

## Law and Practice

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## **1. INTELLECTUAL PROPERTY RIGHTS AND GRANTING PROCEDURE**

### **1.1 Types of Intellectual Property Rights**

Protections of inventions and utility models are both based on statutory law.

### **1.2 Grant Procedure**

For inventions, a deferred substantive examination is stipulated as starting only after filing an examination request, which should be made no later than three years after the initial filing date. On average, one to two official actions may be issued, followed by a final decision. Before issuing a final rejection, the examiner should issue a pre-final rejection (notification of examination results). After notification of examination results, there is a six-month term in which a response can be made. Criteria for assessment includes industrial applicability, sufficiency of disclosure, novelty and inventive level.

For utility models, substantive examination starts immediately after filing. On average one Official Action is issued followed by a final decision. Criteria for assessment includes industrial applicability, sufficiency of disclosure and novelty. While assessing novelty, only the essential features of claims are taken into account.

### **1.3 Timeline for Grant Procedure**

Grant time is very short, usually six to 12 months from the date of commencing a substantive examination. Non-residents require the representation of a patent attorney. The average cost of grants for inventions is USD3,000 to USD7,000, and for utility models USD2,000 to USD6,000.

### **1.4 Term of Each Intellectual Property Right**

The term for each property type is as follows:

- for inventions, 20 years from the filing date; and
- for utility models, ten years from the filing date.

### **1.5 Rights and Obligations of Owners of Intellectual Property Rights**

A patent owner has the right to seek an injunction and claim damages and is obliged to pay annual renewal fees to keep a patent in force.

Regarding pharmaceuticals, the pharmaceutical register will soon be available on the Russian Patent and Trademark Office (PTO) website. The Eurasian Patent Office has already launched a pharmaceutical register for Eurasian patents.

### **1.6 Further Protection after Lapse of the Maximum Term**

For pharmaceuticals, pesticides and agrochemicals, for which state permission is required and for which the term from the filing date till the date of getting the first permission is more than five years, the patent validity term may be extended by the above term minus five years, but not by more than five years in total.

### **1.7 Third-Party Rights to Participate in Grant Proceedings**

A third-party observation may be filed by any third party on any application for an invention after such application is laid-open for public. The observation should contain arguments and, if necessary, citations necessary for preventing the issuance of a patent. The third party neither takes part in the prosecution nor receives information on further prosecution.

## 1.8 Remedies against Refusal to Grant an Intellectual Property Right

A refusal to grant a patent may be appealed with the Chamber of Patent Disputes of the PTO. A decision of the Chamber of Patent Disputes of the PTO may be appealed with the Intellectual Property (IP) Court.

## 1.9 Consequences of Failure to Pay Annual Fees

A patent terminated by a failure to pay the annual fee may be reinstated within three years from the missed term by filing the corresponding petition of the patent owner together with payment of fees in the necessary amount, which could be as much as 2.5 times the corresponding missed annual fees. Any third party that commenced use of the patented invention/utility model within the period of its temporary termination retains the right of use post-reinstatement.

## 1.10 Post-grant Proceedings Available to Owners of Intellectual Property Rights

It is not possible to voluntarily amend the claims after grant. The claims may be restricted only during invalidation procedures and only if the restricted claims allow the patent to retain partial validity. Amended claims are to be suggested by the patent owner and should be accepted by the Chamber of Patent Disputes.

## 2. INITIATING A LAWSUIT

### 2.1 Actions Available against Infringement

The patent holder may take civil, administrative and criminal legal actions in order to enforce its intellectual property (IP) rights. The type of action shall be adequate to the nature of infringement. In practice, civil actions are usually taken. This kind of action gives the maximum flexibility and discretion to the rights holder to decide on the

strategy, evidence, and amount of the monetary claims.

If the rights holder discovers a clearly counterfeit product, administrative or criminal actions would be an appropriate remedy. In addition, the patent holder may apply to the antimonopoly services in case the adversary's activity is aimed towards gaining unlawful/unfair market advantages. Taking civil action does not prevent the patentee from perusing other types of legal actions and vice versa.

### 2.2 Third-Party Remedies to Remove the Effects of Intellectual Property

One of the most common grounds to negate patent rights is invalidation of the patent. The law provides a number of grounds for patent invalidation. A patent may be challenged at any time during its validity period if:

- (a) the invention does not meet the conditions of patentability;
- (b) the claims in the patent contain a feature that was not in the application on the filing date;
- (c) the patent was granted in breach of the prescribed procedure where there were several applications for identical invention having one and the same priority date; or
- (d) the patent was granted with an incorrect indication of the inventor(s) or patent owner(s).

Invalidation actions based on (a), (b) and (c) are filed with the PTO, while actions based on the ground (d) are filed with the IP Court. Any person may file invalidation actions and no proof of commercial or other interest is needed. However, the applicant must prove its interest in a bid to cancel the patent when the actions are taken after the term of protection has expired.

Similar to a TRIPS Agreement, the Russian Civil Code sets forth several grounds when the invention can be used without the consent of the patent holder, including cases of compulsory licence, such as:

- if an invention, without any good reason, is not used or is insufficiently used for four years leading to an insufficient offer of goods on the market; a non-exclusive compulsory licence may be granted by court decision if the patent owner refuses to conclude a licence agreement on the terms meeting the relevant practice; and/or
- in the event a patent owner cannot exploit their patent without infringing the rights of the owner of another patent owner who refused to conclude a licence agreement on generally accepted terms, such patent owner may initiate a court action against the owner of the other patent to seek a compulsory non-exclusive licence in order to use that other patent, provided their own invention represents an important technical achievement and has significant economic advantages over the invention of the owner of the other patent.

The terms and conditions of a compulsory licence are determined by the court. The fee for such a licence shall be established in the court decision and not be lower than licence prices in comparable circumstances.

### **2.3 Courts with Jurisdiction**

There are both commercial and common courts in Russia that consider patent disputes.

The majority of patent infringement cases go through commercial courts that hear cases between commercial entities (ie, companies and private entrepreneurs).

Patent infringement disputes are heard by courts of common jurisdiction in cases where the pat-

ent holder is a physical person who does not have the status of individual entrepreneur, and also in certain administrative and criminal cases.

In both court systems there are courts of first instance, appeal and cassation, which is the IP Court within the system of commercial courts. There are also second cassation courts (judicial boards of the Supreme Court of the Russian Federation) and supervisory courts (Presidium of the Supreme Court of the Russian Federation). The Supreme Court of the Russian Federation is the highest judicial body.

### **2.4 Specialised Bodies/Organisations for the Resolution of Disputes**

The Russian dispute resolution system is bifurcated. Patent infringement disputes are commenced and heard by courts, while patent invalidity actions are first brought in front of the PTO (except in the case of incorrect indication of inventors/patent holders). The decisions of the PTO can be appealed with the specialised IP Court.

The IP Court commenced operation in 2013, within the system of commercial courts. The IP Court hears IP cases as the first instance court and as the court of cassation. Patent infringement disputes are heard by the IP Court at the level of cassation; ie, the IP Court reviews the decisions of the inferior commercial courts of first and appeal instances.

The decisions of the IP Court acting as a cassation instance may be appealed at the Supreme Court of the Russian Federation acting as a second cassation instance for all commercial cases.

When acting as the first instance court, the IP Court considers disputes related to acquisition, cancellation and invalidation of patent rights, including challenging PTO decisions.

## 2.5 Prerequisites to Filing a Lawsuit

In order to take legal action in court, the patent must be valid. If the patent protection has expired but the unlawful activity took place when the patent was in force, the holder of the patent may take court action despite the expiration of the term of protection.

No registered licence or other evidence of patent use is needed in order to initiate legal action in court.

Pre-trial proceedings are required if the damages/compensation are claimed. In such case, a pre-trial claim shall be sent 30 days before filing a lawsuit with court.

Pre-trial communication or any other kind of mediation can become obligatory if the dispute arises from the licence or a contract which provides for compulsory pre-trial proceedings before taking action with the court.

## 2.6 Legal Representation

If the issue is examined by the patent office, a foreign party must be represented by a Russian patent attorney. If the IP dispute is heard by a court, there is no such limitation; however, the parties must be represented by a patent attorney or attorney at law. Cases are heard in the Russian language.

## 2.7 Interim Injunctions

The Russian law recognises preliminary and interim injunctions (jointly, PI).

A motion for a preliminary injunction should be filed prior to filing a lawsuit, whereas a motion for an interim injunction may be filed at any stage of the court proceedings, including the cases where a motion for interim injunction is filed along with a lawsuit.

PI is possible in intellectual property disputes. However, it is more common for trade marks and domain name disputes, and uncommon in the case of patent litigation.

Both the law and practice show that the following requirements should be met in order to seek PI:

- lack of PI may impede or make the enforcement of judgment impossible;
- failure to grant PI may lead to substantial damages for the patentee;
- the scope of PI must correspond, and be adequate, to the scope of the claims;
- PI shall not affect balance of interest of the defendant and claimant; and
- for claiming PI (not interim injunctions) there should be the counter-injunctions (eg, a bond) submitted by the PI applicant in the amount of the monetary sum securing the proprietary interest asserted.

A motion for PI is considered by the court without inviting the parties.

## 2.8 Protection for Potential Opponents

The concept of a declaratory judgment for non-infringement or protective letters is not part of the patent litigation system in Russia. Therefore, the defendant may not use these legal instruments to protect itself.

When the rights holder petitions the court for a PI, the opposing party may petition the court to order the rights holder to post a bond or provide other security interest to ensure possible damages that can be caused to the defendant.

In specific cases, the court may dismiss the patentee's claims if the court considers that the patentee has abused their exclusive right. In addition, the court, at the defendant's request,

may dismiss the case if the three-year limitation period has passed by the date of the action.

Another option of defence is prior use. In case the defendant was using an identical solution, created independently of the patentee, or a solution that differs from the invention only by equivalent features, or made the preparations necessary for this, and these activities commenced before the priority date of the patented invention, the defendant retains the right of further free use of the identical solution, provided that the scope of use is not enlarged.

### **2.9 Special Limitation Provisions**

A patent infringement case can be filed with the court within three years from the date the rights holder found out or should have found that their rights had been violated.

### **2.10 Mechanisms to Obtain Evidence and Information**

The concept of pre-trial discovery is not available in Russia. The burden of proof lays solely with the claimant. Therefore, the main task of the claimant is to collect and produce the evidence, otherwise the case could be dismissed due to lack of admissible, true and sufficient evidence.

The only exception becomes available once the case is in court. The litigant may petition the court to force the other party to submit certain evidence. Prior to filing the said motion the rights holder shall take all possible efforts aimed at accessing the said evidence himself. It is, however, at the court's discretion to decide whether to satisfy such a motion.

### **Collecting and Submitting Evidence of Infringement**

There are a few standard ways to collect the evidence of infringement. They are test purchase, detective investigation, and notarisation.

- Test purchases are a very common practice. Normally, it helps furnishing solid pieces of evidence, such as an infringing product per se and a number of supporting documents.
- A professional investigator can be engaged when the defendant's activity is hidden. Their report is another good piece of evidence.
- Notarial services are very helpful to certify evidence of the infringement, which can further be removed or modified by the adversary.

The time for submitting evidence is limited. The party shall be in position to collect, produce and submit evidence when the case is considered in the first instance court. The court of appeals may not accept any new pieces of evidence except when the party proves that it was practically impossible to submit the evidence at the hearings in the first instance court.

### **2.11 Initial Pleading Standards**

The subject of the litigation shall be determined in the statement of claims, which is the key document filed with the court to commence litigation. The claims, however, can be amended at any stage of litigation before announcing the judgment.

Any claim amendments are subject to a few restrictions. First, the claims shall correspond to the ground (cause) of the action. Second, it is not allowed to amend both the cause of action and claims.

The submission to the court must clearly show who, how, where and the duration of any violations of the patent rights. All the said details of



the infringement must be supported with proper documents (sales contracts, invoices, customs declarations, detective reports, etc), otherwise it would be considered as the claimant's allegation. The submission must portray to the court what the defendant was or is doing (manufacturing, importing, storing, distributing) and whether the possibly infringing product or method contains all features of the patented invention. In order to support its findings on the use of the invention, a report by a patent expert may be submitted.

Documents, audio-visual files, photos, specimens, parties' explanations, witness testimonies, notary protocols and expert opinions may be presented to support the claims. All pieces of evidence have equal power and priority and must be uniformly considered by the court. An expert report is commonly treated as one of the key pieces of evidence when deciding on the use of a patent.

The law prescribes that the rights holder must approach the infringer with a pre-trial notice (a warning letter) if they intend to bring monetary claims (damages).

## **2.12 Representative or Collective Action**

In theory, collective court actions are possible. In practice, however, collective actions are launched in labour, corporate and real estate disputes. As for patent litigation, collective actions are very uncommon.

Multiple parties may be joined as defendants in a lawsuit. The law provides that the exclusive right for a patent covers import, manufacture, offer for sale, sale, storage of patented products and any other actions aimed at marketing the patented products. Hence, a lawsuit may be brought against any number of defendants who are involved in the above actions.

## **2.13 Restrictions on Assertion of an Intellectual Property Right**

In specific cases the court may dismiss the patentee's claims if the court considers that the patentee has abused their exclusive right. However, this is not common for patent disputes.

## **3. INFRINGEMENT**

### **3.1 Necessary Parties to an Action for Infringement**

A patent owner as well as a licensee holding the exclusive licence can bring a patent infringement lawsuit against any individual or legal entity. The exclusive licensee is entitled to enforce the patent to the extent of its rights granted under the licence agreement and affected by infringement.

### **3.2 Direct and Indirect Infringement**

Russian law does not establish the doctrine of an indirect infringement. However, a threat of infringement can be claimed when the defendant's actions do not constitute an infringement yet at the same time are aimed at committing an infringement in the future. Russian law does not state clear-cut criteria applicable to a threat of infringement. It is for the court to decide on a case-to-case basis what actions need to be deemed as a threat of infringement.

For instance, according to the default rule, registration of a medicine with the Russian health authorities during the patent life does not amount to a patent infringement on its own. However, if the registration of a medicine is accompanied by other actions evidencing the intent to put the generic on the market before the patent expires, the court can find that such actions amount to a threat of patent infringement.

### **3.3 Process Patents**

A process patent is extended to the product manufactured by means of the patented pro-



cess. Therefore, importation of such a product as well as putting it on the Russian market without the patent owner's consent amounts to a patent infringement.

### 3.4 Scope of Protection for an Intellectual Property Right

Both literal and equivalent infringement evaluation approaches are applicable. A prosecution history approach may be applicable to prevent the patent owner's attempt to broaden the scope beyond the frame set at the prosecution or during partial invalidation of the patent.

The scope of protection of patent rights is determined by the claims specified in the patent.

An invention is deemed used in a device/process if it contains and uses each feature of the invention specified in a patent claim or equivalent feature that has become known as an invention in the given field in which it is used before the priority date of the invention.

The doctrine of equivalence is not applicable to a utility model that is deemed used if each feature specified in the independent claim of the patent formula is used in the device.

An industrial design is deemed used if the infringing product contains all essential features of the industrial design or a set of the features that makes the same impression on the informed consumer as the patented industrial design, provided that the products have similar function.

### 3.5 Defences against Infringement

In a patent infringement case, the defendant can claim:

- the patent in question is not used in the product/process claimed to be infringed;
- the right of prior-use;
- its own patent rights; and

- that the use of the patent does not constitute infringement as such a use falls within the scope of the permitted use established by the Russia Civil Code (Article 1359 of the RCC):
  - (a) use of a patent in a device/process in transportation vehicles, etc of foreign states if they temporarily entered the Russian territory;
  - (b) scientific research of the device/process in which a patent is used;
  - (c) use of an invention, utility model, or industrial design for private needs not related to business activity;
  - (d) occasional preparation in pharmacies based on physicians' prescriptions of medicaments with the use of an invention; and
  - (e) exhaustion of rights for a patented device.

A defendant can initiate an invalidation action claiming the patent in question did not meet the patentability criteria and was granted in violation of law. The invalidation action is tried separately from the patent infringement case. The court has the right to suspend a proceeding until the invalidation action is decided.

If the patent is invalidated after the judgment on the patent infringement is delivered, the defendant can appeal the judgment if the term for appealing does not elapse or motion the court to reconsider the case due to new facts.

If the defendant succeeds in challenging the patent and the patent is cancelled before the patent infringement case is decided, the court will dismiss the patent infringement claim.

The defendant may rely on other strategies that depend on the particular facts of each case.

## 3.6 Role of Experts

Each party has the right to submit proof in support of the facts. Therefore, each party can submit an expert opinion on whether the patent is used in a particular device/process. However, in most patent infringement cases the court prefers to request an independent expert to draft an opinion, conduct a test or answer the questions formulated by the court.

The court is authorised to order an expert opinion on its own recognisance or upon a motion filed by one of the involved parties.

Each involved party has the right:

- to motion the court for ordering an independent test/expert opinion; and
- to provide the court with nominees for the court expert and questions to be posed before the expert – the court can choose an expert from the list proposed by the involved parties or appoint any expert the court finds qualified.

Many patent infringement cases are decided on the basis of reports provided by independent experts appointed by the court.

## 3.7 Procedure for Construing the Terms of the Patent's Claim

The interpretation of the patent's claims is a question of law reserved for the court to decide. When interpreting the scope of a claim only the specification and drawings can be relied on (Article 1354 (2) of the RCC).

## 3.8 Procedure for Third-Party Opinions

The right to seek third-party opinions is reserved only for the IP Court, which can request scientists, experts and other individuals having necessary expertise to consult the court on particular areas of science. Such requests are obligatory for recipients and due to be answered in a one-

month term unless another term is specified in the court request (Article 16 of the Commercial Procedure Court).

Other courts can exercise their right to order expertise or summon an expert to appear before the court and answer its questions.

## 4. REVOCATION / CANCELLATION

### 4.1 Reasons and Remedies for Revocation/Cancellation

A patent may be revoked/cancelled in the Chamber of Patent Disputes of the Russian PTO during the whole term of its validity (and even after) if not meeting the following criteria:

- for an invention – industrial applicability, sufficiency of disclosure, novelty and inventive level; and
- for a utility model – industrial applicability, sufficiency of disclosure and novelty.

A patent may be revoked/cancelled in the Court during the whole term of its validity (and even after) if issued on the improper patent owner.

### 4.2 Partial Revocation/Cancellation

A patent may be partially revoked/cancelled by cancelling one of the independent claims of a group of the patented subject matters or restricting an independent claim by inserting therein the features of the corresponding dependent claim/claims.

### 4.3 Amendments in Revocation/Cancellation Proceedings

It is not possible to voluntarily amend the claims in a revocation/cancellation procedure. The claims may be restricted only if the restricted claims may save the patent from total invalidation. The amended claims should be suggested

by the patent owner and should be accepted by the Chamber of Patent Disputes. The claims may be amended only as mentioned in **4.2 Partial Revocation/Cancellation**.

#### **4.4 Revocation/Cancellation and Infringement**

The Russian patent dispute resolution system is bifurcated, meaning that patent infringement disputes are commenced and heard by courts, while patent invalidity actions are brought in front of the PTO.

A patent infringement matter may remain on hold pending the outcome of a patent invalidity matter. If the motion on the suspension of court proceedings is not satisfied by the court, and the patent infringement matter is resolved, it may be reconsidered following the result of a patent invalidity matter in the future.

The bifurcation system is normally exploited by the parties when they develop enforcement and defensive strategies. Different timelines and procedural aspects may help parties gain strategic advantages.

## **5. TRIAL AND SETTLEMENT**

### **5.1 Special Procedural Provisions for Intellectual Property Rights**

When a court action is initiated the court sets a preliminary hearing followed by a substantive hearing (hearings on the merits).

In the frame of preliminary hearings the court resolves a number of procedural issues, such as the necessity to appoint an expert, evidence collection, engagement of third parties, checking the legal status of the parties, etc. After the preliminary hearings are completed, the court moves to hearings on the merits. The defendant

is obliged to provide the statement of defence in advance; otherwise, implications related to abuse of rights are possible. Litigants are welcome to file additional motions and pleadings. Cross-examination of witnesses may also take place.

Independent court expertise is often used in the patent litigation. Once the patent expert is assigned by the court the case is postponed for a few months. The consideration shall be resumed as soon as the expert's report is submitted to the court files. The court examines the expert report and the evidence submitted by the parties and moves to oral pleading, where the parties present their legal position. Upon completion of evidence examination and oral pleadings, the court issues a judgment.

Preparation for patent litigation may take a few months, since the claimant must collect the evidence in advance. The typical timing for examination of the patent infringement case by a court depends on the workload of the competent court.

In practice, the court appoints a preliminary hearing one or two months after filing the lawsuit. The hearing on the merits will be appointed one month right after the preliminary hearing, if there are no "international notification" issues.

The judgment of the first instance court may be issued by court within five to eight months, if expertise is smooth and the case is not suspended due to parallel patent invalidity action. If the judgment is subsequently appealed, the duration of the patent infringement case may be up to 15 to 18 months in total.

### **5.2 Decision-Makers**

At the first instance court there is one judge. Appeals and cassations are considered by a

panel of three judges. A jury is for criminal proceedings only.

The judges are not required to have any special technical knowledge. If the patent is complicated and requires special skills and knowledge in order to consider and estimate the claims, a technical expert shall be appointed by the court.

The parties may not choose the judges; however, there is a list of grounds on which a judge and the expert/specialist can be challenged. This is also true for the IP Court; however, the IP Court also has a large number of technical experts in different fields who may be invited for oral consultations of the judges.

### 5.3 Settling the Case

The parties may settle the dispute at any stage of court proceedings. Moreover, settlement is still possible after a judgment is made.

The parties may initiate the settlement proceedings by themselves or may apply for court assistance for mediation.

### 5.4 Other Court Proceedings

The Russian patent litigation system is bifurcated. Patent infringement disputes are commenced and heard by courts, while patent invalidity actions are brought at first before the PTO.

Patent litigation matters may be stayed pending the outcome on patent invalidity matters considered in terms of administrative proceedings. If the motion on suspension of court proceedings is not satisfied by the court and a patent infringement matter is resolved, it may be reconsidered following the result of a patent invalidity matter in the future.

The defendant may file a court counter-action. The court shall combine and consider the principal infringement case and the counter-action

case together in the frame of a single proceeding, if satisfaction of the counter-action claim may lead to dismissal of the principal infringement case.

## 6. REMEDIES

### 6.1 Remedies for the Patentee

The patent owner is entitled to claim monetary remedies (damages or compensation) and injunctions (interim and permanent).

Damages are the expenses which person whose rights have been violated has suffered or will have to incur for restoration of the violated right, loss or damage to their assets (actual losses), as well as income not received, which this person would have received under ordinary conditions, if their right had not been violated (lost profit). The plaintiff must clearly prove the amount of damages to the court.

As an alternative, the patent holder may claim compensation up to RUB5 million. The court will judge whether the claimed compensation is relevant to the infringement and can moderate it, if objected by the defendant. Alternatively, the patent holder may also claim the compensation in the double amount of the right of use of the invention. The royalties are calculated on the basis of the market situation.

Interim injunctions are possible in intellectual property disputes. However, they are more common for trade marks and domain name disputes and very unusual for patent litigation.

Monetary and non-monetary remedies can be enforced with bailiff service. Alternatively, a monetary remedy can be enforced by the bank with which the debtor has an account. If the claimant does not have any information on the accounts of the debtor, it can submit an inquiry

to the Federal Tax Service, which may disclose this information after the debt is confirmed by the court.

### **6.2 Rights of Prevailing Defendants**

If a patent litigation case is lost, the prevailing defendant may claim reimbursement of legal costs. The amount of legal costs, including attorney fees, expert fee and other expenses, shall be determined by the court.

### **6.3 Types of Remedies**

There are monetary and non-monetary remedies available to the rights holder. The law does not differentiate legal remedies for different technical intellectual property rights.

### **6.4 Injunctions Pending Appeal**

The decision of the first instance court shall become valid and enter into legal force, if not appealed. Thus, the injunctions granted by the first instance court shall not be enforced in case the judgment is appealed.

## **7. APPEAL**

### **7.1 Special Provisions for Intellectual Property Proceedings**

There are no special provisions concerning the appellate procedure for intellectual property rights proceedings.

### **7.2 Type of Review**

In terms of appeal, the court shall review, check and consider the dispute from both a legal and factual perspective.

In terms of cassation, the court shall consider if the proper legal rules were applied and if those rules were interpreted in a right way. Contrary to the court of appeals, the court of cassation instance is not entitled to reconsider/study the evidence. If the court of cassation finds that the

matter requires additional/repeated study and assessment, it shall send the case to the first instance or appellate court for reconsideration.

## **8. COSTS**

### **8.1 Costs before Filing a Lawsuit**

Normally, collecting the evidence, including test purchases, constitutes a substantial part of the cost arising prior to launching a lawsuit. Pre-trial communication, drafting a statement of claims and the provision of other supporting documents entail further expenses incurred before litigation.

### **8.2 Calculation of Court Fees**

Court fees are not high in Russia. Court fees in the commercial courts depend on the nature of the claims. If the claim is not monetary, the court fee are generally about USD80 per claim.

For a monetary claim, the court fee is calculated in relation to the amount of the monetary claim.

### **8.3 Responsibility for Paying the Costs of Litigation**

Attorney fees are recoverable in reasonable limits and at the discretion of judges. If the claim is granted in part, the defendant covers the claimant's costs proportionally. If there is a settlement agreement, the parties may reach an agreement on the amount of costs to be recovered, or state that each party bears its own costs. Services of third-party experts, specialists, witnesses and translators are also reimbursed by the losing party.

## 9. ALTERNATIVE DISPUTE RESOLUTION

### 9.1 Type of Actions for Intellectual Property

Alternative dispute resolution is available; however, it is very rarely used to resolve patent disputes.

## 10. ASSIGNMENT AND LICENSING

### 10.1 Requirements or Restrictions for Assignment of Intellectual Property Rights

Russian law provides for the mandatory recording of patent assignment agreements with the PTO.

Original assignment documents with ink signatures or a notarised copy thereof are required. Regarding e-signatures, only digital signatures implemented by Russian-certified software products are recognised.

### 10.2 Procedure for Assigning an Intellectual Property Right

An assignment agreement or notification on assignment can be filed for recordation purposes.

The complete names and addresses of the parties, the registered number(s) of patent, the amount of remuneration (if any) paid for the assignment, the names and positions of the signatories, and the date and place of signing should be indicated in the assignment agreement. The name and address of the assignor should be in full conformity with the data entered into the PTO register.

Notification of assignment is an efficient and easy way to record an assignment. Notification

of assignment does not replace the assignment agreement, but is considered as a confirmatory assignment deed.

The following documents are required in order to proceed with recordation of the patent assignment with the PTO:

- a power of attorney simply signed by the assignee (no notarisation/legalisation is necessary); and
- a patent assignment agreement (with Russian translation) or notification of assignment.

The procedure for assigning an intellectual property right starts from filing the assignment petition to the PTO and takes about two and a half months. As soon as the assignment is recorded, the PTO issues an addendum to the registration certificate confirming the assignment.

### 10.3 Requirements or Restrictions to License an Intellectual Property Right

Russian law provides for the mandatory recordation of a patent licence agreement with the PTO.

The original licence document (licence agreement or notification of licence) with ink signatures or a notarised copy thereof is required. Regarding e-signatures, only digital signatures implemented by Russian-certified software products are recognised.

### 10.4 Procedure for Licensing an Intellectual Property Right

The licence agreement or notification of licence can be filed for recordation purposes. Notification of licence is an efficient and easy way to record a licence.

Notification documents:

- must be signed (by both parties);
- must indicate the main information in the licence agreement;
- shall not exceed the rights and conditions provided thereby: subject of licence, type of licence (exclusive/nonexclusive), term of licence, territory, right to/not to sub-license, information on the parties (names and addresses); and
- include an agreement regarding the non-disclosure of commercial and other sensitive information.

A notification of licence does not replace the licence agreement, but is considered a confirmatory document. The parties should have the licence agreement executed, but are not obliged to file it to the PTO for registration.

The following documents are required in order to proceed with recordation of a patent licence agreement with the PTO:

- a power of attorney (no notarisation/legalisation is necessary); and
- a patent licence agreement (with Russian translation) or a notification of licence.

The term of recordation of the patent licence agreement ordinarily equals two to three months. No accelerated recordal procedure is provided by law.



**Gorodissky & Partners** is one of the largest intellectual property (IP) and TMT firms in Russia. About 140 patent/trade mark attorneys and lawyers advise and provide qualified services for Russian and foreign clients, and represent their interests in Patent Offices, courts and administrative bodies; draft and register licence agreements, pledge and franchising contracts; provide IP due diligence; and consult on pro-

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