
HARMONIZATION OF MACEDONIAN LEGISLATION ON TRADEMARK LAW AS INDUSTRIAL PROPERTY RIGHTS WITH RECOMMENDATIONS FROM THE EUROPEAN UNION

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Abstract: According to the positive law of the Republic of North Macedonia, we observe that there are several types of industrial property rights regulated by the Law on Industrial Property as a *lex specialis* legal act. According to the legal regulations, industrial property rights include patents, industrial design, trademarks, indications of origin, and geographical indications. Trademarks, their civil protection, and the harmonization of Macedonian legislation on trademark law as part of industrial property rights with European Union law, are the focus of interest in this paper. Trademarks protect a sign that can be graphically represented and is suitable for distinguishing the goods or services of one participant in trade from those of another participant in trade.

To become a part of the European Union on the one hand, and to align legal rules with European standards on the other, serious acceptance of proposals and implementation of reforms outlined in the negotiation framework for North Macedonia regarding industrial property rights are necessary. This includes establishing protection and guaranteeing the rights of industrial property following generally accepted rules and principles. Greater engagement of the State Office for Industrial Property is needed in terms of institutional cooperation with EUIPO and WIPO, as well as *de facto* enforcement of standardized rules, procedures and principles that indicate modern protection of industrial property rights. On the other hand, for the expedient protection of industrial property rights, it is necessary for the judicial authorities to more often apply the decisions made by the European and international judicial authorities through which standardized judicial practice is established at the European and international level.

The purpose of this research is to point out the importance of the adequate protection of the guaranteed trademark rights, which is a prerequisite for fully harmonizing the domestic law of industrial property with the law of the European Union, as the main goal of our country during the negotiation process.

In the preparation of this paper, the descriptive and comparative method was used. These methods allowed me to explain and elaborate the main subject of my research. Through content analysis, teleological interpretation, and rules of logic conclusion, I explain and confirm the set theses of this scientific paper.

Keywords: Trademarks, harmonization of EU legislation, Macedonian industrial property rights, civil protection

1. INTRODUCTION

The primary subject of regulation concerning industrial property rights primarily includes patents and the protection of inventions, as well as the relations related to distinguishing signs such as trademark rights and industrial design, models, and patterns. It also encompasses market protection through the prevention of unfair competition (Polenak-Ackimovska, Buchkovski, & Anastasovska Dabovik, 2000, p. 4). Industrial property rights can be defined objectively and subjectively. Objectively, they represent a group, a set of legal rules regulating relations related to intellectual creations in the industry. Subjectively, industrial property rights *de facto* include property rights as an integral part of the right to use, the transfer of rights in commerce (both during the lifetime and in case of death), and the personal rights of the inventor, protecting exclusively personal interests that are not transferable. Civil law plays a significant role in industrial property rights, primarily in protecting against usurpation of industrial property rights. Civil law is an added value and a *de jure* complementary legal discipline to industrial property rights.

According to the positive law of the Republic of North Macedonia, several types of industrial property rights are regulated by the Law on Industrial Property as a *lex specialis* legal act. According to legal regulations, industrial property rights include *patents, industrial design, trademarks, indications of origin, and geographical indications*. Trademarks and their civil legal protection, as my area of interest, according to the letter of the law, represent marks protecting a sign that can be graphically represented and is suitable for distinguishing the goods or services of one participant in trade from those of another participant in trade. Trademarks protect distinguishing signs such as words, letters, numbers, images, drawings, combinations of colors, three-dimensional forms, including the shapes of goods or their packaging, as well as a combination of all the signs (Law on Industrial Property of the Republic of North Macedonia, 2009). The emergence of trademarks arises from the increased volume of production of goods and services, leading to the need for proper identification of similar goods and services for appropriate differentiation and recognition. Distinctiveness is a crucial element of trademarks, enabling consumers to differentiate between the goods and services they purchase and distinguish between different manufacturers of similar goods and services. The legal definition of distinctiveness is given in Article 176 of the Law on Industrial Property (hereinafter referred

to as LIP) and indicates that: “*a sign is distinctive if it gives the goods or services, compared to identical or similar goods and services, a special, distinctive character*”. However, it is important to note that not every sign can be eligible for legal protection, and there are certain reasons regulated by the law that may constitute absolute or relative obstacles to refusing the registration of a trademark. At the European Union level, the main documents regulating matters related to trademark rights are the Directive on Trademarks (European Union, 2015) and the Regulation of the European Union on Trademarks (European Union, 2017), which apply to all member states of the European Union.

2. ACQUIRING THE RIGHT TO A TRADEMARK AND ITS CIVIL LEGAL PROTECTION IN NORTH MACEDONIA

As some authors indicate, *the right to industrial property in a subjective sense as the right of creators of industrial creations can be considered a special kind of civil law*. We can conclude that civil law, especially civil-legal protection of industrial property rights, plays a significant role in establishing, releasing into circulation, regulating, and protecting industrial property rights. This indicates that civil law, understood according to the pandect system, represents a *conditio sine qua non* for the unimpeded use of industrial property rights. To enable civil-legal protection of industrial property rights, especially the right to a trademark, the applicant needs to acquire that right through registration. Until that moment, the person who applied is a claimant to the ownership of the trademark, and from the moment of registration, they become the holder of the trademark right. The competent institution for the registration of trademarks is the State Office of Industrial Property (hereinafter referred to as the Office). The procedure for applying to acquire the right to a trademark can be initiated by both natural and legal persons. To submit a regular application for the recognition of the right to a trademark, the applicant must fulfill the necessary conditions or requirements, indicating that the application has been properly submitted to the Office for consideration. Such conditions include: the applicant must state their request for the recognition of the right to the trademark in the application, the personal data of the applicant for the recognition of the right must be clearly stated in the application, the application must highlight the physical appearance of the sign for which protection is sought, as well as the determination of the goods and services for which protection is sought. The website of the State Office of Industrial Property provides a template for a trademark protection application, which includes all the necessary elements and requirements that the applicant must fulfill for their application to be considered regular. The procedure for granting the right to a trademark is a process conducted by the Office, starting with the submission of the application to the Office. If the applicant has fulfilled all the conditions and requirements in the application, and if the application has been properly submitted, the Office publishes the application in the Official Gazette of the Office, starting the deadline for filing an appeal against the application, which lasts for 3 months. If no objection to the application is filed within the specified period, and all costs for registering the trademark are duly paid, the Office issues a decision recognizing the right to a trademark, which is published in the Register of Trademarks. This right is valid for 10 years from the date of submission of the application and can be renewed indefinitely. By obtaining the right to a trademark, the holder of the right also gains a certain advantage, meaning the protection of their guaranteed right. The protection of industrial property rights, including trademarks, is elevated to the level of constitutional protection, through which the Constitution envisages provisions in the Constitution for the guarantee and protection of rights arising from human creativity. However, the fundamental law that protects, guarantees, and foresees industrial property rights is the Law on Industrial Property. The law clearly and unambiguously defines what a trademark is, the way to acquire and terminate a trademark, the rights acquired by registering a trademark, and the protection of the trademark in a civil law sense. For holders of trademark rights, the law provides *erga omnes* rights, which apply to all participants in commerce. Namely, the holder has the exclusive right not only to use their trademark but also to prohibit third parties from using the trademark in commerce without their consent (Industrial Property Law, 2009). In case of a violation under Article 206, paragraph 3, of the Law on Industrial Property (LIP), the right holder can seek civil legal protection by filing a lawsuit in a judicial proceeding before regular courts. This protective lawsuit, known as a condemnatory lawsuit, shields the right holder from infringements on their recognized and guaranteed rights. To file a lawsuit for trademark infringement, the Law sets certain presumptions that need to be proven to establish that an infringement of the registered and recognized trademark right has occurred. Such infringements, as defined by the LIP, include unauthorized use, disposal, limitation, imitation, association, disturbance of rights, and similar actions contrary to the provisions of the Law (Industrial Property Law, 2009). As indicated in the Law on Industrial Property, which also provides judicial protection for infringements of industrial property rights, individuals authorized to seek protection for the infringed trademark right include: “the applicant for the protection of the right, the right holder, the authorized user of a collective and certification trademark”(Industrial Property Law, 2009). The lawsuit, besides potentially including a claim for compensation for damages, may also include a prohibition on further unlawful actions, i.e., the use of a

sign that is identical or like the registered trademark, and the public announcement of the judgment. The registration of the trademark right in the Register of Trademarks at the State Office of Industrial Property of the Republic of North Macedonia is of crucial importance for the constitution of the trademark right. From that moment, the right begins to bear fruit in terms of its protection and prevention of usurpation by third parties. This is also emphasized in a judgment of the Basic Court Skopje II Skopje from 2019 (Basic Court Skopje II Skopje, 2019). In this case, the plaintiff, a company engaged in import-export services, filed a lawsuit against the defendant for an alleged act of unfair competition in the market by using a sign (A.R) to denote services related to body care. The plaintiff claimed that the defendant's use of a sign like their registered trademark (A.R) created confusion among consumers, causing damage to their rights. After examining the facts and evidence from both parties, the court dismissed the plaintiff's lawsuit as unfounded. The court found that the plaintiff received the decision recognizing the trademark right from the State Office of Industrial Property later than the defendant, i.e., at the time when the plaintiff initiated the lawsuit, their trademark right had not yet been officially recognized, unlike the defendant who already held the registered trademark right and had been using it for providing services related to body care. Therefore, the court established that obtaining a monopoly position through trademark right requires not only the submission of an application to the State Office of Industrial Property, as the plaintiff did in 2014 but de facto recognition of the right by being registered in the Register of Trademarks of the Republic of North Macedonia, which occurred for the plaintiff in 2019, after initiating the lawsuit.

3. TRADEMARK LAW IN THE EUROPEAN UNION AND ALIGNMENT OF MACEDONIAN LEGISLATION WITH EU RECOMMENDATIONS

At the level of the European Union, the main documents regulating matters related to trademark law are the Trademark Directive (European Union, 2015) and the Regulation of the European Union on trademarks (European Union, 2017), which apply to all member states of the European Union. What can be observed in the application of the rules by the Court of Justice of the European Union (hereinafter referred to as CJEU), as noted by certain authors in EU law, is the increased volume of judgments delivered by the CJEU, but also the lack of a specific strategy and plan for creating new principles, values, and rules that would mean the unification of European trademark law (Kur, 2008). The complexity of CJEU jurisprudence on the one hand, and the lack of flexibility and uniformity in decision-making on the other hand, lead to certain differences at the European Union level when deciding on disputes with similar factual situations. A notable aspect of many CJEU judgments is the balance sought between strengthening the right to a trademark on one hand and the principle of free competition on the other. The greatest merit of the CJEU can be seen in establishing the scope of protection for trademark rights and the functions of trademarks. Through its judgments, the Court establishes that EU law regarding trademarks protects not only the essential functions of the product (origin of goods and/or services) but also guarantees and protects other functions that are prerequisites for the quality of goods or services, such as communication, advertising, and investment in goods and services. Despite numerous attempts to unify EU law in this area, it can be concluded that the CJEU, through its judgments, tends to uphold and guarantee the right to a trademark in line with the original, commercial purpose of the trademark – aiding consumers in distinguishing between similar or identical goods and services from different producers.

With the candidate status and, even more so, with the commencement of the negotiation process, our country has the task of harmonizing its legislation with that of the European Union, intending to prepare the country for the acceptance of the entire *Acquis Communautaire* of the European Union. Regarding industrial property rights, especially trademarks, according to the latest report by the European Commission in 2023 on the progress of the Republic of North Macedonia (European Commission, 2023, p.83), minimal progress has been made in this area. A key note in this area is that our country is partially prepared in terms of industrial property rights and that minimal reforms are being implemented concerning the comments from previous years' reports. It is also emphasized that the State Office of Industrial Property needs to cooperate continuously with international organizations regarding the protection of trademark rights, particularly with the European Union Intellectual Property Office (EUIPO). As for the infringement of industrial property rights and their civil-legal protection before domestic courts, the report states that for the period from January 2023 to April 2023, 7 cases confirmed a violation of industrial property rights, involving 12 international trademarks. This report further underscores the need to align Macedonian industrial property legislation with that of the European Union, provide more information to trademark rights holders about their options and institutions responsible for civil-legal protection of their guaranteed rights, and increase the interest of domestic judicial authorities in international and European court judgments to enhance the dispositive aspects of court decisions, as well as unify and standardize the issuance of court judgments in terms of protecting trademark rights.

4. CONCLUSION

For the complete realization of the right to a trademark, civil-legal protection is essential to prevent the usurpation of the right by third parties. Without civil-legal protection, industrial property rights, especially the right to a trademark, one of the most important rights in today's commercial relationships, given the increased involvement of digitization in the trade of goods and services, would remain a dead letter on paper. The expansion of digitization, digital goods and services, digital markets, robotics, artificial intelligence, and all other innovations brought about by contemporary technological development are proportionally aligned with the extent of the modern digital market for goods and services, emphasizing the need for comprehensive and adequate protection.

Therefore, to realize the right to a trademark, it is necessary to protect the right and eliminate any unlawful actions that prevent the right holder from enjoying, using, and disposing of their right. However, it is crucial to emphasize the need for greater use of international and European standards for the protection of the right to a trademark, considering judgments delivered by the Court of Justice of the European Union when making domestic judgments, and establishing the merit of the case in step with the wording of European laws and good European practices. A positive development to note is the change that occurred in the Law on Obligations, wherein the general provisions for compensation in case of a trademark right infringement are de facto used. Inspired by the TRIPS Agreement and driven by the international obligations our country has undertaken, the Macedonian legislature amended Article 9-a of the Law on Obligations, which regulates personal rights, incorporating intellectual property rights into this category. Without a solid legal framework and continuity in implementing reforms, comprehensive protection and unconditional guarantee of industrial property rights cannot be expected.

This scientific paper is the result of a research activity, but also my main subject of interest in the field of industrial property, an area I am researching in my PhD Studies.

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