

**World  
Trademark  
Review**

# **Trademark Litigation 2018**

**Albania**

**Boga & Associates**

*Renata Leka and Armando Bode*

**A Global Guide**

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### **Legislative framework and causes of action Trademark law, rules and regulations**

In Albania, trademarks are mainly regulated by the following legislation:

- the Law on Industrial Property (9947/2008), as amended, along with its sub-legal acts;
- the Civil Code (7850/1994), as amended;
- the Civil Procedure Code (8116/1996), as amended;
- the Criminal Code (7895/1995), as amended;
- the Criminal Procedure Code (7905/1995), as amended;
- the Customs Code (8449/1999), as amended; and
- the Council of Ministers Decision on Implementing Provisions of the Customs Code (205/1999), as amended.

The following international laws also apply:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement and Protocol Concerning the International Registration of Marks; and
- the Nice Agreement Concerning the International Classification of Goods and

Services for the Purposes of Registration of Marks.

The Law on Industrial Property, being the main applicable law, has been subject to various amendments. The most recent amendments took place in 2017, with the aim of further alignment with EU law, including:

- the EU Biotech Directive (98/44/EC);
- the EU Regulation on Quality Schemes for Agricultural Products and Foodstuffs (1151/2012); and
- the EU Regulation on Establishing a Common Organisation of the Markets in Agricultural Products (1308/2013).

Specific to trademarks, the Council of Ministers has adopted the Decision on the Approval of the Regulation for the Registration of Trademarks and of Service (1706/2008), as amended.

Further changes to the sublegal acts are expected in view of recent changes to the Law on Industrial Property.

All civil litigation concerning trademarks follows the rules prescribed by the Civil

Procedure Code, whereas criminal law actions concerning trademarks follow the rules prescribed by the Criminal Procedure Code, except where the Law on Industrial Property provides for special rules.

### Causes of action

Trademark litigation can be of an administrative, civil or criminal nature. Specifically, it can take the form of:

- an appeal filed against an administrative decision of the Industrial Property Directory (IPD);
- a civil dispute, where the litigation can be initiated directly before the court; or
- criminal litigation arising due to a criminal complaint.

During the period in which trademark applications are published in the *IPD Bulletin*, interested parties may challenge the registration of a trademark on the basis of the relative grounds for refusal (ie, earlier rights) before the Chamber of Oppositions. The Chamber of Oppositions decision may then be challenged before the Board of Appeal within one month from its date of notice. The Board of Appeal decision may be challenged before the competent court within 45 days.

Violation of IP rights may be challenged before the civil courts, unless the violation is considered a criminal contravention under the Criminal Code.

### Infringement action

A trademark owner is entitled to bring an infringement action against any third party that is infringing its exclusive rights. In practice, trademark owners are advised to send a warning letter before commencing an infringement action. Exclusive licensees are also entitled

to bring infringement actions, whereas non-exclusive licensees and distributors may be entitled to do so, depending on the contractual arrangements in place with the trademark owner. Actions can be brought against both those which have carried out infringing activities and those which have participated in the distribution of infringing goods.

### Invalidity and revocation proceedings

Interested parties may seek the invalidation or revocation of trademarks. Invalidation may be claimed based on absolute grounds of refusal (eg, if the mark is non-distinctive or descriptive), relative grounds for refusal (ie, violation of earlier rights) or on the basis of the application being made in bad faith.

Revocation can be claimed against a trademark that:

- has not been used for five years following registration;
- has become the common name for a product or service for which it is registered, due to the actions (and lack of preventative actions) of the owner; or
- has become misleading as to the nature, quality or geographical origin of the goods and services for which it is registered, due to the use made of it by the owner.

Until the amendments introduced in 2017, invalidation and revocation of trademarks could be claimed only before the court. Presently however, the Law on Industrial Property provides that both the invalidation and revocation can be claimed before the Invalidation/Revocation Chamber of the IPD, unless there is an ongoing proceeding before the court for the same matter. So far, these amendments have not been tested in practice; therefore, it is yet to be seen how the new chamber will exercise its powers.



**Regarding counterfeits, the removal of the attached trademark *per se* is not sufficient, except in specific cases to allow the trading of these goods**

### Alternative dispute resolution

The situation regarding arbitration in Albania remains unclear, since the latest changes to the Civil Procedure Code repealed the chapter on arbitration and no arbitration law has been enacted so far. However, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and European Convention on International Commercial Arbitration are applicable in Albania.

Mediation is also applicable in resolving all civil, commercial and family law disputes, as well as cases in which it is requested and accepted by the parties, before or after the dispute has arisen.

According to the Mediation Law (10385/2011), as amended, settlement agreements reached through mediation are binding for the parties and enforceable in the same manner as arbitration awards.

The law does not provide for any penalties against parties that refuse to mediate. The parties can freely decide to solve a dispute through mediation.

Arbitration can also be sought where rights in trademarks are infringed by registration or use of a domain name, pursuant to the Decision of the Board of Directors of Albanian Electronic and Mail Communications (437/2008), which regulates registration and administration of the domain name '.al' and the sub-domains thereunder.

### Litigation venue and formats

#### The court system and litigation venues explained

The civil court system is organised into district courts, courts of appeal and the Supreme Court. Appeals can be made on two levels: before the courts of appeal and before the Supreme Court.

The district courts are organised into specialised sections for the allocation of particular cases according to the subject of the claim, including sections for civil disputes, family law disputes and commercial disputes.

The administrative courts are organised into the administrative first-instance courts, the Administrative Court of Appeal and the Administrative College of the Supreme Court. However, administrative courts will only handle lawsuits filed against the IPD.

Trademark litigation between private

parties is generally handled by the commercial disputes section of the Tirana District Court, but the issue of competent courts remains debatable. Albania lacks specialised IP courts and the present system provides the different courts with jurisdiction over IP disputes with unclear and sometimes overlapping criteria as the basis for determining jurisdiction. This creates confusion as to the correct forum, as well as inconsistencies in the practices of different courts in relation to the same or similar IP matters. In many disputes brought before the courts, this confusion has lengthened the court's proceedings extensively, adversely affecting the positions of the parties.

### Forum shopping

Forum shopping usually turns out to be problematic in practice, taking into consideration the pitfalls explained above regarding the uncertainty of the current legal framework.

### Jury versus bench

Jury trials are not applicable in Albania. All trials are bench trials and the court is composed of a single judge or a panel of judges (depending on the dispute).

### Damages and remedies

#### Injunctions

The court may issue a preliminary injunction to:

- impede imminent infringements or infringements that have started;
- prohibit the entry of the goods into civil circulation;
- order the preservation of relevant evidence regarding the alleged infringement, subject to the protection of confidential information;
- seize, remove from circulation or take control of the items that constitute infringement or the means used for the production of the items that constitute infringement, for the period of the proceedings; or
- in the case of an infringement committed on a commercial scale and if the injured party demonstrates circumstances likely to endanger the recovery of damages, order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of bank accounts and other assets.



**Given that the level of renown of a trademark is theoretically objective, a benchmark percentage based on survey evidence seems to provide an easy indication of such renown. Hence, surveys are becoming very popular in practice**

### **Damages and compensation**

Provided that the infringing activity has caused economic harm (eg, loss of profit) or non-economic harm (eg, loss of reputation or tarnishment of the commercial image of the company), the court may award the plaintiff damages comprising the damage suffered plus the loss of profit. If claimed, moral damages will be liquidated if deemed necessary by the court.

When deciding the level of compensation, the court takes into consideration:

- any effective and actual damage, including the lost profits incurred by the trademark owner;
- any unfair profits realised by the infringer resulting from unfair competition; and
- any moral damage incurred by the trademark owner due to infringement or damage to its goodwill or reputation.

Depending on the case, the court can also decide for the immediate compensation of damages based on the profits that would be collected or gained if the infringer had asked for authorisation to use the concerned trademark.

Pursuant to the Criminal Code, the intentional manufacturing, possession for commercial purposes, selling, offering to sell, supplying, exporting or importing of goods or services covered by a trademark without the consent of the trademark owner constitutes criminal contravention. It is punishable with a fine or up to one year's imprisonment.

The costs of civil proceedings are attached to the losing party.

### **Other remedies**

With the final decision, the court can order:

- seizure of the goods or services that infringe

the IP rights;

- removal or seizure of the materials, equipment, instruments and measures used mainly for the creation and production of the infringing goods or services; and
- publication of the final decision of the court in the public media at the expense of the infringer.

Regarding counterfeits, the removal of the attached trademark *per se* is not sufficient, except in specific cases to allow the trading of these goods.

### **Evidencing the case**

#### **Investigations and first steps**

The trademark owner may initiate private investigations before filing a claim with the relevant authorities, and use the investigation in support of the claim. *Ex officio* investigations directed by public authorities such as the Market Inspectorate are also applicable, although they have not yet been operative in practice.

#### **Survey evidence**

Consumer surveys can be carried out either by the parties outside the proceedings or independently by a court-appointed expert.

Survey evidence can be used by a claimant in trademark litigation to prove a likelihood of confusion between its trademark and the defendant's. Such surveys are produced *ex parte* and are subject to the court proceeding and debate by the parties, with consideration of the fact that they are often unilaterally produced (ie, in the case of *ex parte* surveys) and hence may be based on misleading questions or manipulated information.



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Renata Leka is a partner at Boga & Associates, which she joined in 1998. She is a trademark agent with impressive experience in trademark filing strategy, clearance, portfolio management and trademark prosecution, including proceedings before Albanian courts and the Patent and Trademark Office. She manages anti-piracy and anti-counterfeiting programmes targeting copyright violation in Albania and assists international clients in all aspects of IP rights. She heads the IP Rights Committee of the American Chamber of Commerce in Albania. Ms Leka has been recognised as a Leading Individual in intellectual property in *Chambers Europe: Europe's Leading Lawyers for Business* (2010 to 2013, 2016 and 2017). She continues to be highly active assisting a number of international corporations with trademark protection.



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Armando Bode is an associate at Boga & Associates, which he joined in 2015. He assists clients in various aspects of business law, working in projects related to energy, concessions and banking. Mr Bode is also an authorised trademark attorney and has provided his assistance in competition and IP law assignments for some of the most well-known brands operating in telecommunications, fashion and food. Mr Bode graduated in law in 2014 and obtained a master of science in public law from the University of Tirana in 2016. He speaks fluent English and Italian.

Given that the level of renown of a trademark is theoretically objective, a benchmark percentage based on survey evidence seems to provide an easy indication of such renown. Hence, surveys are becoming very popular in practice.

However, there are no established criteria for the acceptance of such evidence. In this regard, there are issues to be considered that are caused by the potential inaccuracies and biases of survey evidence. It should also be borne in mind that the information is usually collected in preparation for a foreseeable litigation.

### Use of expert witnesses

Besides evidence based on documents and the testimony of witnesses, when the case involves issues for which expert advice is required, it may resort to a court-appointed expert.

A court-appointed expert is considered to be an auxiliary of the court, whose main purpose is to offer the court the technical knowledge that it might not have. The court is not bound by the opinion of a technical expert, and in fact it can ignore it, if it has a justifiable reason to do so.

Recent changes to the Law on Industrial

Property introduced the concept of the 'IP expert' and the criteria to become one. Although the law is not clear in this regard, theoretically IP experts (who apparently are not authorised trademark agents) are supposed to prepare examination reports on specific cases as requested by either the court or the prosecutor and appear before the court in hearing sessions to give their results on eventual infringement. So far, the case law in this regard has been very weak.

### Available defences

In a civil law dispute, the defendant must demonstrate that its trademark does not fall under the so-called relative grounds for refusal. In practice, this means demonstrating that there is no likelihood of confusion between the trademarks in question.

It is also common practice for the defendant to file counterclaims seeking revocation or invalidation of a trademark (as explained above).

### Appeals process

The final decision of a district court can be appealed by the parties to an appeal court, within 15 days of the judgment. Non-final and intermediate decisions of a district court can

be appealed to an appeal court, within five days of each decision. Appeal court decisions can be appealed to the Supreme Court within 30 days of the judgment.

In practice, the legal examination process tends to be long. Recent changes to the Civil Procedure Code have imposed deadlines on the examination of court cases. It is expected that with the introduction of such changes, the court examination process will become shorter and more effective than in previous years.

Regardless, the judicial system in Albania remains challenging for trademark cases. **WTR**

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