

## EU ADMINISTRATIVE LAW

### SECTORAL REPORT: TRADE MARKS

#### 1. INTRODUCTORY NOTE ON THE DIFFERENCE BETWEEN ADVERSARY AND INQUISITORIAL ADMINISTRATIVE PROCESS.

EU law and practice is more inquisitorial and less adversarial than American or British models of administrative law. The “hearings” that are provided for in some of the sectors are very different from those that occur in the U. S. or Britain. Even though the concepts of “due process” or “natural justice” sometimes appear in descriptions of EU law and practice, these concepts have quite a different meaning than in the U. S. or Britain. The inquisitorial approach used in Commission proceedings is an adaptation of the inquisitorial process used in the civil and criminal justice systems of continental member states. EU practice also incorporates elements from the administrative law systems of continental member states (though not, for example, the conseil d’etat in France).

Under the adversarial model of administrative adjudication, there is a separation between the investigatory and adjudicatory phases. After the investigation is concluded, an independent decisionmaker provides a trial-type hearing at the agency level (this is quite distinct from the judicial review that is provided later). This decisionmaker is often called an administrative law judge (ALJ) in the U.S.; in Britain the hearing is often provided by an independent tribunal. In connection with that hearing, agency staff members who have played investigatory, prosecutorial, or advocacy roles in the particular case cannot serve as adjudicatory decisionmakers or make ex parte communications to those decisionmakers (we call this “separation of functions”). In the U. S., the heads of an agency usually have responsibility for the final agency decision (which can differ from the proposed decision of the ALJ), but separation of functions continues to apply at the agency head level. The decisionmakers at both the ALJ and agency head level take personal responsibility for their decisions. (This description is obviously oversimplified and some U.S. administrative processes are more inquisitorial and less adversarial than as described above).

In contrast, under the inquisitorial model of administrative adjudication, there is no separation between investigation and adjudication, no separation of personnel between different functions. Instead, all administrative procedures are considered to be phases of the investigation. The “hearing” is an opportunity for the party being investigated to advocate its side of the case, not a real trial before an independent decisionmaker. Thus the hearing is viewed as a phase of the investigatory process, not as a separate adjudicative process. The final Commission decision is collective and institutional in nature, not a decision for which particular persons take personal responsibility.

The fundamental distinction between adversary and inquisitorial systems is essential to understanding the law and practice of the Commission. American and British lawyers will be baffled by that law and practice until they understand this basic distinction. We would welcome your comments on the adversary-inquisitorial distinction. You can comment specifically on it in section 1 of your report or you can intersperse comments about it throughout the report—or both. (There are some more specific questions that touch on this distinction in the portion of the guidelines relating to hearings). Does the above brief description of the inquisitorial approach correctly describe the practice in your sector? Are there elements of the adversary system in that practice? Is the inquisitorial process in EU law different from or similar to the administrative law

of member states that you're familiar with? As a policy matter, should the practice change in the direction of the adversary system? Whatever comments or observations you might offer on this fundamental distinction will be very helpful to us in preparing our synthesis.

## 2. NARRATIVE

We would like Part 2 of each of your reports to include a narrative or story of how a typical dispute in your sector develops from beginning to end. The narrative could be based on one or more actual cases (for example, a landmark decision in the sector or a case from your own experience) or a hypothetical. If the story is entertaining, so much the better. The narrative should include:

- Description of the underlying dispute—for example, a typical alleged violation of the competition rules or a denied application to register a trademark or market a drug or an enforcement action. Give plenty of details so readers unfamiliar with EU law and practice can get a feeling for what's going on.
- If there is an investigatory phase, who are the investigators? What happens during the investigation? Are there several investigatory phases? Third party involvement? When does the lawyer for the private party ask for information and what information do they get?
- If there is an application process, tell us how the client applies for the benefit and how the Commission processes the application and what happens if the application is granted (but opposed by other private parties) or if it is denied.
- What is the nature of the hearing—oral or written? Who are the hearing officers and what responsibilities do those individuals have? What do the lawyers on each side of the dispute actually do during the hearing. Tell us a story of how the hearing will proceed. Then describe the process by which a decision is reached. Is there an opportunity to seek reconsideration of that decision?

## 3. SUBSTANTIVE BACKGROUND

Trade mark law provides protection for any word, symbol or other distinctive sign used to distinguish an organisation's product or service from those of its competitors. A trade mark acts as a "badge of origin" or "badge of quality", which informs the public that the goods or services with which it is associated originate from a certain company and are guaranteed to be of a certain quality. From the trade mark owner's perspective, a trademark is also an important tool of recognition and marketing and can represent an important intangible asset.

### *1 Legal requirements to obtain a trade mark*

The first requirement for a Community trade mark to be valid is that it must be distinctive, i.e. it must be capable of distinguishing the goods or services to which it is applied as those of a particular business. This may be because it is inherently distinctive - for example, an invented word such as KODAK - or because, although not distinctive in itself, it has through extensive use in fact become associated by the public with a given business. Purely

descriptive signs can therefore not be accepted as trade marks. The second requirement that needs to be met is that the trade mark must be capable of written description, be it by the spelling of a word, the presentation of the figurative sign, or the writing down of musical notes or color codes.

## 2 *Registration of a trade mark*

Where a mark is intended to be used in more than one country of the European Union, it may be interesting to obtain a Community Trade Mark (“CTM”) from the Community Trade Mark office in Alicante, Spain. Contrary to the European patent, the Community trade mark has a unitary character. It has equal effect throughout the whole European union and can only be registered, transferred, be the subject of a decision revoking the rights of the proprietor or declaring it invalid, and its use can only be prohibited, in respect with the territory of the whole European Community. If a mark is refused as a CTM on the basis of opposition of the owner of a prior conflicting mark, it is possible (on payment of a fee) to convert the application into one or more national applications. The CTM becomes subject to revocation if not used over a five year period. However, use in any single EU country is sufficient to protect it for the whole of the EU.

It is necessary to register a Community trade mark in order for it to be valid. An examination of ‘anteriorities’ (prior registered identical or similar trade marks for identical or similar activities) will take place before granting the trade mark. The trade mark owner also benefits from a right of priority that allows him a certain delay after the first registration during which he can register his trade mark in other countries.

## **4. APPLICATION OR INVESTIGATION PHASE**

4.1 Application phase: If the administrative process you are describing begins with an application for a particular benefit, license, or permission, please describe the application process. What information must be disclosed? What forms are filed? To whom is the application directed? Is it filed in a member state—and if so, which member state—or with the Commission? Is there a time limit on the Commission’s consideration of the application?

- Are competitors or the general public notified of the application and, if so, how and when? *See point 4.2. “Publication and information of third parties”.*
- Is there a pre-filing meeting where counsel can find out if the staff sees any problems with the application? *See point 4.2. “Examination of the conditions of filing” and following points.*
- If the application is denied, what form does the denial take? *See point 4.2. “Examination of the conditions of filing” and following points.*

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### **Where to file a CTM application?**

A Community trade mark is obtained by registration at the Office for Harmonization in the Internal Market (hereinafter OHIM or the “Office”) (article 6 Regulation 40/94).

The trade mark applicant can choose to file his/her application either directly at the Office in Alicante or at the central industrial property office of any EU Member State (or at the Benelux Trade Mark Office) (article 25 Regulation 40/94). In the latter case, the national (or Benelux)

office must forward the application to the Office in Alicante within two weeks after filing. A fee representing the administrative costs of receiving and forwarding the application can be charged by the national office to the applicant. The application filed with a national (or Benelux) industrial property office has the same effect as if it had been filed on the same date at the Office. However, applications which reach the Office more than two months after filing are deemed to have been filed on the date on which the application reached the Office in Alicante.

Annex: address of Office<sup>1</sup> + national offices

### **How to file a CTM?**

A Community trade mark may be applied for at the Office by mail, fax or online, using the “e-filing” system. Applications made at the Office can however not be made via email. Applications made with national offices are governed by the rules of these offices.

The application form is made available by the Office and can be obtained free of charge from the Office or from the central industrial property offices of the Member States (including the Benelux office). A copy of the application form can also be downloaded from the Office’s website: <http://oami.eu.int/en/mark/marque/pdf/demande.pdf> The CTM applicant or his representative is however free to use forms of a similar structure and format, such as computer generated forms based on the information contained in the application form. The use of these electronic forms allows for the extension of the space available and the use of attachments may consequently be avoided. The fields indicated with an asterisk (\*) in the form must be filled, although it is recommended to fill in as many fields as possible, even if certain information may be supplied later. Explanatory notes to fill in the form are available on the Office’s website.

Online application for a CTM is also available from the Office’s webpage: <http://oami.eu.int/en/mark/marque/efentry.htm> The e-filing allows the applicant to complete an electronic application form, provide the requested attachments and complete the payment details online. This system provides for real-time confirmation and online verification to assure error-free filing and secure a filing date. An applicant applying online should receive his CTM number within three days.

It is not compulsory to be represented before the Office in order to *file* a CTM application, even if the applicant has no domicile nor principal place of business nor a real and effective industrial or commercial establishment in the European Community. However, these ‘non European based’ applicants will normally have to be represented before the Office in *all other proceedings* regarding the CTM (article 88 Regulation 40/94). Representation of natural or legal persons before the Office may only be undertaken by any legal practitioner qualified in one of the Member States and having his place of business within the Community, to the extent that he is entitled, within the said State, to act as a representative in trade mark matters, or by professional representatives whose names appear on the list maintained for this purpose by the Office (article 89 Regulation 40/94).

However, the employee of a legal person, who is entitled to represent before the Office that legal person having its domicile or principal place of business or a real and effective industrial or commercial establishment in the Community, may also represent other legal persons which have

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<sup>1</sup> The address of the Office is different depending on whether the application is sent by special delivery or not.

economic connections with the first legal person, even if those other legal persons have neither their domicile nor their principal place of business nor a real and effective industrial or commercial establishment within the Community (article 88 Regulation 40/94).

Annex: copy of the OHIM application form

### **What information must the application contain?**

The application must contain (a) a request for the registration of the mark as a Community trade mark, (b) information identifying the applicant, (c) a list of the goods or services in respect of which the registration is requested, and (d) a representation of the trade mark (article 26 Regulation 40/94).

Information identifying the applicant consists of his name, address and nationality and the State in which he is domiciled or has his seat or an establishment.<sup>2</sup> Only one address shall, in principle, be indicated for each applicant. Where several addresses are indicated, only the address mentioned first shall be taken into account, except where the applicant designates one of the addresses as an address for service. The telegraphic and teletype address, telephone as well as fax numbers and details of other data communications links may be given (article 1 rule 1(b) Implementing Regulation).

If the applicant has appointed a representative, the representative's name and address of place of business must be mentioned in the same manner as for the applicant. If the representative has more than one business address or if there are two or more representatives with different business addresses, the application shall indicate which address shall be used as an address for service. Where such an indication is not made, only the first-mentioned address shall be taken into account by the Office as an address for service (article 1 rule 1(e) Implementing Regulation).

The list of the goods or services for which the mark is to be registered must be made using the common classification referred to in the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The list must classify each item in only one class of the Nice Classification. The goods and services must in principle be grouped according to these classes, each group being preceded by the number of the class to which that group of goods or services belongs and presented in the order of the classes under that Classification (article 1 rule 2 Implementing Regulation).<sup>3</sup>

If the applicant does not wish to claim any special graphic feature or colour, the mark shall be reproduced in normal script (by typing the letters, numerals and signs) in the application. The use of small and capital letters is permitted and is followed accordingly in publications of the mark and in the registration by the Office.

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<sup>2</sup> Names of natural persons shall be indicated by the person's family name and given name(s). Names of legal entities shall be indicated by their official designation, which may be abbreviated in a customary manner. The law of the State governing these legal entities must also be indicated.

<sup>3</sup> This classification of goods and services exclusively serves administrative purposes. It cannot be deducted from such a list that goods or services are similar to each other on the ground that they appear in the same class, or that they are dissimilar from each other on the ground that they appear in different classes.

In the event colour(s) and/or graphic feature(s) are claimed, the mark shall be reproduced on a separate sheet of paper.<sup>4</sup> Where it is not obvious, the correct position of the mark shall be indicated by adding the word 'top' to each reproduction. The separate sheet must indicate the name and address of the applicant and four copies of it must be filed.<sup>5</sup> The text application shall contain an indication that the mark is reproduced separately and may contain a description of the mark. Where registration of a three-dimensional mark is applied for, the representation shall consist of a photographic reproduction or a graphic representation of the mark. The representation may contain up to six different perspectives of the mark. Where registration in colour is applied for, the reproduction shall consist of the colour reproduction of the mark. The colours making up the mark must also be indicated in the text application (article 1 rule 3 Implementing Regulation).

Where the priority of a previous application, the exhibition priority or the seniority of one or more earlier trade marks is claimed, the application further contains a declaration to that effect, stating the date on which and the country in or for which the previous application was filed<sup>6</sup> (in case of priority); stating the name of the exhibition and the date of the first display of the goods or services<sup>7</sup> (in case of exhibition priority); or stating the Member State(s) in or for which the earlier mark is registered, the date from which the relevant registration was effective, the number of the relevant registration, and the goods and services for which the mark is registered<sup>8</sup> (in case of seniority).

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<sup>4</sup> The sheet on which the mark is reproduced cannot exceed 29,7 cm high by 21 cm wide (DIN A4 size) and the space used for reproduction of the mark cannot be larger than 26,2 cm by 17 cm. A margin of at least 2,5 cm must be left on the left-hand side. The reproduction of the mark shall be of such quality as to enable it to be reduced or enlarged to a size not more than 8 cm wide by 16 cm high for publication in the Community Trade Mark Bulletin.

<sup>5</sup> The President of the Office may determine that the mark may be reproduced in the text of the application itself and not on a separate sheet of paper and that the number of copies of the reproduction be less than four. CHECK WHEN?

<sup>6</sup> The priority can also be claimed subsequently to the filing of the application, in which case the declaration of priority must be submitted within two months from the filing date. The applicant must also file a certified copy of the previous application within three months of the declaration of priority (article 1 rule 6 Implementing Regulation). If the language of the previous application is not one of the languages of the Office, the applicant shall file, within a period specified by the Office which shall be not less than three months, a translation of the previous application in one of those languages (Article 30 Regulation 40/94). The right of priority must be claimed within a period of six months from the date of filing of the first application. Failure to satisfy these requirements shall result in loss of the right of priority for the application (Article 36.6 Regulation 40/94). The President of the Office may determine that the evidence to be provided may consist of less than required if it is available from other sources.

<sup>7</sup> The exhibition priority can also be claimed subsequently to the filing of the application, in which case the declaration of priority must be submitted within two months from the filing date. The applicant must file certified evidence of the display of goods or services within three months of the declaration of priority (Article 33 Regulation 40/94 and article 1 rule 7 Implementing Regulation). The right of exhibition priority must be claimed within a period of six months from the date of the first display of goods or services. Failure to satisfy these requirements shall result in loss of the right of priority for the application (Article 36.6 Regulation 40/94).

<sup>8</sup> Similar dispositions (concerning the declaration of seniority and certified evidence: copy of the relevant registration) to those ruling the claim of priority apply to the claim of seniority (article 1 rule 8 Implementing Regulation). Failure to satisfy these requirements shall result in loss of the right of seniority

Furthermore, the CTM application must specify the language in which the application is filed, and the second language the use of which the applicant accepts as a possible language of proceedings (see hereunder). Where applicable, the application also contains a statement that the application is for registration of a Community collective mark, in which case the application may include the regulations governing the use of the collective mark. The application may also include a statement by the applicant that he disclaims any exclusive right to an element of the trade mark (to be specified by the applicant) which is not distinctive. Besides, if there is more than one applicant, the application may contain the appointment of one applicant or representative as common representative. Finally, the application must contain the signature of the applicant or his representative (article 1 rule 1 Implementing Regulation).

### **In what language to file a CTM?**

The application for a Community trade mark may be filed in any of the official languages of the European Community.<sup>9</sup> The applicant must however indicate a second language which must be a language of the Office<sup>10</sup> the use of which he accepts as a possible language of proceedings for opposition, revocation or invalidity proceedings. The indication of a second language is necessary even when the language used in the application is an official language of the Office.<sup>11</sup> If the application was filed in a language which is not one of the languages of the Office, the Office shall arrange to have the application translated into the language indicated by the applicant (article 115 Regulation 40/94).

The choice of the language of the application and the designation of the second language are important as this cannot be changed once the application is filed. The choice of languages can further be used as a strategic tool for future proceedings before the Office. In *ex parte* proceedings (i.e. the examination by the Office of the CTM application, where the applicant is the sole party), the language of the proceedings shall be the language used for filing the application (see point 4.2.). In *inter partes* proceedings (opposition, revocation and invalidity proceedings) however, if the language used in the application is not an official language of the Office, and unless otherwise agreed upon by the parties, the language of the proceedings shall be the one designated as the second language in the application. If both the language of the application and the second language are official languages of the Office, the opponent or the party who is applying for revocation or invalidity may choose the language of the proceedings.

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for the application (Article 36.7 Regulation 40/94). The Office informs the national (or Benelux) office concerned of the effective claiming of seniority.

<sup>9</sup> The 21 official languages of the European Community are: Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek (Demotic), Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovak, Slovene, Spanish and Swedish. Irish will be an official language as of January 1<sup>st</sup>, 2007.

<sup>10</sup> The languages of the Office are: English, French, German, Italian and Spanish.

<sup>11</sup> X., *The Community Trade Mark – Regulations Practice and Procedure*, Ed. J. Gyngell, A. Poulter and Peter Brownlow, INTA, 2003, p. III.2.

It is therefore important to carefully consider in which language to file the application and which second language to designate. This choice must be determined so as to not possibly assist a potential competitor (while keeping things relatively easy for the applicant). For instance, if you think that your trade mark application is likely to be opposed by a French Company, you may want to choose for a Dutch/ German combination, or an English/ Italian combination. At the contrary, you will try to avoid the English/French combination. This is of course highly dependent on facts and on the language abilities of the applicant and its counsels.

For English-speaking applicants or applicants for which it is necessary or advantageous to have the CTM proceedings in English, the following options may be considered:

- 1) File the CTM application in English and choose a second language that does not ease the proceedings for potential opponents: e.g. an English/ Italian combination.

The advantage of this combination is that all communications with the Office in *ex parte* proceedings will be in English, as well as all official correspondence and documents (e.g. certificate of registration).

The disadvantage is that there is a risk that the *inter partes* proceedings be in Italian, i.e. in the second language indicated. This is because both English and Italian are official languages of the Office, with the consequence that the attacking party may choose the language to be used in *inter partes* proceedings. An opponent will not hesitate, to the extent possible, to choose the language which would most cause troubles to the applicant. A solution to avoid this problem in most of the cases is the following one.

- 2) File the CTM application in a relatively not current EU language, and designate English as a second language: e.g. a Hungarian/English combination.

This solution has the advantage that the *inter partes* proceedings will in any case occur in English, which is the only official language of the Office in the above mentioned combination. The attacking party will consequently not be given the opportunity to choose the language of the proceedings.

This solution however presents the disadvantage that *ex parte* proceedings as well as all official documentation from the Office may be in Hungarian. This drawback is nevertheless lessened by the fact that in the event the language of the application is not a language of the Office, the latter may, in *ex parte* proceedings, send written communications in the second language indicated by the applicant (article 115.4. Regulation 40/94). To this extent, this second option may be preferable for a CTM applicant for whom the use of English is advantageous.

**What are the fees to be paid?**

The application for a Community trade mark is subject to the payment of a basic application fee and of a class fee for each class exceeding three to which the goods or services belong (Article 26 Regulation 40/94 and article 1 rule 4 Implementing Regulation). As of December 2004, the basic application fee for a Community trade mark is 975 euro (1,675 euro for a collective CTM) and the fee for each class exceeding three is 200 euro (400 euro for collective CTM). The basic application fee must be paid within one month of the filing of the application with the Office (or with a 'national office') in order to obtain the receipt date as filing date (see hereunder). The Office will not issue a request for payment. Other fees will have to be paid once the mark will be accepted for registration. Payments must be in euro and can be made to the Office by debiting a current account held with the Office, by making a transfer to a bank account of the Office or by sending a cheque or similar instrument.

### **Is there a time limit on the Office's consideration of the application?**

There is no specific time limit mentioned in the Regulation 40/94 or in the Implementing Regulation. The Office is however expected to act "*without delay*" in most circumstances (see for example the receipt of the application by the Office). Conversely, the Office can specify time limits to be met by the applicant for the various steps of the proceedings. Such period cannot be less than one month when the party concerned has its domicile (or principal place of business/establishment) within the Community, and cannot be less than two months in other cases. In all cases, it cannot be more than six months, although extensions of time can be granted if requested and when this is appropriate under the circumstances (article 1 rule 71 Implementing Regulation). In the event several extensions have already been granted, the Examiner will notify together with the latest grant of time extension that a further extension will only be granted if duly justified.

4.2 Applications—investigatory phase. What happens to an application after it is filed? Please describe the process by which an application is processed and considered including referral to scientific committees.

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### **Receipt of the application by the Office:**

The Office marks the documents making up the application with the date of its receipt and issues without delay a receipt to the applicant which includes at least the file number, a representation, description or other identification of the mark, the nature and the number of the documents and the date of their receipt (article 1 rule 5 Implementing Regulation). If the application is filed with the central industrial property office of a Member State (or at the Benelux Office), that office marks the documents and issues without delay a receipt to the applicant before forwarding the application to the Office in Alicante. The Office will then send a receipt as described above.

### **Language of proceedings:**

Because the CTM applicant is the sole party to proceedings before the Office in this investigatory phase (*ex parte* proceedings), the language of proceedings is the language used for filing the

CTM application. If the application was made in a language other than the languages of the Office, the Office may send written communications to the applicant in the second language indicated by the applicant in his application (article 115.4 Regulation 40/94).

### **Examination of the conditions of filing:**

There is no such thing as a ‘pre-filing meeting’ where counsel can find out if the Office’s staff sees any problems with the application. However, the Office successively examines the different conditions to be met by the CTM application and each time notifies in writing the applicant in the event one or more of these requirements are not fulfilled. The applicant is then given a certain period of time in order to remedy the deficiencies mentioned. This examination procedure is described in the following paragraphs.

The Office first examines whether the CTM application contains the information as described under point 4.1. above and whether the basic fee has been paid in due time in order to grant a date of filing.<sup>12</sup> If these requirements are not met, the Office notifies<sup>13</sup> the applicant that a date of filing cannot be accorded in view of those deficiencies (article 36 Regulation 40/94 and article 1 rule 9 Implementing Regulation). The applicant then has the opportunity to remedy these deficiencies within two months of receipt of the Office’s notification. If the applicant does so, the date on which all the deficiencies are remedied shall determine the date of filing. If the deficiencies are not remedied before the time limit expires, the application shall not be dealt with as a CTM application and any fees paid will be refunded.

Further, and even if a date of filing has been accorded, the office examines whether the other requirements are met (requirements concerning the applicant’s representative, the claims of priority or seniority, and other information requested in the form) and whether the payment of additional class fees has been made. If this is not the case, the Office invites the applicant to remedy the deficiencies noted within such period as it may specify. If the deficiencies concerning the other requirements are not remedied before the time limit expires, the Office shall reject the application. If the outstanding class fees are not paid before the time limit expires, the application shall be deemed to have been withdrawn, unless it is clear which class or classes the amount paid is intended to cover. In the absence of other criteria to determine which classes are intended to be covered, the Office shall take the classes in the order of the classification. The application shall be deemed to have been withdrawn with regard to those classes for which the class fees have not been paid or have not been paid in full. If the deficiencies concern the claim to priority or seniority, that right will be lost in respect of that application (article 1 rule 9 Implementing Regulation).

### **Examination as to the entitlement to be proprietor:**

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<sup>12</sup> The date of filing of a Community trade mark application is the date on which documents containing the application information are filed with the Office by the applicant (or, if the application has been filed with the central office of a Member State or with the Benelux Trade Mark Office, with that office), subject to payment of the application fee within a period of one month of filing these documents.

<sup>13</sup> This notification will usually be made in the second language indicated by the applicant in his application, although the language used for filing the application may be used as well (article 115.4 Regulation 40/94).

In a second time, the Office examines whether the applicant is entitled to be the proprietor of the mark.<sup>14</sup> Where this is not the case, the Office notifies the applicant thereof. The Office specifies a period within which the applicant may withdraw the application or submit his observations. Where the applicant fails to overcome the objections to registration, the Office shall refuse the application (article 1 rule 10 Implementing Regulation).

### **Examination as to absolute grounds for refusal:**

The Office then examines whether the trade mark consists of a sign capable of being represented graphically, whether this sign is capable of distinguishing the goods or services of one undertaking from those of other undertakings, whether the sign does not consist exclusively of indications which may serve, in trade, to designate the kind, quality, quantity, purpose or other characteristics of the goods/services, or which have become customary in the current language or in the trade practices<sup>15</sup>, and whether there exist no other absolute grounds for refusal.<sup>16</sup>

If such grounds for refusal exist, the trade mark cannot be registered<sup>17</sup> and the Office shall notify the applicant of these grounds specifying a period within which the applicant may withdraw or amend the application or submit his observations. If the registration of the CTM is subject to the applicant's stating that he disclaims any exclusive right in the non-distinctive elements in the mark, the Office shall notify the applicant thereof, stating the reasons, and shall invite him to submit the relevant statement within such period as it may specify. Where the applicant fails to overcome the ground for refusing registration or to submit the requested statement within the time limit, the Office shall refuse the application in whole or in part (article 1 rule 11 Implementing Regulation).

Informal oral hearings can also take place with the Examiner on request of the applicant in order to discuss the CTM application and to better explain its background and characteristics to the

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<sup>14</sup> Any natural or legal person, including authorities established under public law, may be the proprietor of a Community trade mark (article 5 Regulation 40/94). Companies or firms and other legal bodies shall be regarded as legal persons if, under the terms of the law governing them, they have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts and to sue and be sued (article 3 Regulation 40/94).

<sup>15</sup> A negative answer to one of the three latter hypotheses would constitute an absolute ground for refusal unless the mark has become distinctive in consequence of the use which has been made of it (secondary meaning).

<sup>16</sup> The full list of absolute grounds for refusal is given in article 7 of Regulation 40/94. The other absolute grounds for refusal consist of: signs which consist exclusively of the shape which results from the nature of the goods themselves, which is necessary to obtain a technical result, or which gives substantial value to the goods; trade marks which are contrary to public policy or to accepted principles of morality; trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service; trade marks which have not been authorized by the competent authorities or which include badges, emblems or escutcheons other than those covered by Article 6ter of the Paris Convention and which are of particular public interest; trade marks for wines or spirits which contain or consist of a geographical indication identifying wines or spirits with respect to such wines or spirits not having that origin; and trade marks which contain or consist of a designation of origin or a geographical indication registered in accordance with Regulation (EEC) No 2081/92 when they meet certain other conditions.

<sup>17</sup> This will be the case notwithstanding that the grounds of non-registrability obtain in only part of the Community (article 7.2. Regulation 40/94).

Office members. These meetings are generally held with the team of the Examiners, the CTM applicant and/or the applicant's representative and attorneys. Sometimes, a representative of the agency which has developed the trademark will also be present to better convey the importance of the trade mark and its distinctiveness (this was for instance the case for the filing as CTM of the pure colour trademark magenta). The Office is well prepared for these meetings and its members are cooperative. It is not uncommon that professional presentations be performed during these sessions.

### **The search report:<sup>18</sup>**

Once the Office has accorded a date of filing to a Community trade mark application and has established that the applicant is entitled to be the proprietor of the mark, it shall draw up a Community search report. This search report cites those earlier Community trade marks or Community trade mark applications discovered which are identical or similar to the CTM applied for, which registration is applied for identical or similar goods/services, and which may be invoked as *relative* grounds for refusal against the registration of the Community trade mark applied for (see below under "Opposition").

National offices may also operate a search in their own register of trade marks in respect of Community trade mark applications if they have beforehand informed the Office of their decision to do so. The Office shall transmit to these national offices a copy of the date of filing (article 39 Regulation 40/94). Each of these national offices shall communicate to the Office within three months a search report which shall either cite those earlier national trade marks or trade mark applications which may be invoked as *relative* grounds for refusal, or state that the search has revealed no such rights.

The Office then transmits without delay to the applicant the Community search report and the national search reports received within the time limit. It then belongs to the CTM applicant to decide whether to maintain, amend or withdraw his application, according to the information contained in the search report(s).

However, this official search report does not have any legal consequences in itself. It is not recommended to an applicant to amend or withdraw its application solely on the basis of the information provided in the report. In most of the cases, further investigations have to be initiated (e.g. use of the prior trademark) to be able to decide whether the reported trademark will be a real obstacle or not. In addition, it is not said that the owner of the reported trademark will definitively file an opposition.

To be on the safe side and in order to avoid unnecessary filing costs, the question whether there are any identical or similar prior trademarks should be treated well in advance of the filing of the application by conducting availability searches in the various countries (including company names and domain names which are not included in the Community search report).

### **Withdrawal, restriction, amendment and division of the application**

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<sup>18</sup> As from 10 March 2008, this procedure will slightly change in that the applicant himself will have the opportunity to request national search reports made by national offices deciding to operate national search.

The applicant may at any time withdraw his CTM application or restrict the list of goods or services contained therein. Where the application has already been published, the withdrawal or restriction shall also be published (see below). Amendments to a CTM application may only be made, upon request of the applicant, as to the name and address of the applicant, errors of wording or of copying, or obvious mistakes, provided that such correction does not substantially change the trade mark or extend the list of goods or services. Where the amendments affect the representation of the trade mark or the list of goods or services and are made after publication of the application, the trade mark application shall be published as amended (article 44 Regulation 40/94).<sup>19</sup>

The applicant may also decide to divide his application by declaring that some of the goods or services included in the original application will be the subject of one or more divisional applications.<sup>20</sup> The goods or services in the divisional application cannot overlap with the goods or services which remain in the original application or those which are included in other divisional applications. The divisional application shall preserve the filing date and any priority and seniority date of the original application (article 44a Regulation 40/94).

### **Publication and information of third parties:**

The general public is informed of the application through its publication. ‘Competitors’ (i.e. owners of earlier similar trade marks) are further notified of the application by the Office.

If the conditions which the application for a Community trade mark must satisfy have been fulfilled and if the application has not been refused on absolute grounds<sup>21</sup>, the application shall be published in Part A of the Community Trade Marks Bulletin (available free of charge on: <http://oami.eu.int/en/office/diff/default.htm>) (article 40 Regulation 40/94). This publication may however not take place before the expiry of a period of one month as from the date on which the Office transmits the search report(s) to the applicant (article 39.6 Regulation 40/94). This delay aims at leaving an opportunity to the applicant to withdraw or amend his application before its publication. The publication of the CTM application basically contains the same information as the one requested in the application form, with the exception of the regulations governing the use of a collective mark, where applicable. The publication further contains the date of filing and the

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<sup>19</sup> The application for amendment must contain the file number of the application and the same information regarding the applicant (and his representative where applicable) as the one requested in the CTM application itself. It must also indicate the element of the application to be corrected or amended, and that element in its new version (including for the representation of the mark). The application for amendment may be subject to the payment of a fee. The Office shall inform the applicant of any deficiencies in his application and the applicant shall have the possibility to remedy them within the specified period, otherwise the Office shall reject the application for amendment (article 1 rule 13 Implementing Regulation).

<sup>20</sup> The declaration of division is not admissible if, where an opposition has been entered against the original application, such a divisional application has the effect of introducing a division amongst the goods or services against which the opposition has been directed, until the decision of the Opposition Division has become final or the opposition proceedings are finally terminated otherwise.

<sup>21</sup> The CTM application may however also be refused on absolute grounds after its publication. In this event, the decision that it has been refused shall be published upon becoming final (article 40.2 Regulation 40/94).

file number, a statement that the mark has become distinctive in consequence of the use made of it, where applicable, and a statement that the application results from a transformation of an international registration, where applicable (article 1 rule 12 Implementing Regulation). Where the publication contains a mistake attributable to the Office, the Office must correct this mistake acting of its own motion or at the request of the applicant, and the corrections will be published (article 1 rule 14 Implementing Regulation).

Upon publication, the Office shall inform the proprietors of any earlier Community trade marks or Community trade mark applications cited in the Community search report of the publication of the CTM application (article 39.6 Regulation 40/94).

4.3 Complaints—pre-complaint phase. If the administrative process you are describing begins with a complaint, is there a pre-complaint phase in which the representatives of private parties have an opportunity to discuss the matter with Commission staff before an investigation begins or a complaint is issued? What occurs at such meetings?

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Not applicable (N.A.)

4.4 Opening of investigation. The Commission may initiate an investigation of a possible violation of its laws or rules or a failure to comply with a previous order.

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### **General observation:**

The Black Law Dictionary defines the terms “*investigatory powers*” as “*the powers given to governmental agencies and other entities to investigate violations of laws and to gather information regarding laws that are proposed to be enacted*”.<sup>22</sup> The investigatory powers of the Office are limited to the examination of absolute grounds for refusal and to the search report it conducts about earlier trade marks. As seen above (point 4.2.), when an application is filed, the Office first verifies whether the sign is capable of distinguishing the goods or services and whether there exist no other absolute grounds for refusal. If there is no absolute grounds for refusal, the application is accepted and is given a date of filing. The Office will then conduct a search report regarding earlier trade marks (see point 4.2. above). These ‘investigations’ made by the Office of its own motion however always occur as a result of the filing of the CTM application with the Office.

Beside the examination for absolute grounds for refusal and the search report, there is *stricto sensu* no investigation by the Office regarding an application for a Community trade mark or for a Community trade mark already granted. The Office indeed has no investigatory powers regarding possible violation of laws in the trade mark area. This ‘investigatory role’ is left to private parties who will then submit the result of their researches to the Office, which will then take a decision in regard of the information gathered by the parties. Private parties can challenge

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<sup>22</sup> Law Dictionary, Barron’s Educational Series, Inc., Second edition, 1984.

the CTM application or the Community trade mark as granted by various means. These means are the opposition, the application for invalidity and the application for revocation.<sup>23</sup>

The **opposition** is available to an earlier trade mark<sup>24</sup> owner (and licensees authorized by the owner of this earlier trade mark) when the trade mark applied for is either:

- a) *identical* with the earlier trade mark, and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected; or
- b) identical or *similar* to the earlier trade mark and the goods or services covered by the trade marks are identical or similar in such a way that there exists a likelihood of confusion<sup>25</sup> on the part of the public in the territory in which the earlier trade mark is protected; or
- c) identical with or similar to the earlier trade mark and is to be registered for goods or services which are *not* similar to those for which the earlier trade mark is registered, where the trade mark has a reputation in the Community (in the case of an earlier Community trade mark) or in the Member State concerned (in the case of an earlier national mark) and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

Opposition is also available to the proprietor of a mark applied for by an agent or representative in his own name without the proprietor's consent and without due justification.

Opposition is finally available to the proprietor of a non-registered mark or of *another sign* used in the course of trade where and to the extent that rights to that sign were acquired prior to the date of the CTM application (or its priority date) and that the sign confers on its proprietor the right to prohibit the use of a subsequent trade mark. This can for instance be the case of a trade name.

In all these (verified) cases, the trade mark applied for shall not be registered (article 8 Regulation 40/94). The opposition<sup>26</sup> must be notified to the Office within a period of three months following the publication of the CTM application.

Causes for **invalidity** must be distinguished in between *absolute* grounds for invalidity and *relative* grounds for invalidity. Further, while an opposition can only be made against a Community trade mark *application* within three months of its publication, the invalidity can be claimed at any time after the Community trade mark is *registered*.<sup>27</sup>

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<sup>23</sup> Upon publication of the CTM application, third parties can also submit their written observations, in particular as to absolute grounds for refusal of the application. They will however not be parties to the proceedings. Their observations will be communicated to the applicant who may comment on them (article 41 Regulation 40/94).

<sup>24</sup> 'Earlier trade marks' means trade marks with an earlier date of application than the one of the CTM application considered, taking account of the priorities where applicable. These trade marks can be Community trade marks, national trade marks or marks registered under international arrangements which have effect in a Member State or in the Community, and applications thereof subject to their registration, as well as trade marks that are well known in a Member State on the date of application for the CTM.

<sup>25</sup> The likelihood of confusion includes the likelihood of association with the earlier trade mark.

<sup>26</sup> Notice of opposition may also be given in the event of the publication of an amended application.

<sup>27</sup> There is however a limitation to claim invalidity when acquiescence have occurred: Where the proprietor of a *Community* trade mark has acquiesced, for a period of five successive years, in the use of a later

Absolute grounds for invalidity are identical to the absolute grounds for refusal listed in article 7 of Regulation 40/94 and detailed under point 4.2. above (lack of distinctive character<sup>28</sup>, etc.). Another absolute ground for invalidity is the bad faith of the applicant when he filed the application (article 51 Regulation 40/94).

Relative grounds for invalidity include all grounds for opposition as described above (earlier trade mark, etc.). Another relative ground for invalidity occurs when the use of the trade mark may be prohibited pursuant to another earlier right (under the Community legislation or national law), and in particular a right to a name, a right of personal portrayal, a copyright, or an industrial property right (article 52.2. Regulation 40/94). The Community trade mark may however not be declared invalid where the proprietor of the earlier mark or right consents expressly to the registration of the Community trade mark before requiring invalidity.

The **revocation** of a trade mark may be claimed if (article 50 Regulation 40/94):

- a) if the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered within a continuous period of five years, when there are no proper reasons for non-use<sup>29</sup>;
- b) if, in consequence of acts or inactivity of the proprietor, the trade mark has become the common name in the trade for a product or service in respect of which it is registered;
- c) if, in consequence of the use made of it by the proprietor of the mark or with his consent in respect of the goods or services for which it is registered, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

The opposition, invalidity and revocation procedures will be considered below as ‘investigation’ procedures and the following questions will be answered from this viewpoint.

#### 4.4.1 How is an investigation triggered? Through a notification or application? By a third party complaint or information from

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Community trade mark in the Community while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used, unless registration of the later Community trade mark was applied for in bad faith. The same applies in the event of acquiescence, by the proprietor of an earlier *national* trade mark or sign, in the use of a later CTM in the member State in which the earlier national mark or sign was protected (article 53 Regulation 40/94).

<sup>28</sup> The CTM that has been registered despite its lack of distinctive character (or despite the fact that it consisted exclusively of a sign which has become customary in the current language or which may serve to designate the kind, quality, quantity, purpose, etc. of the good/service) may nevertheless *not* be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired such a distinctive character (article 51.2. Regulation 40/94).

<sup>29</sup> Revocation may however not be claimed if, during the interval between expiry of the five-year period and filing of the application or counterclaim for revocation, genuine use of the trade mark has been started or resumed, unless the commencement or resumption of use occurs within a period of three months preceding the filing of the application or counterclaim and takes place only after the proprietor has become aware that the application or counterclaim may be filed.

another government agency or a court case? Or by information identified by the Commission staff itself?

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### **Opposition:**

The opposition procedure is triggered by a 'notice of opposition' addressed to the Office by any proprietor of a trade mark as defined under point 4.4. above (sort of third party complaint). The notice of opposition must be filed within three months following the publication of the CTM application against which the opposition is directed (article 42 Regulation 40/94). An opposition fee must be paid within the opposition period in order for the opposition to be treated as duly entered (350 € as of December 2004; this fee is independent from the number of prior rights). The opposition is always expressed in writing and must specify the grounds on which it is made. It further contains a range of information aiming at precisely identifying the application against which opposition is entered, the earlier mark or right on which this opposition is based (file number and date, description of mark and of goods or services etc.) and the opposing party or its representative (article 1 rule 15 Implementing Regulation). Facts, evidence and arguments in support of his case can be submitted by the opponent within a period fixed by the Office (article 1 rule 16 Implementing Regulation).

It should be remembered that 'non European based' persons<sup>30</sup> must be represented by a qualified legal practitioner or a professional representative in order to file an opposition (see point 4.1. above).

Where the notice of opposition is not filed in the language of the CTM application (if that language is one of the Office's languages), or in the second language indicated in the application, the opposing party must file a translation of the notice of opposition in one of those languages within a period of one month from the expiry of the opposition period. The same rule applies for the evidence submitted. The parties to the opposition proceedings can also agree on a different language of proceedings (article 1 rule 17 Implementing Regulation).

### **Invalidity/revocation:**

A Community trade mark shall be declared *invalid* (on absolute or relative grounds) on application to the Office or on the basis of a counterclaim in infringement proceedings if the conditions set out under point 4.4. above are met (articles 51 and 52 Regulation 40/94).

Similarly, the rights of the proprietor of the Community trade mark shall be declared to be *revoked* on application to the Office or on the basis of a counterclaim in infringement proceedings if the conditions set out under point 4.4. are met (article 50 Regulation 40/94).

The application for *revocation* of the rights of the proprietor of a Community trade mark (article 50 Regulation 40/94) or for a declaration that the trade mark is *invalid on absolute grounds* (article 51 Regulation 40/94) may be submitted to the Office by any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which under the terms of the law governing it has the capacity in its own name to sue and be sued (article 55.1.a. Regulation 40/94).

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<sup>30</sup> That is natural and legal persons who do not have either their domicile, or their principal place of business, or a real and effective industrial or commercial establishment in the European Community.

The application for a declaration that the trade mark is *invalid on relative grounds* (article 52 Regulation 40/94) may be submitted to the Office by the same persons who are entitled to make a notice of opposition. When the invalidity claimed is based on another earlier right such as a right to a name, a right of personal portrayal, a copyright or an industrial property right (see article 52.2. Regulation 40/94), the application must be submitted by the owners of the earlier rights invoked or by the persons entitled under the law of the Member State concerned to exercise these rights (article 55.1.b. and c. Regulation 40/94).

As for the opposition proceedings, ‘non European based’ persons will have to call in a qualified legal practitioner or a professional representative in order to file the application for revocation or for a declaration of invalidity and to represent them in the proceedings (see point 4.1. above).

Both the applications for revocation and for a declaration of invalidity must be filed in a written reasoned statement. The application shall not be deemed to have been filed until the fee has been paid (700 € as of December 2004). The application must contain information regarding (a) the CTM registration in respect of which revocation or a declaration of invalidity is sought (registration number, name and address of proprietor, goods and services registered for the CTM), (b) the grounds on which the application is based as well as an indication of the facts, evidence and arguments in support of these grounds, and (c) information regarding the applicant (name and address, coordinates of representative if any) (article 1 rule 37 Implementing Regulation).

As to what the language of the application is concerned, the same rules apply as for the notice of opposition. If needed, the translation must be filed within one month from the filing of the application. The translation of the evidence, where needed, must be filed within two months of the filing of such evidence. If the parties agree on a different language of proceedings, one of them must inform the Office of such agreement within two months from receipt by the CTM owner of the communication of the application (see point 4.6.2.). The applicant will then have to file a translation of his application in that language within one month from the said date (article 1 rule 38 Implementing Regulation).

As for the declaration of invalidity of a mark or the revocation of the rights of the proprietor of a mark on the basis of a *counterclaim* in infringement proceedings, these proceedings take place before national courts and therefore go beyond the subject of this contribution.

It must however be mentioned that such counterclaims can be raised before national courts designated by the Member States to perform the functions of ‘Community trade mark courts’. A counterclaim for revocation or for a declaration of invalidity may only be based on the grounds for revocation or invalidity mentioned above. The national court shall inform the Office of the date on which the counterclaim was filed. The latter shall record this fact in the Register of Community trade marks. Once the national court has given a judgment which has become final on the counterclaim, a copy of the judgment is sent to the Office. Any party may request information about such transmission. The Office shall then mention the judgment in the Register of Community trade marks (article 96 Regulation 40/94).

A counterclaim for revocation or for a declaration of invalidity may however in some cases end up in an application for the same before the Office. Indeed, the national ‘Community trade mark court’ hearing such a counterclaim may stay the proceedings on application by the proprietor of the CTM and after hearing the other parties, and may request the defendant (who issued the counterclaim) to submit an application for revocation or for a declaration of invalidity to the

Office within a time limit which it shall determine. If the application is not made within the time limit, the proceedings shall continue and the counterclaim shall be deemed withdrawn.

Besides, a national court hearing a counterclaim must, unless there are special grounds for continuing the hearing, of its own motion after hearing the parties or at the request of one of the parties and after hearing the other parties, stay the proceedings where an application for revocation or for a declaration of invalidity has already been filed at the Office. The converse is also applicable. However in the latter case, if one of the parties to the proceedings before the national court so requests, the court may, after hearing the other parties to these proceedings, stay the proceedings. The Office shall in this instance continue the proceedings pending before it (article 100 Regulation 40/94).

4.4.2 Are there checks on the investigation process? Any requirements that probable cause be established before investigations take place or any other protective requirements? How about requirements of approval (such as the requirement that lower level staff get higher-level approval in order to proceed)?

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There is no prior check on the investigation process such as a requirement of approval.

**Opposition:**

The Office nevertheless makes a first verification of the notice of opposition that could be assimilated to a sort of requirement of probable cause. Indeed, the Office verifies that the notice of opposition complies with the conditions set out in article 42 of Regulation 40/94 regarding the timing and form of the opposition, its grounds (see point 4.4. above and article 8 Regulation 40/94) and the opposing party. The Office also verifies that the notice of opposition clearly identifies the application against which opposition is entered or the earlier mark or right on the basis of which the opposition is being entered. If these conditions are not met, the Office shall reject the notice of opposition as inadmissible unless those deficiencies have been remedied before expiry of the opposition period (article 1 rule 18.1. Implementing Regulation).

If the Office finds that the notice of opposition does not comply with other provisions of the Regulations, it shall inform the opposing party accordingly and shall call upon him to remedy the deficiencies noted within a period of two months. If the deficiencies are not remedied before the time limit expires, the Office shall reject the notice of opposition as inadmissible (article 1 rule 18.2. Implementing Regulation). Any decision to reject a notice of opposition as inadmissible shall be communicated to the applicant.

**Invalidity/revocation:**

The Office also operates a first verification of the application for revocation or for a declaration of invalidity. If the Office finds that the application does not comply with the conditions set out in point 4.4.1. above (proper applicant, grounds, etc.) or any other provision of the CTM Regulation, it shall inform the applicant accordingly and shall call upon him to remedy the deficiencies found within such period as it may specify. If the deficiencies are not remedied before expiry of the time limit, the Office shall reject the application as inadmissible. If it is the

required fee that is not paid within the period specified by the Office, the application will be deemed not to have been filed and the fee will be refunded to the applicant (article 1 rule 39 Implementing Regulation).

The Office may also reject an application as inadmissible if an application relating to the same subject matter and cause of action, and involving the same parties, has been adjudicated on by a court in a Member State and has acquired the authority of a final decision (article 55.3. Regulation 40/94).

Any decision to reject an application or to consider it as not having been filed is communicated to the applicant.

4.4.3 Are there ways by which a private party can push forward or expedite Commission action on an application or with respect to a complaint against a competitor? How about ways to slow down an investigation?

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A party can push forward the proceedings by refusing the extensions of time requested by the other party. Indeed, extensions of time to file observations before the Office are only granted if both parties agree to it. Refusing to agree will mean that no further extensions will be granted and the proceedings will consequently be expedited.

Conversely, slowing down the proceedings will only be possible by way of filing extensions of time or filing a suspension of the proceedings, and if the counterpart agrees with it. The Office may indeed suspend any opposition proceedings where the circumstances are such that a suspension is appropriate (article 1 rule 20.6 Implementing Regulation), e.g. when both parties agree to ask a suspension in order for instance to try to reach an agreement.

In the specific case where the opposition is based on an *application* for registration of the trade mark pursuant to Article 8.2.b. of the Regulation 40/94, the Office may also suspend the opposition proceedings until a final decision is taken in regard with that registration (article 1 rule 20.6 Implementing Regulation). If it serves his interest, the CTM applicant will then certainly ask for a suspension of the opposition proceedings.

If, for a reason or another, the opponent himself want to slow down the opposition proceedings (this is however unlikely in most of the cases), he may want to file the notice of opposition in another language than the one used to file the CTM application and the one designated as a second language in the application. He will then be given one additional month from the expiry of the opposition period (3 months) to file a translation of the notice in the appropriate language. The same rule applies to the evidence submitted by the opposing party (article 1 rule 17 Implementing Regulation).

#### 4.5 Personnel and committees:

4.5.1 Describe the organization of the staff on the Commission side during the application and the investigation phase. What is the division of responsibilities between staff members and supervisors?

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There are no division of responsibilities between staff and supervisors and decisions are taken collegially in the name of the Office. This can create some difficulties in practice as the members of departments and units come from the various EU jurisdictions. They are bringing in their ideas which means that in some cases it is difficult to come to a decision by common consent.

##### **Application:**

An examiner is responsible for taking decisions on behalf of the Office in relation to an application for registration of a Community trade mark, including matters such as conditions of filing, absolute grounds for refusal, grounds for refusal applying to collective trade marks, and principles of morality or public policy, except in so far as an Opposition Division is responsible (article 126 Regulation 40/94).

##### **Opposition:**

Opposition Divisions are responsible for taking decisions on oppositions to CTM applications. The Opposition Divisions generally consist of three persons, among which at least one must be legally qualified. In certain specific cases however, the decisions can be made by a single member (article 127 Regulation 40/94).

##### **Invalidity/ Revocation:**

Cancellation Divisions are responsible for taking decisions in relation to applications for revocation or declarations of invalidity of Community trade marks. The Cancellation Divisions also consist of three-member groups, where at least one member must be legally qualified. In certain specific cases, the decisions can also be taken by a single member (article 129 Regulation 40/94).

4.5.2 Any requirement of consultation with advisory committees or other parts of the Commission? Does the comitology process come into play here? How about consultation with member states or agencies of member states?

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N.A. There are no specific advisory committees in the Community Trade Mark area.

#### 4.6 Notice

4.6.1 Is a complaint issued before an investigation begins or does

investigation precede the complaint?

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A complaint (opposition, invalidity or revocation) must be issued for the investigation to begin. See points 4.4. and 4.4.1.

4.6.2 What are the requirements of notifying the target of a pending investigation or of the decision to issue a complaint? What information is conveyed in the notice? How specific must the notice be?

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**Opposition:**

**Requirement to notify the applicant (target) and period of cooling off:**

There is no requirement from part of the opposing party to notify the applicant of the decision to issue a ‘complaint’. However, if the Office does not reject the notice of opposition as inadmissible (see point 4.4.2. above), it shall communicate the opposition to the applicant and shall invite him to file his observations within such period as it may specify.

Together with the notification of the opposition by the Office to the applicant, three deadlines are set:

1. A period of cooling off : a so called two month -‘period of cooling off’ will begin from the receipt of the communication by the applicant in order for the parties to assess their case before the investigation actually begins. This period aims at allowing the parties to find an amicable solution. In its communication, the Office will draw the applicant’s attention to the fact that the opposition proceedings shall be deemed to commence two months after receipt of the communication, unless the applicant informs the Office, before the expiry of the cooling off period, that he withdraws his application or restricts the application to goods and services against which the opposition is not directed (article 1 rule 19 Implementing Regulation).<sup>31</sup> The two month-period can be extended upon mutual agreement. After the cooling off period ends and in the absence of a settlement between parties, the adversarial part of the proceedings begins.
2. Statement of grounds: the opponent has to file arguments and documents in support of the opposition within the time limit indicated by the Office. The evidence (detailed statement of grounds/documents) may be filed together with the notice of opposition, although this is seldom the case. The opposition form will generally only indicate the prior trademark and the article upon which the opposition is based

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<sup>31</sup> The Office may extent the two month – period of cooling off on joint request of the applicant and the opposing party. Where the application is withdrawn or restricted within the cooling off period, and if the opposition is withdrawn consequently, the Office shall inform the opposing party accordingly and shall refund the opposition fee.

(identical/similar trademark, identical/similar goods or services). The detailed statement of grounds will then follow within the time limit set by the Office. This time limit can be extended upon mutual agreement of the parties. The full content of the notice of opposition, as well as of the evidence, is communicated to the applicant so that he has full knowledge of the facts and context of the issue.

3. Observations in reply: the applicant has to file arguments against the opposition within the time limit indicated by the Office. Again, this time limit can be extended upon mutual agreement.

### **Invalidity/revocation:**

There is no requirement from part of the party applying for revocation/invalidity to notify the CTM owner of the decision to issue a ‘complaint’.

If it has not rejected the application, the Office shall communicate such application to the proprietor of the Community trade mark and shall request him to file his observations within such period as it may specify (article 1 rule 40 Implementing Regulation).

As for the opposition proceedings, the full content of the application for revocation or for a declaration of invalidity, together with the evidence submitted, is communicated to the CTM proprietor.

4.6.3 Are third parties notified of such action? What public notice is provided? Are complaints confidential?

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### **Opposition:**

The fact that a Community trade mark application is under opposition appears in the Office’s database “CTM online”: <http://oami.eu.int/en/database/ctm-online.htm> but the requirement that opposition be published does not appear (at first sight) in the CTM regulations.

The “CTM-online” database indicates, for the searched trade mark, its status and whether the mark is under opposition. Also mentioned are the number of opposition, reception date, the opponent’s and the opponent’s representative’s names and ID numbers, the opponent’s nationality, the language of proceedings, a brief description of the grounds for opposition, and the dates of the filing of the opposition, of its admissibility check and of the cooling off period.

### **Invalidity/revocation:**

Third parties are informed of the existence of an *application* or a *counterclaim* for revocation or for a declaration of invalidity through the mention of the date of submission of the application or of the filing of the counterclaim in the Register of Community Trade Marks (article 1 rule 84 (2) (n) Implementing Regulation). These entries are provided in all the official languages of the EU (article 116.1. and 116.2. Regulation 40/94). These entries made in the Register will further be published in the Community Trade Marks Bulletin (article 1 rule 85 Implementing Regulation).

## 4.7 Conduct of the investigation

### 4.7.1 Are there time limits on completing investigation? Where no time limits are specified, are there general requirements? What happens if time limits are exceeded?

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There is no time limit indicated for the Office in the CTM Regulation to complete the investigation.

The Office nevertheless indicates periods of time within which the parties have to reply or fulfil the Office's requests. The sanctions applying when these time limits are not fulfilled are described under the appropriate sections.

However, a procedure exists by which the applicant for or proprietor of a Community trade mark or any other party to proceedings before the Office who, in spite of all due care required by the circumstances having been taken, was unable to observe a time limit *vis-à-vis* the Office shall, upon application, have his rights re-established if the non-observance in question has the direct consequence of causing the loss of any right or means of redress.

The application must be filed in writing within two months from the removal of the cause of non-compliance with the time limit. The omitted act must be completed within this period. The application shall only be admissible within the year immediately following the expiry of the unobserved time limit. The application must state the grounds on which it is based and must set out the facts on which it relies. It shall not be deemed to be filed until the fee for re-establishment of rights – 200 € as of December 2004 – has been paid (article 78 Regulation 40/94).<sup>32</sup>

A similar procedure exists where one party has omitted to observe a time limit *vis-à-vis* the Office. That party may, upon request, obtain the continuation of proceedings, provided that at the time the request is made the omitted act has been carried out. The request for continuation of proceedings shall be admissible only if it is presented within two months following the expiry of the unobserved time limit. The request shall not be deemed to have been filed until the fee for continuation of the proceedings has been paid.

If the Office accepts the application, the consequences of having failed to observe the time limit shall be deemed not to have occurred (article 78a Regulation 40/94: this provision does not apply to a series of time limits such as the filing of application and the opposition delay).

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<sup>32</sup> Article 78.5 Regulation 40/94 mentions the time limits to which this provision does not apply. Where the applicant for or proprietor of a Community trade mark has his rights re-established, he may not invoke his rights *vis-à-vis* a third party who, in good faith, has put goods on the market or supplied services under a sign which is identical with or similar to the Community trade mark in the course of the period between the loss of rights in the application/Community trade mark and publication of the mention of re-establishment of those rights. Such a third party may bring third party proceedings against the decision re-establishing the rights of the applicant for or proprietor of a Community trade mark within a period of two months as from the date of publication of the mention of re-establishment of those rights.

4.7.2 What are the techniques whereby the Commission can investigate private parties and learn the facts of disputed transactions?  
Required periodic reports? Subpoenas (or equivalent process such as Art. 11) to compel persons to show up and give testimony? Subpoenas to require the submission of documents? Physical inspections of business premises or private homes? Inspection of required records? What are the consequences of failing to comply with compulsory process?

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It first has to be pointed out that the trade mark area does not require as deep investigations as other administrative proceedings before the Commission. In most of the cases, it is the private parties that will submit evidence as they have a direct interest in supporting their own cases. The investigation means and techniques may therefore not be as developed as those in other proceedings. This being said, generally, in proceedings before it, the Office can examine the facts of its own motion. However, in proceedings relating to *relative* grounds (i.e. in opposition proceedings or invalidity proceedings based on relative grounds, see point 4.4.), the Office is restricted in its examination to the facts, evidence and arguments provided by the parties and the relief sought. Besides, the Office may disregard facts or evidence which are not submitted in due time by the parties concerned. (article 74 Regulation 40/94).

In order to investigate private parties and learn about the facts, the Office can issue requests for information or decide to hold oral proceedings when it considers that it would be expedient. If the Office considers it necessary for a party, witness or expert to give evidence orally, it shall issue a summons to the person concerned to appear before it. The parties shall be informed of the hearing of a witness or expert before the Office and shall have the right to be present and to put questions to the witness or expert (article 75 and 76 Regulation 40/94). The relevant department of the Office may commission one of its members to examine the evidence adduced.

As for the parties to the proceedings, they also can require that oral proceedings be held (if considered expedient by the Office) or issue a request for information. A deposit by the party requesting the evidence may be claimed by the Office as a condition of obtaining the evidence.<sup>33</sup> Other means to submit evidence in support of their case or to obtain evidence are the production of documents and items of evidence, the submission of opinions by experts, or of statements in writing sworn or affirmed or having a similar effect under the law of the State in which the statement is drawn up (article 75 and 76 Regulation 40/94).

#### 4.8 Rights and duties of target

4.8.1 What privileges are available to the target of investigation? Attorney client? Self-incrimination? Work product?

4.8.2 Is there a duty on the part of private parties to cooperate in the investigation? What is the nature and source of this duty and does it vary as between sanction cases and application cases?

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<sup>33</sup> X., *The Community Trade Mark – Regulations Practice and Procedure*, op. cit., p. I.13.

- 4.8.3 Must the target be notified when third parties are questioned regarding the target?
- 4.8.4. What are the mechanisms whereby the target can raise issues about pending investigations?
- 4.8.5. Are there any defenses against investigation? Harassment? Selective complaints (that is, Commission has picked on one party but not others)? Excessive burden of demand for information?
- 

N.A.

There is no real ‘investigation’ on the merits conducted by the Office in the trade mark area. Rather, the proceedings must be considered as private interests proceedings, where only the parties can ‘investigate’ or enquire into the other party’s trade mark and field of activities. Generally, it will be in the own interest of the parties to submit their evidence in order to support their case.

As for the rights and duties of the parties, article 79 of Regulation 40/94 provides that in the absence of procedural provisions in the CTM Regulation, the Office shall take into account the principles of procedural law generally recognized in the Member States.

As in other ‘private’ proceedings, attorney-client privilege and self-incrimination privilege are available to the CTM applicant. The applicant will generally cooperate as it is in his own interest to prove his case. He is however not obliged to cooperate and help the other party to establish facts that would have adverse effects for him.

### **Opposition:**

Once the opposition is communicated to the applicant, the latter shall file his observations within the period specified by the Office. Any submission of facts or evidence by the opposing party shall be communicated to the applicant who shall be given an opportunity to reply within a period specified by the Office. The observations filed by the applicant shall be communicated to the opposing party who shall be called upon by the Office, if it considers it necessary to do so, to reply within a period specified by the Office (article 1 rule 20 Implementing Regulation).<sup>34</sup>

The Office shall invite the parties, as often as necessary, to file observations, on communications from the other parties or issued by itself (article 43 Regulation 40/94).

Further, a specific defense on the merits is available for the “target” of the “investigation”. Indeed, the CTM applicant can request that the opposing party submit proof of use of its own mark. The proprietor of an earlier Community (or national) trade mark who has given notice of opposition will then have to furnish proof that, during the period of five years preceding the date

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<sup>34</sup> If, pursuant to Article 44 (1) of Regulation 40/94, the applicant restricts the list of goods and services, the Office shall communicate this to the opposing party and call upon him, within such period as it may specify, to submit observations stating whether he maintains the opposition and, if so, against which of the remaining goods and services.

of publication of the Community trade mark application, the earlier Community (or national) trade mark has been put to genuine use in the Community (or in the Member State in which the national trade mark is protected) in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier Community (or national) trade mark has at that date been registered for not less than five years.

This defense may be quite efficient because if the opposing party does not provide the proof of use required within the time limit specified by the Office, the opposition shall be rejected (article 43.2. Regulation 40/94).<sup>35</sup> The indications and evidence for the furnishing of proof of use shall generally consist of indications concerning the place, time, extent and nature of use of the opposing trade mark for the goods and services in respect of which it is registered and on which the opposition is based, and evidence in support of these indications (packages, labels, price lists, invoices, advertisements, etc.) (article 1 rule 22 Implementing Regulation).

### **Invalidity/ revocation:**

All communications and observations filed by a party are sent to the other parties (article 56 Regulation 40/94). The parties are invited by the Office, as often as necessary, to file observations, within a period fixed by the Office, on communications from the other parties or issued by itself (article 56.1. Regulation 40/94).

Besides, the same defense of proof of use is available to the proprietor of the Community trade mark against the proprietor of an earlier Community trade mark being a party to the invalidity proceedings.<sup>36</sup> In the absence of proof of use, the application for a declaration of invalidity shall be rejected (article 56.2. Regulation 40/94).

## 4.9 Access to information in Commission files

4.9.1 What are the rights of access to information in the Commission's files by the target or a rejected applicant? Everything in the files or only selected information? If the latter, who decides what information is to be provided? Is access given to member states but not private parties?

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### **Right of access to the Office' files by the CTM applicant/holder:**

Although the CTM Regulation does not provide for a specific rule regarding the CTM applicant's (or CTM holder being defendant in an invalidity/revocation case) access to the Office' files, he

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<sup>35</sup> If the earlier Community (or national) trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

<sup>36</sup> Furthermore, if, at the date on which the Community trade mark application was published, the earlier Community trade mark had been registered for not less than five years, the proprietor of the earlier Community trade mark shall furnish proof that, in addition, the conditions regarding proof of use were satisfied at that date.

will generally have access to all information in the file regarding his case. This is quite normal as this information is mostly constituted by information provided to the Office by the parties or by information communicated to the parties by the Office (e.g. the search report).

**Right of access for the Member States:**

Administrative cooperation exists between the Office on the one hand, and the national courts and industrial property offices, on the other hand. Article 86 of Regulation 40/94 specifically states that, unless otherwise provided in the CTM Regulation or in national laws, the Office and the courts or authorities of the Member States shall on request give assistance to each other by communicating information or opening files for inspection. The communications may concern information about the filing of national or Community trade mark applications or about proceedings relating to such applications and the marks registered as a result thereof. Communications between the Office and the national courts or authorities are effected directly between these authorities or through the national central industrial property offices. Expenditure is chargeable to the authority making the communications (article 1 rule 92 Implementing Regulation). The communications or inspections are not subject to the restrictions applicable to the access of information by third parties (see point 4.9.4. below).

4.9.2 How is this right exercised & when must it be exercised? When must the information be provided?

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The information is generally communicated to the CTM applicant/ holder when the Office receives it or after a first examination by the Office (see for instance the opposition proceedings).

The procedure for the inspection of files by third parties is described under point 4.9.3. below.

4.9.3 Can affected third parties such as competitors have access to Commission's files? How about people representing the public interest?

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**Conditions of access to the Office' files by third parties:**

Third parties may, on request and subsequent to the publication of the Community trade mark application, *inspect* the files relating to such application and the resulting trade mark (article 84.3. Regulation 40/94). The same applies for opposition files and invalidity/revocation files. No special well-founded interest must be shown by these third parties who can be competitors or even people representing the public interest.

However, certain documents in the file may be withheld from inspection (see point 4.9.4. below).

Besides, the files relating to Community trade mark applications which have not yet been published shall not be made available for inspection without the consent of the applicant. However, any person who can prove that the applicant for a Community trade mark has stated

that after the trade mark has been registered he will invoke the rights under it against him may obtain inspection of the files prior to the publication of that application and without the consent of the applicant. In the latter case, the same restriction as to exclusion of parts of the file from inspection applies (article 84.1., 84.2. and 84.4. Regulation 40/94).

Subject to the restrictions applicable to the access of information by third parties, the Office may also, upon request, *communicate* information from any file of a Community trade mark applied for or of a registered Community trade mark, subject to payment of a fee. However, the Office may require the exercise of the option to obtain inspection of the file itself should it deem this to be appropriate in view of the quantity of information to be supplied (article 1 rule 90 Implementing Regulation).

Further, Courts or Public Prosecutors' Offices of the Member States may, in the course of proceedings before them, open files or copies thereof transmitted by the Office to inspection by third parties. Such inspection shall be subject to the restrictions applicable to the access of information by third parties (see point 4.9.4. below).

#### **Procedure for the inspection of the Office' files:**

Third parties must file a request for inspection of the files with the Office. A fee must be paid in order for the request for inspection to be deemed to have been made. Inspection of the files of Community trade mark applications and of registered Community trade marks shall either be of the original document, or of copies thereof, or of technical means of storage if the files are stored in this way. The means of inspection shall be determined by the President of the Office. The same applies for files relating to international registrations designating the European Community, subject to the restrictions from inspection as set in article 1 rule 88 of the Implementing Regulation (see point 4.9.4. below).

When inspection is requested before the publication of the CTM application, the request must contain indications and evidence that the applicant has consented to the inspection or has stated that after the trade mark has been registered he will invoke the rights under it against the party requesting the inspection.

Inspection of the files shall take place on the premises of the Office. On request, inspection of the files shall be effected by means of issuing copies of file documents. A fee must be paid for these copies. The office can also issue on request certified or uncertified copies of the CTM application or of those file documents of which copies may be issued upon payment of a fee (article 1 rule 89 Implementing Regulation).

- 4.9.4 What information in the files is unavailable, for example because of trade secrets [Art. 287]? Unavailable because of confidentiality, informant protection, or state secrets? Unavailable because they are staff advisory memos or preliminary decisional documents? (These question may overlap the project on transparency and data protection).

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There is little or no issue of trade secrets or of confidential information in the trade mark area. As a consequence, almost all documents submitted to the Office by the CTM applicant or holder should be available for inspection. However, if the party concerned showed a special interest in keeping parts of the file confidential before the application for inspection of the files was made, these parts shall be withheld from inspection, unless inspection of such parts of the file is justified by overriding legitimate interests of the party seeking inspection (article 1 rule 88.c Implementing Regulation).

Other documents in the Office' files may be withheld from inspection. These documents are (article 1 rule 88.a and 88.b Implementing Regulation):

(a) documents relating to exclusion of, or objection as to, participation of members of the Office in proceedings, for instance due to their personal interest in a case (article 132 Regulation 40/94);

(b) draft decisions and opinions of the Office, and all other internal documents used for the preparation of decisions and opinions.

#### 4.9.5 Consequences if Commission fails to provide access to information?

Does it make the subsequent decision illegal? Only if the failure to provide information was prejudicial?

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N.A.

Parties to proceedings before the Office always should have access to the relevant information needed to make and defend their cases.

There is no provision concerning the hypothesis where the Office would fail to provide access to information.

4.10 Settlement or compromise. What opportunities exist to settle or compromise a dispute before formal proceedings are instituted or after they are instituted but before decision? What obligation is imposed on the Commission to conduct settlement negotiations in good faith? If there are conflicting private parties, what is the process whereby complaints by private parties are settled or compromised?

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In the case of opposition proceedings, we already mentioned the period of cooling off that gives an opportunity for the parties to negotiate and find an agreement as to the scope of their trade marks (see point 4.6.2.).

As a reminder, this period lasts for two months following the receipt by the applicant of the notice of opposition. An extension of this period can be granted by the Office on request presented jointly by the applicant and the opposing party before the original period expires. The opposition proceedings are deemed to commence only after this period of cooling off ends. The proceedings

will not take place if, before the expiry of the cooling off period, the applicant informs the Office that he withdraws his application or restricts it to goods and services against which the opposition is not directed (article 1 rule 19 Implementing Regulation), or if the opposing party withdraws its opposition. In both cases, the opposition fee will be refunded.

Another opportunity of reaching a compromise exists after the proceedings have begun. In opposition proceedings as well as revocation and invalidity proceedings, the Office may, if it thinks fit, invite the parties to make a friendly settlement (articles 43.4 and 56.4. Regulation 40/94). There is however no obligation from part of the Office to do so.

In general, the content of the compromise is based on mutual negotiations between the parties. It is also possible that the Examiner gives in an informal way (e.g. during a phone call) his opinion on how to reach an agreement.

The parties may as well at any time put an end to the proceedings by notifying the Office that they desire to do so.

The possibility further exists that a CTM proprietor surrenders his Community trade mark in respect of some or all the goods or services for which it is applied or registered, which will put an end to the proceedings regarding the same trade mark in relation to the same goods or services. The surrender must be declared to the Office in writing by the proprietor of the trade mark and shall not have effect until it has been entered in the Register (article 49 Regulation 40/94).<sup>37</sup>

Finally, the applicant for or proprietor of a Community trade mark may request the conversion of his CTM application or Community trade mark into a national trade mark application, for instance if the CTM ceases to have effect (article 108 Regulation 40/94). According to the circumstances, this conversion may have as effect that no more conflict exists between the parties to the proceedings. This may be the case in opposition or invalidity proceedings launched by the proprietor of an earlier national trade mark, where conversion is requested into a national trade mark application for other Member States than those in which the earlier trade mark is registered.

## **5. The individualized/generalized (or adjudicative-legislation) distinction**

Are there procedural distinctions between situations in which an individual party is affected on grounds particular to that party (individualized or quasi-adjudicative action) and situations in which a large number of different persons are affected in the same way (generalized or quasi-legislative action)? For example, in the case of generalized action, are the rules relating to investigation, hearings, and decisions different than in the case of adjudication? If there are such distinctions, how is this line between individualized and generalized action drawn in practice?

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N.A. Each decision relates to an individualised action and procedure.

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<sup>37</sup> Surrender shall be entered only with the agreement of the proprietor of a right entered in the Register. If a licence has been registered, surrender shall only be entered in the Register if the proprietor of the trade mark proves that he has informed the licensee of his intention to surrender. This entry shall be made three months after the date on which the proprietor has proven to the Office that he informed the licensee (rule 36 Implementing Regulation).

## 6. Hearing phase

### 6.1 Rights to an administrative hearing

#### 6.1.1 Is there a right to one or more hearings in your sector? In which type of dispute is an opportunity for hearing provided?

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All the proceedings before the Office are mainly written and the procedure is organised so as to allow the parties to submit their observations and evidence in writing without having to appear necessarily before the Office divisions. Oral hearings are consequently not very common before the Office and the only experience we have with hearings are the informal hearings held with the Examiner during the CTM application process (see point 4.2. above).

However, if the Office considers that oral proceedings would be expedient they shall be held either at the instance of the Office or at the request of any party to the proceedings (article 75 Regulation 40/94). This is true for every proceedings described above (application, opposition, invalidity and revocation). An oral hearing is nevertheless not a right of the parties as it is the Office that eventually decides whether these oral proceedings could be useful or not.

#### 6.1.2 Who is entitled to a hearing in the case of a prospective adverse decision? In addition to parties who would be subject to sanctions, or parties whose applications are denied, is anyone else entitled to a hearing? Competitors who would be harmed by the grant of favorable treatment by the Commission to an applicant? Persons claiming to protect the public interest?

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Oral hearings may only be available to the *parties* to proceedings before the Office, subject to the Office's green light as explained above.<sup>38</sup>

In the event of proceedings concerning revocation or declaration of invalidity based on absolute grounds, may be party to these proceedings any natural or legal person and any group or body set up for the purpose of representing the interests of manufacturers, producers, suppliers of services, traders or consumers, which under the terms of the law governing it has the capacity in its own name to sue and be sued (article 55.1. (a) Regulation 40/94).

In the event of proceedings based on relative grounds, only the persons entitled to file an opposition (proprietor of earlier trade marks or earlier rights, see article 42 Regulation 40/94 and point 4.4. above) may be parties to the proceedings (article 55.1. (b) and (c) Regulation 40/94).

Each time the Office wants to hear a party (or witness or expert, see later points 6.3.3. and 6.3.4.), it shall issue a summons to the person concerned to appear before it (article 76 Regulation 40/94). The issues which, in the Office' view, need to be discussed must be indicated in the summons. The summons must be of at least one month notice unless the parties agree for a shorter period.

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<sup>38</sup> Besides, oral proceedings before the examiners (for a CTM application) and the Opposition Divisions are not even public. Oral proceedings before the Cancellation Division and the Board of Appeals are public unless it is decided that this could cause a serious and unjustified disadvantage to a party.

In its summons, the Office must draw the attention of the parties on the fact that if they do not appear despite having been duly summoned, the proceedings may continue without them (article 1 rule 56 Implementing Regulation).

6.1.3 If several private parties are involved, will there be separate hearings or just one hearing?

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There will generally be one hearing during which the parties (or witnesses or experts) summoned by the Office will be able to orally present their cases or statements to the Office in presence of all the other parties to the proceedings. If the length of the hearing requires it, a second date for hearing may possibly be fixed by the Office. Again, however, oral hearings do not play an important part during proceedings before the Office.

6.1.4 Can other interested parties intervene in the hearing? How else can they participate (for example, is there a practice of filing amicus briefs?)

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From our experience, no other person but the parties to the proceedings can intervene or participate in any way in the hearing. There is no practice such as filing amicus briefs in the proceedings before the Office.

6.1.5 At what point in time is a private party entitled to a hearing? Before or after the Commission has taken legally effective action? At any point during the investigatory process? Before a benefit is terminated or after it has been terminated?

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A party to the proceedings can request an oral hearing at any time during the proceedings, as long as the debate between parties is not closed in order for the division of the Office to decide on the case. Oral hearings, if any, always take place before the Office decides on the case. It is most likely that if oral hearings are provided, these will take place once the parties have exchanged their written observations and submitted their evidence in writing with the Office.

6.1.6 How serious does the proposed action have to be to trigger a right to a hearing? (We note different adverbs being used such as “perceptibly affected” or “gravely affected”) Is there a right-privilege distinction? Doctrine of legitimate expectations? Are discretionary decisions treated differently from non-discretionary decisions? Are decisions to take away an

existing benefit (or to prohibit certain actions) treated differently from applications for a new benefit or for permission to take action?

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According to the CTM Regulation, oral proceedings must be considered to be “*expedient*” by the Office in order to be held at its own instance or at the request of a party. This criterion is applicable for any type of proceedings. The decision of holding oral proceedings will probably depend on the complexity of the case and on whether there is a clear-cut case or not. The importance of testimony of witnesses or of reports by experts may also come into consideration as to hold oral pleadings or not.

6.1.7 As to what issues is person entitled to a hearing? Only if there are disputed facts? Is there a distinction between “adjudicatory facts” (that is, facts about the parties) and “legislative facts” (that is, generalized facts that don’t concern the specific parties)? Where discretionary action is at stake? Where party wishes to argue for a new legal interpretation or for an exception to existing precedents? How about the situation in which a rule (delegated legislation) has already resolved the issue that the person wishes to raise—is there still entitlement to a hearing? Where Commission has discretionary powers, can it constrain that power by adopting generally applicable rules?

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If found ‘expedient’ by the Office, oral proceedings may be required as to any issue relevant to the case and where a discussion before the Office and in the presence of the parties may be useful to decide this case. There is no distinction between “adjudicatory facts” and “legislative facts”, although an oral hearing will probably rather be ordered to discuss “adjudicatory facts” proper to the parties. Oral hearings may also be useful to discuss some legal interpretations or rules that were decided in prior cases in view of the case at stake. As Community trade mark issues must predominantly be decided on a case-by-case basis, there is always a possibility that a prior rule or interpretation does not apply to a new situation. When taking decisions, the Office will generally limit the scope of the decision to the case taken into consideration. The Office may however formulate general rules as well on that occasion.

## 6.2 Hearing officer or officers

6.2.1 Who is the hearing officer or officers? How are those persons qualified and trained? Is the person a full-time hearing officer or does he/she have other tasks? How many hearing officers are present at a hearing (that is, is there just one hearing officer or is there a panel of hearing officers)?

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The hearing officers are the same persons as those responsible for taking decisions in relation to a CTM application, an opposition, or an application for revocation or for declaration of invalidity

(see point 4.5.1. above). They are specifically trained in (Community) trade mark issues and their full-time function is to take knowledge of the cases presented to them, to hold hearings if necessary and to make decisions as to these cases. Generally, as to what CTM applications are concerned, there is only one examiner present at the hearing. In opposition proceedings or in revocation/invalidity proceedings, there is normally a panel of three hearing officers (“Opposition Division” or “Cancellation Division”), although in some – more straightforward – cases, only one hearing officer will be present.

6.2.2 What is the role of the hearing officer or officers? To serve as independent administrative judges (as would occur in an adversarial system) or as officials gathering information as part of an administrative investigation (as would occur in an inquisitorial system). [See part 1. of these guidelines for further background on this distinction] Or do they serve some other function or functions?

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The system established before the Office is closer to an ‘inquisitorial model’ than to an ‘adversarial model’. It must however be reminded that there is no ‘investigation’ *stricto sensu* by the Office, in the sense that the Office does not have the powers to gather information or to run investigations about Community trade marks and applications. Rather, this process is left to private parties and companies that have an interest in opposing the grant of a CTM that would be too similar to their mark or that would not meet the required conditions (see point 4.4. above). This being said, there is no separation of functions between the ‘research phase’ (‘investigation by the parties’) and the ‘decision phase’. Both phases are part of the same proceeding and there is no separation of personnel between these different functions. As a result, the hearing officers are also the ones receiving and examining the information gathered by the parties to the proceedings and deciding on the case presented before them.

6.2.3 In adversarial systems, there are various rules intended to safeguard the independence of hearing officers in administrative proceedings. Perhaps none of these rules apply to the inquisitorial proceedings conducted by the Commission. Is there any law or practice in your sector that provides protection to private interests similar to the following:

6.2.3.1 Could decisionmakers be disqualified for any form of bias? For example, what about a financial conflict of interest? Is there a transparency system in which officials must disclose any financial interests? How about clear evidence that a decisionmaker has prejudged the issues? If any such bias issues can be raised, how do you raise them and when must you raise them?

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Yes. Examiners and members of the Divisions of the Office or of the Boards of Appeal may not take part in any proceedings if they have *any* personal interest therein, including financial conflict

of interest. The same rule applies if they have previously been involved as representatives of one of the parties (article 132.1. Regulation 40/94).

There is an obligation of disclosure from part of the members of the Office. If a member of a Division or of a Board of Appeal considers, for one of these reasons or for any other reason, that he should not take part in any proceedings, he shall inform the Division or Board accordingly (article 132.2. Regulation 40/94).

There is also a possibility for any party to the proceedings to object to examiners and members of the Divisions or of a Board of Appeal for one of the reasons stated above, or if suspected of partiality. It is especially provided however that no objection may be based upon the nationality of examiners or Office members (article 132.3. Regulation 40/94). An objection must be made in writing to the Office as soon as the party is aware of the facts on which it is based. An objection shall not be admissible if, while being aware of a reason for objection, the party has already taken a procedural step.

In the event of a disclosure of a conflict of interest by a member of the Office or of an objection raised by one of the parties, the Divisions and the Boards of Appeal shall decide as to the action to be taken without the participation of the member concerned. For the purposes of taking this decision, the member who withdraws or has been objected to shall be replaced in the Division or Board of Appeal by his alternate. The Division or Board of Appeal shall then take a decision as to the disqualification or not of the member concerned (article 132.4. Regulation 40/94).

6.2.3.2 Are there any limitations on off-the-record (“ex parte”) communications between the decisionmakers and by parties outside the Commission?

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Beside purely administrative informational communications, ex parte communications between the parties and the Office are not allowed. All other communications made by a party to the Office will be communicated to the other parties to the proceedings.

6.2.3.3 Is there any separation of functions of Commission staff members? In other words, can persons who have played roles as investigators, prosecutors, or advocates serve as hearing officers or advisers to hearing officers?

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There is a relative separation of functions between the different proceedings brought before the Office (CTM application, opposition and invalidity/revocation): two of the three members of an Opposition Division may not have taken part in examining the application. Members of the Cancellation Divisions may not take part in any proceedings regarding invalidity or revocation if they have participated in the final decision on the case in the proceedings for registration or opposition proceedings. Similarly, members of the Boards of Appeal may not take part in appeal proceedings if they participated in the decision under appeal (article 132 Regulation 40/94).

The member(s) concerned is under the same obligation of disclosure and withdrawal as when he has a conflict of interest. Any party may also raise an objection to this member in the same conditions as described under point 6.2.3.1. (articles 132.2. and 132.3. Regulation 40/94). The same procedure as to the disqualification decision will take place (article 132.4. Regulation 40/94).

There is however no separation of functions within the same proceeding. For instance, the members of an Opposition Division will receive the observations filed by the parties, examine their content, decide whether oral hearings would be expedient, possibly hold oral hearings, and finally decide on the case. There is no separation of personnel between these different functions (see point 6.2.2. above).

#### 6.2.3.4 Are there any rules prohibiting or relating to legislative or political pressure on decisionmakers?

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Besides the staff regulations of officials of the EU which apply to the OHIM members (article 112 Regulation 40/94), there are no specific rules relating to legislative or political pressure on decisionmakers.

### 6.3 Conduct of hearing

#### 6.3.1 Hearing or conference? Is the “hearing” a meaningful step in the decisionmaking process or merely a relatively useless informal conference with Commission officials? Please explain.

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Because the proceedings before the Office are designed to be mainly written proceedings, not all the cases will give rise to oral proceedings. It is only in those cases where the Office considers it expedient to hear the oral evidence of the parties, of witnesses or of experts, or where a party request such oral hearing and the Office considers it to be useful, that a hearing will take place. In practice and from experience, this is however rarely the case. The hearing consists in an opportunity for the parties to convey their arguments through pleadings and/or to highlight the evidence they submit to the Office. It also allows the Office to obtain further information about the case to be examined and to ask questions directly to the parties, witnesses or experts.

#### 6.3.2 What is the order of events at the hearing? For example, does the prosecution open with a statement of its position?

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The order of events will generally follow the agenda and points to be discussed that were stated by the Office in its summons issued to inform the persons concerned of the hearing. When evidence is taken orally, the hearing will be conducted according to the evidence to be submitted.

#### 6.3.3 Do witnesses present testimony at the hearing? If so, who selects the witnesses—the hearing officer or the

lawyers? Who frames the issues? Who decides on the order in which witnesses testify? Who puts questions to the witnesses? Can hearing officer engage his own experts? If he does, can the parties present their own experts?

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It is possible that witnesses present testimony at the hearing when the Office considers it necessary or when a party requests it. In the first situation, it is the Office which selects the witnesses and frames the issues. The Office does so in the decision it takes to that end, stating the means by which it intends to obtain evidence, the relevant facts to be proved and the date, time and place of hearing (article 1 rule 57 Implementing Regulation). An extract from this decision, indicating in particular the date, time and place of the hearing ordered and stating the facts regarding which the witnesses are to be heard, is included in the summons given by the Office to said witnesses.

When the hearing of (a) witness(es) is requested by a party, it is this party who will select the witnesses and frame the issues. The party must make known to the Office the names and addresses of the witnesses within the time limit set by the Office in its decision to hear oral evidence. The Office will then summon said witnesses for the date and time of hearing it determines.

The parties are informed of the hearing of a witness before the Office and have the right to be present at the hearing. Both the Office and the parties to the proceedings can put questions to the witnesses.

The same rules apply for the hearing of experts. The period of notice given in the summons of a witness or expert to give evidence must be of at least one month, unless they agree otherwise. Together with the extract of the Office's decision to hear oral evidence, the summons contains the names of the parties to the proceedings and particulars of the rights which the witnesses or experts may invoke.<sup>39</sup>

6.3.4. Presentation of proof. Assuming that the hearing is more than an informal conference but is actually an opportunity to present proofs, how are proofs presented? Oral or written? Audio-visual? Expert testimony? Qualification of experts? Any rules of evidence? Burden of proof rules?

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The general rule regarding burden of proof is that each party must prove what it claims. For instance, it belongs to the opposing party to prove that the CTM application filed by an applicant is likely to cause confusion in the public's mind with the earlier trade mark of the opponent.

Proofs are generally presented in writing, but can also be presented orally if considered useful by the Office (see above). Audio visual means can also be used during oral hearings if appropriate. It is also possible to have recourse to experts where appropriate.

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<sup>39</sup> These rights are described under article 1 rule 59 (2) to (5) of the Implementing Regulation and have to do with reimbursement of reasonable expenses for travel and compensation for loss of earnings.

Only the parties to the proceedings may present evidence and argument. The Office itself may however engage experts if it deems it appropriate. It is however unlikely that the Office will engage experts in *ex parte* proceedings due to the liability for the costs of the expertise.<sup>40</sup>

A distinction must be drawn between an opinion poll filed by a party to the proceedings and the opinion poll initiated by the Office. Only the latter is considered as an expert opinion.<sup>41</sup>

When appointing an expert - on its own motion or on request of a party - the Office must decide in what form the expert report will be submitted. The terms of reference of the expert must notably include a precise description of his task and the time limit within which the expert must submit his report (article 1 rule 58 Implementing Regulation). A copy of any written expert report must be submitted to the parties.

The parties may object to an expert on grounds of incompetence or on the same grounds as those on which objection may be made to an examiner or to a member of a Division or Board of Appeal pursuant to Article 132 (1) and (3) of the Regulation 40/94 (conflicting interests, see points 6.2.3.1. and 6.2.3.3.). The department of the Office concerned shall rule on the objection (article 1 rule 58 Implementing Regulation).

6.3.5 Does the Commission staff present evidence or argument or only the private party or parties?

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See point 6.3.4.

6.3.6 Is there one continuous hearing or are the proceedings carried on discontinuously from time to time?

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See point 6.1.3.

6.3.7 Confrontation. Can one side (private or Commission) contradict the proofs or arguments introduced by the other side? How? Cross-examination?

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<sup>40</sup> According to article 1 rule 59 (5) of the Implementing Regulation, the Office will be liable for the expert fees and travel expenses where, at its own initiative, it considered necessary to hear the evidence of an expert.

<sup>41</sup> Where the Office considers it necessary to hear the oral evidence of experts, it shall state in its decision the means by which it intends to obtain evidence, the relevant facts to be proved and the date, time and place of the hearing. If oral evidence of experts is requested by a party, the decision of the Office shall determine the period of time within which the party filing the request must make known to the Office the names and addresses of the experts whom the party wishes to be heard (article 1 rule 57 Implementing Regulation). The party that requested the hearing of an expert (or witness) may be liable for the expert fees and the reimbursement of reasonable expenses for travel and subsistence of the expert (or witness), if that party loses the case and subject to the Office' decision on apportionment and fixing of costs (article 1 rule 59 (5) Implementing Regulation).

The evidence presented by one party can always be contradicted by the other party(ies), in writing and/or orally. All evidence and proof is communicated to that end to the other parties by the Office. This communication always takes place before the hearing if any.

The Office has not as such the power to contradict evidence, although it may, especially during oral hearings, confront the parties with the evidence submitted from both sides.

According to experience, examination of witnesses and/or experts does not play an important role in practice. If it nevertheless takes place, a sort of cross examination of witnesses and/or experts is possible due to the facts that parties can put questions to them (article 76.4 Regulation 40/94).

6.3.8 Is there any requirement that persons responsible for making a decision have achieved personal familiarity with the issues or can the decision be purely institutional in nature?

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Due to the intrinsic case-by-case nature of any trade mark issue put before the Office, it is impossible to render a decision without having a comprehensive understanding of the facts and circumstances of the case to be decided. The decision to be made is always an individual one and highly depends on the situation of the case.

6.3.9 To what extent are criminal law standards followed in cases of serious sanctions such as a requirement that the Commission prove fault or intent? Is there a requirement that legal standards be clearly defined? How does one distinguish whether the administrative law or criminal law standards are applied?

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N.A.

6.3.10 Time limits on making the decision? How long is a “reasonable time”?

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There is no time limit imposed on the Office to render a final decision. Delays may be extended or shortened according to the number of observations and evidence submitted by the parties, as well as to the language in which these documents are submitted. The time limit within which decisions are taken also depends on the workload of the responsible teams.

Generally, the publication of a Community trade mark application happens within approximately nine months of its filing if there are no major discussions at stake. This delay includes the translation of the application within the 20 languages of the European Union. This time limit must be extended if discussions (e.g regarding the distinctiveness of the trade mark) take place.

Opposition proceedings, if no settlement is found, generally last for 13 months. The Office believes this period of time can be reduced by the end of the year 2005. It must however be taken into account that the period of cooling off already lasts for two months and that six months are allowed for filing of the statement of grounds and observations in reply.

A decision in appeal is generally taken within 12 months from the filing of the appeal, although this again strongly depends on the workload of the Office.

6.3.11 How is the record of the hearing maintained? Is there a verbatim transcript? What goes into the record and to what degree can decisionmaker rely on material outside the record? Can decisionmaker rely on his/her own expertise? Can decisionmaker rely on material in Commission's files? Can the decisionmaker take official notice of facts that have not been proved and what is the procedure for doing so?

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A first way to keep track of hearings consists of minutes of oral proceedings or of the taking of evidence. The minutes contain the essentials of the oral proceedings or of the taking of evidence, the relevant statements made by the parties, and the testimony of the parties, witnesses or experts (article 1 rule 60 Implementing Regulation).

The minutes of the testimony of a witness, expert or party is first read out or submitted to him so that he may examine them. It is noted in the minutes that this formality has been carried out and that the person who gave the testimony approved the minutes. Where his approval is not given, his objections are noted. The minutes are signed by the employee who drew them up and by the employee who conducted the oral proceedings or the taking of evidence. Each party is provided with a copy of the minutes.

Recordings of the hearing are also made in order to keep an exact track of what was said during the hearing. Upon request, the Office shall make available to the parties verbatim transcripts of recordings of the oral proceedings, in typescript or in any other machine-readable form. This release is subject to the payment of the costs incurred by the Office in making such transcript. The amount to be charged is determined by the President of the Office (article 1 rule 60.5. Implementing Regulation).

The Office members making the decision can only rely on the documents submitted by the parties in the case at stake and on the records of the hearing. They can of course also rely on their own expertise to the extent that it can be applicable to the case and is helpful to solve it.

## **7. Decisional phase.**

7.1 Are we correct in assuming that the officials who conducted the hearing do not write a "proposed" decision? Our assumption is that there is only a single final decision at the conclusion of the process, not a series of tentative

decisions.

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It is correct that there is only a single and final decision at the conclusion of the proceedings. The practice of writing a series of “proposed” decisions does not exist before the Office.

7.2 What is the nature of the decision-maker’s obligation to find facts (how detailed must fact findings be)? Must the decisionmaker provide and justify legal interpretations and conclusions? Must the decision-maker furnish reasons for discretionary decisions? How detailed a statement of reasons must be provided? [Art 253] Must the statement of reasons cover all of the factors that the agency is required to consider?

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As already stated above, the Office has no powers to find facts. It belongs to the parties to state the relevant facts of their case and to bring evidence of these facts and statements. Because these facts and evidence can be contradicted by the other parties to the proceedings, they are considered to be accurate enough in order for the Office to make a decision based on these facts and allegations.

The examiner or member of the Division or Board of Appeal must provide the legal interpretations and reasoning on which his decision is made (article 1 rule 52 Implementing Regulation). His statement of reasons must be detailed enough and must respond to all arguments submitted by the parties. When one or more of these arguments constitute a sufficient basis to justify the decision, however, the Office does not have to consider all the following arguments alleged by the parties.

7.3 Is there a duty of care imposed on decisionmaker to consider and respond to all relevant submissions by the parties (a dialogue requirement)?

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Yes. See point 7.2.

7.4 Is there a reasonableness requirement imposed on discretionary decisions? If so, how is it stated? Misuse of power? Failure to consider all relevant factors? Manifest error? Is there a requirement of proportionality? How defined?

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As the decisions taken by the Office inevitably involve an exercise of judgment, it is true that this exercise requires reasonableness and proportionality. These requirements are however not stated as such but flow from the procedural structure which allows various recourses against a decision that would not be reasonable or proportionate (or against partial decisionmakers). Besides being subject to appeal, the decision can also be put into question (legal aspects only) before the Court of First Instance / Court of Justice of the European Community.

As for manifest error, a specific rule allows that “*obvious mistakes*” (together with linguistic errors and errors of transcription) be corrected by the department which took the decision, acting of its own motion or at the request of an interested party (article 1 rule 53 Implementing Regulation).

Further, if an “*obvious procedural error*” is made by the Office in a decision (or in an entry in the Register), the Office must ensure that the decision is revoked (or the entry cancelled).<sup>42</sup> Revocation is determined either *ex officio* or at the request of one of the parties to the proceedings, by the department which took the decision. This revocation must be determined within six months from the date on which the decision was taken, after consultation with the parties to the proceedings and any proprietor of rights to the CTM in question (article 77a Regulation 40/94, introduced by Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation (EC) No 40/94 on the Community Trade mark).<sup>43</sup>

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7.5 What remedies are available to the Commission? Cease and desist orders? Divestiture? Invalidation of intellectual property? Declaratory relief? Civil money penalties? Restitution? License revocation? Other sanctions?

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The only remedies/decisions available to the Office concern the grant or invalidation of the intellectual property rights vested in the Community trade mark. The Office cannot issue any cease and desist order or order any money penalties.

**Application:**

When an application to a Community trade mark is concerned, where this application meets the requirements and where no notice of opposition has been given within the due period or where opposition has been rejected or disposed of by a definitive decision, the trade mark shall be registered as a Community trade mark, provided that the registration fee has been paid within the period prescribed.<sup>44</sup> (article 45 Regulation 40/94). Otherwise, the CTM application shall be refused and no right in the prospective CTM shall exist.

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<sup>42</sup> This is so even where there is only one party to the proceedings and where the error was not evident to the party, if the entry or act affects its rights.

<sup>43</sup> Where an error or mistake attributable to the Office is made in the registration of the mark or in the publication of the registration, the Office must correct it of its own motion or at the request of the proprietor (article 1 rule 27 Implementing Regulation).

<sup>44</sup> The registration fee consists of a *basic fee* (as of December 2004: 1.100 € for an individual mark and 2.200 € for a collective mark) and *class fee* for each class of goods or services exceeding three in respect of which the mark is to be registered (as of December 2004: 200 € for an individual mark and 400 € for a collective mark). This registration fee must be paid within two months of receipt by the applicant of the Office’ request sent to that effect. If the registration fee is not paid within due time, it may still be validly paid within two months of notification of a communication pointing out the failure to observe the time limit, provided that within this period the additional fee is paid (25% of the belated registration fee, subject to a maximum of 750 €) (article 1 rule 23 Implementing Regulation). If the fee is not paid within this period the application shall be deemed to be withdrawn.

If the CTM is registered, the Office shall issue to the proprietor of the trade mark a certificate of registration which contains the entries in the Register and a statement to the effect that those entries have been recorded in the Register<sup>45</sup> (article 1 rule 24 Implementing Regulation).

**Opposition:**

If the examination of the opposition reveals that the trade mark may not be registered in respect of some or all of the goods or services for which the Community trade mark application has been made, the application shall be refused in respect of those goods or services. Otherwise the opposition shall be rejected (article 43.5. Regulation 40/94).

**Revocation/ invalidity:**

If the examination of the application for revocation of rights or for a declaration of invalidity reveals that the trade mark should not have been registered in respect of some or all of the goods or services for which it is registered, the rights of the proprietor of the Community trade mark shall be revoked or it shall be declared invalid in respect of those goods or services. Otherwise the application for revocation of rights or for a declaration of invalidity shall be rejected (article 56.5. Regulation 40/94).

7.6 Is the full decision publicly available? How is it publicized?

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The decision is first notified to the parties. Where oral proceedings are held before the Office, the decision may be given orally, in which case the decision in writing shall be notified subsequently to the parties (article 1 rule 52.1. Implementing Regulation).

The decision is then published in the Community Trade Marks Bulletin as described below. The Community Trade Marks Bulletin is published in periodic editions. The content of the Community Trademarks Bulletin is available free of charge on the OHIM's website in the so-called VADEMECUM at:

[http://oami.eu.int/bulletin/ctm/ctm\\_bulletin\\_en.htm](http://oami.eu.int/bulletin/ctm/ctm_bulletin_en.htm). There is no printed version of the Bulletin, but there is a CD-ROM version (single copy: 50 € annual subscription: 1500 €).

**Registration of the CTM applied for:**

The Community trade mark applied for is recorded in the Register of Community trade marks (article 1 rule 23.4. Implementing Regulation). The entries made in the Register indicate the date of registration and the registration number and contain information as to the application (date of filing, file number, date of publication, languages), the applicant (name, address, nationality, residence/establishment, representative) and the mark applied for (reproduction and where applicable description of the mark, indication of goods and services, particulars of claims of priority or seniority where applicable, statement that the mark has become distinctive where applicable, etc.) (article 1 rule 84.2. Implementing Regulation).

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<sup>45</sup> The proprietor of the trade mark may request that certified or uncertified copies of the certificate of registration be supplied to him upon payment of a fee (as of December 2004, 30€ for certified copy and 10€ for uncertified copy).

The Register is maintained in the form of an electronic database ‘CTM Online’ available free of charge through the OHIM’s website at: <http://oami.eu.int/en/database/ctm-online.htm>. It is very easy to handle and proposes various search criteria such as the name of the trademark being searched, its filing number, its owner, etc. CD-ROMs are also available but cost intensive due to permanent up date.

The registration is then published in the Community Trade Marks Bulletin (article 1 rule 23.5. Implementing Regulation). To the extent that the entries regarding the registration of the trade mark contain no changes as compared to the publication of the application<sup>46</sup>, the publication of such entries shall be made by way of a reference to the particulars contained in the publication of the application. The elements of the application as published shall, where appropriate, be published in all the official languages of the Community<sup>47</sup> (article 1 rule 85.4. and 85.5. Implementing Regulation).

### **Opposition:**

The decision refusing a CTM application as a result of successful opposition proceedings is published upon becoming final (article 43.6. Regulation 40/94). It is published in the Community Trademarks Bulletin and contains the following information: filing number, date of the former publication, date of the refusal and remaining goods and/or services in case of partial refusal.

### **Invalidity/ revocation:**

A record of the Office’s decision on the application for revocation of rights or for a declaration of invalidity is entered in the Register once it becomes final (article 56.6 Regulation 40/94). These entries (same as those published for a decision on opposition) will then be published in the Community Trade Marks Bulletin (article 1 rule 85.2. Implementing Regulation).

7.7 Process resulting in a rule: We recognize that Commission proceedings sometimes result in an individualized decision and sometimes in a rule of general application. Does the process in your sector sometimes result in adoption of a rule rather than a decision? If so, please provide additional information about when and how this might occur.

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N.A.

The proceedings taking place before the Office always result in an individualized decision that is made according to the specific circumstances of the case at stake.

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<sup>46</sup> The CTM application is also published in the Bulletin, see point 4.2. above).

<sup>47</sup> The Office must take into account any translation submitted by the applicant. The applicant may propose changes to the translation into the second language indicated by himself within a period to be specified by the Office.

## 8. Administrative reconsideration

- 8.1 Is there an opportunity to seek reconsideration of the Commission's decision? If so, how is reconsideration requested? Please describe the process of reconsideration. For example, who considers the reconsideration decision and how is the decision to reconsider made?
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There is no way to seek reconsideration independently from lodging an appeal. However, when an appeal is lodged against a decision of the Office (see point 8.2. below), after the statement of the grounds of appeal is filed with the Office and before the case goes before the Board of Appeal, there is a possibility for the Division that took the contested decision to revise and rectify this decision.

If the party which has lodged the appeal is the sole party to the procedure, and if the department whose decision is contested considers the appeal to be admissible and well founded, the department shall rectify its decision.<sup>48</sup> This process is called revision of decision in *ex parte* cases. If the decision is not rectified within one month after receipt of the statement of grounds, the appeal shall be remitted to the Board of Appeal without delay, and without comment as to its merit (article 60 Regulation 40/94).

Revision of decision in *inter partes* cases may occur where the party which has lodged the appeal is opposed by another party. In this event, if the department whose decision is contested considers the appeal to be admissible and well founded, it shall rectify the decision accordingly.<sup>42</sup> In *inter partes* cases, however, the decision may only be rectified if the department whose decision is contested notifies the other party of its intention to rectify it, and that party accepts it within two months of the date on which it received the notification. If within two months of receiving the notification the other party does not accept that the contested decision is to be rectified and makes a declaration to that effect or does not make a declaration within the period laid down, the appeal shall be remitted to the Board of Appeal without delay, and without comment as to its merit.

However, if the department whose decision is contested does not consider the appeal to be admissible and well founded within one month after receipt of the statement of grounds, it shall, instead of taking measures in view of a rectification, remit the appeal to the Board of Appeal without delay, and without comment as to its merit (article 60a Regulation 40/94).

- 8.2 Administrative appeal: is there any opportunity to appeal the decision to another administrative decisionmaker before seeking judicial review in court (CFI or ECJ)?
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<sup>48</sup> This department shall then order the reimbursement of the appeal fees (see point 8.2.) (article 1 rule 51 Implementing Regulation).

Yes. A possibility of appeal lies from decisions of the examiners (CTM application), Opposition Divisions (opposition), and Cancellation Divisions (invalidity/ revocation).<sup>49</sup> The decision must be final in order to be appealed. A decision which does not terminate proceedings as regards one of the parties can only be appealed together with the final decision, unless the decision allows separate appeal (article 57 Regulation 40/94).<sup>50</sup> The appeal shall have suspensive effect.

Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right (article 58 Regulation 40/94).

The party willing to lodge an appeal must file a notice of appeal in writing at the Office within two months after the date of notification of the decision appealed from (article 59 Regulation 40/94). The notice of appeal must contain the name and address of the appellant, the name and business address of his representative where applicable, and a statement identifying the decision which is contested and the extent to which amendment or cancellation of the decision is requested. The notice must be filed in the language of the proceedings in which the decision subject to the appeal was taken (article 1 rule 48 Implementing Regulation). The notice of appeal shall be deemed to have been filed only when the fee for appeal has been paid (800 € as of December 2004).<sup>51</sup>

Within four months after the date of notification of the decision subject to appeal, a written statement setting out the grounds of appeal must be filed (article 59 Regulation 40/94).

The Board of Appeal will first examine whether the appeal is admissible. An appeal shall be considered as admissible if it is lodged by an affected party to the proceedings, within the prescribed period<sup>52</sup> and against a decision that is subject to appeal – requirements contained in articles 57, 58 and 59 of Regulation 40/94 – and if the appeal is filed in the requested language and states the decision which is contested together with the extent to which amendment or cancellation is requested. If one or more of these requirements are not met, the Board shall reject the appeal as inadmissible, unless each deficiency has been remedied before the relevant time limit<sup>53</sup> has expired (article 1 rule 49.1. Implementing Regulation).

If the Board of Appeal finds that the appeal does not comply with other provisions of the CTM Regulation (for instance, the notice of appeal does not mention the coordinates of the appellant or of its representative), it shall inform the appellant accordingly and shall request him to remedy the

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<sup>49</sup> As well as from decisions of the Administration of Trade Marks and Legal Division. This is however not the subject of the present contribution.

<sup>50</sup> Decisions of the Office which are open to appeal must be accompanied by a written communication indicating that notice of appeal must be filed in writing at the Office within two months of the date of notification of the decision from which appeal is to be made. This communication must also draw the attention of the parties to the requirements to be met (article 57, 58 and 59 of Regulation 40/94) in order to lodge an appeal (article 1 rule 52.2. Implementing Regulation).

<sup>51</sup> If the fee for appeal is paid after expiry of the two month-period for the filing of the notice of appeal, the appeal shall be deemed not to have been filed and the appeal fee shall be refunded to the appellant (article 1 rule 49.3. Implementing Regulation).

<sup>52</sup> As already stated above, this period is of two months within the date of notification of the decision appealed from for the filing of the notice of appeal and the payment of the appeal fee, and is of four months after the same date of notification for the filing of the statement of the grounds of appeal.

<sup>53</sup> Two or four months after the date of notification of the decision appealed from, according to the requirements to be met.

deficiencies noted within such period as it may specify. If the appeal is not corrected in good time, the Board of Appeal shall reject it as inadmissible (article 1 rule 49.2. Implementing Regulation).

If the appeal is admissible, the Board of Appeal shall examine whether the appeal is allowable. In the examination of the appeal, the Board of Appeal shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, on communications from the other parties or issued by itself (article 61 Regulation 40/94).

Following the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal.<sup>54</sup> The Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution.<sup>55</sup> If the Board of Appeal remits the case for further prosecution to the department whose decision was appealed, that department shall be bound by the *ratio decidendi* of the Board of Appeal, in so far as the facts are the same.

The decisions of the Board of Appeal shall take effect only at the expiry of a period of two months beginning at the date of notification of the decision of the Board of Appeal or, if an action has been brought before the Court of Justice within that period, as from the date of rejection of such action (article 62 Regulation 40/94).

As a reminder, actions may be brought before the European Court of Justice (Court of First Instance, and Court of Justice for appeal) against decisions of the Boards of Appeal. These actions do however not belong to the administrative field but concern judicial review and are therefore not included in the present contribution.

## **9. Enforcement actions**

When the dispute arises out of enforcement by the Commission of a previous decision or order, are there differences in the process of investigation, hearing or decision from cases not arising out of the enforcement of a previous decision or order?

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N.A. The Office does not have the powers to rule on disputes that may arise out of the enforcement of previous decisions.

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<sup>54</sup> The Board shall order the reimbursement of appeal fees where it deems the appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation (article 1 rule 51 Implementing Regulation).

<sup>55</sup> Unless otherwise provided, the provisions relating to proceedings before the department which has made the decision against which the appeal is brought shall be applicable to appeal proceedings *mutatis mutandis*. The Board of Appeal's decision shall notably contain information as to the members of the Board making the decision as well as the date when the decision was taken. It shall state the issues to be decided, contain a summary of the facts and the reasons on which the decision is made. Where necessary, a decision on costs may also be included (article 1 rule 50 Implementing Regulation).

## 10. Strategic concerns

If not discussed elsewhere, this is the place to discuss strategy and tactics. For example, do you have a choice of which country to file in or which language to employ? How do you make this decision? Are there ways to speed up a process or slow it down? To preempt Commission action with a declaratory judgment action in a member state? To use public relations tactics?

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Probably the most important tactic is the choice of languages when filing a CTM. This is discussed under the “Application phase” at point 4.1.

## 11. Related questions

- 11.1 Is there a doctrine of exhaustion of administrative remedies so that a party must raise all issues at the agency level in order to raise them on judicial review? Must a party request reconsideration of decision before seeking judicial review?
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Yes. A party must first exhaust all ‘administrative’ recourses and go on appeal before the Board of Appeal of the Office in order to possibly bring an action before the European Court of First Instance. Besides, the European Court of Justice (Court of First Instance and Court of Justice for appeal) can only review legal findings of the Office, not factual findings. The action before the European Court of Justice (ECJ) shall be open to any party to proceedings before the Board of Appeal adversely affected by its decision (article 63.4. Regulation 40/94).

- 11.2 If a party raises an argument during the investigation or the hearing and the Commission fails to respond to it, could this failure be an issue on judicial review?
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The failure to respond to an argument raised by a party during proceedings before the Office may only be an issue on judicial review to the extent that no more procedural recourse are available before the Office and that, by not responding to the argument raised, the Office has failed to comply with its obligation to state the reasons on which its decision is based.

The grounds for an action before the Court of Justice are indeed limited to the following ones: lack of competence, infringement of an essential procedural requirement (such as lack of motivation of its decision by the Office), infringement of the Treaty, of Regulation 40/94 or of any rule of law relating to their application or misuse of power (article 63.2. Regulation 40/94).

- 11.3 Is a duty of care imposed on the Commission to fully and impartially discover all of the relevant facts?
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No. As already stated above, the Office has no powers to discover the facts. Rather, it belongs to the parties to search about the facts and to present evidence as to these facts. The Office is required to take into account only those facts as alleged and presented by the parties.

The only situation where the Office can discover ‘facts’ is when it makes the search report (see point 4.2. above). A duty of care is then imposed on the Office to fully and impartially search for the earlier Community trade marks or Community trade mark applications which may be invoked as *relative* grounds for refusal against the registration of the Community trade mark applied for. This duty of care does however not extend to the national search reports operated by national offices in their own register of trade marks and communicated to the Office.

#### **11.4 Is there a principle of *res judicata*?**

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. The principle of *res judicata* is expressly stated as to what relative grounds for invalidity are concerned. Indeed, the proprietor of an earlier trade mark or of an earlier right who has previously applied for a declaration of invalidity or made a counterclaim to this end in infringement proceedings may not submit a new application for a declaration of invalidity or lodge a counterclaim on the basis of other rights (and *a fortiori* on the basis of the same rights) which he could have invoked in support of his first application or counterclaim (article 52.4. Regulation 40/94).

Similarly, and although this is not expressly stated, the proprietor of an earlier trade mark or earlier right who brought opposition proceedings and who lost the case in opposition may not further submit an application for a declaration of invalidity or lodge a counterclaim for invalidity on the basis of a right which he could have invoked in the opposition proceedings.

Conversely, an unsuccessful CTM applicant or a CTM holder whose trade mark has been later invalidated will not be able to apply a second time for the same trade mark for the same classes of goods or services.<sup>56</sup> The Register of Community trade marks contains a list of the trade marks revoked and refused or invalidated on basis of absolute or relative grounds for refusal or invalidity (article 56.6. Regulation 40/94). This list is also available in the form of a database with search engine on the following Internet address: [http://oami.eu.int/search/legaldocs/la/en\\_refused\\_index.cfm](http://oami.eu.int/search/legaldocs/la/en_refused_index.cfm) This list may be consulted by the Office in order to check whether a trade mark has already been applied for and whether it has already been refused or invalidated.<sup>57</sup>

#### **11.5 Is there a principle of equitable estoppel? For example, assume a Commission staff member gave a private party erroneous advice which caused the private party to detrimentally rely on the advice. Any relief**

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<sup>56</sup> It must nevertheless be taken into account that there is always a possibility that the trade mark refused or invalidated for lack of distinctiveness becomes distinctive after a while, or that for instance the principles of morality evolve, in which case there may be no more absolute grounds for refusal/invalidity. Conversely, a distinctive trade mark may fall in the public domain by becoming customary in the current language.

<sup>57</sup> A similar list exists for instance at the level of the Benelux Trade Mark Office for trade mark applications that have been refused. This list is however not freely available on the Benelux office’s website, but is presented in the form of a payable database that is largely used by trade mark attorneys.

in such a case?

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No. There is no doctrine applicable to the proceedings before the Office preventing a first party to take unfair advantage of a second party when, through false language or conduct, the first party (or also in this case, the Office) has induced the second party to act in a certain way, with the result that this second party has been injured in some way. It belongs to each party to defend their own cases before the Office and to fully comply with the CTM regulations that contain all the restrictive procedural rules applicable in proceedings before the Office.

One provision regarding the possibility to lodge an appeal against decisions of the Office actually contemplates this issue and confirms the above. As already stated above, decisions of the Office which are open to appeal must be accompanied by a written communication indicating that notice of appeal must be filed within a certain period and drawing the attention of the parties to the requirements to be met in order to properly lodge the appeal. Rule 52 of article 1 of the Implementing regulation expressly states further that the parties may not plead any failure by the Office to communicate the availability of appeal proceedings.

11.6 Is there an obligation of consistency, meaning Commission must follow existing precedent or explain why it has been departed from?

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The analysis made for each case by the Office is mostly factual, due to the fact that it concerns specific trade marks and specific products or services. As such, the solution given to one case may not be the same in another case. There is a principle applicable according to which each case must be assessed in view of its own characteristics and merits. This principle is derived from the jurisprudence of appeal Boards of the Office (e.g. PRO ECO, R127/99-1) and has as a consequence that the Office is not bound by its own mistakes (e.g. decision of the Board of Appeal of the office of December 13, 2000 in the case R 422/99-1).

Consequently, there is no obligation of consistency as such, although the Office is supposed to motivate its decisions and will thus generally explain why it departs from existing precedent. The lack of motivation of an Office's decision or a departure from established precedents will open the door to appeal before the Board of Appeal or before the ECJ.

11.7 Are hearings or other proceedings open to the public?

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See above point 6.1.2.

11.8 Is the Commission obliged to follow its procedural rules even if those rules were not otherwise legally required?

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All procedural rules of the OHIM are expressed in the CTM regulations and guidelines. Infringement of these rules may cause an appeal to be lodged against the infringing decision (see above points 8 and 11.2.).

11.9 Is there a “harmless error” rule with regard to all of the various procedural requirements discussed above? (A “harmless error” rule means that a court will not overturn the administrative decision even though procedural errors were committed if those errors did not affect the result)

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## 12. Other remedies for private parties

12.1 What remedies exist in the case of alleged mal-administration aside from judicial review?

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Any citizen of the European Union and any natural or legal person residing or having its registered office in a Member state of the Union may file a complaint with the European Ombudsman concerning instances of maladministration in the activity of the Community institutions<sup>58</sup> and of the OHIM in particular (article 195 of the treaty establishing the European Community).

The Ombudsman (website: <http://www.euro-ombudsman.eu.int/home/en/default.htm>) conducts inquiries on the basis of complaints (or at its own initiative) and in accordance with his duties, except where the alleged facts are or have been the subject of legal proceedings. Where the Ombudsman establishes an instance of maladministration, he shall refer the matter to the institution concerned, which shall have a period of three months in which to inform him of its views. The Ombudsman shall then forward a report to the European Parliament and the institution concerned. The person lodging the complaint shall be informed of the outcome of such inquiries.

The intervention of the European Ombudsman is expressly provided in the CTM regulation regarding the access to documents of the European institutions. ‘Confirmatory’ decisions taken by the Office refusing (totally or partially) access to documents by a person requesting it may give rise to the lodging of a complaint to the Ombudsman under the conditions laid down in Articles 195 of the Treaty (or form the subject of an action before the ECJ).<sup>59</sup>

### 12.2 Ombudsman

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See above point 12.1.

### 12.3 Quashing evidence

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In order to solve possible quashing evidence issues, the Office may request that further evidence be filed, and proceed with any taking of evidence that is available to it, including hearing of the parties, hearing of witnesses and opinions by experts (see above 6.3.3. and 6.3.4.).

### 12.4 Damages

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<sup>58</sup> With the exception of the Court of Justice and the Court of First Instance acting in their judicial role.

<sup>59</sup> Article 118a of Regulation 40/94, inserted by Council Regulation (EC) No 1653/2003 of 18 June 2003.

N.A. besides the fact that the losing party in opposition proceedings, proceedings for revocation or for a declaration of invalidity or appeal proceedings must bear the fees incurred by the other party as well as all costs incurred by him essential to the proceedings, within the limits of the scales set for each category of costs, and unless the parties agree otherwise (article 81 Regulation 40/94).

## **ANNEXES**

4.1. Annex: address of Office + national offices

4.1. Annex: copy of the OHIM application form