

Chapter 26

RUSSIA

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I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Russia's civil law is currently being updated, including provisions regarding intellectual property. The majority of the forms of IP protection in Russia are regulated by provisions of the Civil Code, which has a fairly well-developed structure.

In particular, provisions of the Civil Code protect:

- a* copyright-protected items, including software programs and databases;
- b* items of neighbouring rights, including both traditional (performances, phonograms, broadcasts) and new items (contents of databases, publishers' rights);
- c* items of patent rights, including inventions, utility models, and industrial designs;
- d* know-how;
- e* selection inventions;
- f* integrated circuit layouts;
- g* corporate names (only for commercial legal entities);
- h* trademarks and service marks;
- i* trade names of companies; and
- j* appellations of origin of goods (there are a number of differences between these and geographical indications).

The last four forms are combined in a group of means of identification.

The code also provides for an opportunity to create items, but managing the rights to such items is difficult. To do so is possible by simplifying the legal regime for them.

In other laws, we may refer to protection against unfair competition and a data exclusivity period.

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Unfortunately, virtually no rights have been granted to persons registering domain names.

II RECENT DEVELOPMENTS

Among the recent notable international events connected with changes in the legal regulation of IP, it is particularly worth highlighting Russia's accession to the World Trade Organization (WTO) in August 2012, which followed the formation of the Common Economic Space and the signing of the Agreement on the Eurasian Economic Union (EEU) in May 2014. The number of member states of the Union has increased. In October 2014, the Republic of Armenia signed an accession agreement and is now a full-fledged member of the Union. Also, the Kyrgyz Republic signed an accession agreement in December 2014. Moreover, in recent years Russia has signed the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty (2009). Russia is also changing significantly on the domestic level. In 2013, a single IP court, the first specialised court, was established. It has been operating successfully for more than 18 months. In 2014, a project was completed that had run for more than three years and was aimed at modernising the Civil Code, including the bulk of IP provisions. Some of the new developments have come into effect starting from 2015. These amendments have affected virtually all IP items protected in the Russian Federation. Many amendments are related to the state regulation of relationships in the area of IP, state registration of rights to IP items and the exercise of exclusive rights and protection of IP rights. They also update the grounds on which legal protection is provided and declared to be invalid. The amendments made to the Civil Code also meant that the corresponding amendments were also made to the Federal Law on Trade Secrets, since these items of legislation together regulate relationships connected with trade secrets (know-how). The Federal Law regarding preparing for and staging the 2018 FIFA Football World Cup and the FIFA Confederations Cup 2017 in the Russian Federation and amending certain items of the legislation of the Russian Federation has been passed. This contains a number of provisions that relate to the rights to IP items connected with the World Cup.

In view of the above events, significant changes have taken place both in the area of legal regulation and administrative and judicial decisions.

In particular, Russia undertook the following obligations in the context of its accession to the WTO.

- a* to introduce data exclusivity;
- b* to move away from non-contractual collective management of copyright and neighbouring rights; and
- c* to liberalise the market of patent attorneys.

As for data exclusivity, Russia implemented the corresponding provisions from the date it acceded to the WTO. However, amendments will be introduced starting from 1 July 2015. Instead of the previous six-year prohibition on state registration, disclosure and using the results of pre-clinical and clinical trials for commercial purposes, there will only be a prohibition in respect of commercial use. An application for state registration may be filed four years after the registration date of the original medicine.

With regard to rejecting non-contractual collective management of proprietary rights, Russia undertook obligations to its foreign partners to give up the relevant practice five years at the latest from when Part Four of the Civil Code entered into force, namely, not later than 1 January 2013. This obligation was stipulated in the Report of the working group regarding Russia's accession to the WTO (Clauses 1218 and 1450). However, currently there is no law regarding amendments to this part of the Code and the latest amendments to the Civil Code did not touch on this issue. The Russian Constitutional Court has refuted that it is mandatory directly to apply the above provision of the law.

Also, when Russia acceded to the WTO, it undertook an obligation to allow foreign patent attorneys to have access to the market. This provision is set out Clause II(1)(A)(a) of the List of specific obligations of the Russian Federation with regard to services, which forms a part of Appendix I to the Protocol dated 16 December 2011 on Russia's joining the Marrakesh Agreement Establishing the World Trade Organization dated 15 April 1994. This rule was tested by the Russian Constitutional Court and was recognised as complying with the Russian Constitution (Resolution No. 17-P of the Russian Constitutional Court dated 9 July 2012). However, the requirement regarding Russian citizenship is preserved in the existing law on patent attorneys.

The Eurasian Economic Commission (EEC) is concentrating largely on protecting IP. At present, discussions are being held with regard to internal domestic approval and procedures under draft IP treaties, including the Agreement on trademarks, service marks and appellations of origin of the Eurasian Economic Union (EEU), the Agreement on the procedures for shared management of copyright and related rights, the Agreement on coordinating actions to protect IP rights and the Protocol amending the Agreement on the unified customs register of IP of the contracting states of the Customs Union. The EEC continues to discuss further application of the principle of the exhaustion of an exclusive right, with a plan of measures being proposed to implement the proposal to establish exemptions from the regional principle of exhaustion of exclusive right to a trademark in relation to certain categories of goods in the territory of the Union. The draft plan will be submitted to the contracting states for comments and proposals.

The following agreements that were signed at the end of 2014, but have not come into effect yet, will be important for the protection of IP: the Agreement on the Common Principles and Rules for the Circulation of Medicines in the Eurasian Economic Union and the Agreement on Common Principles and Rules for the Circulation of Medical Devices (Products Intended for Medical Purpose and Medical Technical Equipment) in the EEU.

In summer 2013, an IP Court has started its operations. This is a specialised state commercial court, which to the extent that it is competent to do so, considers as the first instance and cassation court cases connected with protection of intellectual rights.

According to Article 43.4(1) of the Federal Constitutional Law on State Commercial Courts in the Russian Federation, the IP court as a first instance court is authorised to consider cases that, among other things, involve the regulations and decisions of a number of federal executive authorities being challenged, where such acts involve intellectual property. The IP court may also hear cases regarding the legal protection of a trademark being terminated early because it is not being used. As a cassation court, the IP Court considers cases that it has heard as a first instance court, as well as cases regarding protection of IP rights considered by first instance state commercial courts

and state commercial appeal courts of constituent entities of the Russian Federation.² In its practical work, which is still in its infancy but is nevertheless quite extensive, the IP Court is facing many issues for which current Russian legislation does not expressly provide solutions. The most topical issues it currently faces are whether the actions of the parties to a legal relationship should be classified as unfair competition or an abuse of law; who are the proper parties to domain-related disputes; whether there is a right of prior use with regard to patent rights and how compensation should be determined when exclusive rights have been breached. The Court formulates unified approaches that are finalised in special statements.

As for the Civil Code, copious amendments have been made and have come into effect. These are amendments to the general provisions regarding all items of intellectual property, provisions regarding copyright and neighbouring rights, as well as patent right items and means of identification. The law that amended the Civil Code entered into force in general on 1 October 2014; however, some specific provisions entered into force starting at other times between 1 July 2014 and 1 January 2015. For example, one of the most important for legal entities is the statutory prohibition on disposing of exclusive rights for no consideration between business entities, as well as a prohibition on exclusive licences for no consideration for the whole period of the exclusive right worldwide. The presumption is changing, which makes it possible for a licensor to use the result of intellectual activity or means of identification, if an exclusive licence is issued. Previously, the presumption made it possible for the licensor to do so, unless the contract provided otherwise. Starting from October 2014, the opposite rule has been introduced. Important rules have been established concerning the results of intellectual property belonging to an employer and the minimum rates of fees. It has long been anticipated that a penalty would be introduced for violating patent rights, and this has finally happened: compensation is payable of between 10,000 and 5 million roubles for each instance of a violation, or double the cost of the right to use the relevant item. The amendments also affected collective management of rights, rights to software programs, liability for violating intellectual rights and the rules for concluding and registering contracts, contents of the right to know-how, rules for registering trademarks and other matters.

III OBTAINING PROTECTION

i Software

Copyright is used in Russia to protect software. The law states that a software program is not a work of literature, science or art, but that the rules regarding protection of literary works apply to it.

Software and computer databases are an exception from the rule in that they may be registered as a copyright-protected item. Registration is voluntary; however, if a program is registered, any disposal of the exclusive right to this program should also be

² This is discussed in more detail in the second edition of *The Intellectual Property Review*.

registered. This mechanism prevents ‘rights being sold’ to the same program more than once to different persons.

Foreign companies must register their software in Russia through patent attorneys. Licence agreements do not have to be registered.

Russian legislation distinguishes between two forms of programs: the source text and object code, and also includes as part of programs audio-visual presentations created by the program and preparatory materials for the program. Private individuals have a right to customise a program for their own hardware. The amendments to the Civil Code provide that a user that lawfully owns a copy of a program is entitled to record and store it in the computer’s memory. Decompiling a program is permitted if this is necessary for it to interact with another program that has been developed independently, as long as the following three-step test is complied with:

- a* the information required for the interaction was not previously available to this person from other sources;
- b* only those parts of the program are decompiled that are required for the interaction; and
- c* information may not be transferred to other parties if it was obtained as a result of decompilation and it may be used only so that a program which was developed independently may interact with other programs, except for situations where this is necessary to ensure that a program that was developed independently may interact with other programs. Also, this information may not be used to develop a program significantly similar in its appearance to the program that is decompiled or to perform another action that would violate the exclusive right to the program.

An important specific feature of computer programs and databases is that a licence agreement may be concluded according to a particular procedure.

Licence agreements with regard to programs or databases may be concluded by joining a user to the agreement, the terms and conditions of which are set out in the copy of the program or database that is purchased or on the packaging of that copy. A new version of the Civil Code also provides for a contract to be concluded if the offer is prepared in electronic form. If the user starts using such a program or a database, this means that the user agrees to conclude a contract. Such simplified contract is supposed to be entered into free of charge.

The latest version of the Civil Code also features open licences, an equivalent of a licence for open-source software or free software. They relate not only to programs, but to other items protected using the copyright rules. In accordance with the law, the terms and conditions of use should be available to public at large and should be set out in such a way that the licensee may become acquainted with them before it starts to use an item. For programs, it is determined by default that the term and territory for such a licence are not restricted; for other work the term is limited to five years.

By default, the client holds the exclusive right to programs created on request, while the service provider is entitled to use the program on the terms and conditions of a non-exclusive licence. If, as an exception to the above presumption, the service provider holds an exclusive right, the client has a limited right of use.

If software is created while another contract is being performed that does not specifically provide for this software to be created, then the opposite rule applies. By

default, the service provider holds the exclusive right, while the client is entitled to use the programs in a limited manner; however, roles may be reassigned.

Provision has been made for technical tools for copyright protection (TTCP). Liability arises if any attempt is made to remove the limitations imposed by the TTCP, as well as to manufacture, distribute or advertise any technology or technical tool that helps the TTCP to be bypassed.

Recently, active discussions have been held regarding the patenting of software programs. Formally, such patenting is forbidden in Russia. However, programs may be patented as a part of software and hardware complexes.

ii **Methods for treating patients using medicines and medical procedures**

Another issue that is often discussed on various levels is whether the patentability of a method of treatment may be restricted. The following assumption is used to justify the proposal to introduce such a restriction: if the treatment method that provides for the use of a medicine is protected after (or protection is provided after) the term of the patent for the substance (medicine) expires, the term of the patent will actually be extended to this substance (medicine). We believe that this justification is erroneous.

According to Article 1349(4) of the Civil Code, the treatment methods are not directly listed as items that do not require legal protection with a patent. Such items include: (1) methods of human cloning; (2) methods of modifying the genetic integrity of human germline cells; (3) use of human embryos for industrial and commercial purposes; and (4) other solutions that are contrary to public policy, principles of humanism and morals.

Treatment methods are included in such a type of invention as a method, namely, the process of taking actions with regard to a material object using material tools (Article 1350(1) of the Civil Code).

The scope of an exclusive right to a treatment method as an invention is determined (based on Article 1354(2) of the Civil Code) according to the formula of the invention contained in the patent. To interpret the formula of an invention, a description of this invention may be used. No other items, such as characteristics, may be included in the protected exclusive right to the treatment method. Therefore, the holder of the relevant patent to the treatment method may not impose a lawful prohibition on a substance being used that is not protected by its patent.

It should also be borne in mind that effective IP legislation has provisions that in certain situations restrict whether a monopoly patent right (exclusive right) is applicable. For example, these may be the following. Actions that may not be regarded as actions that violate the exclusive right include: (1) conducting research studies of a product or method in which the invention is used, or experimenting with such a product or method; (2) using the invention in cases of emergency (acts of God, catastrophes, accidents); (3) using the invention to meet personal, family, domestic or other needs that are not connected with business activity, unless such use is aimed at generating profit or income; and (4) preparing the medicines in pharmacies on a single occasion only, based on prescriptions from doctors, where the invention is used (Article 1359 of the Civil Code). Moreover, the Russian government has a right, in the interests of defence and safety, to permit the invention to be used without the consent of the patent holder

(the patent holder should be notified in this regard as soon as possible and adequate compensation should be paid) (Article 1360 of the Civil Code). We believe that such legislative exceptions and limitations meet, to a rather full extent, the interests of all parties to a civil law relationship that involves medicines being used and is aimed at protecting public health. Moreover, the Russian approach to the regulation of such a relationship fully complies with approaches of experts in a large number of industrially developed countries, which are reflected in the documents of the WIPO's Standing Committee on the Law of Patents. Experts in the area of IP and public health, who are authorised by their governments, have together confirmed that intellectual property needs to be protected to promote innovative processes in the public health sector.

Therefore, taking the above into account, the prohibition on patent treatment methods suggested by some parties to a civil relationship, is not justified at present in Russia. Its absence is in no way related to the development of the pharmaceutical industry in Russia.

iii Information regarded as public when determining the level of technology

The guidelines for examining applications for inventions as amended by Order No. 2 of Rospatent dated 4 January 2014 contain a rather long list of such information. Any person may familiarise themselves with this information at their own discretion or the contents of such information may be communicated to them in a lawful manner. The guidelines for each type of source specify the dates that determine when a source of information is included in the level of technology. In particular, the date determining when information about registered medicines is included in the level of technology may be the date on which the medicine is registered.

iv Specifics of the examination of inventions relating to pharmaceutical products and inventions relating to methods of diagnosis and treatment.

The above Guidelines regarding the examination of applications for inventions contain special sections (Sections 9.4 and 9.5) that describe approaches recommended for an examination of the above inventions to be conducted. In particular, special attention is paid to information provided by applicants to confirm the intended use of the pharmaceutical products mentioned in the application.

It is also specified that if there is no information regarding the effective quality in the level of technology, then such information should be specified in the initial description of the invention.

Or, for example, if the product is intended to cure (diagnose, prevent, etc.) certain diseases, the formula of the invention may also include characteristics of the quantitative content of the active substance in the form of 'effective quantity'. In this case, it should be checked whether the initial description of the invention contains information about the quantity of the active substance that is effective, and also contains information confirming that it is effective.

As for inventions classified as treatment methods, when analysing whether these are patentable, it is recommended that a request be sent to the applicant to determine the reason why the method has enhanced effectiveness. In the majority of cases, the applicant has this information. Usually, such a request for more accurate and specific information

serves the interests of the applicant. Meanwhile, if the technical result is formulated in a more general manner, this most often culminates in a negative conclusion regarding the degree of inventiveness of the invention for which the application is submitted.

v Reviewing the materials of the application

Article 1394 of the Civil Code makes it possible for any persons to review the materials of the application after publication of the information that the patent has been issued. The list of documents provided for review is rather long and includes the application and the documents attached to it, additional materials submitted by the applicant in the course of correspondence and documents from the expert review, including a report on information search. However, the Administrative Regulations establish that, for the Federal Service for Intellectual Property, Patents and Trademarks to perform its state function to arrange for applications for inventions to be submitted and considered, an examination conducted and Russian patents issued for an invention (Clause 27.3)³ according to the statutory procedure, to ensure data exclusivity, third parties should be given no access to additional materials in the form of information obtained when pre-clinical or clinical studies are performed. It is also established that this rule only applies if such materials are prepared in the form of a separate document. Undoubtedly, this provision meets the goal of protecting data exclusivity; however, in our opinion, it needs to be developed further. For example, it is advisable that the following provisions be included in the above administrative regulation: (1) provisions excluding information about clinical studies of medicines and clinical studies of medical products from information that is published; and (2) provisions that stipulate the relevant information to be specified in the applications for the invention as an independent, integral part of the description that could be disregarded (removed) when the documents are prepared for publication.

vi International non-proprietary names (INNs) and trademarks

The issue of how trademarks relate to international non-proprietary names continues to be of relevance, though it has been on the agenda for more than 10 years. There are constant attempts to register as trademarks names that repeat international non-proprietary names or derivatives of these. This is also confirmed by Rospatent's decisions and case law. In its everyday activity, experts use, in accordance with Order No. 45 of the Rospatent dated 4 April 2008, the Instruction for the use of the World Health Organization (WHO)'s database that contains information regarding international non-proprietary names (INNs). It is recommended that the database be used as an additional source of information when examining the names for which applications are submitted for state registration of trademarks with regard to goods of Class 05 of the International Classification of Goods and Services. This is in line with Resolution WHA46.19 of the WHO regarding INNs, according to which a number of obligations were imposed on

3 Approved by Order No. 327 of the Ministry of Education and Science dated 29 October 2008.

member states of the WHO, including an obligation to prevent INNs or derivatives of their names from being used as a part of trademarks.

Though there has been significant progress with regard to how the law is enforced by the patent authority, situations do occur in which names that are clearly derivatives of INNs are registered as trademarks. A court case regarding one such trademark may be used as an example. The legal protection provided to this trademark was challenged and it was pointed out that its name was derived from the international non-patent name 'carnitine'. The case was examined by courts of all levels right up to the Presidium of the Supreme State Commercial Court, and those courts did not believe that the name was derivative. However, the Presidium of the Supreme State Commercial Court cited resolution WHA46.19 and resolution No. EB115R 4 of the WHO's Executive Board confirming this. Article 8 of the latter points out that it is necessary to prevent exclusive rights to international non-proprietary names from being acquired and to forbid these names from being registered as trademarks or trade names. The Court pointed out that the trademark in question was derived from the INN and concluded that confusion could be caused to consumers. Moreover, the Presidium pointed out that registration of this trademark may create obstacles for medicines of the same pharmacological group (carnitine) to be manufactured and sold on the Russian market. The Presidium of the Supreme State Commercial Court also pointed out that the holder of the trademark may not fully protect its exclusive right, since in accordance with legislation regarding the circulation of medicines, the international non-proprietary name must be specified on the package of each medicine. Further, the Presidium noted that any action creating obstacles for INNs to be freely used in Russia is contrary to public policy and the rights of each individual to protection of their health and to medical assistance, such rights being guaranteed by Article 41 of the Russian Constitution. Taking into account the above, the Presidium of the Supreme State Commercial Court set aside the previous court rulings and ordered that registration of the trademark be cancelled.

IV ENFORCEMENT OF RIGHTS

In Russia, various forms of protection are used for intellectual property rights.

i Decision of the patent authority

Before changes were made to the Civil Code the structure of the federal executive body for intellectual property (Rospatent) included a Chamber for Patent Disputes, which was a separate subdivision and was quasi-judicial in nature. The scope of its authority included studying the applicants' objections against the decisions of an expert committee and studying the objections of interested persons against legal protection being granted with regard to items of patent law and means of identification (trademarks, including international trademarks, and appellations of origin). In the new version of the Civil Code there is no reference to the Chamber for Patent Disputes. It has become part of Rospatent's own scope of authority for it to review objections. Rospatent also examines some applications connected with the legal protection of trademarks, including well-known trademarks (or the termination of such legal protection). The Code specifies 14 types of such objections and applications and these include:

- a* objections to the decisions of Rospatent that entail a refusal or consent to register a trademark or issue a patent;
- b* objections to the decisions of Rospatent handed down after it examines applications to issue a patent or register a trademark (including to provide protection with respect to trademarks under the Madrid Agreement) or an appellation of origin;
- c* objections to a patent being issued or legal protection being granted with respect to a trademark or appellation of origin of a product, as well as against legal protection being granted for the international registration of a trademark in the Russian Federation;
- d* objections to legal protection being granted with respect to a trademark for the benefit of an agent or representative of the person that owns the exclusive title to the trademark in one of the member states of the Paris Convention;
- e* applications for a trademark to be recognised as a well-known trademark and objections against legal protection being granted with respect to such trademark; and
- f* applications for the legal protection of a trademark to be terminated (apart from protection being terminated early on the ground that the trademark is not used) or an appellation of origin to be terminated.

ii A decision of law enforcement bodies

In Russia, liability is imposed under administrative and criminal legislation for a violation of intellectual property rights.

Liability under administrative legislation is imposed, among other things, for:

- a* violating copyright and neighbouring rights for the purpose of generating income;
- b* unlawfully using an invention, utility model or industrial prototype;
- c* disclosing information about the essence of a patented item;
- d* providing false information about the owners of copyright and neighbouring rights, manufacturers of material carriers and places where they are produced;
- e* claiming authorship and forcing a person into co-authorship of a patented item (Article 7 of the Code of Administrative Offences);
- f* unlawfully using a trademark or appellation of origin (Article 14.10 of the Code); and
- g* engaging in unfair competition that manifests itself in a product being placed on the market with another person's intellectual property being used unlawfully (Article 14.33 of the Code).

A year and a half ago, administrative law sanctions were toughened considerably for the production and sale of counterfeit products. Now fines imposed by the state on individuals may reach the full amount of the value of product that is the subject matter of the administrative offence. Meanwhile, fines imposed on legal entities may reach three times the amount of such value.

Criminal liability is imposed for:

- a* appropriating authorship if this has resulted in a considerable damage (to be determined on an individual basis);

- b* unlawfully using items of copyright and neighbouring rights with a view to sales in large quantities (a value of more than 100,000 roubles), including purchasing such copies (Article 146 of the Criminal Code);
- c* performing the same actions with respect to patented items for which administrative liability has been imposed if they have caused significant damage (to be determined on an individual basis) (Article 147 of the Code); and
- d* unlawfully using a trademark or appellation of origin of a product if this has been done on a number of occasions or has caused considerable damage. Starting from 1 January 2015, the threshold for a person to be held liable for the offence has been lowered from 1.5 million roubles to 250,000 roubles, while liability, on the contrary, has increased. It is important that now courts may apply imprisonment as a sanction to those who violated a right to a trademark.

iii State courts, including the IP Court

In Russia, there are two systems of state courts: courts of general jurisdiction and commercial (*arbitrazh*) courts. The courts are generally divided as follows: state commercial courts (referred to in Russian for historical reasons as '*arbitrazh*' courts) consider economic disputes (as a rule, disputes involving legal entities), while courts of general jurisdiction handle all other disputes (as a rule, disputes involving individuals). The competence of courts of general jurisdiction extends, among other things, to disputes concerning authorship, declarations of title, protection of copyright, remuneration and distribution of rights to intellectual property created at an employer's expense. The competence of the state commercial courts extends, among other things, to the majority of disputes about protecting intellectual rights of legal entities and disputes with Rospatent about trademarks. By the moment, the Supreme Court and Supreme Commercial Court have been merged. The proposals are being developed within the framework of ongoing court reform aimed at unifying the procedures within the two systems and redistributing cases between them in favour of courts of general jurisdiction. As a result of the first stage of the reform, a unified Supreme Court has become operational from August 2014. It will perform the functions of the former supreme courts. The IP Court whose competence was mentioned above is a part of the commercial court system.

Before the IP Court was created on 8 October 2012, the Plenum of the Supreme Commercial Court had adopted resolutions No. 59 and 60 regarding the organisation of the courts' work and issues that require clarification, but have not found their way into legislation.

Resolution No. 59 on 'certain issues that ensue from the adoption of Federal Law No. 422-FZ dated 8 December 2011 on amending specific items of the legislation of the Russian Federation in connection with the Court for Intellectual Property Rights being founded in the system of commercial courts' provides clarifications to commercial courts regarding the jurisdiction of the commercial courts.

Besides, bearing in mind the specifics of the cases connected with intellectual property that quite often require specialists to become involved, the Plenum clarified that a court may engage an appropriate specialist to obtain clarification, advice or a professional opinion from a person with theoretical and practical expertise on the merits of the case being examined. Any person who has the knowledge the commercial court

requires may be engaged as an expert. Among other persons, these may be advisers from the apparatus of a specialised commercial court who have qualifications that correspond to the court's area of expertise. A specialist may be engaged only further to the initiative of a commercial court and such court may take into account the opinions of persons involved in the case. It is specifically clarified that a specialist should provide advice verbally without conducting any specific research scheduled on the basis of the commercial court's ruling.

For a court to employ a specialist on its staff is a compromising solution that is subject to constitutional constraints. It is impossible to become a judge in Russia without a degree in law. At the same time, there is practically no one who has both a legal and technical background.

Resolution No. 60 on Certain Issues that Ensur from the IP Court Being Founded in the System of Commercial Courts provides clarifications to commercial courts with respect to the following: (1) cases that are subject to examination by the IP Court as the first instance court; (2) cases that are subject to examination by the IP Court only as the cassation court; (3) cases subject to examination by the IP Court that involve compensation being awarded for the violation of the right to a trial within a reasonable time frame or the right to have a court judgment enforced within a reasonable time frame; (4) a request of a specialised court; and (5) transitional provisions. Resolution No. 60 will come into force before the IP Court starts to be operational.

In 2010, Federal Law No. 193-FZ was passed that introduced an alternative procedure for settling disputes, namely, the settlement by a third-party intermediary or mediator. At the moment there is little demand for this procedure. In the area of intellectual property it is not applied at all. The procedure is used if the parties agree to use it instead of going to state courts or tribunals. As a result of the procedure being applied a mediation agreement is concluded.

iv Arbitral tribunals

Starting from 2002, the Law on Arbitral Tribunals (No. 102-FZ) has been in force. It determines the regime and procedure for cases to be referred to and examined by arbitral tribunals. Note that a referral to an arbitral tribunal is subject to the agreement of the parties (an arbitration agreement). A dispute may not be referred to an arbitral tribunal if there is a mediation clause in place. If necessary, a resolution of the arbitral tribunal may be enforced if a writ of execution to this effect has been obtained in the state court system. Arbitral tribunals are not often used in the area of intellectual property.

v Remedies

Proposed topics: pretrial remedies; losses: their nature and how they are calculated; an attorney's fee; provisional remedies (when they are effective; restrictions (government policy); enforcement of rights beyond the national jurisdiction; a prohibition on crossing state borders.

V TRENDS AND OUTLOOK

We anticipate extensive changes (a more systematic and uniform approach) in the area of law enforcement as a result of the changes made to the Civil Code; the fact that the IP Court is in operation and that certain categories of cases will be referred to the IP Court; and as a result of practical recommendations being prepared by the Academic and Advisory Council under the IP Court for judges examining cases that involve intellectual property. However, we also believe that clarifications from the country's unified highest court, the Supreme Court, will be very limited for some time. This may cause problems with applying the law in conditions when amendments to the Civil Code are coming into force. We also expect new or updated acts of subordinate legislation. These will aim to implement the amendments made to the Civil Code.

Appendix 1

ABOUT THE AUTHORS

VALENTINA ORLOVA

Pepeliaev Group

Valentina is among Russia's leading experts in intellectual property and the protection of exclusive rights, including trademark rights, with more than 30 years of experience in the field. Valentina focuses on advising clients on intellectual property matters, including the registration of both domestic and international trademarks; the use of IP assets, including franchising and licensing agreements; e-commerce and advertising law. Valentina has an extensive track record of acting for Russian and foreign clients in the pretrial settlement of intellectual property issues, preparing documents to be used for administrative appeals, and producing expert opinions for court hearings on cases involving the protection of intellectual property, including infringement of trademarks and industrial designs. Valentina was part of the team that drafted and commented on the Russian legislation on means of individualisation (company names, trademarks, appellations of origin, and trade names). For a number of years, Valentina was a member of the Russian delegation that negotiated Russia's accession to WTO (where she dealt with intellectual property issues).

Prior to joining Pepeliaev Group, Valentina was the head of the legal department in the Patents Office (Rospatent). She is also a member the Academic Advisory Council under the IP Court. The Court has engaged Ms Orlova as a research expert on numerous occasions. Starting from 2014, Valentina has been a member of the Working Team of the EEC responsible for formulating proposals regarding the principle of exhaustion of an exclusive right being applied to IP items.

Valentina is also engaged in scientific projects and is a professor and academician of the Russian Academy of Natural Sciences.

YURI YAHIN

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As head of Pepeliaev Group's IP and trademarks practice group, Yuri is now working on his PhD thesis and a number of books. He is a research member of the Russian Presidential Academy of National Economy and Public Administration. Yuri has worked as a legal adviser and lecturer in the Higher School of Economics, senior legal counsel and acting head of the legal department of a Russian publisher Eksmo Publishing House LLC, as head legal counsel in the copyright and related rights department of NTV Television Company OJSC and as head of the IP department in Russkiy Alcohol CJSC, the Russian branch of one of the largest manufacturers of spirit beverages.

Yuri has an extensive track record of providing legal advice regarding copyright and related rights, trademarks, mass media, know-how, and other matters. He represents clients on a regular basis before state commercial (arbitrazh) courts achieving positive results for clients in matters relating, among other things, to trademarks, trade and commercial names, and patent disputes.

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