

TRADEMARKS AS BUSINESS WEAPONS FOR SMES

The registration of trademarks in Romania is optional, and some firms learn their importance the hard way, says Nicoleta Tarchila.

Romanian small and medium-sized companies (SMEs) are in the process of becoming familiar with trademark legislation and the importance of registering trademarks for identifying goods and services. At some levels the protection of trademarks is currently not even taken into consideration when starting a business. These attitudes are not grounded in financial reasons but rather in the fact that the registration of trademarks is optional.

In order to act as a legal entity, the registration of a trade name is compulsory, and if you want to promote or put your business online purchasing a domain name is a must, but there is no obligation for firms to invest time and money in protecting their trademarks. Most of them do not even

acknowledge the role of a trademark on the market because they are using their trade names and domain names to identify their goods and especially their services. Some of these firms receive a harsh education when they are forced by their competitors to confront trademark issues.

Such was the case of a small Romanian company, SC Microbest Boss Trading SRL, which is active in the distribution and commercialisation of professional surveillance systems and devices, wires, microvideo cameras, microphones, digital recording systems and all kind of devices to be used in surveillance and espionage. The goods are used by the police, security companies and detectives but are also commonly used by journalists during research for articles or coverage





“IN THIS CASE THE RIGHT TO A TRADE NAME AND EMBLEM AND AN UNREGISTERED RIGHT INTENSELY USED IN THE COURSE OF TRADE ENSURED THE SUCCESS OF THE APPELLANT.”

ro, spy.store.ro. Each one identified a different online magazine commercialising identical goods. At least two of those denominations were used by other competitors on the market under www.spy-shop.ro, www.spy-store.ro, www.spystore.ro long before the date that Andrei filed the applications.

Apparently Andrei was a direct competitor since 2009, as the sole associate of the firm SC Goldess Ltd SRL and owner of the online magazine www.spy-soft.ro which commercialises identical goods. In 2011 he started an offensive against his competitors based on IP rights by registering trademarks, domain names and by launching several online shops, some of them copying the denominations of his competitors and some consisting of similar denominations, namely: www.spy.com.ro and www.spystore1.ro

SC Microbest Boss Trading's reaction to the cease and desist letter was prompt and resolute.

Andrei's trademark registration for 'Microbest. Ro & design' was in the appeal period before the Romanian Trademark Office (OSIM). According to the provisions of Article 86 of the Romanian Trademark Law, "any decision of the trademark office may be appealed within 30 days as of the date of communication or publication". The applicant rushed with his cease and desist letter and acted before the trademark registration decision became final. SC Microbest Boss Trading filed an appeal against the registration of the trademark application 'Microbest.Ro & design'.

The appeal was based on the provisions of Article 6 paragraph 4 points (b) and (c) which provide that: "the registration of a trademark shall also be refused or, if registered, shall be susceptible to being cancelled if:

- (b) The opponent/appellant owns rights arising from an unregistered trademark or another sign used in the commercial activity were acquired prior to the date of the application for registration of the subsequent trademark, or prior to the priority date claimed by the application and if that unregistered trademark or used sign confer to its owner the right to prohibit the use of the subsequent trademark; or

in the entertainment industry in order to find out more information about celebrities.

The firm was founded in 2008 and started running an online shop www.microbest.ro in the same year. The firm registered its trade name with the Romanian Register of Commerce, as well as the emblem (see top of box opposite):

In May 2012 the firm's activity was shaken by the receipt of a cease and desist letter signed by Corlade Andrei, who informed the firm about the registration of the trademark 'Microbest.Ro & design' (see bottom of box opposite):

This application was filed on August 22, 2011 for goods and services in Classes 9, 35, 37, 38, 42 and 45 and was granted protection on April 26, 2012.

SC Microbest Boss Trading was summoned to stop all use of the denomination Microbest and to contact the legal owner of this mark with a view to making a legal agreement for further use of this denomination, namely concluding an assignment or licence agreement.

More investigation with respect to Andrei led to the discovery of the website www.micro-best.ro which was an online store commercialising identical goods. The domain name micro-best.ro was registered on July 1, 2011 and the website displayed the same emblem registered by SC Microbest Boss Trading:

At the same time, Andrei filed for registration three other trademark applications for: 'Spy Pro & design', 'Spy Shop & design' and 'Spy Store & design' and the domain names: spypro.ro, spyshop.com.

CABINET ENPORA
Intellectual Property Services

(c) There is an earlier right, other than those covered by paragraph (2) point (d), in particular, a right to a name, to an image, a copyright, or an industrial property right”.


OSIM’s Appeal Commission admitted the appeal and rejected the trademark registration ‘Microbest.Ro & design’ for all the requested goods and services. The appeal decision confirmed that the sign Microbest was used in commercial activity prior to the date of application of the trademark. The intense use of the denomination Microbest and the design confers the firm the right to prohibit the use of the subsequent trademark.

Moreover, the denomination Microbest is part of the trade name of the appellant and the registered emblem is almost identical with the combined trademark registration. The very close resemblance between the emblem and the trademark application and the identical goods/services protected by these signs will most likely create confusion for the interested public which will pay a medium degree of attention while acquiring these goods/services. The appeal decision was not contested by the applicant and became final.

There was obvious bad faith on the part of the applicant while filing this trademark. All the facts attest that Andrei filed the trademark application with the sole purpose of eliminating his competitor and took advantage of the fact that the other firm did not protect the denomination used in the course of trade by means of a trademark. Fortunately SC Microbest Boss Trading had registered and used its trade name, the emblem and the domain name in order to identify its online shop.

The Romanian Trademark Law does not provide OSIM with the competence to reject trademark applications because of the bad faith of the applicant. Bad faith may be ascertained and punished only by a court by means of a trademark invalidation action. Consequently, in spite of the obvious bad faith of the applicant while filing the trademark ‘Microbest.Ro & design’, the Appeal Commission had no competence to rule based on the bad faith of the applicant. In this case the right to a trade name and emblem and an unregistered right intensely used in the course of trade ensured the success of the appellant.

At the same time as filing an appeal against the registration of the trademark ‘Microbest.Ro & design’ the firm SC Microbest Boss Trading applied for the registration of its own trademark ‘Microbest Boss Trading & design’, requesting



CABINET ENPORA

Intellectual Property Services

Since 1990 Protecting your ideas in Romania and the European Union

PATENTS

- Filing and prosecution of Romanian and European Patents
- Validation of European Patents in Romania
- Opening National phase of PCT applications
- Technical translations

TRADEMARKS

- Filing and prosecution of Romanian and Community Trademarks

INDUSTRIAL DESIGNS

- Filing and prosecution of Romanian and Community Designs

UTILITY MODELS

Maintenance and renewal of patents, designs and trademarks
Watching Services
Domain Names
Enforcement of IP Rights and Litigation

E-mail: pop@enpora.com Phone: +40 212300990; Fax: +40 212302311; 52A George Calinescu Street, ap. 1, 1st district, 011694 Bucharest, Romania

www.enpora.com

protection for goods and services in Classes 9, 35, 38, 42 and 45. The application was granted protection and is pending issuance of the registration certificate.

We consider a case like this must draw the attention of Romanian SMEs to the importance of protecting the names they use in the course of trade for identifying goods and services. Filing trademark registrations as a result of the actions of competitors is not the right way to act and will frequently lead to the necessity to stop the use of the respective denominations or even to counterfeit charges. ■

—————>

Nicoleta Tarchila is a trademark and design attorney and managing partner at Cabinet Enpora. She can be contacted at: pop@patents.ro



Nicoleta Tarchila's main area of expertise is trademark litigation. She is a member of INTA and ECTA.