

The right of priority in trademark registration- Is the Bulgarian legislation comprehensive?

Das Prioritätsrecht bei der Markeneintragung – ist der bulgarische Rechtsrahmen ausreichend?

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Abstract — This report researches the examination of the right of priority within the registration procedure under Bulgarian legislation for trademark protection. The report raises the issue of regulatory gaps, incomplete regulation and fragmentation of these regulations - all issues that may affect the business and its interest in the registration procedure. A comparative analysis is made with the proceedings for registration of a European trademark and the examination of the right of priority according to the European legislation. Based on this comparative analysis, the author made proposals to improve the Bulgarian legislation, such as the Law on Marks and Geographical Indications to comprehensively regulate the examination of the right of priority and the division of the examination of the right of priority into two stages to be avoided. It is proposed also to regulate by which acts the right of priority is found or its loss is found, to provide an opportunity for appeal of the acts, which find a loss of right of priority by the special order, provided in article 69 of the Law on Marks and Geographical Indication, as well as to distinguish between the examination of the formal requirements and the material requirements of this right.

Zusammenfassung — Dieser Vortrag untersucht die Überprüfung des Prioritätsrechts im Registrierungsverfahren nach dem bulgarischen Markenrecht. Der Vortrag wirft die Frage nach Regelungslücken, unzureichender Regelung und Fragmentierung dieser Regelungen auf – alles Fragen, die das Unternehmen und sein Interesse am Registrierungsverfahren beeinträchtigen können. Eine vergleichende Analyse erfolgt mit dem Verfahren zur Eintragung einer europäischen Marke und der Prüfung des Prioritätsrechts nach europäischer Gesetzgebung. Wirft die Frage nach Regelungslücken, unzureichender Regelung und Fragmentierung dieser Regelungen auf – alles Fragen, die das Unternehmen und sein Interesse am Registrierungsverfahren beeinträchtigen können. Eine vergleichende Analyse erfolgt mit dem Verfahren zur Eintragung einer europäischen Marke und der Prüfung des Prioritätsrechts nach europäischer Gesetzgebung. Basierend auf dieser vergleichenden Analyse unterbreitet der Autor Vorschläge zur Verbesserung der bulgarischen Gesetzgebung im Markengesetz, nämlich die Prüfung des Prioritätsrechts umfassend zu regeln und eine Zweiteilung der Prioritätsprüfung zu vermeiden. Es wird auch vorgeschlagen, zu regeln, durch welche Rechtsakte das Prioritätsrecht anerkannt oder sein Verlust festgestellt wird, um eine Möglichkeit zur Berufung gegen die Rechtsakte durch die in Art. 69 des Markengesetzes, sowie die Prüfung der formalen und materiellen Anforderungen dieses Rechts zu unterscheiden.

I. INTRODUCTION

According to Bulgarian legislation, as part of the formal examination of the trademark application, a check is carried out for the existence of a right of priority. This examination is essential for the applicant because it should establish an advantage in his favor over applications submitted after the date of the established right of priority. The finding of the examination may be relevant to the recognition and challenge of the substantive right of a trade mark. At the moment, there are gaps in the legislation regarding this examination and it is unnecessarily fragmented. This may affect the interests of the trademark applicant or the trademark owner.

The purpose of this report is to bring out some problematic issues of this examination in the Bulgarian legislation and on the basis of a comparative analysis with the European regulations to make proposals for its improvement.

II. EXAMINATION OF PRIORITY RIGHT– PROBLEMATIC ISSUES

An essential part of the formal examination of the trademark application is the examination of existence of right of priority. It establishes the existence of the right of convention priority and the right of exhibition priority.

In Art.46 “Formal Expertise” and the following from the Law of Marks and Geographical Indications (LMGI) [1] there are no provisions on when and how this inspection is carried out. However, such provisions exist in Ordinance for preparation, submission and expertise of applications for registration of marks and geographical indications (OPSEARMGI) [2].

The Bulgarian legislation divides the examination of the right of priority into two stages. In the first stage it stipulates that a fee must be paid for claiming the right of priority (as a formal requirement). According to Art.15, para 4 of

OPSEARMGI “if within the terms under para 2¹ the priority fee² is not paid, the applicant shall be notified that the priority is determined from the date of its filing (“date of filing of the application”) with the Patent Office”. Therefore, the non-fulfillment of the requirement for payment of a fee for the right of priority, leads to loss of the priority right. This is a very serious consequence for the applicant.

The second stage of this checking of the right of priority is part of a stage conditionally called "examination of other formal requirements to the application", (as the application has already passed the former stage of establishing the date of submission of the application and the verification of payment of fees under Art.46, para 1 of LMGI [1]). Pursuant to Art. 16, para 1, item 4, prop. 2 of OPSEARMGI [2], within one month from the submission of the document for paid fees³ for each application it is checked whether it meets the requirements of Art. 10 of OPSEARMGI [2]. According to Article 10, para. 1 of OPSEARMGI [2] “in the claim for priority according to art. 45, para 2 of the LMGI [1] (convention priority - author's note) the date, the number of the first application and the country in which it was submitted shall be indicated in the application ”According to Art. 10, para 2 of OPSEARMGI [1] “in case of a claim for exhibition priority according to Art. 45, para 4 of the LMGI [1], the application shall indicate the date of exhibition of the goods or services and the country in which the exhibition is organized. In addition, by argument of Art. 16, para 7 of OPSEARMGI [2], the inspection shall also cover whether a priority document has been attached, which meets the requirements of Art. 13 of OPSEARMGI [2]. According to Art. 13, para 1 of OPSEARMGI [2] “the priority document under Art.45, para 2, item 4 of the LMGI [1] (with regard to the conventional priority - author's note) represents a copy of the first application, certified by the competent authority of the country concerned.” And according to Art. 13, para 2 of OPSEARMGI [2]. “The document under Art. 45, para 4, item 3 (with regard to the exhibition priority - author's note) is a certificate for participation in the exhibition, issued by the administration of the exhibition. The document shall also indicate the brand under which the goods and / or services were displayed. ”

What is the result of this inspection, if the application does not meet these requirements, is stated again in OPSEARMGI [2]. According to Art. 16, para 7 of OPSEARMGI [2] “when priority is claimed and within the term under art. 45, para. 2, item 4 of the LMGI [1] (*as well as within the term under Art. 45, para 4, item 3 of the LMGI, should be added*) a priority document has not been attached or it does not meet the requirements of Art. 13, the applicant shall be informed that *the priority of the application is determined from the date of its filing with the Patent Office.* ”Therefore, the consequence of this verification, if the conditions are not met, is again the loss of the right of priority.

So far, it can be generally said that this regulation of the right of priority is extremely incomplete and scattered.

First of all, this examination of the right of priority is essential for the trade mark registration proceedings and should find a place in the LMGI [1]. It is related to the finding of substantive consequences relevant to the applicant and therefore important to him.

¹ Art.15, para 2 of OPSEARMGI[2]

² This fee is BGN 20 for claiming each priority according to art.4, para 1, item 2 of the Tariff for fees, which are collected by the Patent Office of the Republic of Bulgaria[3]

³ They are the fee for application and expertise and the fee for priority (see art.15, para 1 of OPSEARMGI[2])

Secondly, this dispersion of regulation, in different places in the LMGI [1] and in OPSEARMGI [2] (for example- Art. 42, para 3, item 10, art. 45, art.46, para 1 of LMGI [1], Art.10, Art.13, Art.15, para 4, Art.16, para 7 of OPSEARMGI [2]), it is necessary to be overcome.

Dividing this examination into two stages is a major complication for the applicant. He is placed twice facing the threat of losing the right of priority.

It is also necessary to regulate by which act the state expert who performs the examination recognizes or rejects the claim for the right of priority.

Last but not least, it is necessary to outline how the applicant can seek protection against the act of the state expert, by which the right of priority is not found, by removing this legal gap and explicitly regulating this issue.

III. EXAMINATION THE RIGHT OF PRIORITY IN EU

In a relatively legal aspect, the examination of the right of priority is envisaged to be under Art.41 of Regulation (EU) 2017/1001[4], entitled “Examination of the condition of filing”. According to Guidelines for examination (European Union Intellectual Property Office) [5, p.242] – “If the priority claim is filed after the date of application of the European Union Trademark (EUTM) and/or the priority claim or the priority documents fail to satisfy any of the other formal requirements, the applicant will be invited to remedy the deficiency or make observations within the time limit set by the Office.” If the applicant does not respond or remedy the deficiencies, the consequences of non-compliance with the requirements of the right of priority will result in the loss of the right of priority. According to Art 41, point 6: of Regulation (EU) 2017/1001[4] “Failure to satisfy the requirements concerning the claim to priority *shall result in loss of the right of priority for the application.*”

In this regard is the regulation in Article 99 of Regulation (EU) 2017/1001[4] "Notification of loss of rights": „Where the Office finds that the loss of any rights (including loss of right of priority - author's note) results from this Regulation or acts adopted pursuant to this Regulation, *without any decision having been taken, it shall communicate this to the person concerned* in accordance with Article 98⁴. The latter may apply for a *decision on the matter* within two months of notification of the communication, if he considers that the finding of the Office is incorrect. *The Office shall adopt such a decision only where it disagrees with the person requesting it; otherwise the Office shall amend its finding and inform the person requesting the decision*“. The decision of loss of priority right is *appealable decision* according to Guidelines for examination (European Union Intellectual Property Office) [5, p.242, point 11.1.4].

The European regulation thus outlines an interesting legal construction of "loss of rights"⁵. With regard to the loss of the right of priority, it looks as follows:

1. The examiner finds loss of the right of priority for the application when the application does not satisfy the requirements concerning the claim to priority. Without a formal decision has been taken, the finding for the loss of right of priority must be communicated to the applicant.

2. If the applicant considers that the finding of the Office is incorrect, he may apply for a *decision on the matter (decision for loss of right of priority)* within two months of notification of the communication.

4. Article 98 of the Regulation (EU) 2017/1001 [4] is about “Notification”

5. This construction is also commented in the report “Public legal aspects of the right of priority”[6, pp 278-279]

3. The Office, if it agrees with the person, shall amend its finding and inform the person requesting the decision.

4. The Office shall adopt a decision for loss of right of priority only where it disagrees with the person requesting it.

5. These decisions - findings of loss of rights are intended to be subject to appeal to a higher instance for review of legality.

I find this concept extremely practical and complete. It can be adopted and introduced in the LMGI [1]. This will create clarity and eliminate incompleteness in our legislation mainly with regard to the act - the decision (which does not find the right of priority in the trademark registration proceedings) and with regard to challenging this act. What could be the legal nature of these acts? Since they find facts of legal significance [7, p.12], it could be argued that these are ascertaining administrative acts. They could be from those ascertaining administrative acts, for which there is a procedural interest for their independent appeal. The issue is open and debatable.

In a relatively legal aspect, the examination of the right of priority reveals another feature.

The Guidelines for examination (European Union Intellectual Property Office) [5, p.241] clarify that the requirements in Art. 35 European Union Trademark Regulation (EUTMR) [4], with regard to convention priority are considered as "the formal requirements for priority claims". The formal requirements are considered to be: 1) priority claim filed together with the EUTM application; 2) number, date and country of the previous application; 3) availability of official online sources to verify the priority data, or submission of priority documents and translations, where applicable. The Guidelines for examination (European Union Intellectual Property Office) [5, pp.255-256] state that the formal requirements for priority claims for exhibition priority, according to the requirements in art 38, point 1, (last sentence) and point 2 EUTMR are 1) priority claim filed together with the EUTM application; (or subsequent to the filing of the EUTM application but still on the same day). 2) the name of the exhibition and the date of first display of the goods or services 3) a certificate issued at the exhibition by the responsible authority with special requirements. The essential thing is that according to Guidelines for examination (European Union Intellectual Property Office) [5, p.241] "at the examination stage, the Office *will only examine whether all formal requirements are met*". Therefore, according to the European regulation, in the procedure for registration of European trademarks before European Union Intellectual Property Office, the concept discussed above refers to the decisions establishing the loss of the right of priority due to the fact that the formal requirements of the right of priority are not met.

For substantive legal prerequisites European legislation provides for them to be considered in a different order.

For the conventional priority the Guidelines for examination (European Union Intellectual Property Office) [5, p.242] provide that:

"The substantive requirements under Article 34 EUTMR will not be examined at the filing stage but during inter partes proceedings, where necessary, and will be restricted to the extent of the inter partes proceedings"⁶. „The substantive

6 According to Guidelines for examination (European Union Intellectual Property Office) [5, p.242] "*The requirements that refer to the substance of the priority claims are covered by Article 34 EUTMR and relate to the 6-month period, the condition of a first regular filing and triple identity (same owner, same mark and same goods and services).*"

requirements of the priority claim will be examined when the outcome of the opposition or cancellation case depends on whether priority was validly claimed."⁷ The important thing here is that: "If the priority claim does not satisfy any of the above substantive requirements, the applicant will be invited to make observations within the time limit set by the Office. If the priority right could not be proved or appeared to be unacceptable, the priority right would be refused. *The outcome of the full examination would be reflected in the final decision on the opposition or cancellation proceedings.*"⁸

A similar situation is envisaged with regard to exhibition priority: "*the substantive requirements for exhibition priority will not be examined at the filing stage but during inter partes proceedings, where necessary, and will be restricted to the extent of the inter partes proceedings*"⁹

This puts the understanding of the examination of the right of priority in the Bulgarian legislation in a completely different way. From this point of view, the Bulgarian legislation in practice in the "formal expertise" examines only the "formal requirements" for the existence of the right of priority without examining the issue on the merits. And without the above comparative analysis, the opposite conclusion can be reached.

This different statement regarding the examination of the requirements of the right of priority according to the European Regulation is interesting with its advantages and it should be taken into account in the Bulgarian legislation. A comprehensive study of the right of priority and the regime for challenging that right is needed. The main advantage of this new for the Bulgarian legislation statement is that it guarantees to a higher degree the rights of the actual first holder of the right of priority.

7 The following situation are presented:

"1) In order to assess whether the trade mark on which the opposition (or invalidity request) is based is an 'earlier mark' or 'earlier right' within the meaning of Article 8(2) to (4) and (6) EUTMR. Determining the validity of the priority claim of the contested EUTM or earlier mark will be necessary when the relevant date of the earlier mark (its filing date or priority date) falls between the date of the claimed priority and the date of the filing of the contested EUTM. This will be assessed when the admissibility of the action based on that earlier right is determined.

2) In order to assess the admissibility of the request for proof of use (whether the earlier mark is subject to use or not). The assessment of the priority claim of the contested EUTM is necessary for determining the admissibility of the request for proof of use in inter partes proceedings when the 5 years from registration of the earlier right falls between the priority date of the contested mark and its filing date. Such examination does not preclude the re-assessment of substantive requirements in respect of the priority claim at the decision-taking stage if this is relevant for the outcome of the case.

3) In order to determine the period of use. It will always be necessary to examine priority in order to calculate the 5-year period to which proof of use must relate". Guidelines for examination (European Union Intellectual Property Office) [5, p.243]

8 See Guidelines for examination (European Union Intellectual Property Office) [5, p.246]

9 See Guidelines for examination (European Union Intellectual Property Office) [5, p.256]

IV. CONCLUSION

Therefore, as a conclusion from this analysis, the following can be summarized:

1) *In the LMGI [1] it is necessary to comprehensively regulate the examination of the right of priority.*

2) *The dispersion of regulation, in different places in the LMGI [1] and in OPSEARMGI [2], it is necessary to be overcome. The regulation of the examination of the right of priority needs to be clearer and better systematized.*

3) *Dividing the examination of the right of priority into two stages is a major complication for the applicant (and twice puts him at risk of losing the right of priority). In the Bulgarian legislation, if it is preferred to remain the requirement for payment of a fee in respect of the claim to the right of priority, then let the examination of this requirement for payment of a fee be combined and performed with the examination of other formal requirements for establishing the right. It is also very important to give uniform instructions in case of non-compliance with the formal requirements for the right of priority and a general deadline for their removal.*

4) *To regulate by what act the right of priority is found and by what act it is found the loss of the right of priority. This can be done on the basis of the proposed concept of European legislation governing the institution of "loss of rights".*

5) *To provide an opportunity for appeal of the acts, which find the loss of the right to priority under the special order, provided in art. 69 of the LMGI [1].*

6) *To make the difference between the examination of the formal requirements and the substantive requirements of this right in the Bulgarian legislation and which ones are implemented at what stage. Although this issue is debatable, it*

deserves to be considered in detail, as it gives a better right of defense to the actual holder of the right of priority. This would ensure that the actual first holder of the right of priority could also be the first trademark owner.

In all these aspects, it is good to update and fill the gap in the Bulgarian legislation.

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