

# REGISTERED vs. UNREGISTERED TRADE MARKS IN THE EUROPEAN UNION

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## Abstract

*This paper aims at analyzing the possibilities of protection of unregistered trademarks in the European Union. Although the European legislation mainly focuses on the protection of registered trademarks, specific provisions provide for the opposability of unregistered trademarks that are protected according to the national legislation. The first chapter analyzes the relevant legal provisions, highlighting the European legislator's approach with respect to the protection of unregistered trademarks, from the perspective of the applicable regulations and directives. Then, the main provisions regarding the opposability of national unregistered marks at European level and the conditions they have to meet are also analyzed, also reviewing the relevant case-law. The paper focuses on fulfilling the condition of use, which must meet both the criteria set by the national legislation and the „European criteria“. The notion of „use in the course of trade“ is also analysed from the perspective of the applicable case-law. Moving further, the article continues with short considerations on the opposability of well-known trademarks at European level, and, more specifically, regarding the opposability of unregistered trademarks by Romanian holders. Last but not least, the protection of trademarks with reputation is briefly analysed. In conclusion, the paper raises the question whether protection of European unregistered trademarks should concern the European legislator in future amendment of the EU Trade Mark Regulation.*

## 1. The European legal provisions

Regarding the current provisions established at EU level, the trademark protection system implemented is undoubtedly the first-to-file system.

However, the European legislator's optics introduced with the new regulation on the European Union trade mark seems to have mitigated the categorical approach set up under the previous legal provisions.

Thus, Article 7 of the preamble of the Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trade mark (hereinafter „Community trade mark regulation“) has the following content: „*The rights in a Community trade mark should not be obtained otherwise than by registration, and registration should be refused in particular if the trade mark is not distinctive, if it is unlawful or if it conflicts with earlier rights*“<sup>1</sup>. Such a rule expressly excluded the existence of a possible 'unregistered Community trade mark' which could confer exclusive rights to its proprietor. However, the Community trade mark regulation does not suppress the rights of Member States to confer trade mark rights in a manner other than registration, Article 6 of the preamble having the following content: „*(...) The Community law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks (...)*“<sup>2</sup>. The main purpose of this article is not imposing the obligation of registration of a Community trade mark if the economic needs of the proprietor impose only the registration of a (or some) national trade mark(s): „*It would not in fact appear to be justified to require undertakings to apply*

*for registration of their trade marks as Community trade marks. National trade marks continue to be necessary for those undertakings which do not want protection of their trade marks at Community level*“<sup>3</sup>. However, at least indirectly, the first sentence of this article allows Member States to grant trade mark rights under their own legislation, including allowing acquiring of rights in unregistered trade marks. This is also relevant for the registration of European trade marks, since the rights acquired under national laws in the Member States may be opposed to the registration of such marks, as will be further detailed.

As regards the new legal provisions, Article 9 of the preamble of the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (hereinafter the EU trade mark regulation) establishes that „*The rights in an EU trade mark should not be obtained otherwise than by registration, and registration should be refused in particular if the trade mark is not distinctive, if it is unlawful or if it conflicts with earlier rights*“<sup>4</sup>. Permissibility with regard to the possibility for Member States to grant trade mark rights under their own legislation is also maintained in the new regulation, in Articles 7-8 of the preamble: „*The Union law relating to trade marks nevertheless does not replace the laws of the Member States on trade marks. It would not in fact appear to be justified to require undertakings to apply for registration of their trade marks as EU trade marks (...). National trade marks continue to be necessary for those undertakings which do not want protection of their trade marks at Union level, or which are unable to obtain Union-wide protection while national protection does not face any*

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<sup>1</sup> Article 7 of the Preamble of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark published in the OJ L 78 of March 24, 2009;

<sup>2</sup> *Idem*, article 6;

<sup>3</sup> *Idem*;

<sup>4</sup> Article 9 of the preamble of Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, published in OJ from June 16, 2017;

*obstacles. It should be left to each person seeking trade mark protection to decide whether the protection is sought only as a national trade mark in one or more Member States, or only as an EU trade mark, or both*<sup>5</sup>.

However, „EU trade marks” are still defined in relation to the registration procedure, as being „A trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation (...)”<sup>6</sup>, while Article 6 states that „An EU trade mark shall be obtained by registration”<sup>7</sup>. Therefore, the provisions of the preamble remain only provisions in principle that could eventually pave the way for discussion of accepting the notion of “European unregistered trademark” in a future amendment of the European trade mark regulation.

As regards the harmonization of the legislations of the Member States through directives, the evolution of the legal provisions followed the same approach. Thus, the recently repealed directive, namely Directive No. 2008/95/EC of the European Parliament and the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (hereinafter „The old directive”) provided in Articles 4 and 5 of its preamble the following: „ *It does not appear to be necessary to undertake full-scale approximation of the trade mark laws of the Member States. It will be sufficient if approximation is limited to those national provisions of law which most directly affect the functioning of the internal market.*”; „ *This Directive should not deprive the Member States of the right to continue to protect trade marks acquired through use but should take them into account only in regard to the relationship between them and trade marks acquired by registration*”<sup>8</sup>. This directive therefore has a neutral position on the protection of unregistered trade marks by the Member States. The Directive neither establishes the obligation to accept unregistered trade marks by Member States nor does it suppress this right. Thus, the Directive did not intend to harmonize the national legislations with respect to unregistered marks, probably considering that that such harmonization does not directly affect the functioning of the internal market. Keeping the same neutral approach, the directive continues: „ *This Directive should not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as the provisions relating to unfair competition, civil liability or consumer protection*”<sup>9</sup>. The provisions on unfair competition are, in turn, relevant in the matter of unregistered trade marks.

Although the new directive has been adopted to narrow the discrepancies between Member States’ legislative provisions, it maintains a similar approach. Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (hereinafter „The new directive”) states that „ *This Directive should not deprive the Member States of the right to continue to protect trade marks acquired through use but should take them into account only with regard to their relationship with trade marks acquired by registration*”<sup>10</sup>. Further, Article 40 of the preamble states that „ *This Directive should not exclude the application to trade marks of provisions of law of the Member States other than trade mark law, such as provisions relating to unfair competition, civil liability or consumer protection*”<sup>11</sup>, keeping the provisions of the repealed directive.

In conclusion, the Member States remain free to decide on the grant of rights to unregistered trade marks, while European regulations is limited to establishing the relationship between those rights and those obtained through registration.

Thus, there are situations, regulated as exceptions, where rights deriving from unregistered trademarks may represent obstacles to the registration of a subsequent European marks, as we will be shown below.

## 2. Protection of unregistered trademarks under Article 8 (4) of the European Trade Mark Regulation

The main exception under the European Trade Mark Regulation, which confers protection on unregistered rights, reads as follows:

„ *Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to Union legislation or the law of the Member State governing that sign:*

- a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;
- b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.”<sup>12</sup>

<sup>5</sup> *Idem*, art. 7-8 of the preamble;

<sup>6</sup> *Idem*, art. (1) para. (1);

<sup>7</sup> *Idem*, art. (6);

<sup>8</sup> Articles 4 and 5 of the preamble of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks, published in the Official Journal of the European Union of November 08, 2008;

<sup>9</sup> *Idem*, art. 7 of the preamble;

<sup>10</sup> Article 11 of the preamble of Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015 to approximate the laws of the Member States relating to trademarks, published in the Official Journal of the European Union of December 23, 2015;

<sup>11</sup> *Idem*, art. 40 of the preamble;

<sup>12</sup> Article 8 para. (4) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, published in OJ from June 16, 2017;

This legal provision is completed by the provisions of Article 60, which reads as follows:

*An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:*

(...)

*(c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled<sup>13</sup>;*

The existence of the above articles is the result of the fact that the European trade mark system was designed to coexist with national trade mark systems. Such coexistence cannot not imply respecting the priority of prior rights acquired by a holder, irrespective of whether that right has been acquired at national or European level. Thus, even if the European legislator chose not to regulate the existence of unregistered European marks (not even of well-known European marks), he can not ignore the regulation in various forms in the Member States of the European Union of the protection granted to such marks .

In relation to the system of protection of European trade marks, the doctrine stated that although this system is classified as an international one, it differs significantly from other international systems such as the Madrid Arrangement and Protocol, being closer to a national system, as it implies filing an application for a trade mark before an office in order to obtain registration under the applicability of a set of laws, rules and procedures. According to the quoted author, the only difference from a national office is that this jurisdiction covers a collectivity of states, namely the Member States of the European Union, and not a single state<sup>14</sup>.

Regarding the coexistence of the two trade mark protection systems (namely the European and national systems), we wish to make the following specification. In the light of the European regulations, the proprietor of a trade mark filed before the Alicante Office, which has received an opposition on the basis of an unregistered national mark, has the possibility to continue the registration procedure before other national offices (of any of the other Member States of the Union European), keeping the filing date of the European mark originally filed. This system of conversion of the European mark into national marks takes into account the fact that, although the registration conditions of the marks are, in principle, harmonized at the level of the Member States, there are still sufficient differences which could, for example, allow the registration of a mark at the level of the national jurisdictions but not at European level, or vice versa<sup>15</sup>. We are of the opinion that the same logic subscribes to the possibility of registering a mark in the other Member States of the Union after it has been rejected

following an opposition based on an unregistered mark valid in a Member State. Although the European system is regarded as covering a unitary jurisdiction, namely the European Union, the unitary character of the European mark being one of the basic principles of the relevant legislation, it should be remembered that, if there is a barrier to registration deriving from a single Member State, it would be inequitable for the proprietor of the trade mark not to have the possibility to continue the registration procedures in the other Member States of the European Union, keeping the filing date of the European mark. Thus, the European system is weighted and balanced by national systems, as long as there is no complete harmonization at European level of Member States' trademark law with respect to trademark protection. Moreover, as stated above in the preamble to the European trade Mark regulation „*National trade marks continue to be necessary for those undertakings which (...) are unable to obtain Union-wide protection while national protection does not face any obstacles*<sup>16</sup>”.

Consequently, these provisions are intended to balance European provisions with the national ones, giving effect to national rules protecting unregistered trade marks, but adding its own criteria for their applicability, as will be seen below.

Returning to Article 8 (4) of the European trade mark regulation, several conclusions can be drawn from the economy of these legislative provisions. First, the procedural framework in which rights relating to an unregistered sign can be invoked is clearly delimited in opposition proceedings, cancellation actions and counterclaims in infringement proceedings. It follows from the strict analysis of these provisions that the rights deriving from the use of a sign in compliance with the conditions of Article 8 cannot be invoked in a direct infringement action at European Union level. These may, however, be invoked to put an end to the use of a later European trademark at national level, as further detailed in this article.

Also, for a complete analysis of the proceedings before the EU IPO, we mention that the proprietor of such a sign can bring both a cancellation action based on absolute grounds and an action for revocation of a trade mark on the grounds of non-use. This is possible because filing these actions does not involve the justification of any earlier rights of the party who initiates them, nor the justification of an interest, as is the case before the national courts, according to the relevant civil legislation. In this respect, for example, the EU IPO Guidelines provide the following: „*As regards applications for revocation or for invalidity based on absolute grounds, the applicant does not need to demonstrate an interest in bringing proceedings (...). This is because, while relative grounds for*

<sup>13</sup> *Idem*, art. 60 para. (1);

<sup>14</sup> Tina Hart, Linda Fazzani, Simon Clark, *Intellectual Property Law*, Ediția a 4-a, Palgrave Macmillan, Londra, 2006, pages 153 – 154;

<sup>15</sup> *Idem*, pages 154-155;

<sup>16</sup> *Idem*, art. 8 of the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, published in OJ from June 16, 2017;

*invalidity protect the interests of proprietors of certain earlier rights, the absolute grounds for invalidity and for revocation aim to protect the general interest (including, in the case of revocations based on lack of use, the general interest in revoking the registration of trade marks that do not satisfy the use requirement)*<sup>17</sup>.

As regards the conditions for the applicability of Article 8 (4), one of the essential conditions is that the use of the sign "*more than mere local significance*". Therefore, although it is necessary, it is not sufficient for the unregistered trade mark to enjoy protection under national law. Thus, according to established case-law, the evaluation of the use of the sign is subject to a dual system, both from the point of view of the applicable national legislation and the criteria established at European level: „*In order to successfully invoke Article 8(4) EUTMR in opposition proceedings, the earlier rights must be used. There are two different use requirement standards which must be taken into account: •national standard •European standard. The two use requirement standards, however, clearly overlap. They must not be viewed in isolation but have to be assessed together. This applies, in particular, to the 'intensity of use' under the national standard and 'use in trade of more than mere local significance' under the European standard*”<sup>18</sup>.

However, we consider that the explanations provided by the EU IPO Guidelines do not provide a clear explanation of those aspects of use for which the national filter is applied and those for which the European standard is being analyzed. The concept of 'intensity' of use is very broad, which may include territorial or temporal variables or the market-share of the goods / services designated by the mark in question. On the other hand, there is no doubt that the notion of '*use in trade of more than mere local significance*' implies an analysis of the intensity of use of the opposed mark.

However, in order to determine the notion of "*use in the course of trade*", the European case law has laid down several criteria. The European Court of Justice held that the meaning of the phrase "*use in the course of trade*" should not have the same meaning as "serious use" within the meaning of the provisions on proof of use which may be sought in opposition proceedings or a revocation action<sup>19</sup>.

Instead, the European Court of Justice has established other criteria for determining use in accordance with Article 8. Thus, the European Court of Justice has held that the '*use in the course of trade*' refers to the use of the sign '*in the course of a commercial activity with a view to economic advantage and not as a private matter*'. In the cited case, Mr.

Reed, supporter of the Arsenal football club in London, has sold unofficial souvenirs that have been bearing the sport club's signs for more than 30 years. In April 2001, Mr. Reed convinced the national judge that, when he used it on replicas and other commodities, the Arsenal name did not function as a trade mark in the traditional sense, as the ARSENAL trademark did inform to the buyers on where the goods came from. The ARSENAL mark served only as a "sign of support, loyalty or affiliation." Since the law provides protection to trade mark owners to prevent consumers from misrepresenting the origin of the products, Mr. Reed argued that the use of Arsenal marks, which did not distort the place of origin of the goods, was lawful. However, the European Court of Justice has stated that the use of Mr. Reed's Arsenal brand was likely to give the impression that there is a material link between his replica products and the Arsenal club. The defendant argued that there could be no such link because the sign displayed above his stand informed the buyers that the goods are unofficial, but the Court of Justice held that when these products are seen by third parties away from its stand, those third parties would not know that the products are unofficial and would assume the opposite. In that context, the Court has established in that decision the scope of the concept of '*use in the course of trade*'<sup>20</sup>, having as reference rather the identification function of the mark.

An interesting aspect highlighted by the doctrine about the Arsenal case is that the European Court did not use as criterion the well-known phrase "use as a trademark". On the contrary, the court has approached a very generous view of the types of use which, in that context, could have adversely affected the essential functions of the trade mark, namely to guarantee the commercial origin of the products to which it was applied<sup>21</sup>.

Further analyzing the conditions for the applicability of Article 8 (4), concerning the period of use, the Court of Justice held that the opponent must show that the use of the opposed mark took place prior to the filing of the trade mark application against which the opposition was filed, or its priority date. Although such a conclusion seems prima facie obvious, it occurred in the context where the Court has dealt with whether the use of an unregistered mark made exclusively or to a large extent between the filing of the application and its publication is sufficient to satisfy the requirement of its use. To this end, the Court concluded that such use „*will not be sufficient to establish that the use of the sign in the course of trade has been such as*

<sup>17</sup> Guidelines for Examination of European Union trade marks, European Union Intellectual Property Office, (EUIPO), Part D, Cancellation, Section 1, Proceedings; page 4;

<sup>18</sup> Examination of European Union trade marks, European Union Intellectual Property Office, (EUIPO), Part C, Opposition, Section 4, Rights under article 8(4) and 8(6) EUTMR; page 16;

<sup>19</sup> Judgment of the General Court (Seventh Chamber) of 30 September 2010, Granuband BV v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), para 24-27;

<sup>20</sup> Judgment of the Court of 12 November 2002, Arsenal Football Club plc v Matthew Reed, para. 12-40;

<sup>21</sup> Jeremy Phillips, Ilanah Simon, *Trade Mark Use*, Oxford University Press, New York, 2005, pages 170 – 171;

to prove that the sign is of sufficient significance”<sup>22</sup>. Although the time elapsed between the filing of a trade mark application and its publication may be considerable, the Court has held that only use prior to the date of filing of the application can guarantee that the use was real and not only for the purpose of challenging the new mark<sup>23</sup>.

Moreover, according to the applicable case-law, the use must be continued until the time of filing the opposition or the cancellation action. In that regard, in one of the decisions of the Cancellation Division of the EU IPO (at that time, OHIM), the Commission stated that, by analogy with the requirement that an earlier mark be still valid or renewed at the time of the filing the cancellation, the same condition must also apply to unregistered marks. As long as the use of these marks is the premise (in fact) justifying their existence, the same premise must be proven and exist at the time of filing the opposition or the cancellation action<sup>24</sup>.

Another condition set for the by the analyzed article of the European trade mark regulation is that the use of the mark should be mere than local. This is a condition that adds to any requirements set under national law. For this reason, we consider that, if the use of a sign at a local level confers rights under national law, this use will not automatically confer rights also at European level. In assessing whether that condition has been fulfilled, the case-law has laid down a number of criteria in order to prevent, according to the Court, that „an earlier sign, which is not sufficiently important or significant, from making it possible to challenge either the registration or the validity of a Community trade mark”. Also, according to the cited decision, although there are no clear territorial delimitation standards to meet the requirement to overcome local use of the sign, it is normally the use in one town or in a single province, it should not be enough<sup>25</sup>.

„Furthermore, the significance of a sign used to identify specific business activities must be established in relation to the identifying function of that sign. That consideration means that account must be taken, first, of the geographical dimension of the sign’s significance, that is to say of the territory in which it is used to identify its proprietor’s economic activity, as is apparent from a textual interpretation of Article 8(4) of Regulation No 40/94. Account must be taken, secondly, of the economic dimension of the sign’s significance, which is assessed in the light of the length of time for which it has fulfilled its function in the course of trade

and the degree to which it has been used, of the group of addressees among which the sign in question has become known as a distinctive element, namely consumers, competitors or even suppliers, or even of the exposure given to the sign, for example, through advertising or on the internet”<sup>26</sup>.

Therefore, the fact that the use must go beyond the local sphere requires both a territorial, geographical interpretation, as well as a qualitative, active interpretation, representing the economic relevance of this use. More than a mere geographical examination of this use, it is necessary to examine the intensity of use, which can be translated, for example, by the market share of the products / services designated by that mark or, in other words, the economic dimension of this use.

As mentioned above, as regards the territorial dimension, the same decision shows that the use of the mark within a single town, even of a large size, without showing that the relevant public outside that territory could have had contact with the mark, is not sufficient for the purposes of Article 8 (4) of the Regulation<sup>27</sup>.

The doctrine emphasized that the purpose of these provisions is to prevent a person from opposing the registration of a European trade mark on the basis of a right which does not have a real presence on the relevant market. For this reason, the role of the jurisprudence has been to determine how proof of use of the opposing mark is to be analyzed in each conflict<sup>28</sup>.

However, although an exclusively local use of a sign cannot be opposed to the registration of a European trade mark, it may be opposed to the use of that sign in that territory. We take into account the provisions of Article 136 of the Regulation, which reads as follows: „The proprietor of an earlier right which only applies to a particular locality may oppose the use of the EU trade mark in the territory where his right is protected in so far as the law of the Member State concerned so permits”<sup>29</sup>.

We understand from the economy of this text that the application of a European standard on the use of the opposed mark is no longer necessary. The following article penalizes the passivity of the holder of the earlier right, since he will no longer be able to oppose such use if he has tolerated for 5 years the use of the European mark in that territory. However, the proprietor of the European trade mark cannot oppose the use of this right<sup>30</sup>, thereby creating the premises of forced coexistence, which has as reason both respecting the rights acquired locally under national law and the rights

<sup>22</sup> Judgment of the Court (Grand Chamber) of 29 March 2011, Anheuser-Busch Inc. v Budějovický Budvar, národní podnik, para. 166-168;

<sup>23</sup> *Idem*;

<sup>24</sup> Decision of the Cancellation Division of July 30, 2010 in the proceedings between Dimian AG v. Bayer Design Fritz Bayer, page 6;

<sup>25</sup> Judgment of the Court of First Instance (Second Chamber) of 24 March 2009, Alberto Jorge Moreira da Fonseca, Lda v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), para. 36-42;

<sup>26</sup> *Idem*, para. 37;

<sup>27</sup> *Idem*, para. 44;

<sup>28</sup> Lionel Bently, Brad Sherman, *Intellectual Property Law*, 4<sup>th</sup> Edition, Oxford University Press, Oxford, 2014, pages 1012 – 1013;

<sup>29</sup> Article 138 alin. (1) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, published in OJ from June 16, 2017;

<sup>30</sup> *Idem*, art. 138 para. (2) and (3);

acquired by virtue of the registration of a trade mark at European level.

The doctrine names these provisions as the 'Emmental' provisions, given that the proprietor of an earlier unregistered mark may choose not to oppose the registration of a European mark but may oppose its use in the territory of that state. According to the author, the European mark is valid in the territory of the other Member States, except in the territory covered by the earlier unregistered trade mark, "like a piece of cheese with holes"<sup>31</sup>.

However, we believe that it would be more rigorous to assert about the European mark, although valid at European Union level, as the principle of its uniqueness cannot be formally infringed, that its validity is either devoid of content or neutralized by the action of the proprietor of the earlier unregistered trade mark.

Another reason for the existence of these provisions identified by the doctrine is the expansion of the European Union from 15 states to 28 in the year 2013. These rules are therefore a protection offered to holders of unregistered trade marks of newly admitted Member States (if such marks are protected under national law) in the face of a "devastating" effect of the automatic extension of the protection of European trademarks to these new territories<sup>32</sup>. We consider that this reasoning justifies the exclusive application of the national standard relating to the use of the opposed mark, since what is protected is the interest of such a proprietor who is in a position to defend himself against a new mark valid on his territory and the legislation subsequent to his use, which it could not have foreseen when it began to use its mark.

To sum up, the national provisions providing for the protection of the sign, the requirements to obtain such protection, the existence of a right to the sign, if the right has been validly acquired (e.g. by use), the legal protection condition (for example in case of misuse, use of identical or similar signs, likelihood of confusion), the scope of protection (the right to prohibit use, etc.) are elements that must be demonstrated under national law, whereas the commercial use of the sign and the demonstration of the incidence of more than mere local significance are elements that are analyzed according to the "European standard"<sup>33</sup>.

It is also very important that the opponent is required to demonstrate before the European office that the unregistered marks are protected under national law. In this respect, the "BUD judgment" established that in this respect the burden of proving that this condition had been fulfilled lies with the opponent before the EU IPO. „(...) the General Court allegedly

*made an error there in holding that, in the present case, the Board of Appeal was required to acquaint itself of its own motion with the outcome of proceedings brought by Budvar before the Oberster Gerichtshof, the court of last instance in Austria, against a judgment whose consequence was that Budvar had not been able to prohibit use of a subsequent trade mark on the basis of the appellation 'Bud' as protected under the relevant bilateral treaties. Furthermore, (...), the burden of proving that that condition is met lies with the opponent before OHIM. Under these circumstances and regarding the previous rights invoked in the matter, the General Court correctly held (...) that regard must be had, in particular, to the national rules advanced in support of the opposition and to the judicial decisions delivered in the Member State concerned and that, on that basis, the opponent must establish that the sign concerned falls within the scope of the law of the Member State relied on and that it allows use of a subsequent mark to be prohibited*"<sup>34</sup>.

Further on, the case „Elio Fiorucci" establishes that the opponent has the burden to „to provide OHIM not only with particulars showing that he satisfies the necessary conditions, in accordance with the national law of which he is seeking application, in order to be able to have the use of a Community trade mark prohibited by virtue of an earlier right, but also particulars establishing the content of that law"<sup>35</sup>.

Consequently, the opponent is required to submit a complex line of argument by which he must show to the Office the content of the national legislation and also to argue that the invoked legal provisions give him the right to oppose an unregistered national mark.

### 3. Protection of well-known trademarks according to Article 8 para. (2) letter. c) of the European Union trade mark regulation

A second exception is the opposability of trade marks that are well known at national level. While listing the prior rights that can be invoked in an opposition, The European Union trade mark regulation provides that „For the purposes of paragraph 1, 'earlier trade mark' means: (...) (c) trade marks which, on the date of application for registration of the EU trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the EU trade mark, are well known in a Member State,

<sup>31</sup> Hector MacQueen, Charlotte Waelde, Gramae Laurie, *Contemporary Intellectual Property, Law and Policy*, Oxford University Press, Oxford, 2008, page 554;

<sup>32</sup> Lionel Bently, Brad Sherman, op. cit., 4<sup>th</sup> Edition, Oxford University Press, Oxford, 2014, p. 1076;

<sup>33</sup> Examination of European Union trade marks, European Union Intellectual Property Office, (EUIPO), Part C, Opposition, Section 4, Rights under article 8(4) and 8(6) EUTMR; page 27;

<sup>34</sup> Judgment of the Court (Grand Chamber) of 29 March 2011, Anheuser-Busch Inc. v Budějovický Budvar, národní podnik, para. 187-190.

<sup>35</sup> Judgment of the Court (Grand Chamber) of 5 July 2011, Edwin Co. Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), para. 50

*in the sense in which the words 'well known' are used in Article 6bis of the Paris Convention*<sup>36</sup>.

From the economy of this text we understand that this legal provision does not regulate a well-known European trade mark, but only refers to the protection of well-known trade marks in a particular Member State of the European Union.

However, there are substantial differences from the previously analyzed legal provisions. Firstly, the opponent is no longer required to prove the national legislation protecting the well-known marks. Moreover, it is presumed that Member States protect well known trade marks in their own legislation, since the Directive aimed at approximating and harmonizing Member States' legislations requires them to protect well-known under the Paris Convention<sup>37</sup>.

Therefore, by analyzing the legal text, the opponent or the applicant in a cancellation action is required to indicate the mark whose well known status he is going to demonstrate and also to indicate the goods and / or services for which it is well-known and the Member State in which the well-known status is invoked.

Regarding the intensity of use to be demonstrated, the applicable legal provisions do not regulate this issue. As far as case-law is concerned, it offers a wide range of possibilities to demonstrate the well-known status of a mark: „*In order to determine the mark's level of recognition, all the relevant facts of the case must be taken into consideration, including, in particular, the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it*<sup>38</sup>”.

#### **4. Is it possible to file an opposition based on an unregistered trademark used in Romania?**<sup>39</sup>

To establish if Romania unregistered trademarks could be opposed to the registration of an European trade mark, it must first be established to what extent unregistered marks are protected at national level.

Without going into detail, one of the main exceptions to the principle of the first to file system, set out in the national legislation, is the protection of well-known trade marks.

To this end, Article 6 para. (1) letters a) and b) from the *Trade marks law*, corroborated with para. (2)

letters f) have the following content: *registration of a trademark shall also be refused or shall be susceptible to being cancelled, as the case may be, if it is identical with an earlier trademark, and the goods and services for which registration is applied or the trademark has been registered are identical with the goods and services for which the earlier trademark is protected or if, because of its identity with or similarity to the earlier trademark and because of identity or similarity of the goods or services covered by the two trademarks, there exists a likelihood of confusion in the public perception, the likelihood of association with the earlier trademark included.* Para. 2 establishes that the category of prior marks, in the sense of para. 1, comprises marks that, at the filing date of the trademark application or, as the case may be, at the date of the invoked priority, are well known in Romania, in the sense of art. 6 bis of the Paris Convention Alin. (2)<sup>40</sup>.

The doctrine considers that obtaining the rights for a trademark through proving its well known status has the same effects as registration thereof. A natural consequence of this is that a well known mark must fulfill the same conditions as a registered trademark, namely: to be licit, susceptible of being graphically represented, distinctive and available. In the absence of these conditions, the item may be perceived as a well known sign, but not a well known trademark<sup>41</sup>.

Further on the conditions of protection, is the likelihood of confusion a condition for successfully opposing a well known mark? Without going into discussions on the national legislative developments, at this moment, the amendment of the Trade Marks Law in 2010 has, however, led to the amendment of the article on the opposability of the well known trademark, making, like the Directive, a reference to Art. 6bis of the Paris Convention. We therefore consider that arguing of the likelihood of confusion, including the risk of association, became a condition for successfully opposing a well known trademark, taking into consideration as a relevant factor in the overall assessment of the likelihood of confusion the fact that a higher degree of distinctive character favors the likelihood of confusion, including the likelihood of association.

Moreover, the same conclusion can be drawn from the legislative technique used by the legislator. Thus the well known mark substitutes the notion of prior mark in the sense of art. 6 letter b) of the *Trademark Law*, which is the article that imposes the likelihood of confusion as an essential condition for

<sup>36</sup> Article 8 para. (2) letter c) of the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, published in OJ from June 16, 2017;

<sup>37</sup> Article 5 para. (2) letter d) of the Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015 to approximate the laws of the Member States relating to trademarks, published in the Official Journal of the European Union of December 23, 2015;

<sup>38</sup> Decision of the EU IPO Opposition Division in the matter B 2 752 866 of October 13, 2017, regarding the trademark between the trademarks ARIA vs. ARIA, page 3;

<sup>39</sup> A detailed analysis of the protection of well-known trademarks, as well as passages of this chapter were published in the Romanian Intellectual Property Law Magazine, no. 2 / 2016, in the article *Regimul juridic al mărilor notorii*, George-Mihai Irimescu, pages 139 – 154;

<sup>40</sup> Article 6 para. (1) letters a) and b) and para. (2) letter. f) of Law no. 84 / 1998 regarding Trademarks and Geographical Indications, republished in the Official Gazette no. 337 from May 8, 2014;

<sup>41</sup> Viorel Roș, Octavia Spineanu-Matei, Dragoș Bogdan, *Dreptul Proprietății Intellectuale. Dreptul Proprietății Industriale. Mărcile și indicațiile geografice*, All Beck Publishing, Bucharest, page 103;

opposing a prior mark. The same considerations apply to the European Union trade mark regulation, which replaces the well known mark to a prior mark in the sense of its opposability, provided that the likelihood of confusion exists.

Concretely, the need to prove the likelihood of confusion was also underlined in a recent decision of the Romanian Patent and Trademark Office, which established the following: *The Board finds that the provisions of art. 6 para. (2) letter f) are not applicable in this matter, as the conditions required by the art. 6 bis of the Paris Convention are not fulfilled ( The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well known mark or an imitation liable to create confusion therewith<sup>42</sup>). We mention that the same words were underlined by the editors of the decision.*

At EU level, the same the same considerations were supported in one of the EU IPO decisions according to which: *„In the context of Article 8(2)(c) EUTMR, the requirements for applying Article 6bis of the Paris Convention and Article 8(1)(b) EUTMR are the same, although the terminology used is different. Both provisions require similarity between the goods or services and similar or identical signs (...). Both articles also require a likelihood of confusion („liable to create confusion“ is the wording used in Article 6bis)<sup>43</sup>”.*

As regards the use of the well known trademarks, according to the provisions of Law no. 84 / 1998 on Trademarks and Geographical Indications, republished, the well known trade mark is defined as *a trademark that is widely known to the segment of the public concerned by the goods or services to which it applies, without being required either registration or use thereof in Romania for the trademark to be opposable*<sup>44</sup>. Therefore, what is essential under national law is the degree of knowledge, and not the use of the well-known mark itself, although the doctrine, case law and even national consultative documents have issued many recommendations on the evidence of use that should be made to demonstrate such a degree of knowledge. However, it must be remembered that, in order to oppose a well-known trade mark under the

European Trade Mark Regulation, it is necessary to fulfill the "European criteria" for the use of the mark, as described above.

We therefore conclude that Romanian well-known trade marks may be successfully opposed to a subsequent European mark, provided that the opponent clearly mentions the trademark whose well-known status is invoked, the products and / or services for which the mark is notorious, the territory in which the trademark is well-known and, not least, to provide sufficient evidence to that effect.

## 5. European trade marks with reputation

The European Union trade mark regulation states that *„Upon opposition by the proprietor of a registered earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with, or similar to, an earlier trade mark, irrespective of whether the goods or services for which it is applied are identical with, similar to or not similar to those for which the earlier trade mark is registered, where, in the case of an earlier EU trade mark, the trade mark has a reputation in the Union or, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned, 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*<sup>45</sup>.

We consider that the protection of trade marks with reputation is a mechanism which, to a certain extent, confers rights to the proprietor of a trade mark outside the scope of the protection of a registered trade mark. This is a conclusion we can draw solely from the point of view of the protection of trade marks with reputation. However, the premises of protection are different. Firstly, the protection of the marks with reputation has as its starting point a registered trade mark and not an unregistered trade mark. From this perspective, the similarity is only partial, in the sense that trade marks with reputation are also protected against goods or services which are not designated by the earlier registered mark. It should also be noted that both the marks with reputation and the unregistered marks require proof of use of the earlier mark. However, without going into the details of the quantitative and qualitative criteria that the evidence of use to be made should meet, these criteria being different including in the case of unregistered trade marks from different territories, we mention that the legal nature of the use is different. In the case of unregistered trade marks, use is constitutive of rights, whereas in the case of the trade marks with reputation,

<sup>42</sup> Decision of the Romanian PTO's Board of Appeal no. 210 from October 14, 2014 in the matter Mineral Quantum SRL vs. Rewe (România) SRL, page 8;

<sup>43</sup> Decision of EUIPO's Cancellation Division in the matter 11 232 C from July 14, 2017, page 14;

<sup>44</sup> Article 3 letter d) of Law no. 84 / 1998 regarding Trademarks and Geographical Indications, republished in the Official Gazette no. 337 from May 8, 2014;

<sup>45</sup> *Idem*, article 8 para. (5);

their reputation widens the scope of protection, the intensive use being only the instrument by which that reputation is demonstrated.

## 6. Conclusions

As the doctrine has underlined, European intellectual property regulations *"must be understood, first of all, by the desire to create a single European market"*<sup>46</sup>. Thus, although the European Union is a jurisdiction that operates by applying the principle of registration priority, the legislator can not ignore the reality of the national jurisdictions it covers. Thus, under certain conditions, the proprietors of unregistered

marks may oppose both the registration and the use of subsequent European marks.

However, we conclude by asking the following questions - is it advisable in a forthcoming regulation, a possible future Directive on the approximation of national trademark laws to harmonize their provisions on the protection of unregistered trade marks? Would such a regulation provide an increased predictability to trade mark owners in the internal market? Or, on the contrary, would create imbalances in the national jurisdictions where such changes would bring essential changes?

We do not have an answer at this time. However, we believe that the European legislator has relaxed its approach in this regard, opening the way for a stronger protection of unregistered brands in the future.

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<sup>46</sup> Mihaela Daciana Boloş, *Mărcile şi indicaţiile geografice în sistemul relaţiilor internaţionale*, Universul Juridic Publishing House, Bucharest, 2013, page 133;