

Intellectual Property

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Recent Intellectual Property Developments in Kosovo: Lessons Learned, Challenges Ahead



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Intellectual Property Rights in Kosovo

The issue of intellectual property rights protection has not been a priority for the government of the Republic of Kosovo until very recently. Before 2004,¹ all intellectual property rights were protected through the Federal Intellectual Property Office in Belgrade, Serbia. Although Kosovo was placed under the United Nations Interim Administration Mission in Kosovo (UNMIK) in June 1999, from the intellectual property standpoint, Kosovo was still subject to Serbian IP laws until 2004 when the first IP related laws were passed by the Kosovo Assembly. Even after establishing its own Industrial Property Office (IPO) in 2007, Kosovo is not yet a member of any international organizations such as World Intellectual Property Organization (WIPO) or World

Trade Organization (WTO) nor a signatory state to any of the IP-related international treaties such as the Paris Convention² or the Berne Convention.³

The enactment of the first Law on Patents in 2004⁴ was followed by the adoption of the Law on Industrial Designs,⁵ the Law on Trademarks,⁶ the Law on Copyright and Related Rights,⁷ the Law on Protection of Plant Varieties,⁸ the Law on Customs Measures,⁹ the Law on Determining the Rights and Protection of Topographies of Integrated Circuits,¹⁰ and the Law on Prevention and Fight of the Cyber Crime, all of which were adopted by 2010.¹¹ Even though these laws were drafted with the assistance of international experts, and therefore expected to be in line with the European Union legislation, amendments were needed soon after their adoption.¹²

In September 2011, the Law on Trademarks,¹³ the Law on Industrial Designs,¹⁴ and the Law on Patents,¹⁵ were enacted and aim to bring the Kosovo IP legislation in line with the EU directives and the minimum standards endorsed by the TRIPS Agreement.¹⁶ This article explores whether these laws have achieved this goal.

Recent Legislative Developments

The 2011 Laws not only aim to bring Kosovo's IP legislation in line with the EU legislation, but also attempt to address a number of questions raised during the enforcement of the previous laws, be it formal or substantive related.

– The Law on Trademarks

Unlike the previous trademark law, which was largely influenced by U.S. law, the 2011 Law on Trademarks is based on European law. The new law abolishes a number of requirements included in the previous law during the drafting of which United States legal experts played a crucial role.

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In general, in civil law countries, i.e. most countries in Europe, trademark rights are acquired through registration. The applicant who is the first to file the request for registration with the competent authority is deemed to have acquired the ownership rights of that trademark in contrast to trademark rights acquired through use, as is the case in the United States and other common law jurisdictions.

Similarly to the U.S. approach, the former trademark law in Kosovo granted trademark rights to companies even if they did not register the trademarks.¹⁷ The owner of an unregistered trademark acquired protection and was able to enforce his rights if he showed that, because of the continuous use of the trademark in Kosovo, the trademark was commonly and generally known in trade.¹⁸ However, unlike the trademarks acquired in the US through the “actual use” of the mark,¹⁹ this provision of the former Kosovo law imposed the “continuous use” requirement, which might be interpreted to be dissimilar to the “use” in the United States, but was never interpreted by the Kosovo courts. When interpreted together with a number of other provisions,²⁰ however, one may conclude that such “continuous use” was drafted with the intention to resemble the “actual use” as defined by the Lanham Act.²¹ The new law on trademarks, however, is unambiguous and concise in this regard, clearly stating that trademark rights are acquired through registration only.²²

Adopting a clear civil law system of acquiring trademark rights is, in my opinion, the best solution for Kosovo. The courts in Kosovo, like in other civil law countries, are used to ruling on property-dispute cases²³ on the basis of written evidence. Thus, unless one has a certificate of registration as an evidence of ownership, inexperienced courts in Kosovo will encounter difficulties determining who acquired the trademark rights first. Such difficulties had already been encountered by other enforcement institutions such as the Customs and the Market Inspectorate, which were reluctant to take any action if the right holder did not possess the certificate of registration.

Furthermore, the 2011 Law on Trademarks abolishes the U.S.-influenced requirement of declaring the use or intention to use the mark²⁴ when filing a trademark application with the Kosovo IPO.²⁵ Generally, in civil law countries, trademark rights must be maintained through actual trademark use.²⁶ However, there is no obligation to start using the mark before acquiring such rights through registration. The former trademark law was quite ambiguous in this respect since it asked for use declaration on the application, but it did not consider the “use” requirement a condition for acquiring trademark rights through registration. Non-use was not considered an absolute ground for refusal,²⁷ as it is the case in the U.S. As a result, it was very difficult to ascertain the meaning behind this requirement, to declare the use or the intention to use when filing the application, if the trademark owner will not be asked to start using the mark, and the registration will be issued regardless of the use. By abolishing this requirement, the new law makes it clear that no use will be required before the trademark owner obtains registration.

One of the most significant provisions of the 2011 law is the possibility to request an accelerated examination of a trademark

application.²⁸ Up to now, the IPO examined trademark applications in the order they were received. However, the law does not specify the conditions which need to be satisfied before the IPO will grant the accelerated procedure. The procedure, the conditions and the official fees will be outlined in the Administrative Instruction which is to be approved in the near future by the Ministry of Trade and Industry.

Another provision introduced by the new law is the so-called “continuation of proceedings.”²⁹ The holder of a trademark application or registration can apply for the continuation of proceedings if the applicant or the trademark holder has lost certain rights granted by the trademark application or the trademark because they failed to take a certain action within the prescribed deadline. The IPO will allow the continuation of proceedings only if the application is filed within 60 days from the time the applicant or the holder ought to have acted, and the prescribed official fee has been duly settled.³⁰

– The Law on Patents

The 2011 Law on Patents introduces important new provisions as well as some changes to existing ones. For the first time in Kosovo, the new patent law introduces the possibility for an invention belonging to a citizen of the Republic of Kosovo to be kept secret for such period of time as the national interest requires.³¹ In addition, the new patent law, also for the first time, includes provisions on compulsory licenses for pharmaceutical products for export to countries with public health problems³² and supplementary protection certificates for pharmaceutical and plant products,³³ as requested by the corresponding EC Regulation.³⁴ The court now has jurisdiction to decide a compulsory licensing request.³⁵ However, these new provisions will not enter into force until Kosovo joins the EU.³⁶

The 2011 patent law also introduces the possibility to restore priority rights³⁷ provided: (1) the request is filed within two months following the expiration of the 12-month priority period,³⁸ but before the completion of the technical preparations for the publication of the patent application;³⁹ (2) proof is provided that the applicant failed to meet the deadline despite the exercise of due care;⁴⁰ and (3) prescribed official fees are paid.⁴¹

– The Law on Industrial Designs

The 2011 Law on Industrial Designs introduces an important change concerning the industrial design registration procedure. According to the new law, the Kosovo IPO will only perform a formal examination in order to determine whether the object is genuinely a design as defined by the law and whether it contradicts the public rules.⁴² There is no substantive examination.⁴³ As a result, the IPO will not determine the novelty of industrial designs or the individual character of an industrial design. The new law also excludes the possibility for a legal person to be considered as the designer as was possible under the former law. The designer can only be a natural person.⁴⁴

– Appeal Procedure

The recent legislative changes also introduced the right to appeal the IPO's decisions within 15 days of the receipt of the decision.⁴⁵ The 2011 laws require that the Ministry of Trade and Industry, under which the IP office operates, establish a Commission which will have the authority to review the appeals. The Commission's decision will then be subject to review by the judicial authority. There is a 30-day deadline to file a lawsuit against the Commission's decision before the competent court. Prior to the enactment of the 2011 laws, the general rules of the Law on Administrative Procedure⁴⁶ applied.

Less Protection for Well-Known Trademarks

Despite these positive changes, the 2011 laws, particularly the Law on Trademarks, are missing a number of important provisions and are therefore not yet in full compliance with the TRIPS Agreement and the EU Directive.

The 2011 trademark law lacks a number of provisions regarding the protection of unregistered well-known trademarks. According to the former law, a trademark would not be registered,⁴⁷ or it would be cancelled⁴⁸ if it was in conflict with a well-known trademark, whether registered or not, under the following circumstances: (1) if the trademark was *identical* with an earlier trademark, and the goods or services for which the registration is sought were *identical* with the goods or services covered by the well-known trademark;⁴⁹ or (2) if, because of *its identity with or similarity to a well known trademark*, and the identity or *similarity of the goods or services* covered by both trademarks, existed a *likelihood of confusion* on the part of the public;⁵⁰ or (3) if the mark was *identical with or similar* to a well-known trademark, but the registration was sought for goods or services that were *not similar* to those covered by the well-known trademark, and the mark had acquired reputation in Kosovo and such use would constitute unfair advantage, or be detrimental to, the distinctive character or reputation of the mark.⁵¹

Essentially, the former trademark law provided the trademark holders with the possibility to protect unregistered well-known trademarks under the same conditions as registered well-known trademarks with respect to both identical or similar goods or services as well as for dissimilar goods or services. Thus, the former law was in full compliance with Art. 6*bis* of the Paris Convention⁵², Art. 16(2) of the TRIPS Agreement⁵³ as well as Art. 4(2)(d) of the EU Directive.⁵⁴ Moreover, the former law went beyond Art. 16(3) of the TRIPS Agreement⁵⁵ and Arts. 4(3)⁵⁶ and 4(4)(a)⁵⁷ of the EU Directive by enabling the protection of unregistered reputed trademarks through opposition or cancellation actions, even for different goods or services.

Regarding the right to prohibit a third party from *using* the mark, under the former law, owners of unregistered well-known trademarks had the possibility to prevent the use of a trademark in relation to *identical or similar goods or services* in Kosovo by injunction, where the use was likely to cause confusion.⁵⁸ Holders of unregistered reputed trademarks did not have the

same possibility in cases where the mark was used for different goods or services. The reputed trademarks had to be registered.⁵⁹ This provision was also compliant with Art. 16(3) of the TRIPS Agreement⁶⁰ and Art. 5(2) of the EU Directive.⁶¹

The 2011 Law on Trademarks minimizes the protection of well-known trademarks in several aspects. First, unlike the former law, the owner of a well-known trademark may not oppose an application⁶² or cancel a trademark registration⁶³ unless the proprietor also owns a pending application with the Kosovo IPO.⁶⁴ The new law specifically says that for a well-known trademark to be considered an "earlier trademark", the mark must be well known in the Republic of Kosovo on the date the application was filed or on the priority date, if claimed.⁶⁵ Obliging the owners of well-known trademarks to have an application with the local IPO is a precondition that was not imposed by the former trademark law but is in line with the EU Trademark Directive, Art. 4(2)(d).

Second, there are no provisions on whether owners of unregistered well-known trademarks can prevent third parties from using the mark for identical or similar goods. However, the Paris Convention requires member states to provide the holders of unregistered well-known marks with the possibility to prohibit the use of trademarks under certain circumstances.⁶⁶

Third, owners of reputed trademarks, registered or not registered, cannot oppose a pending application or cancel a registration in case the later trademark was filed or registered for unrelated goods or services.⁶⁷ Interestingly, however, holders of registered reputed trademarks can still prohibit use of later trademarks used for different goods or services.⁶⁸ In contrast with Art. 16(3) of the TRIPS Agreement and 4(3) and 4(4)(a) of the EU Trademark Directive, the new law repeals protection for reputed trademarks in Kosovo for goods or services that are not identical or similar to goods or services for which the reputed trademark is registered. According to Article 7 of the new law, goods and services need to be similar even if the earlier trademark has a reputation in Kosovo and the use of the trademark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trademark.⁶⁹

Notwithstanding the drawbacks, the 2011 laws bring important positive changes and provide answers to a number of questions that surfaced when the original set of laws, now repealed, were first introduced. Having good legislation in existence, however, does not assure its efficient implementation. There are still serious issues, mostly related to enforcement. Factors such as inexperienced courts and lack of transparency, judgment enforcement agencies and coordination among different stakeholders contribute to the still existing inadequate enforcement environment in Kosovo.

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¹ Kosovo was part of the Former Socialist Federative Republic of Yugoslavia. On June 10, 1999, through UN Resolution 1244, Kosovo was placed under the United Nations Interim Administration Mission in Kosovo (UNMIK) which adopted the Constitutional Framework For Provisional Self-Government in Kosovo establishing the legislative, executive and judicial branches in Kosovo. During this period the following were considered to be applicable laws in the territory of Kosovo: the regulations promulgated by the Special Representative of Secretary General (SRSG) and subsidiary instruments known as UNMIK Regulations; the applicable laws of the SFRY that were in effect as of March 22, 1989 and did not have a discriminatory effect, and laws adopted by the Kosovo Assembly. On February 17, 2008, the Kosovo Assembly declared its independence which has been recognized by a number of countries.

² Paris Convention for the Protection of Industrial Property, 20 March 1883, as last revised at Stockholm, 14 July 1967, available at www.wipo.int.

³ Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886, as last amended on September 28, 1979, available at www.wipo.int.

⁴ Law on Patents no. 2004/49, adopted on September 27, 2004, promulgated by SRSG on December 21, 2004 as amended by Law on Amendments and Additions to Law 2004/49 for Patenting no. 02/L-100, adopted on December 18, 2006 and promulgated by SRSG on February 6, 2007 [hereinafter Law no. 2004/49].

⁵ Law on Industrial Design no. 02/L-45, adopted on November 21, 2005 and promulgated by SRSG on April 21, 2006 [hereinafter Law No. 02/L-45].

⁶ Law on Trade Marks no. 02/L-54, adopted on February 23, 2006 and promulgated by SRSG on June 28, 2006 [hereinafter Law No. 02/L-54].

⁷ Law on Copyright and Related Rights no. 2004/45 adopted on June 29, 2006 and promulgated by SRSG on August 24, 2006, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>.

⁸ Law on Protection of Plant Varieties no. 02/L98 adopted on January 26, 2007 and promulgated by SRSG on May 16, 2008, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>.

⁹ Law on Customs Measures for Protection of Intellectual Property Rights no. 03/L-170 adopted on December 29, 2009 and promulgated by Decree No. DL-004-2010 on January 8, 2010, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>.

¹⁰ Law on Determining the Rights and Protection of Topographies of Integrated Circuits no. 03/L-165 adopted on June 10, 2010 and promulgated by Decree No. DL-027-2010 on July 2, 2010, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>.

¹¹ Law on Prevention and Fight of the Cyber Crime no. 03/L-166 adopted on June 10, 2010 and promulgated by decree No. DL-028-2010 on July 2, 2010, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>.

¹² The Law on Patents, the Law on Industrial Design and the Law on Trademarks have already been changed by the Kosovo Assembly, and as of September this year, the new laws are into force. The Law on Copyright and Related Rights is also being amended.

¹³ The Law on Trademarks No. 04/L-026 approved by the Kosovo Parliament on July 29, 2011 and promulgated by the President's Decree DL-017-2011 on August 9, 2011, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>, [hereinafter Law No. 04/L-026].

¹⁴ The Law on Industrial Designs No. 04/L-028 approved by the Kosovo Parliament on July 29, 2011 and promulgated by the President's Decree DL-013-2011 on August 9, 2011, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>, [hereinafter Law No. 04/L-028].

¹⁵ The Law on Patents No. 04/L-029 approved by the Kosovo Parliament on July 29, 2011 and promulgated by the President's Decree DL-016-2011 on

August 9, 2011, available at <http://gazetazyrtare.rks-gov.net/Default.aspx>, [hereinafter Law No. 04/L-029].

¹⁶ Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, available at www.wto.org.

¹⁷ Law No. 02/L-54, Art. 4

¹⁸ *Id.*, Art. 4.b

¹⁹ Trademark rights in the U.S. are acquired either as *common law rights* or as *federal trademark rights*. Common law trademarks are established through *actual use* of the mark. Whereas, to acquire federal protection, trademark rights are either acquired through *actual use* or through *constructive use*.

²⁰ See Law No. 02/L-54, Arts. 15.3, 15.4 & 33.2(d).

²¹ Lanham Trade-Mark Act of 1946, 15 U.S.C.A. § 1051 et seq. [hereinafter 15 U.S.C.A.].

²² Law No. 04/L-026, Art. 4.1.

²³ Law No. 04/L-026, Chapter 4, Arts. 15 – 22: Trademark rights are considered to be property rights.

²⁴ 15 U.S.C.A § 1127 - Federal protection is acquired for trademarks, which are currently in use or in case the trademark owner has a bona fide intention to start using the trademark in commerce.

²⁵ Law No. 02/L-54, Art. 33.2(d)

²⁶ See i.e. EC Trademark Directive, Art. 10; Croatian Trademark Act (Official Gazette 173/2003, 76/2007, 30/2009, 49/2011), Art. 46(2).

²⁷ Law No. 02/L-54, Art. 9

²⁸ Law No. 04/L-026, Art. 30.6. & 30.7.

²⁹ Law No. 04/L-026, Art. 94

³⁰ *Id.*, Art. 94.1 & 94.2.

³¹ Law No. 04/L-029, Chapter IV, Arts. 15 – 19.

³² *Id.*, Arts. 38 – 46.

³³ *Id.*, Chapter XII, Arts. 84 – 96.

³⁴ EC Regulation No. 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products.

³⁵ Law No. 04/L-029, Art. 39.1.

³⁶ *Id.*, Art. 131.1.

³⁷ Law No. 04/L-029, Art. 67

³⁸ *Id.*, Art. 67.2.

³⁹ *Id.*, Art. 67.5.

⁴⁰ *Id.*, Art. 67.3.1.

⁴¹ *Id.*, Art. 67.3.2.

⁴² Law No. 04/L-028, Art. 42.

⁴³ *Id.*

⁴⁴ Law No. 04/L-028, Art. 11.1.

⁴⁵ Law No. 04/L-026, Art. 90; Law No. 04/L-029, Art. 6; Law No. 04/L-028, Art. 50.

⁴⁶ Law on Administrative Procedure No. 2005/02 – L28, adopted by the Kosovo Assembly on July 22, 2005 and promulgated by the SRSG on may 13, 2006.

⁴⁷ Law No. 02/L-54, Art.10.

⁴⁸ Law No. 02/L-54, Art. 48.2.

⁴⁹ Law No. 02/L-54, Art. 10.4 in connection with Art. 10.1(a).

⁵⁰ Law No. 02/L-54, Art. 10.4 in connection with Art.10.1(b).

⁵¹ Law No. 02/L-54, Art. 10.4 in connection with Art. 10.1(c).

⁵² Paris Convention, *supra* note 2, Art. 6*bis*: (1) The countries of the Union

undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation or a translation liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

⁵³ TRIPS, *supra* note 14, Art. 16(2): Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

⁵⁴ EC Trademark Directive, *supra* note 12, Art. 4(2): "Earlier trademarks" within the meaning of paragraph 1 means: (d) trademarks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words 'well known' are used in Article 6bis of the Paris Convention.

⁵⁵ TRIPS, *supra* note 14, Art. 16(3): Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

⁵⁶ EC Trademark Directive, *supra* note 12, Art. 4(3): A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trademark.

⁵⁷ *Id.*, Ar. 4(4): Any Member State may furthermore provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that: (a) the trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State concerned and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

⁵⁸ Law No. 02/L-54, Art. 53.2.

⁵⁹ Law No. 02/L-54, Art. 14.3.

⁶⁰ See *supra* 56.

⁶¹ EC Trademark Directive, *supra* note 12, Art. 5(2): Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

⁶² Law No. 04/L-026, Art. 34.1.2.

⁶³ Law No. 04/L-026, Art. 52.1.3.

⁶⁴ Law No. 04/L-026, Art. 72.3.

⁶⁵ *Id.*

⁶⁶ *Supra* note 53.

⁶⁷ Law No. 04/L-026, Art. 7.3

⁶⁸ Law No. 04/L-026, Art. 8.1.3

⁶⁹ Law No. 04/L-026, Art. 7.3.