



# Intellectual Property Enforcement Guide: Russia



***This overview provides detailed information in relation to IPR enforcement in Russia, particularly enforcement in relation to trade marks, which is considerably more developed than the enforcement of other forms of IP.***

# Introduction to IP Enforcement in Russia

## Background

The relevant IPR legislation is contained in the following:

- The Constitution of the Russian Federation (p.1 art. 44);
- The Civil Code of the Russian Federation (Part IV).
- The Agreement of the member states of the Customs Union «On the Unified principles of the regulations in the sphere of Intellectual property protection» (for further information on the Customs Union please see our separate note);
- The Administrative Violations Code of the Russian Federation (including art. 14.10);
- The Criminal Code of the Russian Federation (including art. 180);
- The Customs Code of the Eurasian Economic Union;
- The Federal Law «On the customs regulations in the Russian Federation»;
- The Law on Protection of Competition.

## Trade Mark Protection

**(Arts. 1229 and 1484 of the Civil Code)**

The unauthorised use of a trade mark, or of a confusingly similar designation, is illegal. Such use includes, but is not limited to, the following types of trade mark use:

- on products, including labels and packaging, produced, offered for sale, sold, or displayed in exhibitions, or by any other means introduced into commerce in the territory of the Russian Federation, or are stored or transported with such purpose, or imported into Russia;
- in the course of the provision of services, or the performance of works;
- on documentation connected with the introduction of products onto the Russian market;
- whilst offering goods for sale, performing services, or implementing works, including in announcements, signboards, and advertisements; and
- on the Internet, including in domain names.

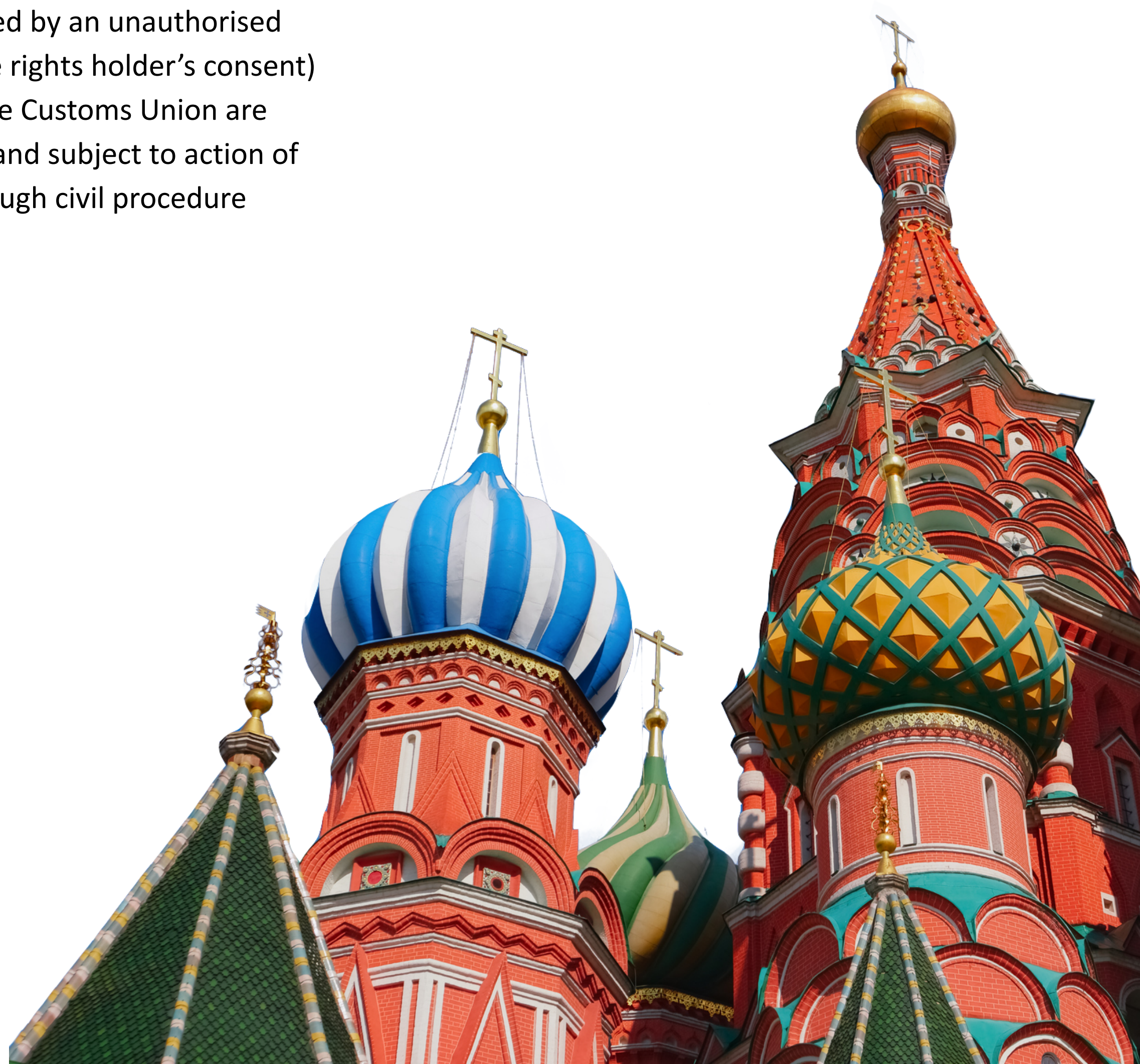


### Definition of counterfeit products

Products, labels and packaging of products that make illegal use of trade marks, or confusingly similar signs, are considered counterfeits (art. 1515 of the Civil Code).

### Limits of trade mark protection (exhaustion of rights)

Art. 1487 of the Russian Civil Code introduces the principle of national exhaustion of IP rights in Russia. This has been extended by the regional principle set out in the Agreement establishing the Customs Union between Russia, Belarus and Kazakhstan. This Agreement provides that as of 1 January 2012, goods that have been legally introduced onto the market of one Member State (Russia, Belarus or Kazakhstan) will not infringe the IP laws of any of the other Member States. As a result of the exhaustion of rights principle, original products (usually not intended to be sold in Russia) imported by an unauthorised entity (i.e. without the rights holder's consent) into the territory of the Customs Union are considered infringing and subject to action of the rights holder (through civil procedure only).





# Enforcement Options

Trade mark enforcement in Russia involves a wide range of options. The principle options are summarised below.

## Civil action (Arts. 1252 and 1515 of the Civil Code)

- Civil liability attaches to any illegal use of trade marks, including use on counterfeit or look-a-like products and parallel imports, and in domain names. IP owners can seek:
  - an acknowledgement of the IP right in question;
  - an Order for suppression of the infringing, or potentially infringing, activity;
  - an order for withdrawal of the infringing products from circulation and destruction of the products, together with labels and packaging marked illegally with the trade marks or confusingly similar designations, equipment, devices and other materials, mainly used or intended for the violation of the exclusive rights for trade marks - such orders may be directed against the manufacturer, the importer, the keeper, the transporter, the seller, to another distributor, or a mala fide purchaser;
  - publication of details of the court decision, including details of the infringer;
  - damages.

## Damages

- In an amount ranging from 10K roubles to 5 mln roubles, where the awarded amount is subject to the court decision based on the character of the infringement and other related circumstances;

*(Here, there is no need to actually prove the claimed amount. However, the compensation amount claimed should be reasonable to exclude the possibility of the Defendant alleging abuse of the system.)*

- Equivalent to twice the value of the goods on which the trade mark is illegally placed. Practice in this respect is still uncertain. In some cases the courts consider that the claimed amount should be calculated on the basis of the price of counterfeits, whereas more often it has been calculated on the price of an equivalent original product.



# Administrative Action

Administrative action can be taken by individuals, officials and legal entities (including sole-traders) in relation to the use of trade marks, or confusingly similar designations, on or in relation to 'fake' (i.e. counterfeit) products. After the *Porsche* case in 2009, administrative action is not available in relation to parallel imports.

Not only the person directly using the trade mark, or confusingly similar designation, is liable, but also any person introducing the infringing product into circulation in Russia, as well as importing such goods into Russia with a view to introducing them into circulation.

Penalties – administrative fine with confiscation of goods:

- individuals – 5,000-10,000 roubles, with confiscation of counterfeits;
- officials (sole-traders are considered officials in this case) – 10,000-50,000 roubles, with confiscation of counterfeits;
- legal entities – 50,000-200,000 roubles, with confiscation of counterfeits.

In practice, confiscated counterfeit goods are subject to destruction.





# Criminal Action

Criminal action is available only in respect of counterfeit products and only against individuals. Penalties:

- Fine of up to 300K roubles (in case of groups of persons – up to 1mln roubles) or the monthly wage or other income of the offender for up to 24 months (in case groups of persons – up to five years);

- Community service for up to 480 hours;
- Corrective work for up to two years (in case of groups of persons – up to five years);
- A fine of up to 80K roubles (in case of groups of persons – up to 500K roubles) or the monthly wage or other income of the offender for up to 6 months (in case groups of persons – up to three years) and/or imprisonment for up to two years (in case groups of persons – up to six years).

The exact punishment imposed will vary from case to case, depending on the particular circumstances and evidence produced in the case.

Successful criminal prosecution requires the police to establish:

- the infringer's intention to make illegal use of the trade mark;
- damage exceeding 250K roubles; or
- indications of repeated illegal use of trade mark; such indications may be comprised of repeated use of the same trade mark (including prior administrative prosecution for illegal use of trade mark which was committed no later than 12 months before the criminal offence) or use of two or more trade marks at the same time on one product.

## Action in relation to Internet infringements

The number of infringements of IP rights on the Internet has been steadily increasing over the last few years in Russia. Internet infringements can be divided into the following:

- the illegal use of a trade mark or confusingly similar sign in one of the Russian country domains (usually – '.ru', less often – '.su' or '.rf' (.рф – in Cyrillic); and
- selling counterfeits/parallels on-line.

## Procedure

- Evidence of the infringing use (e.g. screenshots) should be secured and notarised.
- A request should be sent to the relevant domain name registry to provide details of the owner of the domain name in question. The formal answer from the registrar will be used as proper evidence to found further action against the Registrant.
- Where appropriate, a cease and desist letter should be sent to domain name registrant.
- If the cease and desist letter does not produce a satisfactory result, the next step will be the institution of civil proceedings. Russia is not party to the WIPO's UDRP.
- Although ISP's are not liable for the infringing activity of their subscribers, it is advisable to add them as a third party to any proceedings.

## Unfair Competition Actions

The Federal Antimonopoly Service (FAS) is an administrative governmental body which administers the Federal Law on Protection of Competition (also called 'Unfair competition law').

The FAS is becoming more and more active in the IP sphere, not always in support of the activities of IP rights holders e.g. the FAS is known for its support of the liberalisation of parallel imports.

Nevertheless, it can be helpful in cases involving the illegal use of IP in advertisements (including signboards), and in actions involving passing-off and look-a-like products. In this context, public opinion surveys are highly appreciated as evidence. FAS decisions can be appealed in the courts.

The biggest advantage of using this avenue, is that FAS considers all possible evidence, including witness statements, investigating the case in depth and requesting a lot of commercial and corporate documents from the Defendant.

The Defendant is liable to significant fines (up to approx. 12,500 EUR) for failure to produce the requested documents. This, however, applies also to the Claimant. If the Claimant's case is successful, the Defendant is liable to a fine of up to 7,500 EUR, or a percentage of turnover if this is higher.

## Customs Monitoring Application

*See our separate guide on working with Customs.*



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