

Intellectual Property

1. What does the Romanian intellectual property law protect?

Intellectual property rights are protected in Romania by various legal enactments applying specifically to each category of IP rights: patents, utility models, trademarks and geographic indications, industrial designs, topographies of semiconductor products, copyrights. The Romanian legal framework on IP rights has been gradually harmonised with the corresponding European legislation and, generally, with the principles provided in international treaties and conventions.¹

2. Which are the relevant authorities in the field of intellectual property?

The public authorities invested with competence in the protection of intellectual property rights are the State Office for Inventions and Trademarks (OSIM) (in relation to industrial property i.e. inventions, trademarks, geographic indications, industrial designs, topographies of semiconductor products) and the Romanian Office for Copyright (ORDA) (relevant for copyright protected works).

PATENTS

1. Who can apply for a patent?

The right to patent belongs to the inventor or to his/her rightful successor.

¹ Romania is a party to the main international treaties and conventions on intellectual property, among which: the Paris Convention for the Protection of Industrial Property (1883), including its subsequent revisions; the Convention establishing the World Intellectual Property Organisation (1967); the Marrakech Agreement establishing the World Trade Organisation (1994); the Madrid Arrangement (1967) and the Protocol related to the Madrid Arrangement (1989); the Trademarks Treaty (Geneva, 1994); the Nice Arrangement on trademarks classification (1957); the Treaty on Trademarks Law (Singapore, 2006); the Patent Cooperation Treaty (Washington, 1970); European Patent Convention (Munich, 1973); the Strasbourg Agreement concerning the International Patent Classification (1971); the Locarno Agreement on the classification of industrial designs (1968); the Hague Arrangement on the international deposit for industrial designs (1925); the Berne Convention on the protection of literary and artistic works (1886).

For inventor-employees, the right to patent belongs to the employer whenever the relevant inventions are made by the employee under a labour agreement which expressly provides that inventions are within the employee's specific duties. For inventions made with the use of the employer's experience, information or resources, the right to obtain the patent is vested in the employee, but the employer has the possibility to claim the rights over those inventions in return of a fair compensation paid to the inventor-employee.

In order to obtain protection at national level, applications for patent are submitted to OSIM. The invention shall be disclosed in the description, drawings and claims in a manner which is clear and complete as well as scientifically and technically correct. The applicant may invoke priority rights. The information comprised in the patent application will be kept confidential until the application is published by OSIM. The patent applications are published immediately after the expiry of a 18-month term from the date of the regular national filing or from the claimed date of priority. Published patent applications benefit from provisional protection until the patent is issued. Any person may submit to OSIM a cancellation application against the decision granting the patent within six months from the publication of such decision.

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2. Which are the conditions of patentability?

Patentability conditions are harmonised with international regulations. An invention (for a product or a procedure in any technological field) is patentable in Romania if it is new worldwide, involves an inventive step (i.e. it does not follow evidently for a trained individual from the knowledge incorporated in the existing technical development stage) and is susceptible of industrial application.

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3. For how long is protection granted?

The patent enjoying protection on the territory of Romania is valid for 20 years from the date the regular national application is filed, and is subject to yearly fees for maintenance.

UTILITY MODELS

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4. What are the protection requisites?

The protection of utility models is mainly regulated in Romania by Law No. 350/2007,

concerned with such technical inventions that cannot be protected by patent according to the Patent Law as they do not involve inventive activity. Utility models refer to any technical inventions provided that they are new (they are not already included in the current development stage of the technique), that they exceed the level of mere professional skill, and that they are applicable in the industrial field.

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5. Who can apply for protection of a utility model?

The right to the utility model belongs to the inventor or his/her rightful successor. Utility models acquire protection in Romania by registration with the OSIM. The law permits international registration of utility models. International applications may be filed with foreign receiving offices and may indicate Romania as a designated country. Failure to open the national phase renders the application ineffective in Romania. The requests for international registration may also be filed with the OSIM, as receiving office. Applicants at the OSIM may re-qualify their request from patent to utility model and, conversely, from utility model to patent, without thereby causing the examination procedure to be automatically closed. Re-qualifications are only admitted once and are not available for international requests where the national phase has already commenced. The right to the utility model may be transferred, wholly or partially, by assignment or by exclusive/non-exclusive licensing. Utility models can be encumbered and pursued in enforcement procedures.

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6. For how long is protection granted?

The duration of the protection of the utility model is of 6 years, available for extension for two 2-year each, successive periods, and may not, extensions included, exceed the maximum of 10 years.

TRADEMARKS

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1. What are the protection requisites?

According to the Trademark Law No. 84/1998, exclusive rights to use a trademark in Romania are granted by registration with the OSIM, either directly or by way of an international (WIPO) application based on the Madrid System.

In order to be registered, a trademark must not be identical or confusingly similar to a previous trademark belonging to a different owner and registered for identical or

similar products or services. Whenever the previous trademarks are notorious (either in Romania or in the European Union), the risk of confusion is analysed even if the new trademark is for products or services that are not identical or similar, if registration risks to cause damage to the notorious trademark. The applicant may invoke priority rights.

Trademark Law No. 84/1998 was significantly amended and supplemented in 2020.² Changes were made, *inter alia*, as regards the relative grounds for refusal. For instance, while under the previous regulation a relative ground for refusal was the fact that the trademark was liable to be confused with a trademark used abroad at the date of the application and which continued to be used there (and the application was submitted in bad faith by the applicant), currently a trademark is not to be registered where, and to the extent that, the trademark is liable to be confused with an earlier trademark protected (not necessarily used) abroad, provided that, at the date of the application, the applicant was acting in bad faith.

Furthermore, in accordance with the newly-enacted regulation, a trademark shall not be registered/declared invalid where an application for a designation of origin or a geographical indication had already been submitted in accordance with national laws or with the European Union legislation prior to the date of application for registration of the trademark, subject to its subsequent registration, and that designation of origin or geographical indication confers on the person authorised under the relevant law to use it the right to prohibit the use of a subsequent trademark in Romania.

Another important change is that the requirement for trademarks to have a graphic representation was removed from the trademark registration requirements. While previously registered trademarks had to have a graphic representation, now it is enough for the sign to be represented in a manner which enables a clear and precise determination of the subject matter of the protection afforded to its proprietor. This means that certain signs that could only be represented electronically may now be registered as trademarks – for instance, multimedia marks or hologram marks.

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2. Does Romanian law recognise exhaustion of a trademark?

The concept of Community exhaustion of trademarks is statutorily recognised under the Trademark Law. According to this concept, the first sale of a trademark-protected product within the European Economic Space by the owner, or with the owner's consent, exhausts the trademark rights over these given products not only domestically, but also within the whole European Economic Space.

² Law No. 112/2020 amending and supplementing Law No. 84/1998 on trademarks and geographical indications, in force as of 12 July 2020.

The direct consequence is that resellers within this region cannot be prevented from undertaking parallel imports, unless a legitimate interest related to the alteration of the respective products could be raised.

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3. For how long is protection granted?

National trademarks are protected for 10 years counting from the date the application for registration has been filed. The protection may be further extended for additional periods of 10 years without any overall limitation

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4. Are European Union Trademarks protected in Romania?

According to the rules applicable following Romania's accession to the European Union, European Union trademarks shall automatically enjoy protection on the Romanian territory. This mechanism operates ipso jure, without the need for the holder to fulfil any formalities or procedures at the OSIM. A potential conflict with a domestic trademark shall be solved based on the priority rules.

The holder of a national trademark previously registered in good faith is allowed to oppose the use of the European Union trademark only on Romanian territory. Oppositions may be raised to the competent Romanian courts in compliance with Regulation No. 2017/1001 on the European Union trademark. However, since the automatic extension of protection is not reciprocal (i.e. national trademarks do not automatically benefit from protection in the Member States) holders of national trademarks cannot substantiate, at the European Union level, a motion to annul or to obtain withdrawal of rights for lack of use against the owner of a subsequently registered European Union trademark.

INDUSTRIAL DESIGNS

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1. What are the protection requisites?

Based on the provisions of the Industrial Design Law No. 129/1992, the new external appearance of a product in two or three dimensions having a practical function may be registered as industrial design. Novelty and distinctive character are the registration conditions for an industrial design. A form is novel if it is practically unknown in the territory of Romania, and has not been disclosed for the same category of goods in Romania or abroad.

An industrial design is deemed to be distinctive (have an individual character) if the overall impression it has on the experienced user differs from the impression made by any industrial design made publicly available before the date of filing the application for registration, or before the priority date if priority was claimed.

The industrial design the appearance of which is determined by a technical function cannot be registered. Several industrial designs may be submitted for registration in the same application, in a multiple deposit comprising industrial designs intended to be incorporated in articles of the same category of goods as per the Locarno Agreement classification. Industrial designs subject to a multiple deposit should meet the condition of unity of design, unity of production or unity of use, or should belong to the same set or composition of items.

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2. For how long is protection granted?

The industrial design is valid for 10 years from constituting the national deposit and may be renewed for three successive 5-year periods upon payment of the legal fees.

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3. Are Community Designs protected in Romania?

According to the rules applicable following accession, EU designs automatically enjoy protection on the Romanian territory. This mechanism operates ipso jure, without the need for the holder to fulfil any formalities or procedures with OSIM. A potential conflict with a domestic design shall be solved based on the priority rules, the holder/applicant of an earlier local design registered/applied for in good faith being entitled to oppose the use of a Community design on Romanian territory.

TOPOGRAPHIES OF SEMICONDUCTOR PRODUCTS

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1. What are the protection requisites?

Only original topographies are protected. By topography of a semiconductor product it is understood a series of interconnected images, no matter how they are fixed or encrypted, representing the three-dimensional configuration of the layers of which a semiconductor product consists and where each image reproduces the design or a part of a design of a surface of the semiconductor product, at any stage of its production. The topographies of semiconductor products are protected in Romania through the registration with OSIM.

2. For how long is protection granted?

The exclusive rights granted to the owner by a registered topography expire 10 years after the first commercial exploitation anywhere in the world or 10 years after the registration was filed with the competent authority, whichever occurs first.

COPYRIGHT

1. Which works can be protected under copyright rules?

The Copyright Law No. 8/1996 provides protection to all literary, artistic or scientific works, as well as to other intellectual creation works, provided that they are original, take a concrete form of expression, and are susceptible of being made known to the public. The protection granted under the Copyright Law applies to the following:

- Works authored by Romanian citizens, even prior to being made known to the public;
- Works authored by natural or legal persons domiciled or headquartered in Romania, even prior to being made known to the public;
- Architectural works located on the Romanian territory;
- Artists' interpretations or performances taking place on the Romanian territory;
- Artists' interpretations or performances which are fixed in sound recordings protected by the Copyright Law;
- Artists' interpretations or performances which are not fixed in sound recordings, but are transmitted by television or radio broadcastings protected under the Copyright Law;
- Sound or video recordings produced by natural or legal persons residing in Romania;
- Sound or video recordings fixed on any material for the first time in Romania;
- Radio/television programs broadcast by entities headquartered in Romania;
- Radio/television programs transmitted by entities headquartered in Romania.

Such works benefit from protection under the Copyright Law without registration or any other formality being required. Non-residents, individuals or legal entities, benefit from copyright protection as per the terms of the international treaties Romania is a party to or, absent such treaties, under the same terms as Romanian residents, on a reciprocity basis. Authors of such work have the moral right to retract it, indemnifying, if the case, the holders of the right to use the work should they incur damage by retraction. Individuals or legal entities that became copyright holders by succession or assignment, under the law, as well as editors of musical works and written works benefitting from rights which were transferred to them under individual agreements and who are entitled to at least a part of the revenues arising from the rights, are

recognised and protected as copyright holders.

A concept that was introduced by the Copyright Law and that applies to all types of intellectual creations in the literary, artistic or scientific field is the concept of “orphan work”. Orphan work refers to intellectual creative work for which the holder of the right has not been identified or located, although a diligent search has been carried out and the entity conducting the search maintained records of such diligent searches. The orphan work status does not apply to anonymous works or to works created under a pseudonym. Orphan works that have been considered as such in another Member State shall be considered as having the same status on the territory of Romania.

The publicly accessible libraries, educational establishments, museums, archives, film or audio heritage institutions and public-service broadcasting organisations are entitled, under the law, to use the orphan works, provided that such use is exclusively intended for the purpose of achieving aims related to their public-interest mission.

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2. For how long is protection granted?

The Romanian copyrights last for the lifetime of the author plus other subsequent 70 years after their death, being transmitted to lawful successors, irrespective of the date when the work was brought to public knowledge. The same applies to software works. The person who, after the expiry of the copyright protection period, lawfully brings to public knowledge, for the first time, a previously unknown work, benefits from protection similar to that offered to authors for a period of 25 years from the date the work was first made public. As a general rule, protection for artists' interpretations or performances is valid 50 years from the date of such interpretation or performance. However, if such were fixed on a material during this period of time (except for phonograms), and were legally published or communicated to the public, the 50-year protection period starts from the date of such publication or communication, whichever occurs first.

The same applies to the rights of video recordings producers. In the case of performances fixed on a phonogram, the protection period is of 70 years as of the date of the publication or communication thereof, whichever occurs first.

The same applies to the rights of phonogram producers. For the purpose of this law, a phonogram is deemed as published for a commercial purpose when it is made available to the public by sale or by wired or wireless means, so that anyone may have access to it when and where they please.

3. What are the main terms of a copyright licensing agreement?

Copyrights are classified in moral rights and economic or patrimonial rights. While moral rights (e.g. the right to decide whether and how the work is going to be published; the right to decide the name under which the work shall be published, etc.) may not be transferred by the author, economic rights may be assigned to third parties by way of copyright licensing. The author or, as the case may be, the holder of the economic copyright, may license the patrimonial copyrights, in whole or in part, as well as restrict the use of the work by the licensees to certain territories and/or to certain time limits.

The licensing agreement must identify the patrimonial rights that are transferred thereby and must provide, for each right, the permitted methods of use, the term and scope of the licensing, as well as the payments due to the holder of the copyright. If any of these provisions is missing, the interested party may request the termination of the agreement. The licensing agreement concerning all the future works of the author, whether or not such works are named, is null and void.

If the licensor is also the author of the work and the licensee uses the work in a manner that may be found insufficient and conflicting with the licensor's legitimate interests, the author has the possibility to claim invalidity of the copyright license agreement after two years from the entry into force of the license. The term is of three months in case the work was to be published in a daily publication and of one year if the work was supposed to be published in periodicals. The author may not waive in advance such right to seek termination.

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4. Who owns copyrights over works for hire?

In the case of agreements for creation of future works, in the absence of a clause to the contrary, the economic rights belong to the author.

The person contracting the creation of a future work is entitled to terminate the agreement if the work fails to comply with the agreed conditions. In case of termination, the author keeps the amount which he/she has already received. In the absence of a contractual clause to the contrary, for the works created by employees while fulfilling their professional duties under an individual labour agreement, the patrimonial rights belong to the author. In this case, the author may authorise third parties to use the work only with the employer's consent and subject to compensation for the employer's contribution to covering the costs of creation. The employer may utilise the work in its business without authorisation from the author-employee.

Conversely, contractual clauses may provide that, for works created for the fulfilment of professional duties stipulated in the individual labour agreement, the patrimonial rights do not belong to the author of the work. If such clauses do not set forth the duration of the assignment of patrimonial rights, the term shall be of three years as of the work delivery date. Upon expiry, the patrimonial rights are transferred to the author and, absent a clause to the contrary, the employer is entitled to request the author to pay a reasonable quota from the income obtained from utilisation, in order to compensate costs borne by the employer for the creation.

In the case of copyright on computer programs, unless otherwise agreed, the patrimonial rights in such programs created by one or more employees in the course of their duties or following the instructions from their employer shall belong to the latter.

The economic rights on photographic work performed under an individual labour agreement, or further to an order, are presumed to belong, for a period of three years, to the employer or the person that placed the order, if not otherwise provided in the agreement.

The photograph of a person, when it is made further to an order, may be published, reproduced by the photographed person or its successors, without the consent of the author, if not otherwise agreed.

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5. Is licensing permitted through collective management bodies?

The holders of copyrights and related rights may exercise their legal rights individually or, based on a mandate granted directly, through collective management bodies.

Collective management is mandatory for certain rights (i.e. the right to compensatory remuneration for the private copy; the right to a fair remuneration for public loan in certain cases; the right of resale-droit de suite; the right of broadcasting for musical works; the right of public release of musical works, except for the public screening of cinematographic works; the right to fair remuneration acknowledged to performing artists and producers of phonograms for public communication and radio broadcasting of phonograms published for commercial purposes or the reproduction thereof; the right to cable retransmission; the right to a fair compensatory remuneration for orphan works; the online multi-territorial licensing right of use of musical works), for which the collective management bodies also represent holders of rights that did not grant them a mandate, and is optional for other rights (i.e. the right to reproduce musical works on phonograms or videograms; the right to publicly communicate works, except for musical works and artistic performances in the audio-video sector; the right of loan,

except for certain cases provided by law; the right to radio broadcast the works and artistic performances in the audio-visual sector; the right to fair remuneration resulting from the assignment of lease rights).

6. How can imports of goods suspected of infringing intellectual property rights be banned?

The customs authorities are enabled to fight against the import of goods suspected of infringing intellectual property rights, including by retaining goods and verifying their authenticity. The customs authorities collaborate closely with holders of intellectual property rights in order to facilitate a quick authenticity check on suspect products imported in Romania. Goods that are found to violate intellectual property rights are in most cases destroyed, or - if the holder of the breached intellectual property right agrees - offered free of charge for humanitarian purposes.

In practice, the customs authorities are active in retaining goods that are suspect of infringing intellectual property rights, being especially focused on excisable goods (e.g. cigarettes). However, destroying the goods proven to be counterfeited is a lengthy and cumbersome process.

COVID-19

1. What were the major changes brought by the COVID-19 crisis in the field? Will these changes stick?

The effects of the COVID-19 pandemic have been felt worldwide and across all business sectors. Romania took restrictive measures against the spread of the COVID-19 pandemic and declared a state of emergency from 16 March 2020 to 15 May 2020. In this context, OSIM issued a statement by which all time limits set to expire between 16 March 2020 and 15 May 2020 were suspended for the whole period of the emergency state. Public relations at OSIM's headquarters, including hearings, have also been suspended and documents could only be submitted via electronic means. These measures have been in place only during the state of emergency. OSIM is currently operating under normal conditions.

The pandemic may also leave an impact on the protection of existing IP rights. Whilst in normal circumstances IP rights holders are granted protection over their IP against third-party use (e.g. patent gives a drugmaker exclusive rights to manufacture a vaccine it developed, also providing it the power to charge a price that covers the costs of

research and development), the pandemic has created an unprecedented situation. In the context of the discussions at European level on sharing intellectual property rights over critical technologies in such times of crisis as the COVID-19 pandemic, intellectual property rights holders may be forced, even temporarily, to allow third-parties to use their rights, for example patents for medicinal products, for the public interest.

Law No. 64/1991 on patents provides for the possibility of obtaining a compulsory license for the use of an invention registered with OSIM without the consent of the holder in situations of national emergency or extreme urgency or in situations of public use for non-commercial purposes. An equitable remuneration to the invention holder would be fixed by the court. The purpose of the compulsory licensing is to supply the market in extreme situations. Hence, the court, at the request of the holder, can withdraw the compulsory license when the circumstances leading to the grant of the license no longer exist.