on the trademark register. Examples include trade names or other commercial designations that are in use but not registered as trademarks or service marks. In such cases, the examiner cannot know of such prior conflicting rights and therefore cannot take them into account during examination. An opposition procedure allows such rights to be asserted and considered prior to registration.


An opposition process also encourages early resolution of potential conflicts between marks. Where an opposition procedure is available, *companies take advantage of it*. Most companies are extremely reluctant to let an opposition opportunity pass, even if a post-registration cancellation/invalidation procedure exists, because to do so will often forego tactical or psychological advantages inherent in early challenge. The earlier one challenges a mark, the easier it generally is to resolve the matter amicably, in part because the applicant is less likely to have invested heavily in the mark. In any event, and for a variety of reasons, companies generally use opposition procedures where they are available. And in doing so, potential conflicts get raised early, and generally get resolved early, and amicably, between the parties, often before the opposition really even gets going. The resolution can result in the applicant dropping the mark, or modifying the mark or description of goods in such a way as to resolve the conflict. Or the resolution can result in a co-existence agreement. Regardless of the substance of the resolution, however,

the availability of the process encourages the resolution of conflicts and, as a result, a more accurate and reliable trademark register.

Finally, an opposition process ensures that most or all potentially conflicting marks are identified *before* registration, that is *before* all of the rights and inferences that arise from registration attach. Its availability before registration should also increase the comfort that a tribunal has in reaching a conclusion different from the examiner because the mark is not yet officially sanctioned by registration. In this regard, it is important that the tribunal responsible for deciding oppositions be *independent* of the examination corps, so that the tribunal can be comfortable reaching a conclusion different from the examiner's where the facts and law require it.

### Conclusion

All of the foregoing benefits of an opposition procedure are especially applicable in developing markets (such as Russia) where the trademark protection system is still new and may be more subject to abuse. An opposition procedure can assist the trademark office in ensuring that bad-faith actors do not obtain registrations inappropriately, thereby making the registration systems less reliable, the trademark rights accorded less credible, and competition less fair and efficient.

Finally, implementing an opposition procedure need not require significant additional resources. While opposition procedures vary greatly from country to country, there are many countries that have implemented relatively simple and inexpensive systems that can be used as models for an opposition procedure in Rospatent. Moreover, if a country already provides for a cancellation or invalidation procedure, as in the Russian Federation, then it already has a structure in place for implementing an opposition procedure. An opposition procedure is not so different from a cancellation procedure except that it occurs earlier in the process. As such, the impact on Rospatent resources would likely be minimal. 

### Notes

- 1 A small handful of countries provide for opposition immediately after registration, apparently to ease compliance with the Madrid Agreement and Protocol. In these cases, however, the procedure remains an opposition procedure and must be brought within a short statutory period immediately after registration.