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**Gorodissky & Partners**

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# Yearbook

## 2016/2017

A global guide for practitioners

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# Gorodissky & Partners Russia

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### Legal framework

Part IV of the Russian Civil Code incorporates all IP laws into a single statute, with trademark legislation set out in Chapter 76 of Section VII.

Russia is party to the following multilateral international agreements:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement Concerning the International Registration of Marks;
- the Protocol to the Madrid Agreement Concerning the International Registration of Marks;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- the Nairobi Treaty on the Protection of the Olympic Symbol;
- the Trademark Law Treaty;
- the Singapore Treaty on the Law of Trademarks; and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

### Unregistered marks

No rights exist in an unregistered mark unless it is well known according to Article 6*bis* of the Paris Convention and recognised as such according to Articles 1508 and 1509 of the Civil Code.

An unregistered mark can be protected if, due to intensive use, it has become widely known in Russia among the relevant consumers with respect to the goods of the person seeking protection of the mark and is recognised by the Russian Patent and Trademark Office (PTO) to be well known in Russia.

Further, according to Articles 1538-1541 of the Civil Code, a mark used by a legal entity or an individual entrepreneur to distinguish its commercial enterprise may be protected as a commercial designation if the mark has sufficient distinctiveness and its use by the owner in respect of the enterprise is known within a certain territory.

### Registered marks

#### Ownership

A legal person or an individual entrepreneur may apply for and own a mark.

**Scope of protection**

The owner of a registered trademark has the exclusive right to use the trademark. It can prevent all third parties from using, without its consent and in the course of trade, identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. However, the rights holder cannot prohibit use of the registered trademark in respect of goods placed on the market in Russia or in the Eurasian Economic Union by the owner or with its consent.

The owner of a well-known mark can also prevent third parties from using, without its consent, identical or confusingly similar trademark for other goods, provided that such use would indicate a connection between those goods or services and the owner of the well-known mark, and provided that the interests of the owner of the well-known trademark are likely to be damaged by such use.

**Procedures**

**Examination**

The examination procedure includes a formal examination of the application – conducted within one month of filing – and a substantive examination of the mark. During the formal examination, the application and accompanying documents shall be checked for compliance with the statutory requirements. During the substantive examination, the mark is checked for compliance with the conditions set out in the Civil Code:

- the acceptability of the applied-for subject matter as a trademark; and
- the absence of absolute and some relative grounds for refusal of registration.

In particular, the following indications cannot be protected:

- indications without distinctiveness (distinctiveness acquired through use is considered);
- indications that consist only of certain elements (eg, those generally used for the indication of certain goods or those that characterise those goods);
- indications that contain elements that are false or misleading to the consumer in

respect of a product or its manufacturer, or that are contrary to public interests or the principles of humanity and morality;

- indications that are identical or confusingly similar to official names and images of particularly valuable objects of the cultural heritage of the Russian people or of worldwide cultural or natural heritage;
- indications that are identical or confusingly similar to the earlier trademarks of other persons protected in Russia or applied for registration with respect to the same or similar goods. A letter of consent from the owner of the earlier trademark shall be accepted by the PTO, unless the registration of the trademark will mislead consumers;
- indications that are identical or confusingly similar to appellations of origin protected in Russia with respect to any goods;
- indications that are identical or confusingly similar to a company name or a commercial designation (or their elements) used by another person with respect to the same or similar goods or services, or a name of an achievement in breeding registered in the State Register of the Protected Achievements of Breeding; and
- indications that conflict with the earlier copyrights of other persons, some earlier personal rights and earlier rights to industrial designs and compliance marks

**Opposition**

No opposition procedure is available in Russia. However, after the publication of the trademark application, any third party can submit to the PTO their observations regarding registrability of the applied mark. Those observations shall be considered during examination of the trademark. However, filing the observations does not give those third persons any other procedural rights. Moreover, nothing is published about submitted observations, and the PTO does not publish the outcome of its examination of the observations.

**Registration**

Depending on the results of the substantive examination, the PTO shall make a decision about the registration of the trademark. If registration is accepted, within one month

of receipt of a document certifying payment of the statutory fee, the PTO will enter the trademark in the State Register of Trademarks and Service Marks. A trademark certificate is issued within one month of the date of registration.

### Removal from register

**Invalidation:** Trademark protection may be contested and held invalid:

- in full or in part for the whole term, if there are absolute grounds for refusal or earlier exclusive rights in firm names, trade names or copyrights;
- in full or in part within five years of the date of the registration's publication in the *Official Gazette*, if there are earlier trademarks or appellations of origin;
- in full within the whole term if protection was granted to someone who is neither a legal person nor an individual entrepreneur;
- in full within the whole term of protection, if protection was granted to a mark having later priority with respect to another person's trademark that had been recognised as well known;
- in full within the whole term if protection was granted in the name of an agent or representative of a person who is the owner of the mark in a Paris Convention member state without such owner's authorisation; or
- in full or in part during the whole term of protection, if the rights holder's actions relating to registration of the trademark or another confusingly similar trademark have been duly recognised as an abuse of rights or unfair competition.

During consideration of objections to trademark registrations filed based on the first three grounds above, when adjudicating, the circumstances of the matter as of the date of the objections are considered.

The grant of protection to a well-known mark may be invalidated in full or in part if the protection was granted unlawfully.

**Termination:** Trademark protection is terminated:

- on expiry of the 10-year term of protection (this can be extended indefinitely for

further 10-year periods);

- in the case of a collective mark, if the IP Rights Court orders this due to the use of the mark on goods without common qualitative or other general characteristics;
- if the IP Rights Court orders this based on a petition by an interested person where the trademark was not used for a continuous three-year period after registration;
- if the rights holder ceases business through liquidation (for a legal entity) or the termination of business activity (for a natural person);
- where the rights holder abandons its exclusive right to the mark; or
- if the PTO orders termination based on a petition by an interested person, where the mark has become a commonly used indication for the designation of certain goods.

### Timeframe

Trademark procedures take the following periods of time:

- registration – 12 to 14 months;
- renewal – two to three months;
- registration of transactions (eg, licences, assignments, pledges) – two to three months; and
- change of name – two to three months.

### Searches

The PTO conducts searches for similarity with earlier trademarks (including those applied for registration or recognised as well known), registered appellations of origin and registered industrial designs.

### Enforcement

The Civil Code stipulates that the rights holder shall have the exclusive right to use its registered or protected trademark:

- for goods, labels and packaging which are manufactured, offered for sale, sold, displayed at exhibitions and fairs or used commercially in Russia, or stored and transported or imported into Russia for this purpose;
- while performing jobs and providing services;
- on documents introducing the goods in commerce;

- while offering goods for sale; and
- on the Internet, particularly in domain names and in other forms of address.

Any unauthorised commercial use of a protected trademark shall be considered infringing, and goods, labels and packaging on which the trademark or a confusingly similar sign is unlawfully placed shall be regarded as counterfeit.

Four types of legal action may be taken against trademark infringers.

**Administrative proceedings**

The illegal use of a trademark entails administrative penalties for such offences, which are seizure of counterfeit goods (as well as materials and implements used for production of the counterfeit goods) and a fine as follows:

- individuals – twice the cost of the counterfeit goods, but no less than Rb10,000;
- legal entities – five times the cost of the counterfeit goods, but no less than Rb100,000; and
- officers – triple the cost of the counterfeit goods, but no less than Rb50,000.

An administrative procedure usually takes three to four months from discovery of the offence to the first court decision.

**Civil proceedings**

The rights holder may claim in court the following remedies in civil proceedings:

- cessation of the authorised use of the trademark;
- reimbursement of damages;
- removal of all counterfeit goods from the market and their destruction;
- publication of the court’s decision; and
- compensation instead of damages between Rb10,000 and Rb5 million.

A claim for unconditional compensation is preferable where there is no documentary proof of damages. The rights holder may claim compensation within the scope mentioned above. The court may moderate the amount with consideration for the specifics of the case.

Preliminary injunctions are available. The court may order injunctive relief preventing the defendant from performing actions related

to the subject matter of the proceedings or ordering the seizure of the defendant’s property.

A petition for injunctive relief shall be considered by the court no later than the day after the claimant files such petition.

Before ordering injunctive relief, the court may ask the claimant to provide a deposit in case of possible damages or to present the court with financial security.

A civil trademark infringement case, from filing to the first-instance court judgment, takes an average of four to six months.

**Criminal proceedings**

The illegal use of a trademark shall entail criminal responsibility only if the infringement occurs repeatedly or if the damage exceeds Rb250,000.

Criminal penalties include:

- a fine of Rb100,000 to Rb300,000 or up to two years’ salary or other income of the convicted person;
- compulsory community service for up to 480 hours;
- corrective or disciplinary work for up to two years; and
- imprisonment for up to two years with a fine of up to Rb80,000 or up to six months’ salary or other income of the convicted person.

If committed by an organised group, the same crime is punishable by:

- a fine of Rb500,000 to Rb1 million or between three and five years’ salary or other income; or
- disciplinary work for up to five years; or
- imprisonment for up to six years and, optionally, a fine of up to Rb500,000 or up to three years’ salary or other income.

The rights holder may claim reimbursement of damages by the infringer. It may initiate civil claims within the ambit of criminal proceedings.

Criminal proceedings consist of two stages: preliminary investigation and court hearings. A concerned person can file an application with the police to begin criminal proceedings, which end with the first-instance court pronouncing sentence. This may be appealed to the court of higher instance. Criminal proceedings last an average of two years.

Common to all kinds of enforcement proceedings (administrative, civil and criminal) is another measure: after the judgment is handed down, the prosecutor may ask the court to liquidate the legal entity that repeatedly or grossly infringed trademark rights.

### **Special administrative procedures**

The illegal use of a trademark may be classed as an act of unfair competition (in case there is competition on the market). The Russian

Anti-monopoly Service is empowered to consider unfair competition cases in special administrative procedures. Such procedures start on the basis of a complaint filed by any person concerned and terminate with the decision of the Russian Anti-monopoly Service. The decision may be appealed to a court.

### **Costs**

The total costs of filing and trying an infringement suit comprise state fees, attorneys' fees and other expenses.



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Vladimir I Biriulin graduated from the Moscow University of Law and later attended the Central Institute of Intellectual Property in Moscow. From 1973 to 1998 he worked in a major IP firm. Mr Biriulin joined Gorodissky & Partners in 1998 and became a partner in 2001. He counsels clients on Russian and IP legislation, international IP treaties, conventions and agreements, technology transfer and licensing, the infringement of IP rights, unfair competition and copyright. He is a regular speaker at IP conferences and seminars in Russia and abroad, and is the author of numerous publications on Russian and foreign IP issues. He speaks Russian, English, French and Spanish.



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Nikolay Bogdanov graduated from the Moscow Institute of Electronic Engineering and attended the Central Institute of Intellectual Property in Moscow. Starting his career as an examiner in the Russian Patent and Trademark Office, Mr Bogdanov later became the office's deputy general director. He joined Gorodissky & Partners in 2004 and became a partner in 2008.

Mr Bogdanov has contributed to the development of Russian IP legislative and regulatory acts, as well as international agreements on patent harmonisation under the World Intellectual Property Organisation. In addition, he contributes to various Russian and foreign professional publications and is a frequent speaker at IP conferences and seminars.

Mr Bogdanov advises clients on Russian IP legislation and provides expert opinions on legal documents.



## The rights holder may file an application with the Russian Customs Service requesting that its trademark be entered into the Customs IP Register. Customs pays special attention to goods carried across the border which are marked with trademarks entered on the register

State fees shall be paid upon filing of a claim based on the amount of claim, from Rb2,000 to Rb200,000. The amount of the claim shall be determined by the claimant in accordance with the amount claimed, including corresponding penalties and interest. The state fee for an immaterial claim for recognition of right is about Rb6,000.

The costs of proceedings may include payments to experts and other persons involved in proceedings.

### Customs actions

In order to prevent the import of counterfeit goods, the rights holder may file an application with the Russian Customs Service requesting that its trademark be entered into the Customs IP Register.

Customs pays special attention to goods carried across the border which are marked with trademarks entered on the register. If it suspects that these are counterfeit, Customs shall suspend release of those goods and immediately inform the rights holder or its representative. During the prescribed term, the rights holder (or its representative) has the right to inspect the goods suspended from release and take legal action, if necessary.

### Specialised court

Established in 2013, the IP Rights Court is a specialised commercial court with jurisdiction over cases concerning IP disputes. As a first-instance court, the IP Rights Court shall consider:

- appeals against the decisions and actions/failure of actions of the PTO;

- patent invalidation suits for reason of wrong ownership or inventorship; and
- trademark cancellation actions for non-use.

As a court of cassation, the IP Rights Court shall consider cases heard by the IP Rights Court at first instance and IP infringement cases considered by first-instance commercial courts and commercial appeal courts.

All cases are heard by a panel of at least three judges. The court may engage experts to clarify specific questions on the matter of dispute; for these purposes, it may send a binding order to any authority, organisation or person.

### Time limits

The statutory limitation for initiating a civil court action is three years. An action based on prior rights against a trademark registered in good faith may be filed, depending on the grounds, within five years of registration or within the term of the mark's validity. Actions against trademarks registered in bad faith may be contested and annulled during the whole term of the trademark's validity.

### Ownership changes and rights transfers

A rights holder can freely dispose of its exclusive right to the trademark, particularly by assignment or a licence contract.

A transfer of the exclusive right without a contract is also possible, particularly in case of universal succession in title and a charge on the rights holder's property.

The rights holder can assign its trademark

to another person in respect of all or part of the goods for which it has been registered.

Assignment is not allowed where it may mislead consumers with regard to the goods or the manufacturer.

In case of a licence, the licensee must ensure that the goods which it manufactures and sells bearing the licensed trademark match the quality requirements prescribed by the licensor. The licensor shall have the right to control compliance with those requirements.

If the territory of a licence is not specified, the licensee may use the trademark throughout the Russian Federation. If no term of a licence is specified, it is considered to be provided for five years.

For the purposes of maintaining trademark protection, the licensee's use can be attributed to the rights holder and considered as proper use of the trademark. Thus, in case of a cancellation action for non-use, the owner can prove use by submitting the documents proving the use by the licensee or another person under the owner's control.

The licensor which issues an exclusive licence cannot use the licensed trademark in the scope granted to the exclusive licensee unless so provided by the licence agreement. In case of an assignment, a licence (franchise) or pledge contract with respect to a trademark, the fact of the deal must be registered with the PTO. The law specifies the deal information that must be communicated to the PTO (the financial terms of the contract are not required to be disclosed and submission of the contract is optional).

An assignment between commercial entities may not be without consideration.

### Related rights

A sign – whether a word, graphical, three-dimensional or any other kind – that is registered as a trademark can also be protected by other laws, such as under copyright law as an original work or as a registered design right.

### Online issues

The rights holder's exclusive rights cover the right to use the trademark in a domain name or in other online use. Thus, it can prevent third parties from using the mark in domain names that are identical or confusingly similar to its own mark where such use would result in a likelihood of confusion.

Disputes between rights holders and domain administrators shall be resolved by the courts. In case of cybersquatting, the court usually decides in favour of the earlier rights holder. **WTR**

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<b>Examination/registration</b>		
<b>Representative requires a power of attorney when filing? Legalised/notarised?</b>	<b>Examination for relative grounds for refusal based on earlier rights?</b>	<b>Non-traditional marks registrable?</b>
Yes/No ✓ / ✓ / ✗	Yes ✓	3D; colours; holograms; motion marks; olfactory marks; sounds. ✓

<b>Unregistered rights</b>		<b>Opposition</b>
<b>Protection for unregistered rights?</b>	<b>Specific/increased protection for well-known marks?</b>	<b>Opposition procedure available? Term from publication?</b>
Yes: well-known marks or commercial designations. ✓	Yes ✓	No ✗

<b>Removal from register</b>		
<b>Can a registration be removed for non-use? Term and start date?</b>	<b>Are proceedings available to remove a mark that has become generic?</b>	<b>Are proceedings available to remove a mark that was incorrectly registered?</b>
Yes: any three-year period of non-use after registration. ✓	Yes ✓	Yes ✓

<b>Enforcement</b>		
<b>Specialist IP/trademark court?</b>	<b>Punitive damages available?</b>	<b>Interim injunctions available? Time limit?</b>
Yes ✓	No ✗	Yes: at any stage of the court proceedings. ✓

<b>Ownership changes</b>	<b>Online issues</b>	
<b>Mandatory registration for assignment/licensing documents?</b>	<b>National anti-cybersquatting provisions?</b>	<b>National alternative dispute resolution policy (DRP) for local ccTLD available?</b>
Yes ✓	No ✗	No ✗

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