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The European Legislation and Protection of Trademarks in Romania

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Abstract: *Objective:* The present paper aims at producing a brief account and analysis of the changes that have been made to the Romanian Trademark Law during the last few years in order to achieve harmonization with the European Trademark Law. *Prior Work:* The subject is being researched especially by the authors from abroad and only the last years brought new investigations from the Romanians. *Approach:* The present paper was put together using a synthesis and analytical approach, taking in account different sources from legislation, court cases to papers that have been written about the subject. *Results:* The result of this study indicates a way of harmonizing the internal legislation of Romania with that of the E.U on the subject and future directions of Trademark Law. *Implications:* The present study does its part in the intellectual property studies research area, offering a better view on the problems regarding the trademark law and its naturalization in the legal systems of the member states. *Value:* The study at hand is of great value in understanding the problems and challenges in the harmonization of legal concepts using the example of Intellectual Property Rights in the U.E.

Keywords: trademark; European Union; internal law; legal harmonization

1. Romania – A State Integrated in the E.U., Internal Juridical Efforts

We could begin this presentation by not citing a jurist but a Romanian writer, I. L. Caragiale, who in the III-rd Act, Scene 3 of „A Lost Letter” (1884) relayed the following message through one of his characters, Cațavencu: “I do not want, dear sir, to know of your Europe, I want to know only of my Romania and only of Romania...”. We should now ask ourselves if this line that has been written more than 100 years ago can still be interpreted the same way today, from the perspective of Romania’s evolution and continuous legislative modifications on its legal stage. Fortunately, Romania is faced with a situation in which, willing or not, it must „know of” Europe and of the European Union, our countries’ commitments making certain legislative modifications and initiatives for changing juridical norms mandatory, even if at the moment there is some uncertainty regarding the measure of their actuality or dynamics without the present European legal frame. This is the case for all the juridical domains or branches of law that are now forced to permanently relate to both the different European legal background (depending on the case) and the permanent changes that the European society goes through, in the European legal environment (Evans, 2008).

Of course, as we all know the most effective, practical and by far the most frequently utilized instrument to fulfill such purposes is the European Directive which shows its effects in different domains, one of which being intellectual property.

However, all those changes are integrated into the global environment that characterizes this domain. Major steps had been taken towards a great process of homogenization, coming as a result of the

globalization phenomenon, which has very powerful effects over intellectual property law (Dutfield, 2008). Either the end or the beginning of this, depending on the point of view of the beholder, is represented by the signing of the so called TRIPs – The Agreement on Trade-Related Intellectual Property Rights, as a part of the creation and consolidation of the World Trade Organization – WTO. Through this agreement, the states assumed national legislative changes concerning the patents, trademarks and copyright, establishing the minimal standards for each part (Narlikar, 2005). Presently, the pillars of this treaty are considered to be USA, Canada and the EU. Romania as a part of the EU and follows the guidance of the general directory lines of this international treaty.

Going beyond the entire general Romanian juridical frame, as we already had pointed out, the fine delicate adjustment becomes a priority which must be in tune with the juridical frame of the European Union. Therefore, this is one of the most active domains regarding the tentative of modifying the legislation in the purpose of aligning the national justice system to the European general justice mainframe (Kur, 2008). Such modifications and recent adjustment have been operated within all the essential branches of the main domain of intellectual property rights and attempt to complete the national legal mainframe, in order to properly optimize it with that of the European Union.

Without going into specifics, we would like to mention the already well-known directives which regulate the legislation regarding invention patents, as well as those regarding sub-domains with punctual application – types of plants, drawings, integrated circuits, etc. In addition to this, there is a similarity with the regulation of copyright, some of its elements being connected to these rights. One of the most important components of these rights are the royalties, which have been regulated after some changes made to Law 8/1996 regarding the copyright and the related rights in 2006, as a consequence of the Directive 2001/84/CE emitted by the European Parliament and the Council, regarding the royalties benefiting the author of an original art masterpiece (JOUE, series L, 272/23, 13 Oct. 2001). In this legal domain, as in many other instances, the Romanian Law has transcribed the text of the directive into law, without much discernment or solutions, the efficiency of this legal protection suffering from the total lack of a control mechanism, the entire process being left at the whims and goodwill of the persons implicated in the market transactions of works of art (Jucan, 2010).

Last but certainly not least there is the last modification that regulates the intellectual property rights regarding trademarks and geographical indication, a subject which we will further expand in the following paragraphs. Before we continue, there is one important remark to be made. Even if regarding this domain, the Romanian legislator has remained somewhat passive, even after preparing the legal framework meant to regulate these affairs, it continued to remain a more than blurry legislation, not even comparable with the European legal mainframe. In this regard, the Legal Courts of Romania have taken the task of integrating and turning into account these new European legislative guidelines on themselves, through their rulings. A good example of this would be the ruling of the High Court of Cassation and Justice, the Civil Section of Intellectual Property, Civil Ruling no. 4439, 30th of June 2008. The object of the case was the conflict between a trademark that had been previously registered and a commercial name. Although at the time of the ruling there wasn't an updated version of Law no. 84/1998 regarding trademarks and geographical indications, the Court took into account and underlined the fact that „in applying the dispositions of art. 35 of Law no. 84/1998, referring to the unauthorized use of a sign, the Courts must take the European Court of Justice's jurisprudence into account, respectively the ruling pronounced on September 11th 2007 in the case file of C-17/06 (Celine), which was based on interpreting art. 5(1) of The Council of Europe Directive no. 89/104/EEC” (The High Court of Cassation and Justice). We have to mention that presently, the aforementioned directive is abolished by Directive 2008/95/CE of the European

Parliament and the Council, on the 22nd of October 2008 (JOUE, series L 299/25, 8th of November 2008), which will be the object of the present paper.

In conclusion, it is obvious that, taking into account the deficiencies of the national legislation and the low internal level of protection for trademarks, the Courts have taken advantage of the constitutional stipulations which allowed them such attitudes and have proceeded to applying the European juridical norms, including the jurisprudence of the European Court of Justice. This is of course, a notable gain to the national jurisprudence but also for the doctrine and the legislator itself, which was somewhat forced to make the necessary modifications on the internal legal frame. The abolishment of Directive 89/104/EEC (which dated from the 21st of December 1988) by the new Directive 2008/95/CE came as an attempt to harmonize the legislations of the member states, to which Romania has finally connected itself regarding this aspect in the domain of trademarks and geographical indications.

2. The Relevant National and European Legislation

The internal legislation regarding trademarks and geographical indications is based on Law no. 84/1998, as it was modified by Law no. 66/2010 which entered effect on the 9th of May 2010, which is probably not a random occurrence. This last one was meant to synchronize the internal legislation to the European one, especially to the two European juridical norms regarding trademarks: Directive 2008/95/CE already mentioned and The Regulations (CE) No. 207/2009 of the Council from the 26th of February 2009 (JOUE, series L, no. 78, 24th of March 2004). We will not be referring to the aforementioned Regulations because it exclusively regards the notion of EU trademark, notion that was also introduced within the internal norms (taking the form of a new distinct chapter, Ch. XI, index 1) through the previously mentioned law, which is an element that only superficially affects the intellectual property domain. Given the fact that the main effort of introducing and naturalizing these juridical norms takes place through EU Directives, we will not be referring to the Regulations part of the legislation.

3. The Purpose of the Modifications

The new variant of Law no. 84/1998, after the modifications made in 2010 through the application of the aforementioned Directive and Regulations is one that is greatly updated and adapted to the EU requirements.

The internal law does not expressly stipulate but it was ascertained at the EU level that the legislative inconsistencies between various member states must be effectively thrown aside so that there can be a free circulation of goods and services to the end of brushing aside “denaturalized concurrence” (as the directive names it). In this case, the goal would be to assure a good functioning of the EU internal market. Moreover, even if at the present time, the system of the Community Trade Mark is not compulsory, it is considered to be the best solution for the future. Point no. 3 of the preamble of the directive refers to the solutions and advantages which the EU community trademark offers and that must not be ignored.

From a national perspective, the adhesion of Romania to the European Union demanded the intervention of the legislative power. If during 2007, the adhesion year, the juridical norms that protect intellectual rights were not immediately and directly targeted by major adjustments, after the adhesion moment and after the emergence of several significant modifications at the EU level, Romania was

forced to make these changes too. Romania's obligation was on one hand a political one, because of the accession treaty while on the other hand it had important economical and commercial valences because of the major impact of the accession to the EU on these two dimensions of the Romanian society. Beyond all of this, it was very important for Romania to improve its legal system of trademarks taking in account the fact that trademark protection was very low in the past.

4. The Elements targeted by Law no. 66/2010

We would not start an exhaustive enumeration of all the changes that had been brought by the previously invoked juridical norm. We shall refer only to the most important changes, without indicating some of the articles which had suffered because of their subsequent statute, depending to the previous articles. Some of the novelties brought on by the new law are essential and we will mostly be referring to them.

In this way, the domain of the law's applicability was effectively adjusted through completing art. 1 of Law no. 84/1998 but moreover, the notion of „trademark” has been properly upgraded at a European level through the abolishment of the old art. 2 and the introduction of a new article 2, index 1, subsequently reassigning numbers to all its articles. In this regard, we must underline that the internal law does nothing more than practically to take the definition from the European directive and translate it word by word. This modification did however bring on new upgrades in the general terminology of the domain. The redefinition of the „trademark” is an extremely important step in achieving a more real and effective protection of these types of goods because the previous text was extremely vague and superficial (and which defined the „trademark” as a „sign susceptible of graphic representation employed in the differentiation of products and services of one physical or juridical person from those belonging to others) and could not, under any circumstances, offer an effective protection of these kind of rights (Macovei, 2006). Given the fact that it was difficult to determine which of those signs that can become distinctive are and what is the measure of their distinction, the effectiveness of these legal norms was quite doubtful. Furthermore, the law did not protect other types of signs besides those susceptible to graphic representation so the new legislation made the protection of other kind of signs possible, like holograms and audio signals (Dominte, 2009). Obviously, this enumeration of art. 3 letter a) was just an illustrative one but the brief definition of the notion of „trademark” opened the door to many abuses and violation of the rights of some persons (Macovei, 2006). The present regulation system is much more adequate and takes in account the technological advance and at the same time the fearsome market competition that has spawned a myriad of marketing strategies that revolve around the „trademark” concept, making it an essential one that holds a very important advertising and commercial value. Moreover, we must underline the fact that the protection of the sound trade marks consecrated by the American legal system existed in our legislation before 1998, the present rollback being a natural and logical one.

The redefinition of the notion of „trademark” was desperately needed and assuming the European Union's provisions on the matter, several other consequences have emerged in the modalities of protection of trademarks. Because the new legislation brings clarity to the question of what can be a trademark and what cannot, the degree of protection and the safety of the right's proprietor have grown.

Equally as important are the modifications of the successive articles from the aforementioned law that refer to the motives on which the registering of a „trademark” can be rejected or what are the

conditions of declaring a „trademark” to be void (art. 5 and the following ones). There are now new regulated categories of trademarks, for instance the trademarks that contain signs with a high symbolic signification, especially a religious one, the trade marks that contain heraldic signs, tags, etc. without any permission. In this regard, one of the most developed articles is art. 6, which in its turn draws on article 3 and 4 of the directive that establishes very clearly which are the situations when the registration of a trademark can be refused, drawing the limits for a subjective attitude, enveloping elements of the Community Trade Mark or CTM. All these modifications are linked to the primary change regarding trademarks and the meaning of such a notion.

One of the major changes is the addition of a new chapter in the law – Chapter XII – Community Trade Mark, which regulates a whole new category of a new kind of mark (Dutfield, 2008). In fact, this is the main reason for the legislative changes that have been implemented, in the sense of naturalizing this type of trademark within the Romanian legal system. Even from the directive it results that one of the European Union’s wishes is that the CTM to become preferential, encouraging the registration of trade marks under its protection, contributing to the European integration. The Community Trade Mark already existed in the European Union, the advantages of this type of trademark being important (Cocoş, 2008). The CE Provision no. 207/26.02.2009 that establishes the registration procedure appeared later, and after that moment Romania immediately took all the legislative measures for its implementation.

For all these Community Trade Marks, the protection is established according the above-mentioned provision (art. 4 paragraph 2), so Law no. 84/1998 should be completed with all these provisions that became internal compulsory law. At the same time, the part that is connected with the trade mark registration procedure was completed, for instance articles 9, 10, etc., as well as the entire IVth Chapter. We will not insist on every change, but we will make a general remark to underline the fact that the new provision almost excludes the arbitrary, concretely stressing the elements that are necessary in registering a trademark.

This approach enjoys both the advantages and disadvantage of the European vision. Thusly, the bureaucracy was not, in any case, reduced but on the other hand, a clear order is induced and the steps and central documents that constitute the registration dossier are this time explicitly referred to throughout the legal text, even if unpredicted situations could still occur regarding the separate request of certain documents by OSIM. Equally important is the fact that, adapting to today’s society technological realities, there has been at last an implementation of electronic publishing modalities.

By abolishing article 23-25 of the previously mentioned law, the third person’s right to formulate an opposition to registering a trademark was retired aside.

The publicity of the Trademark Register is underlined and the electronic publication to which we referred earlier raises the transparency level of the whole system and becomes, in certain situation a central point in the opposability towards third persons (for instance, in the case of licenses that, until the modification of the law, would become opposable since the registration date) and facilitates free access for any person interested in certain information.

We are not insisting, as we have already shown, on all the modifications that have been applied to this law (for example, the possibility of renewal for trademarks has been somewhat limited), some being just simple grammar adjustments, generally language related (art. 36 paragraph 1 and 2 or others) but sometimes there are some clarifications of ambiguous situations up until this moment (for example, art. 46 regulates the dates from which the ruin dates are calculated) or modification of certain terms

(30 days instead of 3 months for contesting an OSIM decision, art. 86, 15 days instead of 30 for the decisions of reexamination art. 88)

Significant modifications have been also made in that which regards the sanctions, the fine for counterfeiting and circulating infractions being established between a minimum of 50.000 Ron to a maximum of 150.000 Ron.

Finally, OSIM's competences were completed with an obligation to inform the European Commission regarding the national dispositions adopted in the purpose of transposal of the directive, art. 97, paragraph. L.

We will not relay these two texts in the present paper - the internal one and the European directive - so as to be able to follow these identities, not just resemblances. The reality is that at the level of internal legislation, the effort was minimal, without precisely referring to certain aspects but directly assuming (sometimes using the *copy-paste* procedure) the provisions of the directive. For example, the legal provisions regarding licenses or in the case of the reasons of refusal and nullity, the whole text of the directive was taken over. In the second situation, the taking over was realized in a succession that sometimes loses every trace of logical coherence, culminating in a mixture of old internal provisions and new optional ones that were integrally adopted from the directive. All these provisions become more coherent only in reference to the rights safeguarded by a trademark.

The same directive, assumed by the national law, refers to and regulates aspects regarding the rights conferred by a trademark, modalities of limiting or even putting out of the trademark related rights (the emaciation, ruin, sanction for not using the trademark) and also aspects regarding the license contracts that have trademarks as objects. All of these norms have been assumed by the Romanian legislator in their naked form, without modifying them or optimizing them to the necessities of the Romanian environment.

5. The Efficiency of the Provisions and Proposals

One of the first consequences is a somewhat lack in adapting the internal legislation relating not necessarily with European norms but especially with the domains of the contemporary economy. As we have showed, the inner workings of this law show a lack of consistency, an imbalance between these European norms, extremely detailed through the taking over of the mentioned directive and the rest of the legal dispositions that existed beforehand and were kept as such, which sometimes are extremely short-sighted and which, under certain aspects concerning the whole legal text, seems broken off from the rest of the norm or insufficiently regulated. The European Directive has left an almost full liberty in that which relates to the formal modalities of registering a trademark, the due taxes, the sanctioning modalities of breaking the legal provisions, the procedure involved in different litigations, etc. Thusly, the Romanian State has only taken over the modifications recommended by the directive, without proceeding to modify the essence of the rest of the juridical norm. The problem facing the trademark domain is not only one of provisioning but especially one related to applying the law and providing an efficient protection to trademarks.

An example of lack of efficiency is the one regarding the sanction modalities of the breach of the trademark right. Art. 83 and the next one from Law 84/1998 which regulates these aspects related to penal law were also modified.

The European directive however does not have expressly stipulated provisions that can be taken as they are, the modifications command themselves only through the general modifying of the law. Thusly, once a new juridical frame has been established regarding the trademark itself, the modifying of the sanctioning of trademark related breaches was in its turn imposed not only regarding the quantitative aspect but especially regarding deeds relating to the breach of these rights under penal law. As a brief addendum, we must point out that in the Penal Code there are no detailed provisions that could complete these norms but only adopt their current form. As a consequence, as penal law is concerned, the vision has remained the same, although the real market situation imposes an urgent intervention. There is no need in arguing that the market is invaded with counterfeit products, especially by counterfeiting trademarks. At the same time, it is obvious that the circulation and existence of these products represent a breach of not only the rights of the proprietor of the respective trademark but a grave breach of the consumer's rights, which is more or less naively misled by forgeries that are more or less obvious.

The proprietor of the rights benefits from the "action in adulteration", a civil action that can be filed by any interested person whose rights are breached in any way and to whom lesion has been caused but the possibility of identifying every existent counterfeiting on the marker is at present extremely reduced. As a reaction to this, we are beginning to see more and more complaints made by big companies that wish to protect their property in this domain, and so companies like Siemens – civil injunction no. 244/R, 23rd June 2005 Bucharest Court of Appeal, Nokia - civil injunction no. 192/A 31st May 2005 Bucharest Court of Appeal, Adidas – civil injunction no. 1996 8th Dec. 2004 Bucharest Court of Appeal, Tommy Hilfiger - civil injunction no. 341/A 6th Oct. 2005 a Bucharest Court of Appeal, Gucci - civil injunction no. 370/A 27th Oct. 2005 a Bucharest Court of Appeal (Spineanu-Matei, 2006). Adding to these, it seems that complaints filed by internal trademarks of limited circulation become ever-more present, a sign that the reactions against this phenomenon of breaching the law are becoming more and more powerful.

As it was expected, most of the material within this domain, both from a doctrinary and a jurisprudence point of view comes from the western environment, especially the Anglo-Saxon legal area. In this respect, we are facing a great number of studies on this subject and an extensive jurisprudence. In these legal domains, the trademark as a form of property is viewed as an idea that is that is deeply rooted and which in our legal system is not sufficiently outlined and more importantly, not sufficiently respected. Of course, the discussions can vary and mainly take in account the monopolistic tendencies of some big companies that have taken control over a market segment through intellectual property rights, a classical example being the Disney Company. This company massively invests in copyright and trademark – over 5 million USD in 2009 – maintaining monopoly on the chosen segment for a period of 120 years at the present day, this being the interval at which the protection over the companies' products has been extended (Kenny, 2011). In a Business Week study, the most valuable trademarks were considered to be Coca-Cola, Microsoft, IBM and GE (Poltorak, 2002).

In the end, the big companies take in account the essential function of the trademark, function which is somewhat disregarded at the moment in which the legal norm is adopted and the trademark legislation implemented and that function is the regulation of the market and that of competition (Griffits, 2008).

In the future, the legislation would as well have to start taking in account one of the most powerful and problematic threats of the trademarks: the Internet and all the possibilities offered through it (Schwabach, 2007), (Committee on IPR, 2000). Taking in account that the conditions according to

which the European legislation that needs to be adopted is in a less advanced phase than the one in the U.S, U.K or Canada, the need for harmonization and of discovering ways in which this harmonization would be possible, the Romanian legal environment aims at aligning itself to these general efforts, the present juridical norms constituting the base of a process that needs to be continued. This vast and actual trademark domain is, as we have shown, in a continuous expansion and development stage given the conditions of a globalized world economy that is in a permanent state of transformation and in a situation in which there will always be persons that will try to break or elude the legal provisions protecting intellectual property. As a consequence, this legal domain is one that requires a continuous vigilance because the juridical norms would have to keep up with the socio-economical reality and to support a viable and permanent interrelation between intellectual property norms, penal law norms, the general legislation that protects against unfair competition and the regulation of the Romanian customs system.

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