

Trademarks in Romania. An Overview of Official Statistics 2002 -2021

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Abstract

The trademark is an asset owned by a company and an important component of marketing strategies. Rights over trademarks and geographical indications are recognized and defended on the territory of Romania, being acquired and protected by registering them with OSIM. European Union trademarks benefit from protection on the territory of Romania, according to the provisions of the European Union Trademark Regulation. The paper proposes an analysis of trademark registration applications submitted to the official authority in Romania during 2011-2012. The bibliographic documentation was made on the basis of open access articles available on Clarivate Analytics, Google Scholar, ResearchGate. Official information provided by OSIM was used for the research. The research carried out highlighted a slight tendency to reduce trademark registration applications, against the background of a significant reduction in applications from individuals or legal entities not resident in Romania. The phenomenon can be explained by maintaining a high number of requests from Romanian residents for brands sold only on the domestic market. The large retail chains have focused on the intensive promotion of their own brands, already well-known on the Romanian market. The study is useful to companies, consumers and the scientific community, through the diversity of information and the original way of presenting brands on the Romanian market.

Keywords: Trademark, Romania, private label.

Jel Codes: Q13, O34, Q16

1. Introduction

Trademarks are signs used in commerce to identify products. According to the mentioned law, the trademark is a sign capable of graphic representation serving to distinguish the products or services of a natural or legal person from those belonging to other persons; distinctive signs such as: words, including names of persons, drawings, letters, numbers, figurative elements, three-dimensional shapes and, in particular, the shape of the product or its packaging, combinations of colours, as well as any combination of these may constitute trademarks signs.

A trademark is an asset owned by a company and an essential element of its marketing strategy. A trademark that has been registered at European level guarantees exclusive rights in all current and future EU member states. In Romania, the right to the trademark is acquired and protected by registering it at the State Office for Inventions and Trademarks OSIM. Intellectual property does not protect thoughts and ideas, but defines and protects man's innovations and creations. According to the definition given by OSIM (2022a), trademarks signal to consumers the origin of products, while designs specify the appearance of products. Copyright refers to artistic creations (such as books, music, paintings, sculptures and films), while patents protect technical inventions in all areas of technology.

In the EU, there is a four-tiered system for trademark registration, which tries to meet the applicant's requirements as best as possible. This is how the trademark can be registered:

- only in a Member State, where the applicant is currently active or where he aims to carry out commercial activities (for example OSIM, for Romania),
- at regional level, with trademark protection in Belgium, the Netherlands and/or Luxembourg, with the submission of the application to the Benelux Office for Intellectual Property (BOIP) regional office,
- at the European level, with the request for protection in EU Member States, by submitting a registration application to the European Union Intellectual Property Office (EUIPO);

- international registration through the World Intellectual Property Organization (WIPO), with trademark protection in any country signatory to the Madrid Protocol.

All signs, especially words (including names of persons), or designs, letters, numbers, colors, the shape of products or their packaging, or sounds can constitute European trademarks (OSIM, 2022a).

2. Legislation and international European agreements in the field of trademark protections

Romanian legislation is correlated with European legislation in the field of protection of trademarks and geographical names (EUIPO, 2022a). Law no. 84 of April 15, 1998 on trademarks and geographical indications, with subsequent additions and updates, is the main legislative benchmark in this field (Parliament of Romania, 1998). The EU is a signatory and member of international treaties in the field of trademarks (EUIPO, 2022b): Paris Convention for the Protection of Industrial Property (1883), Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977, and amended on September 28, 1979 (1957), Locarno Agreement Establishing an International Classification for Industrial Designs. Signed at Locarno as amended on September 28, 1979 (1968), Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks. Amended on October 1, 1985 (1973), Protocol adopted at Madrid relating to the Madrid Agreement concerning the international registration of marks (1989), Agreement on Trade-related Aspects of IP rights (1994), Trademark Law Treaty (1994), Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs Adopted by the Diplomatic Conference (1999), Singapore Treaty on the Law of Trademarks of Singapore (2006). (EUIPO, 2022a)

3. Short literature review

The COVID-19 pandemic and the war in Ukraine influenced the Romanian consumer's shopping behaviour. 44% of respondents are worried about the financial situation in 2022, and many expect an economic crisis in the coming years according to an Unlock study, cited by Crăciun (2022). When choosing products, Romanians are much more critical of brands. About 40% of consumers choose with more care and discernment a product/service, which must meet the expectations related to the quality, transparency and honesty of the brand. The number of consumers avoiding buying brands that do not keep their promises, consumers and employees is increasing, along with the pressure on brand owners regarding their social responsibility (NIS, 2022).

The Reveal Media Research study on consumer behaviour in Romania, cited by Oancea (2022) in the online publication Mediafax.ro, shows how buyers change their attitude towards a brand, depending on the fulfilment of their expectations from it. For 54% of respondents, a purchased product that lived up to expectations makes the buyer loyal to the respective brand, while in the case of a negative experience, 50% of respondents will no longer purchase that brand of product. For over 46% of respondents, a properly executed media promotional campaign can create a positive impression of the brand, but this must then be reinforced in the purchase process.

Bratoveanu et al. (2018), in the research carried out, shows that the domestic agri-food market is dominated by import brands, with fewer and fewer brands owned by Romanian capital. Except for chicken production and bakery, there are few domestic brands in the market. In some situations, foreign companies have taken over well-known Romanian brands for consumers, which, supported by an appropriate promotional campaign, increase the revenues of the multinationals. Another interesting phenomenon is the sale of products made by no-name manufacturers, under trademarks belonging to large Western retailers, at the expense of manufacturers' brands, characterized by significantly higher prices.

Stanciu et al (2020), show that the Fast Moving Consumer Goods (FMCG) market in Romania is highly concentrated, being dominated by large Western commercial networks. Fierce competition has forced companies in the sector to develop commercial areas, develop brands to increase their visibility, innovate sales techniques, address new market niches, or even undertake social responsibility actions.

The Made in Romania brand sells well, and private brands with a Romanian origin brought sales of 200-250 million euros to foreign retailers in 2018, Rosca (2018) appreciates in the article published in Ziarul Financiar.ro. 5 of the 10 big players in the modern retail trade market have bet on Romanian private brands, with traditional recipes that have attracted buyers.

Consumer interest in private label products has been steadily increasing in recent years, according to Stroe's (2021) analysis of the retail market. The niche of own-brand products is in a positive evolution, both through the increase in the number of Stock Keeping Units and through the accelerated growth of sales in the total market. Over 80%

of the 1,800 products sold by Lidl are own brand. Kaufland, the market leader in FMCG trade in Romania in 2020, operates over 50 own brand brands registered at international level, in food and non-food segments, with a product portfolio of several thousand items with global and local specifics. In the case of the operator Auchan, Auchan, private label products cover about 10% of the turnover on the Romanian market, the greater part being generated by own brand products made in Romania. In the case of the Metro Cash&Carry brand, of the eight own brands present at the international level, seven are also found on the domestic market. According to Metro representatives, the company's private brands total a portfolio of 1,800 food products and 1,400 non-food items. Selgros Cash&Carry owns five private brands internationally, of which 3 are available on the local market, encompassing over 200 products.

The consistent evolution of private brands generates income not only for the companies that market them, but also for local processors, with whom important quotas are contracted from the production of the private label portfolio.

Romanians' demand for local brands is not new, but in the COVID19 Pandemic this trend has intensified, against the backdrop of delays/lack of imported products due to the lockdown. The local producers ensured the continuity of the supply of the market, they were the ones who filled these shortages. Thanks to the retailers' campaign, there is a tendency to promote and support local producers and Romanian brands on the market. The "Made in Romania" concept has recently begun to have positive connotations, and during the pandemic consumers have rediscovered local products - food, beverages, cosmetics or home care. The reasons for this change in attitude are complex, from nostalgia to patriotism and the desire to help the local economy to the notion that these products are better, tastier and healthier. The effect is positive for the economy, local businesses grow and once they grow, so does the purchasing power of Romanians, appreciates Roşca (2021).

Bichescu et al. (2017) do an analysis of innovation, patenting and the use of agri-food brands at the national level, in a European context. The authors highlighted the fact that Romania's innovation performance, reflected in the European Innovation Scoreboard EIS, is modest, but the companies excel in sales techniques, including those based on the notoriety of domestic brands.

The study carried out by Stefan et al (2012) regarding the valorization of cultural heritage in the rural areas of Transylvania, through agritourism, can lead to new directions of rural development. Heritage tourism has become the engine of diversification of economic activities, and in the case of a lesser-known cultural heritage, the potential for commercial branding and the international tourist route are appropriate choices for the development of an innovative local model.

4. Materials and methods

The bibliographic documentation was made based on the consultation of scientific articles available on the Web of Science - Clarivate Analytics, SCOPUS, Google Scholar or ResearchGate, respectively some market studies carried out by specialized companies. The legislative aspects regarding the registration and protection of trademarks were selected from the Romanian legislation, published on the website of the State Office for Inventions and Trademarks OSIM, respectively the European ones, published by the European Union Intellectual Property Office (EUIPO). The information needed in the research was collected from the national statistics, respectively the OSIM website and the National Institute of Statistics NIS. The available information was selected, processed and statistically interpreted. The obtained results were compared with data from the literature, for validation.

5. Results

The request for trademark registration in Romania can be submitted online, at OSIM. The registered trademark is valid for 10 years and can be renewed indefinitely, for successive periods of 10 years, upon payment of the related fees. The application form contains 3 essential pieces of information:

- Ownership is available to any individual or company that can own an EU trade mark. The data is made public and is updated, so that there is no confusion about the owner of the brand.
- A brand must be clearly represented.
- The products and services associated with the registered trademark must be correctly defined, so that other traders understand which products and services are covered by the applicant's request (OSIM, 2022a).

Prior to submitting the application for trademark protection at the European level, it is recommended to consult the TMView Database, respectively eSearch Plus, EUIPO databases with free access. TMView provides information on trademark applications/trademarks from all EU national offices, EUIPO as well as a number of partner international offices outside the EU, while eSearch plus allows access to the EUIPO database of European Union trademarks and registered Community industrial designs. Through eSearch plus images can be searched/tracked, an EUIPO representative can be contacted or the EU Trade Marks Bulletin can be consulted (EUIPO, 2022b, EUIPO, 2022c).

5.1. Trademark applications registered in Romania

The evolution of the number of trademark registration applications at OSIM is presented in the figure 1.

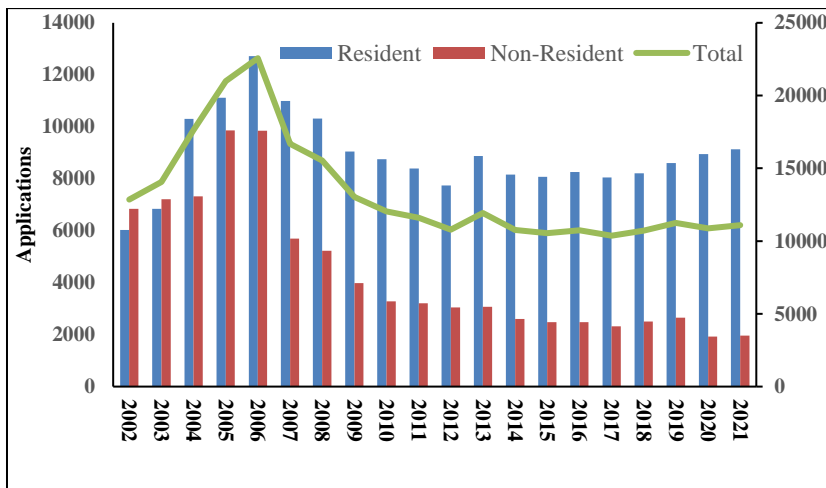


Figure 1. Trademarks registration applications (2011- 2021)

Source: Author, by using OSIM (2022b)

The analysis of the data presented by OSIM shows a high share of trademark registration requests from citizens or companies residing in Romania, to the detriment of those not based in our country.

Figure 2 shows the trend of the total number of trademark requests on the Romanian market.

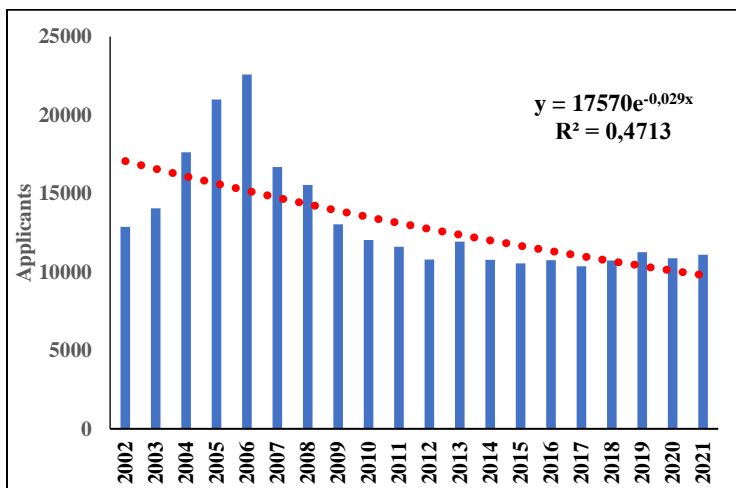


Figure 2. Evolution of the total number of trademark registration requests at OSIM

Source: Author, by using OSIM (2022b)

The analysis of the data presented by OSIM shows a high share of trademark registration requests from citizens or companies residing in Romania, to the detriment of those not based in our country (figure 3).

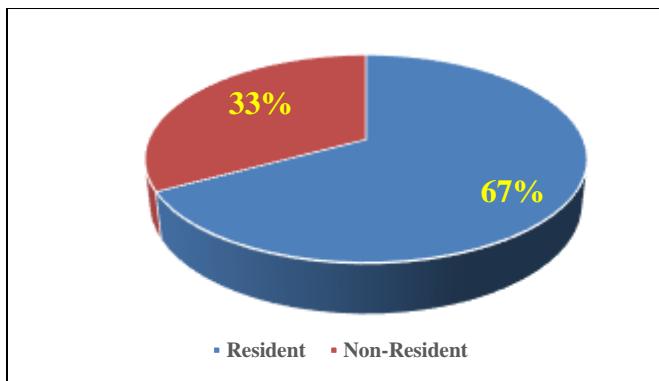


Figure 3. Trademark registration applications OSIM

Source: Author, by using OSIM (2022b)

More than two thirds of the trademark registration applications submitted to OSIM belong to citizens/companies based in Romania.

5.2 Applications for Romanian trademarks registered at European level

A search in eSearch Plus, the EIUPO database, for the word "Romania" led to 299 results, with the distribution Trade marks (127), Designs (15), Owner (157), Representative (0). The percentage distribution of these categories of intellectual property is presented in the figure 4.

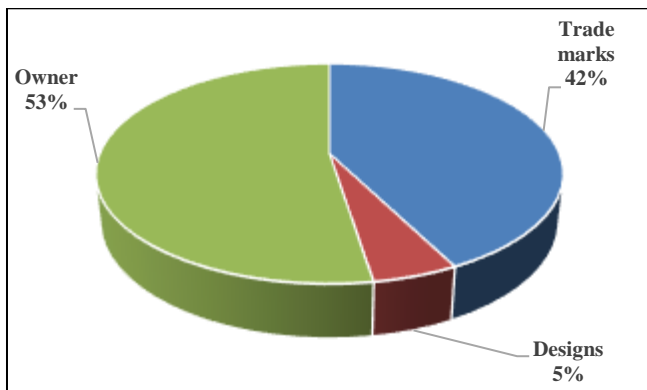


Figure 4. Romania applicants for intellectual property in EIUPO (2022C)

Source: Author, by using EIUPO (2022c)

According to the data presented in figure 4, there are 127 trademark applications containing the word Romania, which applied for European protection. On the first positions, in the order of appearance when searching for keywords, is Arcada Galați, Romania, followed by the brands of the German Telekom concern. Wellmade's request in Romania was refused, 5 other requests were withdrawn.

6. Conclusions

The research proposed an analysis of the protection requests for trademarks registered at OSIM, and at the European level, recognized in Romania, from the market perspective. The registration of trademarks intended for the domestic market is a process that will continue, but not at the high levels reached in the period 2005-2007. It is very likely that the products made under the private label brand will continue to develop, with local names that will attract Romanian consumers. However, the evolution of the market is difficult to predict, given the continued threat of COVID-19 and the war in Ukraine.

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