Deloitte.

Legal News

In this issue:

I. NEW COPYRIGHT LAW



April 2016

I. NEW COPYRIGHT LAW

On 31.03.2016, the Albanian Parliament approved the law no. 35/2016 "On copyright and related rights thereto" ("Copyright Law") that repeals the law no. 9380, dated 28.04.2005, "On copyright and related rights thereto", as amended. The Copyright Law shall enter into force 6 months after its publication with the Official Gazette (i.e. publication date 20.04.2016, Official Gazette no. 64).

The approval of this law has to be hailed as authors, right holders as well as other interested parties working with or being part of the industries affected by copyright infringement have for quite a long time advocated and demanded its approval.

This publication intends to provide an overview of the major issues affected by the Copyright Law, starting with the definition of "work" that incorporates every intellectual original creation in the field of literature, art and science, vested with personal characteristics, regardless of the way and shape of presentation, as well as objective or importance.

Within the above definition of work are included inter alia literature, audiovisual and choreographic creations, musical compositions, visual arts and photographic creations, architectural and cartographic creations as well as scientific creations. The legislator provides for inclusion in the concept of the intellectual creation also the derivative works [although protection of such works cannot be to the detriment of the original work] and the 'sui generis' protection of databases.

On the other hand, ideas, concepts and inventions in a creative work, legal administrative and judicial acts, state and institutional symbols, press releases and news of pure informational nature, simple facts and data as well as literature and artistic popular creations in their original form

do not enjoy protection from the provisions of the Copyright Law.

Further, by definition of the law, author of the copyrighted work is considered every natural person or group of natural persons. Authors of copyrighted work are vested with economic and moral rights. The no-formality rule is asserted by the legislator, meaning that authors benefit automatically from copyright due to the sole creation of the work. In any case, the work can be registered with the Copyright Directorate.

The author enjoys exclusive economic rights and moral rights, the latter deemed to embody the right of an author or other creative artist to protect the integrity and ownership of their works and therefore are not alienable, cannot be waived and last forever. The Copyright Law provides a distinction in the treatment of the moral and economic rights in terms of their duration. Whilst moral rights are perpetual, meaning that they survive the author (through inheritance), the economic rights span the author's life and expire 70 years after his death.

The exclusive economic rights vested on the author grants to the later the right to enjoy, authorize or halt the use of the original work and copies. In particular, such rights include the following:

- *i*) the right to reproduce;
- *ii*) the right to distribute;
- iii) the right of communication of the work to the public;
- iv) the right to create derivative works.

Any use of the original work or a copy of the same, without the approval of the author, his heir, or author's legal representative constitutes copyright infringement. The legislator rules that that the copyright per se cannot constitute object of an enforcement procedure, instead subject of such procedure can be only the economic gain obtained from the use of the work.

The Copyright Law pays considerable attention to the transfer of the economic rights vested in the author. By way of contract, the author may on exclusive or non-exclusive basis transfer the economic rights over the work to third persons against a compensation that according to the legislator should be proportional to the profits obtained from the exploitation of the work. Should the parties failed to include compensation for the work or the same is not proportionate vis-à-vis the profits of the other party, the author can address the competent authorities and ask them to resolve on the compensation.

The Copyright Law disciplines the various elements of the contracts for the transfer of the economic rights including the mandate and publishing contracts as well as the rental ones.

The rights vested in the authors can be administered personally, or through legal representative, by the author for each individual work or collectively by non-for profits organizations established in pursuance with the provisions of the law. In addition to the foregoing, copyright the legislator requires mandatory administration. In such rights are included the right to re-broadcast the audiovisual works, the right to rent musical works/records for authors, performers and phonogram producers, etc.

Copyright infringement qualifies for administrative and criminal sanctions as well as civil liabilities. In the ambit of the court procedures, the author/right holder can ask for the halting the infringement, damage relief, destruction of unlawful copies and means used to reproduce the same, as well as publication of the court decision with the expenses of the infringer.

The collective administration of copyrights is carried out by agencies [non-for profit organizations] duly licensed by the Ministry of Culture. The license in granted for a duration of 3 years and is renewable. Based on the provision of the law, the Ministry licenses one agency for each category of right holders. Such agency should have obtained the consent for the copyrights administration from the majority of the right holders of that specific category and should have in place the largest number of contracts with fellow foreign agencies.

The Copyright Law establishes that the agencies representing the different categories of right holders, should agree and therefore appoint one agency that will be entrusted with the collection of the fees for the use of the copyright works. Should the agencies fail to reach an agreement among them within a 30 days term from the entrance into force of the fees, to the National Copyright Council will be the competent authority to determine the agency to collect the fees for all categories of right holders.

The main administrative bodies, apart the ministry responsible for copyright protection [actually the Ministry of Culture], are the National Copyright Council and the Copyright Directorate, both bodies depending on the previously mentioned ministry.

Among the responsibilities vested with the National Copyright Council are: (i) the approval of the methodology

and the measure of the fees; (ii) determination of criteria and procedures for works of national values, etc.

As for the Copyright Directorate, one of the major tasks remains the surveillance of the activities of the agencies for the collective administration of copyrights as well as proposing legal acts on copyright protection, etc.

The Copyright Law has aimed to achieve approximation with the EU Directives and in this framework has improvement the regulation of several issues that have been object of discussion among the practitioners and right holders.

As a conclusion, we may say that the provisions of law leave open different question marks, but the biggest one to say or the more obvious remains the following: will the enforcement of this law provisions be possible?



Deloitte Contacts

Olindo Shehu, CPA
Partner | Tax & Legal Services
Deloitte Albania sh.p.k

Rr. "Elbasanit", Pallati prane Fakultetit Gjeologji Miniera

Tirana | Albania Mob: +355 68 60 33 116

E-mail: oshehu@deloitteCE.com

Disclaimer:

This publication contains general information only, and none of Deloitte Touché Tohmatsu Limited, any of its member firms or any of the foregoing's affiliates (collectively the "Deloitte Network") are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services.

This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Deloitte refers to one or more of Deloitte Touché Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/al/about for a detailed description of the legal structure of Deloitte Touché Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 225,000 professionals are committed to becoming the standard of excellence.

© 2016 Deloitte Albania sh.p.k