

Vilau & Mitel

Keep the end in sight

When devising a strategy for bringing a claim, rights holders should keep in mind not only the desired end result, but also the various means by which it can be achieved

Romania has experienced rapid growth in IP rights litigation over the past 10 to 15 years, with a particular focus on trademarks, patents and copyright (in 1995 there were only around 20 to 30 trademark cases in total). The trend continued after Romania joined the European Union in 2007, and there are an increasing number of cases in which Community trademark rights are at stake.

Trademarks can be enforced by judicial or administrative measures. In some cases, the two are complementary, as administrative proceedings (eg, oppositions and challenges to Romanian Trademark Office decisions) are carried forward by means of appeals to the courts.

Trademark owners increasingly enforce their rights through the civil courts, but also take action by means of criminal proceedings, border measures and administrative proceedings at the Trademark Office. In addition, special administrative proceedings are available through the Ministry of Communication and the Information Society in the event that the procedure for amicable resolution with internet providers (regarding infringing material on websites) is unsuccessful.

As a result of Romania's accession to the European Union, EU regulations and directives can be invoked in enforcement proceedings, and often are. These EU measures apply in addition to Romanian laws and regulations on trademark enforcement and the terms of international treaties to which Romania is a party.

Enforcement through criminal proceedings

A considerable number of trademark owners have used criminal proceedings to enforce their rights – an approach which is based on the seriousness of the offence and

the need to involve the police and the Public Prosecutor's Office. Various criteria determine whether an infringement is classified as a criminal or administrative offence. Offences are punishable by between three months' and three years' imprisonment or a fine of between Lei50,000 and Lei150,000 (approximately €12,000 to €35,000).

However, in the field of criminal enforcement, the Romanian state is still generally viewed as the main injured party; in comparison, the trademark owner has limited scope to intervene. Criminal proceedings take a relatively long time – two to four years on average – and most cases are resolved with a fine of between €150 and €300 because the offence is not considered to have a significant social impact, even when comparatively large quantities of counterfeit goods are found or when the defendant has repeatedly committed criminal trademark offences. Following some surprising decisions rendered in criminal proceedings, a recent amendment to the Trademark Law provides that a specific factor of aggravating circumstances comes into play where the infringement is committed on a large scale or by a criminal organisation.

Enforcement through border measures

The EU Customs Regulation (1383/2003) is directly enforceable in Romania and the procedure is similar to that applicable in other EU member states. A rights holder can apply for EU-wide or national border measures, the application is valid for one year and no fees are payable. The simplified procedure allows for counterfeit goods to be destroyed at the holder's expense. Customs has taken a proactive role in seizing and destroying counterfeit goods in a record number of cases.

Enforcement through civil proceedings

First instance jurisdiction resides with the ordinary courts, of which there is one in each main city. All appeals are heard by the court of appeal that has jurisdiction over the territory in question – at present, there are 15 such courts of appeal. Any subsequent appeal, which must be based on legal rather than factual grounds, will be heard by the High Court of Cassation and Justice, Romania's highest court.

The Court of Bucharest formerly had exclusive jurisdiction to hear all cases involving intellectual property, with decisions being appealed to the Bucharest Court of Appeal. This system of specialised panels of judges and exclusive jurisdiction yielded positive results, in terms of both the speed of proceedings and the quality of decisions. However, in 2005 the legislation on judicial organisation was amended and the Court of Bucharest lost its exclusive jurisdiction in respect of litigation on infringement and counterfeiting. Such cases are now heard by the court of the place where the defendant has its registered office or where the infringing acts were committed.

Since the change, significant progress has been made in respect of the decisions issued by the Court of Bucharest, as well as the specific expertise of its judges who hear trademark cases. Although some progress is discernable in the decisions of other courts, it is advisable to identify infringing acts that have occurred in a place over which the Court of Bucharest has jurisdiction, as this will allow a claimant to file its claim there.

The Court of Bucharest was recently designated as having exclusive jurisdiction over all enforcement cases in connection with Community trademarks. All appeals arising from such cases will be decided by the Bucharest Court of Appeal, with

subsequent appeals being heard by the High Court of Cassation and Justice.

Strategic options for enforcement

When devising a strategy for bringing a claim, a rights holder should keep in mind not only the desired end result, but also the various means by which it can be achieved. When initiating legal proceedings in Romania, the related risks should be carefully considered. The act of filing a lawsuit may trigger a number of related applications for cancellation or revocation requests (eg, on the grounds of non-use or descriptiveness), counterclaims and – in a few cases – even criminal complaints. A would-be claimant must anticipate all such possible consequences; it is not unknown for claimants to settle on terms less favourable than those on which they started proceedings.

An invalidity claim in respect of an IP right should be brought before the Court of Bucharest; in some cases, the same court will hear the case on the merits. To date, case law remains inconsistent on the issue of whether an invalidity claim constitutes grounds for suspension of the main case.

Interim measures

In cases of trademark infringement, the rights holder may request an interim injunction as a means of seeking immediate cessation of the infringing acts (eg, stopping the sale or distribution of a certain product or the use of a certain sign).

Such requests have become commonplace, as time is of the essence in almost all infringement cases. The downside is that proceedings are taking longer and the courts are allowing fewer *ex parte* proceedings.

When requesting an interim measure, the owner must prove the need for an urgent measure. It must also demonstrate that the judge can make such an order without considering the merits of the case, and that the order being sought is genuinely an interim provision.

Applicants for interim measures should simultaneously file their request for a permanent injunction. This not only provides the judge with sufficient justification for the decision, but also demonstrates the temporary nature of the injunction.

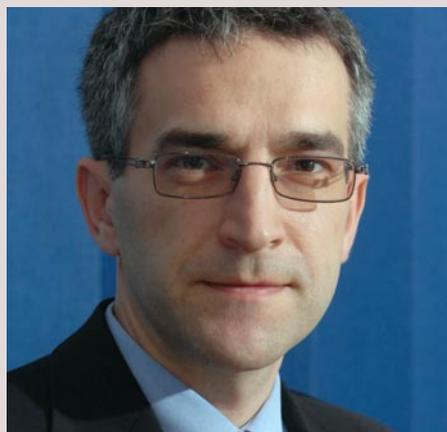
Evidence

Written evidence should include affidavits, as well as photographs or other reproductions (in colour if this is relevant to the mark) showing the trademarks or



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products at issue. This will ensure that the judge properly understands the practical issue on which a decision must be made.

Market research, market surveys and similar studies may be useful tools with which to support a claim. Although the point is not specifically addressed in the civil procedure rules, such materials are treated as written evidence and are admitted by the courts; the Trademark Office is particularly used to dealing with such materials.

The Romanian courts still appoint technical experts – that is, individual IP experts who are registered with a special authority – in order to provide expert opinions on the matters under review. Although some experts make particular efforts to keep abreast of developments in the field, opinions in certain cases have been based on purely theoretical views, with insufficient focus on the facts of the case. In other cases, experts have rendered opinions that cross the line from technical into legal issues. In order to prevent these problems from arising, it is imperative to determine in detail the points that the expert is required to address. Additionally, a detailed affidavit containing all relevant evidence or an expert report ordered by the plaintiff or defendant should be submitted.

Damages

Trademark owners are entitled to ask the court for damages to be awarded at the counterparty's cost. Such damages consist of all costs incurred in the proceedings, as well as damages for unlawful use of the trademark, which are generally calculated by considering the defendant's profits as a result of the infringing acts. The evidence for such damage must be as detailed as possible, as the courts are generally reluctant to award damages unless strong evidence is presented.

To date, the courts have not reached consensus on awards of damages. Recent case law includes instances of damages being awarded to the value of the equivalent genuine goods; in other cases, requests for material damages have been rejected, but moral damages have been awarded instead. [WTR](#)