

Regulations Specific to Trademark Rights in the European Union and the Internal Market

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ABSTRACT: The creations that are protected under "industrial property" are, like other creations protected under the comprehensive name of "intellectual property," products of human creative activity, the fruit of thought, rational activity, and the result of man's ability to create and to perceive concepts. With regard to trademarks and geographical indications, it is initially noted that they do not constitute creations of the spirit in the true sense of the word and that their connection with "intellectual property" is rather vague, according to some authors, non-existent.

KEYWORDS: industrial property, trademarks, commercially, licensing, franchising

Introduction

The Community trade mark is a title which may be exploited commercially through licensing, franchising, assignment, etc., throughout the European Union, taking into account applications and, in general, all aspects of the internal market.

Protected Community trade marks extend their effects to the territory of the new Member States (and therefore also to the territory of Romania), and possible conflicts may arise with the trade marks which were registered nationally before the accession of that State. The principle of trademark territoriality does not prevent the case where an identical or similar trademark both in terms of name and protected products/services is registered by different owners in different states (Roş, Spineanu-Matei and Bogdan 2003, 3).

If the marks cannot coexist for various reasons, either the use of the Community trade mark on the national territory is prohibited or the national mark is sought to be annulled in court, the resolution of this possible conflict being based on the "age" of the marks.

Given that the principle of territoriality of protection was an obstacle to the free movement of goods within the European Community, as well as the fact that the national regulations of the Member States of the European Community presented certain different legal aspects, an attempt was made to harmonize Member States' national trademark laws.

In 1957, the Treaty of Rome established the European Economic Community (C.E.E.). The C.E.E. was to promote the harmonious development of economic activities between member countries, removing economic barriers. The European Union, the former European Community, has experienced a positive development, the number of member countries at the beginning at 6, has reached 27, and obstacles to the free movement of goods and services, people and capital have disappeared. In order to complete the internal market, industrial property rights had to be harmonized at Community level, using a single procedure valid throughout the European Union (Popescu, Turza and Teau 2002, 80).

As early as 1960, intergovernmental meetings, attended by other industry stakeholders as well as trustees, aimed to harmonize national legislation.

Discussions and negotiations aimed at creating a Community trade mark system were finalized through two legal working instruments:

- Directive 89/104 on the harmonization of the laws of the Member States relating to trade marks enters into force on 21.1.2.1988;
- Regulation No 40/94 of the Council of the European Union of 20.12.1993 on the Community trade mark, which entered into force on 15.03.1994.

The Directive does not achieve full harmonization of national laws, but is limited to measures necessary for the proper functioning of the internal market.

The Regulation is a supranational instrument, which applies in all countries of the European Union (Adam 2013, 101).

An independent and autonomous body called the Office for Harmonization in the Internal Market (OHIM) has been set up, based in Alicante, Spain.

Regulations specific to trademark

Protected Community trademarks extend their effects to the territory of the new Member States (and therefore also to the territory of Romania), and possible conflicts may arise with the trademarks which were registered nationally before the accession of that State. The principle of trademark territoriality does not prevent the case where an identical or similar trademark both in terms of name and protected products/services is registered by different owners in different states.

If the marks cannot coexist for various reasons, either the use of the Community trade mark on the national territory is prohibited or the national mark is sought to be annulled in court, the resolution of this possible conflict being based on the “age” of the marks.

Given both the fact that the principle of territoriality of protection was an obstacle to the free movement of goods within the European Community and the fact that the national regulations of the Member States of the European Community presented certain different legal aspects, an attempt was made to harmonize the law to the national laws of the Member States on trade marks. In 1957, under the Treaty of Rome, the European Economic Community (C.E.E.) was established, the objective of the C.E.E. to promote the harmonious development of economic activities between Member States, removing economic barriers. The European Union, the former European Community, has experienced a positive development, the number of Member States, at first 6, has reached 28, and obstacles to the free movement of goods and services, people and capital, have disappeared. In order to achieve a free internal market, industrial property rights had to be harmonized at Community level, and this was done for trademarks and design; the protection of these objects of industrial property can be done using the only procedure valid throughout the European Union (Pop, Popa and Vidu 2012, 88).

A trademark is a sign that identifies and differentiates the products and services of a natural or legal person from those of another person, and over which the owner has an exclusive right; it is valid throughout the European Union, and is registered in accordance with the relevant regulations. The EU trademark system is a system independent of my national trademark protection systems, with individuals or legal entities being able to file a national trademark application, trademark application or both (Iacob 2004).

The protected trademarks extend their effects on the territory of the new member states (therefore also on the territory of Romania), possibly occurring possible conflicts with the trademarks that were registered nationally before the accession of the respective state. The principle of trademark territoriality does not prevent the situation in which an identical or similar trademark both in terms of name and protected products / services is registered by different owners in different states. If the marks cannot coexist for various reasons, either the use of the extended mark on the national territory is prohibited or the national mark is requested to be annulled in court, the resolution of this possible conflict being based, in principle, on the “age” of the marks.

National trademarks are still necessary for undertakings which do not want the protection of their trade marks to be ensured at Union level or which are not able to obtain protection throughout the Union, while obtaining national protection is not a problem. Every person wishing to obtain the protection of a trade mark should be able to decide whether to

opt for its protection only as a national trade mark in one or more Member States or only as an EU trade mark or for both types of protection.

EU trade mark rights should not be acquired by registration alone, but should be refused in particular if the mark is devoid of any distinctive character, illicit or contrary to earlier rights. A sign should be allowed to be represented in any appropriate form using generally available technology, so not necessarily by graphic means, as long as the representation is clear, precise, autonomous, easily accessible, intelligible, durable and objective (Josserand 1933, 122).

The protection conferred by the EU trade mark, the main purpose of which is to guarantee the function of the mark of origin, should be absolute in the case of identity between the mark and the sign and between goods or services. Protection should also exist in the event of a similarity between the mark and the sign and between the goods or services. It is appropriate to interpret the notion of similarity in relation to the likelihood of confusion. The likelihood of confusion, the assessment of which depends on a number of factors, in particular knowledge of the mark on the market, the association which may be made between it and the sign used or registered, the degree of similarity between the mark and the sign and between the goods or services designated, must be the specific condition of protection.

In order to ensure legal certainty and full consistency with the principle of priority, according to which a previously registered trade mark takes precedence over later registered trademarks, it is necessary to provide that enforcement of the rights conferred by an EU trade mark should not prejudice the rights of proprietors before the filing date or the priority date of the EU trade mark. This provision is in line with Article 16 (1) of Agreement on Trade-Related Aspects of Intellectual Property Rights of 15 April 1994.

Confusion may arise as to the commercial source of the goods or services when a company uses the same or a similar sign as a trade name, in such a way as to establish a link between the company bearing that name and the goods or services from this company. Infringement of the rights conferred by an EU trade mark should therefore also include the use of a sign as a trade name or a similar name, as long as the use is intended to differentiate the goods or services.

In order to ensure legal certainty and full consistency with specific Union legislation, it is appropriate to provide that the proprietor of an EU trade mark has the right to prohibit a third party from using a sign in comparative advertising if that type of comparative advertising contravenes Directive 2006/114/EC of the European Parliament and of the Council (1).

In order to ensure the protection of trademarks and to combat counterfeiting effectively, in accordance with the international obligations of the Union within the World Trade Organization (WTO), in particular Article V of the General Agreement on Tariffs and Trade (GATT) on free transit and, as regards generic medicines, the "Declaration on the TRIPS Agreement and Public Health" adopted at the WTO Ministerial Conference in Doha on 14 November 2001, the proprietor of an EU trade mark should be entitled to prevent third parties from introducing produced in the Union in the course of trade without being released for free circulation in the Union, where those products come from third countries and bear, without authorization, a mark identical to or essentially identical to an EU trade mark for those products.

To this end, EU trade mark proprietors should be allowed to prevent, in all customs situations, the entry and placement of counterfeit products, including in transit, transshipment, storage, free zones, temporary storage, inward processing or of temporary admission, including when these products are not intended to be placed on the Union market. When carrying out customs controls, the customs authorities should use the powers and procedures provided for in Regulation (EU) No 182/2011. Regulation (EC) No 608/2013 of the European Parliament and of the Council (2) on the enforcement of intellectual property rights by customs authorities, including at the request of right holders. In particular, the customs

authorities should carry out the relevant controls on the basis of risk analysis criteria (Turcu 2004, 42).

In order to strike a balance between the need to ensure effective enforcement of trade mark rights and the need to avoid hindering the free flow of trade in legitimate products, the right of the EU trade mark proprietor should cease if, in subsequent proceedings the European Union trade mark court (hereinafter referred to as the “EU trade mark court”), to rule on the merits if a right conferred by an EU trade mark has been infringed, the declarant or proprietor of the goods may prove prohibit the placing on the market of products in the country of final destination.

Article 28 of Regulation (EU) no. 608/2013 specifies that the holder of the rights is liable for damages against the holder of the goods, inter alia if it is subsequently proved that the goods in question have not infringed an intellectual property right. Appropriate measures should be taken to ensure the undisturbed transit of generic medicinal products. With regard to international non-proprietary names (INNs), as internationally recognized generic names for active substances in pharmaceutical preparations, it is essential to take due account of existing limitations on the effect of the rights conferred by an EU trade mark. Consequently, the proprietor of an EU trade mark should not have the right to prevent any third party from introducing products into the Union without their being released for free circulation in the Union, on the basis of similarities between INNs for the active ingredient in medicinal products and that trade mark.

In order to enable EU trade mark proprietors to combat counterfeiting effectively, they should have the right to prohibit the affixing of a counterfeit mark on products and the preparatory actions taken prior to that application.

The exclusive rights conferred by an EU trade mark should not entitle the proprietor to prohibit the use by third parties of signs or indications which are used correctly and therefore in accordance with fair industrial and commercial practices. In order to ensure a level playing field for trade names and EU trade marks in the event of a conflict, given that trade names are regularly granted unlimited protection against subsequently registered trademarks, such use should be considered to include only use of personal names of third parties. It should, in addition, allow for the general use of descriptive or non-distinctive signs or indications. Furthermore, the proprietor of an EU trade mark should not be entitled to prevent its correct and fair general use in order to identify or refer to the goods or services as belonging to the proprietor.

It follows from the principle of the free movement of goods that it is essential that the proprietor of an EU trade mark must not prohibit a third party from using it for goods which have been marketed in the European Economic Area, under the trade mark, by himself or with his consent in which legitimate reasons entitle the holder to oppose the subsequent marketing of the products. In order to ensure legal certainty and protect the rights conferred by legitimately acquired trademarks, it is appropriate and necessary to provide, without prejudice to the principle that the later trade mark is not opposable to the earlier trade mark, that EU trade mark proprietors he should not have the right to oppose the use of a later mark if the later mark was acquired at a time when the earlier mark was not opposable to the later mark.

The protection of EU trade marks and the protection against them of any previously registered trade mark shall be justified only in so far as such trademarks are actually used.

For reasons of fairness and legal certainty, the use of an EU trade mark in a form which differs in elements which do not alter the distinctive character of the trade mark, in the form in which it is registered, should be sufficient to maintain the rights conferred has been recorded or not in the form in which it is used.

The EU trade mark should be treated as an object of property right independent of the undertaking whose goods or services it designates. Accordingly, the mark should be transferable, guarantee able to a third party and licensed.

The establishment of the EU trademark system has increased financial pressure on central industrial property offices and other Member State authorities. The additional costs are related to the management of a greater number of opposition and nullity proceedings involving EU trade marks or are introduced by the proprietors of such trademarks; awareness-raising activities related to the EU trademark system; as well as activities to ensure that the rights conferred by EU trade marks are respected.

It is therefore necessary to ensure that the Office compensates part of the costs incurred by the Member States for the role they play in the proper functioning of the EU trade mark system. The payment of this compensation should take into account the submission of appropriate statistical data by Member States. Compensation for costs should be made at a level that does not lead to a budget deficit for the Office.

In order to ensure the full autonomy and independence of the Office, it is considered necessary to grant it an autonomous budget whose revenues consist mainly of fees due by users of the system. However, the Union budgetary procedure continues to apply as regards any subsidies chargeable to the general budget of the Union. On the other hand, the Court of Auditors is required to verify the accounts.

In order to pursue the above-mentioned objectives of the Union, it is necessary to provide for a Union trade mark regime which confers on undertakings the right to acquire, under a single procedure, EU trade marks which enjoy uniform protection and have effect throughout the Union. The principle of the unitary character of the EU trade mark, thus expressed, should apply unless otherwise provided in this Regulation.

The approximation of the laws of the Member States does not make it possible to remove the obstacle to the territoriality of the rights which the laws of the Member States confer on trade mark proprietors. In order to enable undertakings to pursue an economic activity throughout the internal market without hindrance, it should be possible to register trademarks governed by uniform Union law, which are directly applicable in all Member States.

Experience with the establishment of the Community trade mark system has shown that companies in the Union and in third countries have accepted the system, which has become a viable and successful complement and alternative to the trade mark protection provided at Member State level.

By registering the Community trade mark, a single title is obtained which ensures unitary protection throughout the territory of the European Union and which produces the same effects as a whole. Consequently, the registration, transfer or abandonment of the trade mark will have automatic effect in all Member States of the European Union, and decisions on the validity and rights conferred by a Community trade mark will have unitary effect (Deleanu 2002, 51).

Community trade mark protection is neither binding nor exclusive, providing for the possibility for companies which are not interested in the protection of trade marks in the territory of the Union to protect their trademarks nationally or internationally. Community trademark does not replace the national trade mark or the international trade mark, being an independent system of protection.

Conclusions

Any Community trade mark which could not be registered may be converted into a national trade mark. This transformation requires the filing of the same application with the national offices where there is no obstacle to registration, the application benefiting from the filing date of the Community trade mark or the national registration whose seniority has been claimed, as the case may be. An obstacle to the registration of a Community trade mark could be, for example, the existence of an earlier right in one or more EU countries or the fact that

in the language of one of those countries the trade mark has a meaning which makes it descriptive in relation to the goods and the services for which registration is required.

The national trade mark application resulting from the conversion of a Community trade mark shall retain the same filing date or the same priority date as the Community trade mark.

Applicants domiciled in the European Union may file trademark applications in person or by proxy. Applicants domiciled outside the European Union must apply by proxy in any country of the European Union.

The procedure for registering a Community trade mark application consists of three stages: filing the application, examining the application and publishing the application.

After a formal examination of the Community trade mark application and the absolute grounds for refusal, OHIM shall carry out an investigation of the trade mark in its own Community trade mark register and draw up a research report indicating the earlier marks which may be opposable.

Within one month of receipt of the prior reports, the Office shall publish the Community trade mark application and communicate it to proprietors of Community trademarks or applications in order to inform them of a possible conflict between the published application and their trade mark.

Any natural or legal person, such as groups representing manufacturers, producers, service providers, traders or consumers, may, after publication of the Community trade mark application, submit written observations to the Office stating the reasons why the trade mark should be refused *ex officio*.

Where the application satisfies the provisions of the Community trade mark Regulation and no opposition has been filed within the legal time limit or the opposition has not been admitted, the trade mark shall be registered and published as a Community trade mark, subject to payment of the registration fee, within two months communication.

Upon receipt of the registration fee, the mark applied for is registered in the Community trade mark register and the registered trade mark is published in the Community Trade Marks Bulletin and the applicant receives a certificate of registration.

The validity of a Community trade mark is 10 years and may be renewed indefinitely for a further period of 10 years, subject to time limits and payment of the renewal fee. The change of trademark during the registration or renewal procedure can only be done if it does not substantially affect the trademark.

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