

# INTELLECTUAL PROPERTY

1.00

## WHITE BOOK BALANCE SCORE CARD

| Recommendations:  | Introduced in the WB: | Significant progress | Certain progress | No progress |
|---|-----------------------|----------------------|------------------|-------------|
| The Customs should enable full electronic communication.  | 2020                  |                      |                  | √           |
| The Law on Trademarks should be changed in such a way that it enables full electronic communication with the IP Office (e.g., removal of the necessity to submit original priority documents on paper). Use this opportunity to amend the provisions of the Law on Trademarks that regulate the exhaustion of rights. | 2021                  |                      |                  | √           |
| Following the example of EUIPO's portal, enable greater transparency in the online register of trademarks, so that it will be visible to third parties whether objections or requests for the termination of the validity of a certain trademark have been filed.   | 2022                  |                      |                  | √           |
| Cybercrime:   |                       |                      |                  |             |
| State authorities should enhance their efforts to combat online copyright infringement, concerning the software, music, and film industries.  | 2020                  |                      |                  | √           |
| The Government needs to provide more resources to the courts, prosecutors and police units dealing with cybercrime.   | 2020                  |                      |                  | √           |
| Adoption of further amendments to the Law on Copyright and Related Rights in terms of TV broadcasting and re-transmission, in line with the changes of EU SatCab Directive passed in 2019.  | 2020                  |                      |                  | √           |
| Amendments to the Criminal Proceedings Law and related legislation with regards to cybercrime.  | 2018                  |                      |                  | √           |

## CURRENT SITUATION

The intellectual property legal framework mainly consists of the substantive laws enacted in 2009 and afterwards. In the past few years, changes occurred in the fields of copyright, patents, trademark and topographies of semiconductor products. At the end of 2021, amendments to the Law on Patents were adopted, and a new Law on the Protection of Confidential Information was passed in the middle of the same year. Changes in legislation reflect further approximation of the laws to the rules set in the relevant international conventions, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and in the EU standards. The principal substantive provisions regulating intellectual property in Serbia are contained in the following pieces of legislation:

- The Law on Trademarks (2020);
- The Law on Geographical Indications (2010, amended in 2018);
- The Law on Copyright and Related Rights (2009, amended in 2011, 2012 2016 and 2019);
- The Law on the Legal Protection of Industrial Design (2009, amended in 2015 and 2018);

- The Law on the Protection of Topographies of Semiconductor Products (2013, amended in 2019);
- The Law on Patents (2011, amended in 2017, 2018, 2019 and 2021);
- The Law on the Protection of Confidential Information (new law from 2021, which replaced the law from 2011);
- The Law on Trade (2019).

The Law on Trademarks governs the acquisition and protection of rights with respect to marks used in the trade of goods and/or services. A trademark is defined as a right that protects a mark used in the course of trade to distinguish goods and/or services of one individual or legal entity from identical or similar goods and/or services of another individual or legal entity. The text of the current law is in accordance with the Madrid Agreement Concerning the International Registration of Marks, as well as with the Protocol to the Madrid Agreement.

The Law on Geographical Indications regulates the acquisition and legal protection of geographical indications (appellations of origin and geographical indications), following the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

The Law on Copyright and Related Rights regulates the rights of authors of literary, scientific, and artistic works, computer programmes, as well as rights related to copyright: the rights of performers, producers of phonograms, videogames, broadcasts and databases, and 'publishers' rights (rights of the first publisher of a free work and rights of the publisher of printed editions).

The Law on the Legal Protection of Industrial Design governs the acquisition of the rights to the external appearance of an industrial or handicrafts product (defined as the overall visual impression that the product makes on an informed consumer or user) and the protection of those rights.

The Law on the Protection of Topographies of Semiconductor Products regulates the subject matter and requirements for the protection of topographies of semiconductor products; the rights of creators and the ways to exercise those rights; the rights of companies and other legal entities in which the topography was created; and the limitations concerning the protection of such rights.

The Law on Patents regulates the legal protection of inventions in the field of technology which are new, which involve an inventive step, and which are capable of industrial application.

The Law on the Protection of Confidential Information regulates the legal protection of information constituting a business secret (especially financial, economic, business, scientific, technical, technological and production data, studies, tests, research results, etc.).

Finally, the Law on Trade regulates issues of unfair competition, including infringement of unregistered marks used in the course of trade.

The enforcement of the substantive laws listed herein depends upon several important laws setting forth the procedural and organisational provisions for the protection of intellectual property rights and the prosecution of infringers, the most important being the following:

- The Law on the Organization and Competences of State Authorities in Combating High-Tech Crime (2005, amended in 2009 and 2023);
- The Law on Special Powers for the Efficient Protection of Intellectual Property Rights (2006, amended in 2009

and 2021);

- The Criminal Code (2005, amended in 2009, 2012, 2013, 2014, 2016 and 2019);
- The Customs Law (2010, amended in 2012, 2015, 2016, 2017, 2019, 2020, 2021 and 2022); and
- The Law on Optical Discs (2011);
- The Law on Special Entitlement of Public Authorities in the Area of Intellectual Property (2006, amended in 2009, 2021)

The institutions that protect intellectual property rights are the Intellectual Property Office (hereafter referred to as the "IP Office"), as well as the relevant ministries and other state bodies (the courts being the most important).

The functioning of the Customs and the IP Office during the pandemic was enabled through their electronic portals. However, there are certain limitations. For example, the initial filing through the INES portal operated by the Customs is possible after a regular written contract with the Customs is signed. Besides that, electronic portal operated by the IP Office does not enable full electronic communication between this body and the right holders. Among other options, it does not enable:

- Registration of changes for multiple trademarks at once, even though the Law on Administrative Fees envisages payment of lower administrative fees in case of multiple registrations;
- Registration of the ownership change without submission of the original assignment deeds in physical form.

## POSITIVE DEVELOPMENTS

As of September 2018, Serbia is obliged towards the EU to apply the same standards of protection of intellectual property rights as those imposed by the EU. This obligation is set within the Stabilisation and Association Agreement and the Serbian Constitutional Court confirmed that these provisions are directly applicable. In practice, bearing in mind that the laws are mostly harmonised, this means that the courts and other state bodies ought to follow the same interpretation of these rules as the EUIPO and CJEU. Events in the specific fields will be presented below.

The amendments of the Law on Patents introduced more precise rules in the field of innovations made in the course

of employment. The latest changes from 2021 refer to the pharmaceutical industry and additionally regulate the area of supplementary protection certificates and small patents, and were introduced to increase the competitiveness of domestic drug manufacturers compared to those from the European Union.

The Law on Copyright and related rights - A working group was formed to prepare draft amendments to this law. Emphasis is placed on increasing the transparency of the work of organizations for the collective exercise of copyright and related rights. In the framework of activities referring to the accession of the Republic of Serbia to the European Union, the IP Office headed activities referring to the negotiating Chapter 7 – Intellectual Property Rights. This time, the Special Working Group worked on the preparation of the text of the Draft Law on Copyright and Related Rights for the sake of harmonization with the EU Directive 2012/28/EU of the European Parliament and the Directive 2014/26/EU about the collective management organizations and multi-territorial licensing of rights on musical works for online utilization on the internal market. However, this working group deals with the harmonization of this area with the EU directives adopted by 2019. It follows that issues such as digital education and data mining will remain unharmonized, which will make Serbia less competitive compared to the European Union countries. The law is still in the process of adoption.

The Law on Trademarks introduced the opposition system during the trademark examination procedure. This partially slowed down the registration procedure. However, the IP Office keeps on examining both absolute and relative grounds for refusal itself, as well. The change that also occurred is that the principle of international exhaustion of rights is introduced. This disabled prevention of parallel imports using trademarks. It is worth noting that introduction of this principle got Serbia further away from the EU standards. The EU adopted the regional principle of exhaustion, which means that it recognises the outer borders of its market to be relevant. Therefore, this chapter of the law will have to be changed once again before Serbia accedes to the EU.

In 2022, the IP Office played an active role in the enforcement of intellectual property rights. After it was created a computer platform in the 2021, in cooperation with the Danish Patent and Trademark Office, for the exchange of information whose goal is to facilitate the cooperation of

state authorities, primarily customs and market inspection, in their joint fight against piracy and counterfeiting<sup>1</sup> the IP Office continued its cooperation at the EU level. In 2022, the IP Office in cooperation with the EUIPO translated the principles of the common practice under the title CP4 – Scope of protection for black and white signs as well as common practice under the title CP9 – Distinctiveness of three-dimensional trademarks containing verbal and/or figurative elements and included in its Methodology of the Procedures for the Grant of Trademark. In this way, the successful cooperation with the EUIPO regarding the implementation of the principles of EU common practice in the field of trademarks continued.

In 2022, the organisation for the collective management of the actors' rights became fully operational.

In the past period, there has been a significant increase in the number of organizations for the collective exercise of copyright and related rights and the adoption of new tariffs (the AA fee tariff has yet to be determined), which has led to an increase in the administrative and financial burden for users of the subject of protection. Such trends additionally point to the importance of ensuring an appropriate degree of transparency in the establishment of collective organizations and the adoption of their tariffs, as well as the need for efficient, continuous and transparent control of the work of collective organizations.

In the course of 2023, the Intellectual Property Office was filed a total of 4461 national applications (↑5.7%) with regard to the protection of intellectual property rights. From that number 3957 applications (↑5.3%) were filed for the grant of industrial property rights and 504 applications (↑13%) for the depositing of copyright works and subject matter of related rights. The rise in the recorded copyright-protected works is a result of the tax incentives based on the licensing of these works.

442 inspections were carried out. 24 grams of gold, 36 liters of alcoholic beverages, and 8,877 pieces of various goods suspected of infringing intellectual property rights were temporarily seized. The counterfeit goods included textile products, sports equipment, clothing, footwear, and accessories such as bags and purses. A total of 29 general requests were approved<sup>2</sup>.

1 2021 Annual IP Office Report.

2 Information on the work of the Ministry of Internal Affairs for the 2024

## REMAINING ISSUES

The most significant pieces of legislation in this field were amended in the past few years. However, the procedure was not transparent, meaning that the professional community was not substantially involved in the drafting of the texts that reached the parliament.

Despite the fact that the relevant intellectual property legislation has already been in place in Serbia for several years, the efficiency of its enforcement is still not satisfactory. The

authorities are still reluctant to apply the reasonings in IP matters that are applied by the EU bodies. There are positive initiatives on combating counterfeits online. The Ministry of Trade has a lead role, and it coordinates all relevant bodies like high-tech crime units and postal service providers. However, prosecutors and police units dealing with high-tech crime need more human and technical resources to be as productive as necessary. In this direction, proposals are currently being collected for drafting changes to the Law on Special Powers for the Effective Protection of Intellectual Property Rights, which could eliminate or mitigate some of these problems.

## FIC RECOMMENDATIONS

- The Customs should enable full electronic communication.
- The Law on Trademarks should be changed in such a way that it enables full electronic communication with the IP Office (e.g., removal of the necessity to submit original priority documents on paper). Use this opportunity to amend the provisions of the Law on Trademarks that regulate the exhaustion of rights.
- Amend the Law on Copyright and Related Rights in order to provide mechanisms for a more transparent and efficient implementation of the procedure for establishing collective organizations, adopting their tariffs, and mechanisms for effective and continuous control of the work of such organizations.
- Following the example of EUIPO's portal, enable greater transparency in the online register of trademarks, so that it will be visible to third parties whether objections or requests for the termination of the validity of a certain trademark have been filed.
- Cybercrime:
  - State authorities should enhance their efforts to combat online copyright infringement, concerning the software, music, and film industries.
  - The Government needs to provide more resources to the courts, prosecutors and police units dealing with cybercrime.
  - Adoption of further amendments to the Law on Copyright and Related Rights in terms of TV broadcasting and re-transmission, in line with the changes of EU SatCab Directive passed in 2019.
  - Amendments to the Criminal Proceedings Law and related legislation with regards to cybercrime.