

Trademark vs Trade Name: Which Is More Important?

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Article 8 of the Paris Convention specifies that “A trade name shall be protected in all the countries of the European Union without the obligation of filing or registration, whether or not it forms part of a trademark.”

Various national laws established specific rules for deciding the issue, but when it comes to European jurisdictions, we are still far away from a uniform approach.

Bibas Kft is a Hungarian company specialising in professional kitchen machines, including coffee machines for use in restaurants and bars. In April 2008, it applied for a trademark in Romania according to the national trademark law. The application was for ‘Bibas Professional and device’ for a selected list of goods in Class 35: “The bringing together, for the benefit of owners of kitchen machines of large sizes and of coffee machines, except for their transport enabling customers to conveniently view and purchase the same”. The trade name Bibas Kft has been registered with the Hungarian Registrar of Companies since 1991.



In 2002 a Romanian company, Bibas SRL, was founded. The name Bibas SRL was selected on purpose to show the commercial relationship between the Hungarian and Romanian companies. Bibas Kft was a shareholder in Bibas SRL.

Over the years, something went wrong in the cooperation of the firms. The Romanian company Bibas SRL applied for registration in November 2007 for a mark, whose pictorial device is represented below.



The list of goods includes Class 11: "Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes", and part of Class 20: "Furniture".

The 2008 application for 'Bibas' was published in May 2010, when the new Trademark Law came into force abolishing the *ex officio* citations for prior rights.

Bibas SRL lodged opposition against the Hungarian company's 2008 application for 'Bibas Professional', quoting several types of prior rights: the earlier 2007 application for 'Bibas', and the trade name Bibas of November 1994.

The opposition was admitted following a summary examination.

In February 2011, Bibas Kft lodged an appeal with the Re-Examination Commission of the Romanian Patent Office (OSIM), arguing in essence as follows:

- The appellant's trade name Bibas Kft (1991) predates the opponent's (1994); and
- Bibas Kft was a shareholder in the Romanian company Bibas SRL and a commercial relationship had existed in the past between the two companies.

Romania and Hungary are both signatories to the Paris Convention, and the trade name Bibas Kft (including its long version in Hungarian) dates from 1991, earlier than the Romanian trade name Bibas. Moreover, the Romanian company had another name in 1994 at the time of its founding. The trade name Bibas SRL dates in fact from 2002 and not from 1994.

Bibas SRL argued as follows:

- The association with Bibas Kft was decided in early 2002, when the latter company became a shareholder. Later on, some shares were sold to Romanian shareholders in early 2005, with the last ones being sold in October 2007, when the cooperation with the Hungarians officially ceased;
- The application for the mark 'Bibas' in Classes 11 and 20 was made in November 2007, after cooperation with the Hungarian company had ceased; and
- The structure of ownership and the final assignment of the shares to the Romanian company should not have an impact on the anteriority of the trade name Bibas.

The OSIM Board of Appeal admitted the appeal based on the following motivation:

- Article 8 of the Paris Convention applies in the sense of recognising the earlier rights of Bibas Kft in having a trade name in Hungary since 1991; therefore the Romanian company does not have any earlier trade name right; and
- There is another applicable legal provision, namely Articles 6(1) and 6(2) *septies* of the Paris Convention, according to which the proprietor of a mark (Bibas Kft) is entitled to oppose the registration of a mark applied for by his agent or representative (Bibas SRL).

Bibas SRL's earlier mark was not retained as a prior right, since it referred to products other than the ones specified in the later application.

In December 2011, Bibas SRL lodged an appeal with the Municipal Court of Bucharest, criticising the earlier decision as follows:

- The interpretation of Article 8 of the Paris Convention should be made nationally, since the Romanian Registrar of Companies admitted the name Bibas SRL after verifying that no other identical name was registered in Romania; and
- The provisions of 6(1) and 6(2) of the Paris Convention are not applicable since the Romanian company was not subordinate to the Hungarian one and the volume of transactions between the parties was low.

The court delivered a decision in June 2012, upholding the decision of the OSIM Board of Appeal. In essence, the arguments were as follows:

- The correct application of Article 8 of the Paris Convention should be completed by adding Article 2(1) of the same convention, according to which: "Nationals of any country of the EU shall, as regards the protection of industrial property, enjoy in all the other countries of the EU the advantages that their respective laws now grant [...] provided that the conditions and formalities imposed upon nationals are complied with."
- According to a condition imposed upon nationals: "The registration in the Trade Name Register is opposable to third parties as of the day when the mention is entered into the Register [...]. The person requesting such registration—in this case Bibas Kft—can not oppose third parties'—in this case Bibas SRL—acts or deeds that are not registered, except for the case proof is adduced that said acts or deeds were known by third parties (Bibas Kft)."
- More clearly, the name Bibas Kft is opposed to the appellant Bibas SRL given the commercial relationship between the two companies, because the appellant Bibas SRL was aware of the commercial name of the respondent Bibas Kft as registered in Hungary.

The court held that the Board of Appeal correctly applied the provisions of Article 8 of the Paris Convention for the protection of the commercial name of the respondent Bibas Kft over the trade name of the Romanian Bibas company. The court considered this reason to be sufficient to dismiss the appeal lodged by Bibas SRL and did not proceed to analysis of the second ground, namely the provisions of 6(1) and 6(2) of the Paris Convention.

The teaching of this decision is the following:

- The provisions of Article 8 of the Paris Convention that seem to be vaguely defined acquire more substance when combined with provisions of Article 2(1) of the same convention, and with the national laws covering trade names and trademarks; and
- When a potential opponent is seeking to lodge an opposition based on Article 8 of the Paris Convention, he should check the combination of European and national provisions and consider any possible commercial relationships between him and the later applicant.

In the *Bibas* case initially, the anteriority of the Bibas trade name on Romanian territory seemed to be crystal clear, but later on, upon a close interpretation of the actual situation and the legal framework, the situation changed dramatically and the opponent not only lost its earlier right to oppose, but is likely to lose even more in the future, namely its trademark and trade name once a court has established the anteriority of the Hungarian trade name.

If this decision is not further appealed by the Romanian company, it will become final.

To conclude, the provisions of Article 8 of the Paris Convention are in itself, not enough to guarantee protection for the trade name.

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