QUARTERLY LEGISLATIVE AND COURT PRACTICE REVIEW IN THE FIELD OF INTELLECTUAL PROPERTY

#01

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GORODISSKY

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1. NEWS OF LEGAL REGULATION

As of January 1 2018, protection of neighboring rights of producers of theatrical works is enhanced.

In particular, it provides for:
• Production of performances by producers is recognized as a result of performing activity;
• the right to inviolability of the performance of the production;
• the exclusive right to performance includes the right to public performance of the production, including live performance;
• the term of the exclusive right of the producer on the production is determined on the date of the first public performance of the production.
Federal Law No. 43-FZ of March 28, 2017 "On Amendment of Part Four of the Civil Code of the Russian Federation" – effective from January 1 2018.

Russia joins the Hague system of international registration of industrial designs.

On April 3 2017 President of the Russian Federation signed a law on ratification of the Geneva Act of the Hague Agreement on the International Registration of Industrial Designs. This law in particular provides that:
• an individual fee will be levied In Russia for designating it as the country where protection is sought;
• the Russian Patent Office takes 12 months for the examination (notice of refusal);
• the international registration in Russia becomes valid after sending the notification of granting protection by the Russian Patent Office to WIPO;
• the international registration in Russia can be extended several times by five-year periods up to 25 years from the date of the international registration;
The law on ratification will come into force on October 1, 2017. However, the Hague system for the protection of industrial design will become a viable alternative to obtaining a Russian patent for an industrial design not earlier than January 1, 2018 (Federal Law No. 55-FZ of 03.04.2017 "On the Ratification of the Geneva Act of the Hague Agreement on the international registration of industrial designs").

The Government of the Russian Federation approved a draft of "Agreement on Trademarks, Service Marks and Appellations of Origin of Goods of the Eurasian Economic Union".

The said agreement will regulate relations arising in connection with the registration, legal protection and use of trademarks, as well as appellations of origin of goods of the Eurasian Economic Union (hereinafter – the Union). The agreement introduces definitions of the "trademark of the Union" and "appellation of origin of the goods of the Union", which are protected in the territories of all member states of the Union (Order of the Government of the Russian Federation No. 171-r of 02.02.2017).

2. PENDING LEGISLATION

A draft law on blocking websites derivative of sites that violate copyrights is being considered in the State Duma.

According to the draft law, on the basis of the decision by the Moscow City Court on permanent restriction of access to the website, the judge may issue a writ at the request of the rightholder restricting access to a website derivative of the main site. In doing so, a derivative website is defined in the draft law as a website derived from the main website, having a confusingly similar name and (or) imaging, created by the transfer, full or partial copying of information from the main website, their automatic synchronization, translation of this information from one language into another language and (or) providing users with access to services and information given on the main website, including by redirecting the user to the main website and (or) to the information contained in it (Draft Federal Law No. 107145-7 "On Amendments to Certain Legislative Acts of the Russian Federation").

A draft law on changing the pre-trial procedure for the protection of exclusive rights is being considered by the State Duma.

The pre-trial procedure in some cases regarding protection of exclusive rights within the competence of commercial courts may soon be canceled.
According to the draft law, the rightholder will have to send a cease and desist letter to the infringer in a pre-trial procedure only if:
• the rightholder and the infringer are legal entities or individual entrepreneurs; and at the same time
• the rightholder claims damages or compensation.
A special pre-trial dispute resolution procedure will appear in cases on early termination of legal protection of a trademark due to its non-use (see Draft Federal Law No. 32493-7 "On Amending Articles 1252 and 1486 of the Civil Code of the Russian Federation and Articles 4 and 99 of the Commercial Procedure Code of the Russian Federation").

3. NEWS OF COURT PRACTICE

3.1. TRADEMARKS

Non-Use
Non-compliance of the goods on the market with the requirements of the law or violation of tax and accounting law should not be the grounds for early termination of legal protection of the trademark in case proper evidence of marketing of goods is submitted.
Nominal use of a trademark for the sole purpose of retaining the rights to the trademark should not be a ground for recognizing the use of such a trademark as required by Clause 2 of Article 1486 of the Civil Code.
While evaluating the evidence of use of a trademark it is necessary to evaluate the totality of circumstances confirming presence on the market of the goods labeled with a trademark including the marketed volume of such goods.
A gift of property is a method

of marketing of goods in the sense of Article 1486 of the Civil Code. In this context, free distribution of trademarked products in an advertising campaign is understood as use of the trademark in the sense of Article 1486 of the Civil Code it was done to persons not related to the grantor, for example, to persons who are not his employees (Resolution of the Presidium of Intellectual Property Court of 16.01.2017 in case No. SIP-185/2016).

Other

The provider is not responsible for the transmitted information if he does not initiate its broadcasting, does not select the recipient of the information, does not break its integrity, and also takes preventive measures against the use intellectual property without the consent of the rightholder (Resolution of Intellectual Property Court of 17.01.2017 in case No. A40-4199/2016).

The use of a similar designation before the registration of a trademark should not be considered as infringement of the exclusive right, so the penalties provided for by the civil law should not be applied (Resolutions of Intellectual Property Court of 01.02.2017 in case No. A71-914/2016, of 17.02.2017 in case No. A71-990/2016).

The conclusion about confusing similarity of designations should be made not on the basis of the perception of individual elements (verbal or figurative), but on the basis of the general impression that the disputable designation and the trademark generally produce on the average consumer of the corresponding goods or services. When establishing the confusing similarity of a figurative trademark and a disputable composite designation, containing verbal and figurative elements, the following circumstances should be investigated:

- the significance of each the elements of the disputable composite designation that affect the consumers' perception of the designation in general, and the general impression of this designation by reading it taking into account the verbal element;
- the meaning which the verbal word element adds to the disputable designation;
- whether the designation is perceived by the consumers for the opposing trademark in the absence of a verbal element in this trademark.

(Ruling of the Supreme Court of the Russian Federation No. 309-ES16-15153 of 02.02.2017 in case No. A60-44547/2015).

Assignment of a trademark is not allowed if it can cause confusion to the consumer's misrepresentation regarding the goods or their manufacturer. This regulation does not require proving the consumer's as an already accomplished fact. The protective function of this regulation is aimed precisely to avoid confusion of the consumer (Ruling of the Supreme Court of the Russian Federation No. 305-ES15-4129 of 10.02.2017 in case No. A40-48196/2013).

The use of counter injunction is intended to compensate for possible losses that may be incurred as a result of the adoption of interim measures. However, the probability of incurring such losses should not be hypothetic, but should be confirmed with a high degree of certainty. There should be documentary evidence of existence of a real threat of damage caused by the interim measures taken in the case (Resolution of the Intellectual Property Court of 10.03.2017 in case No. A41-72633/2015).

3.2. PATENTS

Considering the objection against the grant of a patent, the Patent Office should establish the semantic meaning of words and terms in the independent claim. Not excluded are cases where a corresponding term is not used by the patent owner in its generally accepted meaning. In this case, the Patent Office should establish the meaning of the words and terms used by the patent owner (Resolution of the Presidium of the Intellectual Property Court of 26.01.2017 in the case No. SIP-349/2016).

If the source of information about a certain product includes a reference to another document that gives more detailed information about certain features of this product, this document should be taken into account when determining the novelty, if it was available to the public as of the date of publication of that source of information (Resolution of the Presidium of the Intellectual Property Court of 30.01.2017 in the case No. SIP-512/2015).

An invention, utility model or industrial design cannot be used without permission of the patent owner of another invention, utility model or industrial design, to which they are dependent (Appeal Ruling of the Moscow City Court of 06.03.2017 in case No. 33-62/2017).

3.3. COPYRIGHT

The use of a musical work in another work requires conclusion of a license agreement with the rightholder of this work. (Resolution of the Intellectual Property Court of 30.01.2017 in case No. A40-14248/2016).

Though the civil law does not prohibit display in a audiovisual works of the objects of material world, including those made as a result of creative work, the use of an object whose outer appearance constitutes a work of design and forms the subject of the scene, and the viewer's attention is focused on the work, and not on the object of material world as such, may be recognized in certain cases as a violation of the exclusive right to a work (Resolution of the Intellectual Property Court of 15.02.2017 in case No. A40-233779/2015).

A person to whom, in the absence of his fault, the intellectual property protection measures were applied, shall have the right to submit a recourse claim for compensation of the losses incurred, including amounts paid to third parties (Resolution of the Intellectual Property Court of 22.03.2017 in case No. A40-124922/2016).

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