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World
Trademark
Review

Anti-counterfeiting 2009

A Global Guide

Albania

Contributing firm
Boga & Associates



Author
Renata Leka

Legal framework

The following national laws apply in Albania:

- Law 9947 on Industrial Property (July 7 2008);
- Law 9902 on Consumer Protection (January 17 2008);
- Law 9595 on the Central Technical Inspectorate (July 27 2006);
- Law 8388 on Protection of Topographies of Integrated Circuits (May 13 1999);
- the Civil Code (Law 7850, July 29 1994, as amended);
- the Civil Procedure Code (Law 8116, March 29 1996, as amended);
- the Customs Code (Law 8449, January 27 1999, as amended);
- Council of Ministers Decision 205 on implementing provisions of the Customs Code (April 13 1999); and
- Council of Ministers Decision 547 on changes to Decision 205 (May 1 2008).

The following international laws also apply:

- the World Intellectual Property Organization Madrid Convention;
- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement on the System for the International Registration of Marks;
- the Madrid Protocol related to the System for the International Registration of Marks;
- the Patent Cooperation Treaty;
- the Agreement between the Government of Albania and the European Patent Organization on Cooperation regarding Patents;
- the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of Registration of Marks;
- the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure;
- the Geneva Act on the Hague Convention for the Registration of Industrial Designs and related rules;

- the Hague Act on the Hague Convention for the Registration of Industrial Designs;
- the Convention establishing the Customs and Cooperation Council; and
- the Nairobi Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offences.

Border measures

The most recent amendment to the law relating to border measures (Council of Ministers Decision 547, May 2008, amending Council of Ministers Decision 205, April 1999) brought Albanian legislation closer to EU legislation in regard to actions to be taken by the Albanian Customs Authority.

Decision 547, May 2008, introduced into national law the definitions of 'counterfeit goods', 'pirated goods' and 'rights holder' set out in Council Regulation 1383/2003 on customs action against goods suspected of infringing certain IP rights. Under this decision Customs can undertake *ex officio* actions by suspending the release of goods or seizing them where it has sufficient

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grounds to suspect that such goods infringe an IP right, even prior to the submission of a request to do so by the rights holder or the approval of such a request by Customs.

The procedure is as follows:

- Notification – Customs should immediately notify the rights holder and the holder or owner of the goods as to the measures taken (ie, the suspension of release or seizure of the goods), who should then, within three working days of receipt of the notification, file an application for action with the General Customs Directorate (GCD).
- Application – the application for action must contain information and a declaration as provided by the regulation. If the application does not contain the necessary information, the GCD will refuse it and it may be resubmitted only once the required documentation is complete.
- Examination – the application for action is examined by the GCD within 30 working days of receipt. Once the application for action has been accepted, the GCD determines the period during which Customs will take action. This cannot exceed a period of one year from acceptance. However, before the expiry of this period the rights holder can request an extension, provided that it has paid all the necessary fees and costs.
- Acceptance of application – the GCD’s decision to accept the application is forwarded by the GCD or the rights holder to the relevant customs office.
- Customs action – the customs office, after consulting the applicant where necessary, certifies that the suspected goods correspond to those described in the GCD’s decision and suspends their

release or seizes them. Customs then notifies the GCD, the rights holder and holder or owner of the goods as to the measures taken. Samples may also be retained and, upon written request of the rights holder, may be given to the latter for examination purposes. The rights holder is responsible for the relevant examination expenses.

Decision 547, May 2008, also introduced the ‘simplified procedure’ in line with the provisions of Council Regulation 1383/2003, to be used with the rights holder’s agreement. This procedure enables Customs to destroy goods suspected of infringing an IP right and handed over to Customs for destruction, without the need to determine whether an IP right has actually been infringed.

Within 10 days of the application for action being accepted by the GCD, the rights holder notifies the GCD in writing that the suspected goods infringe an IP right and provides the relevant customs office with a written declaration from the holder or owner of the goods that it agrees to the destruction of the goods.

If, within 10 days of receipt of the notification of suspension or detention of the goods, Customs has not been notified by the rights holder that infringement proceedings have been initiated or has not received a declaration or agreement calling for the simplified procedure, it can release the goods, subject to completion of all customs formalities.

The new Law on Industrial Property, passed by Parliament in 2008, offers the rights holder another option to protect its IP rights against infringing goods. The rights holder can file with the supervisory market authority a request empowering that authority to remove the infringing goods from the market, except in cases where the

importer or trader possesses original documentation regarding those goods.

Civil proceedings in relation to this action must be initiated by the rights holder within 20 working days of the date on which the rights holder is notified of the action taken by the supervisory market authority. Failure to observe this term results in release of the goods into free circulation.

Criminal prosecution

The Albanian criminal law sets out no specific provisions classifying trademark infringement as a criminal offence. If the counterfeit products are smuggled, the trade in such products constitutes a criminal offence under the Penal Code.

In addition, the Penal Code recognizes as criminal offences:

- the falsification of stamps, seals and documents (Article 190); and
- the illegal manufacturing of products and goods (Article 288/a).

As the Penal Code does not expressly consider trademark infringement to be a criminal offence, it is advisable to file a lawsuit with the civil court asking for preliminary measures and the destruction of the counterfeit goods, as well as damages.

Civil enforcement

As there are no specialized IP courts in Albania, the commercial sections of the first instance courts are competent to examine trademark infringement cases.

Under Albanian legislation the rights holder is protected against infringement of its IP rights by:

- the Civil Code (Articles 638 to 639 on unfair competition);
- the Customs Code; and
- the Law on Industrial Property.

The Civil Code contains only a few provisions dealing with unfair competition. Under Article 638, the following are considered to be acts of unfair competition:

- the use of a name or trademark that might lead to confusion in respect of a name or distinctive trademark used by another party;
- the reproduction of a competitor's product; or
- the commission of an act that might lead to confusion with regard to a competitor's products and/or activities.

When a court rules that an act of unfair competition has occurred, it will order the cessation of that act and determine the measures necessary to counter its consequences.

The Law on Industrial Property provides the rights holder, as the sole legitimate owner of the trademark, with more efficient legal weapons against infringers. Pursuant to the Law on Industrial Property, in addition to filing a lawsuit, the rights holder is entitled to ask the court for preliminary measures in order to stop the infringement or imminent infringement of its IP rights. However, the rights holder must initiate civil proceedings within 15 days from the date on which the preliminary measures are granted by the court.

The owner of a registered mark, authorized user of a collective mark or a licensee filing an IP rights infringement claim with the court can request the following actions:

- a prohibition against further infringing actions;
- the recall from circulation of infringing goods, or their destruction if recall is not possible;
- the seizure of equipment used in the manufacture of the infringing goods; and
- publication of the court decision in the media at the infringer's expense.

A lawsuit for IP rights infringement should be filed within three years of the rights holder becoming aware of the infringement and the infringer.

The rights holder may also ask the court for preliminary measures in case of existing or imminent harm to its IP rights. The action should be supported by evidence regarding such infringement. The court can issue the following preliminary measures:

- prevention of the actual or imminent infringement;
- prevention of the entry into free circulation of the suspected infringing goods;

- protection of key evidence, provided that confidential data in accordance with the relevant legislation is protected;
- seizure or recall from circulation of the suspected infringing goods or the seizure of the facilities used to produce them; and
- seizure of immovable and movable property owned by the suspected infringer, including bank accounts and other assets, in order to ensure damages can be recovered.

The court can order preliminary measures even without hearing the alleged infringer's case as it could delay the process, thus causing irreparable damage to the rights holder or resulting in the destruction of evidence. When requesting the preliminary measures the rights holder should submit a guarantee or equivalent insurance against any damage caused to the other party. The rights holder must then file a lawsuit within 15 days of the court ordering preliminary measures.

Furthermore, the Law on Industrial Property has introduced the possibility of the court awarding moral damages in cases where the court has found there to be an IP rights infringement. In awarding moral damages, the court considers the following:

- the income obtained by the defendant from the unauthorized use of the trademark;
- the rights holder's lost income;
- reasonable expenses incurred by the rights holder in order to avoid or reduce damage, identify the infringer and calculate the damages;
- reasonable expenses incurred by the rights holder in trying to resolve the situation out of court; and
- court fees and relevant expenses.

However, as no legal provisions determine the methodology for calculating moral damages it is carried out on a case-by-case basis.

Anti-counterfeiting online

The Law on Consumer Protection recognizes online sales contracts in Albania and sets down general and specific obligations regarding online trading. According to this law, at the time of delivery of the goods the consumer must be provided with written confirmation of:

- the terms and procedures for the exercise of rights and any withdrawal from the contract;
- a geographical contact address;
- the guarantees and services available for the post-sale period; and

- details of how to terminate the contract in case it is made for an unlimited duration or for a period exceeding one year.

Article 17 of the law provides that the unauthorized use of a trademark is an unfair commercial practice. The provision applies equally to commercial activity through online contracts.

Pursuant to Article 56 of the law, unless otherwise agreed between the parties the consumer is entitled to address its claims to the following authorities:

- the public authority for market supervision;
- consumer associations;
- the people's advocate;
- the courts;
- arbitration tribunals; and
- any other body entitled to resolve out-of-court disputes (to be set out in decisions of the Council of Ministers).

Preventive measures/strategies

It is vital to involve local lawyers in issues of product recall, as well as when coordinating with public authorities regarding the monitoring of market activity in order to identify counterfeit goods in circulation.

In addition, licence agreements should be put in place in order to avoid the circulation of counterfeit goods on the market.

Further, close collaboration with the relevant authorities through government partnerships, lobbying, memoranda of understanding and continuous training, particularly for customs officers, is advisable to ensure improved protection of IP rights. [WTR](#)

Biographies Boga & Associates

Boga & Associates
Deshmoret e 4 Shkurtit Street,
Tirana, Albania
Tel +355 4 225 1050
Fax +355 4 225 1055
Web www.bogalaw.com



Renata Leka
Legal senior manager
rleka@bogalaw.com

Renata Leka deals with the legal issues in the fields of corporate law, banking and finance, intellectual property, energy and public procurement. Ms Leka has regularly assisted domestic and international clients regarding trademark investigations, registration procedures and the extension of European patents and designs. For example, she has managed anti-piracy and anti-counterfeiting programmes in Albania on behalf of a US-based global consumer goods manufacturer. In addition, she has assisted a major US tobacco company in enforcing its trademark rights in Albania and managed the recall of unsafe products from the Albanian and Kosovan markets on behalf of a US toy company and an international IT company. Ms Leka graduated in law from the University of Tirana in 1996 and also holds a Practice Diploma in international IP law from the College of Law of England and Wales (2006).