



## The time is ripe

### Trademark oppositions should be introduced in Serbia sooner rather than later, argues Bogdan Ivanišević of BDK Advokati

Serbia provides a rare example of a jurisdiction that does not use opposition proceedings as a means of ensuring that only those signs that fulfill requisite conditions receive protection under the law. We describe below the rules governing opposition proceedings, which in other jurisdictions share many common features. There seem to be no sound reasons for not reshaping the Serbian trademark law in line with these rules.

It is worth noticing that the Serbian Law on Protection of Geographical Indications (2010) does not include any provision on the opposition to application for the registration of a geographical indication either. In that way, Serbia refrains from following the path signalled by the relevant EU regulation (510/2006) and pursued by Serbia's neighbours such as Croatia or Bosnia and Herzegovina.

#### Rationale for opposition proceedings

In the European context, trademark opposition proceedings primarily aim at enabling

holders of trademarks and, depending on a jurisdiction, other protected signs to prevent in a reasonably inexpensive and expeditious procedure registration of another mark that infringes upon, or dilutes, their rights. In some other jurisdictions, such as the US, the scope is even broader: anyone who can demonstrate a real interest in an opposition proceeding and a reasonable basis for its belief of damage has standing to oppose.

While the official agencies vested with the authority to approve registration of marks could in theory safeguard against registration of every confusingly similar mark, or mark not registrable for other reasons, in practice the offices have no resources, or interest comparable to that of the trademark proprietor, to obtain sufficient evidence to avert unjustifiable registration. As the US Trademark Trial and Appeal Board (TTAB), which handles opposition proceedings, put it in *McDonald's Corporation v John L McClain* (1995): "We have before us more evidence on the issue ... than the examiner [who decides

without the benefit of receiving evidence from parties] could possibly have had."

As an empirical matter, the use of opposition proceedings frequently results in a settlement between the two parties during the so-called cooling-off period or in the course of the opposition procedure. Anywhere between one-third and one-half of trademark opposition proceedings end in this manner, depending on the jurisdiction. In such an instance, the applicant withdraws the mark application or restricts the specification of goods or services for which it seeks registration; or, the applicant and the opponent agree about the concurrent use of the two (supposedly conflicting) marks in the market.

There is nothing in the sources examining comparative practices to suggest that the introduction of opposition proceedings in the given jurisdiction proved to be too hasty or unwise for other reasons. If anything, evidence suggests otherwise. For example, since its enactment in France, in 1991, opposition has been praised

for its practical benefits. As the French scholar Jérôme Passa has noted (in *Droit de la propriété industrielle*), the trademark administration is freed of the task of examining registered marks or other protected signs that may exist—the task that is time-consuming and in any event frequently fruitless considering the multitude of such earlier rights. On the other hand, the holders of earlier rights avoid incurring expenses in court proceedings for the annulment of a mark infringing upon their rights. The opposition process is said to work well in Italy, Australia, and indeed in a number of other countries.

In summary, opposition proceedings tend to solidify the marks approved of by the competent intellectual property agency and, as a consequence, reduce the number of court proceedings for annulment.

In Serbia, the IP office continues to conduct examination on relative grounds for refusal of registration. It would appear that a major reason for not introducing opposition in this country has been the concern that trademark proprietors do not have sufficient awareness of the importance of safeguarding their rights, and that, as a result, the office is better suited to protect their rights.

To the extent this concern stems from the relatively small number of trademark cases heard before the courts in Serbia, it might be overblown. Judicial proceedings are expensive and of long duration. Opposition proceedings, where available, tend to be cheaper and to unfold at a greater speed. It stands close to reason that trademark proprietors would use them copiously, so long as there is a mechanism in place enabling them to track new trademark applications easily.

It is telling that in the past decade-and-a-half that all countries neighbouring Serbia—Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, Romania, Bulgaria, and Hungary—have introduced opposition procedures in their trademark laws. In these countries, official agencies examine only the absolute grounds for refusal to register a mark, while the relative grounds are examined pursuant to oppositions filed by rights holders.

### Opposition procedures in practice

In virtually all jurisdictions, parties with standing to oppose are given two or three months following the publication of the request for registration of a mark to initiate opposition proceedings. Exceptionally, in the US, the first deadline is 30 days after the publication of the application, but the TTAB routinely approves extensions of time for filing oppositions.

In most jurisdictions, those having standing to oppose are proprietors of, or applicants for, registered trademarks, holders of well-known marks, and exclusive licensees (unless the licence agreement provides the opposite). In some European countries (eg, Italy and Macedonia),

persons whose name and surname or appearance (image) are identical with or similar to the sign applied for registration also have standing.

The US stands out as a partial exception, in that “the issue is not whether the opponent owns the mark or is entitled to register it, but merely whether it is likely that he would be somehow damaged if a registration were granted to the applicant” (McCarthy on Trademarks and Unfair Competition, §20:7).

So, for example, exclusive domestic distributors of foreign trademarked products have standing to oppose, along with official agencies of the government, trade associations, and even members of the public feeling moral outrage at an applicant’s registration of ‘immoral’ or ‘scandalous’ marks.

In most European jurisdictions, grounds for opposition largely coincide with the relative grounds for refusal to register a trademark. In virtually all of these jurisdictions, the grounds include identity or similarity that is likely to cause confusion between the mark applied for and a trademark registered or applied for earlier for similar or identical goods or services.

As a rule, identity or similarity with a well-known mark within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property also constitutes a ground for opposition (curiously, in Italy, opposition cannot be filed on that ground).

In some jurisdictions, the proprietor of a famous trademark (or “mark with reputation”, in the EU parlance) may oppose an application for registration of a mark for dissimilar goods or services that is likely to dilute the famous mark. Council Regulation on the Community trademark (of 26 February 2009) contains such a rule, and so do the US Lanham Act, the Trademarks Act of the Republic of Croatia, and some other laws.

On the other hand, trademarks laws in a number of major jurisdictions—France, Italy, and Benelux countries, among others—do not allow for opposition on this ground.

The grounds for opposition are broad in the US and, in the European context, Spain, where opposition may be filed both on absolute and relative grounds. The non-exhaustive list of absolute grounds for opposition includes lack of distinctiveness of the mark, functionality, and immoral or deceptive nature of the mark.

After the notice of opposition is filed, the receiving office forwards it to the trademark applicant. At this juncture, jurisdictions differ depending on whether the legislation solely requests from the applicant to submit an answer within (usually) 60 days, or it also authorises the decision-making body to invite the parties to make a friendly settlement, where it is reasonable to assume from the facts of the case that such a settlement is possible.

The Community Trademark Regulation belongs

to the latter group, along with the Benelux legislation and the law in Italy. The ‘cooling-off’ period is envisaged to last two months, with the possibility of multiple extensions.

Where a cooling-off period is not stipulated by the law as a formal stage of the proceedings, or has failed to produce a settlement, the parties are allowed one or more rounds to file arguments and evidence disproving, or proving, the allegations in the notice of opposition. Oral hearings are generally not an aspect of the opposition process. In the US, the TTAB does not hear testimony of live witnesses.

As to the Community Trademark Regulation, it prescribes that, if the EU Office for Harmonization in the Internal Market (OHIM) considers that oral proceedings would be expedient, they shall be held. However, in practice, the Opposition Division of OHIM considers written proceedings sufficient. The practice before national IP offices in Europe also follows this approach.

If the registration of the opponent is more than five years old, the Community Trademark Regulation and European national laws authorise the applicant to request proof that, during the five years preceding the date of the publication of the application, the opponent’s mark was put to genuine (not sporadic) use for the products/services for which opposition is filed, or that there have been proper reasons for non-use (legitimate reasons for non-use may include, for example, an export ban on products to which the mark is affixed or the state monopoly which impedes the circulation of the competing products).

For the time being, none of the above rules apply in Serbia. The closest the current trademark legislation comes to opposition is the provision authorising the third party to submit a written opinion to the IP office during the registration process.

The opinion may relate to any ground for refusal to register the mark applied for. The office is not obliged to take the opinion into consideration, and the person submitting is not a party to the proceedings. [IPPro](#)



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