

Government of Montenegro

Ministry of Economy

Questionnaire

Information requested by the European Commission to the Government of Montenegro for the preparation of the Opinion on the application of Montenegro for membership of the European Union

07 Intellectual property law

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**CHAPTERS OF THE ACQUIS – ABILITY TO ASSUME THE
OBLIGATIONS OF MEMBERSHIP**

Chapter 7: Intellectual property law

A. Copyright and neighbouring rights

1. Does your country provide for protection of semiconductors? If yes, do you consider this protection to be in conformity with Directive 87/54/EEC?

Yes. Protection of semiconductors in Montenegro is provided for by the Law on Protection of Topographies of Integrated Circuits (Official Gazette of Serbia and Montenegro 61/04), which is in conformity with Directive 87/54/EEC.

2. Does your country provide for a rental right, lending right and the provisions on certain related rights set out in Directive 2006/115/EC (the codified version of original Directive 92/100/EEC)?

a) If YES, please give full references and the principal contents of your legislation. Does the legislation notably provide for an unwaivable right to equitable remuneration for rental where an author or performer has transferred or assigned his rental right concerning a phonogram or an original copy of a film to a phonogram or film producer? Does your legislation provide that at least authors obtain remuneration for public lending? Does it provide for derogation from the exclusive public lending right and if so, would this be in line with the Directive? Does your legislation provide that a single equitable remuneration is paid by the user to the relevant performers and phonogram producers every time a phonogram published for commercial purposes is used for broadcasting by wireless means or for any communication to the public?

The Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) is in force in Montenegro.

Right to rent copies of the work is provided for in Article 22 of this Law. The author shall have the exclusive right to give permission for or prohibit renting of copies of his/her work to other person (renting).

Article 22 paragraph 2 prescribes that if author transfers his/her rental right to a phonogram producer and/or film producer, he/she shall retain the right to obtain an equitable remuneration for the rental of the copyrighted work (work recorded on a video cassette, audio cassette, compact disc and the like).

Provision of Article 22 paragraph 3 sets out that author may not waive the right to equitable remuneration for renting of copy of copyright works.

As provided for in Article 39 paragraph 1 the author shall have the right to remuneration from the person who lends copies of his/ her work, when such person is registered for such an activity, except for library material, buildings or design.

The Law on Copyright and Related Rights lays down in Article 23 that author shall not have exclusive right to prohibit or give permission for renting of his/her work if any of the following is involved: a built work of architecture, work of applied art, a work that came into being or was reproduced for the purpose of being rented as the exclusive form of exploitation of the work agreed upon between the author and owner of a copy of the work.

Our Law is in conformity with Directive 92/100/EC in terms of derogation of the exclusive public lending right.

The right to remuneration for a producer of rented phonogram is granted in Article 125 for: broadcasting of the phonogram, public communication of the phonogram, public communication of the phonogram being broadcasted.

Remuneration to producer of a rented phonogram and performance remuneration are paid by the user as a single fee collected by the producer of a rented phonogram. If the contract between the producer of a phonogram and the performer does not specify otherwise, the phonogram producer must submit without delay one half of the remuneration collected to the performer whose performance is on his/her phonogram.

b) If NO, do you plan to adopt legislation on the protection of rental rights, lending rights and related rights? Please give details and dates.

3. Is the term of protection of copyright and related rights in your country in conformity with Directive 2006/116/EC (the codified version of original Directive 93/98/EEC)? If NO, how and by when do you intend to align your legislation with this directive?

Terms of protection of copyright and related rights laid down in the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) are in conformity with Directive 2001/116/EC (the codified version of Directive 93/98/EEC). Terms for duration of copyright are provided for in Articles 100 to 105 of the Law, and terms for duration of related rights are provided for in Article 144 of the Law.

4. Does your copyright law provide for the legal protection of computer programs?

a) If YES, is it fully compatible with Directive 2009/24/EC 2006/116/EC (the codified version of original Directive 91/250/EC), including with the provisions of this directive on authorship, restricted acts, exceptions to the restricted acts, de-compilation and special measures of protection?

Provision of Article 24 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) prescribes that author of the computer program shall have the exclusive right to give permission for or to prohibit lending of copies of his work.

Article 46 of this Law prescribes that if a work of authorship is a computer program, the person who has legitimately obtained a copy of that computer program for his/her own normal use, may do the following without its author's permission and without paying any remuneration:

1. Store the program in the computer memory and run the program.
2. Eliminate errors in the program, as well as make any other necessary changes in it, in accordance with its purpose, unless otherwise provided by contract.
3. Make a one back-up copy of the program on a tangible carrier medium.
4. Decompile the program exclusively for the purpose of obtaining the data necessary for achievement of interoperability of that program with some other independently developed

program or some hardware, on condition that such data were not accessible in some other way and that decompilation is limited only to those parts of the program which are necessary to achieve interoperability.

The same Article lays down a prohibition for that person to communicate the data obtained by decompilation to others or to use it for other purposes, particularly for the purpose of developing or selling another computer program that would infringe the copyright on the original one. That right, i.e. that act, may be directly performed by a person who has legally obtained a copy of a computer program, or by some other qualified person acting under his/her instructions.

The Law does not provide for particular legal measures against the person infringing the right of an author of a computer program, but it provides that protection in general for all copyright, and therefore it applies to infringement of the copyright for a computer program (Article 180 of the Law on Copyright and Related Rights). This Law does not provide for terms for protection of copyright of the author of a computer program.

b) If NO, do you plan to adopt any legislation in this field? Please give details and dates.

5. Does your copyright law provide for the legal protection of databases?

a) If YES, is it fully compatible with Directive 96/9/EC, including on scope of protection, protection under copyright and sui generis protection?

Provision of Article 5, paragraph 3 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) prescribes that database shall be deemed work of authorship.

Provisions of Articles 136 and 137 of this Law provide for *sui generis* protection of database.

Legal protection of database provided by the Law is fully in conformity with Directive 96/9/EC.

b) If NO, do you plan to adopt legislation on the legal protection of databases (including sui generis protection)? Please give details and dates.

6. Does your copyright legislation provide for the legal protection of copyright and related rights in conformity with Directive 2001/29/EC?

7. If YES, is it fully compatible with the listed exclusive rights of authors and certain neighbouring right holders? Does your legislation provide, in particular, for a right of communication to the public of works and a right of making available to the public other subject-matter? Does it provide for the mandatory exception for “temporary copies” (Article 5.1)? Does it provide for other exceptions? If yes, please list them. Does your country provide for a system of fair compensation to right holders for the following: reprography, reproductions made by a natural person for private use, reproductions of broadcasts made by social institutions pursuing non-commercial purposes? Does your legislation provide for the legal protection of technological measures and rights management information? What sanctions and remedies does your legislation provide in respect of infringements of the rights and obligations set out in Directive 2001/29/EC?

The Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) provides for legal protection of copyright and related rights in conformity with Directive 2001/29/EC.

The Law on Copyright and Related Rights provides for exclusive rights of authors to permit or to prohibit to other person recording or reproduction of the work of authorship, placement of copies of his/her work of authorship on the market, renting copies of his/her work, lending copies of computer program, performance of his/her work, presentation of his/her work, transmission of performance or presentation of his/her work, broadcasting of his/her work, public communication including interactive making of the work available to the public; right to adapt, arrange or alter the work in any other way, public communication of a work being broadcasted, communication to the public of his/her work recorded on a sound carrier or picture carrier.

Right of broadcasting provides for author's exclusive right to prohibit or permit broadcasting of his/her work of authorship. Broadcasting means public communication of a work by wire or wireless transmission of electromagnetic, electric or other long-distance signals (radio broadcasting and cable broadcasting).

Provision of Article 29 of the Law also sets out exclusive right of the author to give permission or prohibit communication of his/ her work to the public by wire or wireless means including the making available of work to public in such a way that member of the public may individually access the work from a place and at a time he/she chooses.

Provision of Article 31 of the Law prescribes that author shall have the exclusive right to give permission or prohibit communication of his/her work that is being broadcasted simultaneously to audience at public places, such as means of public transport, restaurants, waiting rooms and the like, with the means of such devices as radio receivers or television sets.

In accordance with the Provision of Article 32 of the Law the author shall have the exclusive right to give permission or prohibit communication to the public of his/her work recorded on a sound carrier or picture carrier (a record, compact disc, audio cassette, video cassette, film tape, optic disc, slide) with the means of technical devices for reproduction of sound and/or picture.

When transferring ownership over an original of his/her work of authorship, author may expressly and in writing prohibit exhibiting of original work. Prohibition can not refer to a work belonging to a museum, art gallery or other public institution.

A copyright work may be reproduced and communicated to the public without the author's permission and without paying remuneration for the purpose of conducting an official procedure before a court or other state bodies.

In the scope of informing the public on current events via the press, radio and television, it shall be permitted to make copies of a work, as well as to communicate the work in all other forms to the public without its author's permission and without paying remuneration, under following conditions:

- 1) That the work has been made public;
- 2) That the work appears as an integral part of a current event about which the public is being informed;

- 3) That the reproduction of copies of the work and other forms of communicating it to the public are done only to the extent corresponding to the purpose and mode of informing on the current event

Provision of Article 42 of this Law regulates that if the subject-matter of informing is a speech, oration or some other work of the same kind, the work involved may be reproduced and communicated to the public as a whole, without the author's permission and without paying remuneration.

Provisions of Articles 43 and 44 of this Law prescribe that it shall be permitted to reproduce short excerpts of disclosed works without author's permission and without paying remuneration if used for non-commercial purposes of education, exams or scientific research, and public libraries, educational institutions, museums and archives shall have the right to reproduce works only if used for their archival and non-commercial purposes.

Provision of Article 45 of this Law prescribes that any natural person shall have the right to reproduce for personal non-commercial purposes a disclosed work without the author's permission and without paying remuneration, which shall not exclude that the following shall be deemed to be an infringement of the right: circumvention of any technological measure, or supply or advertising of services enabling or facilitating such circumvention, removal or alteration of the electronic information on rights, or marketing, import, broadcasting or public communication in any other manner of the work of authorship or the subject-matter of the related rights, from which the electronic information on rights is removed or altered without authorization, where the perpetrator knows or has reason to know that by doing so he/she induces, enables, facilitates or conceals infringement of copyright or related right.

Copies of a disclosed work reproduced for non-commercial purposes must not be placed on the market or be used for any other form of public communication of that work.

The right of a natural person to reproduce for personal non-commercial purposes a disclosed work without the author's permission and without paying remuneration shall not apply to: recording of the performance, presentation or showing of the work, three-dimensional realisation of drawings for works of fine arts, constructed works of architecture, construction of a new building after an existing building which is a work of authorship and computer programs.

Provision of Article 38 of this Law provides for author's right to special remuneration.

It is prescribed in Article 53 of this Law that state bodies, educational institutions and public libraries shall have the right to reproduce excerpts from publications without the author's permission, but with the obligation to pay the remuneration, for educational or scientific research purposes, by means of photocopying or using any other kind of photographic technique or similar technique with the similar results, on a paper or any other similar medium.

Provisions given above shall not apply to music sheet.

Provision of Article 54 of this Law prescribes that the articles published in mass media may be reproduced, marketed or in other way communicated to the public by other mass media, without the author's permission, with the obligation to pay the remuneration, provided that such articles relate to current economic, political or religious issues and that such activity is not expressly forbidden by the author concerned.

There shall be no obligation to pay remuneration if only small parts of commentaries or articles are used in the abovementioned manner in the form of an overview of several different commentaries or articles.

Provision of the Article 55 of this Law determines that three-dimensional reproduction of works permanently displayed in the streets, squares and other open public places may be made and such copies may be placed on the market, without their authors' permission, with the obligation to pay remuneration, except in the following cases:

- 1) If the copy of a sculpture is obtained as a casting from the original mould, from which also the copy permanently displayed at an open public place was made or from a mould made by casting the sculpture;

- 2) If a building is built after an existing building;
- 3) If the product is formed after a work of applied arts.

Provision of Article 180 paragraph 2 item 1 contains legal protection – established meaning of technological measures and information on rights is determined, while provision of Article 177 of this Law prescribes that right to protection of copyright and related rights shall be exercised by a complaint filed by an author for the purpose of determination of the infringement of a right, termination of the infringement of a right, destruction or alteration of the objects instrumental to the infringement of rights, including copies of the subject-matter of protection, their packaging, matrices, negatives and the like, destruction or alteration of the tools and equipment that has been used for production of the objects instrumental to the infringement of rights, if so is necessary for the protection of rights, compensation for material damages, publication of the court decision at the defendant's expense.

Criminal offences and misdemeanours are provided for infringement of copyright and related rights.

8. Does your copyright law provide for a resale right for the benefit of the author of an original work of art?

a) If YES, is it fully compatible with Directive 2001/84/EC?

Provisions of Articles 34 and 35 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) provide for *droit de suite* in favour of the author of the original work of art.

In comparison with the Directive 2001/84 EC, this right applies also to other areas, that is, for other works of authorship and not only for works of art, therefore it is prescribed in our legislation that if an owner of an original work of fine arts or an original copy of manuscript of a literary, scientific or musical work sells that copy, and/or manuscript to other person, the author of the work shall have the right to be notified of that fact and to claim remuneration amounting to 3% of the sale price.

Author may not waive or dispose of the above given right.

Copyright shall be inheritable.

Exception from this right shall arise if related to works from the area of architecture and cinematography works, as well as if related to works whose original copy, i.e. manuscript is a subject-matter of the sale transaction between natural persons acting in their private capacity.

The Law prescribes that the seller and a gallery keeper or an organizer of a public auction for the original work, and/or manuscript shall be jointly liable for the obligations arising from *droit de suite*. Also, the same Article lays down which persons are obliged to notify author about conducted sale and that notification obligation is due on the 15th day after the sale is completed, and the obligation to pay remuneration is due on the 30th day after the sale is completed. The amount of the remuneration is to be calculated on the basis of net selling price. The notification submitted to author shall consist of the following information: sale price, name and the address of the seller and the buyer.

If there is doubt in correctness and completeness of data from the notification, the author shall have the right to request the gallery keeper or organizer of a public auction to present the appropriate documentation to him, and if determined that notification contains incorrect or incomplete data, the costs incurred in connection with presentation of documents shall be borne by the art gallery keeper or organizer of the public auction.

Provision of Article 107 of the Law on Copyright and Related Rights prescribes that *droit de suite* shall be recognized to a foreign citizen exclusively on the basis of reciprocity.

Provision of Article 189 paragraph 1 item 3 prescribes that fine is imposed for failure to pay the remuneration arising from this right.

The Law is fully in conformity with Directive 2001/84/EC, except concerning fixing of the lowest selling price, percentage of remuneration for authors and the rate provided for in the Directive.

b) If NO, do you plan to adopt any legislation in this field? Please give details and dates.

9. Has your country adhered to the two WIPO Treaties of 1996 (WCT and WPPT)? To which other international treaties and agreements relevant to copyright and related rights is your country a party?

The Decision on Declaration of Independence of the Republic of Montenegro (Official Gazette of Serbia and Montenegro 36/06) prescribes, inter alia, that the Republic of Montenegro shall apply and adhere to international treaties and agreements that the State Union of Serbia and Montenegro was party to and that relate to the Republic of Montenegro and are in conformity with its legal system.

By this act of notification of all international agreements, Montenegro became a member of WIPO (World Intellectual Property Organization) on 4 December 2006.

Montenegro acceded to following conventions:

- Berne Convention for the Protection of Literary and Artistic Works (Official Gazette of the Socialist Federal Republic of Yugoslavia – International Treaties 15/75);
- WIPO Copyright Treaty (Official Gazette of the Federal Republic of Yugoslavia - International Treaties 13/02);
- WIPO Performances and Phonograms Treaty (Official Gazette of the Federal Republic of Yugoslavia – International Treaties 13/02);
- Brussels Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (Official Gazette of the Socialist Federal Republic of Yugoslavia – International Treaties 51/74);
- Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of Their Phonograms (Official Gazette of the Federal Republic of Yugoslavia – International Treaties 13/02);
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Official Gazette of the Federal Republic of Yugoslavia – International Treaties 13/02).

10. Does your copyright law provide for the protection of satellite broadcasting?

a) If YES, do you consider that it is in conformity with the provisions of Directive 93/83/EEC, in particular as regards the principle of acquisition of broadcasting rights in accordance with the terms of this directive? Do you have a definition of communication to the public by satellite?

Protection of satellite broadcasting is provided for in provisions of Article 28 paragraphs 4 and 5 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04).

Provisions of this Law are not fully in conformity with provisions of Directive 93/83/EEC in terms of satellite broadcasting, particularly in terms of conditions for acquisition of broadcasting rights in accordance with the law regulating copyright and related rights in a member state transmitting the signal.

New Law, which shall enter into force in 2010, will be fully in conformity with Directive 93/83/EEC, and particularly in terms of satellite broadcasting.

Definition of satellite transmission to the public is provided for in Article 28 paragraphs 4 and 5 of the Law:

“Special broadcasting operation shall also be deemed to exist when signals intended for public reception are transmitted in an uninterrupted communication chain to a satellite and back to the ground, under the control of a broadcaster (the broadcasting enterprise), which shall be responsible therefore. If the signals are coded, broadcasting via satellite shall be deemed to exist under the terms that the signal decoding devices are accessible to the public through a broadcasting enterprise or through a third party authorized by the broadcasting enterprise.”

b) If NO, do you plan to adopt any legislation in this field? Please give details and dates.

11. Does your copyright law provide for the protection of cable retransmission?

a) If YES, do you consider that it is in conformity with the provisions of Directive 93/83/EEC, in particular in relation to the following: principle of mandatory collective management extended to non-members of a collecting society; principle of good faith in the negotiations for cable retransmission and principle of mediation?

Protection of cable retransmission is provided for in Article 28 paragraph 6 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04).

Complete alignment with Directive 93/83/EEC is necessary in particular in relation to provisions relating to principle of mandatory collective management extended to non-members of a collecting society; principle of good faith in the negotiations for cable retransmission and principle of mediation, which will be harmonized within the scope of the new Law on Copyright and Related Rights that will enter into force in 2010.

b) If NO, do you plan to adopt any legislation in this field? Please, give details and dates.

B. Industrial property rights

Patents

12. Please give a target date by which your country intends to file its application for membership to the European Patent Organisation.

Montenegro cannot respond to this question because the European Patent Convention can be acceded only upon an invitation from the Board of Directors of the European Patent Organization (Article 166 (1)(b) of the European Patent Convention).

13. Please give an indication of areas of patent law/practice which will require changes/adaptations before your country can accede to the European Patent Convention.

The existing Patent Law is fully in compliance with the European Patent Convention and the Agreement between the Government of Montenegro and the European Patent Organization on extension of European patents, which will soon enter into force, was signed on that basis (Agreement on Extension from 13 February 2009). The Law on Ratification of the Agreement signed between the Government of Montenegro and European Patent Organisation on Extension of European Patents, has passed the procedure on a Parliamentary Assembly held on 14th October 2009 and was published in the Official Gazette No 5, on 6th November 2009, in a special edition of international agreements.

14. Please give an indication by when and how you intend to grant patent agents in your country the basic freedoms they enjoy under Community law?

On the day of acceding Montenegro into full EU membership, provisions of Articles 49 and 50 of the 1989 Treaty Establishing the European Community will be implemented.

Provision of Article 118 of the Patent Law (Official Gazette of Montenegro 66/08) prescribes that those natural persons who are citizens of Montenegro, with permanent residence in the territory of Montenegro, who are familiar with one world language, who professionally deal with representation and who fulfill one of the following conditions, may be entered into the Register of Agents:

- 1) to have completed the faculty of law and to have passed the professional exam in the competent body;
- 2) to have completed one of technical faculties and to have passed the professional exam in the competent body;
- 3) to have completed one of technical faculties or faculty of law and have at least five years of working experience in affairs of industrial property in a competent body.

Legal persons with a head office in Montenegro, employing at least one person with a completed faculty of law and one person with a completed technical faculty who fulfill the requirements, may be entered into the Register of Agents.

Analogous provisions are envisaged for trademarks and design.

15. In your country, what are the specific rules for patent of biotechnological and computer-implemented inventions?

Montenegro has regulated patent protection of biotechnological inventions by provisions of Articles 5, 7, 42, 43, 44 and 45 of the Patent Law (Official Gazette of Montenegro 66/08). These provisions were transposed from Directive 98/44/EC.

Concerning protection of computer-implemented inventions, practice of the European Patent Office is used in Montenegro.

16. Has your country already modified its legislation in order to comply with the content of Directive 98/44/EC on biotechnological inventions?

Yes. Provisions of Articles 5, 7, 42, 43, 44 and 45 of the Patent Law (Official Gazette of Montenegro 66/08), regulate issues of biotechnological inventions, which is harmonized with the content of Directive 98/44/EC on biotechnological inventions.

a) If YES, is the law now fully in conformity or are further modifications required; if so, which and by when do you plan to adopt them?

There is no need for any modifications.

b) If NO, give a target date by which your country will programme the appropriate modifications.

17. In your country, do inventions in the pharmaceutical, chemical and foodstuffs sectors enjoy product patent protection?

Yes. Montenegro regulates patent protection in the pharmaceutical, chemical and foodstuffs fields through the Patent Law (Official Gazette of Montenegro 66/08).

a) If YES, since when?

The Patent Law (Official Gazette of Montenegro 66/08) entered into force on 8 December 2008. However, legal protection was ensured prior to that date, pursuant to provisions of the federal Patent Law (Official Gazette of Serbia and Montenegro 32/04). Namely, item 3 of the Decision on Declaration of Independence of the Republic of Montenegro (Official Gazette of the Republic of Montenegro 36/06) prescribes that the Republic of Montenegro will implement and transpose the international treaties and agreements it concluded and to which the State Union of Serbia and Montenegro acceded, which refer to Montenegro, and which are in compliance with its legal system.

Item 4 of the same Decision prescribes that pending adoption of relevant regulations of the Republic of Montenegro, regulations which were in force on the day of entering of this decision into force as regulations of the State Union of Serbia and Montenegro will be implemented accordingly,

unless they are not in conformity with the legal system and interests of the Republic of Montenegro.

b) If NO, have you programmed the introduction of product patent protection for this kind of invention?

18. Are Supplementary Protection Certificates for pharmaceutical products available in your country?

Yes. Provisions of Articles 63 to 72 of the Patent Law (Official Gazette of Montenegro 66/08) prescribe that there are Supplementary Protection Certificates for pharmaceutical products. Subject-matter of Certificate protection, legal effect, subject to Certificate protection, requirements for Certificate acquisition, deadline for filing an application for Certificate recognition, duration of Certificate protection, termination of Certificate validity, renewal of Certificate validity and publication of a Supplementary Protection Certificate are regulated.

a) If YES, since when?

Item 4 of the Decision on Declaration of Independence of the Republic of Montenegro (Official Gazette of the Republic of Montenegro 36/06) provides continuity for all legislation of the State Union of Serbia and Montenegro, unless they are not in conformity with the legal system and interests of Montenegro.

b) If NO, please indicate a target date by which your country intends to introduce such a system.

19. Are Supplementary Protection Certificates for plant protection products available in your country?

Yes. Provisions of Articles 63 to 72 of the Patent Law (Official Gazette of Montenegro 66/08) as mentioned in answer to the question 18 of this Questionnaire.

a) If YES, since when?

Item 4 of the Decision on Declaration of Independence of the Republic of Montenegro (Official Gazette of the Republic of Montenegro 36/06) provides continuity for all legislation of the State Union of Serbia and Montenegro, unless it is not in conformity with the legal system and interests of Montenegro.

b) If NO, please indicate a target date by which your country intends to introduce such a system.

Trademarks

20. Has your country already modified its trademark law in order to comply with the content of Directive 89/104/EEC on the approximation of the laws relating to trademarks?

The Trademark Law (Official Gazette of Serbia and Montenegro 61/04), currently in force, is substantially harmonized with Directive 89/104/EEC.

a) If YES, is the law now fully in conformity or are further modifications required; if so, which and by when do you plan to adopt them?

Certain adjustments are necessary, primarily in the field of procedural provisions.

New Trademark Law is in preparation, expected to be implemented in 2010, and it will fully be in conformity with Directive 89/104/EEC and it is being prepared with participation of an expert engaged by the World Intellectual Property Organization (WIPO).

b) If NO, give a target date by which your country will programme the appropriate modifications.

21. What means does a holder of a registered trademark have to prevent third parties from using his trademark for products or services other than those for which the trademark has been registered?

Registered trademark right holder in Montenegro is protected by the Trademark Law (Official Gazette of Serbia and Montenegro 61/04), Law on Internal Trade (Official Gazette of Montenegro 49/08) and Law on Consumer Protection (Official Gazette of Montenegro 26/07).

Pursuant to provisions of Article 57 of the Trademark Law, registered trademark right holder may in case of violation of trademark or rights from trademark application require the following by a complaint:

- 1) establishment of violation of a right;
- 2) termination of violation of a right;
- 3) destruction or modification of objects by which a right has been violated;
- 4) destruction or modification of tools and equipment used to produce objects by which a right has been violated, if it is necessary for protection of rights;
- 5) compensation for property damages and justified procedural expenses;
- 6) publication of judgment at the cost of the defendant ;
- 7) provision of data on third persons who participated in violation of a right.

A person who violates a trademark is responsible for the damage according to the general rules on compensation of damages.

If trademark violation is performed deliberately, a prosecutor may request from the defendant compensation up to the amount of three fold usual license fees which he/she would be granted for using the trademark, instead of compensation of property damages.

Provisions of Article 40 items 6 and 7 of the Law on Internal Trade protect the right of a trademark right holder.

Provisions of Articles 84, 85 and 115 of the Law on Consumer Protection protect the right of a trademark right holder.

Models and designs

22. Has your country already modified its legislation in order to comply with the content of Directive 98/71/EC on the approximation of the laws relating to models and designs?

The Law on Legal Protection of Design (Official Gazette of Serbia and Montenegro 61/04) is substantially harmonized with Directive 98/71/EC.

a) If YES, is the law now fully in conformity or are further modifications required; if so, which and by when do you plan to adopt them?

Certain alignments are necessary. Therefore, the new law governing design, which will be fully in conformity with the European legislation, is under preparation and its implementation is expected in 2010.

b) If NO, give a target date by which your country will programme the appropriate modifications.

C. Enforcement

23. When does your country plan to accede to the TRIPs Agreement?

By the end of 2008, Montenegro successfully finalized all negotiations regarding compliance of the Law with the TRIPS. Full membership in the WTO entails accession to the TRIPS.

24. Which area(s) of intellectual, industrial and commercial property would you identify as requiring further major changes/adaptations to fully comply with the SAA and the acquis and for what reasons?

There are no areas requiring major changes except for partial adjustments, as indicated in answers to questions 1, 20 and 22 of this Questionnaire.

25. Does your country have plans to accede in the next five years to any international conventions relating to intellectual, industrial and commercial property of which it is not yet a member? If so, which convention(s) and when?

Yes. Montenegro is planning to accede to the following conventions in the next five years:

- Agreement with the EPO (the Government of Montenegro signed the Agreement on Extension with the EPO on 13 February 2009, while the Law on Ratification of this Agreement passed the necessary procedure in Parliament, on an assembly held on 14th October in 2009, and was published in the Official Gazette of Montenegro, on 6th November 2009, special edition of International Agreements No. 5.)
- Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs
- Strasbourg Agreement concerning the International Patent Classification
- Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks
- Singapore Treaty on the Law of Trademarks
- Patent Law Treaty

26. Do you have specialised courts or tribunals to hear intellectual or industrial and commercial property cases? How many such cases were the subject of court rulings in the period 2006 to 2008?

There are no specialized courts or tribunals in Montenegro; there is only a specialized department for intellectual property in the Commercial Court which handles these cases.

Disputes from the area of intellectual property protection are decided upon by the Commercial Court in Podgorica and basic courts, which there are 15 in Montenegro.

The Commercial Court in Podgorica decides upon disputes when parties to the dispute are commercial entities or persons who are in relation of material colitigation with commercial entities.

Basic courts decide upon disputes when parties in a dispute are physical persons.

In the period from 2006 to 2008, there were 17 cases from this area in basic courts in Montenegro.

In the period from 2006 to 2008, there were totally 71 cases from this area in the Commercial Court in Podgorica, as follows: in 2006 – 5 cases, in 2007 – 44 cases and in 2008 – 22 cases.

27. Does your country provide for a specific border regime preventing importation, exportation and transit of counterfeited and pirated subject matter?

Yes.

Government of Montenegro adopted the Decree on handling by the customs authorities of goods for which there is a reasonable doubt that they violate intellectual property rights (Official Gazette of the Republic of Montenegro 25/05, and Official Gazette of Montenegro 16/08), which is implemented from 1 July 2005. The Decree is substantially harmonized with the Trade Related Aspects of Intellectual Property Rights (TRIPS).

The Decree lays down requirements for implementation of measures for goods subject to customs procedure reasonably suspected to violate intellectual property rights, as well as the method of implementation of these measures by the customs authority.

Customs procedure may be terminated and goods withheld in case of suspicion that intellectual property rights are violated by its importation, exportation or transit, upon the request of a right holder or ex officio.

28. Which system of exhaustion of intellectual, industrial and commercial property rights does your country apply? In particular, does your country apply a system of national or international exhaustion of trademarks? Does your country apply a system of national or international exhaustion of the distribution right (copyright and related rights)?

Montenegro applies the principle of national exhaustion. Upon accession of Montenegro to the EU, the exhaustion principle will be applied in the internal market.

29. Does your country provide for an effective system of enforcement of intellectual property rights (both copyright and related rights and industrial property rights) to combat piracy and counterfeiting?

Yes, Montenegro has an effective system for combating piracy and counterfeiting. All intellectual property rights (copyright and related rights and industrial property rights) are regulated by special material laws, and implementation of these laws is the subject-matter of a special Law on Implementation of Regulations Governing Protection of Intellectual Property Rights (Official Gazette of the Republic of Montenegro 45/05), which is in conformity with Directive 2004/48/EC.

a) If YES, is it fully compatible with Directive 2004/48/EC on the enforcement of intellectual property rights?

Yes, Montenegro has an effective system for combating piracy and counterfeiting. All intellectual property rights (copyright and related rights and industrial property rights), are regulated by special material laws, and implementation of these laws is the subject-matter of a special Law on Implementation of Regulations Governing Protection of Intellectual Property Rights (Official Gazette of the Republic of Montenegro 45/05), which is in conformity with Directive 2004/48/EC.

1. Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04) chapter VI.-Protection of Copyright and Related Rights (Articles from 177 to 187), in chapter VII-Penal Provisions (Articles 187 to 190),
2. Patent Law (Official Gazette of Montenegro 66/08) in chapter IX-Civil Legal Protection (Articles 76 to 86),
3. Trademark Law (Official Gazette of Serbia and Montenegro 61/04) in chapter VIII-Civil Legal Protection (Articles 57 to 70) and in chapter IX-Penal Provisions (Articles 70 to 73),
4. Law on Legal Protection of Design (Official Gazette of Serbia and Montenegro 61/04) in chapter VIII-Civil Legal Protection (Article 56 to 68) and in chapter IX- Penal Provisions (Articles 69 to 72),
5. Law on Protection of Topographies of Integrated Circuits (Official Gazette of Serbia and Montenegro 61/04) in chapter IV Civil Legal Protection (Article 26 to 29),
6. Law on Geographical Origin Labels (Official Gazette of Montenegro 48/08) in chapter IX Civil Legal Protection (Article 56 to 59), in chapter X- Provisional Measures (Articles 60, 61 and 62) and chapter XI Penal Provisions (Articles 63 and 64),
7. Law on Implementation of Regulations Governing Protection of Intellectual Property Rights (Official Gazette of the Republic of Montenegro 45/05) lays down authorities in charge of

implementation of regulations in the field of intellectual property, procedure for undertaking measures by competent authorities when there is suspicion that through production, purchase, sale, i.e. placing on the market, broadcasting or usage of certain goods, intellectual property rights are violated and determines the amount of fees for the offences.

The Department for fighting against organized crime and corruption was established to the Police Directorate, dealing with detecting perpetrators of computer crime offences including intellectual property protection. Officers with graduate degrees work in this Department, who are able to respond the tasks regarding the mentioned detection of piracy and counterfeiting offences they are assigned. Also, in addition to the mentioned Unit at the level of Crime Police Sector, the Department for Suppression of Commercial Crime deals with suppression of this type of crimes; it has units at the level of municipal units and stations in the entire territory of Montenegro in addition to the unit in the seat of the Sector.

Number of filed criminal complaints in the past 3 years concerning the mentioned issue, filed by the members of the Police Directorate: 10 criminal complaints against 10 persons for the offence of unauthorized exploitation of a copyright or copyright-related work in which more than 20,000 discs of piracy material have been seized.

b) Provisional and precautionary measures?

Provision of Article 14 of the Law on implementation of regulations governing protection of intellectual property rights (Official Gazette of the Republic of Montenegro 45/05), stipulates that, when it is established in the process of inspection supervision that intellectual property rights have been violated in production and trade of goods, the inspector in charge is authorized to temporarily prohibit production, i.e. carrying out of activities, as well as to temporarily seize the goods.

In case these measures are undertaken, the inspector in charge is obliged to immediately, and in the course of two days at the latest, informs the rightholder i.e. the applicant for right protection, in written form for the purpose of initiating a procedure before the court competent for intellectual property rights.

Rightholder is obliged to submit a proof on initiated procedure with the competent court or a proof on determined provisional measure, in the course of 15 days at the latest from receipt of the information. When the proof that the competent court has determined the provisional measures is submitted to the inspector in charge, temporarily seized goods are handled in accordance with the court decision on the provisional measure.

Provision of Article 18 of the same Law prescribes that temporarily seized goods may be destroyed by the inspector in charge, ex officio, if the owner, i.e. the person from whom the goods are temporarily seized is not available to the inspector in charge in the course of 30 days from the day of seizure of goods.

Provisions of Article 78 of the Patent Law (Official Gazette of Montenegro 66/08), Article 183 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04), Article 61 of Trademark Law (Official Gazette of Serbia and Montenegro 61/04), Article 61 of the Law on Legal Protection of Design (Official Gazette of Serbia and Montenegro 61/04) prescribe that, upon a request from the rightholder who proves it plausible that his/her industrial property right has been violated, or will be violated, the court may order the provisional measure of prohibition of seizure of exclusion from trade of objects used to perform violation, i.e. the measure of prohibition of continuing the commenced activities which might result in violation, as well as determine the measure of proof provisions without a prior notification or hearing of the person from whom the proofs are collected.

c) Criminal law provisions?

Provisions of the Criminal Code of Montenegro (Official Gazette of the Republic of Montenegro 70/03 and 47/06, and Official Gazette of Montenegro 40/08) in chapter 21 lays down the following criminal offences against intellectual property:

A fee or prison sentence up to three years may be pronounced for the criminal offence of violation of moral rights of authors and performers by provisions of Article 233.

A prison sentence up to five years may be pronounced for the criminal offence of unauthorized use of a copyright or related right subject matter by provisions of Article 234.

A fee or a prison sentence up to 3 years may be pronounced for the criminal offence of unauthorized circumvention of safeguard measures aimed at prevention of violation of copyright and related rights and information on a right by provisions of Article 235.

A fee or prison sentence up to 3 years may be pronounced for the criminal offence of unauthorized removal or modification of electronic information on copyright and related rights by provisions of Article 236.

A fee or prison sentence up to 8 years may be pronounced for the criminal offence of unauthorized utilization of another's patent by provisions of Article 237.

A fee or prison sentence up to three years may be pronounced for unauthorized utilization of another's design by provisions of Article 238.

In chapter 21 of the Criminal Code of Montenegro, it is also laid down that the objects of perpetration of a criminal offence and objects used or intended for perpetration of the criminal offence, will be seized and objects of perpetration of the criminal offence will be destroyed.

d) The possibility for the right holder to obtain damages from the infringing party?

Yes.

Provision of Article 178 of the Law on Copyright and Related Rights (Official Gazette of Serbia and Montenegro 61/04), Article 56 paragraph 2 of the Law on Legal Protection of Design (Official Gazette of Serbia and Montenegro 61/04), Article 26 paragraph 3 item 3 of the Law on Protection of Topographies of Integrated Circuits (Official Gazette of Serbia and Montenegro 61/04), Article 57 paragraph 2 of the Trademark Law (Official Gazette of Serbia and Montenegro 61/04) and Article 77 paragraph 2 of the Patent Law (Official Gazette of Montenegro 66/08) lay down that copyright and related rights as well as industrial property rights holder (patent, trademark, design and topography of integrated circuits) is entitled to compensation of damages.

Proceeding upon a complaint is express.

e) Are infringements punishable by penalties?

The Criminal Code of Montenegro (Official Gazette of the Republic of Montenegro 70/03 and 47/06, and Official Gazette of Montenegro 40/08) lays down criminal offences against intellectual property in chapter 21.

A fee or prison sentence up to three years may be pronounced for the criminal offence of violation of moral rights of an author or performer (Article 233).

A fee or prison sentence up to five years may be pronounced for the criminal offence of unauthorized exploitation of a copyright or related right subject-matter (Article 234).

A fee or prison sentence up to three years may be pronounced for the criminal offence of unauthorized circumvention of safeguard measures aimed at prevention of violation of copyright and related rights and information on those rights (Article 235).

A fee or prison sentence up to 3 years may be pronounced for the criminal offence of unauthorized removal or modification of electronic information on copyright and related rights (Article 236).

A fee or prison sentence up to 8 years may be pronounced for the criminal offence of unauthorized utilization of another's patent (Article 237).

A fee or prison sentence up to three years may be pronounced for unauthorized utilization of another's design (Article 238).

Fees are prescribed for infringing law, in special material laws, as well as in the Law on Implementation of Regulations Governing Protection of Intellectual Property (Articles 19 to 26). See answer to the question c) for sanctions prescribed for criminal offences.

Material regulations governing intellectual property provide for misdemeanor sanctions for violation of intellectual property rights, in addition to criminal sanctions.

f) Do judicial authorities have the possibility to order the destruction of counterfeit or pirated goods?

The Criminal Code of Montenegro (Official Gazette of the Republic of Montenegro 70/03 and 47/06, and Official Gazette of Montenegro 40/08), in its chapter 21 regarding all forms of criminal offences against intellectual property, prescribes that all objects of perpetration of a criminal offence and objects which were used or intended for perpetration of the criminal offence shall be seized, and objects of perpetration of a criminal offence shall be destroyed.

Provisions of Articles 19 to 26 of the Law on Implementation of Regulations Governing Protection of Intellectual Property Rights (Official Gazette of the Republic of Montenegro 45/05) lay down that courts, in addition to the fee for objects of misdemeanor, may pronounce the measure of seizure and destruction of those objects.

g) Do the administrative and enforcement authorities dispose of sufficient and sufficiently trained staff? What is the average length of the judicial procedures? Please describe the cooperation and coordination mechanisms put in place between relevant administrations (including market inspectorate, intellectual property office, police, customs, etc.)

Yes. The Intellectual Property Office, which started with operation on 28 May 2008, employs 23 civil servants and state employees and two interns with graduate degrees. Strengthening of capacities and development of professional standards is under way, taking into account the brief period from commencement of operation of the Office. Trainings, instructions, individual trainings are under way, as well as the regional IPA project coordinated by the EPO; the national IPA project is set to commence in November.

In structures of the Police Directorate dealing with detection of the criminal offences in question, highly educated officers who are very familiar with these issues are employed. Officers of the Police Directorate assist in trainings performed within larger projects of the International Community, OSCE, UNDP, Council of Europe, TAIEX, American Embassy to Podgorica as well as Austrian and Swedish police directorates and prosecutor's offices, for the purpose of detection of the relevant criminal offences and acquisition of new related knowledge.

Market inspectorate has the corresponding number of inspectors; however, there are no inspectors who specialized in this type of supervision. Therefore, it takes more work on education of inspectors.

In Customs Administration, affairs from the area of intellectual property protection are handled by the Department for customs affairs, monitoring and implementation of customs and other regulations. One officer of the mentioned Division works on these affairs, as well as officers from the Sector of customs safety within their controls and officers of customs stations along with carrying out the prescribed procedures.

Customs officers of this Administration participated in seminars and workshops on the topic of intellectual property protection organized by the WIPO, WCO, EU TACTA, CAFAO, CARDS, USPTO, SNB-React TAIEX etc, with the aim of strengthening administrative capacities and a more efficient protection of intellectual property rights.

h) If NO, what measures, procedures and remedies does your country envisage adopting in order to dispose of an efficient system to fight against piracy and counterfeiting?

List of Annexes:

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