

Hungary: Trademark renewal – How will applicants’ life (not) become easier?

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The rules of renewal have essentially changed from 1 January 2019. We reckon that the legislator – where it had a choice – preferred the dis-encumbrance of the office to the clients’ interests. Nevertheless, the previous legal practice has also been enacted.

1. Persons authorised for renewal

Pursuant to the modification of Act XI of 1997 on the protection of trademarks and geographical indications (“Act”) in January, the renewal shall be requested. Not only the proprietor may request the Hungarian Intellectual Property Office (“**HIPO**”) to renew the trademark, but rather „*any person authorised to do so by law or by contract*”. In connection with this, the reasoning to Bill T/1659 currently modifying the Act („**Reasoning**”) merely refers to the Directive 2015/2436 of the European Parliament and of the Council on the approximation of the laws of the Member States relating to trade mark (“**Directive**”) as authority. However, the Reasoning does not clarify the substance of why it was necessary to extend the scope of authorised persons.

2. Renewal fees

- The Act now expressly declares that the renewal fees shall be paid “*as specified in the legislation on the administrative service fees*”.
- The Act, from now on, stipulates that the payment of the renewal fee shall not in itself be construed as a request for renewal. In connection with this, the legislator did not follow the Directive’s recommendation: “*Member States may provide that receipt of payment of the renewal fees is to be deemed to constitute such a request.*”

Alas, the Reasoning remains silent on the reasons of this decision. We understand that the solution proposed by the Directive would have favoured the applicants, as they would not have to submit a request for renewal in addition to paying the fees (their administrative burden would have been decreased). However, the version adopted by the legislator rather saves the HIPO from a new task, since the HIPO is still not obliged to monitor whether the incoming fees function as renewal fees.

- The system of the renewal fees has changed – [in line with the trade mark registration fees](#). Further, if the applicant pays the renewal fee within 6 months after the expiration date (see next section below), the applicant is now required to pay an additional fee on top of the renewal fees.

3. Renewal period

- The renewal period has been shortened. Until now, the renewal request could be submitted not earlier than 12 months prior to the expiration date of the protection. From now on, the request may be submitted not earlier than 6 months prior to the expiration date. It is unchanged that the request may still be submitted within 6 months from the expiration date of the protection. Thus, the period for renewal has been shortened by one third.

The HIPO shall, from now on, inform the applicant of the possibility of renewal at least 6 months before the expiration date (until now, such date was not specified). However, the HIPO may not be held liable for failure to give such information and the failure shall not affect the expiry of trademark protection. Thus, the legislator has – in accordance with the Directive – excluded the responsibility of the HIPO if it failed to accomplish its obligation to inform. Hence, the applicants cannot claim that they did not avail themselves of the possibility of renewal due to the failure of the HIPO.

- The modified Act demands that *“If the date of registration of the trademark is later than the expiry of the registration, the request for renewal may be submitted, with payment of the renewal fee, within six months following the date of registration.”*

According to Section 10 of the Act, *“Trademark protection commences from date of registration, and it is effective retroactively to the date of filing for registration”*. Further, according to Section 11 (1), *“Trademark protection shall be valid for a period of ten years from the date of filing for registration”*. Hence, if our understanding is correct, the

above situation may only arise if the trademark registration procedure lasts for more than 10 years.

There are no similar provisions in the Directive, there must be other reasons. Such reasons are not mentioned in the Reasoning. Therefore, we can only assume that the legislator expects, for some reason that the registration procedures may extend beyond 10 years.

On one hand, we reckon that neither the applicants nor persons having any conflict with them have any interest in keeping trademark protection pending for so long. In order to avoid such uncertainty, it would be a more appropriate solution, in our view, to introduce regulation that ensures the registration (or refusal) takes place as soon as possible. For example, it could help to limit the duration of the administrative procedure and, in case the time limit was exceeded, automatic registration could occur – a similar solution proved successful in the company registration procedure.

On the other hand, we note that, based on our experience, the HIPO tends to conclude the registration procedure in much less than 10 years. From this point of view, the above provision seems to be unnecessary.

4. Partial renewal

- In practice, partial renewal has already been possible. In alignment with this, the Act now explicitly provides that, in case of a request for partial renewal, the HIPO shall renew the trademark protection in respect of only the part of the goods and services specified in the renewal request.
- In case of the partial payment of the renewal fee, the HIPO could, until now, only request the applicant for the completion of documents and, in case of non-fulfilment, the renewal request had to be, in theory, rejected. In the future, however, if it is not clear from the renewal request why the applicant did not pay the renewal fee for all relevant classes of goods, the HIPO shall request the applicant to submit a statement and specify the part of the list of goods and services for which the renewal is requested.

5. Closing the procedure

Until now, the HIPO issued upon renewal of the trademark a trademark deed and an extract of the trademark register. According to the Reasoning, this will not be necessary in the future as the renewal process will become significantly faster and thus the relevant regulation and

administrative practice will become harmonised with similar procedures regarding other forms of industrial property.

The trademark renewal shall still be registered into the trademark register and published in the official gazette of the HIPO. However, the Act does not include any new provisions according to which the HIPO shall give feedback directly to the applicant on the completion of the renewal. We trust that the HIPO will send such a direct notification in some kind of form. Otherwise, the applicants would be forced to search in the trademark register in order to gain certainty about the renewal of their own trademarks.

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