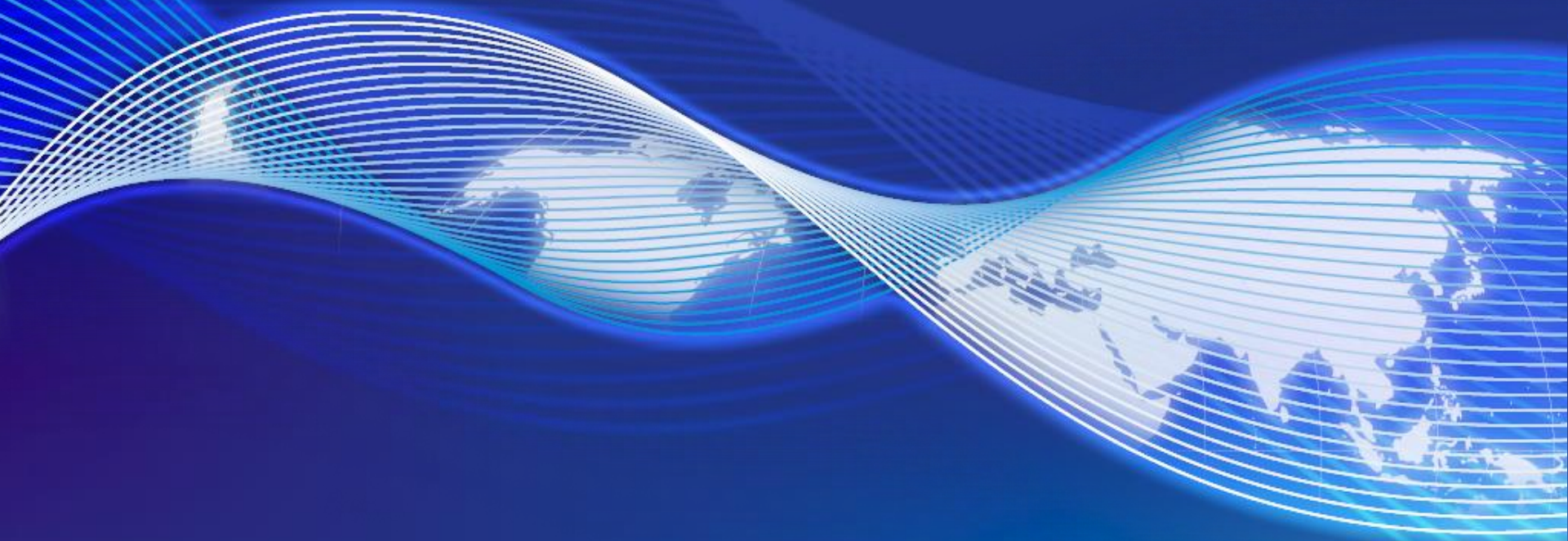
2017: New Issues in Intellectual Property Rights Enforcement in Russia



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IP ENFORCEMENT MEASURES

- civil
- administrative
- criminal

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IP CIVIL ENFORCEMENT MEASURES

- Material
  - Damages
  - Punitive damages
- Immaterial
  - Injunction
  - Seizure and destroying
  - Publication of court decision

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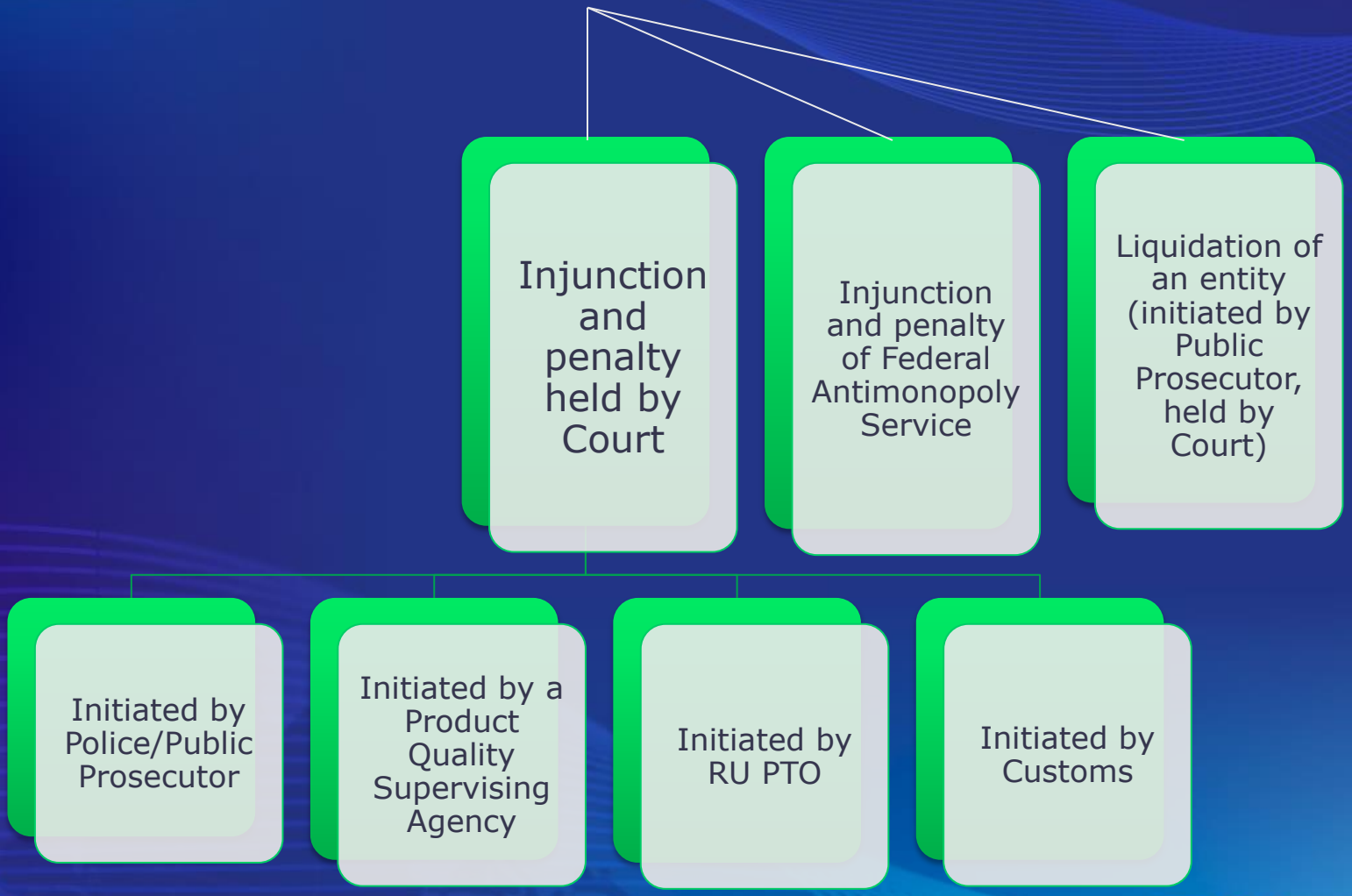
IP ADMINISTRATIVE ENFORCEMENT MEASURES



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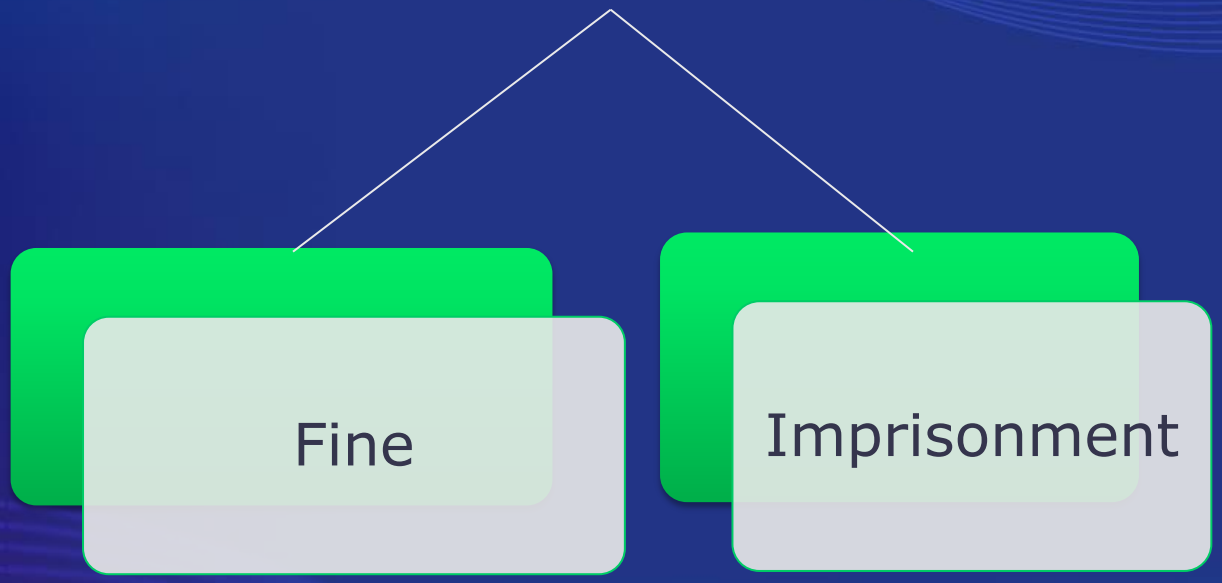
IP CRIMINAL ENFORCEMENT MEASURES



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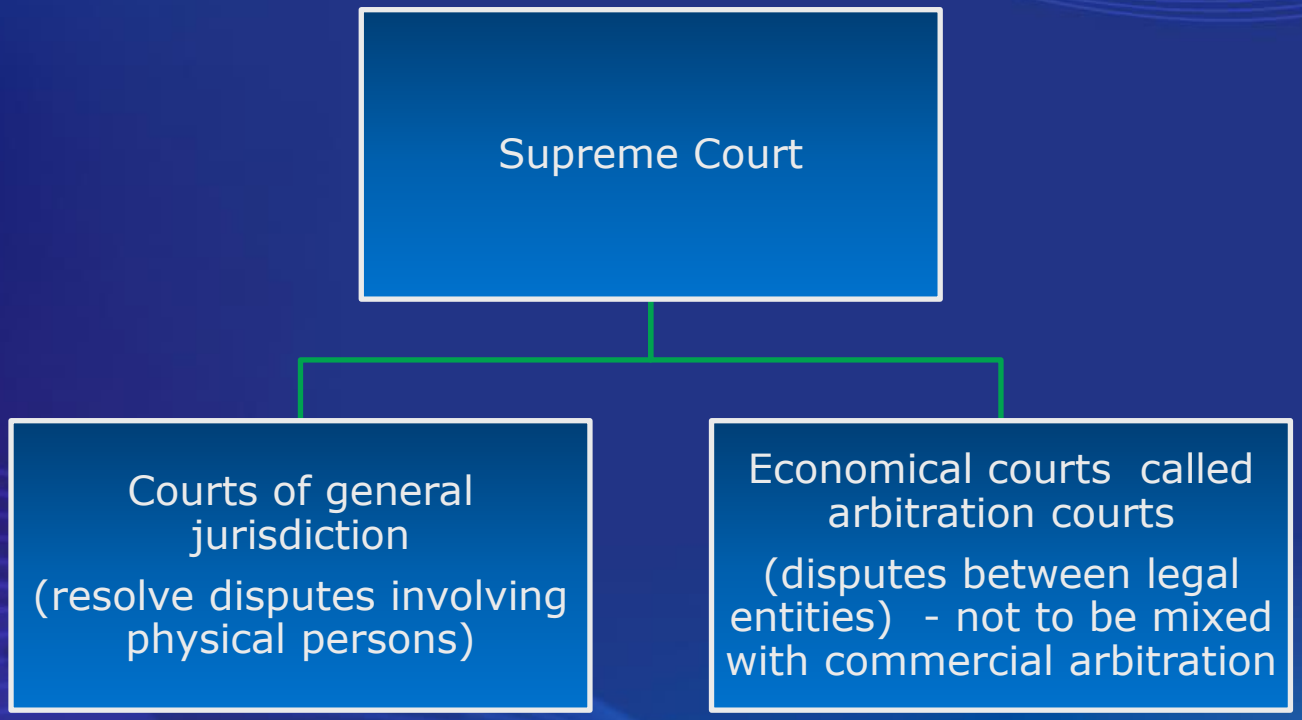
CIVIL IP ENFORCEMENT PROCEDURE



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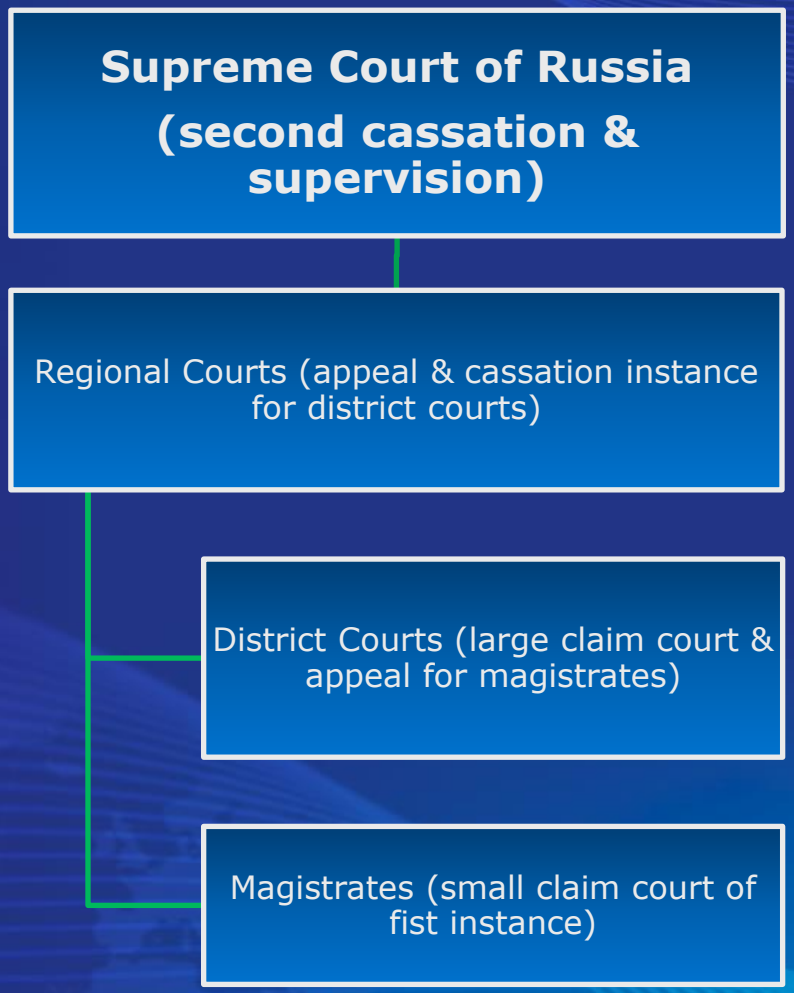
SYSTEM OF COURTS OF GENERAL JURISDICTION IN RUSSIA (patent owner - physical person, some domain name disputes)



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COURTS OF GENERAL JURISDICTION IN PATENT DISPUTES

- All disputes on authorship, amount of author's remuneration are considered in Courts of General Jurisdiction. Infringement cases are considered in CGJ if the patent owner is a physical person and the dispute cannot be considered as economical dispute

- First instance shall take 3-4 months, second instance – 2-3 months

- **New (since 2015) claim for compensation for patent infringement (up to 5 million rubles) instead of damages claim**

SYSTEM OF ARBITRATION COURTS IN RUSSIA – consideration of patent infringement cases

Supreme Court of Russia
(second cassation & supervision)

Intellectual Property Court
(since July 2, 2013)
(third or cassation instance - 1)

Appeal Arbitration Courts
(second or appeal instance - 20)

Regional Arbitration Court
(first instance - 82)

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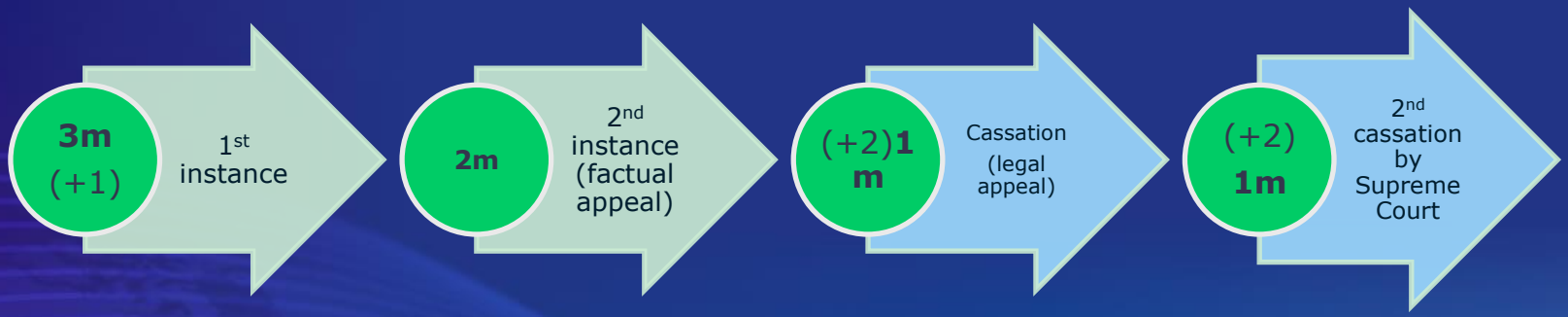
VERY FAST COURT PROCEDURE AS AN ADVANTAGE

- An enforceable decision (after factual appeal) is normally received in 6 - 12 months
- Unreasonable delays caused by parties may be a reason for penalty



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ADVANTAGES FOR IP RIGHT HOLDER

- Possibility to stop the infringement relatively quickly (for clear infringement):
  - Quick court procedure
  - Doctrine of equivalents in patent disputes
- One suit against several co-defendants is possible (good possibility for forum shopping)
- Easy-to-receive small punitive damages (about $70 000-80 000)
- The litigation is much less expensive

SPECIFIC FEATURES TO BE KNOWN

- Impossibility to collect large amounts of damages (actual volumes of infringement are hard to be proven since full accounting data are not available)
- No discovery procedure
- Any person is entitled by Constitution not to testify against himself/herself = not to provide evidence
- Preliminary injunctions in IP disputes are allowed by law, but are almost never applied
- Oral procedure as a principle
- **Starting from July 1, 2016** a CDL is obligatory for IP infringement disputes

PATENT INVALIDATION AS DEFENSE IN INFRINGEMENT SUIT

- Fully bifurcated system - Infringement case **is not suspended** if invalidation action against patent has been filed in the RU PTO
- Can be filed during the whole period of patent duration and even later (if a legitimate interest is proven)
- Administrative consideration is relatively short (4-7 months) for applied science/mechanics, so invalidation case is usually faster than infringement case. Longer for biotech

SYSTEM OF ARBITRATION COURTS IN RUSSIA - patent & trademark invalidation

Supreme Court of Russia
(second cassation & supervision)

Presidium of IP Court (cassation instance)

Intellectual Property Court (first instance)

RU PTO (Chamber for Patent Disputes)

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GROUNDS FOR INVALIDATION

- New matter in the granted claims
- Lack of patentability
  - Invention: novelty, inventive level and industrial applicability
  - utility models: novelty and industrial applicability
- NEW! (since 2015) Lack of sufficient disclosure
- Wrong indication of inventor/applicant

INVALIDATION PROCEDURE - TO BE NOTICED

- Invalidation action filed can not be amended; new grounds can be filed as separate new invalidation action
- If some inventions of the multiple claims are found non-patentable the patent holder is invited to amend the claims and patent is recognized invalid in part
- Decision is announced after oral hearings but in writing it is being prepared within two months after the hearings
- NEW! Conversion of an invention patent into utility model is possible during invalidation procedure, provided that:
  - the patent under trial relates to a device
  - the device in question, though does not meet inventive step criteria, is novel and industrially applicable

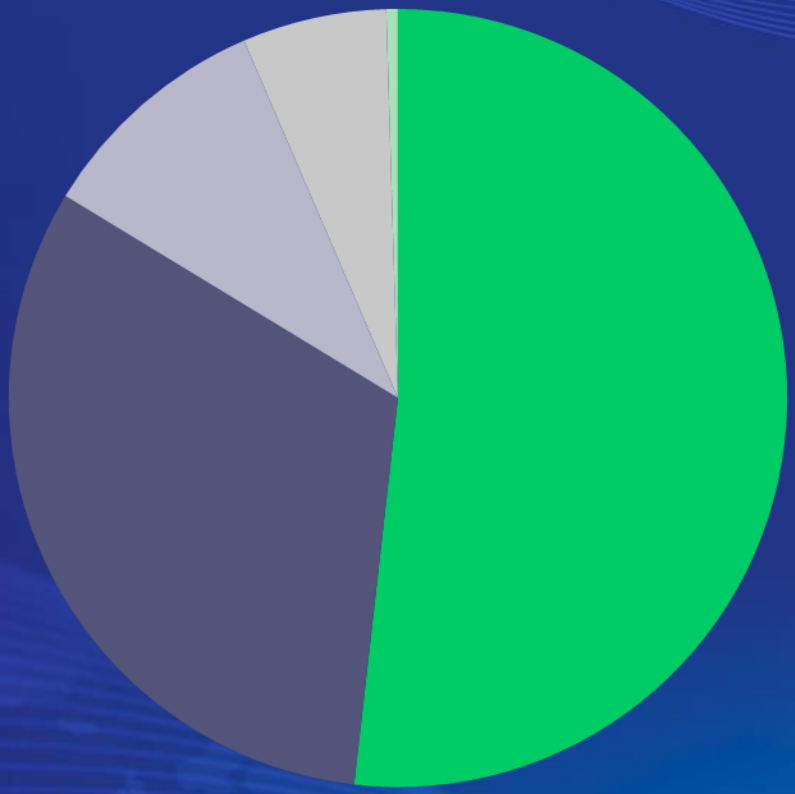
DAMAGES RECOVERY IN PATENT DISPUTES

- Russian Civil Code Article 15 point 2 provides for the compensation of direct damages and lost profit. The lost profit can be considered as income received by the infringer or as reasonable royalty rate
- Compensation of moral damage is also available if infringement resulted in personal suffering of the inventor/patent owner
- NEW! Since 2015, punitive damages in the amount of double reasonable royalty rate or in a lump sum from RUR 10 000 to 5 000 000 are allowed
- No damages recovery without proven guilt of the infringer (that is why a warning letter before filing the suit is recommendable)

PRELIMINARY AND FINAL INJUNCTIONS IN PATENT AND TRADEMARK DISPUTES

- Preliminary injunction in patent/trademark infringement cases is provided by the law but very rarely taken by judges
- Final injunction can be enforced by the system of executive court officers who have a lot of executive powers to stop infringement (including arrest of equipment and materials, closing production, freezing accounts, etc.)
- The Russian Criminal Code (article 147) provides a criminal punishment (up to 5 years of imprisonment) for willful patent infringement on a large scale

IP COURT AS A CASSATION in 1st half of 2016



other copyrights neighbouring rights patents&designs know-how

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