

The UK Intellectual Property Office (IPO) has published a response following the consultation period concerning its proposals to introduce a fast track opposition procedure, and an appeal fee of £500 in relation to *inter partes* appeals to the Appointed Person. Having reviewed the responses from a range of interested parties including professional representative bodies, IP practitioners and businesses, the IPO has decided to implement both proposals; with some modifications.

The outcome of the consultation is as follows:

1. Current Opposition Procedure

The majority view was that the current opposition procedure is too expensive and time-consuming. In particular, respondents indicated that it was difficult to predict costs, given the unrestricted nature of evidence rounds. In addition, costs awards are usually much lower than those incurred fighting an opposition. Smaller companies felt that the cost of preparing and defending an opposition was a deterrent to commencing opposition proceedings.

Based on the responses to the consultation paper, the IPO has concluded that there is a need for a fast track opposition procedure.

2. Fast Track Opposition Fee

Most respondents agreed with the proposal to set the fast track opposition fee at either £50 or £100. However, some felt that the fast track opposition fee should match that of the conventional opposition route so that opponents would choose the route on the basis of suitability and not fees. Some respondents commented that the lower opposition fee may increase the number of oppositions to applications filed by SMEs. However, the lower fee is to encourage SMEs to use the opposition procedure. The IPO considered the proposal in light of the £50 fee for an application to cancel a registered design, and did not believe that this had led to frivolous cancellation applications.

The IPO will therefore set the fast track opposition fee at £100. To remove the filing fee as a factor in deciding between using the fast track or conventional opposition routes, where a conventional opposition is only based on section 5(1) or 5(2) of the Trade Marks Act 1994, the opposition fee will also be £100. Where an opponent wishes to add further grounds to a conventional opposition, based only on section 5(1) or 5(2), a new form with a filing fee of £100 will be introduced, so that where additional grounds are added to the opposition, its cost matches that of a conventional opposition.

3. Limitation of Fast Track Opposition to Earlier Registered Rights Covering Only Identical or Similar Goods and/or Services

The majority of respondents agreed that the earlier rights on which a fast track opposition is based should be limited to those covering identical or similar goods and/or services, regardless of class. The IPO agreed, on the basis that the classification system does not necessarily group similar goods and services in the same classes. The earlier registrations on which an opponent can base a fast track opposition will include identical or similar marks, which cover identical and/or similar goods and services, regardless of the class coverage.

4. Limit on the Number of Earlier Marks on Which a Fast Track Opposition Can be Based.

The IPO proposed that a fast track opposition should be based on no more than two earlier trade marks. Whilst the majority of respondents agreed with limiting the number of earlier rights on which a fast track opposition could be based, it was suggested that two may be insufficient. It was noted that it was rare for a Hearing Officer to reach an opposition decision on the basis of more than two earlier rights, and that limiting the number of earlier rights on which a fast track opposition is based is consistent with the policy of encouraging SMEs to use the opposition procedure, as they do not usually have large trade mark portfolios. However, in light of the concerns raised, the IPO will set the limit at three earlier trade marks.

5. Earlier Marks on Which an Opposition is Based Which Have Been Registered for More than Five Years

The IPO proposed that where the earlier trade marks have been registered for more than five years, the evidence of use should be submitted in the form of a standard witness statement at the time that the opposition is filed. Many respondents argued that this would be a burden on opponents. Given that the fast track opposition procedure is for the purpose of reaching a decision more quickly, and is optional, opponents should be expected to provide evidence of use of an earlier trade mark that has been registered for more than five years at the time of filing, if they wish to take advantage of the fast track opposition procedure. Where an earlier trade mark has been registered for more than five years, evidence of use of that mark will be required at the time that the opposition is filed.

6. Leave to File Further Evidence

The respondents all agreed that the amount of evidence as well as the time to file evidence should be restricted, so that the opposition timetable is not delayed. Whilst the IPO was keen to ensure that the procedure was quick, it did not want to prevent evidence from being filed where necessary. Therefore, leave must be granted to submit evidence other than for the purposes of proof of use. In addition, the IPO indicated that prior to the implementation of the fast track opposition procedure it will publish a practice direction to determine the main factors that should be taken into account when making an opposition decision, which will provide guidelines as to whether evidence will assist a decision.

7. Oral Hearing

Whilst most fast track oppositions will be decided on the basis of the papers alone, it was agreed that completely removing the option of an oral hearing would be wrong. In particular, it was noted that, historically, erroneous decisions had been made on the basis of papers alone, and retaining the option of an oral hearing will safeguard against such errors. The IPO has decided that oral hearings can be requested, will be allowed where appropriate and will usually be conducted over the telephone.

8. Proposal to Introduce a £500 Refundable Appeal Fee

This divided opinion, as some respondents felt that this would not be affordable and others believed that it would not deter frivolous appeals. The IPO has reviewed the current appeal fees at OHIM and at the High Court of England and Wales, and has decided to set the appeal fee at £250, in line with that of the High Court (£235). However, the fee will not be refundable, although it can be recovered in costs if the appealing party is successful.

The proposals will require changes to secondary legislation, i.e. to the rules applicable to UK trade mark oppositions, and amendments to the Trade Mark Rules 2008 will be made via a Statutory Instrument.

Whether the new procedure will provide a more cost and time efficient opposition route for straightforward cases, and a workable option for parties with less economic power to defend their trade marks remains to be seen. Practitioners will no doubt be awaiting the implementation of the new procedure with interest.

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