

Ukraine

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1. Legal framework

National

Provisions relating to the protection of trademark rights are contained in:

- the Civil Code of Ukraine, effective as of January 1 2004, last amended on May 31 2007;
- the Commercial Code of Ukraine, effective as of January 1 2004, last amended on December 3 2007;
- the Criminal Code of Ukraine, effective as of September 1 2001, last amended on October 1 2007;
- the Code on Administrative Infringements, effective as of December 7 1984, last amended on January 1 2008; and
- the Customs Code of Ukraine, effective as of January 1 2004, last amended on December 28 2007.

Rules on procedure for the enforcement of trademark rights are set out in:

- the Civil Procedure Code of Ukraine, effective as of March 18 2004, last amended on April 19 2007;
- the Commercial Procedure Code of Ukraine, November 6 1991, last amended on May 11 2007;
- the Criminal Procedure Code, effective as of December 28 1960, last amended on May 24 2007; and
- the Code on Administrative Jurisdiction, effective as of September 1 2005, last amended on December 1 2006.

The major law governing trademark issues is the Law of Ukraine on the Protection of Rights to Trademarks and Service Marks (Trademark Law), in force since July 1 1994, with amendments dating from June 16 1999, February 6 2001 and June 25 2003.

Areas of overlap with related rights are also subject to:

- the Law of Ukraine on the Protection against Unfair Competition, effective as of June 7 1996, last amended on May 15 2003;
- the Law of Ukraine on the Protection of Rights to Industrial Designs, effective as of December 15 1993, last amended on June 25 2003; and
- the Law of Ukraine on Copyright and Related Rights, effective as of December 23 1993, last amended on November 20 2003.

International

International treaties and conventions in force in Ukraine include the following:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement on the International Registration of Marks;
- the Madrid Protocol on the International Registration of Marks 1989;
- the Nice Agreement on the International Classification of Goods and Services for the Purposes of the Registration of Marks; and
- the Trademark Law Treaty.

In a declaration of September 21 1992 Ukraine declared that the Paris Convention and the Madrid Agreement continue to apply in its territory, and that their date of entry into force is considered to be the date of independence (December 25 1991). The provisions of the Madrid Protocol have applied since its effective date, which is December 29 2000.

On March 28 2006 Ukraine signed the Singapore Treaty on the Law of Trademarks, but this treaty has not yet been ratified.

2. Unregistered marks

Protection

A trademark that has obtained the status of a well-known mark in Ukraine is treated in the same way as if an application for registration had

been filed on the date on which the Chamber of Appeal of the Ukrainian Trademark Office (the State Department of Intellectual Property) or the court recognized it as well known. Under the current procedural laws, only the general courts have jurisdiction over cases involving the recognition of trademarks as well known.

The protection also extends to goods and services that are dissimilar to those for which the mark is recognized as well known if the use of this mark for such goods and services by another party might associate that party with the owner of the well-known mark whose interests are likely to be damaged by such use.

Consequently, the owner of a well-known mark has an exclusive right to use its mark and may prevent any third party from unauthorized use of an identical mark or confusingly similar mark.

The owner of the well-known mark has the right to file formal objections against later applications pending registration, as well as to file infringement and cancellation actions.

Use requirements

For a mark to be recognized as well known, it must be sufficiently used to acquire a high degree of fame in Ukraine. The regulations governing the procedure for the recognition of marks as famous by the Chamber of Appeal do not specifically set a threshold at which a mark may be considered to be well known; therefore, an expert opinion may be necessary to evidence sufficient use in a certain field and among a specific group of consumers. For example, the fame of a mark among target consumers may be confirmed based on the results of a poll conducted by an accredited research institution that specializes in sociological and market research. Such a poll must cover at least six major cities in various geographical regions in Ukraine, with populations of at least 500,000 people.

Preference is given to polls conducted in major cities such as Kiev, Kharkiv, Lviv, Odessa, Dnipropetrovsk, Lugansk, Donetsk and Sevastopol.

The following factors are of particular importance when assessing the fame of a mark:

- the volumes of sales or offerings of services;
- the list of regions of Ukraine in which such goods or services are offered for sale;
- the average number of consumers as of the date mentioned in the application for well-known status;
- the target consumers;
- the position of the manufacturer on the market in the specific economic field;
- the volumes of exports or imports of the goods for which the mark is used; and
- the value of the mark according to the owner's financial reports.

3. Registered marks

Ownership

Any person or association of persons, or its successor in title, is entitled to obtain a certificate of registration. The definition of 'person' under the Trademark Law is broad and implies any natural person or legal entity.

Intent to use and actual use are not treated as prerequisites for applying for trademark registration. The application itself is taken as an intent to use. At the same time, the Trademark Law provides for cancellation based on non-use.

The current law does not require that the applicant be involved in commercial activity for it to be entitled to apply for registration.

Non-residents enjoy the same rights as nationals and must appoint a representative (a registered patent attorney in Ukraine).

Scope of protection

Protection is granted to marks that are not contrary to public order or human and moral principles, and which are not subject to refusal based on absolute grounds.

According to the Trademark Law, a mark may be comprised of any sign or combination of signs. In particular, these may be word signs, including proper names, letters, numerals, figurative elements, colours or combinations of colours, as well as any combination of such signs. Three-dimensional marks, sounds, light signals and colours *per se* may also obtain protection under the law. However, in practice, applications for colours *per se* are not accepted as the Pantone code system does not apply.

The following four groups of sign may not obtain protection in Ukraine:

- signs representing or imitating:
 - armorial bearings, flags and other official insignias (emblems);
 - official names of states;
 - emblems and full or abbreviated names of international intergovernmental organizations;
 - official control, warranty and standard marks, and stamps; or
 - decorations and other honorary signs.Such signs may be included in a mark as elements subject to disclaimer, provided that consent has been given by or on behalf of a competent authority or the trademark owner;
- signs that:
 - are usually devoid of distinctive character and have not acquired distinctiveness through use;
 - consist only of signs which are common names for goods and services of a given type;
 - designate the kind, quality, quantity, properties, intended purpose, value of goods and services, or the place and time of production or sale of goods or of rendering of services;
- are misleading or likely to deceive the public as to the nature of the goods or services, or as to the person manufacturing the goods or rendering the services;
- consist only of signs which are symbols or terms of general use; or
- represent a shape which is due to the natural state of the goods or the need to achieve a technical result, or which increases the value of the goods;
- signs that are identical or misleadingly similar to:
 - marks which have been registered or are the subject of an application for registration for similar or related goods and services on behalf of another person in Ukraine;
 - marks of third parties, where such marks are protected without registration under international treaties to which Ukraine is a party – in particular marks recognized as well known under the provisions of Article 6bis of the Paris Convention for the Protection of Industrial Property;
 - trade names known in Ukraine and owned by third parties which had acquired their rights in such trade names before the date on which an application for registration of a trademark for similar goods and services was filed with the Ukrainian Trademark Office;
 - appellations of origin (including spirits and alcoholic beverages) protected under the Law of Ukraine on the Protection of Rights to Appellations of Origin; and
 - certification marks; and
- signs that reproduce:
 - industrial designs of third parties;
 - names of scientific, literary and artistic works famous in Ukraine, or quotations or characters from such works, works of art or parts thereof, without the consent of the copyright owners or their successors in title; or

- surnames, forenames, pseudonyms and names derived therefrom, or portraits or images of persons known in Ukraine, without the consent of those persons.

4. Procedures for registered marks

Examination

Trademark applications are subject to examination by the Examining Authority of the Ukrainian Trademark Office on both a formal and substantive basis. Formal examination is to ensure conformity with formal requirements, while during substantive examination the authority checks that the mark conforms to the requirements of registrability – in particular, distinctiveness.

Decisions of the Examining Authority may be appealed to the Chamber of Appeals or a court within two months of the date of receipt of the decision. Decisions of the Chamber of Appeals may be appealed to the courts within two months of the date of receipt of the decision.

Opposition

Opposition as an administrative proceeding is not available in Ukraine. If the Ukrainian Trademark Office has issued a decision as to the grant of a certificate of registration, third parties cannot oppose the registration. At that stage, the only option open to third parties is to initiate a cancellation action through the court.

However, an applicant may appeal or oppose a decision of the Ukrainian Trademark Office issued in regard to a pending trademark application. The law provides that this may be done either before the Chamber of Appeals of the Ukrainian Trademark Office or before the courts. Decisions of the Chamber of Appeals may be

appealed to the courts.

In lieu of opposition proceedings, the law provides for informal observations or letters of protest by third parties. Under the law, any person may file an observation based on the grounds that the sign applied for does not meet “the conditions for the grant of protection set forth by the law”. This implies that such observations may be filed based on both absolute and relative grounds.

Such observations are taken into consideration at the substantive examination stage, provided that they were filed no later than five days before the issuance of a final decision on the application. The examiner must send a copy of such observations to the applicant, which has two months from the date of receipt to object to the observations or amend or withdraw the application. The results of consideration of such observations will be reflected in the final decision. A copy of the final decision must also be sent to those that filed observations.

Both parties may appeal such a decision to the Chamber of Appeal and, ultimately, the courts.

Registration

Once examination is completed and the mark is found to be registrable, the Examining Authority will issue its decision. The owner of the mark has three months from the date of issue to pay the official registration and publication fees.

The Trademark Office publishes the particulars of the registration within one month of payment of the requisite fees. Upon publication, the Trademark Office officially registers the mark by entering the relevant particulars in the Trademarks Register.

The certificate of registration is valid for 10 years from the filing date. Renewals are for subsequent terms of 10 years.

Removal from register

Under the current law, there is no administrative procedure before the Ukrainian Trademark Office which allows for the removal of a mark from the Trademarks Register through invalidation. A trademark registration may be cancelled only by the courts.

The administrative procedure for removal before the Trademark Office is available only for:

- surrender – a trademark owner may at any time surrender its certificate in full or in part by filing a relevant statement of surrender with the Trademark Office. The surrender becomes effective as of the date of publication of a relevant notice in the *Official Bulletin*; and
- revocation due to non-payment of renewal fees – a registration is revoked in the event of failure to pay the applicable renewal fees. The Trademark Law provides for payment of such fees during the last two months immediately preceding the date of expiry of the certificate. Late payment of the renewal fees is possible with an additional 50% penalty.

Revocation: At the request of a third party, a court may cancel a registration for all or part of the goods and/or services covered if the trademark was not used in Ukraine within three years of the date of publication of the grant of the certificate.

The mark will not be cancelled if the owner can provide justification for non-use.

Invalidation: A court may cancel a registration due to the fact that, after the filing date, a mark has become a generic name for the goods and/or services set out in the registration.

Cancellation: At the request of a third party, the court may cancel a registration based on the following grounds:

- Absolute grounds for refusal existed at the

time of trademark application;

- The application was filed in bad faith; or
- The registration contains elements relating to the representation of the mark or to the list of goods and services which were not present in the application as filed.

The Code on Administrative Jurisdiction, which provides for a period of limitation of one year, affects trademark owners in that, except for non-use revocation actions, all other cancellation actions must now be filed within one year from the registration date.

5. Enforcement

Complexity

Preparation for infringement actions: When preparing for an infringement action in Ukraine, a mark owner must bear in mind, among other things, that in both administrative and criminal proceedings it is required to provide proof of the infringer's intent. If the infringer is the manufacturer of counterfeit goods, intent is implied. However, in other cases, such as alleged infringement by a retailer, the court will always demand that the plaintiff provide evidence proving the infringer's intent. Thus, in most cases mark owners should send warning letters or notices to the infringer.

In addition, mark owners should involve enforcement agencies in the collection of evidence. As of February 2005 police can access the premises of an infringer, but can no longer collect evidence without a special court order. An order can be issued within 24 hours of a request.

Further, under Ukrainian law the court may call on a certified court expert if objective consideration of the case requires special knowledge. In practice, in all cases involving IP rights, the court orders expert opinion and

entrusts that expert opinion to a special expert body or a certified court expert.

Jurisdiction: The implementation of the Code on Administrative Jurisdiction on September 1 2005 has brought some changes to the determination of jurisdiction for invalidation actions. Until this date, jurisdiction was decided based on the parties to the proceedings. If both parties were legal entities, the case would fall under the jurisdiction of the commercial courts. If at least one party was an individual, the case would fall under the general jurisdiction.

Pursuant to the code, invalidation actions in which the Trademark Office acts as a defendant fall under the jurisdiction of the administrative courts. The formation of the administrative court system has already been completed with the creation of courts of first instance, appellate courts and the Supreme Administrative Court, which acts as a cassation court.

Administrative action: Administrative procedures, in particular against acts of unfair competition, may be initiated before the Anti-monopoly Committee of Ukraine. The administrative procedure is initiated by filing a request to the committee or to its regional offices within six months of the date on which the rights holder became aware of an infringement.

Rights holders should bear in mind that if they wish to obtain recognition of an act of unfair competition and claim damages from such acts, they may need to take more action. First, they must file a complaint with the Anti-monopoly Committee to obtain a decision recognizing the infringing acts as acts of unfair competition; only then can they apply to the commercial courts to claim damages.

The application of administrative penalties against IP rights infringers is possible through court procedures. The Code on Administrative

Offences provides for fines to be imposed on infringers and for the confiscation of goods that infringe IP rights.

Civil action: In civil procedures, the rights holder is entitled to claim for payment of an indemnity, including lost profits and moral damages (available through courts of general jurisdiction and commercial courts). The rights holder can request that the goods infringing its IP rights be seized and destroyed.

As in many other countries, the plaintiff may file a civil claim in the course of criminal proceedings (before the court investigation has been initiated).

If a criminal case is initiated without the rights holder, the latter will be involved in the proceedings as a civil plaintiff which must file a request for compensation for damages.

At the time of initiating legal proceedings or after legal proceedings have been initiated, IP owners may apply to secure the claim, in particular in cases where failure to do so may prevent the execution of court orders.

A claim may be secured by:

- seizing property and finances in the possession of the infringer;
- limiting activities of the infringer (including limiting its ability to dispose of its finances); and
- prohibiting other persons from performing activities pertaining to the claim.

Preliminary injunctions: Both the commercial and civil procedures provide for the application of provisional measures before the initiation of the proceedings on the merits. These include:

- ordering evidence;
- inspecting premises where an infringement has occurred; and
- seizing property.

The law obliges a plaintiff who applies for an interlocutory injunction to file a claim within 10 days of the date of the injunction order. After a suit has been brought by an applicant before a court, provisional measures are treated as security for the claim.

When filing an application for an interlocutory injunction, the applicant should bear in mind that the court may order it to provide security sufficient to prevent the abuse of provisional measures. The amount of such security is determined by the courts based on the circumstances of the case, but it may not exceed the claimed damages. In circumstances where provisional measures have been revoked or the plaintiff has lost the case, the defendant affected by the provisional measures is entitled to claim for damages suffered due to the adoption of the provisional measures.

Criminal action: If illegal use of a trademark has resulted in considerable damage, the infringer may be subject to fines, imprisonment with hard labour for a term of up to two years or imprisonment for the same term with confiscation and destruction of the infringing goods and the equipment and materials used in their manufacture. For crimes by officials involving abuse of official status or committed by an organized group of conspirators, the law provides for a term of imprisonment of three to six years.

Damage is treated as considerable if it amounts to 20 times the 'untaxable minimum citizen's income', which is tied to the minimum salary – as of January 1 2008, this was approximately UAH10,300, which is approximately €1,350. This amount increases as, according to the Law on the State Budget in 2008, the minimum salary will be reviewed three times in 2008. Thus, by the end of 2008 the threshold for criminal liability will reach a maximum of UAH12,100, which is equivalent to about €1,600.

Under the current trademark law, the illegal use of

a trademark relates to the following types of use:

- application of the mark on any goods for which it has been registered, their packaging, signboards related to these goods, labels, tabs, tags or any other items affixed to the goods; storage of goods bearing the mark for the purpose of offering them for sale; offer of these goods for sale; and sale, import and export of these goods;
- use of the mark in relation to the provision or offering of any service in respect of which it has been registered; and
- use of the mark in business papers or advertising, as well as on the Internet, including use in domain names.

The trademark is deemed to have been used if it is used in the form of the sign as registered, as well as in a form that differs from the registered sign only in certain elements, provided that this does not detract from the overall distinctive character of the sign.

Border measures: In Ukraine, as in the European Union, rights holders may take measures to prevent infringing goods from entering the market by applying to have their trademarks registered with Customs.

On November 16 2006 Parliament passed Bill 2,414 amending the Customs Code provisions on IP rights protection. The bill entered into force on February 12 2007.

The new law establishes a more transparent and efficient system for cross-border IP rights protection. In particular, it introduced long-awaited provisions on the registration of IP rights themselves, rather than the goods incorporating them. The relevant provisions are included in Article 256 of the Customs Code, which also provides for promulgation of the list of IP rights registered with Customs. The transition to globally recognized practice has been made through changes to the

monitoring regime for goods travelling across borders and amendments to the relevant registration fees.

The new regulations establishing the procedure for registration with Customs also entered into force in 2007.

Under the revised procedure set out in Article 257, Customs must inform the registered trademark owner of the suspension of goods suspected of infringing IP rights no later than the day after the suspension. The trademark owner has 15 days either to apply to the court or, if there are valid grounds for being unable to take action within the time limit, to submit a written request to Customs for an extension. Failure to take action within the time limit without notifying Customs results in the release of the suspended goods.

If, within 15 days of the suspension of the goods, the trademark holder informs Customs in writing that it has filed for an injunction, Customs may extend the time limit for taking action by another 15 days.

Once the court issues an injunction, the trademark owner should submit a copy to Customs so the authority can extend the suspension of the goods for the time period covered by the injunction. If no injunction is issued, Customs releases the goods.

The trademark owner and the Customs applicant are entitled to request Customs to provide samples of the suspended goods for expert examination. The experts' reports should be submitted to Customs.

If, within the suspension period, Customs receives an expert report confirming that the suspended goods infringe IP rights (this must be a report provided by a certified court expert), it may initiate administrative proceedings based on

the violation of Customs regulations. In such cases, the suspended goods may be confiscated and destroyed based on a court resolution.

Prior to the revisions to the code, the trademark owner had to submit a letter of guarantee to Customs in regard to possible damages incurred by the owner of the suspended goods and the cost of storage. However, the revised code provides that the trademark owner must now deposit a pledge in the amount of €5,000 or an equivalent guarantee with Customs. An alternative to a monetary deposit is a banker's guarantee. However, only a guarantee of a Ukrainian bank is acceptable. Thus, this is often the preferable solution for companies with affiliates or representative offices in Ukraine.

Under the current Customs Code, Customs has powers to act *ex officio*. Article 257(1) of the Customs Code provides that if there are sufficient grounds to suppose that the transportation of certain goods may infringe IP rights, Customs may take action on its own initiative.

In case of *ex officio* actions, Customs must notify the rights holder of the seizure of the suspect goods on the same day as the seizure takes place. The rights holder has only three days to submit a written request regarding the protection of its IP rights and to provide a guarantee to cover Customs' expenses and possible damages caused to the owner of the detained goods – thus, the rights holder has three days to deposit a pledge of €5,000. If the rights holder does so within the time limit, Customs suspends clearance of the goods for 15 days. If the rights holder fails to do so within the three-day term, Customs must clear the goods.

The current provisions of Section X of the code, relating to Customs measures to protect IP rights, do not extend to goods in transit, bought by individuals for personal use or sent using international courier services.

Timeframe

Administrative proceedings generally take a minimum of three months. If a warning letter is sent, an extra two weeks to one month from the date on which this letter is sent until the time when an action can be started should be added.

As far as court proceedings are concerned, there are no strict terms prescribed by the law. Therefore, the duration of such proceedings depends on each particular case.

6. Ownership changes – legalization requirements

No legalizations are required to record changes of ownership and transfers of rights (assignments and licences) with the Ukrainian Trademark Office. Where a power of attorney is used, this needs only be signed by an authorized representative of the trademark owner; it need not be notarized.

7. Areas of overlap with related rights

A trademark may also be subject to copyright or design rights, in which case the provisions of the respective copyright and design rights laws are applicable.

If a trademark – for example, a logo, label or three-dimensional mark – is the result of an artistic design, it may be subject to either design or copyright protection, depending on the nature of the design. Brand owners often seek to protect such signs both as trademarks and as designs.

Cases in which trademark rights overlap with copyright include:

- an original label that is subject to copyright protection and which is registered as a

trademark at the same time; and

- a trademark corresponding to the title of an artistic work.

8. Online issues

Under the Trademark Law, the use of commercial signs on the Internet, including in domain names, constitutes use of a mark. If such use infringes earlier rights, it may be prevented through available remedies provided for trademarks. In the same way, it is possible to prevent unauthorized or infringing domain registrations. Infringing use in metatags is also thought to be covered by the law. However, no relevant case law exists as yet.

The rules governing the Ukrainian ‘.ua’ country-code top-level domain (ccTLD) (available at www.hostmaster.net.ua/policy) were adopted in 2001.

To ensure that IP rights are protected, supplemental rules have been put into place, which provide that second-level domain names in the ‘.ua’ ccTLD can be registered only by applicants that own the corresponding trademark.

The Rules for Uniform Domain Name Dispute Resolution Policy have not been implemented in Ukraine and there are no administrative procedures for cancellation of an infringing domain name registration cancelled. A cancellation decision may be obtained through the courts.