

SOME ISSUES CONCERNING JURISDICTION ON CLAIMS FOR PRELIMINARY RELIEF FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

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Abstract

The article deals with some issues surrounding the assertion of jurisdiction on claims for preliminary or provisional relief for infringement of intellectual property rights in Romania. Starting with the sources of the national provisions on provisional measures which were the result of implementation of international and EU law, the article then analyzes the relevant provisions in both the Code of Civil Procedure and the laws concerning the protection of intellectual property rights. In the very end, some more strange possible factual situations are analyzed in order to demonstrate the need for further legislative and judiciary guidance on the matter.

Keywords: *intellectual property rights, provisional relief, preliminary relief, enforcement of intellectual property rights, jurisdiction, procedure.*

1. Introduction

1.1. Importance and International Regime

Claims for preliminary relief in matters of infringement of Intellectual Property Rights are essential tools for the protection of these rights.

The overall importance of enforcement through the courts of such rights has caused some in the literature to affirm that intellectual property rights are only as good as the procedures and remedies by which they are enforced¹.

The overall importance of court enforcement of such rights was expressly recognized with the adoption of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) in 1994. Part III of the Agreement deals specifically with this issue with the aim to create procedural means by which to insure that the level of protection achieved at material level (the purpose of the Agreement having always been to provide and grant the highest possible degree of protection to intellectual property rights) is matched and rendered practical².

In this context, art. 41 par. (1) of TRIPS provides that “Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements”. We can note the fact that preliminary relief claims are referred to as “expeditious remedies to prevent infringements”³. Par. (2) of art. 41 further requires (with respect to all

procedures for enforcement of intellectual property rights and not just with respect to claims for preliminary relief) that such procedures be “fair and equitable. [...] not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays”.

However, the Agreement explicitly indicates that it does not amount to an obligation for the Member States to create or amend their existing judicial system, nor to allocate additional resources or prioritize the enforcement of intellectual property rights over enforcement of other rights (par. 5). Art. 41 does however require that all decisions (even administrative) be open for judicial review, at least, with respect to judicial first instance decisions, on issues of legality (par. 4). Also, reasoned decisions and the right to be heard only apply to decisions on the merits, not claims for preliminary relief (par. 3).

Art. 50 of the Agreement provides the detailed procedural for the enforcement of provisional measures in correlation with the general tenets of art. 41.

These detailed procedural rules do not also provide guidance with respect to what court holds jurisdiction over such claims.

1.2. IPR Enforcement Directive

Because of the importance of enforcement to intellectual property rights and the fact that TRIPS did not manage to align the Member States on their policies for the enforcement of Intellectual Property Rights, the issue was taken up again by means of a European Directive dedicated to this very issue: the enforcement in the EU of intellectual property rights. It is Directive 2004/48/EC of the European Parliament and of the

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¹ C. Greenhalgh, J. Philips, R. Pitkethly, M. Rogers and J. Tomalin, *Intellectual Property Enforcement in Smaller UK Firms* (2010), p. 3 cit. in Lionel Bently, Brad Sherman, *Intellectual Property Law*, 4th ed., OUP (Oxford, 2014), p. 1201;

² S. Vander, „Before Articles 41–61” in P-T Stoll, J. Busche and K. Arend, *WTO – Trade-Related Aspects of Intellectual Property Rights*, Martinus Nijhoff Publishers (Leiden, 2009), p. 679;

³ *Idem*, p. 740;

Council of 29 April 2004 on the enforcement of intellectual property rights (Directive 48/04)⁴.

Importantly, Preamble 3 to the Directive, reads as follows: “without effective means of enforcing intellectual property rights, innovation and creativity are discouraged and investment diminished. It is therefore necessary to ensure that the substantive law on intellectual property, which is nowadays largely part of the *acquis communautaire*, is applied effectively in the Community. In this respect, the means of enforcing intellectual property rights are of paramount importance for the success of the Internal Market”. The intimate link between substantial provisions related to intellectual property rights and the procedural rules for their enforcement is further emphasized in preamble 9⁵ which also justifies action at Union level.

Directive 48/04 also indicates that there are major disparities between the means of enforcement of Intellectual Property Rights provided by the Member States, among others also with regard to provisional measures (preamble 7), such disparities being prejudicial to the functioning of the Internal Market since there is no level ground of enforcement of such rights throughout the Union (preamble 8).

The overarching objective of Directive 48/04 is summarized in preamble 10 as being “to ensure a high, equivalent and homogeneous level of protection in the Internal Market”, its scope being defined “as widely as possible in order to encompass all the intellectual property rights covered by Community provisions in this field and/or by the national law of the Member State concerned” (preamble 13).

Therefore the purpose of Directive 48/04 is to complement and harmonize existing enforcement measures implemented by Member States pursuant to TRIPS and/or other international applicable conventions or other such measures enacted by local law, the principle of application being that the more favorable (to the right holder) provisions would apply (art. 2 (1) of Directive 48/04).

1.3. The issue of jurisdiction

Jurisdiction to try a case on the merits is a component of the right to a fair trial protected by art. 6 par. (1) of the European Convention for Human Rights,

as established by the European Court of Human Rights in, among others, *Arlewin v. Sweden*⁶.

The court held that “The Court reiterates that Article 6 § 1 secures to everyone the right to have any claim relating to his or her civil rights and obligations brought before a court or tribunal. In this way it embodies the “right to a court”, of which the right of access, that is the right to institute proceedings before courts in civil matters, constitutes one aspect (see *Golder v. the United Kingdom*, 21 February 1975, §§ 35-36, Series A no. 18). This right presupposes that the case brought can be tried on its merits”⁷ and that any limitations to such “must not restrict or reduce the access left to the individual in such a way or to such an extent that the very essence of the right is impaired. Furthermore, a limitation will not be compatible with Article 6 § 1 if it does not pursue a legitimate aim and if there is not a reasonable relationship of proportionality between the means employed and the aim sought to be achieved [cit. ommit.]”⁸.

Therefore there is an obligation that the state provide possible claimants, pursuant to art. 6 par. (1) of the Convention, with an effective access to court, such not being insured where the alternative would not be “reasonable and practical for the applicant” thereby depriving the claimant from pursuing the “only viable option for an effective examination” of his claim⁹.

1.4. Preliminary view

Having regard to the objectives pursued by the enactments aimed at securing means of enforcement of intellectual property rights and the requirement, pursuant to the European Convention on Human Rights, that access to court be insured also by securing a jurisdiction where no reasonable and practical alternative for the claimant exists, it seems that the procedural rules governing the procedures for preliminary relief in Romania ought to secure a very high and wide level of protection for right holders. Given the fact that an obvious component of the high and wide level of protection is access to fast preliminary relief proceedings (such being derived from the provisions of art. 50 TRIPS and preamble 22 of Directive 48/04¹⁰), this would presuppose, in turn, access to Romanian courts whenever this is the reasonable and practical alternative.

⁴ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, OJ L 157/30.04.2004

⁵ „The current disparities also lead to a weakening of the substantive law on intellectual property and to a fragmentation of the Internal Market in this field. This causes a loss of confidence in the Internal Market in business circles, with a consequent reduction in investment in innovation and creation. [...] Effective enforcement of the substantive law on intellectual property should be ensured by specific action at Community level. Approximation of the legislation of the Member States in this field is therefore an essential prerequisite for the proper functioning of the Internal Market”.

⁶ European Court of Human Rights, 3rd ch., case of *Arlewin v. Sweden*, decision of 1 March 2016, Application no. 22302/10;

⁷ Par. 66

⁸ Par. 67

⁹ Par. 73

¹⁰ „It is also essential to provide for provisional measures for the immediate termination of infringements, without awaiting a decision on the substance of the case, while observing the rights of the defence, ensuring the proportionality of the provisional measures as appropriate to the characteristics of the case in question and providing the guarantees needed to cover the costs and the injury caused to the defendant by an unjustified request. Such measures are particularly justified where any delay would cause irreparable harm to the holder of an intellectual property right [emphasis added]”.

2. Analysis of the relevant provisions

2.1. The general procedural regime

Directive 48/04 was implemented in Romania by means of Emergency Government Ordinance 100/2005¹¹ (GEO 100/05) with respect to industrial property rights, while the enforcement regime for copyright and related rights was implemented by means of Emergency Government Ordinance 123/2005¹². The regime for industrial property rights and copyright and related rights respectively are, for all purposes of the present article, identical and therefore we will refer to both by common reference to GEO 100/05.

Both regimes were subsequently amended pursuant to the adoption of the New Civil Procedure Code and both provide that provisional relief is to be ordered by „the competent judicial court” pursuant to the rules in the Civil Procedure Code relating to provisional measures for the protection of intellectual property rights.

The Code of Civil Procedure (CPC) provides, at art. 978, that the regulations in articles 978 and 979 concern the enforcement of provisional measures for the enforcement of intellectual property rights, irrespective of their content (economic or moral) and irrespective of their source.

The provisions are silent with respect to the jurisdiction for such claims, solely indicating that the measures envisaged by these provisions are to be taken by courts according to the provisions governing the procedure of the presidential ordinance.

In the title dedicated to the procedure of the presidential ordinance, art. 998 of the CPC specifically provides that „the claim for a presidential ordinance shall be filed with the court having first instance jurisdiction over the claim on the merits of the case”.

The issue of jurisdiction over claims for preliminary relief for infringement of intellectual property rights seems therefore to be linked to jurisdiction over claims for the (main or on the merits) claims for infringement of intellectual property rights.

2.2. Jurisdiction over the main/merits claim

After some debates in the literature¹³ and some uncertainty in the practice of the courts it was clearly established that jurisdiction in first instance for claims of infringement of any intellectual property rights rests with the Tribunals, irrespective of the monetary value of the claim¹⁴.

In terms of the territorial jurisdiction, the CPC provides for the rule that the claim is under the jurisdiction of the court where the defendant is domiciled/headquartered or, alternatively, for claims under tort, the court where the tortious act was committed or the damage has occurred. Several additional rules are applicable where the domicile/headquarter is not known, where the claim concerns acts committed by the subsidiary of a company, where the claim is against a person without legal personality or against a public entity.

The CPC also provides some rules concerning jurisdiction where there is a foreign component to the claim. Romanian courts hold jurisdiction over claims where defendant has in Romania, at the moment of filing of the claim, his/her domicile, usual seat of residence, headquarter, secondary headquarter or goodwill. Romanian courts also hold preferred jurisdiction (absent a convention on the forum) on claims regarding the protection abroad of the intellectual property rights of a natural person domiciled in Romania (either a Romanian citizen or stateless person).

For ‘regular’ claims for infringement of intellectual property rights therefore, the jurisdiction would rest with the Tribunal at the defendant’s headquarter or the Tribunal where the infringement was committed or where the damage has occurred. Within the Tribunals, it is the civil divisions that handle the cases concerning infringement of intellectual property rights (even where the parties are professionals, the jurisdiction rests with the ‘purely’ civil divisions and not with those handling disputes involving professionals. The Bucharest Tribunal has specialized intellectual property panels within its ‘purely’ civil divisions.

The High Court has held¹⁵ that territorial jurisdiction ought to be established based on a predictable criterion and therefore the place where the damage has occurred is not mean the place where payment of remunerations for use of copyright was due to the collective management organization. As the CJEU has itself found in *Pinkney*¹⁶, “in the event of alleged infringement of copyrights protected by the Member State of the court seised, the latter has jurisdiction to hear an action to establish liability brought by the author of a work against a company established in another Member State and which has, in the latter State, reproduced that work on a material

¹¹ Government Emergency Ordinance no. 100 of 14 July 2005 concerning the Enforcement of Industrial Property rights in *Monitorul Oficial* no. 643/20.07.2005

¹² Government Emergency Ordinance no. 123 of 1 September 2005 for the modification and amendment of Law no. 8/1996 concerning copyright and related rights in *Monitorul Oficial* no. 843/19.09.2005 as amended by Law no. 329 of 14 July 2006 regarding the approval of Government Emergency Ordinance no. 123/2005 for the modification and amendment of Law no. 8/1996 concerning copyright and related rights in *Monitorul Oficial* no. 657/31.07.2006

¹³ Gh.-L. Zidaru, „Commentary to art. 95” in V. M. Ciobanu, M. Nicolae (coord.) *Noul cod de procedură civilă comentat și adnotat. Vol. I – art. 1 -526*, Universul Juridic (Bucharest – 2013), p. 282, 278-279

¹⁴ See, for example, Curtea de apel Cluj, s. I civ., decision no. 68 of 14 May 2015, in Curtea de apel Cluj, *Curtea de apel Cluj. Secția I civilă. Decizii relevante trimestrul II 2015*, Înalta Curte de Casație și Justiție, s. I civ., decision no. 3393 of 28 November 2014;

¹⁵ Înalta Curte de Casație și Justiție, s. I civ., decision no. 2571 of 17 November 2015;

¹⁶ CJEU, decision of 3 October 2013, *Peter Pinckney v. KDG Mediatech AG* (C-170/12);

support which is subsequently sold by companies established in a third Member State through an internet site also accessible with the jurisdiction of the court seized”¹⁷. Such jurisdiction does not mean that the court may order payment of damages for what occurred on a different national market but it may determine the prejudice as for that Member State.

In the same case mentioned above, the High Court has held that since the unauthorized communication to the public of the copyrighted works was undertaken on buses traveling between Bucharest and Vâlcea, these acts are continuous acts of infringement (each or the entire duration of the trip) and are considered to have taken place both in the Vâlcea county and in Bucharest and therefore either of the two Tribunals could assert jurisdiction over the claim of infringement.

2.2. Jurisdiction over the main/merits claim in some special cases

Where the claim concerns infringement of EU rights (EU trademark or EU design), the first instance jurisdiction over the claim is with the Bucharest Tribunal (art. 71 of Law no. 84/1998¹⁸ and art. 47 of Law no. 129/1992¹⁹).

These national enactments would appear inapplicable due to the fact that their provisions come within the scope of art. 124 of Regulation 1001/2017²⁰ and art. 81 of Regulation 6/2002.

The latter grant exclusive jurisdiction on the courts designated by Member States as EU Trade Marks Courts and, respectively, Community Design Courts for (i) all claims of infringement (and, where possible, threatened infringement) of such rights, (ii) for actions for declaration of non-infringement of such rights, (iii) for counterclaims for a declaration of invalidity of such rights. Moreover, EU trade mark courts have exclusive jurisdiction on claims for compensation for infringement of provisional rights pursuant to the publication of the EU trade mark application and Community designs courts have exclusive jurisdiction over actions for a declaration of invalidity of an unregistered Community design.

Interestingly, the two Regulations provide that the EU trade mark courts and Community design courts have jurisdiction to decide in respect of infringements

or threatened infringements in any Member State except where jurisdiction is asserted due to the infringing act being committed in a certain Member State, in which situation the EU trade mark or Community Design court only has jurisdiction on the infringement or threatened infringement in that Member State (where the court vested with the claim is).

3. Discussion

As mentioned before, the rule is that jurisdiction for the claim for preliminary relief follows jurisdiction for the main (on the merits) claim for infringement.

However, in some situations, given the urgent nature of the preliminary/provisional relief sought, Romanian courts will assert jurisdiction on the preliminary relief claim even where they would be more reluctant to do so in respect of the claim on the merits.

On such situation is encountered in the context of article 1075 of the CPC which provides for the emergency jurisdiction of Romanian courts in matters concerning provisional measures, conservation and enforcement measures concerning persons or goods in Romania at the date of filing, even where the Romanian court would not hold jurisdiction over the case on the merits.

Another situation concerns cases where the main claim for relief would be subject to arbitration (either national or international). The existence of a valid arbitration clause normally excludes the possibility that a court would retain jurisdiction over a claim it has been seized with.

Romanian courts have held²¹ that the existence of the arbitration clause seems to exclude even the application of exclusive jurisdiction as provided by the EU Regulations (e.g. for EU trade marks). The court has also established that, even where the jurisdiction over the case on the merits rests with an arbitral tribunal, Romanian courts still have jurisdiction over the claim for provisional measures based on art. 35 of Regulation 1215/2012²² and the test established by the CJEU's decision in *Van Uden*²³.

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¹⁷ Idem;

¹⁸ Law no. 84 of 15 April 1998 concerning trademarks and geographical indications, in *Monitorul Oficial* nr. 161/23.04.1998, as subsequently amended;

¹⁹ Law no. 129 of 29 December 1992 concerning the protection of designs and models, in *Monitorul Oficial* nr. 1/8.01.1993, as subsequently amended;

²⁰ Regulation 2017/1001 of 14 June 2017 on the European Union trade mark in *OJ L154/16.06.2017*;

²¹ Curtea de apel București, s. IV civ., decision no. 456 of 11 May 2016;

²² Regulation no 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters;

²³ CJEU, decision of 17 November 1998, *Van Uden Maritime BV, trading as Van Uden Africa Line v Kommanditgesellschaft in Firma Deco-Line and Another*. (C-391/95);

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