

THE PATENT LAW¹

1. GENERAL PROVISIONS

Article 1

This Law shall regulate the legal protection of inventions.

Article 2

A patent shall mean a right granted for an invention in any field of technology, which is new, involves an inventive step and is susceptible of industrial application.

Article 3

Foreign natural and legal persons shall, in relation to the protection of inventions in Serbia and Montenegro, enjoy the same rights as domestic natural and legal persons, where such treatment derives from international agreements or from the principle of reciprocity.

Article 4

In proceedings before the administrative authority of the Council of Ministers competent for intellectual property affairs (hereinafter: competent authority), a foreign natural or legal person must be represented by a representative listed in the *Register of Representatives* kept by the competent authority, or by a domestic attorney.

2. SUBJECT MATTER OF PATENT PROTECTION

Patentable Inventions

Article 5

The subject matter of an invention protected by a patent may be a product (ex. a device, substance, composition, biological material) or a process.

The subject matter protected by a patent may also be related to:

- 1) a product consisting of or containing biological material;
- 2) a process by means of which biological material is produced, processed or used;

¹ Official Gazette of Serbia and Montenegro, No. 15, 2 July 2004. Entered into force 10 July 2004.

- 3) a biological material isolated from its natural environment or produced by means of a technical process, even if it previously occurred in nature.

Within the terms of this Law, “biological material” shall mean any material containing genetic information and capable of reproducing itself or being reproduced in a biological system (ex. microorganisms, plant and animal cell cultures, sequence of genes).

The following, in particular, shall not be regarded as inventions, within the meaning of this Law:

- 1) discoveries, scientific theories and mathematical methods;
- 2) aesthetic creations;
- 3) schemes, rules and methods for performing mental acts, playing games or doing business;
- 4) computer programs, and
- 5) presentations of information.

The provisions of paragraph 4 of this Article shall exclude patentability of subject matter or activities only to the extent to which the application for a patent relates to the subject matter or activity as such.

Article 6

The human body, at any stage of its formation and development, and the simple discovery of one of its elements, including sequences or partial sequences of genes, shall not be regarded as invention.

An element isolated from the human body or produced by means of a technical process, including the sequences or partial sequences of genes, may be patentable, even where the structure of that element is identical to that of a natural element.

The industrial application of a sequence or partial sequence of a gene must be disclosed in the patent application on the day of its filing.

Exceptions to Patentability

Article 7

Patent protection shall not be granted in respect of:

- 1) inventions the commercial use of which would be contrary to *ordre public* or morality (providing that the use shall not be considered contrary to *ordre public* or morality merely because it is prohibited by law or any other regulation), particularly in respect of:
 - processes for cloning human beings;

- processes for modifying of the germ line genetic identity of human beings;
 - uses of human embryos for industrial or commercial purposes;
 - processes for modifying the genetic identity of animals which are likely to cause them suffering without any substantial medical benefit to man or animal, and also animals resulting from such processes;
- 2) inventions concerning methods for treatment by surgery or diagnostic methods or therapy practiced directly on the human or animal body, except products or substances and compositions for use in any of these methods;
 - 3) a plant or animal variety or an essentially biological process for the production of a plant or animal, except:
 - a biotechnological process concerning a plant or animal, if the technical feasibility of the invention is not confined to a particular plant or animal variety;
 - a microbiological or other technical process, or a product obtained by means of such process.

Within the terms of this Law:

- “plant variety” is used in the meaning laid down in the law governing the protection of new plant varieties;
- an “essentially biological process” for the production of plants or animals is a process consisting entirely of natural phenomena such as crossing or selection;
- a “microbiological process” is a process involving or performed upon or resulting in microbiological material.

3. CONDITIONS FOR PATENT PROTECTION

Novelty of an Invention

Article 8

An invention shall be deemed to be new if it does not form part of the state of the art.

Within the terms of this Law the state of the art shall comprise:

- 1) everything made available to the public by means of written or oral description, by use or in any other way, prior to the date of the filing of an application for a patent;
- 2) the content of all applications in Serbia and Montenegro as filed, with the filing date preceding the date referred to in the previous item and published on or after that date, in the manner prescribed by this Law.

The provisions of paragraphs 1 and 2 of this Article shall not exclude the patentability of substances or compositions included in the state of the art,

which are used for treatment by surgical or diagnostic or therapeutic methods, provided their use for these methods is not comprised in the state of the art.

Non-Prejudicial Disclosure of Invention

Article 9

An invention which was already part of the state of the art for a period of up to six months before the filing of a patent application, shall also be deemed to be new, if its disclosure was due to or was a consequence of:

- 1) evident abuse in relation to the applicant or his legal predecessor, or
- 2) the invention being displayed by the applicant or his legal predecessor at an exhibition officially recognized within the terms of the *Convention on International Exhibitions*, concluded in Paris on 22 November 1928, and last revised on 30 November 1972, provided that the applicant states, on filing the application, that the invention was exhibited and that he provides an appropriate certificate to support this statement within a period of four months from the filing date of the application.

Inventive Step

Article 10

An invention shall be deemed to involve an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the appropriate art.

In examining whether an invention involves an inventive step, the content of applications referred to in Article 8, paragraph 2, item (2) shall not be taken into account.

Industrial Applicability

Article 11

An invention shall be considered to be susceptible of industrial application if its subject matter can be made or used in any kind of industry, including agriculture.

4. RIGHT TO OBTAIN A PATENT

Entitlement to Protection

Article 12

The right to obtain a patent shall belong to the inventor or his successor in title, or in cases stipulated by this Law, to the employer or his successor in title.

If an invention is the result of the joint effort of a number of inventors, the right to a patent shall belong to such inventors jointly. A person rendering technical assistance to an inventor shall not be considered to be an inventor.

Moral and Pecuniary Rights of the Inventor

Article 13

The inventor shall have the right to be designated as such in the patent application, specifications, registers, certificates and publications related to his invention, in the manner stipulated by this Law.

The inventor shall have the right to enjoy economic benefits from the invention for which he has filed an application or has obtained a patent.

The rights of an inventor who has come up with an invention within the course of employment and the rights of the organisation in which such invention has been made, shall be governed by this Law, by general rules of law and by contract concluded between the employer and employee or between their representatives.

5. PATENT GRANT PROCEDURE

1. Common Provisions

Article 14

The legal protection of an invention shall be attained within the course of an administrative procedure conducted by the competent authority, which shall also perform other administrative and professional tasks concerning the protection of inventions.

Administrative decisions taken within the course of the administrative procedure referred to in paragraph 1 of this Article shall be final and may be contested within the administrative dispute proceedings before the competent court.

Article 15

During the patent grant procedure, the competent authority shall not make an application available for inspection to any person or body, before the application has been published, except on request or with the consent of the applicant.

Article 16

The administrative procedure before the competent authority shall be subject to payment of fees and procedural costs, in accordance with special regulations on administrative fees, procedural costs and information service fees.

Article 17

The competent authority shall keep a *Patent Application Register*, a *Register of Patents* and a *Register of Supplementary Protection Certificates*.

The content and manner of keeping public registers referred to in paragraph 1 of this Article shall be defined by a regulation under this Law.

Article 18

Particulars prescribed by this Law and by regulations under this Law, shall be published in the *Official Bulletin* issued by the competent authority.

Article 19

The competent authority shall be required to make its documentation and information on the state of the art and on rights concerning the protection of inventions available to enterprises and other legal and natural persons.

2. Patent Application

Institution of Patent Grant Procedure

Article 20

The patent grant procedure shall be instituted by the filing of an application with the competent authority.

Applications for the protection of inventions abroad shall also be filed with the competent authority, if it is thus stipulated by international agreements.

Legal protection of inventions in Serbia and Montenegro shall also be granted in respect of applications filed abroad, if it is thus stipulated by international agreements. An application filed in this manner shall have the same effects as a national application, unless otherwise stipulated by appropriate international agreements.

Article 21

A domestic natural or legal person may apply for the protection of an invention abroad upon the expiry of three months from the date of filing an application for the protection of the invention with the competent authority, except in the event that the person is filing for an international application with the competent authority acting as the receiving office.

Unity of Invention

Article 22

As a rule, a separate patent application shall be filed for each individual invention.

A single application may be filed for a number of inventions only if the inventions are mutually so linked as to form a single general inventive concept.

Content of a Patent Application

Article 23

A patent application must contain:

- 1) a request for the grant of a patent;
- 2) a description of the invention;
- 3) one or more claims for the protection of an invention by a patent (hereinafter: patent claims),
- 4) a drawing referred to in the description or claims, when appropriate;
- 5) an abstract.

Request for the Grant of a Patent

Article 24

A request for the grant of a patent shall contain an explicit indication that a patent is being sought, details concerning the applicant, details concerning the inventor or a statement to the effect that the inventor does not wish to be mentioned in the application, and the title of the invention clearly reflecting its essence.

The competent authority shall not investigate whether the applicant is entitled to protection.

If the applicant is not the inventor or is not the sole inventor, he shall be required to cite the names of all the inventors in the application. He shall also be required to file a statement within three months from the filing date of the application, indicating the basis of his right to file the application.

If the inventor does not wish his name mentioned in the request for the grant of a patent and in other documents stipulated by this Law, the applicant shall be required to furnish the competent authority with the inventor's written statement to that effect, within a period of three months from the date of the filing of the application at the latest.

During the patent grant procedure and during the entire term of the patent, the inventor may withdraw his statement that he does not wish his name mentioned in the application, registers and other documents stipulated by this Law.

Description of the Invention

Article 25

An invention shall be described in a manner that is clear and complete enough for the invention to be carried out by a person skilled in the art.

If the invention concerns a biological material and cannot be carried out on the basis of the description of the invention, the description shall be deemed to fulfil the conditions laid down in paragraph 1 of this Article if a sample of the naturally reproducible biological material is deposited with a competent depository institution not later than the filing date of the application.

The term “competent depository institution” referred to in paragraph 2 of this Article shall mean an institution designated in accordance with the provisions the *Budapest Treaty on the International Recognition of the Deposits of Microorganisms for the Purpose of Patent Procedure* concluded on 28 April 1977 and last revised on 26 September 1980.

Patent Claims

Article 26

Patent claims shall define the subject matter for which protection is sought. They shall be clear, concise and fully supported by the description of the invention.

Abstract

Article 27

An abstract shall briefly set out the essential content of the invention and shall serve exclusively to provide technical information.

Content of a Patent Application Relevant for the Accordance of a Date of Filing

Article 28

In order to be accorded a date of filing, an application filed with the competent authority must contain on that date:

- 1) an indication that a patent is being sought;
- 2) the given and family name or business name and address of the applicant;
- 3) a description of the invention, even if it does not fulfil the requirements set out by this Law and by regulations under this Law.

Division of a Patent Application

Article 29

The applicant may divide the subject matter of an application which has already been accorded a date of filing (original application) into two or more independent applications (divisional application) at his own discretion or at the request of the competent authority.

The division of applications shall be allowed only until the taking of a decision on the application.

The subject matter of the divisional application may not extend beyond the content of the original application, as filed. It shall retain the filing date of the original application and, where appropriate, shall enjoy the benefit of the priority of that application.

Applications for Patents of Addition

Article 30

If an applicant for or owner of a patent supplements or enhances the invention which is subject matter of the original application or of the basic patent, he may file an application for a patent of addition to cover the supplements or enhancements.

An application for a patent of addition may be filed only upon the basic application or patent.

Withdrawal of the basic patent application shall lead to the termination of proceedings concerning the application for the patent of addition. If the procedure concerning the basic application is suspended for any other reason, the applicant shall be entitled to file a request with the competent authority for the conversion of the additional application into a basic application, within a period of three months from the date on which the decision to suspend the procedure has become final.

A patent of addition may be obtained on the basis of the additional application, but may not be granted before the grant of the basic patent.

If the basic patent ceases to exist or if the decision on its grant is revoked, the patent owner shall be entitled to file a request for the conversion of the patent of addition into a basic patent with the competent authority, within a period of three months from the date of cessation of the patent or from the date on which the appropriate decision became final.

In the event that there is more than one additional application or patent of addition, only one shall be converted into a basic application or patent, while the rest,

as additional, shall be attached to the basic application or patent, at the request of the applicant or patent owner within the time limit specified in paragraph 5 of this Article.

Amendments to Pending Applications

Article 31

A patent application which has been accorded a filing date cannot eventually be amended by means of changing or extending the subject matter for which protection is being sought.

The particulars of the content of an application may be amended prior to the taking of a decision thereon, insofar as these amendments do not extend the subject matter as filed.

3. Priority Right

Article 32

If two or more inventors come up with the same invention independently of each other, the applicant with an earlier application filing date shall enjoy the right of priority in respect to the granting of the patent.

The priority shall count from the date of the filing of the application with the competent authority, except where conditions for the granting of the right of priority pursuant to Article 33 of this Law have been fulfilled.

International Priority Right

Article 33

A legal or natural person who has duly filed an application for any form of protection of an invention in a State party to the Paris Convention for the Protection of Industrial Property or member of the World Trade Organisation, or his successor in title, shall be granted priority in Serbia and Montenegro from the date of the filing of such application, provided that he files a claim to that effect with the competent authority on filing an application for the protection of the same invention, and that not more than twelve months have elapsed since the date of filing of the first application in the State party to the Paris Convention or Member of the World Trade Organisation.

A “duly filed” application within the terms of paragraph 1 of this Article shall mean any application that has been accorded a filing date under the national legislation of a State party to the Paris Convention or member of the World Trade Organisation, or under international agreements concluded between such states, regardless of the eventual legal outcome of the application.

Article 34

An applicant who intends to take advantage of the priority right under Article 33 of this Law, shall be required to:

- 1) file a claim for the grant of priority within a maximum period of two months from the date of filing the application with the competent authority, which must contain the filing date of the prior application serving as basis for the priority claimed, its number and State in which or Organisation with which it has been filed;
- 2) submit to the competent authority within three months from the filing date of the claim for priority a copy of the prior application, certified by the competent authority of the State party to the Paris Convention, state member to the World Trade Organisation or the international Organisation with which such application has been filed.

Multiple Priorities

Article 35

The applicant may claim multiple priorities in respect of a number of previous applications filed in one or more States party to the Paris Convention, members of the World Trade Organisation or the international organisation with which such application has been filed, subject to the requirements of Article 34 of this Law.

Where multiple priorities are granted, the time limits running from the date of priority pursuant to this Law, shall run from the earliest multiple priority date.

Elements of the Invention for Which Priority is Claimed

Article 36

A claim for one or more priorities can only refer to those elements of the invention that have been clearly disclosed in any part of the application or applications for which priority is claimed.

If certain elements of the invention for which priority is claimed do not appear among the claims formulated in the previous application, the fact that the constituent parts of the application as a whole clearly bring out such elements shall be sufficient for the grant of priority.

Date of Priority

Article 37

The date of the filing of an application with the competent authority, as referred to in Articles 8 and 32 of this Law, shall be taken as the priority date granted.

4. Procedure from the Receipt to the Publication of a Patent Application

Accordance of the Date of Filing

Article 38

Upon receipt of a patent application, the competent authority shall examine whether it meets the requirements laid down in Article 28 of this Law for accordance of its date of filing.

If it establishes that the requirements under Article 28 of this Law have not been fulfilled, the competent authority shall invite the applicant to rectify the deficiencies identified, within two months from the date of receipt of the notification, together with a warning on the legal consequences of failure to respond in the prescribed time limit.

Where reference is made in the application to drawings that were not attached to the application, the competent authority shall invite the applicant to file the drawings within a period of two months from the date of receipt of its notification. If the applicant responds accordingly, the date on which the drawings are filed shall be treated as the filing date of the application. If the drawings are not filed, any reference to them in the application shall be deemed not to have been made.

If the applicant rectifies the deficiencies within the period provided for in paragraph 2 of this Article, the competent authority shall accord as the application filing date the date on which the applicant rectified the deficiencies observed.

An application which has been accorded a filing date shall be entered in the Register of Patent Applications.

If the applicant fails to act upon the invitation referred to in paragraph 2 of this Article within the prescribed time period, the competent authority shall take the decision to reject the application.

Declaration of Priority

Article 39

At the request of the applicant, the competent authority shall issue a declaration of priority, such priority having been obtained with the granting of the filing date of the application pursuant to Article 38 of this Law.

The content of a declaration of priority shall be governed by regulations under this Law.

Examination as to Form

Article 40

Once the application has been accorded a date of filing, the competent authority shall examine whether it meets all requirements for publication, particularly taking into account whether:

- 1) the filing fee for the application has been paid;
- 2) a valid authorisation for the representative or a statement on the appointment of a common representative has been filed, where appropriate;
- 3) the application contains designation of the inventor or a statement to the effect that he does not wish to be mentioned in the application;
- 4) a claim for a grant of priority, satisfying all formal requirements, has been filed;
- 5) a statement specifying the grounds for the filing of the application has been submitted;
- 6) the application has been filed through a representative, pursuant to Article 4 of this Law, in the event that the applicant is a foreign national;
- 7) the application contains all documents prescribed by Article 23 of this Law and they satisfy all requirements as to form;
- 8) a separate application has been filed for each invention, where, at first glance, the application fails to meet the requirements concerning unity of invention referred to in Article 22 of this Law.

If the examination stipulated in paragraph 1 of this Article shows that the application is not in conformity with the provisions of that paragraph, the competent authority shall set out the reasons thereof in a communication to the applicant, inviting him to correct the deficiencies within an appropriate time limit. Such time limit shall not be less than 60 or more than 90 days.

On a reasoned request by the applicant, the competent authority may extend the time limit specified in paragraph 2 of this Article, for a period it deems appropriate, but not exceeding 90 days.

If the applicant fails to remedy the defects referred to in paragraph 2 of this Article, the competent authority shall take a decision to reject the application.

Publication of Patent Application

Article 41

A patent application that satisfies all the requirements laid down in Article 40, paragraph 1 of this Law shall be published in the *Official Bulletin* of the competent

authority, as soon as possible upon the expiry of eighteen months from the filing date of the application or from the claimed date of priority.

At the request of the applicant, the patent application may be published earlier, but not before the expiry of three months from the filing date.

The content of the publication shall be defined by a regulation under this Law.

5. Procedure from Publication to Grant or Refusal

Request for Substantive Examination as to Patentability

Article 42

The request for substantive examination of a patent application shall be filed by the applicant after the publication of the application in the *Official Bulletin* within a period of six months from the date of publication.

In the event of failure to observe the time limit specified in the previous paragraph, the applicant may file the request referred to in paragraph 1 of this Article within an extended period of 30 days from the date of the receipt of a notification of the expiry.

The request referred to in paragraph 1 of this Article may not be withdrawn.

If the applicant fails to file a request under paragraph 1 of this Article within the prescribed time limit, the patent application shall be deemed withdrawn and a decision to that effect shall be given.

Substantive Examination Procedure

Article 43

In the course of the substantive examination of an application, the competent authority shall examine whether the subject matter of the application:

- 1) constitutes an invention within the meaning of Articles 5 and 6 of this Law;
- 2) constitutes an invention patentable within the terms of Article 7 of this Law;
- 3) constitutes an invention that is in accordance with Article 22 of this Law relating to unity of invention;
- 4) is disclosed in a manner sufficiently clear and complete pursuant to Article 25 of this Law;
- 5) constitutes a technical solution of a specific problem, is new in accordance with Articles 8 and 9 of this Law, involves an inventive step as set out by Article 10 and is susceptible to industrial application as laid down in Article 11 of this Law;

The substantive examination of a patent application shall be conducted within the limits set by the content of the patent claims.

The utility of the invention shall not be examined during the substantive examination procedure.

Article 44

If the competent authority establishes that the subject matter of an application does not meet the requirements laid down in Article 43 of this Law, the applicant shall be informed thereof in the examination report and shall be invited to comment on the reasons preventing the grant of a patent or to rectify any deficiencies identified, within an appropriate time limit. This time limit shall be not be less than 60 days nor more than 90 days.

On a reasoned request from the applicant, the competent authority shall extend the time limit under paragraph 1 of this Article for such a period as it deems appropriate, but not exceeding 90 days.

Article 45

An applicant, who has filed an application for the same invention in any other state, may furnish the competent authority with a certified translation of the examination report issued in the said state.

Decision to Grant a Patent

Article 46

If the competent authority establishes in the substantive examination of the application that all requirements for the grant of a patent prescribed by this Law have been satisfied, it shall communicate to the applicant a draft of the final wording of the patent claims for adoption and shall invite the applicant to give his approval within a period of 30 days.

If the applicant fails to submit a written statement that he approves the wording and number of claims, within the prescribed time limit, the competent authority shall take a decision to grant a patent on the basis of the final wording of the claims it had communicated for approval.

If the applicant states that he does not approve the wording of the claims that the competent authority intends to adopt, he shall be required to state the reasons for his disapproval and to file an amended wording of the claims. If the competent authority accepts the reasons given or the amended wording of the claims, it shall take the decision to grant the patent. If the competent authority does not accept the reasons given or the amended wording of the claims, it shall notify the applicant, stating its

grounds thereof, and shall take a decision to grant the patent according to the final wording of the patent claims communicated for approval.

The decision to grant a patent shall be taken by the competent authority, provided all the prescribed fees and costs have been paid.

Where the applicant fails to pay the fees and costs mentioned in the previous paragraph, the patent application shall be deemed withdrawn and a decision to that effect shall be taken.

Decision to Refuse a Patent

Article 47

If the substantive examination conducted under Article 43 of this Law establishes that not all requirements for the grant of a patent have been satisfied or that the defects identified have not been remedied, the competent authority shall take a decision to refuse the grant of a patent.

Registration of a Patent

Article 48

Particulars on a granted patent, set out by a regulation under this Law, shall be entered in the Register of Patents.

Certificate for a Patent

Article 49

The patent owner shall be issued a certificate for the patent granted, the content of which shall be defined by a regulation under this Law.

Publication of Grant

Article 50

Particulars on the granted patent shall be published in the first subsequent issue of the *Official Bulletin*, published by the competent authority, counting from the date on which a decision to grant the patent was taken.

The decision to grant a patent shall have effect from the date of publication of the grant.

Patent Specification

Article 51

The owner of a patent shall be issued a patent specification the content of which shall be defined by a regulation under this Law.

6. CONTENT, ACQUISITION AND SCOPE OF RIGHTS

Content of Rights

Article 52

The owner of a patent shall have the exclusive right:

- 1) to use the protected invention in production;
- 2) to place on the market products made by means of the protected invention;
- 3) to dispose of the patent.

In exercising his exclusive right to the commercial use of a protected invention, the owner of a patent shall have the right to prevent any third party not having his consent from:

- 1) making, offering for sale, placing on the market or using the product made by means of the protected invention or from importing or storing the product for such purposes;
- 2) using the patented process;
- 3) offering the patented process for sale;
- 4) producing, offering for sale, placing on the market, using, importing or storing for such purposes a product directly obtained by the patented process;
- 5) offering for sale or supplying products that constitute essential elements of an invention to parties unauthorized to use such invention, if the offerer or supplier knows or has demonstrable grounds to know that such products are intended for the use of an invention owned by someone else.

Content of Rights Conferred by Patents in the Field of Biotechnology

Article 53

If the patent concerns biological material possessing specific characteristics which are the result of a biotechnological invention, the rights laid down in Article 52, paragraph 2, shall extend to any biological material derived from that biological material through propagation or multiplication, in an identical or divergent form and possessing those same characteristics.

If the patent concerns a product containing or consisting of genetic information, the rights laid down in Article 52, paragraph 2 shall extend to all other material in which the product is incorporated, provided it contains genetic information that performs its function, except the human body at the various stages of its formation and development, and the simple discovery of one of its elements, including the sequence or partial sequence of a gene in which the product is incorporated, provided it contains genetic information that performs its function.

If the patent concerns a process that enables a production of biological material possessing specific characteristics as a result of the biotechnological invention, the rights laid down in Article 52, paragraph 2 shall also extend to biological material directly obtained through the process and to any other biological material derived from the directly obtained biological material through propagation or multiplication, in an identical or divergent form and possessing those same characteristics.

Pursuant to this Law, “biotechnological inventions” are inventions which concern a product consisting of or containing biological material or a process by means of which a biological material is produced, processed or used.

Article 54

The protection referred to in Article 53 shall not extend to biological material obtained from the propagation or multiplication of biological material placed on the market by the owner of the patent or with his consent, where the propagation or multiplication necessarily results from the application for which the biological material has been marketed, provided that the material obtained is not subsequently used for other propagation or multiplication.

Acquisition of a Patent

Article 55

A patent shall be obtained on publication of the mention of its grant in the *Official Bulletin* and shall have effect as of the filing date of the application.

Rights Conferred by a Patent Application

Article 56

On publication of an application in accordance with Article 41 of this Law, the applicant shall be conferred provisional rights, the content of which shall be identical to those of a patent and which shall be valid from the date of publication of the application to the date of publication of mention of the grant.

In the event that a patent is not granted, the rights arising from the application shall be deemed not to have existed.

Scope of Protection

Article 57

The scope of protection conferred by a patent shall be determined by the content of the claims, whereby the description and drawings shall be used to interpret the claims.

If the subject matter of a patent is a process, the rights conferred by the patent shall extend to the products directly obtained by such process.

Article 58

The scope of protection conferred by an application in the period up to the grant of a patent shall be determined by the wording of the claims contained in the application published in accordance with this Law.

If a patent is granted with claims that have been amended during the procedure, the amended claims shall determine the scope of protection conferred by the application, provided they do not go beyond the protection referred to in paragraph 1 of this Article.

7. LIMITATION OF RIGHTS

Exceptions to Exclusive Rights

Article 59

The exclusive rights of a patent owner referred to in Articles 52 and 53 of this Law shall not apply to:

- 1) the use of an invention or the use of products made by means of the invention for personal, non-commercial purposes;
- 2) research and development activities relating to the subject matter of a protected invention, including activities that are necessary for obtaining an authorisation from the competent state authority for placing on the market a product which is a drug intended for use on humans or animals, or a medicinal product;

- 3) the direct, individual preparation of a drug in a pharmacy based on a single prescription, and to the placement of such drug on the market.

Exhaustion of Patent Owner Rights

Article 60

If a protected product is placed on the market in the territory of Serbia and Montenegro by the patent owner or with his consent, the person coming into possession of such product may use and dispose of it freely.

Right of Prior User

Article 61

A patent shall have no effect against a person acting in good faith who has, before the date of priority, already started exploiting a protected invention in production in the territory of Serbia and Montenegro, or has made all necessary preparations to initiate such use.

The person referred to in paragraph 1 of this Article shall be entitled to continue exploiting the invention exclusively for production purposes, in his own plant or in the plant of another person for his own needs.

The person referred to in paragraph 1 of this Article cannot assign his right to exploitation of the invention to another person, except together with the enterprise or part of the enterprise in which the preparation for use or the use of the invention has taken place.

Limitation of Rights to Facilitate International Traffic

Article 62

A patent shall have no effect against a person who uses devices made on the basis of a protected invention where such devices constitute an element in the structure or equipment of a vessel, aircraft or land vehicle or serve exclusively for the operation of such vessel, aircraft or land vehicle belonging to a State party to the Paris Convention or member of the World Trade Organisation when it enters the territory of Serbia and Montenegro temporarily or accidentally.

Compulsory Licences

Article 63

If an owner of a patent refuses to license the right of commercial use of a protected invention to other persons or sets unreasonable conditions for such licensing, the authority competent in the field in which the invention shall be employed may, after considering the merits of each individual case, grant a compulsory licence upon application of the interested person:

- 1) if the patent owner himself or a person authorised by him does not use the protected invention or uses it insufficiently in Serbia and Montenegro;
- 2) if the commercial use of an invention that has been subsequently protected in the name of another person is not possible, without the use of the protected invention in whole or in part.

The interested person shall be required to prove that he has made efforts, before filing the application referred to in paragraph 1 of this Article, to obtain authorisation from the right holder to use the protected invention on reasonable commercial terms and conditions and that he has not received such authorisation within a reasonable period of time.

The interested person, referred to in paragraph 1, item (1) of this Article, may only be a person who proves that he has the appropriate technological capacity and production facilities for the commercial use of the protected invention.

The interested person referred to in paragraph 1, item (2) of this Article may only be the owner of the second invention, provided that:

- 1) the second invention involves a technical advancement of special economic significance in relation to the invention protected by the first patent; and that
- 2) the owner of the first patent is entitled, on reasonable terms, to a cross-licence to use the second invention.

Authorisation for the use of the invention protected by first patent shall be non-transferable except with the assignment of the second patent.

Article 64

The holder of a compulsory licence shall be required to pay the patent owner a mutually agreed remuneration. In the absence of an agreement on the amount and method of payment of such remuneration, the competent court shall decide, taking into account the merits of each individual case and the economic value of the compulsory licence.

Article 65

The scope and duration of a compulsory licence shall be limited to the purpose for which it has been granted.

A compulsory licence shall not be exclusive.

A compulsory licence may be assigned only with the enterprise or part of the enterprise in which it is used.

A compulsory licence shall predominantly be granted for the supply of the domestic market.

A compulsory licence may be terminated if and when circumstances that have led to its grant cease to exist and are unlikely to recur. On reasoned request, the competent authority shall re-examine the further existence of such circumstances.

An application for the grant of a compulsory licence cannot be filed before the expiry of a period of four years from the filing date of the patent application or three years from the date of the grant of a patent, whichever of the two time limits expires later.

A compulsory licence shall not be granted if the patent owner provides valid reasons for non-use or for insufficient use of a protected invention.

Compulsory Licence in the Public Interest

Article 66

The compulsory licence under Article 63 of this Law may also be granted prior to the expiry of the time limit specified in Article 65, paragraph 6, if the exploitation of the protected invention is necessary for the fulfilment of national or other exceptional needs (the protection of public health and nutrition, and the protection of public interests in fields of vital significance for socio-economic and technological development) or if the protected invention is used in a manner considered by the competent authority to be contrary to the principles of free competition.

In the event of national or any other exceptional need, the provisions of Article 63, paragraph 2 shall not apply. Nevertheless, the right holder shall be notified of the compulsory licence grant proceedings as soon as possible. In the event of public non-commercial exploitation of a protected invention, the provisions of Article 63, paragraph 2 shall not apply. However, where the Council of Ministers or the person contracted for such exploitation knows or has grounds to know, without conducting a patent search, that a valid patent or petty patent shall be exploited or that there is

intent for it to be exploited by the government or by any other entity acting on its behalf, the right holder shall be informed of the compulsory licence grant proceedings promptly.

The decision on the application of an interested person for the grant of a compulsory licence in the public interest shall be taken by the Council of Ministers, after it reviews the merits of each individual case.

A compulsory licence may be terminated if and when circumstances that have led to its grant cease to exist and are unlikely to recur. Upon reasoned request, the competent authority shall re-examine the further existence of such circumstances.

In order to rectify an anti-competitive practice, the competent authority may refuse the termination of a compulsory licence in the public interest, if and when circumstances which have led to its grant are likely to recur.

Article 67

The holder of a compulsory licence in the public interest shall be required to pay the patent owner remuneration pursuant to Article 64. However, in the event that such licence is granted in order to rectify anti-competitive practice, the competent authority may, when determining the total amount of remuneration, take into account the need to remedy such practice.

The compulsory licence in the public interest shall be subject to the provisions of Article 65, paragraphs 1, 2, 3, 4 and 6 and Article 66, paragraph 4 of this Law. However, the competent authority may choose not to apply the provisions of Article 65, paragraph 4, if the compulsory licence in the public interest has been granted in order to remedy an anti-competitive practice.

Compulsory Licence Granted to Plant Breeders

Article 68

Where a plant breeder cannot obtain or exploit a plant variety right without infringing a prior patent concerning a biotechnological invention, he may file an application with the competent authority for a non-exclusive compulsory licence for the use of the invention protected by the patent inasmuch as the licence is necessary for the exploitation of the protected plant variety, subject to payment of an appropriate royalty. If such a licence is granted, the owner of the patent shall be entitled to a compulsory cross-licence to use the protected plant variety on reasonable terms.

Where the owner of a patent concerning a biotechnological invention cannot exploit it without infringing a prior plant variety right, he may file an application with the competent authority for a non-exclusive compulsory licence for the use of the plant variety protected by that right, subject to payment of an appropriate royalty. If such a licence is granted, the holder of the variety right will be entitled to a

compulsory cross-licence to use the protected biotechnological invention on reasonable terms.

The compulsory license referred to in paragraphs 1 and 2 of this Article can not be exclusive.

An applicant for the compulsory licence referred to in paragraphs 1 and 2 of this Article must prove that:

- 1) he has unsuccessfully made efforts to obtain a contractual licence;
- 2) the plant variety or the biotechnological invention constitutes significant technical advance of considerable economic interest compared with the invention claimed in the patent or the protected plant variety.

The compulsory licence referred to in paragraphs 1 and 2 of this Article may only be assigned with the enterprise or part of the enterprise in which it is used.

Limitation of Rights Concerning Biotechnological Material

Article 69

By purchasing protected plant propagating material from the owner of a patent or with his consent, a farmer shall obtain authorisation to use the product of his harvest for further propagation or multiplication on his own farm, under conditions prescribed by the law on the protection of plant varieties, whereas products obtained thereby may not be used for commercial purposes.

By purchasing protected animal reproductive material or animals from the owner of a patent or with his consent, a farmer shall obtain authorisation for animal breeding or for the propagation of reproductive material, whereas material obtained thereby may not be used for commercial purposes.

Article 70

Administrative acts effected by the competent authority pursuant to the provisions of Articles 63, 66 and 68, shall be final. An administrative dispute against such acts may be instituted before the competent court.

8. TERM AND CESSATION OF A PATENT

Patent Term

Article 71

The term of a patent shall be 20 years from the filing date of the application.

The term of a patent of addition cannot exceed that of the basic patent.

If a patent of addition becomes a basic patent, its term shall not exceed the remaining term of the original basic patent.

Maintenance of Rights Conferred by a Patent Application and a Patent

Article 72

Prescribed fees shall be paid for the maintenance of rights conferred by the application for a patent and by the patent granted.

The fees under paragraph 1 of this Article shall be paid in respect of the third year and each subsequent year, calculated from the date of filing of the application.

In the event that the applicant or patent owner fails to pay the fee provided for in paragraph 1 of this Article, the fee may be validly paid within an additional time period of six months, provided a prescribed additional fee is paid at the same time.

1. Cessation of Patent Rights

Non-Payment of Fee

Article 73

In the event that an applicant for or owner of a patent fails to pay the prescribed fee for the maintenance of rights, such rights shall lapse on the day following the due date referred to in Article 72.

Surrender of Patent Rights

Article 74

If an owner of a patent files a declaration in writing with the competent authority surrendering his right to a patent, such right shall lapse on the day following the filing of the declaration.

If any right belonging to a third party in the patent has been entered in the Register, the owner of the patent cannot surrender his right without prior written consent from the party in whose name a licence, pledge or any other right has been entered.

Death or Dissolution of a Right Holder

Article 75

A right shall cease to exist on the day of the death of a natural person or of the dissolution of a legal person who is the owner of the patent, unless it has been transferred to heirs or successors in title.

Paragraph 1 of this Article shall duly apply to patent applicants as well.

2. Restitution in Integrum

Article 76

If, in spite of having taken all due care required by given circumstances, the applicant for or owner of a patent fails to perform any procedural step within the time limit specified by this Law or by a regulation under this Law, resulting in the loss of rights conferred by the patent application or granted patent as a legal consequence of such omission, the competent authority shall allow the reestablishment of such rights if the applicant for or owner of the patent:

- 1) files an application for the reestablishment of rights and completes the omitted act within the prescribed time limit;
- 2) states the reasons that have impeded the performance of the omitted act in due time.

The application for the reestablishment of rights shall be filed within three months from the date on which grounds for the omission ceased to exist or, if the applicant learned about the omission subsequently, from the date on which he found out about the omission, but not later than 12 months from the date of non-observance of the time limit.

The competent authority cannot refuse the application referred to in paragraph 1 of this Article, fully or partially, without prior notification to the applicant specifying grounds for refusal and inviting him to file his observations thereof in writing within a period of 2 months.

An application for the reestablishment of rights cannot be filed for non-observance of time limits for the performance of the following procedural acts:

- 1) the filing of the application under paragraph 1 of this Article;
- 2) the filing of a request for the extension of a time limit;
- 3) the payment of fees and expenses pursuant to Article 16 of this Law;
- 4) the filing of a request for substantive examination pursuant to Article 42 of this Law;
- 5) the filing of a translation pursuant to Articles 123 and 124 of this Law;
- 6) all procedural steps involving several parties before the competent authority.

Any person acting in good faith, who has, in the course of production, started exploiting an invention which is the subject matter of a published application, or has made all necessary preparations to initiate such exploitation within the period between the loss of rights and the publication of the notification on the reestablishment of

rights, shall be entitled to continue exploiting the invention for production purposes only in his own production plant or in the plant of any other person for his own needs.

The content of the application, conditions and procedures concerning the application under paragraph 1 of this Article shall be defined by a regulation under this Law.

9. SUPPLEMENTARY PROTECTION CERTIFICATE

Article 77

Any product protected by a patent and subject to authorisation from the competent state authority prior to being placed on the market as a medicinal product for human or animal use or a plant protection product, may be the subject of protection of a supplementary protection certificate (hereinafter certificate) under the terms and conditions provided for in this Law.

Subject Matter of Protection and Legal Effect

Article 78

The subject matter of protection conferred by a certificate shall extend only to the medicinal product for human or animal use and plant protection product covered by the authorisation granted by the competent state authority to place that product on the market as a medicinal product for human or animal use and a plant protection product, and for any exploitation of the product that has been authorised before the expiry of the certificate.

The certificate shall confer upon the holder the same rights as conferred by the corresponding basic patent. These rights shall be subject to the same limitations.

Entitlement to a Certificate

Article 79

A Certificate shall be granted to the owner of the patent covering the product or to his successor in title.

The owner of two or more patents covering the same product may be granted only one certificate for that product. Where there are two or more applications for a certificate filed by different persons who are owners of different patents covering the same product, the same certificate for the product may be granted to each of these persons individually.

Conditions for Obtaining a Certificate

Article 80

On application of the patent owner, a certificate shall be granted if the following conditions are fulfilled on the filing date of the application:

- 1) the medicinal product for human or animal use or plant protection product is protected by a corresponding basic patent in force;
- 2) a valid authorisation from the competent state authority to place the medicinal product for human or animal use or the plant protection product on the market has been granted in Serbia and Montenegro, whereas this is the first effective authorisation of this kind for the product;
- 3) the medicinal product for human or animal use or plant protection product has not already been the subject of a certificate;
- 4) the patent application covering the medicinal product for human or animal use or plant protection product has been filed after 1 January 1993;
- 5) the first authorisation to place the medicinal product for human or animal use or plant protection product on the market is granted after 1 January 2005.

Time Limit for the Filing of an Application for a Certificate

Article 81

The application for a certificate shall be filed with the competent authority within 6 months from the date on which authorisation to place the medicinal product for human or animal use or plant protection product on the market has been granted by the competent state authority. Where the authorisation is granted before the grant of the corresponding basic patent, the certificate shall be filed within six months from the date on which mention of the patent grant has been published within the terms of Article 50 of this Law.

Particulars on the application for a certificate shall be entered in the Register referred to in Article 17 of this Law and published in the *Official Bulletin* within six months from the filing date of the application.

The content of the application and of the published particulars thereof shall be defined by a regulation under this Law.

Term of Protection

Article 82

The term of a granted certificate shall be equal to the period that elapses between the date on which the application for the corresponding basic patent concerning the medicinal product for human or animal use or plant protection product has been filed, and the date of the first authorisation of the competent state authority to place the product on the market, reduced by a period of five years, but not exceeding five years from the date on which the certificate takes effect.

The certificate shall come into effect immediately after the expiry of the lawful term of the corresponding basic patent concerning the medicinal product for human or animal use or plant protection product.

Expiry of the Certificate

Article 83

The certificate shall lapse:

- a) on expiry of its term;
- b) on its surrender by the certificate holder;
- c) on failure to pay the annual fee for its maintenance;
- d) on the termination of the authorisation granted by the competent state authority to place the medicinal product for human or animal use or plant protection product on the market, for whatever reason.

Maintenance of the Certificate

Article 84

The certificate shall be subject to payment of an appropriate annual fee, which shall be due at the beginning of each year of its term.

Publication

Article 85

The competent state authority shall publish in its *Official Bulletin* particulars on the grant of a certificate, on the refusal of an application for a certificate, and on the duration or cessation of a certificate.

The particulars referred to in paragraph 1 of this Article shall be defined by a regulation under this Law.

Article 86

The procedural provisions concerning the grant and cessation of a patent shall duly apply to the grant and cessation of the certificate, unless otherwise stipulated by this Law.

10. REVOCATION

1. Revocation of Decision to Grant a Patent

Grounds for Revocation

Article 87

At any time during the term of a patent, the competent authority shall revoke a decision on its grant on request of an interested person, if it establishes that:

- 1) the subject matter of protection is not an invention within the terms of Articles 5 and 6 of this Law;
- 2) the invention falls under the category of inventions excluded from protection as defined in Article 7 of this Law;
- 3) the invention was not new within the meaning of Articles 8 and 9 on the date of the filing of the patent application or on the date of priority, or did not involve an inventive step pursuant to Article 10 or was not industrially applicable in accordance with Article 11 of this Law;
- 4) the invention is not disclosed in a manner sufficiently clear and complete as defined in Article 25 of this Law;
- 5) the scope of rights granted exceeds the scope that could be supported by the description of the invention as disclosed on the filing date or priority date of the application, or if protection was granted on a divisional application, the subject matter of which extends beyond the basic application as filed, in which case only the specific part of the decision granting protection that extends beyond the permissible scope shall be revoked.

Application for Revocation of a Decision to Grant a Patent

Article 88

The procedure for the revocation of a decision to grant a patent shall be instituted with the filing of an application with the competent authority.

The application under paragraph 1 of this Article must contain details on the applicant for revocation and on the patent owner, an indication that revocation is being sought, the reference number of the decision and patent registration number, grounds for claiming revocation and relevant evidence.

Procedure Upon Application for the Revocation of a Decision to Grant a Patent

Article 89

Where the application for the revocation of a decision to grant a patent is not made up in accordance with Article 88 of this Law, the competent authority shall invite the applicant to remedy deficiencies as to form within 30 days from the date of receipt of the notification.

If the applicant fails to amend the application as to form within the time limit specified in paragraph 1 of this Article, the competent authority shall reject the application.

The competent authority shall forward a copy of the valid application for the revocation of the decision to grant a patent, together with the evidence furnished, to the owner of the patent, requesting him to reply within a period not less than 30 and not more than 60 days.

During the revocation proceedings, the competent authority shall invite the two parties, as many times as is necessary, to file their observations on the submissions of the opposite party within the time limit specified in paragraph 3 of this Article.

All written communications of the competent authority and replies thereof shall be submitted to all parties to the proceedings.

During the revocation procedure, the competent authority shall conduct a hearing only if it assesses it to be necessary for the establishment of facts relevant for the taking of a decision on the application.

Decision on the Application for Revocation of the Decision to Grant a Patent

Article 90

Based on the conducted procedure for the revocation of a decision to grant a patent, the competent authority shall either take a decision to revoke the decision on the grant of the patent in whole or in part, or refuse the corresponding application.

The competent authority shall publish particulars on the revoked patent in the *Official Bulletin* within three months from the date on which the decision becomes final.

2. Revocation of the Supplementary Protection Certificate

Article 91

A supplementary protection certificate shall be revoked:

- 1) if it was granted contrary to the conditions set out by this Law;

- 2) if the corresponding basic patent covering the subject matter protected by the certificate ceases within the terms of Articles 73, 74 and 75 of this Law;
- 3) if the corresponding basic patent covering the subject matter protected by the certificate is revoked or limited to the extent that the product for which the certificate was granted is no longer protected by the claims of the corresponding basic patent or, after the corresponding basic patent has expired, grounds for revocation which would have justified such revocation exist.

Procedural provisions of this Law applicable to the application for the revocation of a decision to grant a patent shall duly apply to the revocation of a supplementary protection certificate.

11. PROTECTION OF RIGHTS UNDER CIVIL LAW

1. Infringement Proceedings

Article 92

The owner of a patent or holder of an exclusive licence shall be entitled to institute civil proceedings against any person infringing his right by means of any unauthorized action referred to in Articles 52 and 53 of this Law.

Upon publication of an application for a patent, the applicant whose patent application has been published or the holder of an exclusive licence shall be entitled to institute civil proceedings.

Infringement Claims

Article 93

Civil proceedings may be instituted to claim:

- 1) establishment of the fact that a patent infringement exists;
- 2) prohibition of acts constituting patent infringement;
- 3) compensation for damages caused by infringement;
- 4) publication of the court decision at the expense of the defendant;
- 5) seizure and/or destruction, without compensation of any sort, of products made or obtained by means of patent infringement;
- 6) seizure and/or destruction, without compensation of any sort, of material or articles (equipment, tools) predominantly used in the creation of infringing products.

If an infringement of rights was committed intentionally or out of gross negligence, the plaintiff may, instead of the compensation referred to paragraph 1, item (3) of this Article, claim up to triple the amount of royalties he would usually receive if the exploitation of the invention were conducted in accordance with the law.

In considering the claims referred to in paragraph 1, items (5) and (6) of this Article, the court shall take into account the need to maintain proportionality between the gravity of the infringement and the measures ordered, as well as the interests of third parties.

The applicant shall be entitled to damages from the date of publication of an application within the terms of Article 41 of this Law.

Appropriate provisions of the *Law of Obligations* shall apply to those issues concerning damages for infringement of rights that are not provided for by this Law.

Provisional Measures

Article 94

On request of the applicant referred to in Article 92 of this Law, who proves reasonable probability that his right is or shall be infringed, the court may, pending a final decision, pronounce the provisional measure of:

- 1) seizure and/or withdrawal from the market of products made or obtained by patent infringement;
- 2) seizure and/or withdrawal from the market of implements (equipment, tools) predominantly used in the production of infringing products;
- 3) prohibition of the further performance of infringing acts.

A request for the grant of a provisional measure may be filed before the institution of civil proceedings, provided such proceedings are instituted within thirty days from the execution of the measure.

Where there is risk of irreparable harm being caused or where there is demonstrable risk of evidence being destroyed, the court may pronounce a provisional measure without the defendant being heard, whereas the defendant must be notified of the execution of the provisional measure without delay or within five days from the implementation of the provisional measure at the latest.

The court may instruct the applicant to furnish additional evidence of the patent infringement committed or of the demonstrable risk of patent infringement, and order him to provide a security in order to prevent any abuse.

An appeal against the court decision on the provisional measure referred to in paragraph 1 of this Article shall not postpone the execution of the decision.

Appropriate provisions of the *Execution Act* shall apply to those issues concerning the institution of provisional measures that are not provided for by this Law.

Securing of Evidence

Article 95

On request of the plaintiff referred to in Article 92, who substantiates reasonable probability that his right is being infringed and reasonable doubt that evidence thereof shall be destroyed or that it shall subsequently be impossible to obtain such evidence, the court shall undertake to secure evidence without prior notice to or hearing of the person in possession of the evidence.

The securing of evidence within the terms of paragraph 2, implies the inspection of premises, records, documents, databases and other sources, as well as the seizure of assets and the questioning of witnesses and experts.

The court order to secure evidence shall be delivered to the person from whom evidence is collected at the time of such collection or as soon as possible in the event that the person is absent.

The order to secure of evidence may be requested before the institution of civil proceedings, provided they are instituted within 30 days from the date of filing of the relevant request.

Statute of Limitations; Urgent Procedure

Article 96

Infringement proceedings may be instituted within a period of three years from the date of obtaining knowledge of the infringement and of the infringer, but not later than five years from the date on which the infringement occurred.

The infringement proceedings referred to in paragraph 1 of this Article shall be urgent.

Burden of Proof

Article 97

If the subject matter of a patent infringement is a process for obtaining a new product, any identical product shall be deemed to have been obtained by means of the protected process, until proven otherwise.

The burden of proof shall rest with the defendant who manufactures such product, whereby the legitimate interests of such defendant in protecting his manufacturing and business secrets shall be taken into account.

2. Legal Proceedings for the Establishment of the Right to Protection

Article 98

The inventor, his successor in title or employer within the terms of Article 109 of this Law, shall be entitled to institute civil proceedings requesting the court to

establish his right to the protection of a given invention in place of or, as joint owner, together with the person who has already filed an application for the invention.

If the inventor has already been granted a patent, his successor in title or employer referred to in paragraph 1 of this Article may institute civil proceedings requesting the court to establish that he holds the right to the patent in place of or, as joint owner, together with the person registered as the owner of the patent.

Proceedings under paragraph 1 of this Article may be instituted before the decision is taken to grant a patent. Proceedings under paragraph 2 of this Article may be instituted prior to the expiry of the patent.

The proceedings under paragraph 1 of this Article shall be urgent.

The final court decision upholding the claims referred to in paragraphs 1 and 2 of this Article shall be communicated to the competent authority, which shall enter changes concerning the applicant for or owner of the patent in the appropriate register.

3. Legal Proceedings for the Protection of Employer or Employee Rights

Article 99

An employer or employee entitled, under the provisions of this Law, to the protection or commercial use of an invention made in the course of employment may institute court proceedings for the establishment and protection of his rights under Articles 108 to 120 of this Law.

Proceedings under paragraph 1 of this Article, for the establishment of employee or employer rights pursuant to Articles 109 and 110 of this Law, may be instituted within two years from the date of the publication of the patent application, but not after the expiry of two years from the date of termination of employment during which the invention was made.

The final court decision upholding the claims referred to in paragraphs 1 and 2 of this Article shall be communicated to the competent authority, which shall enter the changes of ownership in the appropriate register.

4. Legal Proceedings for Recognition of the Status of Inventor

Article 100

If any other person has been designated as the inventor in the application for a patent or in any other document provided for by this Law, the inventor shall be entitled to institute civil proceedings requesting the court to establish his status as inventor and order the entry of his name in the patent application and in other relevant documents and registers kept by the competent authority in accordance with the provisions of this Law.

There shall be no time limit for the institution of proceedings under paragraph 1 of this Article.

In the event of the death of the inventor, his heirs shall be entitled to institute the proceedings referred to in paragraph 1 of this Article.

12. TRANSFER OF RIGHTS

Licence Agreement and Assignment of Rights

Article 101

The right to file an application, rights conferred by an application or a patent may be transferred, in whole or in part, by means of an assignment contract or by inheritance.

Certain or all rights conferred by an application or a patent may be transferred by means of a licence agreement, with or without limitations.

The agreements referred to in paragraphs 1 and 2 of this Article shall have effect only if they are made in writing.

The agreements under paragraphs 1 and 2 of this Article shall be entered in the appropriate register, at the request of a party to the agreement.

Agreements referred to in paragraphs 1 and 2 of this Article, which have not been entered in the appropriate register, shall not have legal effect with respect to third parties.

Appropriate provisions of the *Law of Obligations* shall apply to those issues concerning licence agreements that are not provided for by this Law.

13. SECRET INVENTIONS

Secret Patent Application

Article 102

An application filed by a national of Serbia and Montenegro shall be considered to be secret if it concerns an invention of significance for the defence and security of Serbia and Montenegro.

Applications under paragraph 1 of this Article shall be filed with the authority competent in national defence.

Procedure in Respect of the Application

Article 103

If the state union authority competent in national defence establishes in its examination of an application filed that it has ceased to be secret, it shall forward the application to the competent authority. Such application shall retain the filing date accorded to it by the state union authority competent in national defence.

If the competent authority establishes in its examination of a patent application that it falls under the category of secret applications, it shall forward it to the authority competent in national defence. Such application shall retain the filing date accorded to it by the competent authority.

Procedure Following the Grant of a Patent

Article 104

If the state union authority competent in national defence establishes, upon the grant of a patent for a secret invention, that the invention has ceased to be secret, it shall forward the file concerning the invention to the competent authority, which shall enter the patent in the appropriate Register, publish the mention of the granted right and issue a corresponding certificate to the right holder, in accordance with the provisions of this Law.

Right to Exploitation

Article 105

The authority competent in national defence or in internal affairs shall have the exclusive right to use and dispose of a secret invention.

The inventor shall be entitled to a single lump sum compensation for the protected secret invention, regardless of whether or not the invention is used.

Publication of a Secret Invention and Its Protection Abroad

Article 106

A secret invention shall not be published.

A national of Serbia and Montenegro may claim protection for a secret invention abroad only on approval of the state union authority competent in national defence.

Expert Opinion

Article 107

In the examination of an application for a secret invention, the authority with which the application has been filed may request an expert opinion from the

competent authority on whether the secret invention claimed in the application fulfils legal requirements for protection.

14. INVENTIONS MADE IN THE COURSE OF EMPLOYMENT

Article 108

An invention shall be deemed to have been made in the course of employment if it constitutes:

- 1) an invention made by an employee in the course of his regular duties or specially assigned tasks concerning scientific and technical research and development, or an invention made under a research contract concluded with the employer;
- 2) an invention which does not fall under the provisions of item (1) of this Article, but is made by an employee in connection with the activities of his employer or with the use of material and technical facilities, information and other working conditions provided by the employer;
- 3) an invention made by an employee within a period of one year from the termination of his employment, which would have constituted an invention under items (1) and (2) of this Article had it been made in the course of employment.

Right to Protection

Article 109

The right to the protection of an invention pursuant to Article 108, paragraph 1 shall belong to the employer, unless otherwise provided by contract between the inventor and employer.

If an invention made in the course of employment has been protected in the name of the employer, the inventor shall have moral rights in the invention and shall be entitled to remuneration subject to the results of the commercial use of the invention.

The right to remuneration referred to in paragraph 2 of this Article shall belong to the inventor even if the employer assigns his rights or grants a licence for use of the invention to a third party.

Article 110

The right to protection of an invention under Article 108, paragraph 2, shall belong to the employee with the proviso that the employer shall be entitled to commercial use of the invention and shall be obliged to pay the employee

remuneration in accordance with a contract concluded with regard to the specific invention.

However, if the invention includes any trade secret of the employer for whom the inventor works, that employer shall be entitled to prohibit the disclosure of the invention, but shall be required to pay remuneration to the employee. The employee shall not be entitled to apply for the protection of such invention.

Employee Remuneration

Article 111

Criteria for determining the amount of remuneration and the method and time of payment thereof shall be established by a general act or a labour agreement between the employer and the employee or by a special agreement concluded between the employer and employee with regard to the specific invention.

In case of dispute regarding the amount, method and time of payment of the remuneration, the court shall decide, on request of the inventor or employer, taking into account the extent to which the invention contributed to the increase of profits or savings within the enterprise.

The employee may not renounce his right to remuneration in advance.

Procedure

Article 112

An inventor who comes up with an invention in the course of employment shall be required to submit a written report to the employer immediately upon the creation of the invention, informing him thereof.

The content of the report under the preceding paragraph shall be set out by a regulation under this Law.

If the report does not contain the prescribed elements, the employer shall set an appropriate time limit for the inventor to remedy deficiencies thereof.

Article 113

Within a period of two months from the receipt of the valid report referred to in Article 112 of this Law, the employer shall be required to communicate to the employee in writing whether he considers the invention to be an invention within the meaning of Article 108, items (1) and (2) of this Law.

If the employee fails to deliver the report within the meaning of Article 112 of this Law to the employer, the time limit under paragraph 1 of this Article shall run from the date on which the employer gained knowledge of the invention.

Article 114

When dealing with an invention referred to in Article 108, item (1) of this Law, the employer shall be required to inform the employee in the communication provided for in Article 113 whether he shall file an application.

If the employer states, pursuant to the preceding paragraph, that he shall file an application, he shall be required to inform the inventor of the content of the application prior to its filing, of all actions taken by the competent authority in the examination of the application and of the content of all documents filed with the competent authority prior to their filing. The inventor shall be required to provide the employer with all information needed in the patent grant procedure.

If the employer does not wish to file an application for a patent and assess that the invention contains no trade secrets within the meaning of Article 110 of this Law, he shall communicate this in writing, within the time limit referred to Article 113 of this Law, to the inventor who shall be entitled to protect such invention in his own name.

If the employer decides to withdraw a filed application, he shall communicate this to the inventor in writing and shall assign to him rights conferred by the application.

In the event of commercial use of the invention under paragraphs 3 and 4 of this Article, articles 110 and 117 of this Law shall apply accordingly.

Article 115

In the event of failure to observe the time limit provided in Article 113 of this Law, the inventor shall be entitled to protect the invention in his own name.

Article 116

An employee who makes an invention pursuant to Article 108, item (2) of this Law cannot file an application with the competent authority before he receives the communication referred to in Article 113 of this Law from the employer or before the expiry of the time limit for such communication.

If the employee referred to in paragraph 1 of this Article decides to withdraw a filed application, he shall communicate this to the employer in writing and shall assign to him rights conferred by the application.

Article 117

With regard to the use of an invention protected in the name of the inventor, the employer shall be required to state, within a period of six months from the receipt of the valid report on the invention under Article 112 of this Law, whether he is interested in obtaining an exclusive licence from the inventor.

Until the expiry of the time limit referred to in paragraph 1 of this Article, the inventor shall not be entitled to assign the right to the invention to a third party or to give a licence for the use of the invention.

Article 118

The use of an invention made in the course of employment cannot be initiated before the issue of remuneration under Article 111 of this Law is settled or before the court takes a final decision.

Requirement of Secrecy

Article 119

The employer and inventor shall be required to maintain the secrecy of an invention made within the course of employment until the publication of the patent application or until the invention becomes available for public inspection in some other manner.

If the employer displays justifiable interest in the invention not being published, the obligation of the employee to keep the secret shall continue upon the termination of his employment with that employer.

15. THE EUROPEAN PATENT APPLICATION AND THE EUROPEAN PATENT

Extension of the Effect of the European Patent

Article 120

A European patent application and a European patent extended to Serbia and Montenegro shall, according to the terms stipulated by this Law, have the same effect and be subject to the same conditions as a national application and a national patent under this Law.

Within the terms of this Law:

- 1) A “European patent application” shall mean an application for a European patent filed under the European Patent Convention, (hereinafter referred to as the EPC), as well as an international application filed under the Patent Cooperation Treaty (hereinafter referred to as the PCT), for which the European Patent Office (hereinafter referred to as the EPO) acts as a designated or elected office and in which Serbia and Montenegro is designated;

- 2) An “extended European patent” shall mean a patent granted by the EPO on a European patent application for which extension to Serbia and Montenegro has been requested;
- 3) A “national patent application” shall mean a patent application filed under this Law with the competent authority;
- 4) A “national patent” shall mean a patent granted on a national patent application.

Request for Extension

Article 121

A European patent application and a European patent granted on such application shall be extended to Serbia and Montenegro at the request of the applicant. The request for extension shall be deemed to be filed with any European patent application filed on or after the date on which the Cooperation and Extension Agreement between the Federal Government of the Federal Republic of Yugoslavia and the European Patent Organisation enters into force.

Every request for extension shall be published in the *Official Bulletin* by the competent authority, as soon as possible after receiving notification from the EPO on the payment of the prescribed extension tax, but not before the expiry of 18 months from the filing date or, if priority has been claimed, from the earliest priority date.

A request for extension may be withdrawn at any time. The request shall be deemed to be withdrawn if the prescribed extension fee has not been paid in due time or if the European patent application has been refused finally, withdrawn or deemed to be withdrawn. The competent authority shall publish a notice concerning these changes, as soon as possible, if the request for extension has already been published in accordance with paragraph 2 of this Article.

The manner and content of the notice under paragraphs 1 and 2 of this Article shall be defined by a regulation under this Law.

Extension Fee

Article 122

The extension fee under Article 121 of this Law shall be paid to the EPO within the time limits provided for under the EPC for the payment of the designation fee.

The extension fee may also be validly paid within the period of grace provided for in the EPC for the payment of the designation fee, provided that a 50% surcharge is paid within this period.

EPC Rules relating to fees shall apply *mutatis mutandis* to the payment of extension fees. Validly paid extension fees cannot be refunded.

Effects of European Patent Applications

Article 123

A European patent application, which has been accorded a date of filing, shall be equivalent to a regular national patent application, with priority claimed for a European patent application, if such claim has been made, whatever the outcome of proceedings relating to the application may be.

A published European patent application shall confer upon the applicant the same provisional protection under this Law as is conferred by a national patent application, from the date on which a translation of the claims of the published European patent application into the Serbian language is communicated by the applicant to the person using the invention in Serbia and Montenegro.

The European patent application shall be deemed not to have had the effect specified in paragraph 2 of this Article, *ab initio*, if the request for extension has been withdrawn or is deemed to have been withdrawn.

Effects of European Patents

Article 124

Subject to paragraphs 2 to 6 of this Article, an extended European patent shall, from the date of publication of mention of the grant of the European patent by the EPO, confer the same rights as would be conferred by a national patent under this Law.

Within 3 months from the date on which mention of the grant of the European patent has been published, the owner of the patent shall furnish the competent authority with a translation of the specification of the European patent into the Serbian language and shall pay the prescribed publication fee.

Where, as a result of an opposition filed with the EPO, a European patent is maintained with amended claims, the owner of the patent shall furnish the competent authority with a translation of the amended claims into the Serbian language and shall pay the prescribed publication fee, within three months from the date on which notice on the decision to maintain the European patent as amended has been published.

The competent authority shall publish any translation duly filed under paragraphs 2 and 3 of this Article.

If the translation specified in paragraphs 2 and 3 of this Article is not filed in due time or if the prescribed fee is not paid in due time, the extended European patent shall be deemed void *ab initio*.

An extended European patent and the European patent application on which it is based shall be deemed not to have had *ab initio* effects specified in paragraph 1 of

this Article and in Article 123, paragraph 2 of this Law, to the extent that the patent has been revoked in opposition proceedings before the EPO.

A decision to enter the extended European patent in the Register of Patents shall be taken by the competent authority.

Authentic Text of European Patent Applications or European Patents

Article 125

The text of a European patent application or a European patent in the language of the proceedings before the EPO, shall be the authentic text in any proceedings conducted in Serbia and Montenegro.

However, a translation furnished in accordance with Article 123, paragraph 2 or Article 124, paragraph 2 of this Law, shall be regarded as authentic, except in revocation proceedings, where the application or patent in the language of the translation confers narrower protection than that conferred by it in the language of the proceedings.

The applicant for or owner of an extended European patent may file a corrected translation of the claims of the European patent application or European patent. The corrected translation shall have no legal effect until it is published by the competent authority. Any person who, in good faith, uses or has made effective and serious preparations for the use of an invention, so that such use does not constitute an infringement of the rights arising from the application or patent in the original translation, may, after the corrected translation takes effect, continue such use in the course of his business or for his needs, without payment.

Rights of Earlier Date

Article 126

With regard to a national patent application and a national patent, a European patent application, for which the extension fee has been paid, and an extended European patent shall have the same prior art effect as a national patent application and national patent.

A national patent application and a national patent shall have, with regard to an extended European patent, the same prior art effect as they have with regard to a national patent.

Simultaneous Protection

Article 127

Where an extended European patent and a national patent have the same filing date or, where priority has been claimed, the same priority date, and have been granted to the same person or his successor in title, the national patent shall have no effect to the extent that it covers the same invention as the extended European patent, as from the date on which the time limit for filing an opposition to the European patent has expired without an opposition having been filed, or as from the date on which the opposition procedure has resulted in a final decision to maintain the European patent.

Renewal Fees for Extended European Patents

Article 128

Renewal fees for an extended European patent shall be paid to the competent authority for the years following the year in which the mention of the grant of the European patent has been published.

Application of the EPC

Article 129

The provisions of the EPC and its Implementing Regulations shall not apply unless otherwise provided under the provisions of this Law.

16. INTERNATIONAL PATENT APPLICATION PURSUANT TO THE PATENT COOPERATION TREATY

International Application

Article 130

An “international patent application” shall mean a patent application filed under the Patent Cooperation Treaty (hereinafter referred to as the PCT). Any reference to the PCT in this Law shall also be construed as reference to the Regulations under the Patent Cooperation Treaty, in accordance with the provisions of the Patent Cooperation Treaty.

The provisions of the PCT, of this Law and of regulations under this Law shall apply to international patent applications filed with the competent authority acting as the receiving office, or in which the competent authority has been indicated as the designated or elected office.

***International Application Filed With the
Competent Authority as a Receiving Office***

Article 131

An international patent application may be filed with the competent authority acting as a receiving office, if the applicant is a natural person who is a national and a resident of Serbia and Montenegro, or a legal person whose principle place of business is in Serbia and Montenegro.

***International Application Indicating the Competent authority as a
Designated or Elected Office***

Article 132

Any international application in which Serbia and Montenegro has, pursuant to the provisions of the PCT, been designated or elected for the granting of a national patent, shall be filed with the competent authority, in the Serbian language, within a period of thirty months at the latest, from the international filing date or from the date of priority, if priority has been claimed in the international application.

The time limit provided for in paragraph 1 of this Article shall be extended by 30 days if the applicant of the international patent application pays a prescribed extension fee.

An international application filed with the competent authority acting as the designated or elected office shall be published in the *Official Bulletin* in accordance with Article 41 of this Law, not later than six months from the date of receipt of the application by the competent authority.

The applicant shall be granted the provisional protection laid down in Article 56, paragraph 1 of this Law as of the date of publication of application in the *Official Bulletin* as specified in Article 41 of this Law.

The substantive examination of an international application shall be conducted at the request of the applicant, if such request has been filed within the time limit stipulated in Article 42 of this Law.

An international application published by virtue of Article 21 of the PCT shall not be deemed to be part of the state of the art under the provisions of Article 8, paragraph 2, item (2) of this Law until conditions stipulated in paragraph 1 Article have been fulfilled.

*The European Patent Office as an International Search and
International Preliminary Examination Authority*

Article 133

The European Patent Office shall act as an authority for the international search and international preliminary examination of international applications filed with the competent authority acting as the receiving authority.

17. PETTY PATENT

Article 134

A petty patent shall mean a right of protection for a new, industrially applicable invention that involves an inventive step.

In the event of protection by a petty patent, an invention shall involve an inventive step if it is the result of activities extending beyond the routine use of the state of the art by a skilled person, but lacks the inventive step required for a patent.

Only a solution relating to the configuration or structure of a product or the layout of its components may be the subject matter of an invention protected by a petty patent.

Article 135

Provisions of this Law shall duly apply to petty patents, unless expressly stipulated otherwise.

Article 136

If the competent authority establishes in the formal examination of an application for a petty patent, in accordance with Article 40 of this Law, that the application fulfils all requirements prescribed therein, it shall take a decision to grant the petty patent.

The application for a petty patent shall not be published.

In the case of a petty patent, the subject matter of the invention claimed in the application shall not be examined as to novelty, inventive step or susceptibility to industrial application.

Article 137

On request of the applicant or of the owner of a petty patent or of any other interested person, the competent authority shall draw up a report on the state of the art

within the terms of Article 8 of this Law for the invention constituting the subject matter of the application for of a petty patent or of the petty patent.

The report on the state of the art shall be made available for public inspection on publication of the grant at the earliest.

Conversion of the Application

Article 138

Until the taking of a decision on the application, the applicant may file an application for the conversion of the application for a petty patent into an application for a patent or a model, or vice versa.

A converted application shall retain the filing date of the application for a petty patent or of the originally filed application.

Term of a Petty Patent

Article 139

The term of a petty patent shall be six years from the filing date of the application, with the possibility of two two-year extensions being granted.

An application for the extension of a petty patent shall be filed by the right holder six month prior to the expiry of the then current term, at the latest.

The first term extension of a petty patent may be carried out only if the report on the state of the art has been drawn up previously.

18. CONDITIONS FOR THE ENTRY INTO THE REGISTER OF REPRESENTATIVES

Article 140

Natural persons who are nationals and residents of Serbia and Montenegro, who have command of one language of international communication and who represent clients on professional basis, may be entered into the Register of Representatives under one of the following conditions:

- 1) they are law faculty graduates having passed a special expert examination with the competent authority;
- 2) they are graduates of any technical faculty, having passed a special expert examination with the competent authority;
- 3) they are graduates of any technical faculty or law faculty, having at least five years of experience of working in the field of intellectual property with the competent authority.

Legal persons having seat in Serbia and Montenegro and employing at least one law faculty graduate and one graduate of any technical faculty, meeting conditions referred to in paragraph 1 of this Article, may also be entered into the Register of Representatives.

19. FINAL AND TRANSITIONAL PROVISIONS

Article 141

Registered patents and petty patents that are valid on the day this Law enters into force shall remain valid and shall be subject to the provisions of this Law.

The provisions of this Law shall also apply to those applications for patents and petty patents that have been filed prior to the date on which this Law enters into force and are still under procedure.

The provisions of Articles 54 and 55 of the Patent Law (*Official Gazette of the FRY*, no. 15/95 and 28/96) shall apply until the adoption of regulations under this Law.

Article 142

The implementation of Chapter 15. EUROPEAN PATENT APPLICATION AND EUROPEAN PATENT, shall start on the day of entry into force of the Agreement between the Federal Government of the Federal Republic of Yugoslavia and the European Patent Organisation (Cooperation and Extension Agreement).

The term provided for in Article 132, paragraph 1 of this Law applies to international applications designating Serbia and Montenegro, that have been filed after 1 January 2004.

Provisions of this Law related to the supplementary protection certificate shall be implemented as of the day of accession of Serbia and Montenegro to the European Union.

Article 143

On the day this Law enters into force, the provisions of the Patent Law (*Official Gazette of the FRY*, No. 15/95 and 28/96) and the provisions of Article 3 to 9 of the Law on the Ratification of the Patent Cooperation Treaty (*Official Gazette of the FRY – International Treaties*, No. 3/96), shall cease to be valid.

Article 144

This Law enters into force on the eighth day from the day of publication in the *Official Gazette of Serbia and Montenegro*.