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Aspects of National and Community Trademarks

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Abstract: When Romania joined the EU on January 1, 2007, all Community trademarks (CTM), with the filing date before that date, were automatically extended and have effects in Romania. National brands do not extend across the EU. In order to obtain a Community trade mark, a single application is filled in at OHIM. It can convert a Community trade mark application into national trade mark. The registered community trade mark has effect in all EU Member States, including Romania. The national trademarks registered nationally - at the State Office for Inventions and Trademarks (OSIM) - are effective only in Romania and have no effect in the European Community.

Keywords: national trade mark; trademarks; designs; OHIM; EU

1. Introduction

By registering a community trade mark we can obtain a single document providing uniform protection throughout the European Community. Community trademarks shall not replace any of the national and international trademarks, but they represent, in themselves, an independent system of protection. The seniority of a national mark may be invoked, i.e. a Romanian holder is entitled to the seniority of the trade mark previously registered in Romania. CTM protection is not binding, nor exclusive, and trade companies interested in the protection of trademarks in the European Union can protect their trademarks nationally and internationally (under the Paris Convention).

2. Ways to Protect a Trademark in the European Union

When Romania joined the EU on January 1, 2007, the Community trade mark extended its validity on the Romanian territory, becoming enforceable against those national and international trademarks designated for Romania.

Nowadays, there are several ways to protect a trade mark in the 27 countries of the European Union, namely:

1. Filing an application for registration in each European Union Member State;
2. Naming the European countries through the Madrid System;
3. Filing an application for a Community trade mark (CTM registration);
4. Naming the European Union through the Madrid system (for countries that are members of the Madrid Protocol).

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2.1 Filing an Application for Registration in each European Union Member State

This straightforward and simple way is among the most used. The applicant may choose the European countries he/she is interested in, in order to protect his/her trade mark and, obviously, he/she will apply for these countries. Procedures such as trademark renewal, changes in the legal status of the trade mark, licensing should be made for each country. The same happens with the rejections or limitations on classes of products and services, which create legal effects only for that country. The requests for trade mark registration and the registered trade mark are independent and there is no risk of refusal of registration of the trade mark because of possible problems with the registration in the country of origin.

2.1.1 Disadvantages

There should be considered a major disadvantage, which may offset these advantages. Compared to other options, costs can be high, not only those relating to taxes, but also on the workload. Registration and renewal procedures for each of trade mark are costly and time consuming.

2.2 Naming the European Countries through the Madrid System

Taking into account only the cost criterion, naming the European countries through the Madrid System (Agreement and Protocol) is an obvious advantage. In addition to the reduced costs, one should mention the need for a single registration application. Also, it is enough to fill in a single application for renewal, leading to an effective economy of time and money.

2.2.1 Disadvantages

There are several disadvantages. The registration of a trade mark through the Madrid system remains dependent on the registration in the country of origin, for the first five years. If the country of origin is not a member of the Madrid Protocol, the international registration will be canceled if the registration in the country of origin is canceled; in this case the applicant will have the option of filing an application for national registration, if he/she is interested in further protecting his/her trade mark in one or more EU countries. If, however, the country of origin is a member of the Madrid Protocol, there is the possibility to convert the international application in a national one and to continue the registration of the trade mark separately, in those European countries. Both options involve significant additional costs.

It is necessary to consider another important restriction imposed by the Madrid system. The list of goods and services in classes provided in the registration application of the trade mark through the Madrid system should be the same or reduced compared with the list provided in the registration application of the trade mark in the country of origin. Also, another important condition concerns the assignment of the trade mark, which can be made only by the trade mark holder (assignor) to a natural or legal person or entity (transferee); the latter must belong to a member State of the Madrid System or have a real and effective industrial or commercial company in one of the countries belonging to the Madrid System.

2.3 Filing a CTM registration

If the applicant wishes to obtain registration in all European Union countries, a CTM registration application will be, in terms of costs, the most efficient way. As the Community Trademark Regulations considers the EU a single territory, there is not the possibility to choose individual countries. An immediate consequence is that if the mark is refused or if the opposition is lost, the entire registration application is affected. Possibilities of solving this problem have been developed,

but the resulting costs are relatively high. In addition, there is not the possibility to partially transfer the trade mark, as in the case of the Madrid System.

2.3.1 Advantages

The Community Trade Mark system has many advantages, such as a single registration procedure instead of 27 separate procedures, a uniform legislation instead of 27 legislations, special courts and the enforcement of court decisions throughout the European Union.

Since October 1, 2004, there has been created the possibility (for the Member States of the Madrid Protocol) to name the European Union in the application for trade mark registration, in order to obtain the protection throughout this union.

For natural and legal persons from outside the EU, this way is most convenient one for trade mark protection in the European Union.

Normally, all the advantages and disadvantages of the CTM system are applicable in this case. The only difference is that an applicant is faced with several additional disadvantages. Firstly, there are maintained several of the disadvantages of the Madrid System.

If the applicant chooses this path, he/she must bear in mind that the period of 5 years (of dependence on the registration application or the registered trademark in the country of origin) and the restrictions on the list of products and services are applied.

2.3.2 Disadvantages

It should be noted that the trade mark may be transferred only to a natural or legal person (assignee) belonging to a member of the Madrid System or having a real and effective industrial or commercial company in one of the countries of the Madrid System.

Another disadvantage is represented by the time which passes between the CTM registration application and the designation of the European Union through the Madrid system. It is the opposition period, which lasts nine months, because the 3 months opposition period begins at 6 months after the publication of the registration by OHIM.

This is a very long period for third parties, which must decide whether to make an objection, extending the registration procedure.

3. Conflicts between Community Trademarks and National Marks

Romania's new status of EU member has caused a greater complexity of trademark rights. Since 01.01.2007, an estimated number of 500,000 CTM became valid in Romania, so that their holders have the exclusive right to their use in Romania. (Țurcanu, Rădulescu, Bucșă, & Țurcanu, 2011, p. 143) This massive volume of CTM rights determines a profound change in the marketing strategy, which the holders of national trademarks in Romania have to consider.

The following aspects should be retained by the holders of national trademarks:

- Community trademarks with the filing date prior to Romania's accession to the European Union, which were automatically extended after 01.01.2007, and identical or similar national trademarks (directly registered to OSIM) coexist after the accession.
- Community trademarks brought for registration to OHIM after 01.01.2007 can be subject to cancellation in Romania, if they violate or infringe the rights acquired by the holders of the national trademarks brought to OSIM after 01.01.2007.

- If a national trade mark identical or similar to a previous Community trademark is registered in Romania after 01.01.2007, this trade mark may be canceled by the CTM holder by action at the Bucharest Tribunal. In fact, this possibility should not exist, because, during the substantive examination of a trademark, OSIM examines the anteriority of identical or similar Community trademarks.
- If a national trade mark is registered before 01.01.2007, the holder may oppose to the use in Romania of an automatically extended CTM if the latter is identical. The prohibition of CTM use, in this case, is done through an action before the courts of Romania.
- If the holder of a national mark, after 01.01.2007, will tolerate for 5 consecutive years the use of an identical or similar trade mark, in Romania, having knowledge of this use, can not oppose its use thereafter.
- The holder of the national trade mark may legally cancel a Community trade mark registered before 01.01.2007 and automatically extended to Romania.

4. Conclusions

Choosing a way to protect a trademark in the European Union depends on several criteria, and on what the applicant for registration wants to obtain. The first issue: the countries where the applicant has an interest. Is he/she interested in obtaining protection throughout the European Union or is he/she interested in a limited number of countries? Also, the results of documentary research conducted prior to the application for registration and the assessment of obstacles to registration under applicable law (absolute criteria: significance of the trade mark in the EU languages, distinctiveness; relative criteria: previous trademarks, which can be opposed in the examination process, oppositions and other previous industrial property rights) are essential. The criterion of costs and time allocated for obtaining trade mark protection is very important, causing the applicant to choose the path that reduces these parameters.

If the applicant is interested in a larger number of European countries, or if the trade mark is "strong" and the documentary research has not revealed previous identical or similar trademarks which can be in conflict with the trade mark subject to the registration process, the adequate path for protection is:

- 1) Designation of the European countries through the Madrid system;
- 2) Designation of the European Union through the Madrid system (for countries that are members of the Madrid Protocol).

If the applicant is interested in a few countries (2-3), if the trade mark is "weak" or if the documentary research revealed the existence of previous trademarks which may constitute serious obstacles in the registration process, the option will turn to the following ways:

- 1) Filing an application for registration in each European Union member state;
- 2) Filing an application for a Community trade mark (CTM registration);
- 3) Designation of the European Union through the Madrid system (for countries which are members of the Madrid Protocol).

Of course, the final say in decision making belongs to the applicant who, guided by the agent and given the above criteria, may choose the best way to obtain protection of his/her trade mark.

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