

Russia

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1. Legal framework

National

The Russian IP legislation comprises the following laws:

- the Patent Law (3571-1, September 23 1992);
- the Law on Trademarks, Service Marks and Appellations of Origin (3520-1, September 23 1992);
- the Law on Legal Protection of Computer Programs and Databases (3523-1, September 23 1992);
- the Law on Legal Protection of Topographies of Integrated Circuits (3526-1, September 23 1992);
- the Law on Selection Achievements (Plant Varieties and Animal Breeds) (5605-1, August 6 1993); and
- the Law on Copyright and Related Rights (5351-1, July 9 1993).

As of January 1 2008 these laws will be replaced by Part IV of the Civil Code, which will incorporate all these laws into a single statute.

In addition to these specific laws, a number of general law provisions regulate IP rights, including:

- the Civil Code;
- the Criminal Code;
- the Code of Administrative Offences;
- the Customs Code; and
- the Competition Protection Act.

International

The Russian Federation is party to the following multilateral international agreements on intellectual property:

- the Convention Establishing the World Intellectual Property Organization;
- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement and Protocol Concerning the International Registration of Marks;

- the Nice Agreement Concerning the International Classification of Goods and Services;
- the Locarno Agreement Establishing an International Classification for Industrial Designs;
- the Patent Cooperation Treaty;
- the Strasbourg Agreement Concerning the International Patent Classification;
- the Convention Relating to the Distribution of Program-Carrying Signals Transmitted by Satellite;
- the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure;
- the World Copyright Convention;
- the Berne Convention for the Protection of Literary and Artistic Works;
- the Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms;
- the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations;
- the International Convention for the Protection of New Varieties of Plants;
- the Trademark Law Treaty; and
- the Eurasian Patent Convention.

2. Unregistered rights

The law provides no rights for unregistered trademarks. Registration is granted on a first come, first served basis.

3. Registered marks

Ownership

Any legal entity or natural person engaged in business activities (ie, an individual entrepreneur) can apply for a trademark.

It is also possible to register collective marks, which may be owned by an association of persons (ie, of legal entities and/or natural persons).

Scope of protection

The Trademark Law provides a non-exhaustive list of designations (eg, word, figurative, three-dimensional) that can be registered as trademarks. A trademark may be registered in any colour or combination of colours. However, there are certain limitations. A designation will not be registered as a trademark if it is not distinctive or consists only of elements which:

- are in common use to designate goods of a certain kind;
- are generally adopted symbols and terms;
- describe goods, including the type, quality, quantity, properties, purpose or value of the goods and the place and/or time of their manufacture or sale; or
- represent the shape of goods which is determined exclusively or mainly by the properties or function of the goods.

These signs may, however, be incorporated as non-protected elements provided that they do not prevail.

The law also prohibits the registration of signs with elements that are:

- misleading or capable of misleading consumers in respect of a product or its manufacturer; or
- contrary to public interest, principles of humanity or morals.

4. Procedures

Examination

The examination procedure is composed of formal and substantive examination.

A formal examination is conducted within one month of the date of filing an application. The purpose of such examination is to verify whether the application meets the formal requirements. As a result of the formal examination the Patent and Trademarks Office (PTO) issues a decision either accepting the application for consideration or rejecting it.

The formal examination is followed by the substantive examination, which verifies whether the claimed designation complies with the requirements for registration of a trademark.

After the substantive examination the PTO issues its decision, either registering or refusing the trademark.

The examiner is entitled to issue enquiries and notifications during the substantive examination. The deadline for responding to notifications is six months from the date of notification (non-extendible), whereas an applicant may apply for an extension of the time within which to reply to an enquiry.

During the examination process the applicant is entitled to file amendments to the application materials and make necessary corrections, provided that the amendments and corrections do not alter the substance of the application materials.

The decision of whether to register a trademark may be reconsidered before registration of the mark on the grounds of:

- the filing of another application to register an identical or similar mark in respect of similar or identical goods with earlier priority;
- the registration of a similar or identical sign as an appellation of origin;
- the existence of a pending application or trademark registration for the same mark in respect of the same goods, provided that the pending application and trademark

registration have the same or an earlier priority date; or

- the recordal of amendments that could create confusion among the public as to the goods and their origin.

Opposition

The Trademark Law does not provide for the possibility to oppose a trademark application during examination. However, it is possible to file a cancellation action against a trademark after registration. The time limit for cancellation actions based on the grounds of similarity is five years from the publication date.

In addition, a cancellation action may be initiated on the following grounds:

- if the trademark registration was illegally obtained in the name of an agent of the genuine trademark owner without its consent;
- if the trademark registration was obtained in bad faith; or
- if the trademark has not been used in Russia within three years of the registration date or during the three years before a cancellation action is filed.

Registration

A trademark is registered on the basis of a decision to register by the PTO following the substantive examination. The trademark is entered into the Register of Trademarks within one month of payment of the registration fee. If no registration fee is received, the application is treated as being withdrawn and the trademark is not registered.

Removal from register

A trademark can be removed from the register on the following grounds:

- cancellation based on non-use;
- if the owner expressly withdraws it;
- if the trademark is not renewed; or

- if the trademark is successfully opposed.

Searches

The PTO conducts searches for both identical and similar trademarks. It also carries out searches for word designations, including slogans, and graphic marks. It does not conduct trade name searches, but a trade name may be searched as a trademark.

Searches entail the following costs:

- search for a word mark (results within one month) – \$100 in one class, plus \$20 for each additional class;
- search for a word mark (results within two weeks) – \$200 in one class, plus \$40 for each additional class;
- search for a word mark (results within one week) – \$300 in one class, plus \$60 for each additional class;
- search for a graphic mark (results within one month) – \$250 in one class, plus \$50 for each additional class;
- search for a graphic mark (results within two weeks) – \$500 in one class, plus \$100 for each additional class; and
- search for a graphic mark (results within one week) – \$750 in one class, plus \$150 for each additional class).

Validity

A trademark registration is valid for 10 years from the date of filing an application. The term of validity may be extended for further 10-year periods at the request of the owner during the final year of validity. If the term of validity has expired, the owner may renew the trademark within six months for an additional fee.

Amendments

The PTO should be notified of any change of name relating to the trademark. Otherwise, the trademark owner will be unable to protect the mark. A merger is also registered

as a change of name in respect of the trademark.

When amending a trademark, a notarized document (eg, an excerpt from the Commercial Register confirming the change of name or merger) and a power of attorney must be submitted.

Once an amendment has been recorded the PTO issues a supplement to the certificate of registration stating the renewal of the trademark and the amendments.

5. Enforcement

Infringement is the use of a trademark or a confusingly similar sign in respect of the goods for which the trademark has been registered or similar goods without the owner's permission.

The goods, and the labels and packaging of those goods on which the trademark or a confusingly similar sign is used unlawfully, are deemed to be counterfeit.

The owner of a trademark can resort to statutory remedies in case of infringement. Depending on the nature and gravity of the infringement, administrative, civil or criminal remedies are available.

There are no specialist IP courts in Russia. The commercial courts handle civil trademark infringement matters.

Administrative remedies

The Code of Administrative Offences states that unlawful use of a trademark is punishable by confiscation of the infringing goods and an administrative fine of:

- Rb1,500 to Rb2,000 for individuals;

- Rb10,000 to Rb20,000 for government officials; and
- Rb30,000 to Rb40,000 for legal entities.

The court considers the case within 15 days of receipt of the statement of case.

A petition may also be filed to the Anti-monopoly Service on the grounds of unfair competition involving a trademark; the authority can issue a directive ordering the infringer to cease the illicit activities.

Civil remedies

Before the courts the trademark owner may demand the cessation of infringement (eg, an injunction). In addition, it may claim damages for losses and lost profits, as well as recovery of the profits received by the infringer. Instead of damages, the trademark owner may demand compensation of between Rb100,000 and Rb5 million.

In addition, the following civil law remedies are available in connection with the unlawful use of a trademark:

- publication of the court's decision for the purpose of restoring the owner's commercial reputation;
- removal of the illegally used trademark from the counterfeit goods and packaging at the infringer's expense; and
- destruction of the counterfeit goods and packaging at the infringer's expense if the infringing trademark cannot be removed.

The court may order injunctive relief forbidding the defendant to perform actions related to the subject matter of proceedings or ordering the seizure of the defendant's property. The court shall consider the petition for injunctive relief no later than the day after the claimant files such a petition with the court.

Civil proceedings take between three and six months to render a first-instance decision.

Criminal remedies

Article 180 of the Criminal Code provides criminal sanctions for trademark infringement. In order to qualify for criminal prosecution, the infringement should cause significant damage or be recurrent. In the case of criminal charges, the infringer may face:

- a fine of up to Rb200,000;
- forced labour of between 180 and 240 hours; or
- correctional work for up to two years.

If the infringement is carried out in collusion or by an organized group of infringers, the offenders can be punished by:

- a fine of between Rb100,000 and Rb300,000;
- a fine imposed on the infringer's salary or income for up to two years;
- detention for four to six months; or
- imprisonment for up to five years.

Customs action

The Customs Code does not allow the entry of goods into Russia whose importation would infringe trademark rights.

A trademark owner may apply for inclusion of its trademark in the Customs Register. Upon inclusion of the trademark in the register, the Customs Authority monitors the importation of goods bearing that trademark and, if such goods are imported by an unknown importer, the authority may suspend the release of such goods and inform the trademark owner accordingly.

6. Ownership changes – legalization requirements

The exclusive rights to a trademark in respect of some or all of the goods for which it has been registered may be assigned. Assignment is not

allowed if it would mislead consumers with regard to the goods or their manufacturer. In addition, the right to use a trademark in respect of some or all of the goods for which it has been registered may be granted under a licence agreement.

Both types of agreement are subject to mandatory registration with the PTO. Unless registered, they are deemed to be invalid.

The following documents must be submitted to the PTO to register an assignment or licence:

- the assignment deed or licence agreement, duly signed and sealed (if the company has a corporate seal) - either three originals or three notarized and apostilled copies;
- powers of attorney from the trademark owner and the assignor or licensee, signed and sealed (if the company has a corporate seal); and
- the trademark registration certificate (optional).

A licence agreement shall contain the following information:

- the full names and addresses of the parties to the agreement;
- the subject of the agreement (eg, the trademark registration certificate number or the international registration number);
- the type of transferred rights (eg, exclusive or non-exclusive licence);
- the scope of the transferred rights (eg, territory, duration of the agreement and types of goods and services); and
- a clause stipulating that the quality of the licensee's goods shall not be inferior to that of the licensor's goods.

These provisions are the essence of the licence agreement. Changes to such provisions, as well as early termination of the licence agreement, should be registered with the PTO.

7. Areas of overlap with related rights

Rights in company names

A word designation may be registered as a trademark and/or as a company name. A legal entity whose name has been duly registered has the exclusive right to its use.

A company name consists of two parts: an indication of its legal form (eg, LLC, Ltd) and the substantive part (eg, KROMA). The substantive part facilitates the company's recognition on the market. Therefore, the company name is as important as a trademark.

The Trademark Law provides that no trademark may be registered if it is identical to the whole or part of a company name if that company deals in similar goods.

Situations where a trademark is registered and another party subsequently registers a company name containing that mark as a company name are not regulated by the law. This lack of regulation can give rise to disputes, which can be settled only if it is proven that the company name containing the trademark was registered in bad faith.

Copyright

Copyright extends to works of science, literature and art that result from creative activity, and to the parts of such works (including their titles) that fit the originality requirement. Therefore, logos, device marks, labels and three-dimensional objects that are the product of creative work enjoy copyright protection. They may also be registered as trademarks.

No trademark may be registered without the consent of the copyright owner or its successor in title if it is identical to the title of a work of science, literature or art, or a character or quotation from such a work known in Russia before the filing date.

8. Online issues

The use of a domain name that includes a trademark registered by another party is regarded as trademark infringement if the relevant website offers identical goods and services to those for which the trademark is registered

