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Pepeliaev, Goltsblat & Partners

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Protection of well-known trademarks in Russia

By **Larissa Lyssenko** and **Alexandra Pelikh**, Pepeliaev, Goltsblat & Partners

In line with rapid economic growth around the world, each year sees an increase in the number of commercial entities putting their goods and services on the market.

The concept of the trademark was introduced in order to distinguish the goods and services of one commercial entity from those of others. However, a trademark is more than just a badge of origin: it also guarantees the quality of the trademarked goods or services and establishes the reputation of the trademark owner. Trademarks thus often acquire considerable economic value and become widely known among consumers as generally recognised symbols.

Russian law provides for the registration of trademarks with an authorised body which carries out an expert examination to ensure that the trademark is registrable, and is not identical or similar to the existing trademarks of third parties. As an alternative to registration, however, a trademark may be enforced if it is recognised as well known by virtue of its long-term use by the applicant in relation to its goods or services.

A well-known trademark affords the rights holder greater advantages than a trademark which is registered in the usual manner. This is because a trademark is protected from its priority date, which in most cases is the date on which the registration application is filed with the relevant authority. However, if a trademark obtains well-known status, it is protected not from the date on which the relevant application is submitted or the ruling issued, but from the date on which it is established that the trademark became well known.

In addition, there is no time limit for the legal protection of a well-known trademark, so there is no need to renew the protection every 10 years, as for ordinary trademarks.

To ensure effective protection of the

rights of economic entities, the trademark laws in many countries (eg, Germany, France) include special provisions on well-known trademarks. The protection of well-known trademarks is based not only on national legislation, but also on international treaties, in particular the Paris Convention for the Protection of Industrial Property (Article 6*bis*). In several countries (eg, Austria, Japan), well-known trademarks are protected under the laws on unfair competition. Finally, on the basis of Article 6*bis* of the Paris Convention, well-known trademarks are enforceable in countries that lack any special rules governing these designations.

Russia belongs within the first group of states: it has long been possible to obtain legal protection for well-known trademarks in Russia, based on Russia's adherence to the Paris Convention and the provisions of the Russian Constitution, which establish that international treaties prevail over diverging domestic legislation.

Russian law gives no precise definition of what constitutes a well-known trademark. The reason for this lies in the fact that there are two ways in which to acquire rights to a trademark. The first is through registration with a relevant authority; this principle operates in all countries applying continental law in the IP sphere. The second is through the right of prior use under the Anglo-Saxon legal system, according to which actual use of the trademark is of much greater significance than registration. In order to combine these two principles, the Paris Convention provides that well-known trademarks are protected without registration. It is sufficient to prove in court that the trademark is indeed well known. In Russia, unlike in Britain or the United States, a pre-trial procedure has been introduced for establishing well-known status before the patent authority.

Since the Law of the Russian Federation "On Trademarks, Service Marks and

Appellations of Origin" was passed in 1992, and since an authority was set up to recognise marks as well known, it has been possible to enforce and protect well-known trademarks in the Russian Federation. As a result of the law, protection of a trademark may be granted not only by virtue of registration, but also by virtue of international treaties to which the Russian Federation is a signatory, as well as on the basis of bylaws.

Currently, all legal relations associated with well-known trademarks are regulated by Part 4 of the Civil Code of the Russian Federation, which came into effect on 1st January 2008. Under Part 4, three types of trademark may be recognised as well known in Russia:

- Trademarks protected in the territory of Russia on the basis of state registration (ie, trademarks that were applied for and registered under the national procedure);
- Trademarks protected in the territory of Russia without registration, by virtue of international treaties to which the Russian Federation is a signatory (ie, trademarks that have obtained protection in accordance with the Madrid Agreement concerning the International Registration of Marks and the Protocol Relating Thereto); and
- Designations used as trademarks but not enjoying legal protection in the territory of Russia.

Pursuant to Article 6*bis* of the Paris Convention and, correspondingly, Part 4 of the Civil Code, the following characteristics of a well-known trademark may be identified:

- Intensive use;
- Recognition as well known in the Russian Federation among the relevant population groups; and
- Recognition as well known as a trademark that individualises the goods and services of a specific economic entity.

The effective legislation does not specify the period for which the trademark must have been used intensively. This might depend, for example, on:

- The intensity of the advertising campaigns and promotion of the goods on the market;
- The type of goods; and
- The range of consumers.

Information on intensive use of a trademark in Russia might include:

- The date on which the trademark began to be used;

- The list of population centres in which the goods have been sold;
- Sales volumes;
- Methods of using the trademark;
- The average annual number of consumers of the goods; and
- The manufacturer's position on the market in a given economic sector.

How well known a trademark is can be judged from the geographical areas and volumes in which the trademark is used, advertising intensity and the results of consumer surveys.

There are three main principles for determining whether a trademark is well known:

- The fame of the mark, won through protracted, intensive use;
- An inseparable link between the trademark and specific goods or services; and
- A link between the trademark and the goods manufacturer or service provider.

In recognising a trademark as well known, it seems appropriate to evaluate the designation itself, rather than a trademark that has been registered or is protected under international treaties. This is because the applicant does not always use precisely the same trademark that has been registered and often uses more than one mark. However, the existence of many variants dilutes the mark as a whole.

Even the colour version of a designation and a registered mark which is usually protected in black and white also has an effect.

A designation is recognised as a well-known mark by virtue of its long-term use in Russia, so it is easier to use a designation than a trademark with a priority date of, say, 2000, as in this case use of the trademark may be taken into account only from the priority date.

Another issue concerns the existence of licensing agreements for the trademark. If such agreements are concluded between companies related to the trademark owner, this might have a favourable effect on the decision to grant well-known status to the mark. If, on the other hand, there are registered licensing agreements with various independent companies, this might dilute the mark, as it cannot be claimed that the mark became well known through long-term use by the trademark owner, since it has also been used by other bodies. This cannot apply to a designation.

Of considerable importance is the list of goods in relation to which the trademark is used, which should preferably be quite short. For instance, if the company manufactures

sugar-based confectionery, in particular sweets and chocolates, there is no point in including the comprehensive term “confectionery” on the list, as this can also cover flour-based items, such as biscuits and honey cakes. It is better just to state “sweets and chocolates”.

Likewise, there is no point in stating “alcoholic products” if the trademark is used in relation to wine or vodka, since these have different manufacturing processes and cannot be produced on the same production line.

Recognition of a designation as a well-known trademark in relation to specific goods under the effective legislation provides the designation with broad protection as a range/type, and also for similar and related goods.

All documents attesting to the well-known status of a designation must be dated prior to the date on which the application for well-known status is filed. This is, in a way, a sort of priority date before which well-known status is proved as the “distinguishing ability of the designation to act as a trademark of the applicant in relation to specific goods”.

The submission of documents bearing later dates is also welcomed, in order to show that the designation is still well known and has become even more so.

Questions relating to the legal protection of well-known designations are becoming particularly topical. Experience shows that it is precisely well-known designations which, thanks to their considerable economic value, become prime targets of unlawful use and counterfeiting, which can result in substantial losses and damage the reputation of the mark owner.

The provision of proper legal protection to well-known marks thus helps to prevent unfair competition and protect the interests not only of trademark owners, but also of consumers, since bad-faith use of well-known marks might have adverse consequences by misleading consumers regarding goods or their manufacturer. In addition, the possibility to enforce a well-known mark should encourage the emergence of quality products sold under popular trademarks on the Russian market.

The regime governing well-known



Larissa Lyssenko focuses on intellectual property matters and serves a wide range of clients in a number of areas, including prosecution of domestic and international trademarks from inception through to registration; comparative analysis of IP assets from a filing perspective; registration of domestic and international assignments; and licence agreements. She has extensive experience of acting for Russian and foreign clients in pre-trial settlement of IP issues; preparing and drafting appeals and applications for consideration by the Chamber of Patent Disputes; and producing expert opinions for court hearings on IP protection.

Ms Lyssenko speaks Russian, English, French and Spanish.

Larissa Lyssenko

Head of IP Practice/Consulting and Prosecution

Email: l.lyssenko@pgplaw.ru

Tel: +7 495 967 0007 (ext 244)

Pepeliaev, Goltsblat & Partners

Russia

www.pgplaw.ru



Alexandra Pelikh focuses on intellectual property matters and serves a wide range of clients in a number of areas, including prosecution of domestic and international trademark applications; various types of search; comparative analysis of IP assets from a filing perspective; registration of domestic and international trademark and patent assignments; licence agreements; drafting and filing of appeals with the Russian Chamber for Patent Disputes; and inter partes proceedings before the Russian Patent and Trademark Office and Court.

As the chief state expert of the Supreme Patent Chamber and, subsequently, the Chamber for Patent Disputes, Ms Pelikh has considered appeals and applications relating to the resolution of disputes arising in connection with national and international trademarks and appellations of origin. She has participated in hearings of the Chamber for Patent Disputes as chairman of the board, issued decisions in dispute resolutions and asserted issued decisions in court.

Ms Pelikh now works within Pepeliaev, Goltsblat & Partners' intellectual property team and argues regularly before Rospatent and the Chamber of Patent and Trademark Disputes.

She speaks Russian and English.

Alexandra Pelikh

Senior Attorney

Email: a.pelikh@pgplaw.ru

Tel: +7 495 967 0007 (ext 244)

Pepeliaev, Goltsblat & Partners

Russia

www.pgplaw.ru

trademarks affords them priority protection over later marks of third parties applied in relation to similar goods and services. Recognition of a trademark as well known in the Russian Federation serves as grounds to refuse registration of a third party's confusingly similar trademark or to prohibit a third party from using an identical or confusingly similar trademark, as long as the date from which the trademark became well known is earlier than the priority date of the third party's trademark. The relevant provisions also apply where a substantial component part of a mark consists of the reproduction of such a well-known trademark or a confusingly similar imitation thereof.

Quite often, as a result of being used for a long time to mark a single specific type of goods, well-known trademarks become associated in consumers' minds not only with that specific type of goods, but also with a certain source and level of quality. In such case, the unauthorised use of the well-known trademark in relation not only to similar but also to dissimilar goods might inflict material damage on the trademark owner and cause consumer confusion with respect to the origin of the goods.

However, Article 6*bis* of the Paris Convention does not prohibit registration or use by third parties of marks which are identical or confusingly similar to well-known marks in relation to dissimilar goods. Such a provision was included in the previous Russian legislation.

Part 4 of the Civil Code provides the owner of a mark which is recognised as well known in Russia with considerably greater scope to protect its mark against unauthorised use of identical or confusingly similar designations by third parties. For instance, under the effective Russian legislation, the legal protection of a well-known trademark also applies to goods that are dissimilar to those in relation to which the mark is recognised as well known, if use by a third party would create consumer confusion as to the origin of the goods and might thus infringe on the lawful interests of the owner of the well-known trademark.

Moreover, the TRIPs Agreement further affords additional protection to well-known trademarks in relation to dissimilar goods, on condition that the offending mark or a substantial part thereof is very similar to the well-known trademark in terms of its reproduction, imitation or translation. At the same time, use of the offending mark on different goods should suggest that a connection exists between these and the goods of the well-known trademark owner and such use must be likely to affect the interests of the owner.

The introduction of fundamental amendments to Russian trademark law in order to bring it into line with the TRIPs Agreement will mark a significant step towards Russia joining the World Trade Organisation.