

Issue 19 June/July 2009
www.WorldTrademarkReview.com

Also in this issue...

INTA president sets industry agenda

Franchising as a tool for surviving the downturn

Why India is failing brand owners

The lowdown on design rights in Europe

Global review of landmark cases

World Trademark Review™

Storm warning

Exclusive survey shows how
global recession is hitting home

Romania

The debate surrounding the conflict between trademarks and trade names is not new in Romania. However, case law is developing, with certain courts finding that a trade name which infringes an earlier registered mark must be amended

The debate surrounding the conflict between trademarks and trade names started in 1990 with the adoption of the Trade Registry Law. The new law contradicted the Trademarks Law 1967, as it allowed the registration of trade names that infringed registered marks.

Rights in a trademark

Pursuant to the Trademarks Law 1998, registration confers on its owner the exclusive right to use the mark. The mark owner may request that the competent judicial body prohibit the unauthorized use in the course of trade of:

- any sign which is identical to the mark in relation to goods and/or services that are identical to those for which the mark is registered;
- any sign which, because of its identity or similarity to the mark, or the identity or similarity of the goods and/or services on which the sign is affixed to the goods and/or services for which the mark is registered, creates a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the mark; or
- any sign which is identical or similar to the mark in relation to goods and/or services that are not similar to those for which the mark is registered, where the mark has a reputation in Romania and use of the sign without due cause could take unfair advantage of the distinctive character or repute of the mark, or such use could cause prejudice to the owner of the mark.

The trademark owner may request that any third party be prohibited from:

- affixing the infringing sign to goods or to their packaging;
- offering, placing on the market or stocking goods bearing the sign, or offering or supplying services under the sign;

- importing or exporting goods bearing the sign; and
- using the sign on documents and in advertising.

Rights in a trade name

Article 8 of the Paris Convention for the Protection of Industrial Property provides that “a trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark”.

Pursuant to the Trade Registry Law 1990, a new trade name must be “different from those that are already registered”. When a new trade name is similar to an earlier registered name, an additional word must be included that:

- characterizes the relevant company;
- indicates the type of activity performed by the company; or
- allows for differentiation in any other way.

Over the years, various government decisions implementing the Trade Registry Law have sought to provide guidance as to how confusion might be avoided when registering a new trade name. First, it was simply stated that new trade names must be different from earlier registered trade names. In 1998 new guidance provided that a trade name may be registered if an identical trade name is not already registered for the same activity and in the territory where the activity will be performed. In addition, a new provision was added to the Trade Registry Law whereby the Trade Registry Offices may refuse to register a trade name if it creates a likelihood of confusion with other trade names due to its lack of distinctive elements (there are currently 42 Trade Registry Offices under the supervision of the National Trade Registry Office).

At the time, the general interpretation was that only the registration of identical trade names was prohibited, but not that of similar trade names. In addition, it was thought that identical trade names could be registered if they included an additional word like 'leasing' or 'industrial'.

At the end of 2008, new guidance clarified that:

- the likelihood of confusion had to be assessed with regard to the whole of the country; and
- the new trade name had to be distinctive.

The new guidance also provided various examples of trade names that would be refused registration.

Arguably, the Trade Registry Law and the various guidelines were improperly drafted, thus allowing the registration of new trade names that were similar to earlier registered names. In addition, the law did not provide that earlier registered trademarks should be taken into account in the registration of new trade names. Therefore, a significant number of registered trademarks (and trade names) were infringed.

For example, the Trade Registry Offices have allowed the registration of:

- the trade name Acerline Computers, even though the trademark ACER was registered for goods in Class 9;
- the trade name Unicredito Industrial, even though the term 'Unicredito' was already registered as a trademark and trade name;
- the trademark VINEXPORT, even though the term 'Vinexport' was already registered as a trademark and trade name;
- the trade name Dell Romania, even though DELL was a registered trademark;
- the trade name Metaxa, even though METAXA was a registered trademark; and
- the trade name IntelCAD, even though INTEL was a registered trademark and was well known in Romania.

Various attempts to find a practical solution to the problem were hampered by the argument that all the trade names at issue were registered “according to the law”. Surprisingly, this argument was put forward by the authority in charge of determining whether new trade names are different from earlier registered names.

Because their rights were infringed, trademark owners started to challenge the decisions of the Trade Registry Offices. The challenges were based on:

- earlier registered trademarks;

- the provisions of the Paris Convention; and
- most importantly, the provisions of the Trade Registry Law, under which a new trade name must be different from earlier registered trade names.

However, most (if not all) of these actions were rejected as inadmissible or ungrounded. Therefore, trademark owners decided to bring actions for the cancellation of the trade names before the Romanian courts of justice.

Trade name cancellations

An action for the cancellation of a trade name must be filed before the high court which has jurisdiction over the area where the relevant Trade Registry Office is located. The plaintiff may request that:

- the trade name be cancelled; and
- the defendant adopt, within a certain period of time, a new trade name that does not infringe the plaintiff's registered trademark (or registered trade name).

The claim must be brought against:

- the company that registered the trade name at issue; and
- the Trade Registry Office that allowed the registration of the trade name.

Initially, the Romanian courts dismissed such actions on the grounds that the registration of trade names could not be opposed on the basis of trademark rights. Subsequently, such actions were dismissed on the grounds that:

- the trademark owner should have opposed the registration of the trade name under a special procedure before the relevant Trade Registry Office; or
- the trade name was registered in compliance with the Trade Registry Law.

The courts adopted a new approach in the early 2000s and accepted that an earlier trademark is a valid basis on which to oppose an application for the registration of a similar trade name, or seek the cancellation of such a trade name. The courts concluded that a trade name that infringes an earlier registered trademark must be amended. If the company fails to do so, it may be removed from the Trade Register. The courts thus upheld the constitutional principle under which international treaties and conventions supersede national law, and recognized that the Paris Convention prevailed over the provisions of the Trade Registry Law. This



Dragos M Vilau

Partner

dragos.vilau@vilaumitel.ro

Dragos M Vilau is one of the founders of Vilau & Mitel. His practice focuses primarily on corporate and commercial law, intellectual property, mergers and acquisitions, and banking/finance. Mr Vilau has significant experience in advising clients on investing and growing their business in Romania. He has authored various articles on intellectual property, among other topics.



Ionut Lupsa

Senior associate

ionut.lupsa@vilaumitel.ro

Ionut Lupsa coordinates the IP, IT and copyright practice group at Vilau & Mitel. He is a member of the Bucharest Bar Association and is qualified as a trademark attorney. Over the past 11 years his practice has focused mainly on intellectual property, information technology, e-commerce, dispute resolution and litigation. He has been involved in numerous cases before Romanian courts.

new approach may be explained by the creation of a specialized IP panel in the Bucharest courts.

As the Bucharest courts have developed a consistent practice with regard to actions for the cancellation of trade names, trademark owners usually choose to initiate proceedings in Bucharest, irrespective of where the Trade Registry Office that registered the trade name at issue is located. Although the high court which has jurisdiction over the area where the relevant Trade Registry Office is located has, in principle, exclusive jurisdiction over the case, it is possible to forum shop by bringing the action against the National Trade Registry Office (in which case the matter will be heard by the Bucharest High Court).

In light of previous case law, recent decisions from some local courts, which rejected the claims brought by the trademark owners, should be considered to be exceptions (see, eg, decisions from the Cluj Commercial Court (Case 4909/2008) and the Iasi Commercial Court). These decisions are likely to be overturned by the higher courts.

Criminal proceedings

Pursuant to the Unfair Competition Law 1991, the use of a trade name or trademark, among other signs, that is confusingly similar to a trade name or trademark legitimately used by another party is considered to be a crime and is sanctioned with a term of imprisonment or a fine.

While criminal proceedings may have more of a deterrent effect, trademark owners have chosen to bring such proceedings only in certain cases – in particular, where infringement was intentional and the trademark owners wanted to send a strong message to the business community. [WTR](#)