

Global Patent Litigation

Supplement 38, 2018

Highlights

In this Supplement 38 of *Global Patent Litigation* the following three significant chapters have been fully revised and updated:

- China
- Finland
- Ireland
- Norway
- Russia
- Spain
- Taiwan

Written by renowned patent litigators in **China, Finland, Ireland, Norway, Russia, Spain, Taiwan** these chapters provide a quick and comprehensive overview of the main features of patent law and patent litigation in these jurisdictions. Following the usual blueprint of *Global Patent Litigation*, each chapter describes how a patentee can enforce the patent, highlighting possible pitfalls and remedies and thus enabling you to make an informed decision when litigating in these jurisdictions.

Global Patent Litigation is now online!

Please note that this publication together with a Patent Litigation SmartCharts™ tool is now available online. Please visit **www.KluwerIPLaw.com** for more information.

Global Patent Litigation Strategy and Practice

General Editors
Willem A. Hoyng
Frank W.E. Eijsvogels

 **Wolters Kluwer**

Published by:

Kluwer Law International B.V.

P.O. Box 316

2400 AH Alphen aan den Rijn

The Netherlands

E-mail: international-sales@wolterskluwer.com

Website: lrus.wolterskluwer.com

Sold and distributed in North, Central and South America by:

Wolters Kluwer Legal & Regulatory U.S.

7201 McKinney Circle

Frederick, MD 21704, USA

E-mail: customer.service@wolterskluwer.com

Sold and distributed in all other countries by:

Air Business Subscriptions

Rockwood House

Haywards Heath

West Sussex

RH16 3DH

United Kingdom

Email: international-customerservice@wolterskluwer.com

Printed on acid-free paper

DISCLAIMER: The material in this volume is in the nature of general comment only. It is not offered as advice on any particular matter and should not be taken as such. The editor and the contributing authors expressly disclaim all liability to any person with regard to anything done or omitted to be done, and with respect to the consequences of anything done or omitted to be done wholly or partly in reliance upon the whole or any part of the contents of this volume. No reader should act or refrain from acting on the basis of any matter contained in this volume without first obtaining professional advice regarding the particular facts and circumstances at issue. Any and all opinions expressed herein are those of the particular author and are not necessarily those of the editor or publisher of this volume.

ISBN 978-90-411-2460-9

First published in 2006

© 2018, Kluwer Law International

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

Permission to use this content must be obtained from the copyright owner. More information can be found at: lrus.wolterskluwer.com/policies/permissions-reprints-and-licensing

Printed in the United Kingdom.

(8.9.6) Damages	52
(8.9.7) Disclosure of Judgment	53
(8.9.8) Order for Costs	53
(8.10) Criminal Enforcement	53
(8.11) Appeal	54
(8.12) Supreme Court	55
(9) Conclusion	57
(10) Tables	59
RUSSIA	
Authors	iii
(1) Applicable Laws	1
(2) Entitlement	3
(2.1) Compensation	3
(2.2) Derivation	4
(2.3) Applicant	4
(2.4) Employee	4
(2.5) Education/Research	5
(2.6) Teamwork	5
(2.7) Entitlement Claims	5
(3) Scope of Protection	7
(3.1) Claims, Description and Drawings	7
(3.2) Patent as Granted	8
(3.3) Interpretation of State of the Art	8
(3.4) Criterion for Scope of Protection	8
(3.5) Role of Prosecution History	9
(3.6) Equivalents	9
(3.7) Non-inventive Application of State of the Art	10
(3.8) Translations	10
(3.9) National (Non-European) Patents	10
(4) Infringement	11
(4.1) Direct Infringement	11
(4.1.1) Products	11
(4.1.2) Processes	11
(4.1.3) Absolute Product Protection	12
(4.1.4) <i>De Minimis</i>	12
(4.1.5) Biological Material	12
(4.1.6) Products Containing or Consisting of Genetic Information	12
(4.2) Indirect (Contributory) Infringement	12
(4.3) Unfair Competition	13
(4.4) Unjustified Threats	13
(4.5) Antitrust Issues	13
(5) Further Defences to Infringement	15
(5.1) Invalidity	15
(5.2) Research Exemption	15
(5.3) Bolar Exception	16
(5.4) License	16
(5.5) Compulsory License	16
(5.6) Private Prior Use	17
(5.7) Exhaustion	17
(5.8) Farmer's Privilege	17
(5.9) Further Exceptions to Infringement	17
(6) Licensing	19

(6.1) Voluntary License	19
(6.2) Compulsory License	19
(7) Patents as Part of Assets	21
(7.1) Assignment	21
(7.2) Co-ownership	21
(7.3) Surrender	21
(7.4) Security Rights	21
(7.5) Attachment	22
(8) Patent Litigation	23
(8.1) Plaintiff	23
(8.1.1) Owner	23
(8.1.2) Co-owner	23
(8.1.3) Exclusive Licensee	23
(8.1.4) Non-exclusive Licensee	23
(8.1.5) Other	23
(8.2) Limitation Periods	24
(8.3) Competent Court/Venue	24
(8.4) Patent Office	25
(8.5) Provisional Measures	25
(8.5.1) Attachment	25
(8.5.1.1) General Comments	25
(8.5.1.2) Assets	25
(8.5.1.3) Evidence	26
(8.5.2) Preliminary Injunction Proceedings	26
(8.5.2.1) Ex Parte Proceedings	26
(8.5.2.2) <i>Inter Partes</i> Proceedings	26
(8.6) Evidence	26
(8.6.1) Preservation/Seizure of Evidence	27
(8.6.2) Gathering Evidence	27
(8.6.3) Experts	27
(8.6.4) Inspection	28
(8.7) Proceedings on the Merit	28
(8.7.1) Infringement Proceedings	28
(8.7.2) Invalidity Proceedings	29
(8.7.3) Entitlement Proceedings	29
(8.7.4) Suspension of Proceedings	29
(8.8) Customs Seizures	30
(8.9) Remedies	30
(8.9.1) Injunction	30
(8.9.2) Intermediaries	30
(8.9.3) Right to Information	31
(8.9.4) Corrective Measures (Recall, Destruction, Etc.)	31
(8.9.5) Reasonable Compensation	31
(8.9.6) Damages	31
(8.9.7) Disclosure of Judgment	32
(8.9.8) Order for Costs	32
(8.10) Criminal Enforcement	32
(8.11) Appeal	32
(8.12) Supreme Court	33
(9) Conclusion	35
(10) Tables	37

MEXICO

Héctor E. Chagoya-Cortes
Juan Carlos Amaro

THE NETHERLANDS

Willem A. Hoyng
Frank W.E. Eijsvogels

NORWAY

Magnus Hauge Greaker
Camilla Vislie

POLAND

Krystyna Szczepanowska-Kozłowska
Justyna Ostrowska

RUSSIA

Vladimir Biriulin
Ilya Goryachev

SOUTH AFRICA

Hugh Moubray

SPAIN

Luis Fernández-Novoa
Jose Antonio Sanmartín
Laura Cantero
Carmen Amor
Mar Conde

SWEDEN

Anna Tarring
Petter Larsson
Jonas Westerberg

SWITZERLAND

Peter Heinrich

TAIWAN

C. V. Chen
Hsiu-Ru Chien

THAILAND

Nandana Indananda
Piyawat Kayasit

LIST OF AUTHORS

Ixxiv

TURKEY

Özge Atılgan Karakulak
Mutlu Yıldırım Köse
Zeynep Çağla Özcebe

UNITED KINGDOM

Richard Willoughby

UNITED STATES OF AMERICA

Russel B. Hill
Alyson Barker

Russia

by
Vladimir Biriulin & Ilya Goryachev
Gorodisky & Partners

This monograph has been reviewed by the Authors and is up-to-date as of September 2018

Russia

Authors

Vladimir Biriulin

Partner

Russian patent attorney

Graduated from Moscow State Linguistic University in 1969 as an interpreter of Spanish, English and French languages, and from Moscow University of Law in 1981 as a lawyer, then—from Central Institute of Intellectual Property (Moscow).

From 1973 till 1998 worked in the major IP firm. In 1998 joined Gorodissky & Partners. From 2001 he has been a Partner.

Counsels clients on Russian and foreign intellectual property legislations, international IP treaties, conventions and agreements, technology transfer and licensing, infringement of intellectual property owners' rights, unfair competition, copyrights, and also litigates IP cases. Delivers lectures in Russia and abroad at conferences and seminars. Regularly publishes articles in IP magazines.

The 'International Who's Who of Patent Lawyers', Great Britain, ranks Vladimir Biriulin as one of the leading IP professionals in Russia. Member of AIPPI, INTA, AIPLA, ABA.

Speaks English, French and Spanish.

Gorodissky & Partners
B.Spasskaya Str., 25, bldg. 3
Moscow 129090, Russia

Tel.: + 7 (495) 937-6116 / 6109
Fax: + 7 (495) 937-6104 / 6123
E-mail: BiriulinV@Gorodissky.ru
Website: <http://www.gorodissky.com>

Ilya Goryachev

Senior Lawyer

Graduated from Moscow State Linguistic University in 2012 as an international lawyer. Ilya started his career in 2010. He focuses on providing legal support on intellectual property and general commercial matters, including but not limited to trademarks, patents and copyright enforcement; unfair competition; domain disputes; licensing, assignments, franchising and other IP-related transactions; advertising and marketing regulations; launching joint ventures; IP issues in M&A transactions; IP due-diligence; personal data protection and industry-related regulatory affairs, including counselling life-science companies.

Ilya has effective background in advising and representing interests of the world most renowned companies in such industries as life sciences, media and entertainment, automotive, FMCG, aviation, construction and real estate, banking and finance.

Prior to joining Gorodissky & Partners in 2013, Ilya worked as a lawyer in a Russian development company and provided legal support in relation to the investment projects in Russia. Before it, Ilya

worked as a legal trainee in the Moscow office of a Canadian IP law firm and as a legal assistant in a Russian law firm specializing in corporate and IP legal support to foreign investors in Russia.

Ilya authored several articles on IP and commercial law matters.

Speaks English and French.

Gorodissky & Partners
B.Spasskaya Str., 25, bldg. 3
Moscow 129090, Russia

Tel.: + 7 (495) 937-6116 / 6109
Fax: + 7 (495) 937-6104 / 6123
E-mail: GoryachevI@Gorodissky.ru
Website: <http://www.gorodissky.com>

Russia

(1) APPLICABLE LAWS

1 In Russia the main source of patent law is Part 4 of the Civil Code of the Russian Federation (hereinafter – ‘the Russian Civil Code’), effective since 1 January 2008 (last amended as of 23 May 2018).

2 Russia is a party to the Patent Cooperation Treaty and the Paris Convention for the Protection of Industrial Property.

3 Russia is also a member of the Eurasian Patent Convention, introducing regional patent system for certain ex-USSR countries.

4 As Russia is a member of the WTO since 22 August 2012, Russian legal system includes Agreement on Trade-Related Aspects of Intellectual Property Rights.

5 Important source of patent law in Russia is by-laws, issued by the Ministry of Education of the Russian Federation establishing administrative regulations for the Russian Patent Office, dealing with patent prosecution and examination issues; as well as regulations issued by the Russian PTO.

(2) ENTITLEMENT

(2.1) COMPENSATION

6 The general rule is that the compensation is determined in the agreement between the employer and the employee. In case of dispute, the compensation is determined by court. The Russian Government is entitled to regulate the amount of remuneration used when no agreement regarding remuneration exists between the parties. Currently (as per the Regulation of the Russian Government of 4 June 2014 No. 512) they are as follows:

- 30% of the employee’s average salary calculated on the basis of the last twelve months in case the invention is created (calculated as of the filing date; or the date of assignment of the right to obtain the patent from the employer to another person; or as of the date when the employer notified the employee that the invention is to be kept confidential). That remuneration should be paid either within two months after the employer obtained the patent (or assigned the right to obtain the patent to another person or informed the employee that the invention is being kept confidential); or no later than eighteen months from the filing date if the employer failed to obtain the patent due to the reasons contingent on the employer;
- the employee’s average salary calculated on the basis of the last twelve months during which the invention is used – in case the employer uses the invention created by the employee. That remuneration should be paid within a month upon expiration of each twelve calendar months in which such invention was used;
- 10% of the consideration (royalty) of the license agreement – in case the employer licensed the invention to another person. That remuneration should be paid within one month after the employer was paid the consideration or received a part of it (in case there are split periodic payments as per the license agreement). In case of co-inventors this remuneration is equally divided by them unless otherwise provided in the agreement between the co-inventors. In case of co-inventors this remuneration is equally divided by them unless otherwise provided in the agreement between the co-inventors;
- 15% of the consideration under the assignment agreement – in case the employer assigned the invention to another person. That remuneration should be paid within one month after the employer received the consideration. In case of co-inventors this remuneration is equally divided by them unless otherwise provided in the agreement between the co-inventors.

7 Before adoption of the Regulation of the Russian Government of 4 June 2014 No. 512 the courts used compensation provisions contained in the USSR legislation, namely Articles 32 and 33 of the USSR Law of 31 May 1991 N 2213-1 ‘On inventions in the USSR’.

Relevant case law in Russia

8 In *P et al. v. OJSC Sual* the court held that early termination of the patent does not terminate the employer (the patentee)’s obligation to pay compensation to the employee (Ruling of the Sverdlov Region Court of 1 September 2011 on case No. 33-12521/2011).

(2.2) DERIVATION

9 Russian law does not require submission of confirmation documents when the application is filed. However, the application should be filed by the person entitled to file the application – the inventor (or the employer); special cases of entitled applicant are described in section 2.3 below.

10 In case the application is filed by an unentitled person, the patent may be subsequently invalidated by court based on the complaint of any person who became aware of derivation.

(2.3) APPLICANT

11 The application should be filed with the Russian PTO by the entitled person.

12 The initially entitled person is the inventor.

13 The right to file the application may be transferred to the right-successor as per the grounds provided by law, including by universal succession or as per the agreement, including an employment agreement.

14 In case of employee invention, the right to file belongs to the employer, unless otherwise provided for in the agreement between the employee and the employer.

15 In case the invention is developed in the course of R&D agreements as per the terms of which development of invention was not implied, the right to file belongs to the performer (R&D entity), unless otherwise provided for in the agreement with the customer.

16 In case the invention is developed in the course of work and labour contract for state or municipal needs, the right to file belongs to the contractor, unless the agreement provides that such right belongs to the public customer or jointly to the contractor and the public customer.

(2.4) EMPLOYEE

17 In case the employee develops an invention in the course of his employment obligations or in relation to a specific task from the employer, the invention is deemed to be the ‘employee invention’ to which the right to file belongs to the employer unless otherwise provided for in the agreement between the employer and the employee.

18 The employee has a duty to notify (in a written form) the employer of the developed employee invention.

19 Starting from the notification date, within four months the employer must either file the application, or assign the right or impose confidentiality over the invention (in this case the employer obtains the right to be compensated as discussed in section 2.1), otherwise the employee retrieves his right.

20 In case the employee develops an invention using the employer’s resources, but not within employment obligations, the right to file belongs to the employee. However, the employer may claim either a non-exclusive license to use the invention within the invention duration term or to claim expenses incurred by the employer.

(2.5) EDUCATION/RESEARCH

- 21** In case the invention is created by an employee of a public university within the ambit of his employment tasks, the general rules as discussed in 2.4. are applied.
- 22** In case the invention is developed as a result of research and development agreements that did not expressly imply development of the invention, the right to file belongs to the R&D company (the contractor), unless otherwise provided in their agreement.
- 23** In case the R&D agreement does not entitle the customer to file, the customer may use the invention within its duration term without paying remuneration to the contractor.
- 24** If the R&D agreement entitles the customer to file, the contractor reserves the right to use the invention within its duration term without paying remuneration to the customer.

(2.6) TEAMWORK

- 25** In case of teamwork the right to file belongs to the co-inventors.
- 26** In case the team-workers are employees, general provisions as discussed in section 2.4 are applied.

(2.7) ENTITLEMENT CLAIMS

- 27** In case the application is filed by an unentitled person and the patent was subsequently granted, any person may challenge such a patent in court proceedings (not in administrative proceedings like in other disputes involving patent invalidation); the entitled owner may claim grant of the new patent with the correct indication of the patentee.
- 28** Cases involving entitlement claims are not rare before Russian Courts. In *LLC Ardis v. LLC PaP-M* (Resolution of the Federal Commercial Court of 1 March 2007 No. A33-7055/06-Φ02-408/07) the applicant claimed that the utility model patent, issued to the defendant, should be invalidated, since the inventor of the utility model, as indicated in the letters patent, was the employee of the applicant. The documents on file revealed that the inventor was not only the employee of the applicant, but also the CEO of the defendant. The defendant demonstrated that the utility model had been developed by the inventor before he entered into the employment agreement with the applicant, thus there were no grounds for the applicant to assert entitlement claims.
- 29** In *NPP Mashholod LLC v. Mr Žaika* (Resolution of the Intellectual Rights Court of 16 April 2014 on case No. SIP-365/2013) the defendant (the inventor who obtained the patent) similarly argued that the utility model had been developed by him before he became an employee of the applicant. The court also indicated that witness statements alone cannot be sufficient evidence that the patented utility model was developed by the employee in the course of his employment.

(3) SCOPE OF PROTECTION

(3.1) CLAIMS, DESCRIPTION AND DRAWINGS

30 The scope of protection of a patent is determined by the claims, whereby the specification and the drawings serve to interpret the claims. The claims serve to determine the scope of protection of the invention. Features in the claims may be characterized by a general concept which expresses a function, a property, etc. No drawings can be mentioned in the claims. There may be a single claim or multiple claims. A single claim is used to characterize one invention with a combination of features which does not disclose specific embodiments. Multiple claims are used to characterize one invention which specify various embodiments of the invention or characterize a group of inventions. Multiple claims characterizing one invention include one independent claim and one or more dependent claims.

31 Multiple claims characterizing a group of inventions include several independent claims each of them characterizing one invention of the group. In so doing, each invention of the group may be characterized by addition of dependent claims subordinated to the independent one.

32 A patent claim includes features and consists, as a rule, of a pre-characterizing part which includes features coinciding with the closest prior art, and characterizing part which distinguishes the invention over the closest prior art. If the claim is divided into pre-characterizing part and characterizing part the claim, after its indication of the purpose of the invention, shall contain the words such as 'include' or 'consist of' immediately followed by the characterizing part.

33 A claim may be drafted without dividing it into pre-characterizing and characterizing part if it describes an individual chemical composition or an invention which does not have prior art. An independent claim characterizes the invention by the combination of its features which define the scope of the invention. An independent claim shall refer to one invention only.

34 A dependent claim develops or specifies the features of the invention given in the independent claim. The dependent claim shall give reference to the independent/dependent claim to which it refers.

35 If the claim describes an apparatus it should characterize it in a static condition. If the claim describes a structural element of the apparatus it may indicate that it is capable of movement (e.g., with the possibility of fixation).

36 A patent application shall include a specification disclosing the invention in the scope making it possible to implement the invention, claims, drawings and an abstract. The specification shall have a title. The specification shall include the following parts: the field of the art, prior art, disclosure of the invention, short description of the drawings (if any), embodiment of the invention. The title shall be short and accurate. The specification shall disclose the subject matter of the invention through the combination of essential features sufficient for obtaining the technical result according to the invention. The features are essential if they affect achievement of the technical result. The specification shall include a short description of the drawings. The list of the drawings shall be given with short description of what is shown on each of the drawings. Further, the specification shall show how the claimed invention can be embodied, preferably giving examples with reference to

the drawings. Each figure in the drawing shall be numbered in the sequence they are mentioned in the specification. There may be several figures on one page. The drawings shall not contain inscriptions with the exception of the required words, such as water, steam, open, closed, etc.

(3.2) PATENT AS GRANTED

37 A patent becomes valid after registration in the state register of the Patent Office. Invalidation of a patent shall be initiated at the Patent Office.

38 Its decision may be appealed in the Intellectual Rights Court.

39 In case of infringement the patent holder shall initiate a case in the commercial court where infringement took place. Its judgment may be appealed in the commercial appeal court. The judgment of the commercial appeal court may be appealed in the cassation instance of the IP Court. If there is an infringement court case, and the respondent has initiated invalidation procedure of the patent in the Patent Office the court will normally dismiss the petition to stay court proceedings. The rationale is that as long as the patent exists there is the right to protect it.

(3.3) INTERPRETATION OF STATE OF THE ART

40 State of the art is a separate section in the patent application. This section should describe analogous technical solutions known to the applicant and should single out the prior art mostly close to the invention. The closest prior art should serve the same purpose as the invention and be known from open sources on the priority date of the invention. In the description of the prior art the applicant should give bibliographical data, features coinciding with essential features of the claimed invention and the reasons why prior art does not allow to obtain technical result ensured by the invention.

41 If there is a group of inventions information on prior art should be given for each invention.

42 After describing all prior art the applicant should point to the one whose combination of features is mostly close to the combination of essential features of the invention.

(3.4) CRITERION FOR SCOPE OF PROTECTION

43 The scope of protection is defined by the patent claims. The claims shall be fully based on the specification which means that the claimed invention should be disclosed in the specification and the scope of legal protection should be based on the specification. The claims should describe the subject matter of the invention, and contain the combination of its essential features sufficient for attainment of technical result claimed by the applicant.

44 The features of the invention shall be described in such a manner that an expert in a given field should be able to understand the essence of the invention.

(3.5) ROLE OF PROSECUTION HISTORY

45 Russian patent law does not have a *file wrapper estoppels* provision; hence, de jure, prosecution history is irrelevant as to the interpretation of the scope of the patent. However, in its decision on 31 January 2012, the Supreme Commercial Court took into account the patent prosecution history.

46 On 31 January 2012, Presidium of the Supreme Commercial Court of the Russian Federation issued a ruling that *Serum Institute of India Ltd.* did not violate the patent for a recombinant hepatitis B vaccine owned by ЗАО 'Kombiotech' (Russia).

47 The Presidium noted that, in its patent application, *Kombiotech* stated that the yeast strains used in production vaccines under the invention were new, unknown in the prior art, and were never used by the other manufacturers of hepatitis B vaccines. The Presidium further noted that novelty and inventiveness of the plaintiff's invention were confirmed by the Chamber of Patent Disputes (CPD) decision with a proper consideration of the information about the defendant's vaccine as part of the prior art. Having that in mind, the Presidium held that the conclusion that the plaintiff's invention had been used in the production of the defendant's vaccine, which was started some years before the priority of the invention under the patent, contravened the CPD's decisions which recognized the patent valid.

(3.6) EQUIVALENTS

48 In Russia, the doctrine of equivalents is provided for by the Civil Code. A patented invention shall be deemed used in a product or a process, if the product contains, or the process involves every feature of the invention, shown in an independent claim in the patent, or uses or includes a feature equivalent to it and known as such equivalent in the art. Therefore, the doctrine of equivalents is applicable in Russia, and the use of it is not infrequent in practice.

49 Before 1 October 2014, the law provided that the equivalency of the features in the given field of art had to be known prior to the date when the assumed infringing act covered by the patent was committed. After amendments of 1 October 2014, the law stipulates that the equivalency of the features should be known by the priority date of the patented invention.

50 The law does not define which feature should be considered as equivalent. In legal practice, however, the courts consider a feature as equivalent with the feature stated in the claims of the invention if those features fulfil the same function and provide the same result. Some criteria of equivalency were provided in the former soviet legislation. According to those criteria the change of a feature should only be considered as equivalent if:

- the change does not alter the essence of the invention;
- the result provided by the invention with the changed feature is that same; and
- the feature replacing the feature of the patented invention is known in the art.

(3.7) NON-INVENTIVE APPLICATION OF STATE OF THE ART

51 The party who allegedly infringes a patent cannot defend itself by a statement that it uses a prior art or its non-inventive development. Such kind of arguments, however, may be relevant in patent invalidation procedure. Validity of a patent can be argued through the administrative route by filing a Nullity Action with the Russian Patent Office. This administrative action, however, does not stop the patent infringement litigation in courts. If, however, the invalidity case goes to the IPR Court, which is competent court for consideration of appeal from the Russian PTO decision, the court will most likely suspend infringement trial until the end of consideration of the validity case in the IP Court.

(3.8) TRANSLATIONS

52 Russian patents and Eurasian patents are issued in the Russian language, which is the procedural language in all courts of the Russian Federation.

(3.9) NATIONAL (NON-EUROPEAN) PATENTS

53 Only Russian patents, which are granted by the Russian Patent Office, and Eurasian patents, which are granted by the Eurasian Patent Office, are enforceable in Russia.

(4) INFRINGEMENT

54 Statutory provisions on the notion of patent infringement define various forms of infringement. The general principle on defining the infringement in the Civil Code is that the invention is deemed to be used in the product or process if the product contains and the process uses each feature of the independent claim or the feature equivalent hereto or the feature that became known as such in the given technical field prior to the invention priority date.

(4.1) DIRECT INFRINGEMENT

55 The list of ways via which the infringement takes place is non-exhaustive. The following particular types of infringement are specifically named:

- importation to Russia, manufacturing, working, offer for sale, sale and other commercialization or storage for that purpose of the product in which the invention is used; of the product, manufactured using the patented process; of the device if in case of using such a device the patented process is automatically worked; of the product subject to working in accordance with the purpose indicated in the set of claims, in case the invention is the working of a product for a specific purpose;
- implementation of a process in which the invention is used, including by means of using the process.

(4.1.1) Products

56 In case the invention is a product, the patentee has the exclusive right to import the product to Russia, manufacture, use, offer for sale, sale or otherwise commercialize the product; which matches the patentee's right to forbid other persons infringe that exclusive right.

57 There are specific activities which do not amount to patent infringement, as discussed in section 5 of the Smart Charts.

58 Judicial practice also formed a principle as per which submission of a drug for obtaining marketing authorization before expiration of a patent does not constitute infringement of patent, however, further commercialization of such a drug before patent expiration is viewed as infringement (*Resolution of the Presidium of the Supreme Commercial Court of the Russian Federation of 16 June 2009 No. 2578/09 on case No. A40-65668/08-27-569*). However, there is example where Court qualified early filing for the MA and maximum sale price as threat of the infringement under the specific case circumstances (Resolution of the Intellectual Rights Court of 24 April 2018 No. C01-206/2018 on case No. A41-85807/2016).

(4.1.2) Processes

59 In case the invention is a process, the patentee has the exclusive right to import, manufacture, use, offer for sale, sale or otherwise commercialize the product manufactured using the patented process. In case such a product is new, the identical product is deemed

to be manufactured using the patented process, unless proven otherwise. The patentee is also entitled to commercialize the device, during the operation of which the patented process is used and the right to implement a process in which the invention is used, including by means of using the process.

(4.1.3) Absolute Product Protection

60 Absolute product protection applies for a product patent. Preparation process and use of the product may also be patented.

(4.1.4) *De Minimis*

61 In terms of patent litigation any commercialization of the patent without the patentee's permission (unless there are exceptions as described in section 5 of the Smart Charts), is an infringement. However, insignificance of the infringement may influence the amount of the damages awarded.

(4.1.5) Biological Material

62 The law does not contain special provisions concerning infringement of rights for biological materials, nor is there judicial practice which would allow pointing out special considerations to be taken into account in case of infringement of rights for biological materials

(4.1.6) Products Containing or Consisting of Genetic Information

63 The law does not contain special provisions concerning infringement of rights for the products containing or consisting of genetic information, nor is there judicial practice which would allow pointing out special considerations to be taken into account in case of infringement of such subject matters.

(4.2) INDIRECT (CONTRIBUTORY) INFRINGEMENT

64 The law does not specifically name indirect (contributory liability), indicating that unauthorized use of the patent by any means constituent infringement (unless there are exceptions as described in section 5 of the Smart Charts). Anyway, there has been at least one case where contributory infringement was recognized by the court.

65 It should be noted that Russian law allows filing claims against the person that make necessary arrangements for infringement or creates threat of infringement.

(4.3) UNFAIR COMPETITION

66 Unfair competition is understood to be any activities of competing business aimed at gaining commercial advantage contrary to the Russian legislation, business customs, good-faith, reason and justice, and which caused or may cause damage to the competitor or to his business reputation. The list of forms of unfair competition is non-exhaustive. However, sale, exchange or other commercialization of the product in which the patent is issued without the patentee's permission is named as a form of unfair competition. Typically, unfair competition cases are initiated based on the complaint from the patentee to the Russian Federal Anti-Trust authority.

(4.4) UNJUSTIFIED THREATS

67 Cease-and-desist or warning letters are a common and obligatory initial measure against the infringement. However, unjustified allegations of patent infringement sent to the alleged infringer's counterparties may pose serious risks from the prospective of facing claims of harming business reputation; dissemination of such information, as the case might be, may be also considered as unfair competition.

(4.5) ANTITRUST ISSUES

68 IP agreements relating to patents are specifically excluded from the list of agreements restricting competition.

(5) FURTHER DEFENCES TO INFRINGEMENT

(5.1) INVALIDITY

69 The Russian PTO has exclusive competence over hearing invalidity actions (except for invalidity based on entitlement claims). The following grounds of invalidity are established:

- Non-compliance with patentability requirements (novelty, inventive step, industrial applicability).
- Insufficiency of disclosure (failure to disclose essence of the invention in the application documents).
- The set of claims in the grant decision contain features that have not been disclosed as of the filing date.
- The patent was granted for several applications for similar invention having the same priority date in breach of requirements for consequences of priority dates concurrence.
- Entitlement claim (wrong indication of the patentee or the inventor).

70 The invalidity action in this case may be initiated by any party within the term of the patent. After expiration of the patent, the invalidity action may be initiated only by an interested person.

71 The most common invalidity ground is non-compliance with patentability requirements. As noted above, it is the Russian PTO which is competent over such invalidity action. Filing invalidation action with the PTO is not the ground for a court to suspend the infringement proceedings, however, the invalidation decision of the Russian PTO may serve as a newly discovered circumstance in the infringement proceedings (for instance, when the decision on the infringement is appealed).

72 The patent may be invalidated in full or in part. As was confirmed in *Bayer Pharma Aktiengesellschaft v. OJSC Gedeon Richter*, partial invalidation of the patent does not necessarily entail dismissal of the infringement case, as happens in case of full invalidation (e.g., *MR PILKIN V.E. v. SONY ELECTRONICS CJSC*).

(5.2) RESEARCH EXEMPTION

73 Research of the product or process in which the patent is used or the experiment on it is not a patent infringement. However, in case the defendant's activities extends beyond the scope of research or experiment (e.g., the defendant starts commercialization), his activities may be considered as infringement as was demonstrated in *OJSC LBM v. CJSC NPF SERVEK* (*Resolution of the 13th Commercial Appellate Court of 6 December 2013 on case No. A56-34424/2011*).

(5.3) BOLAR EXCEPTION

74 In the context of pharmaceutical industry it is upheld that production of samples of the patented drug and further submission of such samples for marketing approval is not infringement of the exclusive right. However, commercialization of the generic before expiration of the patent is infringement (*Novartis AG v. CJSC Farm-Sintez* (Resolution of the Supreme Commercial Court of 16 June 2009 No. 2578/09 on case No. A40-65668/08-27-569); *CJSC Kombiotech v. Serum Institute of India Ltd.* (Resolution of the Supreme Commercial Court of 31 January 2012 No. 11025/11 on case No. A40-66073/09-51-579)). However, there is example where Court qualified early filing for the MA and maximum sale price as threat of the infringement under the specific case circumstances (Resolution of the Intellectual Rights Court of 24 April 2018 No. C01-206/2018 on case No. A41-85807/2016).

(5.4) LICENSE

75 In case the alleged infringer acts duly under the license, the use of the patent falling within the license terms does not constitute a patent infringement, being the use 'subject to the consent' from the patent owner. However, in case the licensee goes out of the scope of the license (e.g., starts the use of the patent after expiration of the license, or uses the invention on the non-licensed territory or breach payment obligations), the use of the patent constitutes patent infringement.

(5.5) COMPULSORY LICENSE

76 If the invention is not worked or is worked insufficiently by the patentee within four years from the grant of a patent, *and because of that there is insufficient offer of the products, work or services*, any person, willing and ready to use such an invention, is entitled to file a lawsuit against the patentee claiming grant of a compulsory non-exclusive license to use the invention in Russia on condition that the patentee has refused to enter into the license agreement with this person as per the terms conforming to the established practice.

77 If the patentee fails to demonstrate that there is a reasonable excuse behind non-working or insufficient working, the court will issue a judgment to grant a compulsory license, indicating specific terms and the price, and the Russian PTO registers such a license.

78 The patentee is entitled to revoke the compulsory license in court, if the circumstances that resulted in granting of such a license cease to exist or their reappearance is unlikely.

79 It is also possible to obtain a compulsory license in a case where one patentee is not able to use the invention without infringing the rights of another patentee. In this case the owner of the dependent patent needs to prove that the dependent invention represents a important technical advance and has significant economic advantages.

(5.6) PRIVATE PRIOR USE

80 The person who before the priority date of the invention used in good-faith the technical solution, developed independently from the inventor, or the technical solution, which differs from the invention only in equivalent features, or made the relevant preparations to use such technical solutions, obtains the right for its further royalty-free use without extending the scope of such use. That prior use may be assigned only together with the enterprise at which such use (or the relevant arrangements) took place.

81 Courts indicate that establishing the date of the defendant's use earlier than the priority date of the plaintiff's patent does not suffice alone to establish prior use. Prior use is not a right to use the identical solution, but a right to use that identical solution within the specified scope (without extending the scope of use, which was achieved prior to the priority date). In this regard, the person asserting prior use should indicate the scope of such use and provide the related evidence (*Resolution of the Intellectual Rights Court of 30 October 2014 No. C01-1043/2014 on case No. A08-2171/2012*).

(5.7) EXHAUSTION

82 Patent rights are exhausted if the use of the product (such as importation, working, offer for sale and sale, other ways of commercialization or storage for that purpose), in which the invention is used, in case the product was previously commercialized in Russia by the patentee or with consent of the patentee by a third party.

(5.8) FARMER'S PRIVILEGE

83 Plant varieties are protected by patent. There is Chapter 73 in the Civil Code which sets forth the rights of inventors, patentability criteria, disposal and infringement provisions. Patent applications for plant varieties shall be filed to the Ministry of Agriculture. A patent is not considered infringed if a third person takes action in respect of the patent to satisfy one's personal or household needs which are not directed at obtaining profits. That person may also use the protected plant variety as a basic material for cultivating another, new plant variety. Nor is infringement any action with seeds or seedlings if they were put on the market by the patent owner. Also a compulsory license may be obtained in the same circumstances as a compulsory license for an invention.

(5.9) FURTHER EXCEPTIONS TO INFRINGEMENT

84 *Vehicles.* Working of a product in which the invention is used in a device, supporting machinery or during operation of vehicles (air, water, auto, railway transport) or space systems of foreign states on condition that such vehicles or space systems are present in Russia temporarily or accidentally and the product is used exclusively for the purpose of vehicles or space systems is not infringement. However, it is required that foreign states should grant the same rights to vehicles and space systems registered in Russia.

85 *Emergency circumstances.* Use of the invention under emergency circumstances (natural disasters, catastrophes, crashes) with the notification of the patentee as soon as possible and with the subsequent payment of the reasonable compensation is not a patent infringement.

86 *Personal use.* Use of the invention for personal use with no commercial purpose is not infringement.

87 *Pharmacies.* Non-recurrent preparation of drugs using the invention as per the medication order in pharmacies is not infringement.

88 *Post termination use.* In case a third party started using the invention (or made the related preparations to use) after termination of a patent up to the date of publication on restoration of the patent such party reserves the right to use the invention without remuneration to the patentee without extending the scope of such use.

(6) LICENSING

(6.1) VOLUNTARY LICENSE

89 Patent owner is entitled to license his patent in favour of a third party by operation of law. Patent licenses may be exclusive or non-exclusive. Patent licenses may be royalty-free or royalty-bearing. Royalty-free licenses are not allowed between commercial entities. License contracts shall be registered with the Patent Office however for the purpose of registration it is possible to file an extract from the license contract. There is no requirement to file the license contract in full. The extract from the license shall contain the following information: (1) the indication of parties and their signees; (2) the patent/registration number; (3) the licensable rights (permitted manners of patent use); (4) the type of license (exclusive or non-exclusive); (5) the territory; (6) the term; (7) and other elements (as agreed upon by the parties).

Patent licenses must be in writing. The term of registration is about two months.

(6.2) COMPULSORY LICENSE

90 If the invention is not worked or is worked insufficiently by the patentee during four years from the grant of a patent, and because of that there is insufficient offer of the products, work or services, any person, willing and ready to use such an invention, is entitled to file a lawsuit against the patentee claiming grant of the compulsory non-exclusive license to use the invention in Russia on condition that the patentee has refused to enter into a license agreement with this person as per the terms conforming to the established practice.

91 If the patentee fails to demonstrate that there is a reasonable excuse for non-working or insufficient working, the court issues a judgment to grant a compulsory license, indicating specific terms and the price, and the Russian PTO registers such a license.

92 The patentee is entitled to revoke the compulsory license in court if the circumstances that resulted in granting such a license cease to exist or their reappearance is unlikely.

93 It is also possible to obtain a compulsory license in a case where the patentee is not able to use the invention without infringing the rights of another patentee. In case of dependent patents - the owner of the dependent patent need to prove that the dependent invention represents a important technical advance and has significant economic advantages.

(7) PATENTS AS PART OF ASSETS

(7.1) ASSIGNMENT

94 Patent owner is entitled to assign his patent in favour of a third party by operation of law. Patent assignment shall mean the complete sale of patent rights. Patent assignments may be compensation-free or compensation-bearing. Compensation-free assignments are not allowed between commercial entities.

95 In order to register an assignment it is sufficient to file a notification with the Patent Office with the following information: (1) the indication of parties and their signees; (2) the patent/registration number; (3) the full scope of assignable rights; (4) and other elements (as agreed upon by the parties).

96 Patent assignments contemplated by the assignments agreements must be in writing and be registered with the Patent Office to be valid and enforceable. The registration date will be regarded as the moment of transfer of exclusive patent rights that cannot be waived or amended by the parties. The term of registration may last about two months.

(7.2) CO-OWNERSHIP

97 In the event of patent co-ownership, each co-owner may use the patent at his own discretion, unless there is agreement to the contrary. The relations of the parties (co-owners) shall be defined by a corresponding agreement between them. The profits generated from the joint use of the patent shall be allocated equally, unless there is an agreement to the contrary.

98 Co-owners must dispose (assign, license, etc.) of their patent rights jointly, unless there is an agreement to the contrary.

99 Each co-owner is entitled to enforce his patent rights individually against third party infringers by operation of law.

(7.3) SURRENDER

100 Patent owner may surrender the patent on the basis of declaration (request) to be filed with the Patent Office. Surrender shall be effectuated starting from the filing date.

101 If the patent protects a group of inventions, and the request of the patent owner is filed with regard to some of the inventions, the patent will be surrendered with regard to the inventions specified in the patent owner's request.

(7.4) SECURITY RIGHTS

102 Patent owner may secure (pledge) the patent rights in full or in part in favour of a third party (e.g., bank). Patent security shall not mean the sale of patent rights, however the transfer of patent rights will occur in the course of foreclosure as a result of default.

Foreclosure may be judicial and non-judicial and the procedure must be defined by the agreement.

103 Patent security agreement must include: (1) the indication of parties and their signees; (2) the patent/registration number; (3) the scope of rights secured; (4) the value of collateral; (5) the location of collateral; (6) the description of the main obligation (e.g., facility or credit), and (7) other elements (as agreed upon by the parties).

104 Patent security contemplated by the security agreement must be in writing and registered with the Patent Office to be valid and enforceable. The term of registration is about two months.

(7.5) ATTACHMENT

105 Patent rights shall be subject to attachment or to execution after judgment. A court may appoint a receiver to sell a patent in order to satisfy a judgment in the course of execution.

106 In the contractual context, patent rights as well as rights to payments (e.g., license fees) arising out of transactions generally are subject to attachment, to execution after judgment, and to other post-judgment enforcement proceedings in case the relevant transactions (agreements) properly define such rights. Rights not defined by contract shall not be regarded as attached.

(8) PATENT LITIGATION

107 Out of all categories of IP disputes patent infringement cases are less frequent disputes tried by courts in comparison with copyright and trademark cases. However, the recent statistics of lawsuits filed demonstrate that the number of patent infringement cases is growing.

(8.1) PLAINTIFF

108 The owner of the patent acts as the plaintiff in a patent infringement case, which implies that the patentee should provide evidence of his title, which is generally the Letters Patent.

(8.1.1) Owner

109 The owner of the patent acts as the plaintiff in a patent infringement case, which implies that the patentee should provide evidence of his title, which is generally the Letters Patent.

(8.1.2) Co-owner

110 Co-ownership of patent is allowed under Russian law. In case the patent is co-owned each of patentees may individually take action to enforce the patent.

(8.1.3) Exclusive Licensee

111 The exclusive licensee may enforce the patent, if the infringement has impact on the licensee's rights (which implies that the infringement should take place on the territory covered by the license). It should be noted that the exclusive licensee is recognized as such if the license is duly recorded with the Russian PTO.

(8.1.4) Non-exclusive Licensee

112 Non-exclusive licensee cannot act as the plaintiff in a patent infringement case.

(8.1.5) Other

113 By analogy, a sub-licensee in case of the exclusive license may act as the plaintiff (this position is supported in the case involving copyright assets, e.g., *Resolution of the Third Commercial Appellate Court of 16 January 2014 on case No. A33-6758/2013*).

114 Russian law does not expressly identify whether the pledge holder is entitled to enforce the patent as well as whether the trustee may act as the patentee (although copyright judicial practice supports the position as per which the trustee may initiate enforcement proceeding (e.g., *Resolution of the Intellectual Rights Court of 11 February 2014 No. C01-470/2013 on case No. A33-3572/2013*).

(8.2) LIMITATION PERIODS

115 The general limitation period in a patent infringement case is three years starting from the date when the plaintiff became aware (or should have become aware) of the patent infringement and the identity of infringer.

116 The expiration of a limitation term may serve as a ground for dismissing the case only if the defendant invokes expiration of a limitation term.

117 The courts use various sources to establish the threshold date for limitation term. For instance, in *Resolution of the Intellectual Rights Court of 30 October 2014 No. C01-1043/2014 on NA08-2171/2012*, the court used the date indicated in the contract between the plaintiff and the private detective relating to the alleged infringement by the defendant (1 November 2008) to conclude that limitation term expired prior to the date when the plaintiff filed a lawsuit (22 February 2012).

(8.3) COMPETENT COURT/VENUE

118 Patent infringement disputes are heard by court of general jurisdiction (cases filed against non-commercial defendants, such as private individuals that do not have a status of individual entrepreneurs as well as criminal cases) and commercial courts hearing cases between commercial entities. The majority of patent infringement disputes go through commercial courts.

119 The competent Court of First Instance is the court at the place of residence/incorporation of the defendant (currently there are eighty-one commercial courts of the first instance).

120 The appeal may be filed at the appellate court (twenty-one courts) within one month after the issuance of the judgment.

121 The judgment of the Appellate court may be appealed at the Intellectual Rights Court in its capacity as cassation instance.

122 The appellant may file the second cassation appeal to the Russian Supreme Court and, after the decision on the 'second cassation' the appellant may file a claim to the Head (Deputy Head) of the Supreme Court. A supervisory appeal may be also filed against Ruling on the merits of the same Supreme Court. Specific legal norms behind the case may be challenged to the Russian Constitutional Court.

123 It should be noted that invalidation and infringement proceedings are separate.

124 Invalidation proceedings are initiated via the administrative body – the Patent Office, except for entitlement claims which go directly to court.

125 The invalidation decision may be appealed to the Intellectual Rights Court which is the only competent court over invalidation cases. A cassation appeal is possible with the Presidium of the Intellectual Rights Court. The appellant may file a claim to the Head (Deputy Head) of the Supreme Court. A supervisory appeal may be also filed against Ruling on the merits of the same Supreme Court. Specific legal norms behind the case may be challenged to the Russian Constitutional Court.

(8.4) PATENT OFFICE

126 Prosecution of a Russian patent takes place via the Russian PTO.

127 The Russian PTO, is also competent over invalidity actions (except for entitlement claims for which court proceedings are established).

128 Any person may file the related invalidity action. However, in case the patent has expired, invalidity action against the expired patent should be filed by an interested person.

(8.5) PROVISIONAL MEASURES

(8.5.1) Attachment

(8.5.1.1) General Comments

129 The plaintiff, to secure the lawsuit, may claim attachment which, as a provisional measure, should be proportionate to the scope and type of degree of infringement. The attachment may be claimed with regard to tangible mediums, equipment and materials if there is reason to believe that they are used to infringe the patent.

130 Attachment should be aimed at, *inter alia*, preventing the defendant from using the asserted patent until the court's decision. It should be demonstrated that the court decision will not be enforced if the motion is not granted and that the absence of the attachment would lead to substantial damage to the patentee; this relief serves to maintain the *status quo* between the parties.

131 The patentee should provide documentary evidence of those circumstances and the main problem in this regard is to determine which documents may be sufficient for court and to outline which damage will be caused to the patentee. However, the attachment motion may be granted if the patentee provides financial security to reimburse the damage to the defendant if the attachment is not granted (i.e., if the defendant is not held liable), but even in case of financial security court should first ascertain the grounds for imposing the attachment.

132 In this regard, detailed presentation of attachment grounds will be necessary, supported with documents, undoubtedly allowing court to conclude that non-grant of the attachment will lead to substantial damage to the patentee or will make the decision unenforceable/complicated for enforcement. At the same time, the attachment motion should not demonstrate that the third parties will sustain damage as a result of the attachment grant and/or that the status quo will be broken.

(8.5.1.2) Assets

133 Seizure of assets may be used as part of provisional measures to secure claims of damages. However, the plaintiff should demonstrate that in case the assets are not frozen, the execution of the court decision will be either impossible or complicated or that the substantial damage will be caused to the plaintiff.

(8.5.1.3) Evidence

134 Any party to a case, having grounds to believe that submission of evidence to court will become impossible or complicated, may file a motion to secure the evidence. The motion should be filed to the court which has the case at its docket (it is also possible to secure evidence before filing a lawsuit).

135 The motion should indicate the target evidence, and the reasons impelling the applicant to file such a motion.

(8.5.2) Preliminary Injunction Proceedings

136 Preliminary injunction proceedings should be instituted based on the motion from the applicant.

137 A motion should be aimed at, *inter alia*, preventing the defendant from using the asserted patent until the court's decision. The plaintiff should demonstrate that the court's decision will not be enforced if the motion is not granted and that the absence of the preliminary injunction would lead to substantial damage to the patentee; this relief serves to maintain the *status quo* between the parties.

138 The patentee should provide documentary evidence of those circumstances and the main problem in this regard is to determine which documents may be sufficient for court and to outline which damage will be caused to the patentee. However, the preliminary injunction motion may be granted if the patentee provides financial security to reimburse the damage to the defendant if the preliminary injunction is not granted (i.e., if the defendant is not held liable), but even in case of financial security the court should first ascertain the grounds for the preliminary injunction.

139 In this regard, detailed presentation of preliminary injunction grounds will be necessary, supported with documents, *undoubtedly* allowing court to conclude that non-grant of the preliminary injunction will lead to substantial damage to the patentee or will make the decision unenforceable/complicated for enforcement. At the same time, the preliminary injunction should not demonstrate that the third parties will sustain damage as result of the PI grant and/or that the status quo will be broken.

(8.5.2.1) Ex Parte Proceedings

140 Preliminary injunction proceedings are available only ex parte. Court reviews the motion and issues a ruling the next day after the motion is filed without the engagement of the parties.

(8.5.2.2) Inter Partes Proceedings

141 *Inter partes* proceedings are not applied for preliminary injunction.

(8.6) EVIDENCE

142 Evidence is information on the facts, based on which the court ascertains presence or absence of the circumstances relevant to the claims and objections of the parties to the case as well as circumstances that are necessary for ensuring due process.

143 Evidence may be submitted in the form of written documents or physical exhibits, explanations of the parties to the case, opinions of experts and specialists, witness statements, audio and video tapes, other documents and materials.

144 Each party should prove the circumstances on which it bases her legal position. The parties are obliged to disclose the evidence beforehand.

(8.6.1) Preservation/Seizure of Evidence

145 Any party to a case, having grounds to believe that submission of evidence to court will become impossible or complicated, may file a motion to secure the evidence. The motion should be filed to the court which has the case at its docket (it is also possible to secure evidence before filing a lawsuit).

146 The motion should indicate the target evidence and the reasons impelling the applicant to file such a motion.

147 Before instituting court proceedings the plaintiff may secure evidence by approaching the notary public who may prepare a report evidencing certain facts (generally evidence of offers for sale, in particular in the Internet, are secured via the notary public).

148 Evidence (for instance, infringing products) attached during the police raid in the course of administrative or criminal action may be also used as evidence in the infringement proceedings.

(8.6.2) Gathering Evidence

149 The evidence is submitted by the parties to the case. Court is entitled to suggest that the parties should submit additional evidence for due process.

150 If the plaintiff cannot gather the evidence from the person holding such evidence (for instance, the defendant), the plaintiff may ask court to order disclosure of evidence. Non-compliance with court ruling on evidence disclosure entails a fine.

151 In case evidence is present in another constituent part of the Russian Federation, the court may issue a request to a court located at that constituent part to undertake specific activities aimed at gathering evidence.

152 A witness may be interrogated in court proceedings based on the motion of the party to the case, however, the court, at its own initiative, is entitled to call on the witness who participated in composing the written evidence.

(8.6.3) Experts

153 The court may appoint an expert to get the professional opinion on the facts which are necessary for case adjudication. Since in patent infringement cases technical aspects are crucial, courts often appoint an expert in such cases.

154 Typically one of parties files a motion to court, suggests a prospective expert and provides drafts of the questions which an expert should resolve. Deposition of the expert remuneration to court account is required. The court may also appoint an expert at the consent of the parties to the case.

155 Experts are put in notice of criminal liability for false expert opinion. The parties enjoy their procedural right to propose a disqualification of the expert from the proceedings.

156 The parties are not allowed to interrupt within the activity of the expert; however they are allowed to participate in examination if their participation does not pose difficulties to the expert.

157 The examination appointed by court may be sought from one expert, experts from various technical fields as the case might be (i.e., multi-discipline examination) or two experts from the same technical fields (i.e., commission examination).

158 The case is suspended while expert opinion is being prepared. Upon completion of examination the proceedings are resumed, and the parties are welcome to provide their comments on the expert opinion. In case of necessity, the expert may be summoned to court to provide his explanation. If the court finds that the expert opinion is unclear, additional examination may be appointed. In case there are grounds to believe that the expert opinion is not substantiated, the new examination may be appointed.

(8.6.4) Inspection

159 The court may undertake inspection of written evidence and tangible mediums at the premises where they are located in case it is impossible or complicated to submit such evidence to court. The court issues a ruling in this regard. In case tangible mediums are subject to deterioration, the court may undertake immediate inspection.

160 The parties should be notified of the inspection; however, if the parties fail to appear, the court may undertake inspection without their appearance.

161 The court may summon experts and witnesses during the inspection. Video and audio recording as well as photos may be taken during the inspection. As a result of the inspection, the inspection report is prepared (containing such exhibits as photos, video and audio tapes) which are included in the case materials.

(8.7) PROCEEDINGS ON THE MERIT

(8.7.1) Infringement Proceedings

Before filing a law suit with financial claims (i.e. damages / compensation for patent infringement) the IP owner must send a c/d letter to the infringer and may file the lawsuit on expiration of thirty days after the date of the c/d letter.

162 *Preliminary hearing.* Before moving to the main hearings, the court appoints a preliminary hearing where a number of procedural issues are resolved, such as necessity to appoint an expert, evidence gathering, engagement of third parties, etc.

163 *Main hearing.* After the preliminary hearing the court moves to the main hearing. The defendant is obliged to provide his response to the statement of claims (the text of lawsuit) beforehand; otherwise implications of abuse are possible. The parties are welcome to file additional motions to court. The court examines the evidence submitted by the parties and moves to oral pleading where the parties present their legal position. During the pleading

evidence examination may be resumed. Upon completion of evidence examination and oral pleadings, the court issues a judgment.

(8.7.2) Invalidity Proceedings

164 Invalidity proceedings are initiated via the Russian PTO acting as the quasi-judicial body in the administrative proceedings. A special panel is formed and the both the patentee and the applicant that filed an invalidity objection are notified of the hearing. Based on the materials and arguments submitted by the parties, the panel issues its opinion which is considered by the Russian PTO within two months, resulting in issuing the decision on holding the patent invalid (partially or fully) or on dismissing the invalidity objection.

165 Decision of the Russian PTO may be appealed to the Intellectual Rights Court within three months since the date of the decision.

(8.7.3) Entitlement Proceedings

166 Entitlement proceedings are initiated via the Intellectual Rights Courts.

167 *Preliminary hearing.* Before moving to the main hearings, the court appoint a preliminary hearing where a number of procedural issues is resolved, such as necessity to appoint an expert, evidence gathering, engagement of third parties, etc.

168 *Main hearing.* After the preliminary hearing the court moves to the main hearing. The defendant is obliged to provide his response to the statement of claims (the text of lawsuit) beforehand; otherwise implications of abuse are possible. The parties are welcome to file additional motions to court. The court examines the evidence submitted by the parties and moves to oral pleading where the parties present their legal position. During the pleading evidence examination may be resumed. Upon completion of evidence examination and oral pleadings, court issues a decision.

(8.7.4) Suspension of Proceedings

169 Various grounds for suspension of court proceedings exist, some of them being mandatory for court, some being at court's discretion.

170 *Mandatory suspension grounds.* The court is obliged to suspend proceedings in the following cases:

- another Russian court hears a case before adjudication of which it is impossible to adjudicate the case for which suspension is sought;
- the defendant is in the operating unit of the Russian army or the death of the individual (being the party to the case) if there is a right-successor to him in the given dispute; or loss of legal capacity of the individual being a party to the case.

171 It should be noted that filing an invalidity action with the Russian PTO does not serve as an obligatory ground for suspending the infringement proceedings, however, the subsequent invalidity decision of the Russian PTO may serve as a newly discovered circumstance, while challenging a decision of the Russian PTO in Intellectual Rights Court may serve as an obligatory suspension ground.

172 *Optional suspension grounds.* The court is entitled to suspend the proceedings in the following cases:

- the court appointed an expert report;
- the party to the case is under corporate reorganization;
- an individual being a party to the case is engaged to perform a public duty;
- an individual being a party to the case is in hospital or on timely business trip;
- an international court or a foreign court can hear a case which may have impact on the case for which suspension is sought.

(8.8) CUSTOMS SEIZURES

173 Inventions cannot be recorded in the customs register of the intellectual property subject matters. However, if the patentee knows through which customs checkpoint the infringing goods may come to Russia, he may ask the Customs office to inform him of the coming goods. The Customs usually are cooperative and they may inform (but they are not obliged) the patent owner of the expected consignment.

(8.9) REMEDIES

(8.9.1) Injunction

174 The patentee may claim permanent injunction aimed at banning the defendant from using the patent (commercialize the infringing products). In case of preliminary injunction, its grant will depend whether the preliminary injunction breaks the *status quo* and will not harm the interests of the third parties as well as whether the plaintiff succeeds in demonstrating that non-grant of the preliminary injunction will lead to substantial damage to the patentee or will make enforcement of the court decision impossible or complicated. It should be noted that the grant of a preliminary injunction in patent cases is rather rare.

(8.9.2) Intermediaries

175 Russian law does not expressly name intermediaries as the addressees of the injunction or other remedies. However, since the list of infringements is non-exhaustive, liability of intermediaries will depend on whether their activities fall within the categories of manufacturing, sale or other commercialization of the infringing product. It should be noted that Russian law allows filing claims against the person that make necessary arrangements for infringements or to the person that may prevent the infringement. Therefore, in term of practice, liability of intermediaries is yet to be developed in practice. Currently, the specific liability is provided for and regularly enforced against information intermediaries (hosting providers, website owners, etc.) in copyright cases (however, the scope of their liability is not restricted only to copyright cases).

(8.9.3) Right to Information

176 If the plaintiff cannot gather the evidence from the person holding such evidence (for instance, the defendant), the plaintiff may ask the court to order disclosure of evidence. Non-compliance with the court ruling on evidence disclosure entails a fine.

177 In case evidence is present in another constituent part of the Russian Federation, the court may issue a request to a court located at that constituent part to undertake specific activities aimed at gathering evidence.

178 A witness may be interrogated in court proceedings based on the motion of the party to the case, however the court, at his own initiative, is entitled to call on the witness who participated in composing the written evidence.

(8.9.4) Corrective Measures (Recall, Destruction, Etc.)

179 The patentee may claim seizure and destruction of the infringing products, as well as seizure and destruction of materials, documents and equipment used to produce them. Destruction is exercised at the defendant's expense.

(8.9.5) Reasonable Compensation

180 Starting from 1 January 2015 the patentee, instead of damages, may claim compensation of the two types:

- from RUR 10,000 (app. USD 150) to RUR 5,000,000 (app. USD 70,000);
- double price of the license in similar circumstances.

181 Compensation may be lowered by court using criteria of reason and justice. Previously, compensation has been successfully used as a remedy in copyright and trademark cases.

(8.9.6) Damages

182 The patentee may claim damages, however, the specific amount of damages should be proved. Both actual damage and lost profit may be claimed. Various methods of calculating damages are used.

183 For instance, in case *VNIKP CJSC v. KONKORD LLC* (Resolution of the Intellectual Rights Court of 20 March 2014 No. C01-83/2014 on case No. A62-699/2011), the patentee, having sued his former licensee, used calculations of the average annual products flow based on the reports previously submitted by the defendant when the defendant had the status of the licensee.

184 In case *URALVAGON ZAVOD OJSC v. PROMTRAKTOR VAGON LLC* (Resolution of the Federal Commercial Court of Volgo-Vyatsky Region of 16.05.2012 on case No. A79-12204/2010) court relied on the effective royalty rate that the patentee used in his relations with licensees.

185 The patentee may also submit written opinions of special counsels to calculate the amount of damages as happened in *ZAVOD STROITELNOGO OBORUDOVANIYA LLC v.*

DALINVEST LLC (Resolution of the Federal Commercial Court of the Far-East Region of 20 August 2013 No. Φ 03-2074/2013 on case N A51-9500/2010).

(8.9.7) Disclosure of Judgment

186 All decisions of commercial courts are published on-line in the information system <http://kad.arbitr.ru/>. The patentee may also claim publication of the court decision in the official gazette of the Russian PTO as well as in other media in case the infringer made publications in such media relating to commercialization of the infringing products.

(8.9.8) Order for Costs

187 Costs of patent litigation vary from case to case and include payment of state duty, expenses for gathering evidence, remuneration for experts and fees to counsels. The general rule is the losing party reimburses the documented costs sustained by the succeeding party; however, the court has discretion to decrease the amount of the costs.

(8.10) CRIMINAL ENFORCEMENT

188 Criminal enforcement against the patent infringer is possible and takes place where the patent infringement entails significant damage (the amount of what is meant by 'significant' is not indicated in law, so each case is considered on a case-by-case basis). Criminal action is initiated based on the complaint from the patentee and cannot be initiated ex-officio, except for the cases where a group of infringers is involved. Criminal punishment measures include correctional work, imprisonment to two or five years, a criminal fine. The patentee, as a victim, may institute civil proceedings against the infringer to reimburse the damage, but it should be noted that under Russian criminal law system only an individual (for instance a CEO of the patent infringement company or an individual entrepreneur) may be considered as criminal since criminal liability does not apply to legal entities.

(8.11) APPEAL

189 *Infringement proceedings.* The appeal may be filed at the commercial appellate court (21 courts) within one month after the decision is issued.

190 After the appellate proceedings, the decision enters into force.

191 There may be a cassation appeal (i.e., on the existing case-record) filed to the Intellectual Rights Court.

192 It should be noted that invalidation and infringement proceedings are separate.

193 *Invalidation proceedings.* After the Russian PTO issues an invalidation decision, the invalidation decision may be appealed to the Intellectual Rights Court which is the only competent court over invalidation cases. A cassation appeal (on the existing case-record) is possible with the Presidium of the Intellectual Rights Court. The appellant may file the second cassation appeal to the Russian Supreme Court and, after the decision on the 'second cassation, the appellant may file a supervisory appeal to the same Supreme Court'.

(8.12) SUPREME COURT

194 *Infringement proceedings.* The appellant may file the second cassation appeal to the Russian Supreme Court and, after the decision on the ‘second cassation’, the appellant may file the ‘supervision’ appeal to the same court.

195 It should be noted that invalidation and infringement proceedings are separate.

196 *Invalidation proceedings.* The appellant may file the second cassation appeal to the Russian Supreme Court and, after the decision on the ‘second cassation’, the appellant may file the supervision appeal to the same court’.

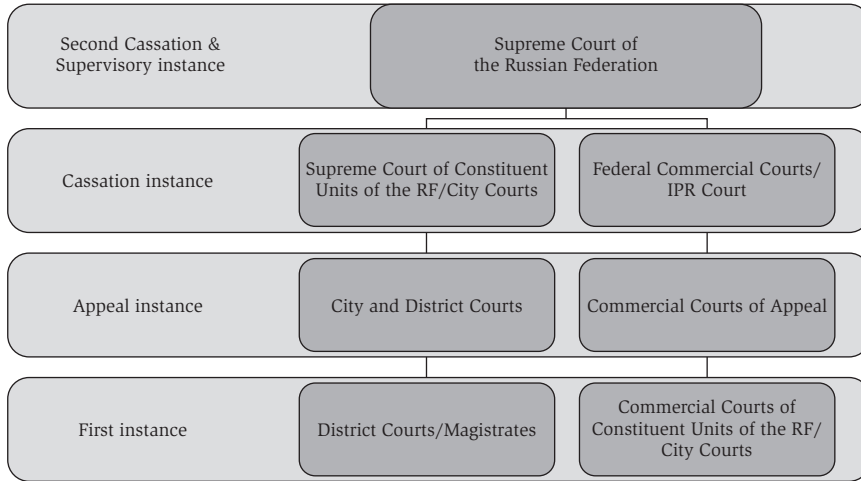
(9) CONCLUSION

197 The international integration (*inter alia* accession to the WTO), long-rooted tradition of technology development, pro-active approach of international companies and Russian businesses, growing number of IP professionals, ongoing reform of the civil legislation, formation of the specialized IP Court acting as a cassation (appeal on the existing case-record) instance – these are the key factors that are influencing and shaping the Russian IP landscape, including Russian judicial practice.

(10) TABLES

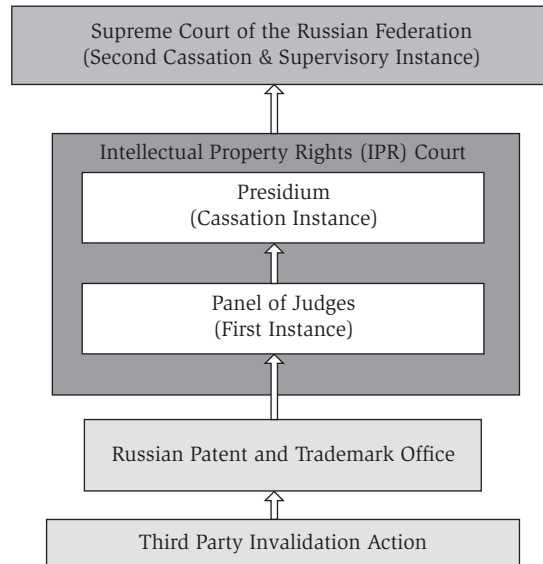
Court Structure for Patent Litigation in the Russian Federation

Russian Court System



IPR: Intellectual Property Rights; RF: Russian Federation

Validity Issues



Patent Infringement Issues (Commercial Disputes)

Supreme Court of the Russian Federation	<ul style="list-style-type: none"> • The Court may reconsider the case as a second cassation instance and a supervisory instance on limited grounds. • Considered by Judicial Chamber on Economic Disputes or by Presidium
Intellectual Property Rights (IPR) Court	<ul style="list-style-type: none"> • Cassation appeals are considered by a panel of 3 judges. Checks compliance with the law. Not empowered to revise the case on its merits
Commercial Appeal Courts	<ul style="list-style-type: none"> • 20 courts empowered to reconsider judgments of the first instance courts on the merits. Appeals are considered by a panel of 3 judges
Local Commercial Courts	<ul style="list-style-type: none"> • 81 first instance courts established in administrative territories within the Russian Federation. Cases are considered by a single judge
IP infringement suit to be filed with the court at the defendant's location	

Preliminary Injunction Proceedings: Ex Parte injunctions

Preliminary injunction proceedings are available only ex parte. Court reviews the motion and issues a ruling the next day after the motion is filed without the engagement of the parties.

Preliminary Injunction Proceedings: First Instance

Preliminary injunction may be sought at any stage of the proceedings before the judgment is issued. Petition may be filed together with the court suit. Petition for injunction shall be considered by court not later than the next day after filing petition.

Counter injunction may be sought by respondent to cover possible potential damage suffered by him because of injunction.

Injunctive relief: arrest of moneys; ban to perform certain actions; transfer of disputed property to custody of the plaintiff or other person; other measures as may be dictated by the circumstances.

Preliminary Injunction Proceedings: Appeal (Normal Appeal)

Same as above.

Preliminary Injunction Proceedings: Appeal to Supreme Court

Same as above.

Proceedings on the Merit: First Instance

After drafting a suit the plaintiff shall send it to the court and to the respondent. The respondent shall prepare a response to the suit and send it to the court and to the plaintiff. If the response is not prepared by the respondent the court will examine the case on the basis of evidence already on file.

Before proceedings on the merits the court schedules a preliminary hearing. During the preliminary hearing the judge rules on the petitions of the parties, determines whether the submitted evidence is sufficient. Additional documents may be requested from the parties.

If the judge finds that the court case is in order the hearing on the merits is scheduled.

At any stage of the proceedings the parties may settle amicably. The court will assist the parties in concluding an amicable agreement.

The court shall examine the case and issue a judgment not later than three months from filing the suit. The date of hearing is appointed depending on the work load of the court.

On initiative of the parties or on its own initiative the court may appoint an expert report. The hearing will be adjourned to a later date.

After examination of the case the court issues a judgment. Typically within three to four months.

The judgment of the first court comes in force on expiration of one month if not appealed.

Proceedings on the Merit: First Instance (Accelerated)

The period of examination of cases in Russian courts are quite short, hence there are no provisions for accelerated examination.

Proceedings on the Merit: Appeal

The judgment of the first instance court may be appealed by any of the parties during one month after the date of the judgment. The appeal from the judgment shall be sent to the Court of First Instance which shall pass it on together with the case file to the appeal court. A copy of the appeal shall be sent to the other party.

The other party shall prepare a response to the appeal and send it to the Court of First Instance which passes it on to the Court of Appeal.

The Court of Appeal examines the case in the full scope.

The case shall be examined during two months from the date when it received the file from the Court of First Instance.

As a result of examination of appeal the Court of Appeal leaves the judgment of the court of first instance in force, or cancels the previous judgment in full or in part and issues a new judgment.

The judgment of the appeal court enters in force on the date of its issuance.

Proceedings in Cassation Court Instance

The judgment of the court which came in force may be appealed in full or in part before the cassation court instance.

The cassation appeal shall be filed through the court which issued the judgment and passed on to the cassation instance court. If the case concerns intellectual property the cassation appeal shall be transferred for consideration to the IP court.

The cassation appeal shall be filed during two months from entering in force of the previous judgment. The appeal shall also be sent to the other party in dispute.

The other party may submit a response to the appeal.

The cassation instance court shall check whether the courts of previous instances issued judgments according to the law, it checks whether the provisions of material and procedural law were applied correctly.

As a result of examination of the case the cassation court leaves the judgment of the court of first instance or of the appeal instance in force, or cancels the previous judgments in full or in part and issues a new judgment, or cancels the previous judgment of the first instance court or of the appeal court in full or in part and sends the case down to the respective court for reconsideration.

Proceedings on the Merit: Appeal (Accelerated)

No acceleration provisions.

Proceedings on the Merit: Appeal to Supreme Court

The judgments of the cassation court may be appealed with the Presidium of the Supreme Court.

The appeal shall be filed within three months from the date of the previous judgment. The appeal shall be examined within two months from filing.

The judge of the Supreme Court examines the appeal and may refuse transferring the case for examination by the Presidium of the Supreme Court if there is no base for reconsideration by the Supreme Court, or he may pass the case on to the Presidium of the Supreme Court for reconsideration.

The Supreme Court will cancel or amend the judgment if uniformity of application of the law has been violated by the previous judgment or if the courts incorrectly interpreted the law.

Presidium of the Supreme Court may leave in force the judgment of the first instance court or the judgment of the appeal court, or it may cancel the judgment of the first instance court or the judgment of the appeal instance court and send the case down to the respective court for reconsideration, or it may cancel or amend the judgment of the first instance or the appeal instance and issue a new judgment. It may also leave the appeal without examination.

The opinion of the Supreme Court with regard to how provisions of the law shall be interpreted is obligatory for the lower courts.

Relationship Between Infringement and Validity

Infringement is examined by the court. Validity of an IP subject matter is examined by the Patent Office. These are two independent procedures hence the infringement case will not be stayed while the patent Office decides on the validity of IP.

If the decision of the Patent Office is appealed to IP Court and the infringement is being considered in the same IP Court (as a court of cassation) the infringement proceedings will be stayed pending decision on validity of IP.

Role of Experts

The experts may be proposed by the parties during examination of the case by court. Or the court may appoint an expert in a given field on its own initiative.

The IP Court has technical experts on its staff. If there is no technical expert in the required field the court may appoint an expert from outside.

Experts will give their opinions to the court however their opinions are not binding on the court.

Duration of Preliminary Injunction Proceedings

Preliminary injunction lasts until the judgment of the court is issued.

Duration of Proceedings on the Merit (Infringement and/or Invalidity)

Duration of proceedings depends on the particulars of the case however for general guidance the following average terms may be given

First instance court – three to four months

Second instance (appeal court) – two to three months

Third instance (cassation court) – two to three months

Fourth instance (supervisory) – two to three months

If the case goes through all four instances the case may last for twenty-four months. If there are complicating circumstances (one of the parties did not appear, adjournment was sought for some reason, expert opinions were sought, etc.), the case may last for several years however this is exception rather than the rule.

Costs of Infringement and Invalidity Proceedings

Invalidity procedure at the Patent Office may cost approximately USD 8,000.

Infringement proceedings may cost USD 20,000–USD 30,000 on average. Complicated cases may involve higher expenses.

