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COMBATING UNFAIR COMPETITION IN CASE OF COPYING AND IMITATING GOODS

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With the competition escalated, the actions of infringers may often evolve. A clear case of such an evolution is imitating (copying) an exterior style or image of goods, a kind of mimicking the goods well-regarded by a consumer.

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But how does the legislation help a company protect the appearance of its products?

The legislation has long contained the provisions that make it possible to effectively combat “classic” infringements of intellectual property rights, i.e. illegal uses of trade marks and other means of individualization, copyright or patent right items.

However, there have been no express provisions in this part of the legislation for protection of the so-called style / image of products as such for a quite some time. Clearly, in practice, a protection mechanism might be used by referring to the provisions on unfair competition, subject to its general definition in Federal Law No. 135-FZ dated July 26, 2006 On Protection of Competition, the basic provisions of the Paris Convention for the Protection of Industrial Property dated March 20, 1883, and the fact that the list of unfair competition forms as such is not exhaustive, which allows the regulator — the Federal Anti-Monopoly Service — to be more flexible in responding to acts of unfair competition.

AMENDMENTS TO THE LAW ON PROTECTION OF COMPETITION

Federal Law No. 275-FZ dated October 05, 2015 has substantially expanded the range of legal tools to combat unfair competition. In particular, the Law on Protection of Competition has been supplemented with Article 14.6 that has set forth a prohibition on unfair competition in the form of confusion.

Part 1 of this Article predictably covers a prohibition on unfair competition in the form of illegal

use of means of individualization (trade mark, trade name, business name, allegation of origin of goods) by placing it on the goods, labels, packages or using it otherwise with regard to the goods sold or otherwise commercialized in the Russian Federation as well as by using it on the Internet, including placing it in the domain name and in other addressing modes.

However, part 2 of the said Article is exactly dedicated to combating unfair competition in the form of **copying or imitation of:**

- Appearance of the goods commercialized by the competing business entity,
- Package of such goods,
- Label,
- Name,
- Colour scheme,
- Identity as a whole (corporate clothes, appearance of sales area, showcase (collectively)),
- Or any other elements individualizing the competing business entity and (or) its goods.

With regard to the introduced term “confusion”, in its letter No. AD/66643/18 dated August 22, 2018, the regulator has specified that confusion in general means a situation when a consumer of one product:

- Identifies such product with the product of another manufacturer,
- Or admits, despite their differences, that these products may be manufactured by one and the same person.

In this regard, the Federal Anti-Monopoly Service has emphasized that such behaviour in the market results in possible redistribution of consumer demand from the manufacturer of the original goods in favour of the goods of the infringing competitor as a result of the consumer’s mistaken purchase of the goods made by the infringer, since the similarity of packages gives the erroneous impression that the goods belong to one and the same manufacturer.

DISTINCTION BETWEEN CONFUSION TYPES IN UNFAIR COMPETITION

As the regulator has underlined in its letter No. AK/44651/17 dated June 30, 2017, such distinction is necessary because the products may be individualized both with certain designations not registered as trade marks and overall appearance, package design elements and any other means. In case of confusion, the products of a business entity resemble the products of a competitor by any parameters so that a consumer can mistake its goods for the competitor’s goods.

COPYING AND IMITATION: WHAT IS THE DIFFERENCE?

In its letter No. IA/74666/15 dated December 24, 2015 On Application of the Fourth Anti-Monopoly Package, the Federal Anti-Monopoly Service of Russia has specified that:

- **Copying** of the item’s appearance means reproduction of the appearance of an item of any other business entity (entrepreneur) and its commercialization.
- **Imitation** of the goods’ appearance means a sort of emulation of the competitor’s goods to create an impression for buyers that such goods belong to the line of the imitated goods. At the same time, the regulator has underlined that copying (imitation) of the appearance of the item or its parts cannot be recognized as unlawful if such copying is caused by their functional use only.

CASE CONSIDERATION PRACTICE

In recent years, the practice of consideration by the Federal Anti-Monopoly Service of Russia of the cases involving unfair competition in case of imitating / copying goods has developed more widely.

Clearly, the cases of the Federal Anti-Monopoly Service, which have been subject to judicial control, in particular, of the Intellectual Property Rights Court, are also specifically interesting. It should be noted that the legislation makes it possible to initiate a case on unfair competition not only by turning to the Federal Anti-Monopoly Service, but also directly to a court under the procedure for adversary proceedings.

Let us consider the recent judicial acts, the subject of which has been the analysis of the decisions rendered by the Federal Anti-Monopoly Service on unfair competition in the form of imitation / copying of goods. So, for example, in one of the cases (Resolution of the Intellectual Property Rights Court No. S01-933/2019 dated October 03, 2019 on case No. A40-275171/2018), the following situation has been considered. The Russian subdivision of a major global manufacturer of hygienic goods has filed a complaint with the Federal Anti-Monopoly Service indicating that the goods imitating packages of various complainant’s goods (men’s deodorants, shower gels, cream soap and shower gel cream, toothpastes,

and mouthwashes) are commercialized in the defendant’s chain stores. Having considered the files of the case, the Federal Anti-Monopoly Service has come to the conclusion that the defendant’s actions to commercialize goods in the packages in dispute result in confusion with the complainant’s products due to the use of the complainant’s design solutions. When appealing against the decision of the Federal Anti-Monopoly Service, the defendant has drawn the courts’ attention to the argument that there have been no competitive relations between it and the complainant, referring to the disproportion of market shares, sales, and revenues of the defendant and the complainant. However, the courts have rejected these arguments, having stated that:

- Small outputs,
- Limited geographic area of goods sales,
- Small revenues,
- And no (or small) advertising and marketing costs

do not grant a right to parasitize on the reputation of any third parties and good awareness of the imitated goods, which has been formed, among other things, based on a large-scale advertising campaign to promote the third party’s goods under consideration.

In another case (Resolution of the Intellectual Property Rights Court No. S01-1087/2019 dated October 17, 2019 on case No. A19-31735/2018), the Federal Anti-Monopoly Service has concluded on confusion of the complainant’s and defendant’s products (chewing tar) and also taken into account the statement from the Federal State Budget-funded Institution Federal Institute of Industrial Property (FIPS). Based on the results of the research, it has been concluded in the said statement that the packages in dispute are confusingly similar, since they are associated with each other as a whole due to the fact that they have similar figurative elements (rectangles, frames, images, branches with cones), word elements and informational inscriptions as well as due to the similarity between the composition solution and the colour combination of designations (word elements made in large white letters are located on a green background in the central part of the rectangles at the left of realistic images). The defendant has tried to challenge the decision of the Federal Anti-Monopoly Service, among other things, by referring to the illegality of the above

FIPS's statement. The court has rejected the defendant's arguments, having stated that the defendant's arguments cannot be taken into consideration, since the FIPS's statement as such may serve as evidence in the case, while the requirements of the procedural law on expert opinion and the formal requirements that it is necessary to indicate in such statement the information about the qualification of the FIPS's employee who has signed the statement do not apply to this statement.

Another recent case that has been subject to consideration by the Intellectual Property Rights Court in this area has involved sometimes rather acute issue of classification of any element, which the complainant tries to protect, as a "traditional" element inherent in the goods of certain type as such. So, for example, in Resolution of the Intellectual Property Rights Court No. S01-625/2019 dated August 12, 2019 on case No. A40-225924/2018, the following situation has been considered. A dry bird food manufacturer has filed a claim with the court, stating that its competitor imitates the appearance of the dry bird food packages.

During consideration of the case by the court of first instance, the stated claims have been satisfied, but the court of appeal has dismissed the claim. The court of appeal has adhered to the position that similar images of birds on the defendants' goods are placed **due to the intended purpose of the products, it is reasoned and traditional, typical for this and other types of goods and it is not a feature inherent only in the packages of the claimant's bird food.** At the same time, the court of appeal has also emphasized that there are no clear criteria for what, in the opinion of the claimant and the court of first instance, is copying or imitation of the claimant's products, which makes the claims lodged against the defendants uncertain and, finally, results in impracticability to enforce the court decision.

The Intellectual Property Rights Court has supported the position of the court of appeal, having noted that:

- **Only those items that may have the function of individualization (they have distinctiveness or have become distinctive due to their use)** may be the items, which unauthorized use may cause confusion;
- At the same time, for example, sale of goods that look similar to competitor's goods cannot be considered

to cause confusion, given that such analogy is caused by any objective reasons;

- Similar images of birds on the defendants' goods are placed due to the intended purpose of the products, it is reasoned and traditional, typical for this and other types of goods and it is not a feature inherent only in the packages of the claimant's bird food.

This case clearly shows that, when deciding to initiate a case with regard to the alleged imitation of goods, the claimant (complainant) should carefully prepare the reasons supporting the original nature of the elements used by it for the appearance of its goods.

PRACTICAL GUIDELINES AND PROVING TACTICS

Based on the law enforcement practice analysis, the following main sets of evidence elements may be distinguished, on which companies should focus when initiating anti-monopoly cases with regard to unfair competitors in case of imitation / copying of goods:

- It is necessary to clearly reason that there are competitive relations between the complainant and the alleged infringer, including outline the facts of commercialization of goods in the same market;
- Thoroughly study the history of how the competitor's products have appeared in the market and convincingly present the chronology of how its own products in the protected appearance have appeared in the market;
- Produce documented evidence related to the development of the design (appearance) of your products and their launch on the market (contracts with designers, advertising agencies, information about sales, product demand);
- Collect convincing evidence confirming actual copying / imitation; Special emphasis should be laid on a clear description of the appearance / design elements (design techniques, etc.) that are used by the complainant and that are copied (imitated) by the alleged infringer;
- Check whether the potential defendant has its own intellectual property rights, which it may oppose as

"protective" ones if a case is initiated (for example, industrial designs) and, if necessary, challenge such rights (for example, by filing an objection to granting a patent for an industrial design if there are relevant grounds);

- Reason distinctiveness of the listed elements as individualization of the goods manufactured exactly by the complainant to be stably associated for a goods' consumer exactly with the complainant;
- Establish a likelihood of confusion — for example, based on sociological and (or) marketing research aimed at establishing whether a consumer is likely to confuse goods and buy one instead of another or at creating the impression that the infringer's goods (services) are in any way connected with or related to the complainant, belong to the parallel product line, etc.;
- Reason actual or potential damage (for example, due to a decline in demand).

At the same time, as a general strategic comment, it is worth remembering to consistently deal with the company's portfolio of intellectual property rights by consistently deciding, for example, to patent relevant solutions for the product appearance or file a new application for a trade mark if the existing brand is modified as well as by searching before launching your products on the market to assess risk of possible claims of any third parties. The lawyers and patent attorneys of our firm regularly help our clients analyse the prospects of initiating cases on copying and imitation of products, building defensive tactics if there are any ungrounded claims, conducting relevant cases in protection of intellectual property rights, and we will be happy to provide you with legal assistance based on our experience.

QUARTERLY REVIEW OF NEWS IN LEGISLATION, COURT PRACTICE, AND ROSPATENT'S PRACTICE RELATED TO INTELLECTUAL PROPERTY

(JANUARY TO MARCH 2020)

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LAWS AND DRAFT LAWS

IN FEBRUARY, SEVERAL SENATORS SUBMITTED TO THE STATE DUMA A DRAFT LAW ON AMENDING THE FEDERAL LAW ON PATENT ATTORNEYS (No. 910300-7).

The draft law envisages the rights, duties, and liability of organizations providing patent

attorneys' services and grants a patent attorney the rights and guarantees required to ensure the rights of patent attorneys and their clients. The draft law also introduces an "organization of patent attorneys" definition and determines its duties towards the client. The draft law provides for establishing a patent attorney's office, introduces a concept of client-attorney privilege, equates the status of a patent attorney in court proceedings with that of an attorney at law, and stipulates an obligation of authorities and other organizations to respond to a patent attorney's request.

GOVERNMENT ENACTMENTS AND DEPARTMENTAL ENACTMENTS

ORDER OF ROSPATENT (FEDERAL SERVICE FOR INTELLECTUAL PROPERTY) NO. 147 DATED SEPTEMBER 17, 2019 ON SPECIFIC FEATURES OF REGISTRATION OF UEFA TRADE MARKS, RECOGNITION OF THE UEFA TRADE MARKS AS WELL-KNOWN IN THE RUSSIAN FEDERATION, REGISTRATION OF THE RIGHT TO USE THE 2020 UEFA EUROPEAN FOOTBALL CHAMPIONSHIP SYMBOLS (ENTERED INTO FORCE ON MARCH 7, 2020).

Shorter periods for consideration of UEFA applications during preparation for the 2020 UEFA European Football Championship and during its holding were set. It was, in particular, established that the first meeting for consideration of the UEFA application for recognition of UEFA trade marks as well-known in the Russian Federation should be held within two months from the date of acceptance of the relevant UEFA application. Licences for UEFA Euro 2020 symbols should be registered within one month from the submission date of the relevant application.

ORDERS OF FIPS (EXAMINATION AUTHORITY) APPROVED AND PUBLISHED GUIDELINES FOR EXPERT EXAMINATION OF APPLICATIONS FOR INDUSTRIAL DESIGNS (ORDER OF FIPS No. 11 DATED JANUARY 20, 2020) AND APPLICATIONS FOR TRADE MARKS (ORDER OF FIPS No. 12 DATED JANUARY 20, 2020).

Previously, the same Guidelines were approved by Rospatent's orders Nos. 127 and 128 dated July 24, 2018, which were repealed on December 18, 2019 by the Government's ordinance No. 3081-r.

The Guidelines are primarily intended for the examiners of Rospatent and FIPS, who conduct expert examination of applications for industrial designs and trade marks. Besides, the Guidelines may be used by applicants and their representatives in their interaction with Rospatent. The provisions of the Guidelines are non-regulatory.

INTERNATIONAL TREATIES OF THE RUSSIAN FEDERATION

ON FEBRUARY 3, 2020, A TREATY ON TRADE MARKS, SERVICE MARKS, AND APPELLATIONS OF ORIGIN OF GOODS OF THE EURASIAN ECONOMIC UNION WAS SIGNED IN MOSCOW.

The Treaty provides for obtaining trade mark protection in all Eurasian Economic Union states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia) through one registration — registration of the Union's trade mark. The *EAEU trade marks* will be registered after examination of the designation by each patent office of the Union states. No single interstate trade mark office is provided for by the Treaty. The Treaty also provides for a regional system for protection of *appellations of origin of goods* (hereinafter the "appellations of origin of goods") in the EAEU member states. The Treaty will become effective on the date the Eurasian Economic Commission receives the last written notice that the required domestic procedures are implemented by the member states. Acceptance of applications for the EAEU trade mark and applications for appellation of origin of the EAEU goods will begin after the Eurasian Economic Commission receives the last written notice from an EAEU member state that the fees amounts are set forth.

COURT PRACTICE

1. PATENTS

CHALLENGING A PATENT FOR AN INVENTION, FOR WHICH USE THE RIGHT HOLDER CLAIMS COMPENSATION IN A SEPARATE COURT PROCESS, COMPLIES IN ITSELF WITH THE USUAL BUSINESS PRACTICE, DOES NOT EVIDENCE ABUSE OF RIGHT IN GENERAL, OR PROVIDES GROUNDS FOR APPLYING THE ESTOPPEL (AS A SPECIFIC CASE OF ABUSE OF RIGHT) IN PARTICULAR (RESOLUTION OF THE PRESIDIUM OF THE IP COURT No. S01-430/2019 DATED JANUARY 16, 2020 ON CASE No. SIP-359/2018)

Rospatent allowed the appeal against patent No. 2604577 for a group of inventions issued in the name of two patent holders and invalidated the disputed patent in full because the invention did not meet the "novelty" and "inventive step" patentability criteria.

Having disagreed with the said decision of Rospatent, one of the patent holders turned to the IP Court claiming to invalidate Rospatent's decision.

Having considered the case the IP Court, as a court of first instance, recognized Rospatent's conclusions as grounded. In the cassation appeal filed with the Presidium of the IP Court, the patent holder stated that, in addition to his disagreeing with the court's conclusions on non-patentability of the inventions, he also considered that the actions of the appellant were unfair and constituted abuse of right, since they were aimed at causing harm to the patent holder. The claimant asserted that the sole purpose was not to pay the claimant a royalty under a licence agreement for the use of the inventions under the disputed patent. Upholding the decision of the court of first instance, the Presidium of the IP Court pointed out that, when

assessing any actions of any person for abuse of right, the court should establish that the person's intent was aimed at exercising rights in a knowingly unfair way and that his only purpose was to cause harm to another person, and the abuse of right should be evident. However, the court of first instance found that the defendant's and the third party's purposes were fair — to carry usual business activities, which were impeded by the validity of the disputed patent.

At the same time, the court laid emphasis on the fact that the second patent holder acquired the exclusive rights to the disputed patent as a result of an IP court decision on case No. SIP-818/2014. The court pointed out that the said person did not participate in preparation of the application materials to Rospatent for issuing the disputed patent and might have been initially unaware that the disputed technical solutions did not meet the “inventive step” patentability criterion.

The claimant's claim to refute the “presumption of malicious intent” (on which the claimant insisted) is true only to the extent that, if there is evidence and convincing arguments evidencing abuse of right, the burden of proving the fairness of their conduct passes to them. As a rule, it is assumed that parties to civil law relations are reasonable and fair.

The Presidium of IP Court pointed out that, if there is a claim of infringement of the exclusive right to an invention (or in case of royalty payment), two independent scenarios of defence are possible:

- 1) To prove in the same court dispute that the claimant's invention is not used.
- 2) To challenge in a separate out-of-court (administrative) dispute the issuance of the patent for invention.

The traditional nature of the second defence method is also confirmed by the Supreme Court of the Russian Federation, which, in Clause 142 of Resolution of the Plenum of the Supreme Court of the Russian Federation No. 10 dated April 23, 2019 “On Application of Part IV of the Civil Code of the Russian Federation” (hereinafter “Resolution No. 10”), stated as follows:

“When Rospatent considers challenges to a patent..., the court may suspend proceedings on the case of infringement of rights.

If, after considering the case of infringement of the exclusive right to a patent..., the patent is cancelled..., the judicial act on the case of infringement of the exclusive right may be revised upon discovery of new facts (Clause 1 of Part 4 of Article 392 of the Civil Procedure Code of Russia, Clause 1 of Part 3 of Article 311 of the Commercial Procedure Code of Russia)”.

Thus, the Presidium of the IP Court pointed out that challenging a patent for an invention, for which use the right holder claims compensation in a separate court process, complies in itself with the usual business practice, does not evidence abuse of right in general or that there are grounds for applying the estoppel principle (as a specific case of abuse of right) in particular.

A similar approach was shown in the resolution of the Presidium of the IP Court dated October 28, 2019 on case No. SIP-781/2018.

The same approach may be applied in other cases if a person, against whom claims based on a issued patent are filed makes an appeal.

SUSPENSION OF PROCEEDINGS ON A CASE ON PROTECTION

OF THE EXCLUSIVE RIGHT TO A UTILITY MODEL BEFORE THE END OF THE DISPUTE ON VALIDITY OF THE RELEVANT PATENT MEETS THE PURPOSE OF EFFICIENT JUSTICE (RESOLUTION OF THE IP COURT No. S01-657/2019 DATED FEBRUARY 14, 2020 ON CASE No. A40-255365/2016)

The Company (Claimant) filed a claim with the court for infringement of its exclusive right to a utility model under patent No. 122342. When the case was considered by the court of first instance and by the court of appeal, the proceedings were suspended before entry into force of the decision of the IP Court on case No. SIP-730/2019, which considered the Claimant's statement for invalidation of Rospatent's decision annulling patent No. 122342.

The defendant filed a cassation appeal with the IP Court, where it stated that the suspending decision contravenes conditions of application of Article 143 of the Commercial Procedure Code, since there were no overlaps in the subject matter of dispute, the list of parties to the case, evidence, and facts. The defendant believed that the case No. SIP-730/2019 of the IP Court, where Rospatent's decision on invalidation of patent No. 122342 for a utility model in full was challenged, does not make it impossible to consider the present case on infringement of the claimant's exclusive right to the said patent.

Besides, the defendant stated in his cassation appeal that the courts had not considered his argument that the claimant's claim should have been dismissed, since it (after the patent was invalidated) was the improper claimant “due to the lack of active legitimization”. The IP Court noted that, in accordance with Clause 1 of Part 1 of Article 143 of the Commercial Procedure Code, the court should suspend the proceedings on the case when the decision on another case would have material or procedural consequences for the proceedings in the case under consideration. Rospatent's decision invalidating the patent becomes effective on the day of its adoption and results in cancellation of the patent and termination of the relevant exclusive right from the date of filing an application for a patent with Rospatent.

Therefore, the actions of any other persons to use the utility model, the patent for which was subsequently invalidated, may not be recognized as infringement of the rights of the person, to whom the patent was issued.

The court of first instance and the court of appeal correctly found that the decision of the IP Court on case No. SIP-730/2019 might affect the outcome of the present case, since it would be decisive for finding whether there is a relevant exclusive right of the claimant to the disputed utility model and whether the defendant infringed that right.

As regards the defendant's argument that the court of appeal had not considered the statement of improper claimant (which is an independent ground to dismiss the claim), the IP court pointed out that the court of appeal had stated that the fact that the court, in the defendant's opinion, had also other grounds to dismiss the claim did not change the fact that, for full and proper consideration of the dispute, the court should answer the question of whether the claimant had exclusive rights to a patent for a utility model.

On this basis, suspension of the proceedings on the case on protection of the exclusive rights to an invention before the end of consideration of the case, where the issue is whether the exclusive right exists at all, meets the purpose of efficient justice.

CHANGING THE CLAIMS TRANSFERRING THE FEATURES FROM THE DEPENDENT CLAIMS TO THE INDEPENDENT CLAIMS IS POSSIBLE ONLY IF THE FEATURES CONTAINED IN THE DEPENDENT CLAIMS HAVE EFFECT ON THE TECHNICAL RESULT (PRESIDIUM OF THE IP COURT, RESOLUTION DATED MARCH 6, 2020 ON CASE No. SIP-500/2019)

The Company initiated a case at the IP Court filing a claim for invalidation of Rospatent's decision based on the results of consideration of the appeal against patent No. 173945 for a utility model. The patent had been previously invalidated in full because the utility model did not meet the "novelty" patentability criterion.

Having considered the Company's statement of claim for invalidation of Rospatent's decision, the IP Court revoked it. Having considered the argument of the Company's cassation appeal that, at the stage of considering the appeal against the patent, Rospatent did not suggest that the patent holder could change the claims of the utility model, which resulted in infringement of his rights, the Presidium of the IP Court pointed out that Rospatent's duty to propose changing the claims of an invention or a utility model would arise only if the administrative authority found the facts, where such changes remove the reasons that served as the only basis for concluding that the item under consideration did not meet the patentability criteria or for classifying the claimed item as a non-patentable item. If Rospatent does not find the said facts, there is no duty to propose changing claims to the interested party. Any changes in the claims transposing the features from the dependent claims 2 and 6 (and from any other dependent claims) to the independent claim might be proposed only if the features present in the dependent claims have an effect on the technical result.

Based on Subclause 2 of Clause 2 of Article 1376 of the Civil Code, an application for a utility model should contain a specification of the utility model disclosing its substance sufficiently enough for a specialist in the art to implement the utility model.

In accordance with Clauses 35 and 38 of Requirements No. 701¹, it is the specification of the utility model that should contain disclosure of the effect of the utility model's features on the technical result to be achieved.

If there is no such disclosure in the specification, the features cannot be deemed as essential ones, even if after the issue of the patent it is proved that they actually have an effect on the technical result.

In its cassation appeal to the Presidium of the IP Court, the Company did not challenge the fact that the specification did not disclose the effect of the features contained in dependent claims 2 and 6 (and in any other dependent claims) on the technical result to be achieved by the utility model.

In response to the Company's statement that such an effect is obvious for a specialist, the Presidium of the IP Court pointed out that the Company presented no data to Rospatent or to the court of first instance in support of its argument that such an effect was obvious. Taking this into account, the relevant argument was rejected as unreasoned.

¹ — Requirements for Documents of an Application for a Patent for a Utility Model (approved by the order of the Ministry of Economic Development No. 701 dated September 30, 2015)

Thus, both Rospatent and the court of first instance lawfully proceeded from the fact that there was no need to propose changes in the claims.

The Presidium of IP Court concluded that there were no grounds to satisfy the cassation appeal.

2. PATENT EXTENSION

ROSPATENT LAWFULLY EXTENDED THE VALIDITY OF A NEW PATENT, HAVING RETAINED LEGAL PROTECTION EXISTING ON THE DATE OF THE PETITION FOR EXTENSION (IP COURT DECISION DATED FEBRUARY 25, 2020 ON CASE No. SIP-905/2019)

Patent No. 2174977 (the validity period beginning from March 29, 1996) was issued until March 29, 2016. In 2007, upon the patent holder's petition, the validity period was extended until March 25, 2021 with regard to independent claims 1 and 7. At the same time, marketing authorization No. LS-001443 dated March 24, 2006 was presented as the first permit to use the invention. In 2018 (*i.e., at the end of the basic 20-year period, but within the extended validity period of the patent*), the Claimant filed an appeal with Rospatent based on the fact that the invention characterized in claim 1 did not meet one of the patentability criteria. After examination of the appeal Rospatent rendered a **decision dated September 12, 2018** to invalidate the patent in part and to issue a new patent with the amended claims. For this purpose, the claims were adjusted in terms of independent claim 1 by excluding any alternative features, while independent claim 7 was transformed into independent claim 2 without any changes.

New patent No. 2694252 with the amended claims was issued on July 10, 2019. The starting date of the validity period of the patent was stated to be March 29, 1996, *i.e., date of the application, upon which the initial patent No. 2174977 was issued.*

Based on the patent holders' petition dated July 16, 2019 and in accordance with Clause 2 of Article 1363 of the Civil Code (*as amended by Federal Law No. 35-FZ dated March 12, 2014*), the validity period of this new patent was extended and additional patent No. 2694252 with the same claims was issued. At the same time, same marketing authorization No. LS-001443 dated March 24, 2006 was stated to be the first permit to use the invention under new patent No. 2694252 in the application for extension of the patent's validity period. The validity period of additional patent No. 2694252 was stated to be the period **from September 12, 2018** (*i.e., from the date of invalidation of patent No. 2174977*) **to March 25, 2021** (*i.e., to the same date, until which the validity period of patent No. 2174977 had been previously extended*).

Believing that Rospatent's decision to extend the validity of the new patent No. 2694252 and issuing an additional patent is not consistent with law and infringe his rights, the Claimant turned to the IP Court.

In support of his claims, the Claimant stated that the validity period of new patent No. 2694252, in his opinion, expired on **March 29, 2016** (*the end date of the 20-year period beginning from the date of the application, upon which initial patent No. 2174977 was issued*), while the petition for extension of its validity was filed in 2019, that is, beyond the period set forth in Clause 2 of Article 1363 of the Civil Code.

Dismissing the claim, the court took into account that new patent No. 2694252 had been issued instead of patent No. 2174977, which validity period with regard to independent claims 1 and 7 was extended until March 25, 2021. It is during the extended validity period of the initial patent No. 2174977, the Claimant filed an appeal with Rospatent, based on consideration of which Rospatent rendered a decision invalidating such patent in part and issuing a new patent. At the same time, the legal protection for new patent No. 2694252 was retained in full for one of the claims, for which the validity period of patent No. 2174977 was extended; and, for another claim, for which the validity period of patent No. 2174977 was extended, the scope of protection was adjusted by excluding all alternative features.

Under these circumstances and taking into consideration that, after Law No. 35-FZ became effective, the validity period of the new patent issued instead of the cancelled old patent should be extended by issuing an additional patent, the IP Court decided that Rospatent had lawfully extended the validity period of the new patent, having retained the legal protection of the invention existing on the date of the application for extension.

AFTER BEING REFUSED EXTENSION OF VALIDITY OF A PATENT, THE PATENT HOLDER COULD FILE ANOTHER PETITION TO ROSPATENT NARROWING THE SCOPE OF PROTECTION FOR AN ADDITIONAL PATENT DOWN TO CLAIM 2 OF THE AMENDED CLAIMS, BUT DID NOT DO THAT CONSIDERING IT APPROPRIATE TO INSIST ON GRANTING PROTECTION FOR THE CLAIMED GROUP OF INVENTIONS, WHICH ITSELF EVIDENCES THAT HE HAD THE WILL TO OBTAIN EXACTLY THAT SCOPE OF PROTECTION (IP COURT, DECISION DATED FEBRUARY 4, 2020 ON CASE No. SIP-417/2019)

The IP Court considered the Company's statement of claim for cancelling Rospatent's refusal to extend the validity of patent No. 2326127.

Patent No. 2326127 was issued for a group of inventions entitled "Immunoglobulin Variants and Uses Thereof". The company filed a petition for extension of validity of a patent with Rospatent and for the grant of an additional patent with the claims proposed by the Company. The petition was based on the fact that the invention related to a medicine, for which the first permit to use under marketing authorization No. LP-004503 was obtained. Having compared the claims proposed by the company and the characteristics of the medicine, for which use the permit had been obtained, Rospatent found that there were no amino acid sequences of the constant region of an antibody or a reference to an isotype of the antibody characterizing the constant region in Claim 1 of the proposed claims.

For this reason, Rospatent came to the conclusion that the claims presented by the company for the additional patent did not characterize the product, for which use authorization RU No. LP-004503 was obtained. The company was sent an inquiry proposing to submit amended claims of the invention and information confirming the identity of the active substance of the medicine, for which use the permit had been obtained, to the subject matter stated in the claims.

In response, the company presented the amended claims for an additional patent. However, since the amended claims still did not characterize the product, for which use authorization RU No. LP-004503 had been obtained, Rospatent refused to extend the validity period of the patent. The company appealed against this refusal with the IP Court. The IP Court did not find any grounds for invalidating the challenged decision of Rospatent.

Having analysed the contents of Rospatent's inquiry and of the decision to refuse extension of validity of the patent, the IP Court concluded that Rospatent acted in strict accordance with the provisions of Clause 8 of Regulations No. 809 establishing the circumstances prescribed by the said clause:

- Whether the claims characterize the medicine, for which use the permit was obtained.
- Whether the product in the claims is characterized as a compound or a group of compounds described using the general structural formula.
- Whether it follows from the invention's specification that it may be used as an active ingredient of the medicine, for which use the permit was obtained.
- Whether the combination of features determining the scope of protection of the product is identical to the active ingredient of the medicine, for which use the permit was obtained; whether the invention's specification contains information that the compound or the group of compounds described using the general structural formula has such activity that makes it possible to use it in such a medicine;
- Whether the combination of features determining the scope of legal protection of the product and characterizing the composition specified in the claims is identical to the characteristic of the composition of the medicine specified in the permit.

Responses received by the IP Court from the Federal Biotechnology Research Centre and from the Institute of Bioorganic Chemistry, as well as consultations provided during the court hearings by experts invited by the court confirmed reasonableness of the Rospatent's position. The experts did not confirm the company's argument that the patent (claims and specification) contained the information that the group of compounds described in claim 1 of the amended claims had such activity that made it possible to use it in the medicine, for which use the permit had been obtained, either.

Taking into account the foregoing, the IP Court concluded that Rospatent's position contained in the challenged decision that the wording of claim 1 of the amended claims was broader than the active substance of the medicine, which evidenced that they were not identical, was reasonable and, therefore, Rospatent correctly applied Clause 8 of Regulations No. 809.

The IP Court also stated that after being refused extension of the exclusive right to the invention, the Company could file with Rospatent a new request for extension of the validity period of the exclusive right to the invention and for issue of an additional patent narrowing the scope of protection to claim 2 of the amended claims. However, the patent holder did not do so and insisted on granting protection for the claimed group of inventions, which itself also evidences that his will was to obtain exactly that scope of protection.

Under such circumstances, the IP Court upheld Rospatent's conclusion that there were no legal grounds to extend the patent's validity period.

3. TRADE MARKS

INTERPRETATION OF CLAUSE 25 OF THE ADMINISTRATIVE REGULATIONS PRESCRIBING TO PROVIDE TO THE CUSTOMS, ALONG WITH AN APPLICATION, ADDITIONAL INFORMATION ON THE EXISTING FACTS OF INFRINGEMENT OF THE RIGHT HOLDER'S RIGHTS IS INCORRECT, SINCE IT DOES NOT MEET THE PURPOSE OF THE MEASURES STIPULATED BY CHAPTER 57 OF LAW NO. 289-FZ (SUPREME COURT, RULING NO. 305-ES19-17108 DATED JANUARY 22, 2020).

The courts of three instances upheld the position of the customs that failure to submit evidence of infringement of the trademark rights along with the application for inclusion of IP in the customs register constituted a ground to refuse inclusion of a trade mark in the Register.

The Supreme Court did not agree with such position and stated that the opportunity to apply to the customs for protection of IP rights is a measure stipulated by law, the opportunity which the right holders may use to obtain protection of the relevant rights.

Such possibility is stipulated by Federal Law No. 289-FZ dated August 03, 2018 On Customs Regulation.

In its turn, the Federal Customs Service is vested with the right to keep up the Register, which allows the customs authorities to suppress any activities aimed at infringing the rights and causing damage to the right holders.

The specific features of handling the Register were outlined in the Administrative Regulations in which Clause 25 stipulates that an application not containing the information on the goods having signs of counterfeit goods should not be accepted.

The Administrative Regulations set forth a declarative nature of the procedure to suppress importation into the Russian Federation of the goods infringing IP rights, for example, those marked with another person's trade mark.

In this regard, interpretation of Clause 25 of the Administrative Regulation as prescribing to provide information on the existing facts of infringement of the right holder's rights is incorrect, since it does not meet the purpose of the measures stipulated by Chapter 57 of the Law on Customs Regulation.

Otherwise, any actions by the customs to handle the Register will be associated only with the actually committed offences, which, in its turn, contradicts the above regulation and makes the Register meaningless as a tool that helps identify and promptly suppress offences and protect the right holder's rights.

Taking into consideration the foregoing, the Judicial Chamber of the Supreme Court reversed the rendered judicial acts in full and remanded the case for a new trial.

IMAGE OF NICETAS THE EXPELLER BEATING THE DEMON MAY BE REGISTERED AS A TRADE MARK, SINCE THERE IS NO INFORMATION THAT THE DESIGNATION CLAIMED FOR REGISTRATION IS WORSHIPED BY RELIGIOUS PEOPLE AND THAT ITS USE AS A TRADE MARK MAY PROVOKE NEGATIVE ASSOCIATIONS

Rospatent agreed with the opinion of the Examiner, and dismissed the appeal against granting protection to the designation on application No. 2016721310 on the basis of its alleged non-compliance with the requirements of Subclause 2 of Clause 3 of Article 1483 of the Civil Code.



Application № 2016721310

When rendering this decision, Rospatent proceeded from the following considerations:

- The claimed designation is a graphic image of a great Christian martyr Nicetas the Expeller, who is known and honoured by religious people belonging to the Orthodox Church (he is sacred for them), and granting exclusive right to use the claimed designation

to a certain organization to derive profit and commercialize such image may be regarded as offending religious feelings of religious people;

- Registration of the disputed mark bearing religious semantics, without any recommendations of the Russian Orthodox Church, conflicts with the public interests. BESOGON LLC (hereinafter the "Company") filed a statement of claim with the IP Court to cancel the decision of Rospatent.

In the Company's opinion, Rospatent made incorrect conclusions, since Nicetas the Expeller is not a great saint martyr honoured by the Russian Orthodox Church, as he is a mythological historical character little known to a rank and file Russian consumer and the disputed designation itself does not have negative or cynical attitude towards any particular religion and does not affect the feelings of religious people. In order to find out professional opinion on the merits of the dispute, the IP Court sent inquiries to the scholars, including those from religious educational institutions, posing the following questions:

- 1) Is Nicetas the Expeller a great saint martyr?
- 2) Is Nicetas the Expeller canonized by the Russian Orthodox Church? If he is, since when?
- 3) Is Nicetas the Expeller holy for the Orthodox Christians?

The scholars' negative answers to these questions coincided and allowed the court to recognize Rospatent's conclusions on the disputed designation as groundless.

Along with that, the IP Court also studied the issue whether the use of the disputed designation as a trade mark might provoke offensive associations with regard to the subject honoured by religious people and concluded that the court had no information that the disputed designation in the form it was claimed for registration was a subject honoured by religious people and no information that its use as the claimed trade mark might provoke offensive associations.

Thus, the IP Court cancelled the challenged decision and obliged Rospatent to register the disputed designation as a trade mark.

REDUCTION IN THE NUMBER OF WORDS IN THE NAME OF THE SERVICE DID NOT ENTAIL REDUCTION OF SERVICES IN THE LIST OF SERVICES OF THE SERVICE MARK (IP COURT, DECISION NO. SIP-797/2019 DATED FEBRUARY 7, 2020)

The right holder of the service mark under Certificate No. 667880 applied to Rospatent with a request to amend the list of services of Class 35 according to ICGS, for which the mark was registered. He wanted to reduce the service entitled “procurement services for third parties [purchase and supply of goods to entrepreneurs], including services of retail and wholesale stores” to the service entitled “services of retail and wholesale stores”.



Trade Mark № 667880

since if this exclusion were allowed, the “services of retail and wholesale stores” would imply their provision to all types of consumers, not only to entrepreneurs. Along with that, it was noted that there was no such service in Class 35 according to ICGS as “services of retail and wholesale stores” as an independent section in the list of services of the said service mark.

The IP Court agreed with this conclusion and decided that Rospatent had lawfully found that the requested amendments did not comply with the provisions of Clause 1 of Article 1505 of the Civil Code, as it would result in expansion of the list of services, but not in its reduction stipulated by this provision of the Civil Code.

“VOLOGODSKOE KRUZHEVO” APPELLATION OF ORIGIN OF GOODS PREVENTS REGISTRATION OF “VOLOGODSKAYA KRUZHEVNITSA” TRADE MARK (IP COURT, DECISION DATED FEBRUARY 14, 2020 ON CASE No. SIP-839/2019)

Based on Clause 7 of Article 1483 of the Civil Code Rospatent refused to register “Vologodskaya Kruzhevitsa” (Vologda Lace-maker) word designation claimed for sweets and a number of confectionery products as a trade mark due to its confusing similarity to the “VOLOGODSKOE KRUZHEVO” (VOLOGDA LACE) appellation of origin of goods (Reg. No. 3).



Application № 2010711380

available in dictionaries and reference sources, according to which a lace is a textile product (made manually or using a machine) without a woven base, where mesh pattern

Rospatent refused to make such amendments, as it came to the conclusion that exclusion of the words “procurement services for third parties [purchase and supply of goods to entrepreneurs]” from the list of services in Class 35 according to ICGS would expand the scope of protection for this service mark,

When making a conclusion on the semantic similarity of the claimed designation and the opposed appellation of origin of goods based on the similarity of the concepts and ideas laid down in the designations, Rospatent proceeded from the information

is formed as a result of thread interweaving (*Bolshaya Entsiklopediya V 62 Tomakh* [Large Encyclopedia in 62 Volumes] (2006). Moscow TERRA, volume 24), and a lace-maker is a lace craftswoman (Ozhegov, S. I., Shvedova, N. Yu. *Tolkovyy Slovar Russkogo Yazyka* [Defining Dictionary of the Russian Language]).

The Judicial Chamber agreed with Rospatent’s conclusion, as the claimed “Vologodskaya Kruzhevitsa” designation actually meant “craftswoman making Vologda lace”, which made it possible to recognize the disputed designation as confusingly similar to the “VOLOGODSKOE KRUZHEVO” appellation of origin of goods, as it was associated with it in general, despite some differences.

Rospatent reasonably recognized the claimant’s argument that there is no semantic similarity of the compared designations, as the “LACE” noun is inanimate, and the “LACE-MAKER” noun is animate, which was previously stated in the appeal as unconvincing, since semantic meaning of the “LACE-MAKER” word is inextricably intertwined with the “LACE” word, therefore, it provokes a similar associative line. Along with that, the claimant’s argument on the similarity of goods, with regard to which the opposed appellation of origin of goods was registered, and goods, for which protection of the disputed designation was claimed, was rejected, as registration of designations confusingly similar to appellations of origin of goods as trade marks is prohibited with regard to any goods. And it does not matter that the activities of the right holder of the appellation of origin of goods were discontinued, as the protection of the appellation of origin of goods per se remains in effect.

The documents of this case are indicative of the long existing practice of Rospatent in applying the provisions of Clause 7 of Article 1483 of the Civil Code, including with regard to an earlier attempt to entwine the “Vologodskaya Kruzhevitsa” designation into the trade mark.

4. KNOW-HOW

NO PROTECTION OF RIGHTS FOR KNOW-HOW IS STIPULATED FOR THE AUTHORS, THEREFORE, THE CHALLENGED DIRECTIVE VIOLATES THE COMPANY’S RIGHTS, AS IT IMPOSES OBLIGATIONS NOT PROVIDED BY THE LAW (RESOLUTION OF THE IP COURT No. S01-1146/2019 DATED JANUARY 24, 2020 ON CASE No. A40-274664/2018)

The Company, which is a contractor under a government contract, filed a cassation appeal against the decisions of the court of first instance and of the court of appeal, which confirmed legality of Rospatent’s demand that the Company pay incentive remuneration to the authors of know-how developed during performance of the government contract. In the Company’s opinion, neither the Civil Code or the Law On Trade Secrets provide for authorship rights to know-how, which was not taken into consideration by the court of first instance and by the court of appeal.

Having considered the Company’s cassation appeal, the IP Court came to the following conclusions. Demanding payment of remuneration to the inventors of know-how Rospatent proceeded from the fact that know-how was classified as the results of intellectual activity (Clause 1 of Article 1225 of the Civil Code), it was created by the employees during performance of their employment duties, and this intellectual property could not but have authors having the right to relevant remuneration.

From the Company's point of view, the provisions of Article 75 of the Civil Code do not provide for the inventors' rights to know-how and, since know-how is just the information on the results of intellectual activity, there is no creative contribution during its creation, which means that there can be no inventors of know-how.

The court of first instance and the court of appeal agreed with Rospatent's position that it was possible to recognize authorship to know-how.

In order to confirm (disprove) that the court of first instance and the court of appeal correctly applied the legal norms when considering this case and rendering the appealed judicial acts, the IP Court sent inquiries to the Private Law Research Centre and the Institute of Comparative Law requesting them to provide professional opinion of intellectual property specialists with regard to recognition of authorship right to know-how. According to the response of the Private Law Research Centre, though Chapter 75 of the Civil Code dealing with know-how does not provide for protection of rights of inventors of such items and, therefore, no authorship of know-how exists, it is not a ground to refuse payment to the employees, who created works for hire or patentable results (that may be eligible for patent protection as employee's inventions, utility models, or industrial designs), of remuneration stipulated by Articles 1295 and 1370 of the Civil Code.

The Institute of Comparative Law provided no response to the court inquiry.

The IP Court agreed with the interpretation of the applicable legal norms given in the opinion of the Private Law Research Centre and concluded that no protection of rights of authors of know-how was stipulated, which follows from the provisions of Article 75 of the Civil Code. The purpose of legal regulation in this matter is to protect the interests of holders of the exclusive right to know-how, that is, to protect right holders using know-how in their business activities.

In this situation, the authorship right arises only with regard to the results of intellectual activity related to works for hire, employee's inventions, utility models, industrial designs, computer programs, integrated circuit topologies, but not to information of any nature (production, technical, economic, organizational, and any other information) on the same. Accordingly, by virtue of Articles 1295 and 1370 of the Civil Code the right to remuneration belongs only to the authors of the said employee's items. The IP Court ruled that the conclusion of the court of first instance and the court of appeal to the effect that each employee of the company's staff, who made a creative contribution to the creation of the disputed results of intellectual activity, had the right to incentive remuneration could not be considered as grounded.

On this basis, the IP Court reversed the decisions of the inferior courts and rendered a new act on the case cancelling Rospatent's directive in that part of the decision that provided that the Company pay remuneration to the authors of know-how.

5. COMPANY NAMES

THE COURT OF FIRST INSTANCE REASONABLY PROCEEDED FROM THE FACT THAT IF THE CLAIMANT HAS FULL COMPANY NAME IN THE RUSSIAN LANGUAGE, THE COMPANY IS ENTITLED

TO HAVE AN ABBREVIATED COMPANY NAME IN THE RUSSIAN AND FOREIGN LANGUAGES («PROFF-STEEL») (IP COURT, RESOLUTION DATED FEBRUARY 6, 2020 ON CASE No. A32-6552/2019)

Having considered the cassation appeals from the tax authorities, the court of cassation concluded that there were no legal grounds to satisfy such appeals due to the following.

As found by the courts and as it appears from the documents on file, on October 08, 2018, the company filed a request for state registration of amendments to the constituent documents of the legal entity with regard to creating an abbreviated name of legal entity — «Proff-Steel Ltd.». By decision of the inspectorate No. 7544985A dated October 15, 2018, the company's application was dismissed based on Clause 1 of Article 23 of Law No. 129-FZ dated August 08, 2001, since the documents submitted by the company were made, among other things, in a foreign language.

By decision of the directorate No. 24-12-2178 dated December 21, 2018, the company's appeal against the said decision of the inspectorate was dismissed.

When refusing to perform state registration of amendments to the information on the legal entity, the directorate proceeded from the fact that the abbreviated company name "Proff-Steel" containing, in addition to the letters of the Russian language, the letters of the foreign alphabet without Russian transcription did not meet the requirements of Clause 3 of Article 1473 of the Civil Code.

Believing that the tax inspectorate's decision did not meet legal requirements and infringed its right to the abbreviated business name, the company filed a statement of claim with the court.

The court of first instance proceeded from the fact that the current legislation does not contain any prohibition to exercise the right to one abbreviated business name in a foreign language subject to responsibility to have a full name in the Russian language, for which reason it recognized the appealed decisions as illegal.

The court of appeal supported the said conclusion of the court of first instance and upheld the challenged decision.

Despite the arguments of the cassation appellants, the IP Court considers that the conclusions of the court of first instance and of the court of appeal comply with the provisions of substantive law.

In the opinion of the IP Court, the court of first instance reasonably proceeded from the fact that if the claimant has a full company name in the Russian language the company is entitled to have an abbreviated company name in the Russian and foreign languages which is currently shown in an extract from the Unified State Register of Legal Entities, which means, as the court of first instance correctly stated, that the decisions of the tax authorities do not comply with the provisions of Clause 3 of Article 1473 of the Civil Code.

Contrary to the arguments of the cassation appellants, the use by the legal entity of the abbreviated company name («Proff-Steel Ltd.») does not violate the current law, which means that the company could not be refused to register amendments to the constituent documents based on Clause 1 of Article 23 of Law No. 129-FZ dated August 08, 2001. Under such circumstances, the challenged non-regulatory legal acts were lawfully recognized as illegal by the court of first instance.

6. LICENCE AGREEMENTS

CHANGE IN THE DISTILLERY'S NAME FROM "MOSCOW WINE AND BRANDY DISTILLERY KiN OJSC" TO "MOSCOW WINE AND BRANDY DISTILLERY KiN JSC" TO BRING IT IN LINE WITH THE PROVISIONS OF PART IV OF THE CIVIL CODE DOES NOT REQUIRE AMENDING THE CONSTITUENT DOCUMENTS CONTAINING ITS FORMER NAME, INCLUDING THE STATE REGISTER OF TRADE MARKS AND SERVICE MARKS (IP COURT, RESOLUTION DATED FEBRUARY 26, 2020 ON CASE No. A40-319167/2018).

"Moscow Wine and Brandy Distillery KiN JSC" (hereinafter the "Company"), which owns trade mark No. 347981, applied to Rospatent filing an application for a state registration of a licence, but Rospatent notified it that, in violation of Clause 3 of the Rules, the right holder's name specified in the documents submitted for registration as regards its legal form (Moscow Wine and Brandy Distillery KiN Joint-Stock Company) did not correspond to the right holder's name specified in the Register of Trade Marks (Moscow Wine and Brandy Distillery KiN Open Joint-Stock Company), which prevented state registration.

Considering the refusal to register the licence as unlawful, the Company applied to the commercial court with a claim to cancel Rospatent's decision refusing to register the licence agreement. The court of first instance and the court of appeal satisfied the asserted claims. Rospatent filed a cassation appeal, where it stated that it did not expressly follow from the documents submitted by the applicant for registration that the company's name was changed from Moscow Wine and Brandy Distillery KiN OJSC to Moscow Wine and Brandy Distillery KiN JSC to bring its legal form in line with the requirements of Part IV of the Civil Code and no documents supporting it were submitted.

Having considered the cassation appeal filed by Rospatent, the IP Court concluded that there were no legal grounds to satisfy the appeal.

The refusal to register the license agreement was issued by Rospatent in violation of provisions of Federal Law No. 99-FZ, because of inconsistencies between the information on the right holder and the information available in the State Register of Trade Marks and Service Marks; there were no doubts about the validity of the documents. In case of such doubts Rospatent could have requested such documents and information from the applicant. Under such circumstances, the IP Court considered that the court of first instance and the court of appeal, having examined the documents on file, came to the correct conclusion that the challenged decision of Rospatent did not comply with law.

EAPO PRACTICE

The Eurasian Patent Office (EAPO) and the Japan Patent Office (JPO) concluded an agreement to continue their cooperation in the Patent Prosecution Highway Program (PPH Program) on an ongoing basis.

The pilot PPH Program between EAPO and JPO was first launched on February 15, 2013 for a three-year period. Further, the duration of the program was extended more than once.

Since May 1, 2020, the PPH Program has been implemented by EAPO and JPO on a continuous basis. This decision was taken by the parties based on a positive assessment of the program's effectiveness for the previous years and high mutual confidence in the quality of work in search and expert examination.

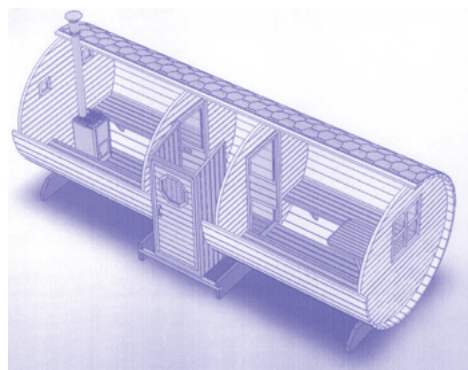
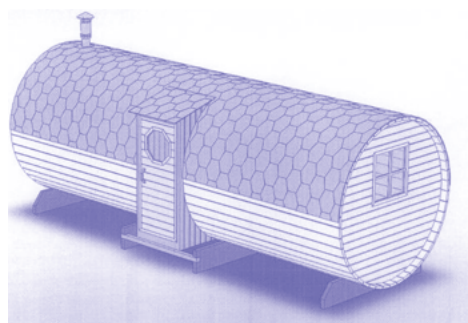
In addition to JPO, EAPO currently has pilot PPH programs in place with the European Patent Office (EPO), the China National Intellectual Property Administration (CNIPA), and the Korean Intellectual Property Office (KIPO).

ROSPATENT PRACTICE

1. PATENTS

THE APPEAL DOES NOT CONTAIN DOCUMENTED CONFIRMATION THAT THE INFORMATION POSTED ON THE INTERNET BEFORE THE PRIORITY DATE OF THE INDUSTRIAL DESIGN UNDER THE DISPUTED PATENT IS PUBLICLY AVAILABLE (DECISION OF THE CHAMBER OF PATENT DISPUTES DATED JANUARY 16, 2020 ON THE APPEAL TO PATENT No. 86758 BANYA (БАНЯ) ON APPLICATION No. 2012504016/49 WITH A PRIORITY OF NOVEMBER 20, 2012)

An appeal was filed against a patent for an industrial design not meeting the "originality" patentability criterion. The information obtained using <https://www.google.com/Internet/printouts> [1]) cannot be included in the information defeating patentability of the industrial design due to the following.



The <https://www.google.com/> Internet is not a documented confirmation of public availability of any information posted on the Internet at a specific date (Clause 23.3.(2) of the PTO Regulations), but merely represents a search engine having a specific search algorithm on this network. At the same time, the person who filed the appeal did not provide any information disproving this conclusion or information on the search algorithm for the said Internet system, which made it possible to unambiguously conclude that the search results (Internet links) as at the specific dates expressly confirmed public availability of the information posted on the Internet links at the specified dates. As regards the information posted on a number of the Internet links, the decision of Rospatent pointed out that the challenge did not contain any documented confirmation of public availability of this information on the Internet before the priority date of the industrial design under the disputed patent (see clause 23.3.(2) of the PO Regulations). Therefore, the information posted on these Internet links may not be included in the information defeating patentability of the industrial design under the disputed patent.

With regard to another Internet link, Rospatent pointed out that the information posted on it may be included in the information defeating patentability of the industrial design because, although the fact that this information was publicly available on the Internet before the priority date of the industrial design was confirmed by the web-archive.ru Internet service, however, this Internet link did not contain any images of the appearance of the item, which could be analysed in order to establish whether the industrial design under the disputed patent met the “originality” patentability criterion or not. It should be noted that the text information contained on this Internet link is the information on the Finnish manufacturer of barbecue houses, saunas, garden houses, luxurious rooms, etc., and log houses made of dense durable Laponian pine.

In its turn, this text description does not contain, in particular, such attributes from the list of the industrial design under the disputed patent as a horizontal cylinder bath house design consisting of the following composite elements: a cylinder-based frame with end parts slightly built-in, support stands and an arched roof covering and following the shape of the upper half of the frame, which are reflected in the images of the bath house under this patent.

Taking into account the foregoing, it may be concluded that the challenge contains no arguments that make it possible to recognize the industrial design under the disputed patent as not meeting the “originality” patentability criterion.

2. TRADE MARKS

DOMINATING POSITION OF UNPROTECTED ELEMENTS OF THE CLAIMED DESIGNATION AND ANALYSIS OF THEIR SEMANTICS WITH REGARD TO THE CLAIMED GOODS AND SERVICES SERVED AS A BASIS FOR REFUSAL TO GRANT LEGAL PROTECTION ON TWO GROUNDS OF ARTICLE 1483 OF THE CIVIL CODE (CHAMBER OF PATENT DISPUTES, DECISIONS DATED FEBRUARY 07, 2020 UPON APPLICATIONS No. 2018756285 AND No. 2018756287)

Based on the expert examination results, Rospatent refused to register the combined designations containing “СПОРТМАРАФОН.RU” (Application No. 2018756285) and “SPORT-MARAFON.RU” (Application No. 2018756287) word elements as trade marks with regard to all claimed goods in Classes 16, 18, 22, 25, 27, and 28 and services in Classes 35, 39, and 41 according to ICGS based on the provisions of Clause 1 of Article 1483 of the Civil Code, since the word elements of these marks have no distinctiveness and are dominating in those marks.

спортмарафон.ru

Application № 2018756285

sport·marafon.ru

Application № 2018756287

When considering the applicant’s appeals against these decisions of refusal, the panel of the Chamber of Patent Disputes put forward additional grounds that were not taken into account by the examiner.

Namely, the claimed designation does not meet the requirements of both Clause 1 of Article 1483 of the Civil Code and Clause 3 of Article 1483 of the Civil Code, since the “спортмарафон” (“sport-marathon”) word element included in the claimed designation was derived from the “sports marathon” words, which according to the dictionaries of both Russian and a number of foreign languages mean: “Sports” is intrinsic to sports, typical for it, “marathon” is long lasting activities of any event, a long-term campaign, and the “ru” particle is a WIPO code of Russia also used for an Internet server address. In this regard, for one part of the claimed goods it will indicate their type and composition and an intended purpose of a part of the claimed services. But for other goods and services not related to sports it may confuse the consumer with regard to the type, composition, and properties of goods and services.

Along with that, it was pointed out that no documents evidencing that the claimed designations had acquired any distinctiveness before the date of applications for trade mark registration were submitted by the applicant. Taking into account the foregoing, the panel of the Chamber of Patent Disputes decided to dismiss the appeals, to amend Rospatent’s decisions rendered based on the expert examination results, and to refuse registration of these trade marks, taking into account the additional grounds.

THE NAME OF THE AUTHOR’S COURSE COULD NOT OPPOSE REGISTRATION OF “SOSTOYANIE” TRADE MARK (DECISION OF CHAMBER OF PATENT DISPUTES DATED FEBRUARY 10, 2020 UNDER CERTIFICATE No. 724070)

The creator of the author’s course entitled “SOSTOYANIE” (individual entrepreneur M. E. Utkina, did not succeed in challenging the registration of the “same name” trade mark for the services in educational activities (Class 41 according to ICGS) as non-compliant with a number

of the requirements of Article 1483 of the Civil Code, including the provisions of subclause 1 of clause 9 of Article 1483 of the Civil Code of Russia, on which the individual entrepreneur's main argument against registration of such trade mark was based.

СОСТОЯНИЕ

Trade Mark № 724070

In the appeal filed to Rospatent on November 29, 2019, the individual entrepreneur expressed her opinion that registration of the "SOSTOYANIE" trade mark under certificate No. 724070 infringed her copyright on the work's title (the "SOSTOYANIE" author's course), which she created in 2017, i.e., before the date of the application for registration of the trade mark (December 25, 2018).

The panel of the Chamber of Patent Disputes disagreed with the individual entrepreneur's opinion, relying upon the following facts.

Under Clause 7 of Article 1259 of the Civil Code, copyright covers part of the work, its title, if, by their nature, they may be recognized as an independent result of the author's creative work.

The "SOSTOYANIE" word is a common lexical unit of the Russian language, which has many meanings: "1. Being in any condition (bookish). 2. Condition, in which anyone or anything is. 3. Mood, state of mind. 4. Rank, social situation (obsolete). 5. Private party's property, ownership" (<https://dic.academic.ru/>).

The "SOSTOYANIE" word cannot be recognized as an independent result of the author's creative work, since it is not creative and not original. The work's title as an independent result of intellectual activity is protected and defended only if such part is used in isolation from the work as a whole. At the same time, the individual entrepreneur did not submit any evidence confirming that the "SOSTOYANIE" word itself was perceived as the title of her work. The documents submitted by the individual entrepreneur are also insufficient to conclude that the "SOSTOYANIE" word was associated precisely with the copyright-protected item belonging to her and to conclude that the "SOSTOYANIE" work was known before the priority date of the disputed trade mark due to the individual entrepreneur's activities.

FOUR APPELLATIONS OF ORIGIN OF GOODS V. ONE TRADE MARK (DECISION OF THE CHAMBER OF PATENT DISPUTES DATED FEBRUARY 18, 2020 UPON APPLICATION NO. 2018728379 DATED JULY 06, 2018)

The panel of the Chamber of Patent Disputes considered an appeal against Rospatent's decision to refuse registration of a combined designation containing the "Belyov berry teas" (Белёвские ягодные чаи) word element as a trade mark due to its confusing similarity to appellation of origin of goods protected in Russia: "BELYOV PASTILA" (No. 156), "BELYOV SPICE CAKE" (No. 200), "BELYOV ZEFIR" (No. 213), and "BELYOV MARMALADE" (No. 214), and agreed with the Examiner's decision.

It stated:

The "Belyov berry teas" word element is dominant in the claimed designation.



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Font of the word element and figurative elements in the claimed designation are not taken into consideration during comparative analysis against the appellations of origin of goods, which are always exclusively word designations (names) without any typical font.

The "Belyov" word draws particular attention, occupying the initial position, from which, in fact, begins the perception of the phrase under consideration in general, both by ear and visually. The "berry teas" words are unprotected and excluded from the comparative analysis against the opposed appellations of origin of goods.

On this basis, only the "Belyov" word of the claimed designation is subject to comparative analysis against the opposed appellations of origin of goods.

In their turn, these appellations of origin of goods are phrases that include nouns indicating certain types of goods ("pastila" (pastille), "spice cake" (spice cake), "zefir" (marshmallow), or "marmalade", for which they are registered, and the place of their origin is determined by the words that are main in these names — "Belyov" adjectives ("Белёвская" or "Белёвский") derived from the geographical name of the Belyov town.

The adjectives of the opposed appellations of origin of goods are similar to the "Belyov" word (Белёвские) of the disputed mark, since they have the same word stem differing from each other only in word endings, which leads to the conclusion that the claimed designation is confusingly similar to all of the above appellations of origin of goods.

In the appeal, the appellant, in particular, states that the products, from which it makes teas, for which individualization the claimed designation is intended, grow precisely in Belyov District of Tula Region, which justifies his intent to individualize his goods using the relevant word element in the claimed designation. In this regard, the panel of the Chamber of Patent Disputes points out that the applicant has no right to use any relevant appellation of origin of goods protected in Russia, which should have been confirmed by the relevant certificate issued by the competent authority — the patent office.

LACK OF INTEREST OF THE PERSON FILING AN APPEAL AGAINST A TRADE MARK IS AN INDEPENDENT GROUND TO DISMISS THE APPEAL (DECISION OF ROSPATENT DATED MARCH 12, 2020 ON REGISTRATION OF TRADE MARK NO. 293888)

Rospatent received an appeal from "Faeton — Fuel Network Number 1 LLC" (hereinafter the "Company") against trade mark No. 293888 in the name of "Stroyklyuch-4 LLC" (hereinafter the "Right Holder") with regard to the services in class 37 according to ICGS due to the recognition of the right holder's actions related to registration of the trade mark as abuse of right and unfair competition.



Trade Mark № 293888

The analysis of the arguments of the appeal and judicial acts showed that the actions of the right holder to acquire the rights to the disputed trade mark without real intention to use it in his commercial activities along with a claim for unlawful use of the said trade mark against the Company, which had used the “AERO” designation in good faith for 8 years, without the right holder’s consent were actually recognized as abuse of right and unfair competition.

As the panel of Rospatent points out, this fact may be considered as a ground to cancel protection of the disputed trade mark based on the provisions of Clause 2 of Article 1512 of the Civil Code, however, provided that the person who filed the relevant appeal is found to be interested in accordance with Clause 2 of Article 1513 of the Civil Code.

As to the Company’s interest, it follows from the judicial acts that the Company uses the “AERO” designation to individualize its goods and services that are not similar to those goods and services, for which the disputed trade mark is registered, which eliminates any real threat of confusion of the persons providing such services in the consumers’ minds; the “AERO” designation used by the Company is not associated by consumers with the right holder or with those types of activities, for which the disputed trade mark is registered, for which reason it is unable to confuse consumers with regard to the person providing the services.

Along with that, the panel points out that the Company has not submitted any documents evidencing that it provides services in Class 37 according to ICGS, for which the disputed trade mark is registered.

Based on the foregoing, the Company’s interest in challenging the trade mark under certificate No. 293888 with regard to the services in class 37 according to ICGS specified in the certificate list is not found.

Thus, the Company’s interest in filing the appeal against the disputed trade mark in accordance with Clause 2 of Article 1513 of the Civil Code is not observed.

Lack of interest is an independent ground to dismiss this challenge.

Taking into account the foregoing, the panel decides to dismiss the challenge filed by the Company and uphold the legal protection of the disputed trade mark.

3. WELL-KNOWN TRADE MARKS

During the period from January to March, Rospatent recognized the following trade marks as well-known:

Trade Mark	МИРАМИСТИН
Right Holder	Megainpharm GmbH (Austria)
Goods/Services	Medicines, namely, antiseptic medicines (class 5 according to ICGS)
Date of Becoming Well-Known	August 01, 2018

Trade Mark	
Right Holder	Baikal LLC (Russia)
Goods/Services	Non-alcoholic carbonated beverages (class 32 according to ICGS)
Date of Becoming Well-Known	May 01, 2019



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