

THE TRADEMARKS  
LAW REVIEW

FIFTH EDITION

Editors

David R Eberhart and Andrew M Levad

THE LAWREVIEWS

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# PREFACE

This is the fifth edition of *The Trademarks Law Review*. Although the world has changed significantly since the release of last year's edition, the key objectives of this publication remain the same: (1) providing practitioners with a snapshot capturing the current state of trademark law and its key provisions across the world; (2) analysing recent litigation for insight into trends and developments in the law; and (3) making informed forecasts of legal and legislative changes affecting trademark practice.

As with previous editions, we brought together leading trademark practitioners to prepare chapters reflecting the state of trademark law in their respective jurisdictions. We kept the general structure of each chapter consistent to facilitate comparison between each country's laws. This text does not, and is not intended to, provide a granular analysis of the world's trademark laws or the constellation of cases that have developed across these laws in the past year. Rather, we hope this text will serve as a reference tool for practitioners' real-world use, providing a working survey of the global trademark landscape and insights into some of the particularities of the covered jurisdictions.

The changes affecting our world and its citizens have naturally impacted trademark law and practice around the globe. The persistent covid-19 pandemic hampers a return to traditional in-person commerce, and natural and human-made disasters continue to disrupt communities. The sheer unpredictability of the past year has kept many of us at home, interacting with the world through computer screens and forcing many aspects of our lives into an increasingly digital space.

Yet, trade is resilient. And where there is trade, there are trademarks. Most courts and other IP tribunals around the world have switched successfully to remote proceedings, and many IP offices have been able to resume trademark examination and processing at pre-pandemic speeds (which is not to deny that significant backlogs often remain). New case law continues to blossom in the digital space that trademark practice increasingly occupies, resulting in significant developments in the fields of online advertising and e-commerce. With an explosion of online shopping came new demand for participants in global trade systems to re-examine and refine their trademark strategies, including for cross-national licensing relationships, anti-counterfeiting measures, and development and expansion of online retail businesses.

Our authors have gathered for their respective chapters the most germane examples of legal developments in our shared new world. We hope that readers will consult this new edition regularly, and that its comprehensive yet accessible presentation will provide a convenient guide to contemporary global trademark law.

**David R Eberhart and Andrew M Levad**

O'Melveny & Myers LLP

San Francisco

September 2021

# RUSSIA

*Alexander Nesterov, Sergey Medvedev and Ilya Goryachev<sup>1</sup>*

## I OVERVIEW

The Russian Civil Code defines a trademark as a sign that serves to individualise goods and services of legal entities and entrepreneurs. In other words, a trademark is a sign that is capable of distinguishing goods and services of one legal entity or entrepreneur from another legal entity or entrepreneur. The Russian legislature provides that any designations – including but not limited to verbal, pictorial, combined, three-dimensional signs and other designations or their combinations – may be registered as trademarks. A trademark may be registered in any colour or colour combination, or just black and white. Sound and animation marks can also be registered. There is no relevant legislation nor sufficient practice regarding olfactory marks.

Registration of marks that are lacking in distinctiveness is not allowed. Despite the fact that the Civil Code indicates the designations that should be recognised as lacking in distinctiveness, in some situations the criteria of distinctiveness are arguable and remain at the discretion of the trademark office. Moreover, the Civil Code provides for the possibility of registration of marks based on their acquired distinctiveness through intensive pre-filing use in Russia.

Colour marks (either colours per se or colour combinations), sound marks, texture marks, olfactory marks, position marks, hologram marks, motion marks, taste marks, etc., may be registered in Russia but their inherent registrability depends on distinctiveness: either distinctive features of the mark itself or acquired distinctiveness through intensive use in Russia.

Russia is a first-to-file country. Legal entities or entrepreneurs who first apply for registration of a trademark enjoy a priority right to obtain trademark registration. According to Russian legislation, rights for a trademark appear from the moment of state registration and no rights derive from the use of an unregistered trademark. Therefore, it is essential to file trademark applications without delay even if the trademark owner does not yet intend to use his or her trademark on the Russian market.

The examination of trademark applications consists of a formal examination and thereafter a substantive examination allowing an examiner to determine whether the filed designation is inherently registrable and whether it is confusingly similar to any pending third-party applications or registered marks.

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<sup>1</sup> Alexander Nesterov and Sergey Medvedev are partners and Ilya Goryachev is a senior lawyer at Gorodissky & Partners.

A national trademark application has to be filed with the Federal Service of Intellectual Property (PTO), also known in Russia as Rospatent, which is an administrative body responsible for the examination of applications and issuance of decisions once the results of the examinations are known.

Under Russian legislation, foreign applicants should be represented by Russian trademark attorneys registered at the PTO. Therefore, for an application to be filed in the name of an entity residing outside Russia, this entity has to appoint its Russian agent as its representative before the PTO in all proceedings.

The new regional system for protection of trademarks in the Eurasian Economic Union (EAEU), which currently consists of Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia, has recently been introduced, and it is based on the Eurasian trademark, which is a regional trademark effective on the whole territory formed by the aforementioned states of the EAEU.

The governing law that introduces a brand new EAEU trademark system is the EAEU Trademark Treaty, which was signed in Moscow on 3 February 2020 by the five Member States of the EAEU. The agreement governs legal relations concerning the registration, protection and application of trademarks and appellations of origin in the Member States of the EAEU. In addition, there exist Instructions that concretise the norms of the EAEU Trademark Treaty and in particular describe in detail the procedure of filing, examining and obtaining protection for EAEU trademarks.

For the time being, both the EAEU Trademark Treaty and Instructions have come into force. However, the national governments of the Member States have yet to establish the amount of the individual fees applicable for the purpose of examination and registration of Eurasian trademarks in order to start receiving and processing trademark applications. Moreover, the national IP offices have to establish the system of exchange of information between the IP offices and the Eurasian Economic Commission to make it possible for the offices to work in close collaboration.

## **II YEAR IN REVIEW**

The Russian legal system does not include precedents as sources of law. However, courts take into account legal positions in the decisions of the High Court (the Russian Supreme Court and the previously effective Supreme Commercial Court) and, mandatorily, the position adopted by the Russian Constitutional Court.

In Resolution No. 40-П of the Russian Constitutional Court, of 24 July 2020, the court indicated the necessity for the legislators to amend Article 1515 of the Russian Civil Code to the extent allowing courts to decrease in some circumstances the amount of the compensation for the trademark infringement in case the compensation is claimed in such amount as twice the price of the defendant's products.

Among the most recent important practical case decisions is the Resolution of the Russian Supreme Court of 17 November 2020 No. 305-ЭС20-16127 on case No. А41-85820/2019. In this case, focused on the application of preliminary injunctions in a trademark infringement case involving domain names, the Supreme Court took account of the plaintiff's arguments that the defendant was a professional cybersquatter (i.e., uses domain names that are confusingly similar or identical to the means of individualisation of competitors for the purpose of parasitic competition). In addition, according to publicly available information from the case files, the defendant was repeatedly held liable for violating the exclusive rights of other persons. In this regard, the failure to take interim measures

jeopardised the execution of the court decision. In this regard, the Supreme Court overturned the decisions of the lower courts and sent an application for interim measures for a new review, since the courts did not take into account the specifics, and the specifics of the dispute related to the violation of the exclusive rights to a company name and trademark as a result of the illegal use of domain names, and previously existing guidelines of judicial practice.

In another recent case,<sup>2</sup> the Intellectual Rights Court (the IP Court) upheld compensation of 7,697,200 roubles for a trademark infringement. The defendant tried to argue that they were not previously held liable for the activities under the administrative trademark infringement case. However, the court dismissed that argument, indicating that the absence of the administrative trademark liability infringement was not a defence against recovery of compensation for the trademark infringement in civil litigation proceedings.

Since 1 January 2021, the new Eurasian rules for the registration of medicines have applied, under which the applicants for marketing authorisation are required to indicate in the filing documents whether the medicine name is or is not protected under the trademark registration. If trademark registration already exists for the medicine, the applicant for the marketing authorisation is required to submit a copy of the trademark certificate; and if the applicant is not a rights owner of the trademark at issue, the applicant for the marketing authorisation is required to submit a copy of the licence agreement with the rights holder.

### III LEGAL FRAMEWORK

#### i Legislation

Russian domestic trademark legislation includes:

- a* the Constitution of the Russian Federation, which names protection of intellectual property (IP) in the provisions on rights and freedoms;
- b* the Russian Civil Code, in particular Part IV, which is a codified set of legal norms for prosecution, enforcement and transactions for trademarks;
- c* Federal Law No. 135-FZ of 26 July 2006 ‘On competition protection’, which has provisions on unfair competition issues involving trademarks;
- d* Federal Law No. 38-FZ of 13 March 2006 ‘On advertising’, dealing with certain aspects of using trademarks in advertising;
- e* Resolution of the Government of Russia No. 1151 of 23 September 2017, which provides for the amount of state duties paid during trademark prosecution;
- f* Resolution of the Government of Russia No. 1416 of 24 December 2015, which provides general rules for recording trademark-related transactions. Detailed procedural issues relating to such records are approved in Order of the Russian Ministry of Economic Development No. 371 of 10 June 2016;
- g* Orders of the Russian Ministry of Economic Development Nos. 482 and 483 of 20 July 2015, which regulate the detail of all trademark prosecution procedures; and
- h* Order of the Russian Ministry of Education and Science No. 644, of Ministry of Economic Development No. 261 of 30 April 2020, which regulate procedure for considering trademark invalidation actions in the PTO.

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2 Resolution of the Intellectual Rights Court of 18 March 2021 No. C01-157/2021, Case No. A45-38205/2019.

The most relevant international treaties of Russia for trademark matters are:

- a* the Madrid Agreement concerning the International Registration of Marks 1891–1967;
- b* the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of 1989;
- c* the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Union) 1957–1977;
- d* the Paris Convention for the Protection of Industrial Property;
- e* the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (the TRIPS Agreement);
- f* the Nairobi Treaty on the Protection of the Olympic Symbol 1981;
- g* the Trademark Law Treaty 1994; and
- h* the Singapore Treaty on the Law of Trademarks 2006.

## **ii Authorities**

Trademark prosecution is dealt with by the PTO, which also renders decisions on trademark invalidation actions. The PTO comes under the jurisdiction of the Russian Ministry of Economic Development.

Decisions by the PTO on trademark matters are reviewed by the IP Court, which also hears cassation appeals on trademark infringement cases, rendered by lower commercial courts. Decisions by the IP Court may be further appealed to the Russian Supreme Court.

The Federal Antimonopoly Service (FAS) fights unfair competition and unfair advertising cases that might also involve trademarks. In particular, a decision by FAS on unfair competition relating to trademark registration and use is a ground for the PTO to invalidate a trademark.

The Russian police and the Russian customs authorities are competent in various types of trademark infringements.

## **iii Substantive law**

The law provides for registration of collective marks. A collective mark is defined as a mark of a union, business association, concern or other voluntary association of enterprises being capable of distinguishing goods manufactured or commercialised by it having common characteristics as to quality or otherwise. When filing an application for registration of a collective mark, it is imperative to submit a by-law of the collective mark containing the rules concerning use of the mark. These rules must indicate:

- a* the name of the association entitled to register the mark in its name;
- b* the list of enterprises entitled to use the mark;
- c* the purpose of registration of the mark;
- d* a list of goods and a description of their common characteristics (relating to quality or otherwise);
- e* the conditions for use of the mark;
- f* the principles by which use of the mark will be controlled; and
- g* the sanctions for violation of the rules.

The names of the enterprises entitled to use the mark and an extract from the rules relating to the common characteristics of the goods for which the mark is registered will be mentioned in the publication of the registration of the collective mark in the official bulletin. The owner of the registration must inform the PTO of any amendment to the rules.

Any interested person may apply to the IP Court for the (total or partial) cancellation of registration of the collective mark if it is used in relation to goods not having common qualitative or other common characteristics. Collective marks cannot be assigned or licensed to third parties.

Collective marks and applications for registration of collective marks may be transformed, respectively, into trademarks or trademark applications.

### ***Well-known marks***

A trademark can enjoy protection as a well-known mark that may not necessarily be a registered designation. Russian legislation foresees the procedure of recognition of a well-known trademark.

As well as the usual trademark filing procedures through the PTO or registration via the Madrid System, legal protection for a well-known trademark can also be obtained through a special recognition procedure. In Russia, unlike in many other countries, a trademark is not granted well-known status as a result of court proceedings or litigation. According to Russian trademark legislation, for a trademark to be recognised as well known, the appropriate request should be filed with the PTO.

A well-known trademark shall be granted the same legal protection as is provided for an ordinary trademark. Nonetheless, a well-known trademark provides its owner with certain important advantages:

- a* the legal protection of a well-known trademark is not time-limited;
- b* protection extends to goods or services of a different kind from those for which it is recognised as well known, if use of the mark by another person is likely to be associated by consumers with the owner of the well-known trademark and may impair its lawful interests;
- c* protection of a well-known mark may start at the period that predates the filing date of the respective request to recognise the trademark as well known; and
- d* the commercial value of a well-known trademark is higher than that of an ordinary trademark.

For it to be recognised as well known and associated with the trademark owner, the well-known status should be evidenced by numerous documents and materials confirming intensive use of the mark and its reputation among consumers in association with the goods or services for which the request is being made. In seeking to have its trademark recognised as well known, the applicant should indicate the goods or services for which the mark has become well known and the date from which the trademark became well known.

The following information may be submitted with the petition for the recognition of a well-known trademark:

- a* the results of a consumer survey regarding the goods in question, revealing consumer knowledge of the trademark and performed by a specialist organisation;
- b* examples of intensive use of the trademark, especially in Russia;
- c* a list of countries where the trademark has acquired a well-known reputation;
- d* examples of advertising costs incurred relating to the trademark and examples of advertising;
- e* details of the value of the trademark;
- f* publications in Russian periodicals; and
- g* documents containing information about supplies of goods to Russia, etc.

It is not compulsory to submit all the above-listed evidence. Trademark legislation does not contain a list of obligatory documents that must be submitted with the petition for the recognition of a trademark as well known.

Practice shows that it is recommended that evidence of use of the trademark in Russia be submitted in support of the petition. Special attention should be paid to the results of consumer surveys. Such surveys must be carried out in at least six of Russia's largest cities, including Moscow and St Petersburg. Other cities may be chosen by the applicant, depending on the sphere of activity and the regions of trademark use.

Determining the date from which the trademark became well known is also crucial, and a careful review of all available materials is required. The date from which the trademark became well known should be indicated precisely.

Furthermore, if the date from which the applicant would like to have its trademark recognised as well known refers to a period in the past, the supporting evidence should predate the date mentioned in the request.

The PTO has a strict approach to petitions for the recognition of marks as well known, and they are often denied. The main difficulty encountered during proceedings is demonstrating that consumers have a strong association between the trademark and the goods or services for which the trademark is used, and with the trademark owner. Often, consumers recognise the trademark but have little knowledge about its owner. Formally, a trademark may belong to an IP-rights holding company, the name of which is not known to consumers.

However, the latest practice of the IP Court in this respect shows that how well something is known can be determined not only in relation to a specific manufacturer but also in relation to the 'source of origin of goods'. The group of affiliated companies, which includes the applicant and his or her Russian licensees, can also be recognised as such a 'source'.

As of August 2021, 227 well-known trademarks have been published in Russia, including Nike, Coca-Cola, Disney, Tiffany, Intel, Adidas, Gillette, Nikon, Elle, Heinz, Nissan, Pepsi, CAT, Braun, Casio, Raffaello, Siemens, ZARA and Mobil.

### ***Certification marks***

It is possible to have a certification mark registered in Russia. However, the registration procedure is quite different from that used in relation to trademarks.

In particular, a legal entity that created its own voluntary system of certification is entitled to get both the system and the certification mark identifying it registered. The registration can be implemented by filing an application with the Russian Federal Service for State Standardisation. According to the current rules, the certification mark has to be distinctive and visually perceivable. The rules make it very clear that trademarks cannot be used as certification marks. The registered certification marks are entered into a special state register, which is separate from the Register of Trademarks.

Certification marks have nothing to do with IP objects. However, a certification mark can be registered as a trademark if it meets registrability requirements and is not in conflict with third-party rights.

### ***Geographical indications***

On 27 July 2020, the amendments to Part IV of the Civil Code of the Russian Federation came into force. Now, individuals, legal entities and associations will have the opportunity to register geographical indications (GIs) – designations that make it possible to identify a product as originating from the territory of a geographical area, with a certain quality, reputation or any other features of the product being largely determined by its geographical origin.

In fact, GI is the object, which is close to appellation of origin (AO). It is also a means of product individualisation and serves to designate a product whose characteristics are associated with its geographical origin. However, the difference lies with a less stringent requirement in relation to characteristics of goods: if AO is used for goods whose properties are ‘exclusively or mainly’ determined by their geographical origin, namely by natural or human factors of the corresponding geographical area, then the properties of the goods for which GIs are used are only ‘significantly’ associated with the respective geographical features.

The amendments also provide for a distinction between GI and AO, depending on whether all stages of the production of the goods are carried out within the boundaries of the corresponding geographical area. In respect of AO, a requirement is introduced that the goods must be fully produced in the territory of a geographical area, the name of which is present in AO, and in case of GIs, at least one stage of production of the goods, which determines its characteristics, must be carried out in the corresponding geographical area.

Another novelty is that in addition to individuals and legal entities engaged in the production of goods designated by GI or AO, the amendments provide for the possibility of registration of AO and GI by associations of persons that produce goods or introduce them to the market. At the same time, persons belonging to such associations will receive the right to use AO or GI registered in the name of the association.

The procedure for registering and granting the right to use GI, in particular the requirements for an application for GI, is introduced by the amendments. In addition, new requirements are introduced for the application for AO; in particular, documents confirming the famousness of such a name in relation to the goods must be attached to the application.

The amendments provide for the possibility of providing GI protection for goods originating outside the Russian Federation. For these GIs, the applicant, in addition to the information provided for Russian GIs, will have to confirm the compliance of the foreign GI with the requirements established for the GI by the Civil Code of the Russian Federation and their exclusive right to this GI in the country of origin.

## **IV REGISTRATION OF MARKS**

### **i Inherent registrability**

Approximate time frames for the trademark registration procedure in Russia are as follows:

- a* the official filing receipt is issued within one month of the date of filing an application or sooner;
- b* the official action is issued within five to seven months of the date of filing the application (an examiner’s objections, if any, may increase the term to between one and two years, depending on the circumstances of the case, number of appeal stages, etc.); and
- c* where the trademark is successfully registered, the registration certificate is issued within two months of the date of payment of the official fee for registration.

There are no specific additional documents that should be filed with the trademark application except power of attorney. Filing power of attorney is optional but if it is absent from the application materials, the examiner may request submission of this document and that may have a negative impact on the registration terms. It should be issued by the applicant and signed by the authorised person with an indication of that person's name and position in the company. The date and place of the signature should be indicated as well. Neither notarisation nor legalisation is required. The power of attorney can be submitted after filing the application.

In cases of a priority claim under the Paris Convention, it is necessary to submit a certified copy of the first (home) application. The filing particulars should correspond to those in the home application. The home application can be submitted after filing an application under the convention, but within three months of the date of filing the convention application with the PTO. This term cannot be extended. Split priority is not foreseen in Russia.

In the case of electronic filing, formal examination (in one class) is 2,450 roubles and 700 roubles for each additional class over five. Substantive examination (in one class) is 8,050 roubles and 1,750 roubles for each additional class after the first. The official fee for registration is 11,200 roubles and 700 roubles for each additional class over five, and the official fee for issuance of a paper certificate is 1,400 roubles.

Currently, the PTO is working very hard towards minimisation of the term of the examination procedure; this can take about five to seven months from the filing date, but it is now possible to expedite the procedure by up to two months. For an expedited examination, it is necessary to arrange for a trademark search in all 45 International Classification of Goods and Services classes, even if the application does not cover all these classes, and to file the search result either together with the application request or afterwards with the expedited request. The cost of the expedited process is 94,400 roubles.

Examination in Russia consists of a formal stage and a substantive stage. A formal examination of a trademark application is conducted within one month of the application being filed. During the formal expert examination, the necessary application documents and their compliance with established requirements are verified. The outcome of the formal examination will be that either the application is accepted for consideration or a decision is taken to refuse acceptance for consideration.

The aim of the substantive examination stage is to determine whether the filed designation conforms to the registrability requirements. A trademark application may be rejected on either absolute or relative grounds, or both.

Absolute grounds are those that relate to the substance of the mark itself and include: lack of distinctiveness; risk of misleading and capability of confusing; similarity to or identity with state symbols and marks; reproduction of full or abbreviated names of international or intergovernmental organisations or their symbols; and reproduction of the official names or images of the most valuable objects of Russia's and worldwide cultural heritage.

Relative grounds for refusal include:

- a* identity with or similarity to the extent of confusion with prior trademarks (both registrations and applications) owned by third parties in relation to similar goods or services;
- b* identity with or similarity to the extent of confusion with well-known marks; and
- c* identity with or similarity to the extent of confusion with third parties' industrial designs, AOs, company names or commercial designations.

A trademark may also be refused protection if it incorporates protected means of individualisation of other persons (and confusingly similar signs) as well as copyrighted objects owned by third parties, names, pseudonyms (or derivatives thereof), pictures, facsimiles of famous persons or industrial designs owned by third parties as elements of the trademark.

Before making a decision about the results of the examination of an application, notification of the results of the checks for compliance of the applied designation with the requirements is sent to the applicant. The applicant may then submit arguments in response. Those arguments shall be taken into account when a decision is made on the results of the examination, provided they are submitted within six months of the notification being issued.

If a prior trademark is considered similar to a pending application and cited by the examiner as an obstacle, a letter of consent provided by the prior trademark right holder may be taken into consideration by the examiner during the examination procedure.

Article 1483.6 provides that registration of a trademark in respect of similar goods or services may be allowed if the prior trademark right holder grants consent, and provided that registration of the trademark would not result in consumers being misled. However, if a letter of consent is granted by the prior trademark right holder, the examiner has no obligation to accept it unconditionally; acceptance would depend on the degree of similarity between the trademarks, which means that, in cases of very close similarity between trademarks, the consent could not be taken into consideration, even if provided.

The PTO has strict requirements regarding letters of consent, one of which is for an indication in the body of the letter that, once granted, consent cannot be revoked and is not limited in time. An additional provision in letters of consent to the effect that the prior trademark right holder believes that registration of the trademark would not result in confusion on the market nor in consumers being misled is also required.

The substantive examination is followed by the examiner's decision, which may be in the form of a registration decision in full, a registration decision for a part of the applied goods or services (and, consequently, refusal for the rest of the goods) or a refusal decision affecting all the goods or services.

Provided the applicant agrees with the decision, the registration fee should be paid within the prescribed period.

## **ii Prior rights**

Russia is a first-to-file jurisdiction. Legal entities or entrepreneurs who first apply for registration of a trademark have a priority right to obtain trademark registration. Russian trademark legislation does not recognise prior use rights (as a general rule, the exclusive right to use a trademark in Russia arises as a result of state registration).

## **iii Inter partes proceedings**

There is no opposition system with respect to pending applications; however, the Civil Code provides that:

- a* the PTO should publish information on filed trademark applications;
- b* third persons have the right to review all trademark documents on file, and not only those comprising the filing of original trademark applications; and
- c* third persons have the right to submit in writing to the PTO their observations against pending trademark applications before official action is taken. These written

observations may be taken into account by the examiner during the examination. Observation letters may be used as an effective tool to ensure that prior rights are taken into consideration by the examiners.

Russian legislation foresees another instrument for raising objections based on prior rights against a trademark. Within five years of information on a registration being published in the official bulletin of the PTO (after a trademark is registered), the owners of the prior trademark rights have an opportunity to file an invalidation action against the trademark registration with the Chamber of Patent Disputes of the PTO. In the event of an invalidation action, the trademark owner is notified and both parties are invited to a hearing for the matter to be discussed. The PTO then makes a decision to reject the invalidation action and leave the trademark in force, to invalidate the mark in full or to partially invalidate the mark.

An invalidation action or a cancellation action against a trademark registration on other grounds already provided for by legislation may be filed during the entire term of validity of the trademark.

#### **iv Appeals**

If a decision is not acceptable, the applicant may appeal to the Chamber of Patent Disputes of the PTO within four months of the date the decision is issued. The decision that results from consideration of the appeal by the Chamber of Patent Disputes may be further appealed to the IP Court.

## **V CIVIL LITIGATION**

### **i Forums**

Trademark infringement disputes are heard by commercial courts of first instance located in constituent parts of Russia. Their decisions may be appealed to the appellate commercial courts. Further appeals (on current cases) go through the IP Court and the Russian Supreme Court. Finally, a supervision appeal may be filed with the Russian Supreme Court.

In the case of a defendant not being a business entity or an individual entrepreneur, a court of general jurisdiction may also establish competence.

Trademark non-use disputes come under the exclusive jurisdiction of the IP Court, which hears these disputes on the merits in the first instance, and the Presidium of the Court hears cassation appeals on current cases. A supervision appeal may be filed with the Supreme Court.

### **ii Pre-action conduct**

Pre-action cease-and-desist letters are not required. The exception is for claims for damages or compensation for IP infringement, where there may be a cause for action if there is a total or partial refusal of payment, or in the case of no response within 30 days.

Cease-and-desist or demand letters are now mandatory to a certain extent. In other words, it is not possible to sue an infringer in court by claiming damages or monetary compensation if the demand letter is not dispatched in advance of the civil action. In accordance with the relevant law, the infringer has 30 days to respond to the cease-and-desist letter. Failure to respond, or receipt of a negative reply, provides the trademark owner (or its

registered or exclusive licensee) with a legal standing to claim monetary relief. The easiest and most effective out-of-court enforcement option is to send a demand letter to the alleged infringer requesting a voluntary cessation of the trademark infringement.

### iii Causes of action

The following causes of action are applied in terms of trademark enforcement:

- a trademark infringement – use of the designation, similar to the trademark, to individualise goods or services for which the trademark is registered, or for homogeneous goods or services, if as a result of such use likelihood of confusion arises; and
- b trademark infringement that may be a matter of unfair competition, which is prohibited in Russia. Unfair acquisition and use of trademark rights are not permitted. Passing off and imitation of trade dress are also treated as unfair behaviour, which may be prosecuted. The FAS is empowered to consider disputes related to unfair competition through a special quasi-judicial procedure. This starts on the basis of a complaint to be filed by the injured party (e.g., a trademark owner or local distributor). Should the action on unfair competition be successful, the respondent (infringer) would be forced to cease the established illegal activities and pay the administrative fine in favour of the state budget (which may be up to 0.15 per cent of the corresponding infringer's profits). This procedure usually lasts about six to 10 months, although it can take longer if the binding order from the FAS is appealed in court.

Company names are protected against unauthorised use for the same activity by companies whose company name was included in the state company register later than the name of the plaintiff.

As regards commercial designations, it is not permitted to use a designation that may create confusion regarding ownership of the enterprise by a specific person, in particular a designation that is confusingly similar to the company name, trademark or a commercial designation owned by another person.

Domain names are not treated as IP subject matter. However, good-faith senior users of domain names may bring a charge of bad faith if a lawsuit is filed by persons who register the senior users' designation as a trademark (in certain cases, a trademark invalidation action may also be appropriate).

### iv Conduct of proceedings

Proceedings are initiated when all procedural requirements are met (i.e., payment of state duty, notification of the defendant, etc.). A representative needs to have a duly executed power of attorney.

The court schedules a preliminary hearing during which it considers whether the case is ready for a main hearing on the merits. The defendant is obliged to provide a response (objections) to the lawsuit.

Each party is obliged to prove the asserted facts: the plaintiff must prove that the defendant uses the trademark; and the defendant must prove whether there are legitimate grounds for use, or the defendant is in breach.

Various types of evidence may be used during the proceedings – documents (e.g., bills of lading and other sale confirmation documents), physical evidence (such as samples of

counterfeit products), expert opinions, social poll results, private detective reports, witness statements and audio and video tapes. All evidence must meet the requirement of relevance to the case and admissibility.

At the appeal stage, new evidence is submitted only as a means of explaining why the evidence was not submitted in the first instance.

Typically, proceedings in the first instance court last for three to six months, unless there are notification issues. The decision is made (announced) upon conclusion of the proceedings, and adopted (issued) within five days of the announcement.

The winning party has the right to recover court expenses (including legal fees), the amount of which is determined by the court, based on the submitted documents.

## **v Remedies**

The remedies available for trademark infringement include:

- a* permanent injunction;
- b* damages or monetary compensation (in one of three determinations: (1) between 10,000 and 5 million roubles; (2) twice the cost of the counterfeit products; or (3) twice the cost of the licence);
- c* seizure and destruction of the counterfeit products; and
- d* publication of the court order.

The plaintiff may also claim a preliminary (temporary) injunction, such as the arrest of the allegedly counterfeit goods pending adjudication.

## **VI OTHER ENFORCEMENT PROCEEDINGS**

### **i Administrative proceedings**

Unlawful use of a trademark shall incur an administrative fine (which has to be paid in favour of the state budget) and confiscation of the counterfeit goods for the purpose of destruction.

Administrative proceedings usually begin with a complaint, which the trademark owner has to file with the police or the customs authority, so that the latter can take action. Administrative action may take about three to five months to complete, unless the decision of the first instance court is appealed by the infringer. Practically, an administrative procedure proves to be the most efficient enforcement option to cease trademark infringement at the border in the context of importation of counterfeit goods into Russia. This measure is also applicable when small shops offer for sale and sell counterfeit products on the domestic market.

### **ii Criminal proceedings**

Illegal use of a trademark may also lead to criminal proceedings, but only in the event of substantial damage being caused to the trademark owner, or if the trademark infringement is repeated. The typical statutory criminal sanctions are (1) a criminal fine, (2) forced labour, (3) correctional work or (4) imprisonment. In the course of criminal procedures, the trademark owner is also entitled to file a civil lawsuit to recover damages. The total duration of criminal proceedings is usually hard to predict, although the approximate timing is one to two years, unless the decision of the first instance court is appealed by the infringer. In practice, criminal procedures are applied against large-scale or gross infringers who are manufacturing and distributing counterfeit goods in large quantities all over the country.

## **VII OUTLOOK**

The Plenum of the Russian Supreme Court with its Resolution No. 10 of 23 April 2019 set new clarifications on enforcement of the Russian Civil Code Part IV. The new clarifications are consolidation of the most important positions in judicial practice. Trademark law provisions are also analysed in the clarifications. The new judicial practice of lower courts is expected to reflect the clarifications of the Supreme Court.

Discussions are ongoing with the aim of reconsidering the parallel import prohibition within the EAEU. Currently, the regional principle of trademark exhaustion is applied.

Trademark infringements on the internet have also been in the limelight during the past few years. Amendments on information intermediary liability now enable host providers to effectively shut down infringing websites at the trademark owner's request.

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