

Law on Amendments to the Law on Legal Protection of Industrial Design

("Official Gazette of Montenegro", No. 42/16)

Article 1

In the Law on Legal Protection of Industrial design ("Official Gazette of Montenegro", No. 80/10 and 27/13), in Article 2, after paragraph 4, a new paragraph shall be added to read as follows:

„Community designs registered with the Office for Harmonization in the Internal Market shall also have effect in Montenegro”.

Article 2

In Article 3 paragraph 3, after words: „ a foreign legal and natural person” the following words shall be added: “who do not have their legal seat i.e. approved permanent residence or temporary stay in the territory of Montenegro”.

Article 3

In Article 6 paragraph 2, the words: “the author of the design (hereinafter referred to as: the designer)” shall be replaced by the word “designer”.

Article 4

In Article 7 paragraph 4, the word “author” in different grammatical cases shall be replaced by the word “designer” in a corresponding grammatical case.

Article 5

In Article 11 after item 7, a new item shall be added to read as follows:

„8) if it is in conflict with an earlier design disclosed to the public following the filing date of the application or if the priority right has been claimed, following the priority date, and

which has been protected from a date prior to said date by the registered Community design or an application for registration of a Community design.

Article 6

In Article 17 paragraph 1, the words “if claimed in the territory of Montenegro, in good faith” shall be replaced by the words “if claimed, in the territory of Montenegro in good faith”, and after the word “protection” the words: “of the registered design” shall be added.

Article 7

In Article 18, after paragraph 1, a new paragraph shall be added to read as follows:

“If the right holder of the design puts in the market in the territory of the European Union and/or of the countries signatories to the Agreement on the European Economic Area a product comprising a protected design and/or a product designed in accordance with the protected design, or if the right holder of the design authorizes another person to put such product in the market, the right holder of the design shall not be entitled to prevent third parties from further disposing of that product which has been purchased in the course of legal trade”.

Paragraphs 2 and 3 shall be deleted.

Article 8

Article 19 shall be amended to read as follows:

„The provisions of this Law shall be without prejudice to any provisions of regulations relating to unregistered design rights, trademarks or other distinctive signs, patents and utility models, typefaces and provisions governing civil liability or unfair competition. „

Article 9

In Article 21, after paragraph 2 a new paragraph shall be added to read as follows:

“The license agreement referred to in paragraph 1 of this Article shall produce legal effect towards third persons upon entry into the Register”.

Previous paragraphs 3, 4 and 5 shall become paragraphs 4, 5 and 6.

Article 10

In Article 22 paragraph 3 the words: “shall have legal effect towards other parties” shall be replaced by the following words: “shall produce legal effect in relation to third parties”.

Article 11

In Article 23 paragraph 5 shall be amended to read as follows:

“Pledge shall produce legal effect in relation to third parties upon the entry into the Register”.

Article 12

In Article 28 paragraph 1, the words “or similar” shall be deleted.

Article 13

In Article 32, after paragraph 5, a new paragraph shall be added to read as follows:

„If the applicant fails to submit a proof for acknowledgement of the priority right referred to in Articles 29 and 30 of the present Law, the competent authority may reject the request for acknowledgment of the priority right”.

Article 14

In Article 34, after paragraph 4, two new paragraphs shall be added to read as follows:

„The competent authority may issue a design certificate on request of the right holder, provided that the prescribed administrative fee is duly paid.

The content of the design certificate referred to in paragraph 5 of this Article shall be defined by regulation of the Ministry”.

Article 15

In Article 37 paragraph 1, the full stop at the end of the text shall be replaced by a comma, and the following words shall be added: “provided that due to such a failure the loss of right has come into effect”.

In paragraph 3, the words: "provided that the loss of right has not come into effect" shall be deleted.

Article 16

In Article 38 paragraph 2, the full stop at the end of the text shall be replaced by a comma and the following words shall be added: "and such action must be performed within a specified time period".

Paragraph 6 shall be amended to read as follows:

„The request for *restitutio in integrum* may not be submitted following the expiry of a time period referred to in paragraphs 2 and 3 of this Article”.

After paragraph 6 a new paragraph shall be added to read as follows:

„Provisions of paragraphs 1 to 5 of this Article shall not apply to the time periods specified in Articles 29, 30 and 37 of the present Law”.

Article 17

In Article 40 paragraph 1, item 4 shall be deleted.

Article 18

In Article 41 paragraph 5 shall be amended to read as follows:

“Exceptionally of Article 32a paragraph 3 of the present Law, for the holder of the international industrial design registration, the deadline for commenting on the reasons for rejection of registration and submitting proof of new facts which might affect the decision of the competent authority shall be four months following the date of the written notification by the competent authority on rejection of registration”.

Article 19

After Article 41, a new chapter and seven new articles shall be added to read as follows:

„VIIa COMMUNITY DESIGN

Definitions

Article 41a

Within the meaning of Article 2 paragraph 5, Article 11 item 8 and Article 41b to 41 g of the present Law:

- 1) the Community design is a registered and nonregistered design in the manner as provided for in Article 1 of the Council Regulation (EC) 6/2002 of 12 December 2001 on Community designs, and its amendments (hereinafter referred to as: the Regulation on Community designs);
- 2) the Community design application is the application for registration of a Community design filed in accordance with the provisions of the Regulation on Community designs;
- 3) the national design is design registered in the proceedings before the competent authority in accordance with the provisions of the present Law;
- 4) the national design application is the application for design registration filed with the competent authority in accordance with the provisions of the present Law.

Extension of effect of Community designs

Article 41b

Community design applications filed before accession of Montenegro to the European Union and Community designs acquired before accession of Montenegro to the European Union, shall have effect in the territory of Montenegro.

Community design and Community design application as an earlier right

Article 41c

Within the meaning of Articles 5 to 7 and Article 11 item 4 of the present Law, the Community design application and the Community design are considered as an earlier design in relation to the national design applications filed and national designs registered on the basis of such applications after the date of accession of Montenegro to the European Union.

Filing of applications for Community design

Article 41d

An application for a Community design may be filed directly at the Office for Harmonization in the Internal Market or at the competent authority.

Where the application for a Community design is filed at the competent authority pursuant to Article 35 paragraph 2 of the Regulation on Community designs, the competent authority shall enter the date of filing of the application and forward the application without further examination to the Office for Harmonization in the Internal Market within two weeks of receipt, against the payment of the prescribed administrative fee and costs of forwarding.

Prohibition of use of Community designs

Article 41e

If the use of a Community design referred to in Article 41b of the present Law is in contravention of the use of a national design acquired before the date of accession of Montenegro to the European Union or acquired on the basis of a national design application filed before the date of accession of Montenegro to the European Union, the holder of such national design may request the prohibition of use of the Community design in Montenegro by filing a lawsuit, whereby he/she must prove that the use of the Community design is in contravention of his/her national design.

Protection of Community designs against infringement

Article 41f

Provisions governing the legal protection in case of infringement of a national design shall also apply to the legal protection in case of infringement of a Community design.

Community Design courts

Article 41g

The Commercial Court is the court which shall be competent for ruling in the first instance on disputes concerning Community designs referred to in Article 80 paragraph 1 of the Regulation on Community designs, in accordance with the law governing the establishment, organization and jurisdiction of courts.

The Court of Appeals is the court which shall be competent for ruling in the second instance on disputes concerning Community designs referred to in Article 80 paragraph 1 of the Regulation on Community designs, in accordance with the law governing the establishment, organization and jurisdiction of courts”.

Article 20

Article 43 shall be amended to read as follows:

„Declaration of invalidity of industrial design

Article 43

In case when a design is registered contrary to the provisions of Article 11 of the present Law, the competent court may declare the registered design invalid, either in whole or in a part.

Design may be declared partially invalid if it does not meet the requirements set out in Articles 4 to 7 of the present Law, in connection with Article 11 item 2 of this Law, as well as due to existence of reasons set out in Article 11 item 1 and items 5, 6 and 7 of the present Law, provided that it meets requirements for registration in the part which remains valid and provided that the identity of design is retained.

The lawsuit for declaring the registered design invalid may be filed for the entire duration of the right to design, after expiry of the right and after abandonment of the right.

In case of existence of reasons referred to in:

- 1)Article 11 items 1 and 2 of the present Law, the lawsuit may be filed by any interested person, state prosecutor and competent authority *ex officio*;
- 2)Article 11 item 3 of the present Law, the lawsuit may be filed by a person who is entitled to acquire an industrial design in accordance with this Law;
- 3)Article 11 items 4, 5 and 6 of the present Law, the lawsuit may be filed by a person whose right is infringed, applicant, state prosecutor and competent authority *ex officio*;
- 4)Article 11 item 7 of the present Law, the lawsuit may be filed by a person or authority concerned with the improper use, state prosecutor and competent authority *ex officio*.

The court shall be obliged to submit to the competent authority and parties to the proceedings the final verdict declaring the design invalid either in whole or in a part, without any delay.

The competent authority shall enter the declaration of invalidity of a design into the Register and publish it in the Official Gazette”.

Article 21

In Article 44 after paragraph 1, two new paragraphs shall be added to read as follows:

“The lawsuit referred to in paragraph 1 of this Article shall be filed within three years of the date of publication of the industrial design registration in the Official Gazette.

If the plaintiff proves that the defendant acted intentionally, the lawsuit referred to in paragraph 1 of this Article may be filed for the entire duration of the industrial design protection.”

Previous paragraph 2 shall become paragraph 4.

Article 22

Title of Article 45 shall be amended to read as follows:

„Request for citation of designer”

Paragraph 1 shall be amended to read as follows:

“By filing a lawsuit with the court, the person who considers himself/herself as being the designer or his/her legal successor, may seek from the court to determine that he/she is the designer of the design registered to the defendant’s name contrary to the provisions of Article 13 of the present Law, and that he/she be cited as the designer in all documents and in the Register”.

Article 23

In Article 46 after paragraph 3, a new paragraph shall be added to read as follows:

“Fines referred to in paragraphs 2 and 3 of this Article may be pronounced to a legal person in the amount of EUR 2,000 to EUR 10,000, an entrepreneur in the amount of EUR 500 to EUR 3,000, and to a natural person and responsible person of a legal entity in the amount of EUR 250 to EUR 1,500”.

Previous paragraphs 4 to 7 shall become paragraphs 5 to 8”.

Article 24

In Article 50a, the words „Articles 46 to 50c” shall be replaced by the following words: “Articles 46 and 46a”.

Article 25

After Article 50c, a new article shall be added to read as follows:

„Filing a lawsuit for declaration of invalidity of industrial design

Article 50d

Regarding the proceedings initiated for the purpose of protection of an industrial design in accordance with Articles 46 to 50c of the present Law, the defendant may file a lawsuit for declaration of invalidity of the design referred to in Article 43 of the present Law.

In case of filing a lawsuit for declaration of invalidity of an industrial design, the court shall, taking into account all circumstances of the case and in accordance with general regulations governing litigation and enforcement proceedings, determine whether to suspend the proceedings instituted for the purpose of protection of a design against infringement and on which conditions, or to merge the proceedings for joint deliberation”.

Article 26

In Article 51 item 1, the words: “with Montenegrin citizenship residing in Montenegro” and the comma shall be deleted.

In item 3, the words: with its legal seat in Montenegro” shall be deleted.

Article 27

After Article 53, a new chapter and four new articles shall be added to read as follows:

„Xa SUPERVISION

Supervision over enforcement of the Law

Article 53a

Supervision over enforcement of the present Law and regulations issued on the basis of the present Law shall be conducted by the Ministry.

Inspectorial supervision over the enforcement of the present Law shall be performed by the administrative authority in charge of inspectorial supervision, through the market inspection.

Inspectorial supervision

Article 53b

All matters related to the inspectorial supervision which are not specifically regulated by the present Law shall be subject to the provisions of the law governing the inspectorial supervision.

A design holder or a person authorized by him/her on the basis of general rules on representation may submit the initiative for institution of inspectorial supervision proceedings (hereinafter referred to as: the initiative).

The initiative may be individual when related to a particular kind and quantity of goods, or general when related to all quantities of certain goods within a specified time period.

The initiative shall include the details on the basis of which it is possible to identify the goods infringing a design (infringing goods), as well as the proof that the applicant is a design holder and, in case of a general initiative, also the time period to which the initiative relates to.

The applicant of the initiative may also submit:

- 1) details identifying the consignment or packages;
- 2) information about the place where the goods are situated or their intended destination;
- 3) data on the identity of the manufacturer, importer, owner or holder of the goods;
- 4) information about the scheduled dispatch or delivery date;
- 5) information about the means of transport used;
- 6) sample of goods, photographs, etc.

The competent inspector shall be obliged to act upon an initiative and notify the applicant of the initiative in writing about the supervision performed and any action taken, within eight days from the filing of the initiative.

Where the applicant of the initiative requests an urgent action and if initiative contains sufficient information about delivery of goods under suspicion of infringing design, the competent inspector shall notify the applicant about the supervision performed and any actions taken within three days from the filing of the initiative.

Where the design right ceases to exist during the proceedings upon initiative, the applicant of the initiative shall notify the competent inspector about cessation of the right to design.

Security, costs of proceedings and compensation of damage

Article 53c

Where, in the course of inspectoral supervision proceedings, it is established that a design has been violated in production or in trade of goods, the competent inspector shall be authorized to:

- 1) temporarily prohibit production or performing of activities;
- 2) temporarily seize goods.

Where the measures referred to in paragraph 1 of this Article have been performed, the competent inspector shall immediately, but not later than two days from performing of the measures, notify in writing the design holder and/or the applicant of the initiative about obligation to initiate proceedings before the competent court for the protection of design.

The design holder shall, not later than 15 days of receipt of the notification referred to paragraph 2 of this Article, submit to the competent inspector a proof that the proceedings before the competent court have been initiated, or that the provisional measure has been ordered.

Notification referred to in paragraph 2 of this Article shall include the name, seat or address of the person from whom the goods have been seized and, if possible, the name and address of the owner, importer and manufacturer of the goods, as well as information about the quantity and type of goods, etc.

In the proceedings initiated upon the initiative, the competent inspector may, if he finds it justifiable and taking into account the circumstances of the case, ordering of measures referred to in paragraph 1 of this Article, to condition by providing of appropriate security for

compensation of costs by the applicant of the initiative, for the purposes of keeping the goods seized temporarily, or damages incurred due to omission of the applicant of the initiative or unjustified seizure of goods.

Costs of proceedings initiated upon the initiative of the right holder which ended in favor of the subject of supervision, shall be borne by the applicant of the initiative, otherwise such costs shall be borne by the subject of supervision.

The competent inspector shall not be liable to compensate any damages resulting from unjustified temporary seizure of goods upon the initiative of the right holder.

Where it is determined in the proceedings that the goods upon the initiative of the right holder have been seized without justification, the applicant of the initiative shall be liable to compensate to the owner of goods and/or person from whom the goods have been seized damage caused by temporarily seizure.

Release and destruction of goods

Article 53d

Where the design holder and/or a person authorized by him/her to submit the initiative, has failed to submit to the competent inspector, within a time limit specified in Article 53c paragraph 3 of the present Law, the proof that the proceedings have been initiated before the competent court, or that a provisional measure has been ordered, the goods seized temporarily shall be released to the person from whom they were seized.

Where the proceedings have been initiated before the competent court, but the court has not ordered any provisional measure to prohibit production and trade in goods, the goods seized temporarily shall be released to the person from whom they were seized.

Upon the request of the design holder, the person authorized by him/her for submitting the request or the person from whom the goods were seized, the competent inspector shall allow samples of goods to be taken in the quantity needed as evidence in proceedings before the competent court.

The competent inspector may destroy the goods seized temporarily, upon a court order or *ex officio*.

The competent inspector may destroy the goods seized temporarily *ex officio* if the owner of goods or the person from whom the goods were seized temporarily is not accessible by the competent inspector within 30 days of the date of seizure of goods”.

Article 28

After Article 56a, a new article shall be added to read as follows:

„Deferred application Article 56b

Provisions of Article 2 paragraph 5, Article 11 item 8, Article 18 paragraph 2 and Article 41a to 41g of the present Law shall apply from the date of accession of Montenegro to the European Union.“

Article 29

After Article 57, a new article shall be added to read as follows:

“Cessation of validity Article 57a

Articles 22 and 23, and Article 26 paragraph 1 items 8 to 12 of the Law on the Enforcement of Legislation that Regulates the Protection of Intellectual Property Rights (Official Gazette of the Republic of Montenegro, No. 45/05) shall cease to be valid as of the date of coming into effect of the this Law.”

Entry into force Article 30

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