

# ISSUES ON ENFORCEABILITY OF FINAL DECISIONS OF EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE REGARDING EUROPEAN TRADEMARKS ON FIXING THE AMOUNT OF COST IN ROMANIA

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## Abstract

*The purpose of this paper is to analyse the enforceability in Romania of final decisions fixing the amount of costs related to European trademarks, issued by European Union Intellectual Property Office.*

*According to art 110 (1) and (2) of EU Regulation 2017/1001<sup>1</sup>, such decisions are titles enforceable in any Member State and enforcement proceedings are governed by applicable national civil law of the Member State in territory of which the enforcement is carried out.*

*Apparently, the enforcement of these decisions in Member States should be a formal procedure devoid of issues. Things may be complex having in view that each Member State is compelled by the art 110 (2) of the EU Regulation 2017/1001, to designate a national authority responsible with the verification of the authenticity of respective decisions.*

*Precisely, what happens when a Member State "forgot" to designate such national authority? Can enforcement proceedings regarding these decisions in respective Member State, be effective?*

*Romania does not designate the national authority prescribed under art. 110 (2) of EU Regulation 2017/1001, fact that generates, at least from theoretical perspective, issues on the enforcement of this kind of decisions. In a nutshell, if no such national authority has been designated, the procedure on verification of authenticity of these decisions cannot be fulfilled, meaning that enforcement proceedings may be deemed as failing to comply with the national law.*

**Keywords:** EUIPO; enforcement; EUTM; enforcement of EUIPO's decisions; decisions fixing the amount of costs.

## Introduction

European Union Intellectual Property Office (EUIPO) is EU office "responsible for managing the EU trademark and the registered Community design"<sup>1</sup>. EUIPO "was created as a decentralised agency of the European Union to offer IP rights protection to businesses and innovators across the European Union (EU) and beyond"<sup>2</sup>.

As regards EU trademarks, EUIPO issues decisions *inter alia* grounded on the provisions set forth by the EU Regulation 2017/1001, out of which decisions fixing the amount of costs.

EUIPO has divisions that deal with legal aspects on the EU trademarks such as Opposition Divisions competent for making decisions on opposition proceedings related to EU trademarks [art. 161 (1) of EU Regulation 2017/1001], Cancellation Divisions competent for making decisions on revocation and invalidation proceedings related to EU trademarks [art. 163 (1) (a) (b) of EU Regulation 2017/1001], and Boards of Appeal responsible for deciding on appeals related to those decisions *inter alia* issued by examiners, Opposition Divisions and Cancellation Divisions [art.165 (1) of EU Regulation 1001/2017].

All Opposition Divisions, Cancellation Divisions and Board of Appeals could rule decisions on fixing the

amount of costs and some of these decisions can become final (**Office Decision**).

This paper tries to point out those issues related to enforcement of Office Decisions in Romania.

Under art. 110 (1) (2) of EU Regulation 2017/1001, Office Decisions should be enforced in any Member State according to national civil code of the Member State in territory of which enforcement proceedings should be carried out, each Member State having the obligation to designate a sole national authority responsible with the verification of the authenticity of Office Decision as the sole formality (**National Authority**). After the verification of the authenticity of an Office Decision, the National Authority shall issue an order of enforcement, document which shall be attached to the Office Decision [art. 110 (2) of the EU Regulation 2017/1001].

So far, Romania has not designated a National Authority, fact that may generate legal issues when a creditor of costs fixed by an Office Decision initiates legal proceedings to enforce his title in Romania against the debtor.

This study on enforceability of Office Decisions in Romania is important because it reveals the legal issues that may occur in the absence of the designation of the National Authority for Romania. Such legal issues may lead, as we will see below, to the blocking

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<sup>1</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark;

<sup>1</sup> EUIPO official website accessed on March 8, 2018, <https://euipo.europa.eu/ohimportal/ro/about-euipo>;

<sup>2</sup> EUIPO official website accessed on March 8, 2018, <https://euipo.europa.eu/ohimportal/ro/the-office>;

of national enforcement proceedings initiated by the creditor before Romanian competent authorities.

In the absence of the designation of Romanian National Authority, the procedure whereby the authenticity of Office Decision should be verified according to art. 110 (2) of the Regulation 2017/1001, cannot be complied with, fact that may lead to the non-compliance with enforcement rules provided by the Romanian Civil Procedural Code (**RCPC**).

In this paper, we shall present the legal issues deriving from the application of enforcement rules provided by RCPC when a creditor tries to enforce an Office Decisions in Romania.

So far, we are not aware of a case whereby enforcement proceedings on Office Decisions have been blocked due to the non-compliance with the procedure related to the verification of authenticity of Office Decision, either because the enforcement was not necessary (debtor voluntary complied with the payment obligations set forth under Office Decision), or because such non-compliance has not been noticed by the Romanian authorities competent with enforcement proceedings

### 1. National Authorities designated by Member States, which are responsible with the verification of authenticity of Office Decisions

As per the information provided by EUIPO official website, the following National Authorities have been designated so far: courts of first instance in Belgium<sup>3</sup>, the High Court in Ireland<sup>4</sup>, the Federal Patent Court (Bundespatentgericht) in Germany<sup>5</sup>, Industrial Property Office of the Slovak Republic in Slovakia<sup>6</sup>, the district courts (Bezirksgerichte) in Austria<sup>7</sup>, Danish Patent and Trademark Office in Denmark<sup>8</sup>, the *Institut national de la propriété industrielle* in France<sup>9</sup>, the district courts (Arrondissementsrechtbanken) in Netherlands<sup>10</sup>, the Secretary of State in United Kingdom of Great Britain and Northern Ireland<sup>11</sup>, Industrial Property Office in Czech Republic<sup>12</sup>, Estonian Patent Office in Estonia<sup>13</sup>, the Court of Appeal in Lithuania<sup>14</sup>.

The above outlook shows that Romania has not designated the National Authority, but also that our country is not the sole Member State which has failed to do so.

### 2. Legal aspects regarding enforcement procedure of Office Decisions in Romania

As we mentioned above, the National Authority has the sole purpose to verify the authenticity of Office Decision at the request of concerned party (creditor), in which case, the National Authority shall release an order of enforcement appended to the Office Decision [art. 110 (2) of EU Regulation 2017/1001].

After obtaining this order of enforcement, the creditor could continue the enforcement proceedings by notifying national competent authorities from the Member State in the territory of which the enforcement should be carried out [art. 110 (3) of EU Regulation 2017/1001].

Considering above matters and the compulsory nature of the provision of art. 110 of EU Regulation 2017/1001, the verification of the authenticity of the Office Decision subject of enforcement in Romania, cannot be performed in the absence of the Romanian National Authority.

Under Romanian law, an EU enforceable title for which EU law does not regulate a preliminary procedure for the recognition in the Member State in which the enforcement should be carried out shall *de iure* be enforceable without any preliminary formality (art. 636 RCPL). This means that an Office Decision could be deemed enforceable title in Romania, after obtaining the enforcement order (that should have been issued by the National Authority) when the verification of the authenticity of Office Decision – procedure provided at art. 110 (2) of the EU Regulation 2017/1001, is ended.

The enforcement proceedings in Romania are carried out by a competent bailiff (**the Bailiff**) and a competent enforcement court (**the Enforcement Court**) at the creditor's written enforcement request which is registered by the Bailiff under a writ [art. 665 (1) RCPC].

After the registration of creditor's written enforcement request, the Bailiff notifies the Enforcement Court to grant the authorization for enforcing the title. The Bailiff's notification addressed to the Enforcement Court is accompanied by the following certified copies: creditor's written enforcement request, the title subject of enforcement, the writ under which the creditor's enforcement written request has been registered by the Bailiff, and the proof of payment of the prescribed stamp duty [art. 666(1) RCPC].

<sup>3</sup> according to Communication No 3/07 of the President of EUIPO of March 13, 2007;

<sup>4</sup> according to Communication No 1/07 of the President of EUIPO of February 2, 2007;

<sup>5</sup> according to Communication No 3/05 of the President of EUIPO of April 26, 2005;

<sup>6</sup> according to Communication No 8/04 of the President of EUIPO of September 22, 2004;

<sup>7</sup> according to Communication No 1/04 of the President of EUIPO of February 11, 2004;

<sup>8</sup> according to Communication No 7/02 of the President of EUIPO of May 17, 2002;

<sup>9</sup> according to Communication No 1/02 of the President of EUIPO of February 19, 2002;

<sup>10</sup> according to Communication No 6/99 of the President of EUIPO of July 30, 1999;

<sup>11</sup> according to Communication No 8/98 of the President of EUIPO of September 29, 1998;

<sup>12</sup> according to Communication No COM 2/14 of the President of EUIPO of September 19, 2014;

<sup>13</sup> according to Communication No 1/09 of the President of EUIPO of August 7, 2009;

<sup>14</sup> according to Communication No 1/2017 of the President of EUIPO of November 17, 2017;

The Bailiff's notification could be accepted by the Enforcement Court, in which case the latter issues the authorisation to enforce the title, or could be refused.

The Enforcement Court could refuse to grant the authorization for enforcing the title under specific conditions expressly provided by RCPC, namely:

- I. the creditor's enforcement request falls under the competence of another enforcement authority (e.g. other bailiff is competent with the enforcement) [art. 666 (5) (1) of RCPC];
- II. the title subject of enforcement does not constitute by law an enforceable title [art 666 (5) (2) of RCPC];
- III. the title subject of enforcement, other than court's decisions, does not comply with all formal conditions prescribed by the law or other requirements under specific cases provided by the law [art. 666 (5) (3) of RCPC];
- IV. the debt is not certain, of a fixed amount and due [art. 666(5) (4) of RCPC];
- V. the debtor enjoys immunity to enforcement due [art. 666(5) (5) of RCPC];
- VI. the title subject of enforcement contains provisions that cannot be enforced [art. 666(5) (6) of RCPC];
- VII. there are other restraints prescribed by the law [art. 666 (5) (7) of RCPC].

### 3. Consequences of the absence of enforcement order under proceedings of enforcement of Office Order in Romania

#### 3.1. The case when the Enforcement Court notices the absence of the enforcement order

Since there is no National Authority designated for Romania, the procedure of verification of the authenticity of Office Decision provided under art. 110 (2) of the EU Regulation 2017/1001, cannot be performed and in consequence, the enforcement order cannot be obtained.

The absence of the enforcement order may be noticed by the Enforcement Court under proceedings whereby the Bailiff seeks to obtain the authorization for enforcement, in which case, the Enforcement Court shall find the provisions mentioned at point iii) of above section, applicable (Office Decision is not in compliance with formal requirements prescribed by the law) and shall refuse to grant the authorization for enforcement. Such refusal makes enforcement proceedings ineffective.

How can this legal impediment be overcome? There is no straight answer but only assumptions based on the interpretation of the law as follows:

- a) The competence of Romanian National Authority is deemed to be taken over by the Enforcement Court

From the very beginning of proceedings when the Bailiff notifies the Enforcement Court to issue the authorization of enforcement, the Bailiff may

additionally request the Enforcement Court to verify the authenticity of the Office Decision and to issue the enforcement order as provided under art. 110 (2) of EU Regulation 2017/1001. The Enforcement Court could be deemed as taking over the competence of the National Authority since the latter has not been designated. However, this interpretation is arguable and may not be upheld due to the following reasons:

- I. provisions of art. 110 of EU Regulation 2017/1001 are mandatory for any Member State (including for Romania). The obligation to designate a single National Authority responsible with the verification of Office Decisions is expressly provided under article 110 (2), without any possibility for the Member States to derogate from these specific provisions. Because of these arguments, since the Enforcement Court has not been expressly designated by the Romanian state, it cannot be deemed to play the role of National Authority within the meaning of art. 110 (2) of EU Regulation 2017/1001;
- II. under RCPC, the Enforcement Court could be any of the Romanian courts of first instance in the jurisdiction of which the registered office/domicile of the debtor is located, except for those cases where the law provides otherwise. If the debtor does not have the domicile/registered office in Romania, the Enforcement Court is the Romanian court of first instance in the jurisdiction of which the registered office/domicile of the creditor is located, and if the latter is not in Romania, the Enforcement Court is the Romanian court of first instance in the jurisdiction of which the registered office of the Bailiff vested by the creditor is located [art. 651 (1) RCPC]. Thus, the Enforcement Court is actually "a series" of Romanian first instance courts and not a single court, therefore the interpretation whereby the Enforcement Court has the competence of the National Authority as the latter is defined under art. 110 (2) of EU Regulation 2017/1001, does not comply with the express provisions of the EU Regulation 2017/1001 whereby Member States are compelled to designate a single authority the contact details of which should, according to the same art. 110 (2), be communicated to EUIPO, the Court of Justice of European Union (CJEU) and to the European Commission.

- b) The Enforcement Court is deemed to not have the competence of the National Authority

The Enforcement Court may deem the Office Decision unenforceable because it fails to comply with the formal requirements stipulated under art. 110 (2) of EU Regulation 2017/1001 (there is no enforcement order issued by the Romanian National Authority), in which case, the Enforcement Court shall not issue the authorization for enforcement requested by the Bailiff. Under this circumstance, the creditor cannot recover

the costs owed by the debtor, which is ascertained in the Office Decision.

How can the creditor enforce his rights if the debtor refuses to pay the costs having in view that the enforcement proceedings are blocked because Romania has not designated the National Authority? A solution might be an action in tort against the debtor on the legal grounds of civil liability stipulated by the Romanian Civil Code (RCC).

RCC provides the obligation of any person to refrain from bringing prejudice to the rights and legitimate interests of others [art. 1349 (1) of RCC].

Furthermore, the person who commits an illicit act is compelled to repair the caused prejudice also when this prejudice is a result of the infringement of the interest of the other person, if the interest is lawful, serious and, by way of its manifestation, the interest creates the appearance of a subjective right [art. 1359 of RCC].

The conduct whereby the debtor refuses to indemnify the creditor with those costs ascertained in the Office Decision, may be deemed having an illicit nature, in which case, civil liability provided by RCC may apply. Under these circumstances, the creditor may request the Romanian competent court to compel the debtor to pay the amount of costs ascertained in the Office Decision.

In order for the action in tort to be successful the creditor should demonstrate to the court the elements of the civil liability, namely: the prejudice, the illicit act, the relationship of causality between the prejudice and the illicit act and the guilt of the debtor. Failure to prove one of these elements leads to the rejection of the action.

In the case at hand, the debtor could defend himself by invoking that the amount of costs ascertained under Office Decisions represents in fact court expenses and not a prejudice in the meaning of civil liability legal provisions, thus these costs should be recovered under enforcement proceedings and not by way of an action in tort. The creditor could contest this claim by invoking that the debt ascertained under Office Decision has the nature of a prejudice within the meaning of art. 1349 (1) of RCC, since the recovery of this debt is not possible under enforcement proceedings due to the fact that Romanian state has not designated the National Authority.

### **3.2. The case when the Enforcement Court not notice the absence of the enforcement order**

After the Enforcement Court grants the enforcement authorization for the Office Decision, without notice the legal aspect raised by the absence of enforcement order that should have been issued by the National Authority, the Bailiff proceeds to enforce the respective Office Decision against the debtor.

The Bailiff shall communicate the debtor (i) a copy of the Enforcement Court's decision whereby the enforcement of Office Decision has been authorised by the Enforcement Court, (ii) a copy of the Office

Decision certified by the Bailiff and (iii) a notice to perform if the law does not provide otherwise [art. 667 (1) of RCPC].

Against the enforcement acts performed by the Bailiff, the debtor could file a contestation with the competent court which is actually the Enforcement Court within 15 days as of the date of receipt of the Bailiff's notice to perform, together with corresponding documents (certified copy of the Enforcement Court's Decision attesting the authorization of enforcement, certified copy of the Office Decision) [art. 715 of RCPC].

Having in view the mandatory legal provisions that should be complied with by an Office Decision to become enforceable, we consider that the debtor could successfully challenge the enforceability of the Office Decision claiming the absence of the enforcement order that should have been issued by the National Authority under the procedure set forth by art. 110 (2) of the EU Regulation 2017/1001. Thus, the debtor could request the Enforcement Court to cancel the enforcement title since the Office Decision does not comply with the formal requirements requested by the law [art. 666 (5) (3) of RCPC].

## **Conclusions**

The failure by Romania to designate the National Authority risks to prejudice the rights of the creditors attested under Office Decisions because it creates a legislative vacuum that may impede the enforcement of these rights.

As a top priority, Romania should "fill out" this legislative vacuum with appropriate legal provisions, designating the National Authority responsible with the verification of the authenticity of Office Decision as it is provided under art. 110 (2) of EU Regulation 2017/1001.

Until this measure is taken, in order to secure creditors' rights ascertained by Office Decisions, the Romanian judicial authority should agree with the solution according to which, in the absence of a National Authority, the competence to verify the authenticity of an Office Decisions as provided under art 110 (2) of EU Regulation, vests with the Enforcement Court. Such interpretation is in accordance with the constitutional provisions whereby in case of conflict between a national rule and an EU compulsory rule, the latter shall prevail [art. 148 (2) of the Constitution of Romania]. Moreover, among other Romanian authorities, the Romanian judicial authority has to ensure (i) the compliance with the obligations resulted from the agreement on accession to European Union and (ii) the priority of EU law [art.148 (4) of the Constitution of Romania]. Having in view these matters, the Romanian judicial authority must admit that under EU Regulation 2017/1001, creditors' rights ascertained under Office Decision are to be enforced and the right to enforce cannot be devoid of effects due to the gap in the Romanian legislation generated by the

non-compliance with the obligation to designate the National Authority.

An appropriate National Authority that can be designated is the Romanian State Office for Inventions and Trademarks, since this authority is partner of EUIPO. Other solution could be the designation of Bucharest Tribunal (*Tribunalul Bucuresti*) considering that this court represents an European trademark court

within the meaning of art.123 of EU Regulation 2017/1001.

Designating the Enforcement Court may be problematic, having in view that Enforcement Court could be any of the Romanian courts of the first instance from all national jurisdictions. Such designation may be deemed contrary to the provisions of art. 110 (2) of EU Regulation 2017/1001, since the National Authority should be a single one.

### References

- 2017/1001 (REGULATION (EU) 2017/1001 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017 on the European Union trademark)
- <https://euiipo.europa.eu/ohimportal/ro/eu-trade-mark-legal-texts>