

The background of the cover is an abstract painting with thick, expressive brushstrokes. The color palette is vibrant, featuring large areas of yellow, green, orange, and red, with some blue and white accents. The texture is highly visible, suggesting the use of heavy paint and a palette knife or brush.

World
Trademark
Review

Anti-counterfeiting 2008

A Global Guide

Romania

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Legal framework

The legal framework for the protection and enforcement of IP rights in Romania is as follows:

- the Law on Trademarks and Geographical Indications 84/1998;
- the Patent Law 64/1991;
- the Law on Designs and Models 129/1992;
- the Law on Copyright and Related Rights 8/1996;
- the Law on Unfair Competition 11/1991;
- the Government Ordinance on Enforcing Intellectual Property Rights 100/2005;
- the EU IP Rights Enforcement Directive (2004/48/EC)
- Law 344/2005 on measures to enforce IP rights within customs proceedings;
- the Romanian Criminal Code; and
- the Romanian Civil Code.

Border measures

Customs proceedings and customs actions

have become relatively effective means of blocking counterfeit products from entering the Romanian market because the customs authorities have started to take a very proactive role in enforcing IP rights at the national borders.

IP rights holders seeking intervention by customs authorities must file an application to record each relevant IP right. This allows Customs to seize any goods suspected of infringing the recorded rights when imported into, or exported from, Romania. Once the counterfeit goods are seized, the owner must file for civil or criminal proceedings.

Even without an application from the rights holder, the customs authorities can suspend customs procedures and/or seize the goods if there is a suspicion that they might infringe an IP right. When this occurs, Customs will inform, on the one hand, the importer, holder or designee of the goods at issue and, on the other, the owner of the allegedly infringed IP right. Over the past three years, the customs authorities have taken such action on numerous occasions.

In certain circumstances, the customs

authorities may destroy seized goods provided that:

- the rights holder confirms that the goods infringe its IP rights; and
- the importer, the holder or the designee of the goods does not expressly object to the suspension of the customs procedure, and/or the seizure or destruction of the goods.

The costs incurred in destroying the counterfeits are borne by the rights holder, something that is not unique to Romania. These costs tend to be high and the destruction is carried out only by companies approved by the authorities. For these reasons, rights holders will generally consider very carefully whether to intervene in the customs proceedings and ask for destruction of the counterfeits. In practice, they often choose to participate only if the scale of the counterfeiting activity is significant.

Counterfeit goods for non-commercial use, the value of which is not sufficient to require payment of customs duties, are an exception to the above rules.

Criminal prosecution

Key points

Owners of IP rights tend to resort to criminal prosecution as a means of enforcing their rights when they do not have information on the manufacturer/importer of the counterfeits, or in cases where there is large-scale counterfeiting of products which could have an important impact on the market. Another reason to choose criminal rather than civil proceedings is that, in criminal proceedings, there is no stamp duty to be paid if the owner requests damages.

In recent years, police departments and the Prosecutor's Office have focused increasingly on IP matters. They are now more willing to take action and also investigate claims more thoroughly. This is partly due to the negotiations relating to EU membership for Romania, and the attendant requirements imposed on the Romanian state to harmonize its legislation with relevant EU IP law and practice, and to be more rigorous in addressing IP issues. To this end, certain regulations have been amended so that a complaint is no longer required from the rights holder in order to initiate action in criminal cases. Special departments have also been created in the police and the Prosecutor's Office. On the other hand, the full cooperation of the rights holder is required in the proceedings in terms of ascertaining whether the relevant goods are

counterfeit, as the authorities can find it difficult to proceed with their investigations in the absence of such cooperation. In practice, a lack of cooperation on the part of the rights holder can result in no, or insignificant, penalties being imposed on the infringer.

The downside to active participation is that in criminal proceedings the owner has a very limited role, because the party which is considered to have suffered most damage as a result of any abuse is considered to be the Romanian state. As a corollary, the proceedings are conducted by Romanian state institutions (police departments working under supervision of the Prosecutor's Office). Thus, criminal proceedings are slow compared to civil proceedings and the 'investigation' period, which is undertaken prior to sending the file to court, takes an average of at least three to six months. However, there are exceptions where cases have been settled within a month.

Preliminary measures

During the investigative stage of criminal proceedings, the prosecutor assigned to the respective case may take the following preventive measures:

- seizure of counterfeits;
- seizure of the assets of alleged infringers; and
- seizure of the bank accounts of alleged infringers.

Remedies

Once the investigation is finalized and the case is sent to court, the court can order the following remedies:

- imprisonment or fines; and
- damages for losses suffered by the owner – provided the owner has submitted a request for damages – and for expenses incurred by the Romanian state in the course of the criminal proceedings.

Civil enforcement

Key points

Romanian case law in this field has developed significantly in recent years. Although it began with just a few lawsuits at the start of the 1990s, there is now a large volume of cases. For this reason, special panels have been created at the Bucharest Tribunal, the Bucharest Court of Appeal and the High Court of Justice and Cassation. The Bucharest Tribunal has exclusive jurisdiction over all trademark cancellation and revocation cases. The creation of specialized panels has greatly enhanced the quality of the case law, both in terms of decisions reached and of the underlying reasoning, which is now set out in detail.

Because only the Bucharest courts have specialized panels, and due to the quality of their decisions, rights holders often undertake forum shopping and choose the Bucharest courts. This is possible even if the

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defendant does not have its registered office in Bucharest, as long as it can be shown that an act of infringement or counterfeiting has occurred in the vicinity of the capital city.

Preliminary measures

The owner may request the following measures:

- Preservation of evidence through interim orders;
- An order for provisional measures by way of interim injunction – if necessary *ex parte* – against the infringer, but also against any intermediary whose services are being used by a third party to infringe an IP right. While a debate continues in many EU states, the Romanian courts have decided that the carrier of goods infringing an IP right is to be considered as an intermediary; and
- An order for seizure of the counterfeits, as well as of the assets of the infringer, and/or to freeze its bank accounts, provided the rights holder can demonstrate that there is no other way to recover the relevant damages at a later stage.

Remedies

In civil proceedings the courts may, at the request of the rights holder, order:

- disclosure of evidence by the defendant, so as to prohibit a current infringement;
- the defendant to provide information about the source of infringing goods or services, distribution channels and the identity of third parties involved in counterfeiting activities, including banking, financial or commercial documents under the control of the alleged infringer;
- payment of full damages to the owner;
- the recall or removal of the infringing goods from the market or the destruction of the goods; and
- publication of the court's decision in national newspapers, at the expense of the defendant.

Anti-counterfeiting online

Infringement and counterfeiting activities have followed on from the rapid development of the use of the Internet and e-commerce. Such activities range from the registration of domain names incorporating a trademark – either for cybersquatting purposes or for future unlawful use – to unauthorized use of trademarks and breach of copyrights over the Internet. Following a period where action was not taken, either by the relevant state authorities or by the owners of IP rights, Romania is now seeing a

growing focus on the protection and enforcement of IP rights on the Internet. In addition to specific provisions relating to e-commerce in the relevant laws and regulations, the general provisions regarding protection and enforcement of IP rights are applicable in respect of the Internet and e-commerce, and the choice of either civil or criminal proceedings is available. In the case of actions relating to the sale of counterfeits over the Internet, owners can resort to forum shopping, on the basis that the infringement is considered to take place anywhere that the Internet can be accessed.

The number of cases pending in the Romanian courts, or with dispute resolution service providers (such as the World Intellectual Property Organization) in relation to '.ro' domain names is increasing significantly. Although resort to Romanian courts seems not to be the preferred choice for certain owners, due to the length of proceedings and the possibility of appeals, it should be remembered that interim injunctions are available, and these have the same effect as launching a special procedure with one of the dispute resolution service providers.

In some cases, infringements caused by a domain name are combined with infringements resulting from unauthorized use of a trademark, or from breaches of copyright, as part of an attempt to mislead consumers as to the ownership of a website and the identity of the provider of goods and/or services offered for sale on such a site. Most of these cases can be resolved prior to litigation through cooperation with internet service providers (ISPs). When presented with evidence of a breach of trademark and copyright laws by the owner of a website, most ISPs will immediately suspend access to that site. Where such requests are not successful, the next option is to file civil or criminal proceedings.

Rights owners should use online investigation strategies when becoming aware of counterfeiting activity online. These can help to determine which domain name registrations pose a threat, and gather information on their owners and the relevant registrars. Such investigations can also highlight whether the registrant of the domain name owns other infringing sites. This information may help to show bad faith on the part of the registrant.

Preventive measures/strategies

Once a rights holder becomes aware of potential counterfeiting activity, it must react quickly, devise a comprehensive strategy and use as many interim measures as possible

(either with Customs, the Romanian courts or the Prosecutor's Office) in order to put an immediate stop to the infringing activity. Such a strategy should involve consultation with, and the use of information from, local licensees, if relevant. Such licensees should be encouraged to be proactive in the market. Similarly, it is important to obtain advice from expert local counsel. Ongoing searches and monitoring of applications and registered rights should also be employed in addition to the evidence-gathering capabilities of local investigators. Details on the local market can then be combined with information from the country in which the counterfeits originate.

Most importantly, the strategy should involve the rights holder in a proactive role with the customs authorities, the police and the Prosecutor's Office. To this end, training and workshops with representatives of these authorities, and involvement in public anti-counterfeiting programmes, have proved effective means of creating awareness and increasing skills in addressing counterfeiting activities.

Last, but not least, any strategy should include:

- an internal check on the IP right that is allegedly infringed – how strong it is, and how consistently it has been used on the Romanian market – as, in many cases, the respective right will have been challenged or even have faced cancellation or revocation actions; and
- a search to determine whether the infringer has registered or applied for registration of rights, in which case interim measures would be more difficult to obtain. This is another reason for ongoing monitoring of applications for registration. [WTR](#)

Biographies

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Mr Dragos M Vilau graduated from the Romanian University of Science and Arts, Institute of Law in 1994. He qualified in 1996 and has specialized in the fields of M&A, banking and finance, and intellectual property.

He co-founded Vilau & Mitel in 2003, having previously worked for Musat & Asociatii and at Laromet SA as in-house legal counsel. He is a member of a number of professional associations, including the International Trademark Association, the Alumni Association of the International Development Law Organization and the International Bar Association. He is also an honorary member of the Association of Fellows and Legal Scholars of the Centre for International Legal Studies.

Mr Vilau has written numerous works on a wide range of legal topics, including *Finding Your Way – A Practical Approach to Trademark Enforcement in Romania and Eastern Europe – World Focus* published in May 2006 and *Privatisation in Romania in International Project Finance*, published in 2000. He speaks Romanian, English and French.