QUARTERLY REVIEW OF INTELLECTUAL PROPERTY LAW, JUDICIAL PRACTICE, AND PRACTICE OF THE PATENT OFFICE (ROSPATENT)

#04

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GORODISSKY

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1. STATUTORY REGULATION NEWS

1.1. LEGISLATION

Patent fees have been increased, but some benefits, including for electronic filing, have been introduced

On October 6, 2017, Decree of the Government of the Russian Federation No. 1151 dated September 23, 2017, amending the Regulation on Patent Fees, entered in force.
Those amendments are related to both the amounts of fees and procedures for their payment.
The amount of fees charged for obtaining and keeping in force invention patents, utility models, and industrial designs were increased twofold or more. Also were increased the fees for registration of trade marks and renewals. Earlier, the fee for filing and examination of an application depended on the number of classes according to the International Classification of Goods and Services. Now, the number of classes of ICGS also influences the amount of a fee for primary registration of a trade mark (for 10 years) and a fee for extension of registration (for the next 10 years).
At the same time, the discount allowed for filing of applications, petitions, and motions to Rospatent in electronic form has grown twice (from 15% to 30%).

Russia acceded to the Hague Agreement for the International Registration of Industrial Designs. Applicants can now register industrial designs according to the international procedure.

Starting from February 28, Russia may be designated in an international application for an industrial design as a country, where protection is sought.
Decree of the Government of the Russian Federation No. 1152 dated September 23, 2017, sets forth individual fees for designating Russia as a country, where protection is sought: 11,900 Russian rubles for the first 5 years of protection and 2,500 Russian rubles for each additional protected industrial design in the international registration; 18,900 Russian rubles, 46,400 Russian rubles, 69,000 Russian rubles, and 120,000 Russian rubles for each subsequent 5-year period (within 25 years), accordingly.

1.2. DRAFT LAWS

Temporary legal protection of industrial designs

The State Duma is considering a draft federal law dated March 28, 2018, on amendments to Part IV of the Civil Code pursuant to which the applicant can petition for publishing his application for an industrial design after formal examination has been completed.
If the draft law is adopted, after publishing an application for an industrial design, it will be given temporary legal protection from the date of publishing the information on the application until the date of publishing the information on patent issuance in the scope of combination of essential features of the design, shown on the images of the article.
It should be noted that temporary legal protection of industrial designs was provided by the Patent Law of 1992 and was previously in effect, however, its availability was dependent on a notice to be sent by the applicant to the person using the industrial design.

2. COURT PRACTICE NEWS

2.1. TRADE MARKS

Constitutional Court prohibited application of similar sanctions for parallel import and sale of infringing products.

In its resolution No. 8-П dated February 13, 2018, the Constitutional Court stated that the right holder may use the exclusive right to a trade mark in bad faith and restrict import of certain goods to the domestic Russian market or implement a pricing policy involving overpricing. Such actions may become particularly dangerous due to imposition of sanctions on the Russian Federation by some countries. Thus, in order to protect the rights of people and safeguard public interests, the court may dismiss, in full or in part the right holder's claim if granting his claims may jeopardize constitutional values. In particular, the court determined that parallel goods imported to Russia may be destroyed only in case of their inadequate quality or in order to ensure safety, life and health protection of people, protection of the environment and cultural values.

Trade mark may be owned by several persons.

Les Publications Conde Nast S.A. and Sinergiya Kapital OJSC applied to Rospatent for registration of assignment of 50% exclusive rights to the trade marks, Rospatent refused to register such assignment, and the companies turned to the court.
Taking into account provisions of Clause 2 of Article 1229 of the Civil Code and the principle of freedom of contract envisaged in Article 421 of the Civil Code, in its Resolution dated December 15, 2017 on the case No. A40–210165/2016, the IP Court stated that Rospatent had had no reasons to refuse registration of assignment of 50% exclusive rights to the trade marks under certificates Nos. 295229 and 433377 and obliged Rospatent to continue the procedure of assignment of 50% exclusive rights to the trade marks.

Compensation for infringement of the exclusive right may be cut down below the limit set by law, but only as an extraordinary measure

Outfit 7 Limited (Great Britain) filed a statement of claim to the Commercial Court of Belgorod Region against an individual entrepreneur for the payment of compensation in the total amount of 40,000 Russian rubles for the infringement of the exclusive rights to 4 trade marks (10,000 Rubles for each). However, the Commercial Court and the 19th Commercial Court of Appeal lower the compensation down to 8,000 Rubles (2,000 Rubles for each trade mark).
In its resolution on case No. A08–3428/2016, the IP Court concluded that there were reasons to remand the case for new consideration and pointed out that the court may not reduce the compensation below the minimum limit set by law on its initiative, basing such reduction only on the principles of reasonableness, justice and adequacy of the compensation to the infringement consequences. The party claiming that such reduction is necessary is obliged to prove the need to apply such measure by the court. A reduction in the compensation below the minimum limit set by law is an extraordinary measure; it should be reasoned by the court and must be supported with relevant evidence.

Combined trade mark is not deemed used if used in a standard form

The IP Court considered the case on early termination of legal protection of trade mark No. 456266 due to its non-use and pointed out in its resolution that the name of the product "TSAR" indicated in the agreements, payment orders and delivery notes to such agreements does not confirm the use of the trade mark No. 456266, since such use of the designation is not a use of a trade mark in the form

in which it is granted legal protection. This trade mark is a combined one comprising also figurative elements along with a verbal element in the original style, for which reason the use of only TSAR designation in a standard font in no case could be described as the use of the disputed trade mark changing its individual elements without changing its substance.

Loss by Rospatent of representations of the claimed three-dimensional designation became the reason for the court to reverse the Rospatent's decision

Jaguar Land Rover Limited (Great Britain) filed an application for registration of a trade mark in the form of a three-dimensional real car image. Rospatent refused to register the trade mark stating that, the claimed designation as a whole has a traditional (generally accepted) shape for suburban (crossover) utility vehicles and the details of the claimed designation listed by the applicant are rather small against the body of the car and do not change its overall visual perception as a car.
The IP Court pointed out that, when filing an application for registration of the designation, the company provided a set of representations of the claimed designation, including general front view, general back view, back view, lateral view, top view, which was confirmed by Rospatent in the disputed decision. However, the panel of Judges did not find the said representations of the claimed designation in the case files, since there are no such representations in the files of application No. 2014730728. The court asked: "based on what representations did Rospatent make the above conclusions?" Rospatent's representative answered that the representations had been examined, but then they were lost.
Due to the loss of part of the documents from the file of the administrative case, the IP Court reversed the Rospatent's decision and stated that Rospatent is obliged to consider again the objection to its decision on refusal to register the trade mark.

2.2. PATENTS

Deadline for payment of annual fee within the meaning of Clause 1 of Article 1400 of the Civil Code and reversal of Rospatent practice by court

The IP Court (Decision dated September 26, 2017, on Case No. SIP-140/2017) examined a claim by the patent holder against Rospatent, which had earlier terminated the validity of its patent refusing to satisfy a petition for renewal of the patent because of the alleged non-payment of the annual fee within the mandatory deadline and concluded as follows.
The expiration date of the period for payment of a fee for keeping the patent for an invention in force should be the date of expiration of an additional (grace) six-months period established for its augmented payment. The beginning date of the period for filing a petition for restitution of the validity of the patent should be the date following the expiration date of the additional six-month period for such payment.
The Presidium of the IP Court emphasized: "In the absence of clarification in the Russian law as to what provision of the Statute on Fees should be applied to the petitions mentioned in Clause 1 of Article 1400 of the Civil Code, any unresolvable doubts, contradictions, and uncertainties shall be construed in favour of the person applying to a competent state authority"

Appeals against invalidated design patent shall be considered on its merits

A group of persons filed an appeal to Rospatent against patent for the industrial design No. 52678 which by that time had been invalidated before expiration of the term. Rospatent rejected the appeal, so that group of persons filed a claim to the IP Court.
In its decision dated March 15, 2018 on Case No. SIP-606/2017 the IP Court pointed out

that, pursuant to Article 1398 of the Civil Code "A patent for an invention, utility model or industrial design may be disputed by an interested person also upon expiration of its validity on the grounds and according to the procedure as set forth in Para 1 and 2 of this clause" and obliged Rospatent to consider the appeal against patent No. 52678 again.

2.3. COPYRIGHT

One of co-authors of a song may not perform it in public alone without approval of other co-authors

In her performance on the Central Square of the Sochi Olympic Park, Natalie Imbruglia performed in public thirteen musical compositions included in the repertoire of the Russian Authors' Society (RAO). For this reason, RAO filed a claim to the commercial court for compensation for the infringement of copyright. The court of appeal exacted 60,000 Rubles from the performer for the infringement of copyright to six compositions, decreasing compensation claimed by the plaintiff and stating that other seven compositions had been performed by their author herself, Natalie Imbruglia, for which reason no exclusive rights to them have been infringed. In its resolution on case No. A32–36047/2016 dated February 15, 2018 the IP Court pointed out that there had been no agreement among the co-authors, which would have provided for Natalie Imbruglia's right to independently and solely use and dispose of the musical compositions to be performed in public, for which reason it upheld the judgment of the court of first instance providing for a compensation for the infringement of rights.

The words "concert" and "official ceremony" have different semantic meanings

During the celebration of the city day in Sochi, there was a concert, where 22 musical compositions included in the repertoire of RAO were performed in public, but no agreement for the performance of these compositions had been concluded with RAO. RAO applied to the commercial court.
According to Article 1277 of the Civil Code it is allowed to perform a lawfully released musical composition in public without consent of the author or any other right holder and without any fee during any official or religious ceremony or the funeral to the extent appropriate to the nature of such ceremony. However, the court stated that the words "concert" and "official ceremony" have different semantic meanings. A concert, in fact, is a musical show; in this case, it is an entertaining event, and the musical compositions are of primary importance and do not serve as background music, since the concert consists of musical compositions being performed in sequence. Thus, in its Resolution dated February 14, 2018, on case No. A32–15565/2017, the IP Court upheld the decisions of the lower courts, pursuant to which the defendant should have paid a compensation for the compositions performed unlawfully.

3. PRACTICE OF ROSPATENT NEWS

3.1. TRADE MARKS

Abbreviation of the International Standard Name Identifier cannot be registered as a trade mark

Rospatent refused to register "ISNI" designation in the name of the Russian Authors' Society under application No. 2016704752 with a priority dated February 18, 2016.
Taking internationally known and accepted standard approved by ISO allowing assignment of a unique identifier to each creator of the content (for example, author's assumed name or publisher's impression) as a unique 16-digit number, the claimed designation representing the name of this standard is a lexical item in intellectual property, which includes the claimed goods and services and, therefore, the claimed designation has no distinctiveness.

Rospatent is against registration of trade marks denoting famous varieties of products

Rospatent refused to register a trade mark on Application No. 2015732552 containing "BOURBON" verbal designation for the goods of class 30 according to the International Classification of Goods and Services: "coffee, coffee substitutes; vegetal coffee substitutes; unroasted coffee; coffee beverages with milk; coffee-based beverages; chicory [coffee substitute]".
The refusal is motivated by the fact that "BOURBON" verbal element represents the name of coffee grade named after the Bourbon isle. The panel of the Chamber of Patent Disputes concluded that the claimed designation "BOURBON" is perceived as expressly indicating the characteristics of the goods in Class 30 of the International Classification of Goods and Services of the claimed list in accordance with the requirements of Clause 1 of Article 1483 of the Code, i.e. it is not capable of performing an identification function of the trade mark.

Payment of fee by a person other than the right holder or on his behalf results in negative consequences for the right holder

The right holder of "HOOLIGAN" (No. 324335) and "EL SOLDADO" (No. 324336) trade marks is A.D. Sport Plus; however, the request for extension of term of the trade marks and petitions for providing a six-months period for extension of the expired rights to the said trade marks were not submitted to Rospatent by the right holder, but by A.R. Gumerova, who provided no documents confirming her powers as the right holder's representative. Rospatent refused extension of the term of such trade marks.
In its decision dated February 15, 2018, on Case No. SIP-486/2017, the IP Court pointed out that the fees should be paid by their right holder, i.e. A.D. Sport Plus or by its representative having necessary powers to take legal actions, and Rospatent had lawfully refused to extend the validity of those trade marks.

Horse Power prevailed over Horse Dose

Rospatent (Chamber of Patent Disputes) cancelled the registration of trade mark No. 544850 "Horse Dose" (in Russian idiomatic language "huge dose") with a priority of March 03, 2014, under appeal filed by the holder of a series of "Horse Power" trade marks having an earlier priority.
The panel of the Chamber of Patent Disputes believes that disputed "Horse Dose" trade mark having a later priority is perceived solely as an imitation being capable of confusing the consumer of the "Horse Power" trade mark recognized as well-known in the Russian Federation which had been already widely used by the person filing the opposition and which had become widely known and had good reputation among the consumers of the relevant homogeneous goods before the priority date of the disputed trade mark.

3.2. PATENTS

Information from Wayback Machine web service may be included in the publicly available information, when evaluating patentability

When considering an appeal against patent for an industrial design No. 100320 having convention priority of May 21, 2015, the Chamber of Patent Disputes considered publications of the images of an article from the open sources of information, i.e. from Wayback Machine web service available at http://archive.org/web/ provided by the opposing party. The archives ensure long-term backup of the webpage copies on the Internet and free access to its databases to the general public. Each saved webpage has the date, on which it was saved. The panel of the Chamber of Patent Disputes held that the information on the appearance of an article available in the said electronic archives having the public library status may be taken into account, when evaluating the compliance of an industrial design with the patentability criteria.

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