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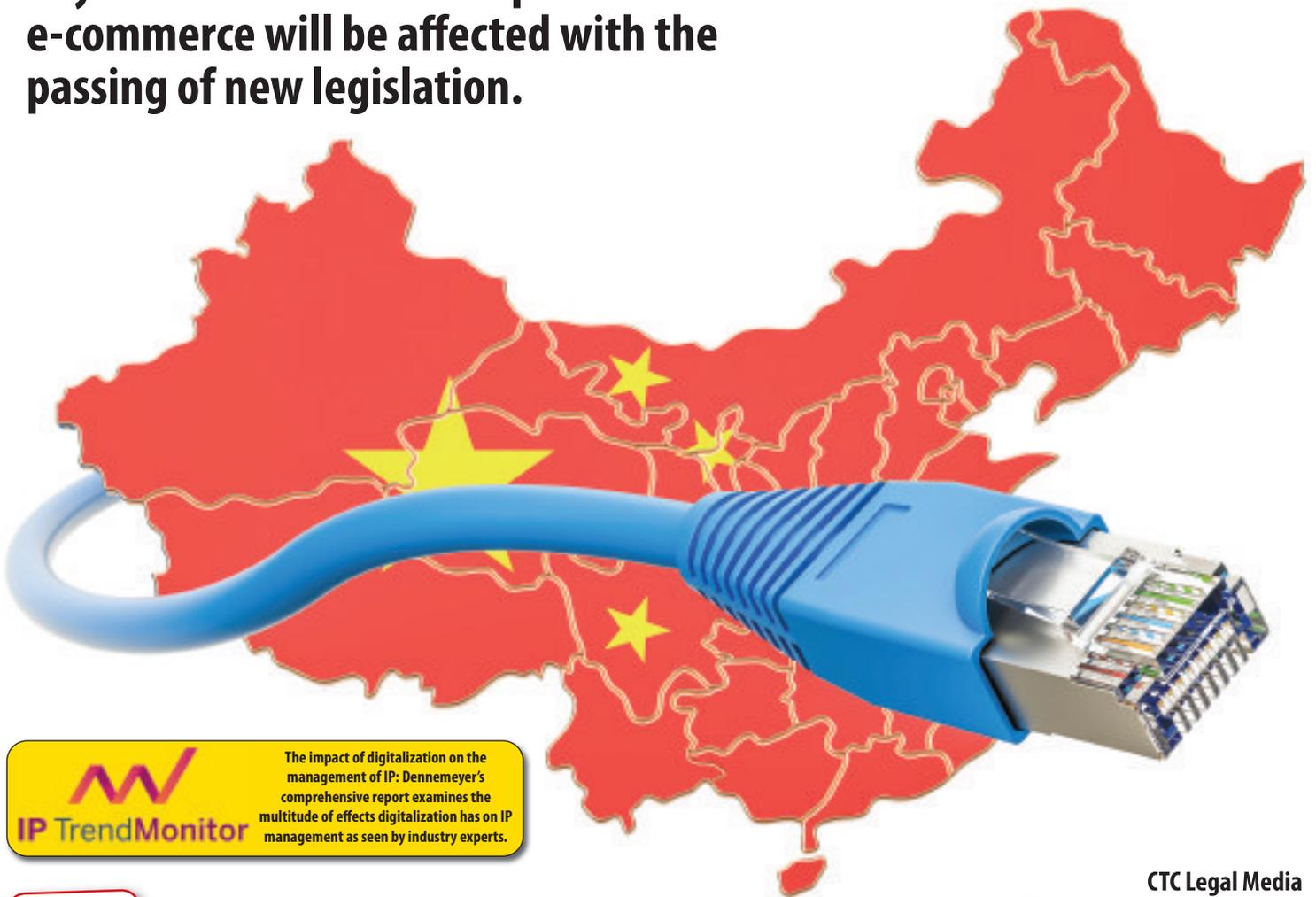
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Nicoleta Anghelescu

Res judicata – what trademark applicants must be aware of

Nicoleta Anghelescu, Managing Partner at Cabinet Enpora IP, explains *res judicata* and what it means for future trademark applicants.

R*es judicata* is a principle of law recognized in all jurisdictions and legal systems as the expression of judicial security and legitimate expectation meaning a matter already judged precludes a new litigation on the same subject matter, with the same cause of action and between the same parties. The effect of this principle of law translates into acknowledging that where the courts have determined an issue and the decision has acquired the authority of a final decision such ruling should and must not be called into question. After observing the jurisprudence on this aspect, we came to the conclusion that the applicability of this principle in trademark matters is of the nature to give rise to doubts as to what extent this law principle applies or the technical aspects of invoking this principle in specific trademark matters lead to very few cases where parties may in fact rely on its effects. Prime reason for such a situation appears to be the fact that trademark cases are in their majority decided by means of administrative decisions.

At the EU level, apart from enforcement the EUIPO decides in all trademark related matters. At a national level, some jurisdictions the majority of trademark matters are decided by the national offices except for enforcement

proceedings and trademark invalidation and revocation proceedings which are still decided by the civil Courts. Romania is in such situation and will continue to be within the next years until the amended TM legislation will become effective. According to the settled case-law, effects of *res judicata* attaches only to final judicial decisions but not to administrative decisions which emerge from the IP offices, unless otherwise provided in the corresponding legislation. Various reasons support this approach in this particular domain: interpretation of the existing legal provisions that requires such conclusion, administrative proceedings are simpler, quicker and cheaper, they intervene in the first stage of acquiring a trademark when its impact on the market is still unknown, the existing precedent that has proven to be satisfactorily for the interested subjects.

The generally accepted rule that administrative decisions do not enjoy *res judicata* comports an important exception, namely the existence of legal regulation. Thus administrative decisions may enjoy *res judicata* if the legislation provides so and the EU Regulation includes several such provisions: art. 60(4) dealing with the relative grounds for invalidity provides that repeated invalidation actions based on different grounds are forbidden, art. 63(3) regulates the inadmissibility of successive revocation or invalidation actions already adjudicated on merits, either by the Office or by an EU trademark court if they relate to the same subject matter and cause of action, and involving the same parties where the first decision has acquired the authority of a final decision, and art. 128(2) provides that an EU trademark court shall reject a counterclaim for revocation or for a declaration of invalidity if a decision taken by the office relating to the same subject matter and cause of action and involving the same parties has already become final. As a consequence, repeated invalidation actions against the same trademark based on same ground and between the same parties are forbidden, and this applies even if the first invalidation was decided by means of an administrative decision issued by the EUIPO.

The existing case-law has, however, in several cases established that if the successive actions are opposition

Résumé

Nicoleta Anghelescu, Managing Partner at Cabinet Enpora IP

Nicoleta is the coordinator of the litigation department with a background of more than 10 years of experience in IP prosecution, litigation and portfolio management. As part of Enpora's IP team, she advises clients from various activity fields. Her area of expertise is focused on filing invalidation and revocation actions before the Bucharest Court of Law, but also includes filing oppositions and appeals before the Romanian Patent and Trademark Office and EUIPO. Working directly with the clients in a manner that meets the expectations of small Romanian businesses as well as of the biggest names in the pharmaceutical, retail or music industry that she has assisted over the time has proved to be a considerable strength point. Throughout the last years Nicoleta took over the development and improvement of the business, both for Romania and the external market.



and invalidation *res judicata* does not apply, even if we have the same trademarks, same legal ground and same parties. The above presented reasons were taken into consideration in the existing case-law, mainly for the lack of legal provisions and the fact that opposition decisions are administrative acts. It was also established that oppositions and invalidations have a different cause of action. Consequently, a decision rejecting the opposition does not stop the unsuccessful opponent from filing a subsequent invalidation action against the same opposed trademark on the same grounds and earlier rights on which the opposition had been based even if said decision was confirmed in an appeal before the ECJ. Basically, prior rights owners who consider their oppositions unduly rejected benefit from a second chance to make their prior rights prevail in a cancellation action without being hindered by the existence of *res judicata*.

It was also clarified that findings made in a final decision in opposition proceedings are not binding in subsequent invalidity proceedings. The second instance may take into account the findings of the first instance in a way all case-law is considered when deciding on a particular matter, however, there is no obligation to comply. While the reasons behind this practice are in accordance with the technical aspects that govern this principle of law, we cannot ignore the actual legal uncertainty the good faith trademark applicants face in the process of registering their trademarks. Because even if their defence was successful in the first round of proceedings starting with the opposition and the possible appeals that follow, and the trademark registration was obtained, they may face a second identical round of proceedings which could lead to a different result. Having in view also the quite extended period of time, these proceedings may take the trademark applicants to face a discouraging scenario until certainty with respect to their new trademark rights is obtained. On one hand, the registration process is hampered, on the other hand, the applicant's interest in a certain trademark and the practical aspects involved such as introducing the goods on the market or targeting a certain period of time are set back.

The possible misuse of this failure to apply *res judicata* must not be ignored. Prior rights owner may maintain a fake monopoly until the repeated proceedings are over and may try to discourage new filings they consider similar by initiating repeated long and money consuming proceedings. In our practice, we have encountered over the years cases related to the application of *res judicata*. A recent case currently pending before the Board of Appeals of The Romanian Trademark Office brought this matter again to our attention. In Romania, which is a civil law country next to the principle of *res judicata* as defined

above, applicability is made to a principle of *absolute res judicata* meaning that no one can be sued twice in the same capacity for the same cause and for the same object. The condition that the matter should be between the same parties is not required in order for this *absolute res judicata* to apply. Our case involved the trademark application "CERAMIC Ultra-Lavabil" in translation "Ceramic Ultra-washable" claiming protection for goods in class 02 and filed by a large Romanian paintings manufacturer. The trademark application was provisionally refused based on absolute grounds because the mark was considered by the office examiner as descriptive and describing the characteristics of the protected goods and could not be reserved to a single producer on the market. A defence against the provisional refusal was filed based on both acquired distinctiveness supported by appropriate evidences of intense use on the market and *per se* distinctiveness because of the unusual combination of words. The defence was not accepted by the office and a final refusal was issued which was contested before the Board of Appeals. The file was re-examined by the Board of Appeals and they decided to admit both defences and disposed the registration of the trademark. After, the publication of the registration observations in form of an appeal were filed by a competitor firm based on the same legal provisions namely the application was descriptive and describes the characteristics of the protected goods. Consequently, our client is now facing a second action targeting its trademark application based on the same absolute grounds of provisions.

The particularity in this action is that the case was brought before the same Board. *Absolute res judicata* was invoked having in view that the Board has already given a decision with respect to the trademark application "CERAMIC Ultra-Lavabil" and a second re-examination of the case is contrary to this principle. Currently, the decision is pending before the board. It remains to be seen if the board will adopt the interpretation of the EUIPO and reject such a defence based on the fact that we are dealing with an administrative decision that does not enjoy *res judicata* or given the particularity of the case the exception will be admitted.

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