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# Proposed changes to the Romanian law on trademarks

*Dragos Vilau and Ionut Lupsa of Vilau & Mitel outline a recent amendment to Romania's trademark law*

**T**rademarks and geographical indications are protected in Romania based on Law no 84/1998 considered to be harmonised already with the «acquis communautaire» however even after Romania joined the EU in 2007, the Romanian legislation is still undergoing the process of harmonisation with the EU legislation.

The Romanian government made several attempts to harmonise the current law on trademarks by two drafts sent to the Romanian Parliament in July 2007 and June 2008 however none of these reached the final steps of the legislative process.

Following the adoption of the European Directive 2008/95/CE on 22 October 2008, the Romanian government sent a new and improved draft ("Amendment") to the Romanian parliament, seeking to harmonise the Romanian Law on Trademarks with this latest EU Directive.

The Amendment will be considered an important milestone by Romanian IP practitioners since it simplifies the entire trademark prosecution procedure at the Romanian Patent and Trademark Office (RPTO) and radically shortens the deadlines.

The proposed changes in the Amendment in summary:

- Sounds and holograms are expressly mentioned as being capable of being registered as trademarks;
- Signs of high symbolic value (religious symbols, badges, emblems and escutcheons other than those covered by Article 6 ter of the Paris Convention) are specifically excluded from registration;
- The trademark applications will be published electronically seven days from filing
- Relative ground of refusals can no longer be raised ex officio by RPTO
- The deadline for filing oppositions was

reduced to two months (instead of three months)

- The deadline for filing appeals with RPTO was reduced to 30 days (instead of three months)
- Opposition proceedings are finalised with a preliminary opinion mandatorily considered during the full examination by RPTO
- Opposition proceedings can be suspended
- Full examination of a trademark application should be made by RPTO within six months from publishing (or four months if an additional urgency is paid)
- The starting point for the five years regressive period is now expressly indicated as being the date of registration with the Trademark Register
- The Amendment contains specific provisions in respect of the conflict between an earlier community trademark and a national trademark registered in Romania
- The word "resemblance" was used instead of the traditional "similarity" (close resemblance) concept already used by current Romanian Law on Trademarks and the European Directive 2008/95/CE.

## Eligibility for trademark registration

Although the current law on trademarks is not expressly mentioning that sounds (audible) are capable of being registered as trademarks, thus following the principles established by the former and current European Directives when defining a trademark, sounds, tri-dimensional, moving and positional trademarks were accepted for registration even before Romania ratified on 16 March 2009 the WIPO Singapore Treaty which expressly acknowledges tri-dimensional, holograms, moving and positional marks as well as the non-visible signs trademarks as being capable of registration.

Without abandoning the EU traditional trademark definition, the 2009 Amendment specifically extends the signs capable of being registered to holograms and audible signs however in the same time it extends the signs which cannot be registered to include signs of high symbolic value, in particular a religious symbol, badges, emblems and escutcheons other than those covered by Article 6 ter of the Paris Convention and which are of public interest, unless the consent of the competent authority to their registration has been given in conformity with the legislation of the Member State.

### Simplified trademark prosecution

The most important changes contained by the 2009 Amendment are connected with the trademark prosecution process. The trademark applications will be published electronically within seven days from filing and will be subject to third parties oppositions on absolute or relative grounds of refusals within two months from publishing (the deadline for filing an opposition is under the current law on Trademarks of three months from publishing).

It is to be noted that RPTO is no longer able to examine relative grounds of refusal. Thus, provided there are no oppositions filed by third parties based on earlier rights, RPTO will proceed to the full examination of the trademark application within six months from publishing (this period can be reduced to four months by paying an additional urgency fee representing the registration and examination fee).

On the other hand, provided that oppositions are filed by third parties, RPTO is bound to communicate the opposition immediately (however no specific time frame was provided) to the applicant whose comments should be filed within 30 days of such communication.

The opposition proceedings with RPTO can be suspended if the opposition was filed based on a pending trademark application or the opposed trademark is subject to a cancellation/revocation action.

Should any of the above suspension cases not subsist any longer, either the opponent or the applicant is able to continue the opposition proceedings.

One of the essential changes is that the opposition will be finalised with a preliminary opinion of the Opposition Committee within RPTO which will be mandatorily considered during the full

examination by RPTO. Pursuant to the current Law on Trademarks the opposition proceedings are finalised with a decision which is subject to appeal in three months.

The Amendment states that on the applicant request, the opponent shall be required to present proof of effective and genuine use of its earlier trademark in the last five years preceding the opposed application publishing. This principle was applied until now during the opposition proceedings by RPTO in the absence of a specific provision in the Trademark Law, based exclusively on a rule contained by the Trademark Law Regulations no 833/1998 which led to debates on the validity of these Governing Rules.

RPTO is bound to finalise the full examination process within six months (or four months if the urgency fee was paid) and will then issue a registration decision which is immediately registered in the Trademark Register and published electronically within two months of the registration decision being issued.

RPTO's decisions are subject to appeal either by the applicant within 30 days from receipt or from publishing in the case of appeals lodged by any other interested party.

Finally, the Amendment contains two important procedural provisions.

The first one is of huge importance. It establishes that the Bucharest Tribunal will judge all cases concerning Community Trademarks (CTMs), the second one – referring to the requirement that the trademark owner should be summoned in all cases involving trademarks makes sense only when appeals against RPTO decision are brought to court although summoning the trademark owners will lead to both an additional burden for the court and plaintiffs and to cases being delayed for longer periods of time as the summoning of international trademarks and CTMs owners proved to be a long and repetitive – sometimes unsuccessful – process.

### Exhaustion of rights, licensing and assignment issues

The exhaustion of rights issue was disputed in case law, however only in isolated cases. While some courts took the view that the exhaustion of rights should be international, most of the courts embraced the EU Directive principle of the European exhaustion of rights.

The Amendment is now clearly opting for the Community exhaustion of rights and thus a trademark owner will not be able to

prohibit the use of a trademark in relation to goods which have been put on the market in the Community by the proprietor or with his consent, unless there are legitimate reasons for the owner to oppose further commercialisation (ie. the condition of the goods is changed or impaired after they have been put on the market).

In respect of licensing, the Amendment is now clearly providing what was already retained as a matter of principle in the case law that the validity of a trademark registration or an intervention request in a counterfeiting action will not be affected by the absence of registering the license with RPTO.

In respect of trademark assignments, the Amendment is clearly stating that besides the assignment, a trademark can be transferred by way of inheritance and forced execution and now confirms the safe and long practice conducted by RPTO to suspend any transfer (including licensing) until a final decision is taken in connection with such contentious trademarks.

Finally, under the Amendment the licences and assignments will be opposable to third parties as of the date of publication by RPTO in the Official Intellectual Property Bulletin. Currently, the Law on Trademarks provides that licenses and assignments are opposable to third parties from the date of registration with the Trademark Registry.

### Cancellation for non-use decrypted

The long-debated issue in the Romanian case-law on how the five years' non-use period starting point was to be determined will soon become history. This issue was disputed for a long time both in doctrine and case law as a result of the current law on trademarks not specifically mentioning a starting point for the regressive period of five years.

This led to a series of contradictory decisions issued by first and second-level jurisdiction courts however eventually crystallised by the High Court of Cassation Justice who took the view that the five-year regressive period starts with the filing date since the applicant has both rights (ie. exclusive right to use) and obligations (ie. the effective and genuine use) attached to a trademark.

Although the Amendment will definitely change the case law once more, providing clearly the starting point for the five years' regressive period as being the registration of the trademark with the Trademark Register (i.e. database) is more than welcomed.

### Registration of and conflict with CTM

The Amendment dedicates an entire chapter to CTMs describing both the procedure for filing a CTM application with RPTO (who forwards the application to OHIM within two weeks of receipt) and transformation of a CTM in a national application based on the Council Regulation (EC) no 207/2009 provisions.

Moreover, the Amendment contains provisions with respect to solving the conflict between an earlier community trademark and a national trademark registered in Romania, stating that where the owner of the earlier community trademark registration has tolerated the use of the later national mark for a period of five successive years, either an invalidity claim or an opposition against the later mark shall be declared inadmissible in respect of the products and services for which it was tolerated, unless the later trademark was applied for in bad faith.

### Infringement of trademark rights and counterfeiting

The Amendment fully harmonised its provisions with those of the European Directive 2008/95/CE providing that a trademark owner shall be entitled to prevent third parties not having his consent from using in the course of trade:

- (a) a sign which is identical with the trademark in relation to goods or services which are identical with those for which a trademark is registered;
- (b) a sign where, because of its identity with, or resemblance to, a trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trademark.
- (c) a sign which is identical with, or resembling to, a trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has acquired a reputation in Romania and where use of that sign without due cause would take unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

The rationale behind the use of the word "resemblance" instead of the traditional "similarity" concept already used by current

Romanian Law on Trademarks and the European Directive 2008/95/CE is not clear. Some might say these are synonyms and there is really no difference between them while others might support the change and argue that the word resemblance seems to be closer to the Romanian language given its local etymology.

Nevertheless, a preliminary linguistic opinion revealed that "resemblance" seems a bit more permissive than "similarity". In fact according to any English dictionary the word similar is defined as "closely resembling". As a result, this change might lead to a radical change in the Romanian case law since the judge appears to have an easier task in determining if two signs resemble compared to the analysis made for establishing that two signs are closely resembling. The burden of proof will be easier for trademark proprietors however only time will tell if IP practitioners are more comfortable dealing with resemblances instead of similarity or will just continue to focus on the similarity concept.

In respect of counterfeiting, the part of the Amendment dealing with the incrimination of counterfeiting as an offence was not subject to a careful consideration and unfortunately in case this part of the Amendment will pass the entire legislative process as it is, case law debates around this issue will continue.

Firstly, for practical reasons it was preferable to define three distinct offences against a trademark instead of globally referring to counterfeiting in the cases of unlawful placement on the market of a product bearing an identical or similar mark with one registered for identical or similar products, or under a geographical indication suggesting that the product concerned originates from a geographical region other than its true region of origin with the intent of misleading the public as to the geographical origin of the product.

Secondly, we note that the provision introduces, as a criminal offence, the use of an identical or similar mark (and not of just a sign), which obviously perpetuates the same inadequate terminology used in the current law on trademarks. While this might help trademark proprietors in their fight against counterfeiters, maintaining a debate on the terminology might be in fact be a boomerang against them since this will continue to be speculated by counterfeiters in their defence.

Thirdly, when dealing with counterfeiting the Amendment is using both the similarity and resemblance concepts which might be

either an indication that the text of this provision is not final or that there was really no clear intention of using a different word (i.e. resemblance instead of similarity).

However, in respect of counterfeiting, three other new provisions are more than welcomed:

- interim measures (such as the seizure of counterfeited goods and equipments used for such purposes) will be taken based on the criminal procedure which will not only be able to speed up the battle against counterfeiting but in the same time will reduce the costs borne right now by trademark proprietors
- in respect of conserving evidences, the trademark proprietor or a central authority can secure, obtain and conserve information and/or documents by way of interim measures
- abusive conduct of trademark proprietors is now expressly mentioned as leading to the court being able to order that plaintiffs should bear all damages incurred following an abusive conduct by a plaintiff, thus balancing the rights and duties of trademark proprietors.

The abrogation and as a result non-incrimination of counterfeiting as unfair competition according to the Amendment was only made for the purpose of having one enactment regulating this offence (i.e. the Law on Unfair Competition) and does not mean that the use of trademarks and geographical indications against loyal practices in industrial or commercial activity will no longer be considered an act of unfair competition. ☺

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