

THE PATENT LAW*

1. GENERAL PROVISIONS

Article 1

This Law shall regulate the legal protection of inventions by means of patents.

Article 2

This Law shall also apply to the sea and submarine areas adjacent to the territory of Montenegro in which Montenegro exercises sovereign rights or jurisdiction in accordance with international law.

Article 3

Foreign natural and legal persons shall, in relation to the protection of inventions in Montenegro, enjoy the same rights as domestic natural and legal persons, where such treatment derives from international agreements or from the principle of reciprocity. The reciprocity shall be proved by the person who claims that it exists.

Article 4

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

2. SUBJECT MATTER OF PATENT PROTECTION

Patentable Inventions

Article 5

- (1) A patent shall be granted for an invention, in any field of technology, provided it is new, involves an inventive step and is susceptible of industrial application.
- (2) The subject matter of an invention protected by a patent may be a product (e.g. a device, substance, composition) or a process. The subject matter protected by a patent may also be related to:

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- 1) a product consisting of or containing biological material;
 - 2) a process by means of which biological material is produced, processed or used;
 - 3) a biological material isolated from its natural environment or produced by means of a technical process, even if it previously occurred in nature.
- (3) For the purpose of this Law, biological material shall mean any material containing genetic information and capable of reproducing itself or being reproduced in a biological system (e.g. micro-organisms, plant and animal cell cultures, sequence of genes).
- (4) 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.
- (5) 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 or a patent relate to the subject matter or activity as such.

Article 6

- (1) The human body, at any stage of its formation and development, and the discovery of one of its elements, including sequences or partial sequences of genes, shall not be regarded as invention.
- (2) 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.
- (3) 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

- (1) 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, in particular substances or 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 invention 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 other than a plant or animal variety.
- (2) For the purposes of this Law:
- 1) “plant variety” shall have the meaning laid down in the law governing the protection of new plant varieties;
 - 2) an “essentially biological process” for the production of plants or animals shall be a process consisting entirely of natural phenomena such as crossing or selection;
 - 3) a “microbiological process” shall be a process involving or performed upon or resulting in microbiological material;
 - 4) “biotechnological inventions” are inventions that concern a product consisting of or containing biological material or a process by means of which a biological material is produced, processed or used.

3. CONDITIONS FOR PATENT PROTECTION

Novelty of an Invention

Article 8

- (1) An invention shall be deemed to be new if it does not form part of the state of the art.
- (2) For the purposes 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 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.
- (3) 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.

- (4) Paragraphs 1 and 2 shall also not exclude the patentability of any substance or composition referred to in paragraph 3 of this Article for any specific use in a surgical, diagnostic or therapeutic method, provided that such use 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 official, or officially recognized, international exhibition falling within the terms of the Convention on International Exhibitions, concluded in Paris on 22 November 1928, with all subsequent revisions, provided that the applicant states, on filing the application, that the invention has been so 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

- (1) 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.
- (2) In examining whether an invention involves an inventive step, the content of applications referred to in Article 8, paragraph 2, item 2 of this Law 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

- (1) The right to obtain a patent shall belong to the inventor or his successor in rights, or in cases provided for by this Law, to the employer or his successor in rights.

- (2) 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.

Rights of the Inventor

Article 13

- (1) 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.
- (2) 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 legal acts and by contract concluded between the employer and employee or between their representatives, as the case may be.

5. PATENT GRANT PROCEDURE

1. COMMON PROCEDURAL PROVISIONS

Article 14

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

- (1) The responsible authority shall keep a Patent Applications Register, a Register of Patents and a Register of Supplementary Protection Certificates.
- (2) The content and manner of keeping public registers referred to in paragraph 1 of this Article shall be governed by a regulation issued by the Ministry responsible for industrial property (hereinafter referred as: the Ministry).

Article 18

Any information prescribed by this Law and by implementing regulations for this Law shall be published in the Official Bulletin issued by the responsible authority.

Article 19

The responsible authority shall make its documentation and information on the state of the art and on rights concerning the protection of inventions available to commercial entities and other legal and natural persons.

2. PATENT APPLICATION

Instigation of Patent Grant Procedure

Article 20

- (1) The patent grant procedure shall be instigated by the filing of an application with the responsible authority.
- (2) Applications for the protection of inventions abroad shall also be filed with the responsible authority, if so provided by international agreements.
- (3) Legal protection of inventions in Montenegro shall also be granted in respect of applications filed abroad, if so provided by international agreements. An application filed in this manner shall have the same effects as a national application, unless otherwise provided for by relevant international agreements.

Unity of Invention

Article 21

- (1) As a rule, a separate patent application shall be filed for each individual invention.
- (2) 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 22

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 23

- (1) 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.
- (2) The responsible authority shall not investigate whether the applicant is entitled to protection.
- (3) If the inventor does not wish his name mentioned in the request for the grant of a patent and in other documents under this Law, the applicant shall be required to furnish the responsible 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.

Description of the Invention

Article 24

- (1) 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.
- (2) 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 relevant depository institution not later than the filing date of the application.
- (3) The term "relevant depository institution" referred to in paragraph 2 of this Article shall mean an institution designated in accordance with the provisions of the Budapest Treaty on the International Recognition of the Deposits of Microorganisms for the Purpose of Patent Procedure concluded on 28 April 1977 with all subsequent revisions.

Patent Claims
Article 25

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 26

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 Necessary to Be
Accorded a Filing Date**
Article 27

In order to be accorded a filing date, an application filed with the responsible 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 prescribed requirements.

Division of a Patent Application
Article 28

- (1) 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 responsible authority.
- (2) The division of applications shall be allowed only until the completion of preparation for publication of the application.
- (3) 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.

Amendments to Pending Applications
Article 29

- (1) A patent application which has been accorded a filing date cannot subsequently be amended in a manner that would extend the subject matter for which protection is being sought.
- (2) Any amendments to the particulars of the application that do not extend its subject matter may take place prior to the taking of a decision on the application.

3. PRIORITY RIGHT

Article 30

- (1) If two or more inventors come up with the same invention independently of each other, the applicant with an earlier application filing date shall have the priority right with respect to the granting of the patent.
- (2) The priority shall count from the filing date of the application with the responsible authority, except where conditions for the granting the priority right pursuant to Article 31 of this Law have been fulfilled.

International Priority Right

Article 31

- (1) A legal or natural person who has duly filed an application for any form of protection of an invention in or for any State party to the Paris Convention for the Protection of Industrial Property or any Member of the World Trade Organisation, or his successor in right, shall be granted priority in Montenegro from the date of the filing of such application, provided that:
 - 1) Such person files a claim to that effect with the responsible authority when filing an application for the protection of the same invention or not later than three months from the application filing date; and
 - 2) that not more than twelve months have elapsed since the date of filing of the first application in or for the State party to the Paris Convention or the Member of the World Trade Organisation.
- (2) A claim for priority referred to in paragraph 1 of this Article shall include information of the filing date of the application that is the basis for the grant of priority right, number of the application and the State party to the Paris Convention or the Member of the World Trade Organization in or for which it was made and international organization where it has been filed.
- (3) A duly filed application referred to in paragraph 1 of this Article shall be considered to be any application that has been accorded a filing date under the national legislation of a State party to the Paris Convention or a Member of the World Trade Organisation, or under international agreements, regardless of the eventual legal outcome of the application.

Article 32

An applicant who intends to take advantage of the priority right under Article 31 of this Law, shall be required to submit to the responsible authority copy of the prior application certified by the responsible authority with which the application has been filed.

Multiple Priority Right Article 33

- (1) Subject to the requirements of Article 32 of this Law, an applicant may claim multiple priority rights in respect of a number of prior applications filed in or for one or more States parties to the Paris Convention or Members of the World Trade Organisation.
- (2) Where multiple priority right has been granted, any time limits running from the priority date under this Law, shall run from the earliest date applicable to multiple priority rights.

Elements of the Invention for Which Priority Right is Claimed Article 34

- (1) A claim for one or more priority rights 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.
- (2) 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 right.

Effect of Priority Right Article 35

The right of priority shall have the effect that the date of priority shall count as the date of filing for the purpose of Articles 8 and 30 of this Law.

4. PROCEDURE FROM THE RECEIPT TO THE PUBLICATION OF A PATENT APPLICATION

Recognition of the Filing Date Article 36

- (1) Upon receipt of a patent application, the responsible authority shall examine whether it meets the requirements laid down in Article 27 of this Law for accordance of its date of filing.
- (2) If it establishes that the requirements under Article 27 of this Law have not been fulfilled, the responsible authority shall invite the applicant to rectify the deficiencies identified, within three months from the date of receipt of the notification, together with a warning on the legal consequences of failure to respond within the prescribed time limit.
- (3) If the applicant rectifies the deficiencies within the period provided for in paragraph 2 of this Article, the responsible authority shall recognize the date on which the applicant rectified the deficiencies observed as the application filing date.

- (4) Where reference is made in the application to drawings that were not attached to the application, the responsible authority shall invite the applicant to file the drawings within a period of three months from the date of receipt of its notification. If the applicant responds accordingly, the date on which the drawings have been filed shall be treated as the filing date of the application.
- (5) If the drawings are not filed, any reference to them in the application shall be deemed not to have been made.
- (6) An application for which a filing date has been recognized shall be entered into the Register of Patent Applications.
- (7) If the applicant fails to act upon the invitation referred to in paragraph 3 of this Article within the prescribed time period, the responsible authority shall take the decision to reject the application.

Certificate of Priority
Article 37

- (1) At the request of the applicant, the responsible authority shall issue a certificate of priority, such priority having been obtained with the recognition of the filing date of the application pursuant to Article 36 of this Law.
- (2) The content of the certificate of priority shall be governed by a specific regulation.

Formal Examination
Article 38

- (1) Once the application has been recognized a filing date, the responsible authority shall examine whether it meets all the requirements for publication, notably:
 - 1) Has the application filing fee been paid;
 - 2) Has valid authorisation for the representative or a statement on the appointment of a common representative been filed, where appropriate;
 - 3) Does the application contain designation of the inventor or a statement to the effect that he does not wish to be mentioned in the application;
 - 4) If the applicant is a foreign national, has the application been filed through a representative, pursuant to Article 4 of this Law;
 - 5) the application contains all documents prescribed by Article 22 of this Law and they satisfy all formal requirements;
 - 6) does the claim for priority, satisfy requirements under Article 31 of this Law, if a priority right is claimed.
- (2) If the examination referred to in paragraph 1 of this Article shows that the application is not in conformity with the provisions of that paragraph, the responsible authority shall invite the applicant to correct the deficiencies within an appropriate time limit, providing reasons. Such time limit shall not be less than 60 or more than 90 days.

- (3) Upon substantiated request by the applicant, the responsible authority may extend the time limit referred to in paragraph 2 of this Article, for a period it deems appropriate, but not exceeding 90 days.
- (4) If the applicant fails to remedy the deficiencies referred to in paragraph 2 in conjunction with paragraph 1 items 1)-5) of this Article, the responsible authority shall take a decision to reject the application.
- (5) If the applicant fails to remedy the deficiencies with respect to the priority claim referred to in paragraph 2 in conjunction with paragraph 1 item 6), the responsible authority shall not grant the priority right.

Publication of Patent Application

Article 39

- (1) A patent application that satisfies all the requirements laid down in Article 38, paragraph 1 of this Law shall be published in the Official Bulletin of the responsible 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.
- (2) 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.
- (3) The content of the publication shall be regulated by a specific regulation.

5. GRANTING OF A PATENT

Article 40

- (1) By the act of publication of the patent application referred to in Article 39 of this Law, the patent shall be granted.
- (2) The date of publication of the patent application shall be the date of patent grant.
- (3) Responsible authority shall publish the information on the patent granted in the Official Bulletin.
- (4) The publication referred to in paragraph 3 of this article shall be deemed as the publications of the patent application referred in Article 22 in accordance with 39.1 and publication of granted patent in accordance with 1 of this article,
- (5) Prescribed information on the granted patent shall be entered in the Register of Patents.
- (6) The patent holder shall be issued a certificate and the specification for the granted patent, having the prescribed content.

6. CONTENT, ACQUISITION AND SCOPE OF RIGHTS

Content of Rights

Article 41

The patent holder shall have the exclusive right to prevent third parties not having the owner's consent from the acts of:

- 1) making, using, offering for sale, placing into circulation, exporting or importing and storing for these purposes the product made by means of the protected invention;
- 2) using the patented process;
- 3) offering the patented process for sale;
- 4) producing, offering for sale, placing into circulation, using, exporting or importing and 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 offeror 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 42

- (1) If the patent concerns biological material possessing specific characteristics which are the result of a biotechnological invention, the rights laid down in Article 51 of this Law, 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.
- (2) If the patent concerns a product containing or consisting of genetic information, the rights laid down in Article 41 of this Law 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.
- (3) 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 41, item 2 of this Law 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.

Article 43

The protection referred to in Article 42 of this Law 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.

Scope of Protection

Article 44

- (1) The scope of protection acquired by a patent shall be determined by the content of the claims, whereby the description and drawings shall be used to interpret the claims.
- (2) 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.

7. LIMITATION OF RIGHTS

Exceptions to Exclusive Rights

Article 45

The exclusive rights of a patent holder referred to in Articles 41 and 42 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 and 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 for placing into the circulation of 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 into the circulation.

Exhaustion of Patent Holder's Rights

Article 46

The rights conferred by a patent shall not extend to acts committed in the Montenegro with regard to a product protected by the patent after the said product has been put on the market in Montenegro by the patent owner or with his consent.

Right of Prior User

Article 47

- (1) 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 Montenegro, or has made all necessary preparations to initiate such use.

- (2) 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.
- (3) 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 company or part thereof, where the preparation for use or the use of the invention has taken place.

Limitation of Rights to Facilitate International Traffic **Article 48**

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 that is a party to the Paris Convention or member of the World Trade Organisation, when it enters the territory of Montenegro temporarily or accidentally.

Compulsory Licences **Article 49**

- (1) 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 state administrative authority responsible for 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 if:
 - 1) patent holder himself or a person authorised by him does not use the protected invention or uses it insufficiently in Montenegro;
 - 2) 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.
- (2) 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.
- (3) 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.
- (4) In the case referred to in paragraph 1, item 2 of this Article, an interested person may only be the holder of the subsequent invention, provided that:

- 1) the subsequent 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 subsequent invention.
- (5) Authorisation for the use of the invention protected by the first patent shall be non-transferable except in the case of simultaneous transfer of the subsequent patent.

Article 50

The holder of a compulsory licence shall be required to pay the patent holder 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 51

- (1) The scope and duration of a compulsory licence shall be limited to the purpose for which it has been granted.
- (2) In the case of semi-conductor technology, compulsory license shall only be granted for public non-commercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive.
- (3) A compulsory licence shall not be exclusive.
- (4) A compulsory licence may be assigned only with the company or a part thereof, where it is used.
- (5) A compulsory licence shall predominantly be granted for the supply of the domestic market.
- (6) A compulsory licence may be terminated, subject to adequate protection of the legitimate interest of the persons so authorized, if and when circumstances that have led to its grant cease to exist and are unlikely to recur. Upon substantiated request, the state administrative authority referred to Article 62, paragraph 1 of this Law shall re-examine the further existence of such circumstances.
- (7) 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.
- (8) A compulsory licence shall not be granted if the patent holder provides valid reasons for non-use or for insufficient use of a protected invention.

Compulsory Licence in the Public Interest
Article 52

- (1) The compulsory licence under Article 49 of this Law may also be granted prior to the expiry of the time limit specified in Article 51, paragraph 7, if the exploitation of the protected invention is necessary for the fulfilment of national or other exceptional needs (the protection of public health and providing food, and the protection of public interests in the fields of vital significance for socio-economic and technological development) or if the protected invention is used in a manner considered to be contrary to the principles of free competition.
- (2) In the event of national or any other exceptional need, the provisions of Article 49, paragraph 2 of this Law shall not apply. Nevertheless, the right holder shall be notified of the compulsory licence grant proceedings as soon as possible.
- (3) 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 Government of Montenegro (hereinafter referred to as: the Government), after it reviews the merits of each individual case.
- (4) 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 substantiated request, the Government shall re-examine the further existence of such circumstances.
- (5) In order to rectify an anti-competitive practice, the Government 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 53

- (1) The holder of a compulsory licence in the public interest shall be required to pay the patent owner remuneration referred to in Article 50. However, in the event that such licence has been granted in order to rectify anti-competitive practice, when determining the total amount of remuneration, the need to remedy such practice shall be taken into account.
- (2) The compulsory licence in the public interest shall be subject to the provisions of Article 51, paragraphs 1, 2, 3, 4, 5 and 6 and Article 52, paragraph 4 of this Law. However, the Government may choose not to apply the provisions of Article 51, 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 54

- (1) Where a plant breeder cannot obtain or exploit a right of protection of plant variety without infringing a prior patent concerning a biotechnological invention, he may file an application with the responsible authority for a non-exclusive compulsory licence for the use of the invention protected by the patent insofar 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 holder of the patent shall be entitled to a compulsory cross-licence to use the protected plant variety on reasonable terms.

- (2) Where the holder of a patent concerning a biotechnological invention cannot exploit it without infringing a prior right of protection of plant variety, he may file an application with the responsible 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 shall be entitled to a compulsory cross-licence to use the protected biotechnological invention on reasonable terms.
- (3) The compulsory license referred to in paragraphs 1 and 2 of this Article can not be exclusive.
- (4) 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 relative to the invention claimed in the patent or the protected plant variety.
- (5) The compulsory licence referred to in paragraphs 1 and 2 of this Article may only be assigned with the company or the part thereof, where it is used.

Limitation of Rights Concerning Biotechnological Material

Article 55

- (1) The sale or other form of commercialisation of plant propagating material to a farmer by the owner of the patent or with his consent for agricultural use implies authorisation for the farmer to use the product of his harvest for further propagation or multiplication by him 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.
- (2) The sale or other form of commercialisation of breeding stock or other animal reproductive material to a farmer by the owner of the patent or with his consent implies authorisation for the farmer to use the protected livestock for an agricultural purpose. This includes making the animal or other animal reproductive material available for the purposes of pursuing his agricultural activity but not sale within the framework or for the purpose of commercial reproduction activity.

Article 56

Administrative acts effected by the responsible authorities pursuant to the provisions of Articles 49, 52 and 54 of this Law, shall be final. An administrative dispute against such acts may be instituted before the competent court.

8. DURATION AND TERMINATION OF A PATENT

1. DURATION OF RIGHT

Patent Term Article 57

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

Maintenance of Rights Conferred by a Patent Application and a Patent Article 58

- (1) Prescribed fees shall be payable for the maintenance of rights conferred by the application for a patent and by the patent granted.
- (2) The fees under paragraph 1 of this Article shall be paid for the third year and each subsequent year. They shall be due on the anniversary of the date of filing of the application.
- (3) Where an applicant or a patent holder fails to pay the fee referred to 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.

2. TERMINATION OF RIGHTS

Non-Payment of Fee Article 59

Where an applicant or a patent holder fails to pay the prescribed fee for the maintenance of rights, such rights shall terminate on the day following the due date referred to in Article 58.

Renounce of Patent Rights Article 60

- (1) If an owner of a patent files a declaration in writing with the responsible authority renouncing his right to a patent, such right shall lapse on the day following the filing of the declaration.
- (2) If any right of a third party with respect to the patent has been entered in the Register, the holder of the patent cannot renounce 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 61

- (1) A right shall cease to exist on the day of the death of a natural person or on the day of dissolution of a legal person who is the holder of the patent, unless it has been transferred to heirs or successors in rights.
- (2) Paragraph 1 of this Article shall apply *mutatis mutandis* to patent applicants as well.

3. RESTITUTION OF RIGHTS

Article 62

- (1) If, in spite of having taken all due care required by given circumstances, the applicant or the holder of a patent fails to perform any procedural step within the prescribed time limit, resulting in the loss of rights conferred by the patent application or granted patent, the responsible authority shall allow the restitution of such rights if the applicant or the holder 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.
- (2) The application for the restitution 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.
- (3) The responsible 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 comment in writing, within a period of 2 months.
- (4) An application for the restitution 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) any procedural steps involving several parties in the proceedings before the responsible authority.
- (5) 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 restitution

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.

- (6) The content of the application, conditions and procedures concerning the application under paragraph 1 of this Article shall be regulated by a specific regulation.

9. SUPPLEMENTARY PROTECTION CERTIFICATE

Article 63

Any medicine for human or animal use or a plant protection product, whose placing into circulation is subject to a permit, may, under the conditions provided for by this Law, be subject to protection by the Certificate on Supplementary Protection (hereinafter referred to as: the certificate)

Subject Matter of Protection and Legal Effects

Article 64

- (1) The subject matter of protection conferred by a certificate shall extend only to the medicine for human or animal use and plant protection product covered by the permit for placing such products into circulation as medicine for human or animal use or plant protection product (hereinafter referred to as: the permit), for each and any use of the product that has been authorised before the expiry of the certificate.
- (2) The certificate shall confer upon the holder the rights identical to those conferred by the patent. These rights shall be subject to the same limitations.

Entitlement to a Certificate

Article 65

- (1) A Certificate shall be granted to the holder of the patent covering the product or to his successor in right.
- (2) The holder 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 holders 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 66

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

- 1) the medicine for human or animal use or plant protection product is protected by the patent in force;
- 2) a valid permit has been issued in Montenegro, whereas this is the first effective permit of this kind for the product;
- 3) the medicine for human or animal use or plant protection product has not already been the subject of a certificate;
- 4) the patent application covering the medicine for product for human or animal use or plant protection product has been filed on or before the date determined in the Accession Treaty, which shall be concluded between the Government of Montenegro and the European Union;
- 5) the first authorisation to place the medicine for human or animal use or plant protection product into circulation is granted on or before the date determined in the Accession Treaty, which shall be concluded between the Government of Montenegro and European Union.

Time Limit for the Filing an Application for a Certificate **Article 67**

- (1) The application for a certificate shall be filed with the responsible authority within 6 months from the date on which a permit has been granted. Where the permit has been granted before the grant of the patent, the application for a certificate shall be filed within six months from the date on which the information on granted patent has been published within the meaning Article 40, paragraph 3 of this Law.
- (2) Information 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.
- (3) The content of the application and of the published information thereof shall be regulated by a specific regulation.

Term of Protection **Article 68**

- (1) The certificate shall take effect immediately at the end of the lawful term of the basic patent for a period equal to the period which elapsed between the date on which the application for a basic patent was lodged filed and the date of the first permit reduced by a period of five years.
- (2) Notwithstanding paragraph 1 of this Article, the duration of the certificate may not exceed five years from the date on which it takes effect.

Termination of the Certificate
Article 69

The certificate shall terminate:

- 1) upon expiry of its term;
- 2) by renouncing by the certificate holder;
- 3) by failure to pay the annual fee for its maintenance;
- 4) upon the termination of the permit, for whatever reason.

Maintenance of the Certificate
Article 70

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 71

- (1) The responsible authority shall publish in its Official Bulletin information on the grant of a certificate, on the refusal of an application for a certificate, and on the duration or termination of a certificate.
- (2) The particulars referred to in paragraph 1 of this Article shall be regulated by a specific regulation.

Article 72

The procedural provisions concerning the grant and termination of a patent shall apply *mutatis mutandis* to the grant and termination of the certificate, unless otherwise provided for by this Law.

10. NULLIFICATION

1. NULLIFICATION OF DECISION TO GRANT A PATENT

Grounds for Nullification
Article 73

- (1) At any time during the term of a patent, upon request of an interested person, the competent court shall annul a patent, if it establishes that:
 - 1) the subject matter of protection is not an invention within the meaning 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 Article 10 or was not industrially applicable pursuant Article 11 of this Law;
- 4) the invention is not described in a manner sufficiently clear and complete as defined in Article 24 of this Law;
 - 5) the subject-matter of the patent as published, extends beyond the content of the application as filed, or if patent 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 annulled.
- (2) If the grounds for nullification affect the patent only in part, the patent shall be limited by a corresponding amendment of the claims and annulled in part.
- (3) In proceedings before the competent court relating to the validity of the patent, the holder of the patent shall have the right to limit the patent by amending the claims. The patent thus limited shall form the basis for the proceedings

Request for Nullification of a Patent

Article 74

Any interested person may instigate a litigation before the competent court against the patent holder and request the nullification of a patent.

2. NULLIFICATION OF THE SUPPLEMENTARY PROTECTION CERTIFICATE

Article 75

- (1) A supplementary protection certificate shall be nullified:
- 1) if it was granted contrary to the conditions set out by this Law;
 - 2) if the patent covering the subject matter protected by the certificate terminates within the meaning of Articles 59, 60 and 61 of this Law;
 - 3) if the patent covering the subject matter protected by the certificate has been annulled, in whole or partially, to the extent that the product for which the certificate was granted is no longer protected by the patent claims or, after the patent has expired, if justifiable grounds for nullification exist.
- (2) Provisions of this Law applicable to nullification a patent shall apply *mutatis mutandis* to the nullification of a supplementary protection certificate.

11. PROTECTION OF RIGHTS UNDER THE CIVIL LAW

1. INFRINGEMENT PROCEEDINGS

Article 76

The patent holder, or a holder of an exclusive licence for such a patent shall be entitled to instigate a litigation against any person infringing his right by any unauthorized act referred to in Articles 41 and 42 of this Law.

Claims

Article 77

- (1) An action instigating a litigation may include the following claims:
- 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.
- (2) If an infringement of rights was committed intentionally or out of gross negligence, the plaintiff may claim an amount up to triple the amount of the direct damages and lost profits.
- (3) 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 any third parties.
- (4) Where a plaintiff has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the defendant, the court may order that this evidence be produced by defendant, subject in appropriate cases to conditions which ensure the protection of confidential information.
- (5) Appropriate provisions of the law that regulates contracts and torts shall apply to those issues concerning damages for infringement of rights that are not provided for by this Law.

Provisional Measures
Article 78

- (1) Upon the request of the plaintiff referred to in Article 76 of this Law, who makes it credible that his right is or will be infringed, the court may, pending a final decision, order 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.
- (2) A request for the grant of a provisional measure may be filed even before the instigation of the litigation, provided the litigation is subsequently instigated within thirty days from the execution of the provisional measure.
- (3) Where irreparable harm is likely to occur, or where it is imminent that the evidence will be destroyed, the court may order a provisional measure without giving prior notice to or hearing the defendant, however the defendant must be notified of the execution of the provisional measure without delay, but not later than five days from the execution of the provisional measure.
- (4) 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.
- (5) An appeal against the court decision on the provisional measure referred to in paragraph 1 of this Article shall not stay the execution of the decision.
- (6) Appropriate provisions of the Law on Enforcement Procedures shall apply to those issues concerning the provisional measures that are not provided for by this Law.

Securing the Evidence
Article 79

- (1) Upon request of the plaintiff referred to in Article 76 of this Law who makes it credible that his right has been infringed on or will be infringed on, or that such infringement is imminent or that irreparable harm is likely to occur, as well as that there is a reasonable risk that the evidence of that will be destroyed or that it will not be possible to obtain it later on, the court may order a measure to secure evidence without giving prior notice to or hearing the person from which evidence is to be collected.
- (2) For the purposes of Paragraph 1 of this Article, the securing of evidence shall mean the inspection of premises, books, documents, databases, etc., as well as the seizure of documents and infringing goods, and taking depositions of witnesses and expert witnesses.

- (3) The court order for measures to secure evidence shall be served to the person from which evidence is to be collected, on the occasion of the collection of evidence, and to an absent person, as soon as that becomes possible.
- (4) The order to secure of evidence may be requested even before the instigation of the litigation, provided the litigation is subsequently instigated within thirty days from the execution of the provisional measure.

Statute of Limitations **Article 80**

An action instigating patent infringement litigation may be filed within a period of three years from the date of obtaining the information of the infringement and of the infringer, but not later than five years from the date on which the infringement has taken place.

Burden of Proof **Article 81**

- (1) 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.
- (2) 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 commercial secrets shall be taken into account.

Obligation to Provide Information **Article 82**

- (1) A court may order a person responsible for an infringement of the patent to provide information about any third parties who have participated in the infringement of the patent and about their distribution channels.
- (2) Person referred to in paragraph 1 of this Article who does not provide information shall be held liable for any damages arising therefrom.

2. AN ACTION TO ESTABLISH THE RIGHT TO PROTECTION

Article 83

- (1) The inventor, his successor in rights or employer within the meaning of Article 93 of this Law, shall be entitled to file and instigate a litigation requesting the court to establish his right to the protection of a given invention in place of or, as joint holder, together with the person who has already filed an application for the invention.
- (2) If the inventor has already been granted a patent, his successor in rights or employer referred to in paragraph 1 of this Article may request the court to

establish that he holds the right to the patent in place of or, as joint holder, together with the person registered as the holder of the patent.

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

3. AN ACTON TO PROTECT RIGHTS OF EMPLOYER OR EMPLOYEE

Article 84

- (1) An employer or an employee, who is entitled under the provisions of this Law, to the protection or commercial use of an invention made in the course of employment may file an action and request the court to establish and protect his rights under Articles 92 to 103 of this Law.
- (2) An action referred to in paragraph 1 of this Article, for the establishment of rights of an employee or an employer pursuant to Articles 93 and 95 of this Law, may be filed within two years from the date of the publication of the patent application, however not after the expiry of two years from the date of termination of employment during which the invention has been made.
- (3) The final court decision upholding the claims referred to in paragraphs 1 and 2 of this Article shall be communicated to the responsible authority, which shall enter the changes of ownership in the appropriate register.

4. AN ACTON TO BE RECOGNIZED AS AN INVENTOR

Article 85

- (1) An inventor shall have the right to file an action and request the court to establish his inventorship and order the entry of his name in the patent application and in other relevant documents and registers kept by the responsible authority in accordance with the provisions of this Law, 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.
- (2) There shall be no time limit for filing the action under paragraph 1 of this Article.
- (3) In the event of the death of the inventor, his heirs shall be entitled to file an action referred to in paragraph 1 of this Article.

12. TRANSFER OF RIGHTS

Licence Agreement and Assignment of Rights

Article 86

- (1) 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 agreement on transfer of rights or by inheritance.
- (2) Certain or all rights conferred by an application or a patent may be transferred by means of a licence agreement, with or without limitations.
- (3) The agreements referred to in paragraphs 1 and 2 of this Article shall have effect only if they are made in writing.
- (4) 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.
- (5) 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.
- (6) Appropriate provisions of the law that regulates contracts and torts shall apply to those issues concerning licence agreements that are not provided for by this Law.

13. SECRET INVENTIONS

Secret Patent Application

Article 87

- (1) An application filed by a national of Montenegro shall be considered to be secret if it concerns an invention of significance for the defence and security of Montenegro.
- (2) Applications referred to in paragraph 1 of this Article shall be filed with the authority responsible in national defence.

Procedure in Respect of the Application

Article 88

If the state administrative authority responsible for defence establishes in its examination of an application filed that it has ceased to have elements of secrecy, it shall forward the application to the responsible authority. Such application shall retain the filing date accorded to it by the state administrative authority responsible for national defence.

Procedure Following the Grant of a Patent
Article 89

If the state administrative authority responsible for defence establishes, subsequent to 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 responsible authority, which shall enter the patent in the appropriate Register, publish the information on the granted right and issue an appropriate certificate to the right holder, in accordance with the provisions of this Law.

Right to Exploitation
Article 90

- (1) The state administrative authority responsible for defence or state administrative authority responsible for internal affairs shall have the exclusive right to use and dispose of a secret invention.
- (2) 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 91

- (1) A secret invention shall not be published.
- (2) A national of Montenegro may claim protection for a secret invention abroad only subject to approval of the state administrative authority responsible for national defence.

14. INVENTIONS MADE IN THE COURSE OF EMPLOYMENT

Article 92

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

- 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 93

- (1) The right to protection of an invention pursuant to Article 92, paragraph 1 shall belong to the employer, unless otherwise provided by contract between the inventor and employer.
- (2) 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.
- (3) 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 the use of the invention to a third party.

Article 94

- (1) The right to protection of an invention under Article 92, paragraph 2, shall belong to the employee, whereas the employer shall be entitled to commercial use of the invention and shall be obliged to pay remuneration to the employee in accordance with a contract concluded with respect to specific invention.
- (2) Notwithstanding paragraph 1 of this Article, if the invention includes any trade secret of the employer, such 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.

Remuneration to an Employee
Article 95

- (1) 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 respect to specific invention.
- (2) In case of a dispute regarding the amount, method and time of payment of the remuneration, the court shall decide, upon 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 company.
- (3) The employee may not renounce his right to remuneration in advance.

Procedure
Article 96

- (1) 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.
- (2) The content of the report referred to in paragraph 1 of this Law shall be regulated by specific regulation.
- (3) If the report does not contain the prescribed elements, the employer shall set an appropriate time limit for the inventor to remedy deficiencies therein.

Article 97

- (1) Within a period of two months from the receipt of the valid report referred to in Article 96 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 92, items 1 and 2 of this Law.
- (2) If the employee fails to deliver the report within the meaning of Article 96 of this Law to the employer, the time limit under paragraph 1 of this Article shall run from the date on which the employer has obtained information of the invention.

Article 98

- (1) When dealing with an invention referred to in Article 92, item 1 of this Law, the employer shall be required to inform the employee in the communication referred to in Article 97 of this Law whether he shall file an application.
- (2) If the employer states, pursuant to paragraph 1 of this Article, 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 the actions taken by the responsible authority in the proceedings upon the application and of the content of all documents filed with the responsible authority prior to their filing. The inventor shall be required to provide the employer with all information needed in the procedure for the protection of the invention.
- (3) If the employer does not wish to file an application for a patent and finds that the invention contains no trade secrets within the meaning of Article 94 of this Law, he shall communicate this in writing, within the time limit referred to Article 97 of this Law, to the inventor who shall be entitled to protect such invention in his own name.
- (4) 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.
- (5) In the event of commercial use of the invention under paragraphs 3 and 4 of this Article, articles 94 and 101 of this Law shall apply *mutatis mutandis*.

Article 99

In the event of failure to observe the time limit referred to in Article 97 of this Law, the inventor shall be entitled to protect the invention in his own name.

Article 100

- (1) An employee who creates an invention referred to Article 92, item 2 of this Law cannot file an application with the responsible authority before he receives the communication referred to in Article 97 of this Law from the employer or before the expiry of the time limit for such communication.
- (2) If the employee referred to in paragraph 1 of this Article decides to withdraw an application filed, he shall communicate this to the employer in writing and shall assign to him rights conferred by the application.

Article 101

- (1) 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 97 of this Law, whether he is interested in obtaining an exclusive licence from the inventor.
- (2) 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 any third party or to grant a licence for the use of the invention.

Article 102

The use of an invention made in the course of employment cannot start before the issue of remuneration under Article 95 of this Law is settled or before the court takes a final decision.

Confidentiality Requirement

Article 103

- (1) The employer and inventor shall maintain the confidentiality of an invention made within the course of employment until the publication of the patent application or until the invention becomes available for public in some other manner.
- (2) If the employer displays justifiable interest for the invention not being published, the obligation of the employee to keep it confidential 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 104

- (1) European patent application and a European patent extended to Montenegro shall, under the conditions established 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.
- (2) For the purposes of this Law:
 - 1) “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 Montenegro is designated;
 - 2) “Extended European patent” shall mean a patent granted by the EPO upon European patent application for which extension to Montenegro has been requested;
 - 3) “National patent application” shall mean a patent application filed under this Law with the responsible authority;
 - 4) “National patent” shall mean a patent granted upon a national patent application.

Request for Extension

Article 105

- (1) European patent application and European patent granted upon such application shall be extended to 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 Agreement between the Government of Montenegro and the European Patent Organisation on Extension of European Patents (hereinafter: "Extension Agreement") enters into force.
- (2) Every request for extension shall be published in the *Official Bulletin* by the responsible authority, as soon as possible after receiving notification from the EPO on the payment of the prescribed extension fee, but not before the expiry of 18 months from the filing date or, if priority has been claimed, from the earliest priority date.
- (3) 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 ultimately refused, withdrawn

or deemed to be withdrawn. The responsible 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.

- (4) The content of the notice under paragraphs 2 and 3 of this Article shall be regulated by a specific regulation.

Extension Fee Article 106

- (1) The extension fee under Article 105 of this Law shall be paid to the EPO within six months of the date on which the European Patent Bulletin mentions the publication of the European search report.
- (2) The extension fee may also be validly paid within an additional period of two months of expiry of the period referred to in paragraph 1, provided that a 50% surcharge is paid within this additional period.
- (3) EPO 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 107

- (1) European patent application, which has been recognized a filing date, 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.
- (2) A published European patent application shall confer upon the applicant the same provisional protection under this Law as the one conferred by a national patent application, from the date on which a translation of the claims of the published European patent application into the language officially used in Montenegro is communicated by the applicant to the person using the invention in Montenegro.
- (3) European patent application shall be deemed not to have had the effect referred to 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 108

- (1) Subject to paragraphs 2 to 6 of this Article, an extended European patent shall, from the date of publication of the mention of the grant of the European patent by the EPO, confer the rights identical to those conferred by a national patent under this Law.

- (2) Within 3 months from the date on which the mention of the grant of the European patent has been published, the holder of the patent shall furnish the responsible authority with a translation of the claims of the European patent into Montenegrin language and shall pay the prescribed publication fee.
- (3) Where, as a result of an opposition or request for limitation filed with the EPO, a European patent is maintained with amended claims, the holder of the patent shall furnish the responsible authority with a translation of the amended claims into Montenegrin language in Montenegro and shall pay the prescribed publication fee, within three months from the date on which notice on the decision to maintain the amended European patent or to limit it has been published.
- (4) Where the text of claims contains reference signs used in the drawings, such drawings shall be attached to the translation referred to in paragraph 2 and 3.
- (5) The responsible authority shall publish any translation filed in a timely manner under paragraphs 2 and 3 of this Article.
- (6) If the translation specified in paragraphs 2 and 3 of this Article is not filed in a timely manner or if the prescribed fee has not been paid in due time, the extended European patent shall be deemed void *ab initio*.
- (7) An extended European patent and the European patent application on which it is based shall be deemed not to have had *ab initio* effects referred to in paragraph 1 of this Article and in Article 107, paragraph 2 of this Law, to the extent that the patent has been revoked in opposition or in central revocation proceedings or limited in limitation proceedings before the EPO.
- (8) A decision to enter the extended European patent in the Register of Patents shall be taken by the responsible authority.

Authentic Text of European Patent Applications or European Patents **Article 109**

- (1) The text of the European patent application or the European patent in the language of the proceedings before the EPO, shall be the authentic text in any proceedings conducted in Montenegro.
- (2) However, a translation furnished in accordance with Article 107, paragraph 2 or Article 108, paragraph 2 and 3 of this Law, shall be regarded as authentic, except in revocation proceedings, where the application or the patent in the language of the translation confers narrower protection than that conferred by it in the language of the proceedings.
- (3) The applicant for or owner of an extended European patent may file at any time a corrected translation. The corrected translation of the claims of a published European patent application shall have no legal effect until it has been communicated to the person using the invention in Montenegro. . The corrected translation of the specification of an extended European patent shall not have any

legal effects until mention of it has been published by the responsible authority as soon as possible after payment of the prescribed fee for the publication.

- (4) Any person who, in good faith, uses or has made effective and serious preparations for the use of an invention, where such use does not constitute an infringement of the rights deriving from the application or the patent in the original translation, may, after the corrected translation takes effect, continue such use in the course of his business or for the needs thereof, without payment of any remuneration.

Rights of Prior Date **Article 110**

- (1) With respect to 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 effect on the state of art, as the national patent application and the national patent.
- (2) A national patent application and a national patent shall have, with respect to an extended European patent, the same effect on the state of art as they have with respect to a national patent.

Simultaneous Protection **Article 111**

Where an extended European patent and a national patent have the same filing date or, where priority has been claimed, have the same priority date, and have been granted to the same person or his successor in rights, 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 112**

- (1) Renewal fees for an extended European patent shall be paid to the responsible authority for the years following the year in which the mention of the grant of the European patent has been published.
- (2) Article 141, paragraph 2, EPC shall apply *mutatis mutandis*.

Application of the EPC **Article 113**

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

16. INTERNATIONAL PATENT APPLICATIONS UNDER THE PATENT COOPERATION TREATY

Application of the Patent Cooperation Treaty

Article 114

- (1) An “international 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 a reference to the Regulations under the PCT.
- (2) The PCT shall be applied in accordance with the provisions of this Law.

The Responsible Authority as the Receiving Office

Article 115

International applications may be filed with the responsible authority acting as receiving office under the PCT. In these proceedings, the provisions of the PCT shall be applied, supplemented by the provisions of this Law and the regulations under this Law. In case of conflict, the provisions of the PCT shall prevail.

The European Patent Office as Designated or Elected Office

Article 116

Any international application in which Montenegro has, pursuant to the provisions of the PCT, been designated or elected for the granting of a national patent, shall be deemed to be an application for extension of the European patent to Montenegro, within the meaning of this law, and the European Patent Office shall act as designated or elected Office under the PCT.

The European Patent Office as International Searching Authority and International Preliminary Examination Authority

Article 117

The European Patent Office shall act as the competent authority for the searching and international preliminary examination of international applications filed with the responsible authority acting as receiving office under the PCT.

17. CONDITIONS FOR THE ENTRY INTO THE REGISTER OF REPRESENTATIVES

Article 118

- (1) Natural persons who are nationals and residents of Montenegro, who have command of one language of international communication and who represent clients as their profession, may be entered into the Register of Representatives if they meet one of the following requirements:
 - 1) they are law faculty graduates having passed a special expert examination with the responsible authority;
 - 2) they are graduates of any technical faculty, having passed a special expert examination with the responsible 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 responsible authority.
- (2) Legal persons having corporate headquarters in 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.

18. PENAL PROVISIONS

Article 119

- (1) Any company, other legal entity or entrepreneur who without authorisation engages in representation in realization of rights under this Law shall be fined for the misdemeanor in the amount equal to 20-200 times the amount of minimal salary in Montenegro (Article 4).
- (2) For any activities referred to in paragraph 1 of this Article, a responsible person in the company or other legal entity or a natural person shall for the misdemeanor in the amount equal to 1-10 times the amount of minimal salary in Montenegro.

19. FINAL AND TRANSITIONAL PROVISIONS

Article 120

- (1) Registered patents and petty patents granted under the Law on Patents ("Official Gazette of Serbia and Montenegro" No.32/04 an 35/04) that are valid on the day this Law enters into force shall remain valid and shall be subject to the provisions of this Law.

- (2) The provisions of this Law shall also apply to those applications for patents and petty patents that have been filed and pending prior to the date on which this Law enters into force.
- (3) The provisions of Part 15 of this Law shall apply to European patent applications which have been filed as of entry into force of the Extension Agreement and for which extension to Montenegro has been requested, and to European patents granted by the EPO upon such applications.
The provisions of Part 15 of this Law shall apply *mutatis mutandis* to European patent applications and European patents which are recognised under the Regulation on Providing the Application of Intellectual Property Rights (Official Gazette of the Republic of Montenegro No. 61/07).
- (4) The applicability of the said Regulation on the recognised European patent applications filed before the entry into force of the Extension Agreement and European patents granted upon such applications shall remain unaffected.

Article 121

Provisions of this Law regulating Supplementary Protection Certificate shall be enforced from the date Montenegro becomes member of the European Union.

Article 122

On the day this Law comes into effect, the provisions of the Law on Patents (“Official Gazette of Serbia and Montenegro” No.32/04 an 35/04) shall cease to be effective.

- (1) Implementing regulations for this Law shall be adopted within three months as of the day it enters into force
- (2) Until the regulation referred to paragraph 1 of this Article are issued, regulations issued under the Law on Patents (“Official Gazette of Serbia and Montenegro” No.32/04) shall apply, if they not contravene to this Law.

Article 123

On the day this Law comes into effect, the provisions of the Law on Patents (“Official Gazette of Serbia and Montenegro” No.32/04) shall cease to be effective. .

Article 124

This Law shall enter into force on the eighth day from the day of publication in the “Official Gazette of Montenegro”.