

THE IMPACT OF THE EUROPEAN TRADE MARK LAW REFORM ON THE ROMANIAN LEGISLATION

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Abstract

The Study analyses the necessary changes of the Romanian legislation as a result of the recently adopted and published 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 called the Directive 2015/2436) and of the Regulation No 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) (hereinafter called the Regulation No 2015/2424).

Keywords: trade mark law reform, Directive (EU) 2015/2436, approximation of national trade mark laws, Regulation No 2015/2424, the European Union trade mark.

1. Introduction

The new Directive No 2015/2436 to approximate the laws of the Member States relating to trade marks was adopted and published very recently in the Official Journal of the European Union No L 336 of 23rd December 2015 and entered into force on the 13th of January 2016.

This Directive was adopted as part of a legal package, together with the Regulation No 2015/2424 introducing the European Union trade mark, published in the Official Journal of the European Union No L 341 of 24rd December 2015 and entered into force on the 23rd of March 2016.

The new Directive No 2015/2436 and the new Regulation No 2015/2424 are drafted together and they comprise many identical legal provisions, with the aim to “reduce the areas of divergence within the trade mark system in Europe as a whole, while maintaining national trade mark protection as an attractive option for applicants”¹ and to ensure the “coexistence and balance of trade mark systems at national and Union level”².

The Study analyses in detail the content of these legal provisions insofar as they constitute a reform of the European trade mark law and entail changes of the Romanian trade mark legislation, contained in the Romanian Law No 84/1998 regarding trade marks and geographical indications, republished in the Official Journal No 337 of 8 May 2014 (hereinafter called Law No 84/1998) and in the Rules for the application of the Law No 84/1998

published in the Official Journal No 809 of 3 December 2010 (hereinafter called the Implementing Rules).

According to the provisions of Article 54 of the Directive, by 14 January 2019, Romania has the legal obligation to make all the necessary changes of its national laws, regulations and administrative provisions covered by this Directive in order to comply with most of the provisions of the Directive³. As an exception to this term, legal provisions of Article 45 of the Directive, which refer to procedural rules, shall be transposed into the national legislation by 14 January 2023.

The Study identifies the area of divergencies and the necessary steps to be taken by the Romanian legislator, in order to attain the objective stated in paragraph (12) of the Directive’s Preamble, namely that the conditions for obtaining and continuing to hold a Romanian registered trade mark are consistent with the conditions set up for the European Union trade mark and are, in general, identical in all Member States.

Some of the divergencies identified in the Study refer to the necessary transposition of new procedural rules, aligned with these stipulated in the new European Union trade mark Regulation, which would be applicable only in the field of trade mark law.

In the field of intellectual property rights, the tendency to create European Union procedural law, via the adoption of Regulations or Directives is more evident⁴. What constitutes a novelty for the

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¹ Preamble of the Directive, par. (5).

² Preamble of the Directive, par. (3).

³ Articles 3 to 6, Articles 8 to 14, Articles 16, 17 and 18, Articles 22 to 39, Article 41, Articles 43 to 50.

⁴ The Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights which provides procedural rules for customs authorities to enforce intellectual property rights with regard to goods liable to customs supervision or customs control and the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights entailed adequate changes of national rules of civil procedure

legislative process is the adoption by a Directive of procedural rules which have an impact on national laws of civil procedure, in order to harmonise these national rules with the rules of procedure contained in the Regulation on the European Union trade mark.

We shall further identify and examine in detail the necessary changes of the Romanian substantive trade mark law, followed by the necessary reform of the Romanian trade mark procedural law. Next, the main new legal provisions of the European Union Regulation which may have an important impact on the Romanian legislation and on the previously registered Community trade marks are identified.

To our knowledge, up to date, in the Romanian doctrine there is no published study related to the impact on the Romanian legislation of the legal substantive and procedural provisions of the trade mark legislative package, as adopted and published in the Official Journal of the European Union.

2. Content

Signs capable of constituting a trade mark are, according to Article 3 of the Directive, any signs, including sounds, provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings and of being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

The requirement of graphic representation is no longer stipulated by the law. According to paragraph 13 of the Preamble a sign should be permitted to be represented “in any appropriate form using generally available technology, and thus not necessarily by graphic means”, as long as the representation satisfies the criteria established by the Sieckmann Judgment of the Court of Justice of the European Union (C-273/00): that is the sign is “capable of being represented in a manner which is clear, precise, self-contained, easily accessible, intelligible, durable and objective”, even if the sign is not graphically represented.

The legal provision requires the change of Article 2 of the Law No 84/1998 and of Article 3 of the Implementing Rules.

As a new compulsory absolute grounds for refusal of registration or for invalidity, Article 4 paragraph 1 (k) of the Directive No 2015/2436 adds signs “which are excluded from registration pursuant to Union legislation or international agreements to which the Union is party, providing for protection of traditional specialties guaranteed”.

The ground is compulsory for Member States. There is no option whether to introduce or not such absolute ground in the national legislation.

Paragraph (15) of the Preamble gives no further clarification on what is understood by

“protected traditional specialties”. Art. 4 paragraph 1 (i) and (j) allows us to understand that protected designations of origin, geographical indications and traditional terms for wine differ from “protected traditional specialties”.

Another new compulsory absolute ground for refusal of registration or for invalidity is provided in Article 4 paragraph 1 (l): “trade marks which consist of, or reproduce in their essential elements, an earlier plant variety denomination registered in accordance with Union legislation or the national law of the Member State concerned, or international agreements to which the Union or the Member State concerned is party, providing protection for plant variety rights, and which are in respect of plant varieties of the same or closely related species”.

According to Article 4 paragraph 2 of the Directive 2015/2436, bad faith remains a ground for invalidity of the registered trade mark and is an optional absolute ground for refusal of registration.

Bad faith remains regulated as an optional relative ground for refusal of registration in Article 5 paragraph 4 (c) of the Directive 2015/2436 and so is also in Article 6 paragraph (4) g) the Romanian Law No 84/1998.

The Romanian legislator may decide to provide for the absolute ground of refusal of the bad faith applications of trade marks in obvious cases (for example, one applies, with no justification, for registration of a trade mark which is an insignificant alteration of a well-known or reputed trade mark, or of the personal name of a famous person).

The Directive changes legal provisions on the effect on registration and invalidity of the required distinctiveness following use. A trade mark shall not be declared invalid, according to Article 4 of the Directive, if it is devoid of any distinctive character [Article 4 paragraph 1 (b)], or if it consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services [Article 4 paragraph 1 (c)], or if it consists exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade [Article 4 paragraph 1 (d)], in case it has acquired distinctiveness following use before the date of application for a declaration of invalidity. The rule is applicable even if before the date of application for registration the trade mark did not acquire distinctiveness following use.

The rule is mandatory for Member States. The rule is in compliance with the general principles of nullity of a legal act, such as the registration of a trade mark, according to which the sanction shall be waived when the cause of cancellation no longer exists at the time the sanction may be pronounced.

Member States have the option to transpose the legal provisions of Article 4 paragraph 5, according to which a trade mark shall not be refused registration if it acquired distinctive character after the date of application for registration, but before the date of registration.

Regarding the relative grounds for refusal or invalidity Article 5 paragraph 3 (a) of the Directive is redrafted in order to comply with the Decision of the Court of Justice of the European Union in the *Davidoff & Cie SA, Zino Davidoff SA v. Gofkid Ltd* case (C-292/00). A conflict with an earlier registered trade mark with a reputation is established irrespective of whether the goods or services for which a later trade mark is applied or registered are identical with, similar to or not similar to those for which the earlier trade mark with a reputation is registered.

The legal provision requires a rewriting of Article 6 paragraph (4) a) of the Law No 84/1998, which was already interpreted and applied by Romanian Courts in compliance with the above-mentioned jurisprudence.

A new mandatory relative ground for refusal or invalidity is stipulated in Article 5 paragraph 3 (c) of the Directive in relation to conflicts with earlier rights granted by an application for a designation of origin or a geographical indication already submitted in accordance with Union or national legislation prior to the date of application for registration of the trade mark, if that designation of origin or geographical indication confers the right to prohibit the use of a subsequent trade mark.

The new rule ensures that “the levels of protection afforded to geographical indications by Union legislation and national law are applied in a uniform and exhaustive manner”⁵.

The new rule implies for the Romanian legislator a clarification of the issue if and under what circumstances the right to a registered or to a submitted designation of origin or geographical indication gives the right to prohibit the use of a subsequent trade mark.

Article 5 paragraph 4 contains optional relative grounds for refusal of registration or for invalidity of a trade mark. They are already stipulated in the Romanian legislation, but the Romanian legislator has to clarify if prior rights to a non-registered trade mark, or to a name confer on its proprietor the right to prohibit the use of a subsequent trade mark.

Contrary to the corresponding provisions of Article 8 paragraph 4 (a) of the Regulation No 207/2009 (which were not amended by the Regulation 2015/2424 on the European Union trade mark), Article 5 paragraph 4 (a) the Directive does not condition the right to prohibit the use of a subsequent trade mark to the use in the course of

trade of a non-registered trade mark or a sign of „more than mere local significance”.

As regards the right to a name, Article 5 paragraph 4 (b) (i) of the Directive makes no limitation as to the right to a company name or to a personal name.

In our opinion, having in view paragraph (27) of the Preamble, the conflict with such prior rights needs to be solved by the Romanian legislator on the basis of the priority principle. That leads to the necessary provision of the legal solution according to which signs such as prior rights to a non-registered trade mark, or to a name (personal name or company name) give the owner the right to prohibit the use of a subsequent trade mark. That means that an earlier right to a personal or to a company name used in commerce may be invoked in order to preclude the registration of a trade mark or as an invalidity ground. Also, an earlier right to a registered trade mark may be invoked against the use of a subsequent company name. As a result of limitations of the effects of a trade mark, an earlier right to a registered trade mark can not be used against the use of a personal name in the course of trade, where such use is in accordance with honest practices in industrial or commercial matters, as provides Article 14 paragraph 1 (a) and paragraph 2 of the Directive.

The absolute grounds for refusal or invalidity may be invoked by observation by any interested party, according to legal solutions adopted both by Article 40 of the Directive 2015/2436 and by Article 18 of the Law No 84/1998.

According to the provisions of Article 37 of the Romanian Code of Civil Procedure, the Romanian Law No 84/1998 must expressly recognise the legal standing to submit observations for any group or body representing manufacturers, producers, suppliers of services, traders or consumers.

Relative grounds for refusal or invalidity may be invoked by opposition, by any interested party, on the ground of existing earlier rights, as already stipulated in the Romanian Law No 84/1998.

The redrafting of Article 18 paragraph (1) of the Implementation Rules is necessary in order to clarify, as stated in Article 43 paragraph 2 of the Directive 2015/2436, that “a notice of opposition may be filed on the basis of one or more earlier rights, provided that they all belong to the same proprietor”.

As to the legal option regarding ex-officio examination of only absolute grounds or of absolute and relative grounds, the Study on the Overall Functioning of the European Trade Mark System, presented by Max Planck Institute for Intellectual Property and Competition Law (hereinafter referred

⁵ Preamble of the Directive, par. (15).

to as “the Study”⁶), reveals that 12 Member States do not perform any ex officio examination of relative grounds, leaving them only for opposition and invalidity proceedings, while other 12 Member States provide for the ex officio examination of relative grounds.

Arguments in favour of such ex officio examination of relative grounds are stated in paragraph 2.49, page 232 of the Study, which emphasizes that a great number of trade mark owners support such examinations and see them as helpful and important for a well-functioning system, even if user associations and trade mark agents endorse the view that the system should leave such monitoring to the trade mark owners themselves.

The new Regulation No 2015/2424 on the European Union trade mark stipulates, in its Article 38, that at the request of the applicant for the EU trade mark when filing the application, the Office shall draw up a European Union search report citing earlier EU trade marks or EU trade mark applications which may be invoked against the registration of the EU trade mark. The applicant may request, at the time of filing an EU trade mark application, that a search report be prepared by the central industrial property offices of each of the Member States. Upon publication of the EU trade mark application, the Office shall inform the proprietors of any earlier EU trade marks, or EU trade mark applications cited in the EU search report of the publication of the EU trade mark application.

In our opinion, the procedure insures a balanced and fair functioning of the registration system, for all interested parties that act in good faith. There are strong arguments in favour of the adoption of such rules in the Romanian legislation, because the procedure of is carried only at the request of the applicant and not ex officio and because the proprietors of any earlier rights cited in the search report receive information of the application’s publication.

Articles 10 – 14 of the Directive 2015/2436 clarify and reform legal provisions concerning the exclusive rights conferred by a registered trade mark and the limitation of such rights. The transposition of these legal provisions imply an adequate modification of the Romanian Law 84/1998, as explained below.

The proprietor has exclusive rights in relation to the sign registered as a trade mark for certain

goods and services, which enable him to prevent third parties from using any sign in the course of trade, in relation to goods or services, under certain limited circumstances.

An important clarification is brought by paragraph 6 of Article 10 of the Directive, namely that trade mark protection is mandatory for Member States only in case of use of a sign by a third party for the purposes of distinguishing goods or services. That means that legal provisions stipulated in paragraphs 1, 2, 3 and 5 of Article 10 of the Directive give the proprietor the right to prohibit uses of signs which jeopardize the essential function of the trade mark to guarantee the consumers the origin of the goods or services is protected and not other trade mark functions.

In this regard, paragraph 18 of the Preamble expressly states that “It is appropriate to provide that an infringement of a trade mark can only be established if there is a finding that the infringing mark or sign is used in the course of trade for the purposes of distinguishing goods or services. Use of the sign for purposes other than for distinguishing goods or services should be subject to the provisions of national law”.

Article 10, paragraph 6 of the Directive 2015/2436 gives Member States the option to protect trade marks against other types of uses, which are not made for the purpose of distinguishing goods and services, where the use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, paragraph 3 of Article 10 (d) adds the right of the trade mark owner to prohibit the use of a later sign as a trade or company name or part of a trade or company name, in line with the Decision of the Court of Justice of the European Union in case C-17/06, *Celine*⁷.

The rationale of the rule results from paragraph (13) of the Regulation 2015/2424: because “confusion as to the commercial source from which the goods or services emanate may occur when a company uses the same or a similar sign as a trade name in a way such that a link is established between the company bearing the name and the goods or services coming from that company”, “the concept of infringement of a trade mark should also comprise the use of the sign as a trade name or similar

⁶ Paragraph 2.43 and 2.44, page 231 of the Study on the Overall Functioning of the European Trade Mark System, presented by Max Planck Institute for Intellectual Property and Competition Law, available at http://www.ip.mpg.de/fileadmin/ipmpg/content/forschung_aktuell/03_studie_und_synopsen/mpi_final_report.pdf and Roland Knaak, Annette Kur, Alexander von Mühlendahl, “The Study on the Functioning of the European Trade Mark System”, Max Planck Institute for Intellectual Property and Competition Law Research Paper, No 12-13, available at: www.ssrn.com

⁷ The unauthorised use by a third party of a company name, trade name or shop name which is identical to an earlier mark in connection with the marketing of goods which are identical to those in relation to which that mark was registered constitutes use which the proprietor of that mark is entitled to prevent in accordance with Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, where the use is in relation to goods in such a way as to affect or to be liable to affect the functions of the mark.

designation, as long as such use is made for the purposes of distinguishing goods or services” (paragraph 19 of the Directive’s Preamble).

According to the Directive 2015/2436 and contrary to the previous legislation reflected in the *Celine* case, article 14 paragraph 1 (a) on limitation of the effects of a trade mark, third parties have the right to use only personal names: “1. A trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade: (a) the name or address of the third party, where that third party is a natural person”. Consequently, the trade mark owner may prevent the use of a subsequent trade name or company name, even if such use is in accordance with honest practices in industrial or commercial matters. Paragraph (27) of the Preamble clarifies that “The exclusive rights conferred by a trade mark should not entitle the proprietor to prohibit the use of signs or indications by third parties which are used fairly and thus in accordance with honest practices in industrial and commercial matters [...] such use should only be considered to include the use of the personal name of the third party.”

Article 10 paragraph 3 (f) provides for the right of the trade mark owner to prevent the use of a subsequent sign in comparative advertising if that use is made in a manner contrary to Directive 2006/114/EC. The Directive implies a shift from the Decision of the Court of Justice of the European Union in case C-533/06 *O2*⁸.

A new right of the trade mark owner is stipulated in Article 10 paragraph 4 of the Directive, namely the right “to prevent all third parties from bringing goods, in the course of trade, into the Member State where the trade mark is registered, without being released for free circulation there, where such goods, including the packaging thereof, come from third countries and bear without authorisation a trade mark which is identical with the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark”.

This right should lapse if, during the subsequent proceedings initiated before the judicial or other authority competent to take a substantive decision on whether the registered trade mark has been infringed evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark is not entitled to prohibit the

placing of the goods on the market in the country of final destination.

According to paragraph (22) of the Preamble, this right may be exercised “to prevent the entry of infringing goods and their placement in all customs situations, including, in particular transit, transshipment, warehousing, free zones, temporary storage, inward processing or temporary admission, also when such goods are not intended to be placed on the market of the Member State concerned.”

An analytical approach reveals six cumulative requirements for the exercise of this right: 1. the goods are in the course of trade; 2. the goods are brought into a Member State where an identical/similar trade mark is registered for such goods; 3. the goods are not being released for free circulation in that Member State; 4. the goods, including the packaging thereof, come from third countries; 5. the goods, including the packaging thereof, bear without authorisation a trade mark which is identical with or similar to the trade mark registered in the Member State in respect of such goods; 6. the proprietor of the registered trade mark is entitled to prohibit the placing of the goods on the market in the country of final destination.

In case during the judicial proceedings it is found that the registered trade mark has been infringed or that “the goods in question are found not to infringe an intellectual property right” [in the wording of paragraph (24) of the Preamble], according to article 28 of Regulation (EU) No 608/2013, the trade mark proprietor is to be liable for damages towards the holder of the goods.

The legislative solution reverses the controversial decision in *Philips and Nokia* (C-446/09 and C-495/09), pronounced in the application of former Regulations (EC) No 3295/94 and No 1383/2003⁹, according to which goods could only infringe trade mark rights if they were released into free circulation in the European Union, were intended for the European Union market or were the subject of a commercial act directed to European Union consumers.

In line with the “Declaration on the TRIPS Agreement and public health”¹⁰ and in order to insure the smooth transit of generic medicines, paragraph (25) of the preamble stipulates that the proprietor of a trade mark should have the right to prevent a third party from bringing goods into a Member State where the trade mark is registered without being released for free circulation there

⁸ Where it was judged that “Article 5(1)(b) of (the former – n.s.) Directive 89/104 is to be interpreted as meaning that the proprietor of a registered trade mark is not entitled to prevent the use by a third party, in a comparative advertisement, of a sign similar to that mark in relation to goods or services identical with, or similar to, those for which that mark was registered where such use does not give rise to a likelihood of confusion on the part of the public, and that is so irrespective of whether or not the comparative advertisement satisfies all the conditions laid down in Article 3a of (the former – n.s.) Directive 84/450, as amended by Directive 97/55, under which comparative advertising is permitted”.

⁹ Concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights.

¹⁰ Adopted by the Doha WTO Ministerial Conference on 14 November 2001, available at www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_trips_e.htm

based upon similarities between his registered trade mark and an international non-proprietary names (INN)¹¹ as globally recognised generic names for active substances in pharmaceutical preparations for the active ingredient in medicines.

Article 11 of the Directive No 2015/2436 stipulates a new right of the trade mark proprietor to prohibit preparatory acts, carried out in the course of trade, where the risk exists that the packaging, labels, tags, security or authenticity features or devices, or any other means to which the trade mark is affixed, could be used in relation to goods or services and that use would constitute an infringement of the rights of the proprietor of a trade mark under Article 10(2) and (3).

Such acts may consist of: (a) affixing a sign identical with, or similar to, the trade mark on packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark may be affixed; (b) offering or placing on the market, or stocking for those purposes, or importing or exporting, packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark is affixed.

An analytical approach reveals the cumulative requirements for the exercise of this right: 1. a third party commits, in the course of trade, preparatory acts in relation with a sign identical with, or similar to, a trade mark; 2. the preparatory acts relate to any means to which the trade mark is affixed on goods or services, such as: the packaging, labels, tags, security, authenticity features or devices; 3. the use of the means to which the identical/similar trade mark is affixed on the good/services would constitute an infringement of the rights of the proprietor of a trade mark under Article 10 (2) and (3).

This provision protects the trade mark proprietor against the use of a sign for the purpose of distinguishing goods or services and, if provided by the national law, against other uses of the sign, where it would without due cause take unfair advantage of, or would be detrimental to the distinctive character or the repute of the trade mark.

The right to prohibit preparatory acts in relation to the use of packaging or other means may not be exercised in cases where such use would constitute an infringement of the rights of the proprietor of a trade mark under Article 10 paragraph 4, that is in transit situations.

Article 12 of the Directive No 2015/2436 gives the trade mark proprietor the right to request the publisher of a dictionary, encyclopaedia or similar reference work, in print or electronic form in which the trade mark is reproduced, to ensure that the reproduction of the trade mark is accompanied by an

indication that it is a registered trade mark. This was under the previous legal regime a regular measure taken by the proprietor in order to avoid that a registered trade mark becomes a generic term of the usual language, which further attracts the revocation of the trade mark [Article 20 (a) of the Directive].

New rights of trade mark proprietor are stipulated in Article 13 of the Directive No 2015/2436, applicable in cases where, without the proprietor's consent, his agent or representative registers a trade mark in his own name, without a justification. The trade mark proprietor "shall be entitled to do either or both of the following: (a) oppose the use of the trade mark by his agent or representative; (b) demand the assignment of the trade mark in his favour.

The transposition of these legal provisions implies changes of the Romanian legislation.

In such cases, the trade mark proprietor may also exercise the right to oppose the registration of the trade mark, or to file an action for invalidation of the trade mark registration, as stipulated by Article 5 paragraph 3 (b) of the Directive and by the actual Romanian legislation.

Limitations of the effects of a trade mark stipulated in Article 14 paragraph 3 are novel: "A trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality, if that right is recognised by the law of the Member State in question and the use of that right is within the limits of the territory in which it is recognised".

Such an earlier right may be also an earlier trade name or company name, or to an emblem or to any sign used in the course of trade in a particular locality.

The Romanian legislation does not have any provision related to rights used in the course of trade on a limited territory and, in particular related to the issue if such earlier rights give the owners the right to oppose to the registration of a subsequent trade mark, valid across the entire Romanian territory or to the use of such a subsequent national trade mark on that particular territory.

Innovative are also the provisions contained in paragraph (27) of the Preamble, relating to other uses of a trade mark by third parties that the trade mark proprietor may not prohibit and the application of the Directive in a way that ensures the full respect for fundamental rights and freedoms. Reference is made to the use of the trade mark by third parties for the purpose of artistic expression and in the ambit of the

¹¹ For more information, see <http://www.who.int/medicines/services/inn/en/>, according to which "International Nonproprietary Names (INN) facilitate the identification of pharmaceutical substances or active pharmaceutical ingredients. Each INN is a unique name that is globally recognized and is public property. A nonproprietary name is also known as a generic name". "Trade-marks should neither be derived from INNs nor contain common stems used in INNs."

freedom of expression. The “fair use” defence¹², provided for in the copyright legislation may constitute a defence in infringement proceedings under trade mark legislation only in cases where the use made is one “in accordance with honest practices in industrial and commercial matters”.

The European Union legislation states the fundamental rights and freedoms such as the freedom of expression and information, freedom of the arts and sciences, the right to education etc. in the Charter of Fundamental Rights of the European Union¹³, amended and proclaimed a second time in December 2007, which has a binding legal effect equal to the Treaties. Article 17 of the Charter of Fundamental Rights provides for the right to property¹⁴, in the ambit of which “Intellectual property shall be protected”.

In our opinion, the transposition process has to be made in such a way that the Romanian legislation clearly states that the interpretation and application of the trade mark law, especially in cases of alleged trade mark infringements, should ensure the full respect of other equally fundamental rights and freedoms.

Trade marks are registered and rights are granted in so far as they are actually used on the market in the course of trade, in relation to goods and services for which they are registered and so fulfil their function of distinguishing goods or services of an undertaking from those of another undertaking.

If the requirement of use is not fulfilled within five years of the date of the completion of the registration procedure, trade marks are liable to be revoked, unless there are proper reasons for non-use.

What needs to be further clarified by the Romanian law, in accordance with the provisions of Article 16 of the Directive is the legal term “date of the completion of the registration procedure”. Such provisions already exist in the Romania legislation, which provides for an opposition procedure prior registration, so that the date of the completion of the registration procedure is the day the term for lodging an opposition lapsed or the opposition was rejected [Article 21 of the Implementing Rules].

Lack of genuine use of a registered trade mark on the Romanian territory may be invoked as a

defence in opposition and invalidity proceedings [Article 47 paragraph (4) of Law No 84/1998].

As a novelty, Article 17 of the Directive No 2015/2436 stipulates that lack of genuine use of the registered trade mark within a period of five years following the date of the completion of the registration procedure may constitute a defence in infringement proceedings. The Romanian legislation needs to be modified accordingly.

Regarding the right of the proprietor of an earlier registered trade mark to file an action for infringement in order to prohibit the use of a later registered trade mark, Article 18 of the Directive states that the action for infringement shall be rejected and the use of the later registered trade mark may not be prevented where that later trade mark would not be declared invalid because: (i) the earlier trade mark lacks distinctive character or reputation; (ii) there is acquiescence; or (iii) the proprietor of the earlier trade mark did not furnish proof of its genuine use.

In all other cases not expressly mentioned in Article 18, the action for infringement may be brought by the proprietor of an earlier registered trade mark against the proprietor of a subsequent registered trade mark, without the need for that latter mark to have been declared invalid beforehand.

This new rule adopted by the Directive is consistent with the Decision of the European Court of Justice in the case *Fédération Cynologique Internationale C-561/11*, given in the interpretation of Article 9 (1) of Council Regulation (EC) No 207/2009.

The transposition of Article 18 of the Directive in accordance with the jurisprudence of the Court of Justice in the Romanian legislation will ensure a common approach under the national and EU system, to what was a controversial issue, namely if under the Romanian legislation, the action for infringement may also be brought against a later registered trade mark or if the later registered trade mark needs to be first invalidated¹⁵.

Section 5 of the Directive is entitled “Trade marks as objects of property”. As explained in paragraph (34), the rules of this Section are adopted “for reasons of coherence and in order to facilitate the commercial exploitation of trade marks in the

¹² See Martin Senftleben, “Overprotection and Protection Overlaps in Intellectual Property Law - the Need for Horizontal Fair Use Defences”, *The Structure of Intellectual Property Law: Can One Size Fit All?*, A. Kur/V. Mizaras, eds., Cheltenham: Edward Elgar Publishing 2011, available at www.ssrn.com

¹³ Published in the Official Journal of the European Union of 26.10.2012.

¹⁴ Article 17 “Right to property

1. Everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions. No one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss. The use of property may be regulated by law in so far as is necessary for the general interest.

2. Intellectual property shall be protected.”

¹⁵ Romanian readers may read the written arguments on the site www.juridice.ro: Andreea Micu, Dragoş Bogdan, “Contrafacerea unei mărci printr-o marcă înregistrată ulterior. Soluție CJUE contrară jurisprudenței din România” and Octavia Spineanu-Matei, Andreea Constanda, “Despre inadmisibilitatea acțiunii în contrafacere împotriva unei mărci înregistrate. Este necesară reconsiderarea practicii judiciare?”. Article 18 of the Directive No 2015/2436 clarifies that an action for infringement may be brought, under the stated circumstances, also against a later registered trade mark.

Union, the rules applicable to trade marks as objects of property should be aligned to the extent appropriate with those already in place for EU trade marks”.

In our opinion, the use of the term “property” in the Directive also provide legal certainty and full consistency with specific Union legislation, in particular with the provisions of Article 17 of the Charter of Fundamental Rights of the European Union, which protects intellectual property rights in the ambit of the right to property.

As objects of property, trade marks and applications for trade marks, may be transferred, licensed, levied in execution. The Romanian legislation already stipulates these rights.

A novelty for the existing Romanian law is that a trade mark may “be given as security or be the subject of rights *in rem*”, as stated in Article 23 of the Directive. Because in the Romanian legislative system the rights *in rem* are only those expressly designated as such by the law, a trade mark subject to rights *in rem* has to be subject to one of the rights specified in Article 551 of the Civil Code. Intellectual property rights are not mentioned by Article 551 of the Civil Code, however, paragraph 11 leaves the possibility of adding other rights to the list. The right to property is, of course, specified in Article 551 of the Civil Code, but the issue of qualifying intellectual property rights as property rights, that give the right holder “the right to own, use, dispose of and bequeath his or her lawfully acquired possessions”, is controversial in the Romanian doctrine¹⁶, despite of the jurisprudence of the Romanian Constitutional Court stating that Article 44 of the Romanian Constitution regarding the private property right applies to intellectual property rights and of the jurisprudence of the European Court of Human Rights, according to which Article 1 of the First Protocol to the Convention for the Protection of Human Rights and Fundamental Freedoms, regarding the protection of property, is applicable to intellectual property rights¹⁷.

It remains to be seen how the Romanian legislator will decide to transpose the provisions of Article 23 of the Directive, according to which a trade mark “may be the subject of rights *in rem*.”

The provisions of Article 39 paragraph 5 on the “Designation and classification of goods and services” are already interpreted by the Romanian Office for Inventions and Trade Marks in consistence with the Decision of the Court of Justice of the European Union in the IP Translator case C-

307/10¹⁸. Before the ruling in the IP Translator case, a class heading was interpreted as covering all possible goods and services in that class. The new provisions require trade mark owners to ensure sufficient clarity and precision in relation to the goods and services for which protection is sought. General indications in class headings may be used, provided they comply with the requisite standards of clarity and precision, and will include all goods or services clearly covered by the literal meaning of the indication or term.

Innovative for the current Romanian Law are the provisions of Article 45 of the Directive, providing a mandatory efficient and expeditious administrative procedure before their offices for revocation or declaration of invalidity of a trade mark. The transposition of this article which is due by 14 January 2023 entails changes of competences of the Romanian State Office for Inventions and Trade Marks.

Novel for the Romanian legislation are the provisions of Article 45 paragraph 6 of the Directive, which state that “an application for a declaration of invalidity may be filed on the basis of one or more earlier rights, provided they all belong to the same proprietor” and the provisions of Article 47 paragraph 1, according to which: “An earlier date, on which one of the grounds for revocation occurred, may be fixed in the decision on the application for revocation, at the request of one of the parties”.

The Regulation 2015/2424 is part of the adopted legislative package. The Regulation entered into force on the 23rd of March 2016.

The terminology of Regulation (EC) No 207/2009 is updated, as a consequence of the entry into force of the Lisbon Treaty. The Community trade mark is called the European Union trade mark and the Office for Harmonization in the Internal Market (OHIM) is called the European Union Intellectual Property Office (EUIPO).

Some of the changes that impact on the national legislation are indicated next.

According to provisions of Article 25 of the Regulation, there is no longer possible to file for an European Union trade mark through national offices. The application must be made directly to the European Union Intellectual Property Office. As explained in paragraph (24) of the Preamble, the measure was adopted “in view of the gradual decline and insignificant number of EU trade mark applications filed at the central industrial property offices of the Member States and the Benelux Office for Intellectual Property”.

¹⁶ See the various possible interpretations in Sonia Florea, “Proceduri civile în materia drepturilor de proprietate intelectuală”, Universul Juridic, Bucharest, 2013, pages 112 – 132.

¹⁷ See the Decision of the Grand Chamber of the European Court of Human Rights in *Anheuser-Busch v. Portugal* case (No 73049/2001);

¹⁸ See also the “Common Communication on the Interpretation of the ‘IP Translator’” and the “Common Communication on the Common Practice on the General Indications of the Nice Class Headings”, made in the ambit of the European Trademark and Design Network, available at <https://www.tmdn.org/network/converging-practices>.

As regards the classification of goods and services, Article 28 of the European Union trade mark Regulation mirrors the Directive in stating that the goods and services for which trade mark protection is sought should be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on the basis of the application alone, to determine the extent of the protection applied for. The use of general terms, including the general indications of the class headings of the Nice Classification, shall be interpreted as including all the goods or services clearly covered by the literal meaning of the indication or term.

In order to ensure that the content of the Register meets the requisite standard of clarity and precision in accordance with the case-law of the Court of Justice of the European Union, paragraph 8 of Article 28 gives the proprietors of European Union trade marks, applied for before 22 June 2012 which are registered in respect of the entire heading of a Nice class, the possibility to declare that their intention on the date of filing had been to seek protection in respect of goods or services beyond those covered by the literal meaning of the heading of that class, provided that the goods or services so designated are included in the alphabetical list for that class in the edition of the Nice Classification in force at the date of filing. Such a declaration should be filed between 23 March 2016 and 24 September 2016 inclusive. The trade marks for which no declaration is filed within that period shall be deemed to extend only to those goods or services clearly covered by the literal meaning of the indications.

Paragraph 9 provides protection to existing trade mark owners who might be prejudiced by the expansion of trade mark rights resulting from such declarations. Where the register is amended, the European Union trade marks cannot be used to prevent third parties from continuing to use a trade mark where that use commenced before the register was amended and the use did not infringe on the literal meaning of the goods and services at that time. Any amendment to the classification does not give the owner the right to oppose or apply for invalidity of a later trade mark where that later mark was in use or an application for registration had been made before the amendment and the use would not have

infringed on the literal meaning of the goods and services on the register at the time.

An impact on the national legislation have the provisions of Article 123 c on the “Cooperation to promote convergence of practices and tools”, which puts in place a mechanism of continuous cooperation between the European Union Intellectual Property Office and the national Intellectual Property Offices of the Member States in order to promote convergence of practices and tools in the field of trade marks and designs, in particular in the following areas of activity:

“(a) the development of common examination standards;

(b) the creation of common or connected databases and portals for Union-wide consultation, search and classification purposes;

(c) the continuous provision and exchange of data and information, including for the purposes of feeding of the databases and portals referred to in point (b);

(d) the establishment of common standards and practices, with a view to ensuring interoperability between procedures and systems throughout the Union and enhancing their consistency, efficiency and effectiveness;

(e) the sharing of information on industrial property rights and procedures, including mutual support to helpdesks and information centres;

(f) the exchange of technical expertise and assistance in relation to the areas referred.”

3. Conclusions

The transposition of the Directive in the Romanian legislation would not entail radical changes, but a fine tuning that allows the coherent functioning of the Internal Market, simplifies and clarifies the ground rules applicable in the field of trade mark rights in all European Member States.

The procedural rules relating to mandatory administrative procedure for revocation or declaration of invalidity of a national registered trade mark, in line with the the legal provisions of the European Union trade mark Regulation, to be implemented until 14 January 2013, ensure a better functioning of cross-border business activities and make easier the registration, administration and protection of trade marks in more than one European jurisdiction.

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