

Serbia

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1. What are the most effective ways for a European patent holder whose rights cover your jurisdiction to enforce its rights in your jurisdiction?

The owner of a patent or holder of an exclusive licence is entitled to commence civil proceedings against any person infringing its right to a patent. The complaint has maximum effect if a preliminary injunction to prohibit further infringing action is obtained during the litigation proceedings.

2. What level of expertise can a patent owner expect from the courts in your jurisdiction?

Court cases concerning patent infringements are rare in Serbia, and therefore no courts specialise in patent infringement or other IP rights cases. Therefore, the Serbian courts do not have a high level of expertise in patent matters.

However, patent infringement matters are heard before the higher courts; at first instance, cases concerning the infringement of IP rights are heard by the courts of higher jurisdiction. This is an exception to the general rule, according to which the lower courts are competent at first instance.

Patent infringement matters between legal/commercial entities at first instance fall under the jurisdiction of the Commercial Court, a higher-level court. Patent infringement matters involving natural persons are heard by the courts of general competence, so the Higher Court is competent at first instance.

3. How do your country's courts deal with validity and infringement? Are they handled together or separately?

In Serbia, patent validity and patent

infringement are dealt with in separate procedures conducted before different courts.

At first instance, patent validity is dealt with by the IP Office in an administrative procedure. At second instance, patent validity is considered in an administrative court procedure held before the Administrative Court.

Patent infringement matters are dealt with in a litigation procedure before the civil courts – either the Commercial Court (for disputes between legal persons and commercial entities) or the Higher Court (for disputes involving one or more natural persons).

4. To what extent is cross-examination of witnesses permitted during proceedings?

In procedures before the Commercial Court and patent matters in general, the hearing of witnesses is rare, as the procedures and evidence are mostly in written form. However, if there is a need to do so, a witness can be examined. The rules of procedure do not explicitly mention cross-examination. The examination procedure is that the witness first gives his or her statement, and then the judge and the parties can ask questions in order to check or clarify this statement.

5. What role can and do expert witnesses play in proceedings?

Experts play an important role in patent infringement matters, as most of the issues that arise require expertise. In order to determine or clarify facts that require expert knowledge, the court must engage an expert and often bases its decision on his or her opinion.

6. Is pre-trial discovery permitted? If so, to what extent?

There is no pre-trial discovery procedure in

Serbia. Evidence is collected in court procedures. It is possible to request only the preliminary securing of evidence. The Patent Law provides that if the plaintiff can prove that it is probable that its right has been infringed and that evidence may be destroyed or difficult to collect, it can request the court to secure evidence by ordering an inspection of the alleged infringer's premises, books, documents and database, as well as seizure and examination.

It is possible to ask the court to secure evidence even before filing a complaint, provided that such complaint is filed within 30 days of submission of the request.

7. Do the courts in your jurisdiction apply a doctrine of equivalents?

The Patent Law does not explicitly provide for the doctrine of equivalents. It provides only that the scope of protection conferred by a patent is determined by the claims, while the description and drawings shall be used to interpret the claims. To our knowledge, the courts have not applied this doctrine.

However, for European patents, the court may apply this doctrine on the grounds of Article 69 of the European Patent Convention (EPC) and the Protocol on the Interpretation of Article 69, according to which "for the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is an equivalent to an element specified in the claims".

8. Are certain patent rights (eg, those relating to business methods, software and biotechnology) more difficult to enforce than others?

There is a unique procedure for the enforcement of all patent rights. However, business methods and software as such are not considered to be inventions (according to the Patent Law and Article 52 of the EPC). Therefore, in cases of patents for computer-implemented inventions or business methods, it is likely that it would be more difficult to enforce such patents as the question of their patentability could be raised.

Moreover, it is certainly more difficult to enforce technically complicated or complex patents, especially if a preliminary injunction or the securing of evidence is requested. In order to obtain these measures, a plaintiff must demonstrate that infringement is probable, which is easier for less complicated patents and in matters where the probability of the infringement could be made obvious to the court without an expert report.

9. How far are the courts bound by previous decisions in cases that have covered similar issues?

The courts are generally not bound by other court decisions. However, the lower courts often rely on decisions of the Supreme Court. In addition, if a particular issue is disputed in a large number of cases before the first instance courts, the Supreme Court will adopt and publish a legal position for ruling on the disputed issue. Such legal positions are binding on the lower courts. To date, there are no legal positions concerning patent issues.

10. Are there any restrictions on who parties can select to represent them in a dispute?

In Serbia, there are no restrictions concerning the representation of parties before the courts in patent infringement disputes, except in procedures regarding extraordinary legal remedies, in which representation by an attorney at law is necessary.

In procedures before the IP Office (which include patent invalidation proceedings at first instance), foreign legal entities and natural persons must be represented by either a representative entered in the Register of Representatives held with the IP Office or a local (Serbian) attorney at law.

11. Are the courts willing to consider the reasoning of courts in other jurisdictions that have dealt with similar cases?

Courts in Serbia are not usually willing to consider foreign case law. As the Serbian courts do not have enough experience in patent matters, particularly in matters based on European patents, if a party notifies the court of a decision in a similar case from another EPC jurisdiction, the court should consider the reasoning from that decision. However, the Serbian court cannot base its decision on the foreign decision, as foreign court practice cannot be used as a source of law.

12. How easy is it for defendants to delay proceedings and how can plaintiffs prevent them from doing so?

The most efficient way for defendants to delay infringement proceedings is to initiate a procedure for nullity or invalidation of the infringed patent. The nullity procedure is conducted through an administrative procedure before the IP Office (at first instance) and then before an administrative court (at second instance). The court must treat patent validity as a preliminary question and suspend the litigation until a

legally valid and binding decision on patent validity has been issued, which may take several years.

The plaintiff could try to prevent the negative effects of delay by requesting a preliminary injunction in the lawsuit or immediately upon commencing litigation. If the court allows the injunction and if other factual and legal conditions are met, the prohibition of infringing actions can remain in force during the procedure for patent invalidation (although initiation of a procedure for patent invalidation could serve as legal grounds for cancellation of the issued preliminary injunction).

13. Is it possible to obtain preliminary injunctions? If so, under what circumstances?

Issuance of a preliminary injunction is possible. It may be requested at any time before commencing civil proceedings for infringement (provided that such proceedings are commenced within 30 days of execution of the injunction), together with the lawsuit or during the procedure. The main condition is to prove reasonable probability that the right is or shall be infringed. The court may order the following measures:

- Seizure and/or withdrawal from the market of products made or obtained by patent infringement.
- Seizure and/or withdrawal from the market of implements (eg, equipment, tools) used in the production of infringing products.
- Prohibition of further infringing actions.

If there is a risk that the injunction might cause irreparable harm to the defendant, the court may order the plaintiff to place a bond as security in order to prevent any abuse.

14. How much should a litigant plan to pay to take a case through to a decision at first instance?

It is difficult to give a general estimation of costs. The court fees depend on the value of the dispute, with a maximum of approximately €4,000. At first instance, court fees are charged for the complaint and the decision, as well as for a request and related decision on the issuance of preliminary injunction. Attorneys' fees depend on the complexity of the case, and the costs of the translation, verification and certification of documents could also be significant. The costs to reach a first instance decision can be between €12,000 and €22,000.

15. Is it possible for the successful party in a case to obtain costs from the losing party?

The general rule is that a losing party must compensate the reasonable and justified costs of the other party. In its judgment, the court rules on costs. In practice, the court does not usually accept a refund of all costs, but only the costs incurred in the court procedure (eg, court fees, expert fees and attorneys' fees). Attorneys' fees are calculated in accordance with the tariffs for attending hearings and preparation of pleadings and petitions, even though the actual costs are often much higher; therefore, attorneys' fees are partly non-refundable.

The court does not usually allow the refund of costs for translation, verification and certification of documents, which could be significant.

16. What are the typical remedies granted to a successful plaintiff by the courts?

According to the Patent Law, the following remedies to infringement claims are available:

- Determination of patent infringement.
- Prohibition of infringing acts.
- Compensation for damages caused by the infringement.
- Publication of the court decision at the defendant's expense.
- Seizure and/or destruction of products made or obtained by means of patent infringement.
- Seizure and/or destruction of material or articles (eg, equipment, tools) used in the creation of infringing products.

17. How are damages awards calculated? Is it possible to obtain punitive damages?

Damages are calculated in accordance with the general principles and rules of the Law on Obligations and Torts, and consist of actual losses and lost profits. The Patent Law provides an additional rule that if an infringement was committed intentionally or through gross negligence, the plaintiff may claim up to triple the amount of royalties that it would usually receive if the exploitation of the invention had been legally conducted.

18. How common is it for courts to grant permanent injunctions to successful plaintiffs and under what circumstances will they do this?

Permanent injunctions to prohibit future infringing acts, seizure and/or destruction of infringing products and materials can be ordered in the judgment and remain valid for as long as the patent is valid.

19. How long does it take to obtain a decision at first instance and is it possible to expedite this process?

The Patent Law states that procedures to deal with patent infringement are urgent. However, first instance proceedings take at least one year. To expedite the procedure, it is possible to ask the court to issue a partial decision in which it decides on only some of the claims (eg, the claim for determination of infringement and injunction), and then decides on the other claims (eg, the claim for compensation of damages) later on. However, this does not help if a question of patent validity is raised in a patent invalidation procedure, as the court must interrupt the procedure, prolonging the first instance proceedings (see Question 12).

First instance proceedings for the issuance of a preliminary injunction usually last from six months to one year.

20. Under what circumstances will the losing party in a first instance case be granted the right to appeal? How long does an appeal typically take?

The losing party always has the right to appeal. The grounds for appeal are:

- Severe violation of civil procedure.
- Erroneous or incomplete facts.
- Erroneous application of substantive law.

The term for filing an appeal is 15 days before a court of general competence and eight days before the Commercial Court. Appeal proceedings in Serbia are slow. It usually takes at least one year before the second instance court decides on an appeal. Appeal procedures against a preliminary injunction decision take from six months to one year.

21. Are parties obliged to undertake any type of mediation/arbitration prior to bringing a case before the courts? Is ADR a realistic alternative to litigation?

The parties are not obliged to undertake any kind of mediation or arbitration before bringing case before the court. Once court proceedings have commenced, the parties may at any time resolve the matter in court or through an out-of-court settlement. During the proceedings, the court may suggest that the parties try to resolve the matter through mediation, but it cannot require or order the parties to do so.

22. In broad terms, how pro-patentee are the courts in your jurisdiction?

The Serbian courts cannot be considered as pro-patentee. In the past, under previous Patent Laws, it was almost impossible to enforce patent rights successfully, particularly in cases in which the holder of the patent was a foreign company and the defendant was a Serbian company. In recent years the new patent legislation has served as stronger legal grounds for the efficient enforcement of IP rights. However, there are not enough court cases to determine whether the courts are now more pro-patentee than previously.

23. Has your jurisdiction signed up to the London Agreement on Translations? If not, how likely is it to do so?

Serbia has not signed the London Agreement. The Patent Law provides that a holder of a patent, within a term of three months from publication, must submit to the IP Office a translation into Serbian of the patent specification, claims and abstract.

24. Are there any other issues relating to the enforcement system in your country that you would like to raise?

A new Patent Law is expected at the end of 2011. This will result from harmonisation with the EPC, the Patent Law Treaty and EU directives, as well as the correction of weaknesses in the current Patent Law. *iam*



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