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# Legal Bulletin



## Intellectual Property

In this issue:

1. Law amending and supplementing Law No. 84/1998 on trade marks and geographical indications

### Amendments brought to the legislation relating to trade marks and geographical indications

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Law No. 112/2020 amending and supplementing Law No. 84/1998 on trade marks and geographical indications (“**Law No. 112/2020**”) was published in the Official Journal of Romania, Part I, No. 603 of 9 July 2020. The enactment came into force on 12 July 2020.

Law No. 112/2020 transposes 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 (Recast), published in the Official Journal of the European Union (OJEU), Series L, No. 336 of 23 December 2015 (“**EU Directive 2015/2436**”).

This law seeks to amend and to supplement Law No. 84/1998 on trade marks and geographical indications (“**Law No. 84/1998**”) and the main legislative changes are as detailed below.

1. **Changes in terminology are made, new concepts are included, or existing concepts are further detailed**

In order to bring the intellectual property terminology in line, the concept of “*Community trade mark*” has been replaced with the concept of “*European Union trade mark*”, and the phrase “*Community Trade Mark Regulation*” has been replaced by “*European Union Trade Mark Regulation*”.

The concepts of collective mark, certification mark, proprietor and authorised representative have been detailed and the concepts of “*State Office for Inventions and Trademarks - OSIM*” and “*Nice Classification*” have been included.

The concept of “*Register of Trade Marks*” has been clarified as the database managed by OSIM, which includes the trade marks registered in Romania, as well as all data recorded as regards these registrations, regardless of the medium that such data are stored on.

## **2. The requirement for trade marks to have a graphic representation was removed from the trade mark registration requirements**

This is an essential change and consists of the fact that the graphic representation of trade marks is no longer a requirement for trade marks to be registered.

While previously registered trade marks had to have a graphic representation, in the future it will suffice for the sign to be represented in a manner which enables a clear and precise determination of the subject matter of the protection afforded to its proprietor. This means that certain signs that could only be represented electronically may now be registered as trade marks - for instance, multimedia marks, hologram marks.

The international extension of the protection afforded to these new types of marks will not be possible for now since the World Intellectual Property Organization (WIPO) still requests a reproduction of the trademark in the form of a bidimensional graphic representation.

## **3. The absolute/relative grounds for refusal of a trade mark registration/invalidation have been amended/supplemented**

The amendments made sought to ensure that the extent of protection afforded to geographical indications under European Union legislation and national law are applied in a uniform and exhaustive manner in the examination of absolute and relative grounds for refusal. Furthermore, the scope of absolute grounds has been extended to also cover protected traditional terms for wine, traditional specialties guaranteed and plant species.

Therefore, the following, *inter alia*, shall not be registered or, if registered, shall be liable to be declared invalid for the following absolute grounds:

- Trade marks which are excluded from registration pursuant to European Union legislation or the national law, or to international agreements to which the European Union or Romania is party, providing for protection of designations of origin and geographical indications;
- Trade marks which are excluded from registration pursuant to European Union legislation or international agreements to which the European Union is party, providing for protection of traditional terms for wine;
- Trade marks which are excluded from registration pursuant to European Union legislation or international agreements to which the European Union is party, providing for protection of traditional specialties guaranteed.

As regards the absolute grounds for refusal related to the distinctive character of the sign, they are no longer applicable only by reference to the application date.

In this respect, the following shall not be registered or, if registered, shall be liable to be declared invalid: trademarks devoid of any distinctive character; trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade; trade marks which consist 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.

Nevertheless, a trade mark shall not be refused registration or, the registration shall not be declared invalid for the above-mentioned reasons, as applicable, if, before the date of application for registration or before the date of the application for invalidation, following the use which has been made of the trade mark, it has acquired a distinctive character. This also applies if the distinctive character was acquired after the date of application for registration, but prior to the date of trade mark registration.

Changes/additions were made also as regards the relative grounds for refusal. In this respect, for instance, while under the previous regulation a relative ground for refusal was the fact that the trade mark was liable to be confused with a trade mark used abroad at the date of the application and which continued to be used there (and the application was submitted in bad faith by the applicant), currently a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that, the trade mark is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith.

Furthermore, in accordance with the newly-enacted regulation, a trade mark shall not be registered/declared invalid where an application for a designation of origin or a geographical indication had already been submitted in accordance with national laws or with the European Union legislation prior to the date of application for registration of the trade mark or the date of the priority claimed for the application, subject to its subsequent registration, and that designation of origin or geographical indication confers on the person authorised under the relevant law to use it the right to prohibit the use of a subsequent trade mark in Romania.

Another novel element is the fact that Article 7(2) was added, which comes with an important provision, namely that where grounds for refusal of registration of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied, refusal of registration shall cover those goods or services only.

#### **4. Additional provisions have been included as regards indicating the goods and services for which protection is sought**

Article 9<sup>1</sup> added provisions related to the extent of the protection afforded to a trade mark depending on the designated goods and services, designation which must be clear and precise.

The use of general terms or of the general indications in the class headings of the Nice Classification shall be interpreted as including all goods or services covered by the literal meaning of the indication or of that term.

In addition, it was clarified that goods and services shall not be regarded as being similar to each other on the ground that they appear in the same class and shall not be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification. This has already been established by the practice of the European Union Intellectual Practice Office and of OSIM, as well as by the relevant case law.

In order to clarify the extent of trade mark protection, in accordance with Article 9<sup>2</sup>, proprietors of trade marks registered by reference to an entire class heading of the Nice Classification may declare that their intention on the date of submitting the application for registration of the trade mark was to seek protection of goods or services other than those covered by the literal meaning of that class heading, provided that the goods or services so indicated are included on the alphabetical list of that class in the Nice Classification issue in force on the date when the application for registration of the trade mark is submitted.

The declaration shall be submitted by 30 September 2020 and shall clearly and precisely indicate the goods and services, other than those covered by the literal meaning of that class heading, that the proprietor's intention initially referred to. OSIM shall amend the Register of Trade Marks accordingly. As regards the trade marks for which no declaration is submitted within the above-mentioned time limit, it will be deemed that, as from the expiry of that time limit, they only designate the goods or services covered by the literal meaning of the indications included in that class heading.

#### **5. The time limits related to the application for registration have been shortened**

The three-month time limit previously provided for submitting the priority documents, paying the legal fee for the priority claim, as well as for informing of the payment of the examination fee related to the trade mark application was shortened from three months to 30 days. In case of failure to pay the due amounts by the deadline, the application shall be refused on grounds that the applicant surrendered the registration.

The time limit for OSIM to examine whether the legal requirements for submitting the application for registration are met and, if so, for assigning a date of application was shortened from one month to 7 days.

When a non-essential element of a trade mark is devoid of distinctive character and provided that such element is capable of casting doubt as to the extent of the trade mark protection, OSIM shall ask the applicant to declare, within 30 days after being notified in this respect, that it does not claim an exclusive right to that element. The previous regulation set forth a two-month time limit in this respect.

If the applications do not meet the requirements for the trade mark to be registered, OSIM shall notify the applicants and grant them 30 days to present their point of view or to

withdraw their application. This time limit may be extended by an additional 30-day period, at the applicant's request and subject to payment of the legal fee. In the previous regulation, these time limits were of three months.

**6. Additional provisions have been included as regards the ability to submit observations to the application for registration of a trade mark**

While so far the law provided that any interested party may submit written observations concerning the application for registration of a trade mark for the absolute grounds for refusal provided under the law within two months after the application for registration of a trade mark is published, the recent regulation provides that these observations may be submitted by any natural or legal person and any group or body representing manufacturers, producers, suppliers of services, traders or consumers. However, the above shall not be parties to the proceedings before the office.

**7. The division of applications and registrations has been allowed**

In addition to the option already provided by the previous laws to divide applications for registration of trade marks, the recent regulation allows for an already accepted registration to be divided. Therefore, the proprietor of a registered trade mark referring to multiple goods or services may request OSIM to divide the trade mark registration into two or more separate registrations, indicating the goods or services in each divisional registration and paying the fee provided under the law.

**8. Changes have been made to the opposition proceedings**

Law No. 112/2020 repealed Articles 19-21 of Law No. 84/1998, which regulated the opposition proceedings within the procedure for examination of applications for trade mark registration. Thus, the concerned parties can defend their rights through "opposition" proceedings, after the trade mark is admitted for registration.

In this respect, according to the new regulation, opposition can be filed within two months after the admission of the registration application is published.

Another novelty is that the use of the trade mark shall be proved by reference to a period of 5 years preceding the filing date or the priority date of the application for registration of the trade mark in respect of which the opposition was filed, and not by reference to the date when the admission of the application for trade mark registration is published.

**9. Clarifications have been made about the date when the registration procedure is completed, and about the time limit for paying the fee for record in the Register of Trade Marks**

Trade mark registration shall be deemed completed on the date the application for trade mark admitted to registration may no longer be opposed or, where an opposition has been lodged, on the date the decision concerning the opposition becomes final, or the opposition is withdrawn. These provisions are also valid in case of applications for the international registration of trade marks.

Provision was made that the applicant must pay the fee for the issuance of the trade mark registration certificate within 30 days from the notification made by OSIM in such connection. In case of failure to pay within such deadline, it shall be deemed that the proprietor surrendered the registration of the trade mark.

#### **10. Changes have been made as regards the renewal of trade marks**

Registration of a trade mark shall be renewed at the request of the proprietor of the trade mark or any person authorised to do so by law or by contract, at least six months before expiry of the registration. According to the previous regulation, the deadline was three months.

OSIM shall inform the proprietor of the trade mark of the expiry of the registration at least six months before said expiry, although the Office shall not be held liable if it fails to give such information.

#### **11. The rights of the proprietors of certain trade marks have been enhanced**

According to the latest version of Law No. 84/1998, a trade mark proprietor may seek, by action for infringement, that the relevant court prohibits third parties not having his consent from using in the course of trade, *inter alia*, a sign identical with, or similar to the trade mark, which is used for purposes other than distinguishing the goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

Besides, the proprietor of a trade mark may seek that third parties be prohibited in particular from the following:

- Using the sign as a trade name or as part of a trade name;
- Using the sign in comparative advertising in a manner contrary to Law No. 158/2008 on misleading and comparative advertising.

In order to effectively combat trade mark infringement, the new regulation provides that 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 in a manner that would constitute an infringement of the rights of the proprietor of a trade mark, the proprietor of that trade mark shall have the right to prohibit the following acts if carried out in the course of trade:

- 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;
- 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 may be affixed.

The proprietor of a registered trade mark is also entitled to prevent third parties from bringing goods to Romania in their course of trade, without releasing them for free circulation in Romania, if those goods, including their packaging, come from third countries and bear without authorisation a trade mark which is identical with the trade mark registered in Romania in respect of such goods, or which cannot be distinguished in its essential aspects from the registered trade mark. However, such entitlement shall lapse if, during the proceedings to determine 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.

**12. Certain rights of proprietors of trade marks have been limited in favour of the principle of legal certainty**

In infringement proceedings, the proprietor of a trade mark shall not be entitled to prohibit the use of a later registered mark (including a European Union trade mark) where that later trade mark would not be declared invalid pursuant to the legal provisions. However, if the proprietor of a trade mark is not entitled to prohibit the use of a later registered trade mark, the proprietor of that later registered trade mark shall not be entitled to prohibit the use of the earlier trade mark, even though that earlier right may no longer be invoked against the later trade mark.

**13. Special provisions in case of registration by agent/ representative**

In case a trade mark is registered to the name of the agent or representative of the proprietor of that trade mark without the proprietor's consent, the latter shall be entitled to take at least one of the following steps:

- To oppose the use of his trade mark by his agent or representative;
- To demand the assignment of the trade mark in his favour.

**14. Changes/clarifications as regards the transfer of trade mark rights**

Under the new regulation, the rights to a trade mark may be transferred not only by assignment, licensing or succession (as previously provided for), but also by merger, court order or any other method provided by law for transferring ownership.

Moreover, the invalidity sanction shall no longer be applied if the assignment is not made in writing and signed by the contracting parties insofar as the assignment results from a court order or the performance of contractual obligations.

As a general rule, if the estate of the proprietor of the trade mark is transferred in full, such transfer shall have as effect the transfer of the trade mark-related rights as well. The element of novelty is that such effect is removed if there is an agreement to the contrary, or circumstances clearly dictate otherwise.

**15. Clarifications have been provided concerning the rights *in rem* that may exist in respect of a trade mark**

Regulation has been made that both a trade mark and an application for the registration of a trade mark may, independently of the undertaking, be the subject of a right *in rem* or may be levied in execution. The latter shall be recorded in the Register of Trade Marks upon request of the party concerned. If the proprietor of the trade mark undergoes insolvency proceedings, upon request of any party concerned, OSIM shall enter this information in the Register of Trade Marks.

**16. The five-year time limit for bringing action for invalidation of trade marks has been removed**

Unlike the previous regulation according to which applications for invalidation had to be filed within 5 years from the trade mark registration, unless the trade mark registration was applied for in bad faith, the new regulation provides that, regardless of the reason put forward, invalidation of the trade mark registration may be sought any time during the period of protection of the trade mark, by any party concerned.

**17. An administrative procedure has been introduced for the invalidation of trade marks or the revocation of the rights conferred by a trade mark**

Under the new regulation, the invalidation of a trade mark registration and the revocation of the proprietor's rights may be requested not only judicially, before Bucharest Tribunal, but also administratively, before OSIM. However, the latter procedure shall enter into force starting 14 January 2023.

**18. The legal subjects who may be the proprietors of collective marks or certification marks, and the conditions for the registration, invalidation, revocation thereof have been specifically regulated**

Under the new regulation, the registration of collective marks may be applied for by: associations of manufacturers, producers, suppliers of services, or traders which, under the terms of the law governing them, have the capacity in their own name to have rights and obligations, to make contracts or to accomplish other legal acts and to sue and be sued, as well as legal persons governed by public law.

An application for the registration of a collective mark shall be refused *inter alia* if there is a risk of misleading the public as regards the character or significance of the mark and, in particular, if it is likely for the mark not to be regarded as a collective mark.

Moreover, according to the recent regulation, the collective mark consisting of signs or indications which may serve, in trade, to designate the geographical origin of the goods or services does not entitle the proprietor to prohibit a third party from using such signs or indications in the course of trade, as long as they are used by the third party in accordance with honest practices in industrial or commercial matters. Such a mark may not be invoked against a third party who is entitled to use a geographical name.



As regards certification marks, registration thereof may be applied for by any natural or legal person, including institutions, authorities and bodies governed by public law, provided that those persons do not carry on a business involving the supply of goods or services of the kind certified.

**19. The provisions concerning the Community trade mark have been repealed as a result of Regulation No. 40/1994 on the Community trade mark being repealed by Regulation 2017/1001 on the European Union trade mark**

**20. Changes to payment deadlines**

As a result of the amendments to Law No. 84/1998 in terms of the legal procedures for granting protection to trade marks and geographical indications, the deadlines for the payment of fees charged by OSIM have also been changed. In this context, the payment deadlines listed in Appendix 4 to Government Ordinance No. 41/1998 on taxes in the field of industrial property and the rules governing their use, as republished, shall be changed.

**21. Entry into force**

Transitional provisions have been laid down according to which the applications for registration of trade marks/geographical indications remain governed by the legal provisions whereunder the related procedure has been initiated. There is an exception to this rule, namely the amendments brought by Law No. 112/2020 on the issuance of registration certificates. Thus, if there are trademarks that have been admitted to registration in accordance with the old provisions, but have not been entered in the Register of Trade Marks because the related fees for issuing the registration certificate have not been paid, OSIM shall consider that the proprietor has surrendered the trade mark. No official position has been taken by OSIM yet with respect to said trade marks, i.e. whether the applicants for such trademarks will be notified in advance by OSIM of the completion of the registration procedure for these trademarks or if the term of 30 days (to pay the fee for the issuance of the trade mark registration certificate) starts elapsing automatically as of the entry into force of Law No. 112/2020.

Within two months after the publication of Law No. 112/2020, the Regulation for the Implementation of Law No. 84/1998 on trade marks and geographical indications shall be amended accordingly.

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## Editors

The **Intellectual Property** practice group at Țuca Zbârcea & Asociații consists of lawyers and certified intellectual property counsellors with a significant experience in advising leading national and multinational companies on the protection of their IP portfolios. An important part of our work in this area relates to complex anti-counterfeiting issues, including product contraband and illegal use of trademarks, especially in the mass market products industries such as cigarettes, beverages, food and clothing.

In addition, our team has accrued extensive expertise in advising on franchising, as well as trademark and patent court protection in pharma and software industries. Our intellectual property experts are constantly providing support to high-profile privatisations and private equity deals, as well as complex business takeovers within insolvency procedures. The firm is an active member of INTA, WTO and ECTA organisations.



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