

Contributing firm
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Legal framework

IP protection in Serbia is regulated by the following laws:

- the Trademarks Law (2009);
- the Patent Law (2004 – a new law is expected in 2011);
- the Law on the Legal Protection of Industrial Designs (2009);
- the Law on Copyright and Related Rights (2009);
- the Law on the Protection of Topographies and Integrated Circuits (2009); and
- the Law on Indications of Geographical Origin (2010).

Although these laws do not include explicit anti-counterfeiting measures, they do set out various provisions on how rights holders may use and market goods protected by their rights, as well as measures for when these rights are infringed.

Special protection against counterfeiting is set out in the following laws:

- the Customs Law (2010) and the Customs Regulations on the Conditions and Manner of Applying Measures for the Protection of IP Rights at Customs (2010, applicable from January 1 2011);
- the Law on Special Authorisations for the Efficient Protection of IP Rights (2006); and
- the Criminal Code (2006).

Border measures

According to Chapter VIII of the Customs Law, the import, export or transit of goods that infringe IP rights established by the relevant regulations or international agreements is not permitted.

As a general rule, import and customs procedures can be suspended upon the request (application for action) of the rights holder. Customs may also act *ex officio* and suspend customs clearance procedures, along with the release of imported or exported goods, for three working days if it suspects that an IP right has been infringed;

the rights holder must then submit an application for action within this term. Customs has 30 days (three days in urgent matters) to decide on the application. The application must contain:

- information to enable Customs to recognise the goods;
- a declaration of the rights holder's acceptance of liability for possible damages;
- proof that the applicant holds the respective right; and
- the name and power of attorney of the local representative.

When Customs accepts the application for action it suspends the customs procedure and then notifies the importer and the rights holder. Within 10 working days of the date of receipt of the notification (extendable for another 10 working days), the rights holder must notify Customs that it has commenced legal action before a court or obtained an injunction; otherwise, Customs will release the goods (provided that other requirements for import, export or transit have been satisfied).

Rules governing Serbian internet service providers oblige them to request their customers to delete all unlawful content from their websites

In practice, matters are usually concluded out of court (within 20 working days) by obtaining and submitting a written statement from the importer to Customs, in which the importer admits infringement of the IP right in question (usually a trademark), renounces the goods in favour of the state and agrees to destruction of the goods.

Customs protection can last for up to one year and is extendable.

Customs shall not be liable to the importer or owner of goods for any damage resulting from their detention of the suspected goods.

While filing a request for protection, the rights holder is obliged to submit a written declaration accepting liability for any damages that may be caused if it is later found that the goods in question are not infringing.

Criminal prosecution

Article 199 of the Criminal Code, in the chapter on "Criminal Offences Against Intellectual Property", provides:

"(1) Whoever without permission publishes, records, copies or otherwise presents in public, in part or entirety, a copyrighted work, performance, phonogram, videogram, show, computer programme or database, shall be punished with a fine or imprisonment up to three years.

(2) The punishment specified in paragraph 1 of this Article shall also be imposed on a person who puts into circulation or with intent to put into circulation, keeps illegally multiplied or illegally put into circulation copies of copyrighted work, performance, phonogram, videogram, show, computer program or database.

(3) If the offence referred to in paragraphs 1 and 2 of this Article was committed with

intent to acquire material gain for oneself or another, the offender shall be punished with imprisonment from three months to five years.

(4) Whoever produces, imports, puts into circulation, sells, rents, advertises for sale or rent, or keeps for commercial purposes, equipment and devices whose basic or prevailing purpose is to remove, bypass or forestall technological measures intended for prevention of violation of copyright and other related rights, or who uses such equipment or devices with an aim to violate copyright or other related right, shall be punished with a fine or imprisonment up to three years.

(5) The things referred to in paragraphs 1 through 4 shall be seized and destroyed."

Trademarks and company names are protected by Article 233 in the chapter on "Crimes Against Commerce", which states:

"(1) Whoever with the intention to deceive buyers or users of services, uses another's company name, another's geographic mark of origin, another's hallmark or trademark or another's special mark for goods or incorporates particular features of these marks into his firm, his stamp or trademark or into his special mark for goods, shall be punished by a fine or imprisonment up to three years.

(2) Whoever for the purpose of sale in larger quantity or value obtains, produces, processes, puts into circulation, rents or stocks goods specified in paragraph 1 of this Article or engages in extending services by using another's marks without authorisation, shall be punished by imprisonment of six months to five years.

(3) A perpetrator specified in paragraph 2 of this Article who organised a network of resellers or middlemen or has acquired material gain exceeding one million five hundred thousand Dinars, shall be punished

by imprisonment of one to eight years.

(4) Items specified in paragraphs 1 through 3 shall be seized."

Besides these articles, the Criminal Code also establishes the following actions as crimes:

- the unauthorised removal or alteration of electronic information on copyright and related rights (Article 200);
- the violation of patent rights (Article 201); and
- the unauthorised use of another's design (Article 202).

Prosecution of these offences is initiated by the public prosecutor. However, in practice, criminal prosecution for these offences is rare.

Based on the general rules of the code, only natural persons can be held liable for crimes. However, the Law on the Liability of Legal Entities for Criminal Offences (2008) provides that a legal entity shall be liable for criminal offences that were committed for the benefit of that entity by a responsible person. Liability will also be incurred where the lack of supervision or control by a responsible person allowed a crime to be committed by a natural person operating under the supervision and control of the responsible person, if that crime was executed for the benefit of the legal entity. Penalties for a legal entity would include a sentence (ie, a fine or termination of the legal entity's status), suspended sentence and security measures.

Similarly defined actions are prescribed as violations and/or commercial offences for which legal entities are liable under provisions in the Trademark Law, the Law on the Legal Protection of Industrial Designs, the Law on Copyright and Related Rights and the Law on Indications of Geographical Origin. Although the Patent Law currently

contains no punitive provisions, such measures are included in the draft of the new Patent Law, which is expected to come into force in 2011. A fine is the only possible sentence for these violations and commercial offences.

Civil enforcement

Civil actions against counterfeiting are set out in the chapter on “Civil Law Protection” in various IP laws (ie, the Trademarks Law, the Patent Law, the Law on the Legal Protection of Industrial Designs, the Law on Copyright and Related Rights, the Law on Protection of Topographies and Integrated Circuits, and the Law on Indications of Geographical Origin), all of which provide civil protection from infringement. All of the cited laws prescribe the following claims in any civil procedure for infringement:

- determining the infringement;
- prohibiting the infringing actions;
- paying compensation for damages;
- publishing the court’s decision; and
- seizing and destroying the infringing products.

The Trademarks Law, the Law on the Legal Protection of Industrial Designs and the Law on Copyright and Related Rights additionally provide for the claims of:

- supplying information about third parties that participate in the infringement; and
- destroying tools and equipment used to manufacture infringing products.

The Law on the Legal Protection of Industrial Designs and the Law on Copyright and Related Rights establish a claim of compensation for non-material damages (moral harm) for authors.

These procedures can be initiated by rights holders or exclusive licensors.

Each of these laws sets out the possibility of requesting preliminary measures – that is, a court injunction prohibiting the infringing actions and/or ordering the seizure of the infringing products and/or tools used for their manufacture and their removal from the market. Injunctions are very important in customs procedures based on the Customs Law (and respective regulations) and in procedures based on the Law on Special Authorisations for the Efficient Protection of IP Rights. In these procedures, the authorities seize counterfeit goods on the basis of a justified request (application) by the rights holder. However, the goods are seized only temporarily and the rights holder has less than a month to obtain a

court injunction for their seizure, in which case the goods remain seized until the court procedure is terminated.

Anti-counterfeiting online

In Serbia, the regulation of e-commerce is not as developed as in other countries. There are no special provisions on online anti-counterfeiting and there have been no significant court cases or court decisions in this regard. However, if certain IP rights would be infringed by an unauthorised internet sale, the rights holder may bring civil proceedings based on the provisions on IP infringement in the respective laws. The rights holder also has the option of reporting such sales to the public prosecutor and requesting criminal prosecution based on the Criminal Code.

Rules governing Serbian internet service providers oblige them to request their customers to delete all unlawful content from their websites. However, it is up to the courts to determine what content is unlawful; thus, the rights holder must still proceed before the court to determine the infringement and request withdrawal of the content.

Preventive measures/strategies

The Law on Special Authorisations for the Efficient Protection of IP Rights provides for measures against counterfeit goods that are placed on the market. The competent authority is a government body – the IP department of the Ministry of Trade’s Market Inspectorate. There are also special competences (eg, medicines are dealt with by the Ministry of Health’s Inspection Department).

The procedure is similar to the procedure before Customs:

- The rights holder must file a request (application for action) with the competent authority to report the sale of counterfeit goods and provide sufficient information for the inspection to proceed. The rights holder is also obliged to submit proof that it owns the right.
- The competent authority then issues a decision adopting the request and inspects the reported place of commerce. If infringing items are found, the authority temporarily seizes them and notifies the rights holder of this. Within 15 days (extendable for another 15 days, for justified reasons), the rights holder must obtain a provisional measure ordering that the goods remain seized until the civil procedure is completed. In practice, this term is too

short to obtain a preliminary measure.

- Surveillance is permitted for up to 12 months, which is extendable.

Rights holders that wish to defend against counterfeiting are advised to obtain customs protection for their right under the Customs Law and Regulations, and to undertake market surveillance based on the Law on Special Authorisations for the Efficient Protection of IP Rights. In addition, it is advisable to engage someone locally to monitor places where the sale of counterfeit goods is common (eg, open markets or small shops selling cheap goods imported from China).

Contacting the infringer with a warning or a cease and desist letter is not obligatory under Serbian law. However, it is advisable nonetheless, since infringers – particularly small shops selling cheap goods imported from China – often cease their infringing actions under threat of a lawsuit. [WTR](#)

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