32nd ANNUAL CONFERENCE
THE JURY IS STILL OUT

BUCHAREST, 19-22 June 2013
Don’t judge a book by its cover

- **Country perspectives – Effects of the proposed amendments to the TM Directive on national law.**

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    Director of the Appeals and Policy Making Department, Romanian Patent and Trademark Office
Country perspectives – Effects of the proposed amendments to the TM Directive on national law.

• Content

1- Main features of the law in force;
2- New provisions of the draft TM Directive
3- The impact of the directive on the law in force in order to implement it, if the directive is approved;
4- Conclusions.
A short history of trademark protection in Romania:

- 1875 Trade Convention between Austria-Hungary and Romania;
  14.11.1877 Trade Convention between Germany and Romania
- 15/27.05.1879 “The Factory and Trade Marks Law”- first romanian TM law;
Trade marks registred in RO 1936-1940 (FTML)
Trade marks registred in RO 1936-1940 (FTML)
1. The main features of the law in force:


Romania has adopted from the very beginning a first-to-file TM system;
Very fast publication of the TM Appl (in 7 days from the filing date);
Provisional rights (protection);
Pre-grant opposition procedure;
Appeal open for any interested party

RO-TMSy has not administrative revocation and declaration of invalidity procedure
Comparison of the opposition systems:

- **Opposition procedure at OHIM**

Exam of CTM Appl. → CTM Publ → Opposition → Appeal

- **Opposition procedure at RO-IPO**

Publ of TMA → Opposition → Exam of TMA → Publ NTM → Appeal
2- New provisions of the draft TM Directive

- As a general remark, draft of new Directive appears that it is more strict, leaving fewer options to the Member States. It contains no less than 53 Art., including principal procedural rules in comparison with only 19 Art. of Directive 2008/95/EC. Among the major changes proposed, I will focus on:

- **2.1 The designation and classification of G & S** with "*sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trade mark*" (art.40):
  - **General indications** of the class headings of the NCL in "*means-what-it-says approach*";
  - The WIPO and IPOs alphabetic lists;
  - The G&S Taxonomy in the framework of Convergence Programme shall propose **new general terms in stead of those general indications** of the class headings which have been considered to be **too vague or indefinite**.
2.2 Considering the descriptive (or misleading) in all official EU languages. The wording of Art. 4 (2) of the Directive is not clear enough whether the translation or transliteration considered, appears:

only in the request for trademark’s registration, like in case IR 1001458: no word mark with YUAN MENG transliteration, holder ZHEJIANG WEILITE SOCKS, Yiwu City, 322000 Zhejiang Province

540 Mark

531 International Classification of the Figurative Elements of Marks (Vienna Classification) - VCL(6)
26.13.25 ; 28.03.00

561 Transliteration of the mark
YUAN MENG

566 Translation of the mark or of words contained in the mark
The first character means “circular” the second means “dream”, the combination of the two has no meaning.

511 International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification) - NCL(9)
25 Layettes; babies’ diapers of textile; swimsuits; clothing for gymnastics; hosiery.
or it appears in the representation of the trademark it-self. For example in case IR 1071923, **Yuan meng CLASSIC**, holder Li WenHua, 100020 Beijing (CN):

![Yuan meng CLASSIC](image)

531 International Classification of the Figurative Elements of Marks (Vienna Classification) - VCL(6)
27.05.11; 28.03.00

561 Transliteration of the mark
JingDianFanMeng

511 International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification) - NCL(9)
25 Clothing; shoes; berets; gloves (clothing); top hats; wedding cloths; hats; hosiery; neckties; straps (clothing).
This time face-to-face
In the second situation, the above provision is appropriate as far as the word elements are written both in a foreign language/alphabet and in the latin alphabet and having a meaning in Romanian (like classic – clasic).

However, the provision of art. 4(2) appears excessive forcing the national offices (examining national trade mark applications-NTMA) to apply the same criteria as the OHIM (examining EU trade mark application).

No every national trademark (word or combined), is appropriated to become a true European trademark!
- In the Art. 4 (2) the exception from the end of the Decision in Matratzen case (C-421/04), is missing!

<table>
<thead>
<tr>
<th>Matratzen case C-421/04</th>
<th>Directive provisions, Art. 4(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 3(1)(b) and (c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks does not preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or descriptive of the goods or services in respect of which registration is sought, <strong>unless the relevant parties in the Member State in which registration is sought are capable of identifying the meaning of the term.</strong></td>
<td>Absolute grounds shall apply notwithstanding that the grounds of non-registrability obtain: (a) in other Member States than those where the application for registration was filed; (b) only where a trade mark in a foreign language is translated or transcribed <strong>in any script</strong> or official language of the Member States.</td>
</tr>
</tbody>
</table>
It is also to be highlighted the wrong practice of some applicants which submit trade mark applications with national or regional vocation to the OHIM to become European trade marks. In this respect Matratzen is a very good example.

A different situation would have been if the applicant would be applied to OHIM for a true ETM i.e. without Matratzen word, term Concord being possibly allusive (if not arbitrary) for beds and mattresses, in all European languages!
2.3 Limiting ex officio examination in NIPOs to absolute grounds

- According to the Article 41 of the recast Directive, “[t]he offices shall limit their examination ex officio of whether a trade mark application is eligible for registration to the absence of the absolute grounds for refusal provided for in Article 4.”

- This major change must be well prepared both in terms of regulations relating responsibilities in bearing the costs of the opposition/appeal procedure, but also in terms of information and involvement of the holders and attorneys to comply with. Consequently, this change must be made at the right time!

- I would like to mention the experience of the CZ Rep. which is using a mixed system: ex officio examination on absolute grounds and double identity, leaving other cases of collision for the opposition procedure.
2.4 The genuine use of trade marks
Article 16 of the draft Directive refers only to the genuine use of a trade mark in the Member States (i.e. of NTMs), but it does not say anything about the genuine use of a trade mark in the EU (i.e. of the Community trade marks - CTMs, to become ETMs)!

2.5 Administrative revocation and cancellation (invalidation) procedure.
Article 47(1) of the recast Directive gives the competence for administrative revocation or declaration of invalidity to the NIPOs and Article 47(2) prescribed the grounds for revocation and invalidity (including causes on bad faith).
3- The impact of the new draft directive on the law in force in order to implement it, if the directive is approved:

3.1 The wording of Art. 4 (2) of the new Directive shall force the national offices to apply for the word elements, the same criteria, very restrictive (to national TMs) as OHIM (to European TMs)! Thus, the difference between the TMs registration conditions at National IP Offices (NIPOs) and OHIM will disappear.

3.2 Romania has to change opposition system from opposition to the publication of the TM application to the post-registration opposition. the cooling off period at the request of the parties is welcome.
3.3 The competent institutions for examination of bad faith cases are not indicated in the new Directive.

In Romania there are big debates regarding jurisdiction on bad faith cases. The trade mark attorneys (legally qualified) advocate the court competence and in the RO- IPO, opinions are divided.

3.4 Romania has to set-up a declaration of invalidity and revocation procedure in the office RO-IPO.

There are divergent opinions among the Romanian trade mark specialists on this issue.
4. In stead of conclusions, just some remarks and figures

4.1 As a general remark, I think that, the new draft Directive aims to an integration in the TM issues stronger than that achieved economically and politically in EU, and this approach leads to a premature reduction of the role of the NIPOs, even if the option 4 ("a single trade mark rulebook") was not adopted.

4.2 It is necessary to be revised some provisions of the draft Directive, keeping in mind the differences between the role of the national trade marks (NTMs) in comparison with CTMs.

A true European TM has the following essential characteristics in comparison with a NTM:
- Word elements of the ETM shall pass the test of distinctiveness and other absolute grounds in any and all of the official EU languages, which is not the case for NTMs;
- The owner of a ETM shall be able to act (in a few years-5) at the Internal Market level in order of genuine use of his TM, but not only nationally – (test of genuine use of an ETM should be set-up).
4.2.1 The wording of art. 4 (2) of the Directive should be revised in order to eliminate the obligation of the NIPOs to consider the descriptive (or misleading) of the word elements in all official EU languages.

4.2.2 The crucial point for further co-existence of the NTMSy with the European one, is the regulation of the issue of genuine use of the ETMs. Despite of the ECJ decision in ONEL case (C-149/11), for me the use of a CTM (ETM) in only one MS is not enough for proving the genuine use. **By contrary**, the use of a ETM only in one country is sufficient proof that the TM is not use in EU, but in that MS like many other NTMs.

- Article 16 of the draft Directive should be completed with specific provisions relating to the genuine use of the CTMs (ETMs).
4.2.3 In the same line, the Article 49 of the draft Directive should be completed with specific provisions regarding the conversion of a CTM to a NTM, like the following: *If, during 5 years from the registration a CTM/ETM is not used at the Internal Market scale, but only in one MS, then subject to revocation challenge by the third interested party, the owner of the CTM can convert his trade mark in a national one in that MS only.*

This provision in the amendments proposed for CTM Regulation could be seen as balanced, complementary measure to the seniority claim of an earlier national trade mark for the identical CTM (ETM) which was filed latter on.
4.3 The TM registration trend at RO-IPO:

**Total number of national TM application during the period 2003 - 2012**

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>7802</td>
</tr>
<tr>
<td>2004</td>
<td>11491</td>
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<tr>
<td>2005</td>
<td>13211</td>
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<td>2010</td>
<td>9432</td>
</tr>
<tr>
<td>2011</td>
<td>9058</td>
</tr>
<tr>
<td>2012</td>
<td>8290</td>
</tr>
</tbody>
</table>

**national trade mark applications (NTMA)**
### Number of national application via Paris Convention during the period 2003 - 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTMA</td>
<td>962</td>
<td>1193</td>
<td>2090</td>
<td>1762</td>
<td>883</td>
<td>823</td>
<td>653</td>
<td>679</td>
<td>669</td>
<td>547</td>
</tr>
</tbody>
</table>

![National PC trade mark applications](chart.png)
Number of RO designations in international TMA during the period 2003 - 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of RO designations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>6251</td>
</tr>
<tr>
<td>2004</td>
<td>6126</td>
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<td>2005</td>
<td>7773</td>
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<td>2006</td>
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<tr>
<td>2010</td>
<td>2601</td>
</tr>
<tr>
<td>2011</td>
<td>2542</td>
</tr>
<tr>
<td>2012</td>
<td>2498</td>
</tr>
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</table>
Valide trade marks in RO
on 07.06.2013

<table>
<thead>
<tr>
<th>Type</th>
<th>NTM</th>
<th>IR/RO</th>
<th>CTM</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>115171</td>
<td>106486</td>
<td>608659</td>
<td>830316</td>
</tr>
<tr>
<td>%</td>
<td>13,87</td>
<td>12,83</td>
<td>73,30</td>
<td>100</td>
</tr>
</tbody>
</table>
Thank you for your attention!
Mersi pentru a voastra atentia!
Thank you for coming in my country!