

# The Trademark Lawyer

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## Difficulties and trends on the protection of three-dimensional marks

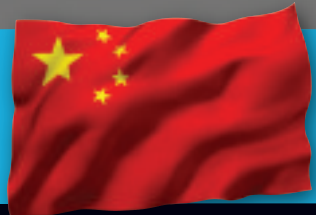
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**PLUS**

Mr. Zhenkun Fu and Ms. Maggie Yang of Corner Stone & Partners explore the complex case over bad-faith trademarks “Wyeth” and “Wyeth in Chinese” on page 11.



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- The Amazon Effect • African judicial system • Chinese 3D designs • Asian trademark rankings



Viacheslav Rybchak

# Appellations of origin of goods and geographical indications in Russia

Viacheslav Rybchak from Gorodissky & Partners closely considers AOGs and GIs in Russian intellectual property law and how they will be used to stimulate the development of the legal system.

**A**ccording to the Russian Civil Code (Part IV), legal protection is provided to the means of individualization, which are equal in their legal status to the results of intellectual activity and are considered among intellectual property objects.

Among such means can be particularly highlighted those that perform their function of individualization, pointing to the geographical origin of goods such as appellation of origin of goods (AOG), which is protected in Russia as an object of intellectual property, and geographical indication (GI), which is not currently protected as IP under Russian law.

Statistics show that the AOGs are not very popular among manufacturers in Russia as means of legal protection, while the consumers are interested in the use by manufacturers of AOGs, as they can be sure that the designated products have special properties due to geographical origin.

Currently in Russia, only 168 AOGs are registered, of which 137 are in the name of Russian producers and 31 in the name of foreign manufacturers.

The above fact is explained by certain difficulties that arise by obtaining registration and the right to use the AOGs for both Russian and foreign applicants.

In order to obtain legal protection as AOG, the designation must meet certain conditions prescribed by law.

According to the Russian Civil Code, AOG is a designation that represents or contains a modern or historical, official

or unofficial, full or abbreviated name of the country, city or rural settlement, locality or other geographical object, or derived from such name and became known as a result of its use with respect to the good, the special properties of which are exclusively or mainly determined by the natural conditions and/or human factors of a given geographical object.

A designation that identifies a product as originating from the territory of a particular geographical object and, although it does not contain the name of that object, is also recognized as AOG as a result of its use with respect to a product whose special properties meet the established requirements. For example, the name "KURAI" (a kind of wind musical instrument from Bashkortostan in Russia) or "NARZAN" (mineral water, bottled in the Stavropol region in Russia).

The designation, although representing or containing the name of a geographical object, but which entered into general use in Russia as a designation of goods of a certain type, not related to the place of its production, is not recognized as AOG. For example, the designation "Swiss cheese", which is perceived for a long time in Russia as the name of a certain type of cheese, not associated with the place of its production.

According to the Russian Civil Code (Art. 1517), the name of a geographical object located in a foreign state can be registered as AOG in Russia if such name is protected as AOG in the country of origin of goods. Moreover, it is stated that the owner of the exclusive right to use such name can only be a person whose right to use this name is protected in the country of origin.

At the same time, according to the Russian Civil Code (article 1516), the exclusive right to use the AOG may be recognized for the manufacturers of the corresponding goods.

These conditions give rise to certain difficulties for obtaining of legal protection for foreign AOGs in Russia. Thus, in the European Union, the holder of the right for appellation of origin (PDO) can be a group of companies and the EU countries create consortiums or other unions, which have the purpose of protection of the rights on a respective AOG, monitoring of quality of relevant products,

## Résumé

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Viacheslav graduated from the Moscow State University of International Relations as a lawyer, specializing in international private law and intellectual property law. In 1998 he joined Gorodissky & Partners. Viacheslav counsels clients on all matters pertinent to legal protection of trademarks and appellations of origin of goods in Russia and neighboring countries, deals with trademark prosecution and enforcement, and represents clients before the Russian PTO and Courts. He is a regular speaker at IP conferences and seminars and also an author of a number of publications in Russian and international magazines.



promotion etc. A consortium may include companies engaged in various stages of production of the goods concerned, but the consortium itself as a legal entity is not the manufacturer of goods.

However, the practice of the Russian PTO shows that foreign AOGs are registered in the name of consortiums (“PARMIGIANO REGGIANO”, “GRANA PADANO”, “GORGONZOLA”, “ASTI”, “PROSCIUTTO DI PARMA”, “PROSECCO”) or other associations of manufacturers involved in the process of production of goods at various stages (“TEQUILA”: registration granted in the name of the Council for the Regulation of Tequila) or other interprofessional associations (“DOURO”: registration granted in the name of Instituto dos Vinhos do Douro e Porto), which is currently a kind of exception to the existing rules and indicates a desire to harmonize Russian approach with the one in other countries.

The said registration can be granted with the condition of protection of the name in the country of origin as AOG, and there must be submitted documents confirming the legal status of the relevant

association (consortium), in the name of which the application is submitted, and confirming the right of the association to the AOG in the country of origin.

Possible amendments to the Civil Code are currently discussed in Russia, in particular, to the section on the AOGs, aimed at improving the mechanisms of legal regulation, taking into account the above-mentioned comments. Particularly, it is suggested to remove the indication that the exclusive right to use an AOG may be granted only to manufacturers of relevant goods and to provide the right to registration of AOGs in the name of groups of companies (associations), whose creation and activity is not contrary to the legislation of the country of origin.

It is assumed that by submitting an application for the AOG, the association will additionally submit a list of persons entitled to use the AOG, the conditions for the use and control of such use.

These changes will significantly bring closer the system for the protection of AOGs in Russia and other countries, in particular in the European Union and, in fact, will reflect the emerging practices in providing legal protection for foreign AOGs in Russia.

However, according to the existing rules, a condition remains that the name of a geographical object located in a foreign state may be registered as an AOG in Russia, if such name is protected in the country of origin specifically as an AOG, and not as other mean of individualization (for example, as a geographical indication).

Thus, the RUPTO refused to register and issue the certificate for the name “EMILIA”, applied on behalf of 25 Italian companies for various types of wines, explaining the refusal that the applied name is not protected in the country of origin as AOG, although it is registered as a geographical indication (GI).

Not agreeing with the opinion of the examination, the applicant appealed to the Chamber of patent disputes of RUPTO with an objection that the claimed designation is protected in Italy as “protected geographical indication” and, although not directly protected as an AOG in the country of origin, nevertheless, it meets the requirements

**“According to the Russian Civil Code (Art. 1517), the name of a geographical object located in a foreign state can be registered as AOG in Russia if such name is protected as AOG in the country of origin of goods.”**



of Russian legislation on AOGs. The applicant also referred to the fact of granting legal protection to the designation “EMILIA” on the basis of the Lisbon agreement for the protection of appellations of origin and their international registration in a number of countries, which with the adoption of the Geneva act in 2015 provides the possibility of international registration not only of appellations of origin, but also for geographical indications. As noted by some experts, the concept of geographical indication, which is embodied in the Lisbon agreement, includes appellations of origin.

However, the Chamber of patent disputes, having considered the objection, did not consider the arguments given by the applicant convincing. The Chamber pointed out that none of the submitted materials confirmed that the claimed designation was protected in the country of origin as AOG in the sense that is embedded in this concept in the Russian legislation. The information provided indicated that in Italy the designation “EMILIA” is registered as PGI, while in Italy there is also the protection for the designations as PDO (AOG). The case is actually pending awaiting the resolution by the IP Court.

The above position of the RUPTO demonstrates that in Russia a clear distinction is made between an AOG and GI as separate objects of intellectual property, although, of course, they have similar features.

At present, there is no such intellectual property object as geographical indication in Russian legislation, although since 2005 Russia has participated in the Minsk Agreement of 1999 “On measures to prevent and suppress the use of false trademarks and geographical indications” (within the CIS), which obliges Russia to include into the legislation provisions on the observance of rights to geographical indications, including measures to prevent violations of rights to GIs.

The definition of GI in the Minsk agreement as a whole reproduces paragraph 1 of article 22 of the TRIPS Agreement, which is also from August 2012 mandatory for implementation into Russian legislation.

In accordance with the draft on amendments to the Russian Civil Code (hereinafter – the draft), it is planned to include geographical indication as a new object of protection as intellectual property and mean of individualization.

According to the proposed definition, a geographical indication is a designation that identifies the goods as originating from the territory of a geographical object, with a certain quality, reputation or other characteristics substantially determined by their geographical origin.

Based on this definition, we can see the differences between AOG and GI. In comparison with GI, AOG is characterized by a closer dependence of the specific properties of the goods on the place of their production. In particular, this means that, in case with AOG, the entire production process and the materials used must be localized within the geographical area, and this is not the case for GI as one of stages of production may be located in another area or the raw materials may be partially taken from another region, but it is necessary that the final product has certain characteristics, reputation and quality determined by factors within the territory concerned.

Further, the draft provides that a designation allowing the identification of the goods as originating from the territory of a geographical area located in a foreign state can be registered as GI if this designation is protected as GI or as other mean of individualization in the country of origin.

By analogy with AOG, it is provided that the holder of the exclusive right to use GI may only be a person whose right to use such GI is protected in the country of origin.

Similarly to novelties provided for AOGs, the draft also states that a GI may be registered by a group of companies (association), whose creation and activity does not contradict to the legislation of the country of origin. Accordingly, in case of granting the exclusive right

to a group of companies (association) to use a GI, the right to use such indication will be granted to each person who is a member of the group, provided that it is used for goods of a certain quality, reputation or with other characteristics determined by geographical origin.

When applying for a geographical indication by the association, it will be necessary to submit a list of persons entitled to use the GI, the conditions for the use by persons belonging to the association and the procedure for controlling its use.

It should also be noted that Russia is a party to the Treaty on the Eurasian Economic Union (EAEU), signed in 2014 (together with such countries as Kazakhstan, Belarus, Armenia, Kyrgyzstan), which provides for introduction of a system of protection of an appellation of origin of the EAEU, the legal protection of which will be valid simultaneously on the territory of all member States. The issues of registration, legal protection and use of the AOG of EAEU will be regulated by an international Treaty within the framework of the EAEU, which is currently under discussion.

The EAEU Treaty also provides for legal protection of GIs in the territory of a member State, if such protection is provided for by the legislation of that State or by international treaties to which this State is a party. However, unlike for the AOGs, there is no provision for a system of a single geographical indication protected simultaneously in the territory of all member States.

In general, it seems that the above-mentioned novelties in the Russian legislation relating to the legal regulation of AOGs and GIs will stimulate the development of these legal institutions, as well as meet the needs of both producers of relevant goods with special properties, quality and reputation determined by geographical origin and the interests of consumers of these goods.

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