

THE PROTECTION OF THE EUROPEAN TRADEMARK IN THE LIGHT OF THE EU REGULATION 2015/2424 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

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Abstract: *The present paper aims to analyze the novelty aspects brought about by the EU Regulation 2015/2424 of the European Parliament and of the Council which came into force March 23rd, 2016, regarding the trademark, especially aspects regarding its protection and the rights it provides, as opposed to national law and the old community law. We will consider both theoretical aspects, as well as jurisprudence issues in this domain.*

Key words: *national trademark, European trademark, consent, holder, third party, distinctive characteristic, identity, similarity.*

1. Introduction

The main role of the trademark, whether national or European (the former community trademark) is that of allowing a distinction between the products or services of different producers and to remove any confusion of the consumers regarding the provider of that certain product, thus allowing the public to decide accordingly.

As seen in the interpretation of the EU Court of Justice, the public which we are referring to is the “*medium consumer of those products and services, normally informed and averagely diligent* (Henkel Decision/OAPI, C- 456/01 P and C – 457/01 P, EU: C: 2004: 258, point 35)” (Albuşel, Budileanu, 2017, p. 149).

In order to avoid confusion, the lawmaker established a series of interdictions with regard to the use of third parties, in their commercial activity, of signs which are likely to create confusion with registered trademarks, without consent from the holder of the trademark.

The EU Regulation 2015/2424 of the European Parliament and of the Council came into force March 23rd, 2016 and it aims to modify Regulation (EC) 207/2009 regarding the community trademark, thus bringing some clarifications and additional regulations likely to adapt the European trademark to the new legislative realities.

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2. Some Issues regarding the National Trademark

The law which regulates the *national trademark* is Law no 84/1998 *regarding trademarks and geographical indications*, republished in the Official Gazette, part I no 337 of May 8th, 2014, which defines the trademark in article 2 as “*Trademarks may consist of any sign capable of being represented graphically, such as: words, including personal names, designs, letters, numerals, figurative elements, three-dimensional shapes and, particularly, the shape of goods or of packaging thereof, colors, combinations of colors, holograms, acoustic signals, as well as any combination thereof, provided that such signs are capable of distinguishing the goods or services of one enterprise from those of other enterprises.*”

2.1. Rights Provided by the National Trademark

As a result of registering a trademark, the holder acquires an exclusive right, according to which, as provided by article 36 second alignment of Law no 84/1998 regarding trademarks and geographical indications, he can demand the court to forbid its use by third parties in their commercial activities and in the lack of consent of the following:

- any sign which is identical with the trademark, with respect to goods or services which are identical with those for which the trademark was registered;
- any sign where, because of its identity with or similarity to the trademark and because of the identity or similarity of the goods or services on which the sign is affixed, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark;
- any sign which is identical with or similar to the trademark, with respect to goods or services which are not similar to those for which the trademark was registered, where the latter has a reputation in Romania and where use of that sign without due cause could take unfair advantage of the distinctive character or the reputation of the trademark.

The third alignment of article 36 of the Law regarding trademarks and geographical indications establishes the documents which the holder of the trademark may request to be prohibited to third parties, including:

- affixing the sign to the goods or to the packaging thereof;
- offering the goods, releasing them on the market or stocking them for such purposes, or offering or supplying services thereunder;
- putting the goods under that sign into free circulation, exporting, importing or placing them under suspensive or economic customs procedure or under another customs procedure, as defined in the customs regulations;
- using the sign on business papers and in advertising.

In practice, it was ruled that we are not in the presence of fraudulent use of the trademark when simple traders purchase and resell products of a certain trademark in order to obtain profit.

Thus, the High Court of Justice, second civil section, stated, in Decision no 1934 of June 17th, 2014, the fact that “*in case the plaintiffs respected the practices of commercial law, they can't be held accountable for selling products which are affixed with the producer's trademark or their colors of choice, as their only activity was to sell the products and not to use them for their own products, products which don't even exist, as the plaintiffs are not producers of goods*”.

3. The European Trademark

EU Regulation 2015/2424 of the European Parliament and of the Council came into force March 23rd, 2016, thus introducing the phrase “European trademark” which replaces that of “community trademark”, as stated by Regulation (EC) 207/2009 on the community trademark. The Regulation also states the creation of a European Union Intellectual Property Office.

The definition of European trademark is regulated in the content of article 1, point 8 of the EU Regulation 2015/2424 of the European Parliament and of the Council, which replaces article 4 of the Regulation (EC) 207/2009 regarding the community trademark, the text of this article stating that “an EU trademark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colors, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

- distinguishing the goods or services of one undertaking from those of other undertakings;
- and
- being represented on the Register of European Union trademarks, (“the Register”), in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection granted to its proprietor”.

3.1. The Rights Provided by an EU Trademark

As stated in article 1 point 11 of the EU Regulation 2015/2424 of the European Parliament and of the Council which replaces article 9 of the CE Regulation 207/2009, as a result of registering an EU trademark, the holder acquires exclusive rights. Based on the same article, the holder of this EU trademark has the right to prevent a third party from using a commercial sign, in the lack of their consent, for products and services in the following cases:

- the sign is identical with the EU trademark and is used in relation to goods or services which are identical with those for which the EU trademark is registered;
- the sign is identical with, or similar to, the EU trademark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trademark was registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trademark;
- the sign is identical with, or similar to, the EU trademark irrespective of whether it is used in relation to goods or services which are identical with, similar to or not similar to those for which the EU trademark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trademark.

In the new regulation of article 9, third alignment, based on the previously shown matters, the following actions are likely to be forbidden:

- affixing the sign to the goods or to the packaging thereof;
- offering the goods, releasing them on the market, or stocking them for such purposes under the sign, or offering or supplying services thereunder;
- importing or exporting the goods under the sign;

- using the sign as a trade or company name or part of a trade or company name;
- using the sign on business papers and in advertising;
- using the sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC of the European Parliament and of the Council of December 12th, 2006 concerning misleading and comparative advertising.

According to article 9, fourth alignment of the EC Regulation 207/2009, as modified by EU Regulation 2015/2424 of the European Parliament and of the Council, the proprietor of that EU trademark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from non-EU countries and bear without authorization a trademark which is identical with the EU trademark registered with respect to such goods, or which cannot be distinguished in its essential aspects from that trademark.

Sure enough, by exercising this right of the holder, the rights of all previous trademark holders can't be affected, based on the date of the request and the priority date of the EU trademark.

As stated in recent doctrine, "once a mark has acquired a reputation, the owner is granted protection against three additional types of harm that are sometimes grouped under the single rubric of "dilution". Specifically, the owner is granted protection against the so-called "blurring", "tarnishment" and "free-riding" (Burrell & Handler, 2016, p. 85–99).

As for the name, the EU Court of Justice stated that it refers "to a certain degree of knowledge by the relevant public, a degree which is achieved in case the trademark is known by a significant part of the targeted public of that product or service covered by that specific trademark" PAGO International Decision, C-301/07, EU: C: 2009:611, points 21 and 24) (Albuşel, Budileanu, 2017, p. 180).

Also, it is acknowledged that, beyond the traditional role of the trademark "to allow undertakings to communicate the origin of their goods to consumers, contemporary trade marks are acknowledged to have a wider range of functions (...) their use in advertising allows their owners to build a reputation and image around the mark" (Fhima, S. I., 2013, p. 293–321).

According to the EU Court of Justice, "the holder of the trademark is entitled to forbid the use by any third party without his consent, of a sign which is identical to the trademark, when this use occurs during commerce, is performed for products or services which are identical with the ones for which the trademark is registered and is likely to affect the functions of the trademark, namely not only its essential function which is that of guaranteeing the source of the product to all consumers (indication of origin), but also its other functions, such as guaranteeing the quality of that product, the communication function or the advertising of that certain product" (L'Oreal and others Decision, C-487/07; EU:C:2009:378, PCT. 58; Google France and Google Decision, C -236/08-C-238/08, EU:C:2010:159, points 49, 77 and 79, as well as Interflora and Interflora British Unit Decision, C – 323/09, EU:C:2011:604, point 38) (Albuşel, Budileanu, 2017, p. 117).

If the identity of the sign used by a third party is similar to an EU trademark, the holder of the trademark is entitled to forbid the use of this sign, when we are in the presence of a similarity between the two; in order for the holder of the trademark to be able to forbid the use of that specific sign, there is a need to prove a risk of confusion from the public. Such is the jurisprudence of the EU Court of Justice, namely *Frisdranken Industrie*

Winters Decision, C – 119/10, EU:C:2011:837, point 25 (Albuşel, Budileanu, 2017, p. 117).

Among the factors which the EU Court of Justice identified as significant in considering the similarities between products are “the nature, the final users, the method of use, the existence of competition or the complementary character with regard to these products (Canon Kabushiki Kaisha versus Metro-Goldwyn-Mayer Inc., former Pathe Communications Corporation C-39/97, ECLI:EU:C:1998:442, point 23)” (Albuşel, Budileanu, 2017, p. 150).

3.2. The Date from which Trademark Rights can be Opposed to Third Parties

EU Regulation 2015/2424 of the European Parliament and of the Council introduces article 9b in the content of CE Regulation 207/2009, an article which regulates the matter of the date from which trademark rights can be prohibited to third parties. This moment is the date when the registration of the trademark is published.

The court will not be able to rule with regard to a cause before the registration of the trademark is published.

The second alignment of the newly introduced article 9b states the possibility of claiming reasonable compensation regarding all actions performed after the request for registration of a trademark is published, when, after the registration of the trademark is published, those specific actions would be forbidden as an effect of publishing the trademark.

3.3. Limits of the Effects of an EU Trademark

We have seen above, in our analysis, the effects generated by the EU trademark from the moment it is registered and the rights it provides for its holders.

Surely, these effects must not be seen as absolute, as they, in turn, are subject to some limits, which we will discuss in the following section.

Thus, as regulated by article 12 of the CE Regulation 207/2009, in its current formulation, as modified by the text of EU Regulation 2015/2424 of the European Parliament and the Council, the holder of the trademark has no right to forbid third parties to use the following elements in commerce:

“ *-the name or address of the third party, where that third party is a natural person;*

- signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of the rendering of the service, or other characteristics of the goods or services;

- the EU trademark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular, where the use of that trademark is necessary to indicate the intended purpose of a product or service, specifically as accessories or spare parts”.

4. Conclusions

The EU trademark, as qualified by the new EU Regulation 2015/2424 of the European Parliament and of the Council, which modifies EC Regulation 207/2009, provides a series of rights to the holder of the trademark, which are protected and can be prohibited to third parties once the registration of the trademark is published.

Based on this acknowledged right, the holder of the trademark is entitled to prevent the use, by a third party, in trade, in the absence of his consent, of a sign which is identical or similar to a EU trademark, under the conditions described by the Regulation. Thus, the purpose is to protect the trademark from the potential risk of confusion which might be created in the minds of the consumers, likely to affect the holder who performed all legal endeavors so as his registered trademark to be prohibited to third parties.

However, the effects generated by the EU trademark do not have an absolute character, as the lawmaker established certain limits, which we have previously mentioned in our analysis.

We believe these means of protecting the trademark are extremely useful, especially from the perspective of the holder of the trademark, who must be provided with the necessary means for protecting their trademark against any external damage, as well as from the perspective of the consumer, who must have a correct and unequivocal representation of the products and services he/she acquires. Thus, the purpose of the trademark, as previously shown, is that of allowing a distinction between the products and services of different enterprises, as any such confusion must be eliminated. The holder of the trademark is protected, as shown by the jurisprudence therefore we believe that the examples provided in this text are eloquent.

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