

ANTI-COUNTERFEITING AND ONLINE BRAND ENFORCEMENT 2022

A Global Guide



Romania

Cabinet M Oproiu

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PROTECTING IP IN ROMANIA

CABINET M. OPROIU

EUROPEAN PATENT AND TRADEMARK ATTORNEYS

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IN ROMANIA:

- Acquiring IP rights in Patents
 - Trademarks
- Designs including oppositions, appeals
- Court proceedings for cancellation and for enforcement of the IP rights

IN EUROPE:

- Filing and prosecuting European Patents including related oppositions and appeals
- Filing and prosecuting European Trademarks including related oppositions and appeals

LANGUAGES: English, French, Spanish, German

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Legal framework

The following EU legislation applies to trademarks in Romania:

- EU Regulation 608/2013 (concerning customs enforcement of IP rights);
- the EU IP Rights Enforcement Directive (2004/48/EC);
- EU Regulation 2015/2424; and
- EU Directive 2015/2436 (to approximate the laws of member states relating to trademarks).

The following domestic legislation applies:

- national laws on border measures, including Regulation 608/2013 and Law 344/2005 (which establishes IP rights protection measures in clearance operations);
- Government Ordinance 100/2005 (which transposes the EU IP Rights Enforcement Directive into national law);
- the Code of Civil Procedures and the Code of Penal Procedures;
- the Unfair Competition Law (11/1991); and

- the Trademark Law (84/1998), in force since 13 July 2020.

Border measures

Romania joined the European Union on 1 January 2007. Consequently, the Romanian customs authorities' responsibility to protect the external border of the European Union increased considerably, as Romania has a significant border with non-EU countries (eg, Serbia, Ukraine and Moldova).

Among the customs offices located on the EU border, the one in Constanta Sud-Agigea harbour is by far the most important when it comes to combating the trafficking of counterfeit goods by sea. Maritime shipping containers bring large quantities of goods into Romania and thus into the European Union, and the Constanta Sud-Agigea harbour customs office accordingly seizes the highest quantity of counterfeit goods.

Law 344/2005 does not supplement or affect in any way the provisions of Article 9(4) of the EU

Trademark Regulation and Article 10(4) of Directive 2015/2436, or of the European Court of Justice (ECJ) ruling in *Nokia/Philips*, regarding goods in transit. Customs authorities currently seize goods in transit that are suspected of constituting an infringement of the IP rights relied upon, irrespective of the destination country based on Law 344/2005 applicable to all goods that:

(a) are placed in or out of the territory of Romania, inclusively from free area or free storage places; (b) are declared at Customs authorities for placing them under a suspended or definitive custom regime or for their re-export; (c) are placed under a suspended custom regime; or (d) are under custom supervising, in any other situations.

A notable difference between the EU regulation and the national law is their scope of application to customs regimes. National law applies not only to suspect counterfeit goods that are imported into or exported out of the EU territory, but also to all goods seized in the Romanian territory by Customs or the police, regardless of the type of fraud committed (eg, failure to declare, abandonment or avoidance of customs or tax procedures). In practice, Customs seizes goods on entry into the European Union from non-EU countries and in-transit goods; while the police seize goods suspected of any type of fraud (eg, under excise legislation), whether at the EU border or at warehouses within the country. Thus, when conducting compliance checks of shipments under the excise provisions of the Customs Intervention Law at any entry point into Romania, Customs is empowered to verify the goods' compliance with IP rights, either directly or on the request of the police.

Customs can act either on the trademark owner's request or at its own discretion. Intervention on request is based on an application submitted to Customs at national or EU level (the latter only for EU trademarks or designs). Customs intervenes on its own motion where it suspects that the goods may infringe IP rights. In both cases, Customs sends notification (in English) of the seizure to the rights holder (or the rights holder's appointed representative, where one is recorded at the Romanian Patent Office). In case of doubt as to the rightful recipient, Customs will send the same notification letter to various attorneys. Many



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attorneys regularly send lists to Customs which set out the IP rights which they are empowered to defend.

Each notification gives basic information as to the seized goods and is accompanied by emails containing photographs of the seized goods. Rights holders may also visit customs offices to take additional photographs.

Where notifications are based on the suspicions of Customs and no intervention request has been filed, the rights holder has three working days to file such a request in response to the notification.

A notification is also sent to the importer or holder of the goods.

A typical notification sent by Customs includes:

- information on the actual or estimated quantity and the actual or presumed nature of the goods;
- the names and addresses of the consignee, the consignor and the declarant or holder of the goods;
- the customs procedure; and
- the origin, provenance and destination of the goods whose release has been suspended or which have been detained.



Penal actions start with a penal investigation by the police, with the aim to check whether the counterfeiter's action falls within the definition of a 'criminal offence'

In some cases, not all details are included in the notification sent by Customs. The typical notification is sent by email and accompanied by photographs. In some cases, where the local customs office is unable to take photographs, they accept that the representative goes to the place where the goods are stored in order to take photographs.

In most cases, the rights holder requests destruction and the holder of the goods does not oppose; the goods are then destroyed by authorised companies. The costs of destruction – borne by the rights holder – are usually reasonable.

If the holder of the goods opposes destruction, the rights holder must file a civil or criminal complaint (or both) within 10 working days. The rights holder can extend this term by another 10 working days by filing a request before expiry of the initial term. The same deadline applies where the rights holder wishes to sue the alleged counterfeiter for infringement instead of requesting destruction of the goods.

Customs is highly efficient in its operations and customs officers are very helpful when dealing with rights holders; they can easily be reached by phone for details, send additional photographs on request and in general do their best to ensure that the procedure goes as smoothly as possible.

Since 2017 customs offices have been sending the minutes concluded between them and the warehousing firms to rights holders. These minutes include the costs for warehousing and the monetary value of the goods as declared by the counterfeiter.

Some rights holders are not interested in seizures of under a certain number of items, due the unfavourable relationship between the costs involved in responding to Customs and the benefits obtained through the possible destruction of

the counterfeit goods. In such situations, according to current practice, the Romanian customs authority considers the rights holders' requests not to be informed about seizures that refer only to a few items. The decision to transmit such a request to the customs authority is preferable to rights holders responding to various seizures individually stating that they are not interested. Such a situation could lead to a decrease in customs officers' actions regarding the concerned IP rights.

Criminal prosecution

Counterfeiting constitutes a criminal offence and, as such, is punishable under criminal laws. Two types of crime are stipulated under the law: those that are considered to pose a threat to the public and those that are not. The penalties for the first one are more severe.

Penal actions start with a penal investigation by the police, with the aim to check whether the counterfeiter's action falls within the definition of a 'criminal offence', defined as "the act that represents a social danger, being carried out with guilt and is defined as such by specific laws". Penal action is directed against a physical person, or against the legal representative of the company if the holder or declarant is a company. Counterfeiting of a trademark or design is defined as a criminal offence, both by the national Trademark law and the Unfair Competition Law. Once the investigation is carried out, the police send the file to the prosecutor. If the prosecutor considers the action to be a criminal offence, the case is sent to the criminal section of the court. Unfortunately, in most cases, the prosecutor considers that the conditions for criminal offence are not met, meaning that in the vast majority of cases, criminal complaints end without being sent to court.

Civil enforcement

Preliminary measures

Preliminary measures – such as sending cease and desist letters – are optional, but often beneficial, as they can save the significant efforts and expenses of a lawsuit.

Cease and desist letters may include an undertaking to be signed by the infringer (eg, a deadline for withdrawing the goods from the market) and a contractual penalty clause. In the absence of such an undertaking, the formal response of the infringer has the same value.

It is at the rights holder's discretion to allow any existing infringing goods on the market to remain on the market or insist that they be withdrawn or destroyed. Usually, rights holders request the withdrawal or destruction of the goods within a negotiated term from the date of serving the cease and desist letter.

Interim injunctions

In assessing a claim for an interim injunction, the court will determine whether all of the following conditions have been met:

- there is *prima facie* evidence of the claimant's rights;
- the matter is urgent; and
- failure to grant the injunction would prejudice the claimant's rights or cause it imminent and irreparable harm.

In respect of urgency, the law stipulates no specific timeframe. In respect of irreparable harm, the claimant must adduce evidence that the infringement has already taken place or is imminent.

The injunction may be granted without summoning the parties; however, the courts try to avoid doing so. The court will consider the urgency of the case and the magnitude of the irreparable harm when deciding whether to summon the parties.

If granted, the interim injunction will remain in force during the main infringement proceedings. Interim injunctions cannot order the following remedies:

- measures that can be ordered in the main infringement suit (eg, an order to permanently cease infringement or a damages award); and
- measures that, if enforced, would make reinstatement of the initial situation impossible (eg, destruction of the goods).

The court will issue an executory judgment. The defendant may appeal the injunction and request that execution of the decision be suspended pending the appeal. The appeal court will decide on the amount of security to be paid by the defendant in order to grant the request for suspension.

The decision on the interim injunction is not binding on the trial court – that is, there may be a finding of infringement in the interim injunction proceeding (if the injunction is granted), but the court hearing the substantive trial may conclude that no infringement occurred. Conversely, the judgment issued in the main proceedings is binding in respect of subsequent interim injunction proceedings.

Permanent injunctions

Permanent injunction claims filed by rights holders include specific requests (ie, sub-claims), the first of



The court will consider the urgency of the case and the magnitude of the irreparable harm when deciding whether to summon the parties

which is always the request for permanent cessation of non-authorised use of the relevant trademark. If granted, sub-claims constitute the remedies available pursuant to the IP Rights Enforcement Directive. Other sub-claims include:

- payment of damages;
- disclosure of information on the counterfeiting chain;
- destruction or recall of the goods; and
- publication of the decision in a newspaper.

Under certain conditions, a claim for summary proceedings can be converted into a claim for a permanent injunction.

Where an interim injunction request is filed before the claim on the merits, the court hearing the interim injunction case will stipulate in its decision a deadline by which the claimant must file the permanent injunction request. If the claimant fails to comply with this obligation, all provisional measures ordered by the court will cease.

The following evidence is allowed in permanent injunction proceedings:

- documentary evidence;
- cross-examination;
- expert opinions; and
- witness declarations.

Requesting damages

There are two categories of monetary remedy: damages and reimbursement of trial costs. Damages are usually calculated as the lost profit of the claimant. In some cases an accounts expert report is ordered by the judge for the calculation of the damages.

In order to claim damages, the claimant must pay a stamp fee, the value of which is roughly 1% of the value claimed. Reimbursement of trial costs usually refers to the charges of the lawyers and attorneys. In this respect, the claimant must, until the closing of the debates, bring the lawyers' invoices, as well as the proof that such invoices have been paid. Judges are usually willing to decide to reimburse trial costs.

When requesting damages, the claimant must pay a court fee which varies in proportion to the amount claimed.

Damages are most commonly calculated as an estimation of the claimant's lost profits due to the presence of the defendant's products on the market.

Damages and legal costs as ordered by the court in its decision are not reimbursed *ex officio*. The

successful party must notify the losing party to pay the amount ordered under the decision. If the losing party does not pay, the successful party can enforce the court decision through a court executor. Where the proceedings take many years to conclude, the losing party may become insolvent, in which case reimbursement of trial costs is subject to the general debt recovery procedure.

In some cases, the court may require the rights holder to provide a financial guarantee if the measures it has requested are likely to prejudice the defendant.

Anti-counterfeiting online

No specific provisions apply to online counterfeiting; rather, the general rules apply. The number of such cases is increasing, but remains small in comparison to the number of traditional counterfeiting cases being brought before the courts.

Cases relating to online counterfeiting pose problems regarding the provision of evidence, as websites can change rapidly and it may be difficult to determine the infringer's identity. However, online counterfeiting allows the claimant to file suit before any court where internet access is available.

Court actions can be combined into a single suit where a trademark is infringed through use of a domain name that is identical to the trademark alongside other infringement activities. Such disputes can sometimes be resolved out of court by submitting the matter to the relevant domain name authorities.

Preventive measures/strategies

Rights holders should consider four strategic measures to prevent infringement of their rights.

First, they should ensure that their trademarks are in genuine use for the goods or services for which they are registered and that there is sufficient evidence of use. For national and international trademarks designating Romania, use must be within the Romanian territory. For European trademarks, use can be in any EU member state; however, in practice, enforcement in Romania is better managed when the mark is used within the Romanian territory. Use is not mandatory for young trademarks (less than five years from registration), but is highly advisable.

Second, rights holders should keep a close eye out for infringers on the market, in cooperation with distributors and licensees where direct mon-



Rights holders should appoint trustworthy local counsel as early as possible so that a customised strategy can be established with them from the outset

itoring and investigation is impossible. Sometimes it is necessary to monitor distributors and licensees themselves, as they may be infringers as well. This ensures that counterfeiting is detected as early as possible and that sufficient evidence is established.

Third, rights holders should appoint trustworthy local counsel as early as possible so that a customised strategy can be established with them from the outset. Such a strategy may include monitoring infringers' registered rights and applications (where applicable), oppositions and invalidity actions.

Rights holders should involve authorities as much as possible – for example, by requesting customs intervention for their primary trademarks, notifying Customs of their appointed representative and submitting a list of their registered rights to Customs.

Repair clause

As far as the repair clause is concerned, Article 45 of the National Trademark Law is relevant, namely the limitation of the rights of the owner of a registered trademark against the use of the subject trademark for indicating the designation of a product, especially for accessories or spare parts (similar provisions are found in Article 14 of EU Regulation 2017/1001).

The repair clause is not identically illustrated in connection with registered designs or models. Article 32c of the Designs Law reads as follows:

The rights conferred by a registered design or model cannot not be exercised for the equipment on ships and aircraft registered in a third country, when these temporarily enter the territory of Romania or for the importation of spare parts and accessories for the purpose of repairing such craft or for the execution of repairs on such craft.

This is also provided for EU states in Article 20(2) of EU Regulation 6/2002.

Another relevant provision the Designs Law concerns requiring that a design or model representing a component part of a complex product remain visible during normal use of said product, except during maintenance or repair (see also Article 4 of EU Regulation 6/2002), as grounds for refusing the registration or cancellation of a registered design.


A 2019 landmark decision involved a case concerning vehicle spare parts. Company A sells vehicle spare parts and, along with its own trademark, places labels on its products to indicate compatibility with particular vehicle models. Company B, the owner of trademarks for the vehicle models corresponding to Company A's spare parts, sued Company A alleging trademark infringement due to the labels on the parts indicating compatibility with said vehicles. Company B claimed that affixing the labels mentioning Company B's trademarks onto the spare parts constituted non-authorised use of their marks.

In February 2018 the first-instance court ruled that there was no trademark infringement. Company B appealed, but the appeal was dismissed in June 2019. The Court of Appeal decision was further appealed to the High Court of Cassation and Justice.

In December 2021 the High Court of Cassation decided to admit the final appeal and to send the case back to the Court of Appeal for a new judgment. Pending the debates, Company B invoked a recent decision taken by the High Court of Cassation in another file in June 2021 concerning Company C and the trademark owner for the vehicle models corresponding to Company D's spare parts. The invoked decision underlines several aspects that the High Court considered necessary for evaluation by the Court of Appeal:

- The necessity to establish whether the use of the registered mark among codes formed by figures on the spare parts is designated to provide public information concerning the goods and whether it represents the only modality for correct information that is complete and intelligible to the public.
- The necessity to identify eventual infringement of the third party regarding the obligation of loyalty in respect to the legal interests of the mark owner, according to the ECJ's definition in *Gillette*.
- The necessity to establish whether the third party's use of the mark can affect the mark's value, allowing the third party to take advantage of the distinctive character or reputation of the mark (according to *Gillette*), taking into account the normal practices in the market of the spare parts.

Comment

Counterfeiters are creative by nature; therefore, rights holders must be as alert and creative as possible in enforcing their rights, and always try to stay one step ahead of them. 

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