WORLD TRADE ORGANIZATION

IP/C/W/592

18 September 2013

(13-4926)

Council for Trade-Related Aspects of Intellectual Property Rights

Original: English

REVIEW OF LEGISLATION

RESPONSES FROM THE RUSSIAN FEDERATION TO QUESTIONS POSED BY UNITED STATES

By means of a communication from the delegation of the Russian Federation, dated 18 July 2013, the Secretariat has received the following responses to questions posed by the United States, as circulated in document IP/C/W/589.

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1. Article 1232 (IP/N/1/RUS/O/2 at 359): We are concerned that this may impose a formality. Do rightsholders have to register alienations of exclusive rights? Would a foreign author who sells or assigns a right have to register such sale/assignment in Russia?

According to Article 1232 of the Civil Code of the Russian Federation (hereinafter – CC RF) in cases when the result of intellectual activity or means of individualization is subject to state registration, alienation of the exclusive right to such result or such means by contract, pledge of this right, and grant of the right of use of such result or such means by contract, and likewise also the transfer of the exclusive right to such result or such means without a contract are subject to state registration.

Exclusive rights to such objects of intellectual property as inventions, utility models, industrial designs, trademarks and service marks (hereinafter – trademarks) shall be recognized on the condition of their state registration. Regarding computer programs, databasesand topology of integrated circuits state registration is conducted at the option of the rightholder.

Thus currently in the Russian Federation subjects to state registration are contracts for the alienation of the exclusive right to an invention, utility model, industrial design, computer program, database, topology of integrated circuit and contracts for grant of the right of use (including license contracts and franchise) and contract for the pledge of an exclusive right to invention, utility model, industrial design, trademark, topology of integrated circuit.

Order and terms of state registration of the four abovementioned types of juridical facts are established by the Government of the Russian Federation.

In regard to objects of copyrights and related rights which do not need to make state registration, it is stipulated in Article 1259 of the Civil Code of the Russian Federation.

2. Article 1234 (IP/N/1/RUS/O/2 at 360-361): We have two concerns here. 1) Paragraph 1 seems to require a complete transfer of all the rights as the only type of exclusive license that an author can give. Can an author provide an exclusive license limited to only one right (i.e., reproduction) and maintain ownership of the other exclusive rights? 2) Paragraph 2 appears to impose a formality (*see* the term "subject to state registration."). Do rightsholders have to register the contract of alienation of exclusive rights? Would a foreign author who sells or assigns a right have to register such sale/assignment in Russia?

Article 1233 of the Civil Code of the Russian Federation provides two kinds of contract on the disposal of an exclusive right by rightholder: Contract for the Alienation of an Exclusive Right (Civil Code of the Russian Federation, Article 1234) and License Contract (License Contract, Article 1235).

License Contract provided in Article 1234 of the Civil Code of the Russian Federation Contract for the Alienation of an Exclusive Right provide author's (rightholder's) possibility to transfer (alienate) the exclusive right belonging to him to a result of intellectual activity or a means of individualization in full scope to the other party (the recipient) that means absence of the copyright to use transmitted the result of intellectual activity in any way subsequently. By a contract for the alienation this right shall pass to the recipient acquiring the result of intellectual activity.

In Article 1235 of the Civil Code of the Russian Federation stipulates that a license contract (on submitting of an exclusive license or nonexclusive license). Such kind of contract is widely used in all countries as the rightholder's method of disposal of exclusive rights whereby the licensor (rightholder) saves the exclusive right to a result of intellectual activity and the licensee may use the specific result of intellectual activity in stipulated ways on certain territory by certain terms. Conclusion of License Contract shall entail a transition of the exclusive right to the licensee.

In case the author (rightholder) concludes a contract about alienation of the exclusive right to the result of intellectual activity or to the means of individualization with whom provide a procedure of state registration, than this contract also needs to state registration.

Mandatory state registration are required only in the Patent Rights Object (CC RF, Chapter 72), Achievements of Breeding (CC RF, Chapter 73), Means of Individualization (CC RF, Chapter 76). According contracts about alienation of the exclusive right to the indicated result of intellectual activity shall be subject to state registration also (paragraph 2 of Article 1232 of the CC RF). Contracts about alienation of the exclusive rights to copyright or related right are not subject of state registration.

3. Article 1235 (2) (IP/N/1/RUS/O/2 at 361-362): We are concerned that this may impose a formality. Do rightsholders have to register license contracts? Would a foreign author who enters a license contract have to register the license contract in Russia?

If authors (rightholders) conclude License Contracts about granting right to use the result of intellectual activity which needs to state registration, this contract also needs to state registration.

Currently subjects of state registration are license contracts for the rights of use of an invention, utility model, industrial design, trademark, and topology of integrated circuit (paragraph 2 of Article 1232 CCRF).

That being said, it is worth noting that there is a pending project of Federal Law No. 47538-6 under consideration by the State Duma of the Federal Assembly « Introducing Amendments to the First, Second, Third and the Fourth Parts of the Civil Code of the Russian Federation and ndividual legislative acts of the Russian Federation», developed by the Presidential Council of the Russian Federation on codification and improvement of civil legislation (hereinafter – CC RF Project)

CC RF Project suggests radical changes to state registration of contracts for the disposition of the exclusive right to objects of intellectual property. In developing the CC RF Project, provisions of the Singapore Treaty on the Law of Trademarks ratified by Federal Law No.98-FZ d.d. 23.05.2009 «On Ratification of the Singapore Treaty on the Law of Trademarks» were considered.

According to CC RF Project state registration of the grant of the right of use of an invention, utility model, industrial design, computer program, topology of integrated circuit, and trademark by a license contract can be conducted on the request of the parties without providing the contract itself.

4. Article 1240 (IP/N/1/RUS/O/2 at 363): We are concerned that this provision could nullify negotiated terms by authors of underlying works. For example, if a musical composition is used in a movie – either a pre-existing recording or one created for the movie – the author of the composition often maintains some rights, such as the right of public performance. Can a composer's contract require that a film incorporating her music only be shown in theaters/transmitted by broadcasters that are licensed to publicly perform musical compositions or would 1240(2) nullify such a contract?

A film (audiovisual work) is an independent complex object of author rights (Civil Code of the Russian Federation, Article 1259).

According to paragraph 1 of Article 1240 of the CC RF a person who has organized the creation of a complex object including several protected results of intellectual activity (e.g. the film) shall obtain the right of use of these films on the basis of contracts (for the alienation of the exclusive right or license contracts) concluded with the rightholders on the respective results of intellectual activity, which had been used in the process of creation of the film.

Herewith License Contract about granting right to use (e.g. a music in the film) recognized be invalid in case if such contract contains limiting to use music in the film.

Specified positions of the Civil Code of the Russian Federation correspond to positions of subparagraph (b) of paragraph 2 of Article 14 bis of the Berne Convention for the Protection of Literary and Artistic Works from 9th September 1886 (farther Berne Convention) which establishes that in the countries of Berne Union where legislation recognize authors as primary possessor of copyrights about author's cinematographic work who brought creative contribution in creation of this work; if they pledged to bring creative contribution in creation of cinematographic work and they have not some restrictive or special conditions, these authors may not prevent to use cinematographic work for reproduction, spreading, public presentation and performance, report along wires for general information, broadcast on the air or another public report the work, and also forbid a subtitling and a duplication text of cinematographic work.

Thereby author of music may conclude with a person who has organized the creation of a complex object License Contract about the use of his musical work in complex object, e.g. in the film, or contract for the alienation the exclusive right by created musical work.

In case when concluding License Contract with author of musical work are used in the film, author of music grant to producer of film right to use his musical work in the film in all methods of use the film including public performance (in case of use in cinema, for example), communication over the air or by the cable. Moreover in accordance with paragraph 5 of Article 1263 of the CC RF composer shall keep the exclusive right to his work and may use his work in any method not prohibited by law, if he hadn't transfer exclusive right to his work to the preparer in full.

The procedure of Conclusion a Contract for the alienation the exclusive rights of the musical work is use when a musical work is created spatially for being included in audiovisual work.

5. Article 1245 (IP/N/1/RUS/O/2 at 367): Please clarify what rightholders are covered by authors, performers and manufacturers in the sound recording context. Chapter 71 addresses the manufacturers of and performers on sound recordings, but there is no mention of their author. When you refer to the author of the sound recording receiving 40% of the fee collected, do you mean the author of the musical composition that is recorded? How is the musical composition encompassed on a sound recording compensated under Article 1245?

In Article 1245 of the Civil Code of the Russian Federation rightholders who have the right to compensation for free reproduction of phonograms and audiovisual works exclusively for personal purposes are authors (authors of musical works (music and text) fixed in the phonograms and authors of audiovisual works); performers (performers who fixed their performance in the phonograms and performers who fixed their performance in the audiovisual works); preparers of phonograms and preparers of audiovisual works who have the exclusive rights acting (have recognized) on the territory of the Russian Federation in accordance with Articles 1256, 1321 and 1328 of the Civil Code of the Russian Federation.

Rightholders have right to compensation in accordance with paragraph 2 of Article 1273 of the Civil Code of the Russian Federation.

Importers and manufacturers of equipment and storage devices used for reproduction for personal purposes shall pay compensation to indicated rightholders in accordance with Article 1245 of the Civil Code of the Russian Federation.

Chapter 71 of the Civil Code of the Russian Federation are mentioned in the question is dedicated to general questions of rights related with copyright.

6. Article 1249 (IP/N/1/RUS/O/2 at 369): We are concerned that this may impose a formality. Do rightsholders have to register computer programs or databases for those items to receive protection or need to register "legally-significant actions" regarding computer programs and/or databases? What must be registered under Article 1249?

As defined in paragraph 4 of Article 1259 CC RF for the protection of copyright, the registration of the work or other formalities is not required. With respect to computer programs and databases, registration is possible in accordance with subparagraph 2 of paragraph 4 of Article 1259 and Paragraph 1 of Article 1262 CC RF. Such registration is not right-establishing and is optional.

If the rightholder has registered a computer program or a database in the Federal body of executive authority for intellectual property, contracts for the alienation of the exclusive right to a computer program or database as well as passage of the exclusive right to such program or database are subject to registration in the Federal body of executive authority for intellectual property (Paragraph 5 of Article 1262 CCRF)

Article 1249 CC RF does not provide any provisions on registration of computer programs or database or connected legally significant actions being obligatory. The article considers fees collected for the taking of legally significant actions connected with state registration of computer programs, databases, contracts for the alienation of the exclusive right to a computer program or database as well as passage of the exclusive right to such program or database (paragraph 1 of Article 1249 CC RF)

Unlike other results of intellectual activity or means of individualization, registered in the Federal body of executive authority for intellectual property, fees for which are set by the Government of the Russian Federation, fees connected with computer programs, databases and topology of integrated circuits are established by the legislation of the Russian Federation on taxes and levies. The Tax Code of the Russian Federation establishes a list of legally significant actions for the taking of which state fees shall be collected, their amounts, procedure and times for payment, and also the bases for freeing from payment of the state fees, reduction of their amounts, postponement of payment or return of fees.

7. Articles 1273 and 1306 (IP/N/1/RUS/O/2 at 379 and 390): These articles appear to provide an overly broad permission for reproduction for personal use. Please explain how these articles address the 3-step test under TRIPS Article 13, including whether and how these provisions permit reproduction of only one copy for personal use, where that reproduction is made from a lawfully acquired copy.

Limitations and restrictions from rightholder's exclusive rights were formulated in Berne Convention for the Protection of Literary and Artistic Works from 9 September 1886 (Berne Convention). In accordance with paragraph 2 of Article 9 of Berne Convention members have right to foresee in national legislation the restrictions of rights for reproduction of literary and artistic works on condition that in national legislation shall be indicated cases of such restrictions and it shall not cause harm to normal exploitation of works and infringe author's legal interests.

Provisions of paragraph 2 of Article 9 of Berne Convention reflected in Article 13 of the TRIPS Agreement as a quota about possible restrictions or limitations from the exclusive copyrights and related rights.

Paragraph 2 of Article 1229 of the Civil Code of the Russian Federation correspond to above-mentioned international contracts which determines that provided cases of free reproduction for

personal purposes do not cause unjustified harm to the ordinary use of the results of intellectual activity and do not impair in an unjustified manner the lawful interests of the rightholders.

Article 1273 of the Civil Code of the Russian Federation establishes cases of free gratuitous reproduction of works (established provisions concern by related rights also in accordance with Article 1306 of the Civil Code of the Russian Federation), if it are realized with next conditions:

- individual person realize the reproduction;
- the reproduction are realized exclusively for personal purposes;
- a work lawfully made subject by the reproduction.

Herewith the indicate Article contains list of free gratuitous reproduction. These are cases when even intention to use corresponding work for personal purposes do not liberate a citizen from necessity to get rightholder's permission and to pay appropriate compensation. Herewith with a passing of Part 4 of the Civil Code of the Russian Federation such cases were complemented by two new limitations:

Video recording of an audiovisual work in case of its public performance at a please open for free attendance or at a place where there are a significant number of persons present not belonging to the usual circle of a family is not admitted even for personal purposes (subparagraph 5 of Article 1273 of the Civil Code of the Russian Federation);

Reproduction of an audiovisual work with the aid of professional equipment not meant for use in home conditions is not admitted (subparagraph 6 of Article 1273 of the Civil Code of the Russian Federation). Both indicated limitations allow to intensify fight with fabrication of a pirate production.

Accordingly in accordance with indicated quotas individual person have right to reproduce (means to manufacture for satisfaction of own, family, household and other needs are not connected with realization of entrepreneurial acting) a copy of the film from TV broadcast, to reproduce work are placed in Internet in memory of computer, to make copy of audio recording (phonogram) or magazine article on a tape-recording or on a copier. Herewith the reproduction shall be realized such person personal purposes of who taken in attention.

Provisions of Article 1273 of the Civil Code of the Russian Federation don't spread to legal person who may not refer to inner needs as to basic to reproduce work free even if such actions are not related with person's commercial activity or are made to individual person's order.

8. Article 1274 (1) (1 and 2) (IP/N/1/RUS/O/2 at 380): These copyright exceptions (IP/N/1/RUS/O/2 at 379) appear overly broad. Both Articles 10 (1) and (2) of Berne Convention, which are incorporated in Article 1274 (1 and 2), require that such use be compatible with fair practice. Please explain how this fair practice limitation is addressed by Article 1274 (1 and 2).

Provisions 1 and 2 of Article 1274 of the Civil Code of the Russian Federation provide the use of works without the consent of the rightholder and without the payment of compensation in case of citation in the original language or in translation for scientific, polemical/critical, or information purposes of works lawfully made public in an amount justified by the purpose of citation, including the reproduction of excerpts from newspaper and magazine articles in the form of press surveys and also in cases of use of works lawfully made public and excerpts from them as illustrations in publications, radio and television broadcasts, and sound and video recordings of an instructional nature in an amount justified by the purpose thereof.

Necessary to note that provisions of Article 1274 of the Civil Code of the Russian Federation are not subjected to widened interpretation and apply in the relationship with paragraph 5 of Article 1229 of the Civil Code of the Russian Federation establishes that limitation from exclusive rights to results of intellectual activity shall be established on the condition that such limitation does not contradict to the ordinary use of the works or object of the related right and does not

impair the lawful interests of the rightholders. Indicated provision corresponds to Article 13 of TRIPS.

9. Article 1274 (1)(6) (IP/N/1/RUS/O/2 at 380): We are concerned that this exception is overly broad. Would a non-profit entity be able to use this exception when the copyright owner has made the work available in the same format?

In accordance of provision 1 of Article 1274 CC RF right to use of work lawfully made public without the consent of the rightholder and without the payment of compensation in case of reproduction without the extraction of profit in dot-relief type or other special means for the blind. No matter organizational legal form of entity who use work for purpose of reproduction for the blind. In present case shall be observed next conditions: such reproduction shall be realized from work lawfully made public; such reproduction and further spreading of work shall be realized without extraction of profit.

Works representing the copy of work in any material form in quantity which enough for satisfaction of requirement of public from depending of character of work are admitted be made public.

Indicated provisions do not provide limitation of exclusive right of works to benefit of persons with limited possibility including disabled persons about hearing as it provided in legislation of United States of America, for example.

In some countries (e.g.in Article 37 of the Copyright Law of Japan from 1970) such limitation of exclusive right spreads by works lawfully promulgated (but not made public as in Russian legislation) that widen volume of this limitation.

10. Article 1274(3) (IP/N/1/RUS/O/2 at 380): This exception appears to be overly board. Please explain how the exception limits taking only the portion of the work necessary for the purposes of the parody.

The possibility of creation of works in the genre of a literary, musical, or other parody, or in the genre of caricature on the basis of work lawfully made public without the consent of the rightholder and without the payment of compensation and subsequent use of caricature or parody without the payment of compensation to author of original work are established in paragraph 3 of Article 1274 of the Civil CodeCivil Code of the Russian Federation.

Provisions of paragraph 3 of Article 1274 of the Civil CodeCivil Code of the Russian Federation on free creation and use in the genre of a literary, musical, or other parody, or in the genre of caricature on the basis of another (original) work lawfully made public without the consent of the author of such original work appeared in Russian legislation as a result of borrowed approach of Directive 2001/29/EC of the European Parliament and of the Council of 22/05/2001 "On the harmonization of certain aspects of copyright and related rights in the information society" according to sub point (k) of point 3 of Article 5 of the Directive what admit may provide for exceptions or limitations in case of use for the purpose of caricature, parody or pastiche.

Article 1274 of the Civil CodeCivil Code of the Russian Federation provides that parodies and caricatures shall be used in for Informational, Scholarly, Instructional, or Cultural Purposes, how it show name of Article.

In this way author of original work have not right to prohibit to use his work in indicated method on the basic of provisions of Part 4 of the Civil CodeCivil Code of the Russian Federation, but in case if parody or caricature denigrate honor, dignity or reputation of author of original work, he have right to protect it in order are established in Article 125 of the Civil CodeCivil Code of the Russian Federation.

Should take in attention that creation of parody or caricature is not a recast of primary (original) work; it is creation of new, independent work. Parodies and caricatures are recognizable that is associated with primary (original) works because of likeness of maintenance (what is not copyrighted), but not because of likeness wit form (what is copyrighted).

11. Article 1280(4) (IP/N/1/RUS/O/2 at 382): This language appears to be overly broad. Please explain how this article addresses the requirements of the 3-step test under TRIPS Article 13.

The provisions of the Article 1280 explains in detail rights of the owner of a copy a computer program or a database. These rights are limited to some cases. The main condition of the article is that the person has the obligation to own the copy lawfully. Paragraph 4 of the article 4 implements the provision of Article 13 of the TRIPS Agreement, making an explanation that the application of the provisions provided by the Article must not cause unjustified harm to the normal use of a computer program or database and must not impair in an unjustified manner the lawful interests of the author or rightholder.

12. Articles 1285 and 1307 (IP/N/1/RUS/O/2 at 383 and 391): We are concerned that Articles 1285 and 1307 appear to limit a rightsholders ability to enter into exclusive licenses for a specific right and to require the rightsholders to transfer the "work in full." Can a rightsowner transfer one exclusive right, for example, e.g., the right to perform a work, and still maintain ownership of the other exclusive rights, e.g., reproduction, synchronization?

Author or subject of related right have right to conclude with other person contract of alienation (transmission) of the exclusive right to the concrete result of intellectual activity that is mean transmission of the exclusive right in full without author's possibility to keep right to use such result in accordance with Articles 1285 and 1307 of the Civil CodeCivil Code of the Russian Federation.

In this way in case if rightholder transferred the exclusive right to use result of intellectual activity to other person, he does not keep right to use such result.

Herewith the Civil CodeCivil Code of the Russian Federation provides also another model of disposal of the exclusive right when rightholder have right to grant for other persons right to use result of intellectual activity by means of conclusion License Contract are provided in Articles 1286 and 1308 of the Civil Code of the Russian Federation. Under the conditions of License Contract rightholder stay as holder of the exclusive right and the licensee acquires right to use object on the conditions established by a contract only (e.g. the reproduction only or the public performance only) on the definite territory in definite terms.

13. Article 1334(2) (IP/N/1/RUS/O/2 at 399): Any copyrighted work or object of related rights incorporated into a database must be subject to the rightholders' exclusive rights. Please explain how Article 1334(2) accounts for the rights of authors of works included in a database.

Paragraph 2 of Article 1334 stipulates that exclusive rights of the preparer of a database are recognized and are effective regardless of the rights of authors of works included in a database.

14. We have numerous questions to help us understand Section 6 of Chapter 71 and how the rights of a publisher of a scientific, literary or artistic work differ from the rights of the authors and the authors' assignees/transferees of those works, as set forth in Chapter 70:

(a) Please explain the relationship between the publisher protected here and the author/assignees protected in chapter 70. Specifically, how does this section relate to chapter 70, which gives these rights to the author and her assignees? Who has the rights to the work, the author/assignees under chapter 70, or the publisher under Chapter 71?

(b) Article 1337(1) (IP/N/1/RUS/O/2 at 400) appears to take works out of the public domain and give the publisher exclusive rights to that work. What works can be removed from the public domain?

(c) Article 1340 (IP/N/1/RUS/O/2 at 401) appears to override the copyright term provided Article 1281 and override any contract or agreement that an author may have entered with a publisher. Please explain.

Intellectual Rights to works of scholarship, literature, or art first made public after their passage into the public domain are rights neighboring on copyright (neighboring rights) according to Article 1303 of the Civil Code of the Russian Federation.

Section 6 of Chapter 71 of the Civil Code of the Russian Federation dedicated to publisher's right to works of Scholarship, Literature and Art.

According to Article 1337 CC RF publisher is the citizen who lawfully made public or organized the making public of a work of scholarship, literature, or art previously not made public and that has gone into the public domain (Article 1282 CC RF) or that is in the public domain by virtue of the fact that it is not protected by copyright.

Author or other person with author's consent have the right to make the work public according to Article 1268 of the Civil Code of the Russian Federation. In this case if author during the life did not made public his work himself or not gave consent to do such actions to other person (also in case if author did not lived any prohibition during his life) than such work may be made public by author's successor during the period of validity of exclusive right to work.

Upon the expiration of the time period of effectiveness of the exclusive right, a work including previously unpublished, shall enter the public domain and may be used freely by any person without any consent or permission and without payment of author's compensation in accordance with Article 1282 of the Civil Code of the Russian Federation.

For purpose of making public of previously unpublished works Division 6 of Chapter 71 of the Civil Code of the Russian Federation provides other persons possibility to make public of work after termination of guarding of exclusive rights in case of absence author's written prohibition such work.

In this way publisher is not author of work or successor, he is person who made public work previously unpublished and is entered the public domain.

Publisher has publisher's exclusive right to work made public by him and right to indicate his name on exemplar of work made public and in other cases of use (including translation or other recast of work). Publisher's exclusive right to work coincides with habitual copyright to use work in content, only with taking of right to translate, recast and realize an architectural, designer, town-planning landscape project. In this way publisher of work may not control of use of work in translated or reprocessed form.

Outside publisher's sphere of control is spreading of original or exemplars of work are imposed in civil use (principle of depletion of rights) lawfully.

Publisher's right in the Civil Code of the Russian Federation is right that not make damage to author's interests and to his successor. Publisher's right is made to protect the interests of investigator, allow to reward them for long or perennial search and further to open new creative results.

Need to mark that protection of right of persons who make public previously unpublished works and are entered the public domain are provided in provisions of Article 4 of Directive of European Union 93/98/EEC of 29/10/1993 harmonizing the term of protection of copyright and certain related rights, in accordance with it any person who, after the expiry of copyright protection, for the first time lawfully publishes or lawfully communicates to the public a previously unpublished work, shall benefit from a protection equivalent to the economic rights of the author.

The Civil Code of the Russian Federation establishes several important requirements about object of publisher's right:

- It shall be work of scholarship, literature or art;
- This work shall be recognized as object of copyright in accordance with acting Russian legislation;

- It shall not be made public previously;
- The work shall not be in state and municipal archives;
- The work shall be made public firstly on the territory of the Russian Federation or beyond the boundaries but by citizen of the Russian Federation.

Replacement of terms in comparison with Article 1281 of the Civil Code of the Russian Federation in Article 1240 indicated do not happen.

Introduction in Russian legislation of publisher's rights are stipulate for necessity of cultural development of society in relations with promulgation of work of Scholarship, Literature and art previously unpublished that is mean unknown till this event and for encouragement of persons who made these work are known for society (made them promulgation – public).

The work which have expired term of exclusive right enters to the public domain that is mean it may be used freely by any person without any consent or permission and without payment of author's compensation. But there is question about possibility to use unknown work is entered to the public domain.

In case of made public work is entered to the public domain on the condition that such publishing do not contradict the author's will, publisher have right to use such work (the publisher's exclusive right) effective for 25 years counting from January 1 of the year following the year of publishing, namely to use the work with methods are provided in subpoints 1-8 and 11 of point 2 of Article 1270 of the Civil Code of the Russian Federation.

15. We remain concerned that Russian law might not adequately protect foreign works and related rights, including pre-existing works and related rights. We have noted that there are numerous provisions dealing with this issue (Articles 1231, 1256, 1304, 1318, 1321, 1324, 1328 and 1341), but were unable to confirm the required coverage. Some of our concern may relate to translations issues or to the accuracy of IP/N/RUS/0/2.

Article 1256 of the Civil Code of the Russian Federation defines realization of the exclusive right to Works of Scholarship, Literature, and Art on the territory of the Russian Federation because of publishing on the territory of the Russian Federation or because of principle of author's citizenship of such works (or them successor).

Russian legislator proceeds from place of publishing of work (or his existence in objective form in case of absence of publishing) to give the exclusive right to work on the territory of the Russian Federation.

In case if work made public on the territory of the Russian Federation than the exclusive right to such work shall be recognized for authors (or their legal successors) regardless of their citizenship.

It concerns also cases when work not made public existing in some objective form on the territory of the Russian Federation.

A work also shall be considered first made public by publication in the Russian Federation if, in the course of thirty days after the date of first publication, it was published on the territory of the Russian Federation.

In case if work made public beyond the boundaries of the territory of the Russian Federation, need to take by attention author's citizenship (or his legal successor). If work made public beyond the boundaries of the territory of the Russian Federation author of work (his legal successor) being citizen of the Russian Federation, Russian legislator keeps the exclusive right to work by such persons.

It concerns also cases when work not made public exists in some objective form beyond the boundaries of the territory of the Russian Federation at author or his legal successor who are citizens of the Russian Federation.

In other cases the exclusive right to works made public or existing in some objective form beyond the boundaries of the Russian Federation and shall be recognized, in accordance with international treaties of the Russian Federation, for authors (or their legal successors) who are citizens of other states. Herewith the time period of the exclusive right established in the country of origin of the work may not exceeds the time period of the exclusive right to these works in the Russian Federation. In case if the time period of the exclusive right in the country of origin of the work has expired and the exclusive right have entered the public domain than this work enters the public domain in the Russian Federation too. Moreover primary rightholder is determined in accordance with a law of state where was happened a fact which is basis for acquisition of the copyright.

According to point 3 of Article 1304 of the Civil Code of the Russian Federation the granting on the territory of the Russian Federation of protection for objects of neighboring rights in accordance with the international treaties of the Russian Federation shall be conducted in case if in the country of origin of the work it have not entered the public domain and have not entered the public domain on the territory of the Russian Federation.

In other articles of the Civil Code of the Russian Federation Russian legislator proceeds from principle of the citizenship/place of location or implementation (for the performance are not fixed in phonograms) / promulgation (phonograms) on the territory of the Russian Federation aside from the conditions of the international treaties of the Russian Federation for granting legal protection to some object of neighboring rights.

16. Please advise which specific Article requires coverage for:

(a) Authors who are nationals of a Berne country for published and unpublished works

The rights of the authors, who is a citizen of the Russian Federation – member of Berne Convention, are protected in accordance with subpoint 2 of point 1 of Article 1256 of the Civil Code of the Russian Federation.

The rights of the authors who are citizens of other states works of whom made public beyond the boundaries of the territory of the Russian Federation – member of Berne Convention, are protected on the territory of the Russian Federation on basis of subpoint 3 of point 1 of Article 1256 of the Civil Code of the Russian Federation (international-legal criterion) in accordance with provisions of Berne Convention.

Need to mark that national regime (are provided in Article 3 of Berne Convention) give the possibility to any citizen's work of any state who is member of Berne Convention to use protection in all countries of Berne Union including the Russian Federation.

(b) Authors who are not nationals of a Berne country for works first published, or published within 30 days, in a Berne country

The rights of a foreign author who made public his works on the territory of the Russian Federation – member of Berne Convention are protected in accordance with subpoint 1 of point 1 and subpoint 2 of Article 1256 of the Civil Code of the Russian Federation (criterion of the place of promulgation of work).

The rights of authors who are citizens of other states who made public works beyond the boundaries of the territory of the Russian Federation but in country – member of Berne Convention, are protected on the territory of the Russian Federation on basis of subpoint 3 of point 1 of Article 1256 of the Civil Code of the Russian Federation (international-legal criterion) in accordance with provisions of Berne Convention.

(c) Authors who are not nationals of a Berne country but who have their habitual residence in a Berne country

The rights of authors who are not nationals of a Berne country are protected on the territory of the Russian Federation on basis of subpoint 3 of point 1 of Article 1256 of the Civil Code of the Russian Federation (international-legal criterion) in accordance with international treaties of the Russian Federation.

However in indicated cases necessary to pass that in cases if foreign author made public his work on the territory of the Russian Federation (or his not made public on the territory of the Russian Federation work exists in some objective form) he have legal protection in accordance with point 1 of Article 1256 of the Civil Code of the Russian Federation.

The Russian Federation participated in following international treaties about copyright: the Universal Copyright Convention on 6th September 1952 (revised in Paris on 24th July 1971), The Agreement about collaboration in sphere of copyright and related right are concluded in Moscow at 24th September 1993, Berne Convention for the Protection of Literary and Artistic Works (in editing Parisian Statement at 24th July 1971) - since 13th March 1995, The World Intellectual Property Organization (WIPO) Copyright Treaty on 20th December 1996 – since 2009.

Moreover the Russian Federation as successor of the USSR is connected two-way international treaties about mutual protection of copyrights with some states, e.g. with Sweden (15th April 1986), with Armenia concluded Agreement about mutual protection of copyrights at 25th June 1993.

(d) Authors of an audiovisual works the maker of which has its headquarters or habitual residence in a Berne country

(e) Authors of works of architecture constructed in a Berne country or artistic work incorporated in a building or structure located in a Berne country

Answer to two previous questions: The rights the indicated category of authors are provided on the territory of the Russian Federation analogically as for cases are viewed above that is mean on basis of point 1 of Article 1256 of the Civil Code of the Russian Federation.

Herewith need to keep in mind that in point 3 of Article 1256 of the Civil Code of the Russian Federation are shown a peculiarities of acting of international-legal criterion on the territory of the Russian Federation. In indicated quota are shown that author of work or another primary rightholder is determined by the law of state on what territory happened fact of acquisition of copyrights at granting the protection to work on the territory of the Russian Federation in accordance with international treaties of the Russian Federation. These quota are provided for legislation about copyright of states where author or primary rightholder is a legal person.

17. Please confirm that Russian Law provides the owners of musical compositions a public performance right when that music is contained in audiovisual works and exhibited in theaters. What provision of the law provides this right?

According to point 5 of Article 1263 of the Civil Code of the Russian Federation the composer of created work keeps the exclusive right to use his work separately from creating film in which composition are concluded his musical work on condition that such author did not enter (on basis of Articles 1234 and 1285 of the Civil Code of the Russian Federation) the exclusive right to musical work full to person who organized the creation of film (the producer – Article 1240 of the Civil Code of the Russian Federation).

18. What is the term of protection for audiovisual works? The authors of the audiovisual work are defined in Article 1263. Is the term of protection 70 years from the death of the last surviving author under Article 1281 (1)? If not, what Article governs the term of audiovisual works?

The term of protection for audiovisual work is the term when the audiovisual work has protection in the territory of the Russian Federation. The term of protection for audiovisual work is provided in Article 1281 of the Civil Code of the Russian Federation according to what the exclusive right to work created in coauthorship shall be effective for the whole life of the author outliving the other coauthors plus seventy years, counting from January 1 of the year following the year of his death.

Moreover the Civil Code of the Russian Soviet Federative Socialist Republic from 1964 what was acting before Law of the Russian Federation at 9th July 1993 № 5351-I "About copyright and related rights" provided legal person's copyright (herewith according to Article 498 of the Civil Code of the Russian Soviet Federative Socialist Republic from 1964 rights are arisen among legal persons primarily acted in perpetuity; in case of reorganization of such legal person copyright entered by legal successor, and in case of liquidation – by state). The copyright of legal persons what has raised before 3rd August 1993 stops after 70 years since the date of lawfully made public work, if work unpublished than since day of creation of work what provided in Article 6 of the Federal Law of the Russian Federation from 18th December 2006 No. 231-FL "About introduction by acting Fourth Part of the Civil Code of the Russian Federation".

19. Art. 1252.1.4 (IP/N/1/RUS/O/2 at 370). Please clarify what is meant by "non-bona fide acquirer."

In case of breach of the exclusive right to the results of intellectual activity and to means of individualization rightholder have right in particular by the making of demand about the taking of the physical carrier are used or are destined for fulfillment of breach against the producer, importer, keepers, carrier, seller, other distributor, or bad faith recipient.

The bad faith recipient is a person who has acquired (with or without compensation) the physical carrier for fulfillment of breach from person who had not the right to alienate it about what acquirer knew or shall be known. Such definition of the bad faith recipient follows from Article 302 of the Civil Code of the Russian Federation.

20. Art. 1252.5. Provision allows equipment and materials used for infringing to be withdrawn from circulation and destroyed at infringers expense, "except when being subject to be converted into the revenue of the Russian Federation." In light of Article 46 of the TRIPS Agreement, please explain the scope of this exception, and when it applies.

According to Article 46 of the TRIPS Agreement the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements.

Legislation of the Russian Federation provides quotas govern that counterfeit copies of works and turn materials and implements the predominant use of which has been in the creation of the infringing of the intellectual rights shall be disposed of outside from commerce turn (point 5 of Article 1252 of the Civil Code of the Russian Federation).

Indicated actions may be realized by decision of court. Herewith legislation of the Russian Federation may comprise quotas allowing to exact to income of state materials and implements the predominant use of which has been in the creation of the infringing of the intellectual rights. In particular in cases when introduction in commerce turn such goods is necessary for public interests, rightholder shall have the right to demand removal at the expense of the infringer of counterfeit goods, labels, and packaging of the goods on which an unlawfully used trademark or indication similar to it to the point of confusion according to point 2 of Article 1515 of the Civil

Code of the Russian Federation. In other words, in cases when goods on which counterfeit trademark are necessary for state in societal interests (e.g. on social need to children's community etc.) than counterfeit trademark are deleted and subject by recovery to income of the Russian Federation.

21. Art. 1302 (and Art. 1312) (IP/N/1/RUS/O/2 at 389) The title of this article "Security for a claim in a copyright violation case," does not seem to match its contents which forbids "using [counterfeit copies of a work] in civil-law transactions." Please clarify, because as written it appears that the scope of the article is much larger than its title.

Article 1302 of the Civil Code of the Russian Federation establishes the right of court to forbid a defendant or other person with respect to whom there are sufficient bases to suppose that he is an infringer of copyright rights to take specific with the purpose of introducing into civil commerce copies of a work with respect to which it is supposed that they are counterfeit.

The court also may impose seizure on all copies of a work with respect to which it is suspected that they are counterfeit and also on materials and equipment used or meant for their preparation or reproduction.

In other words Article 1302 of the Civil Code of the Russian Federation corresponds to her name (Security for a Claim in Cases on the Infringement of Copyright) and provides the possibility of application of security remedy with respect to controversial copies of works and also corresponding materials and implements.

22. Paragraph 4 of Article 1349 (IP/N/1/RUS/O/2). The Objects of Patent Rights

> **4. The following shall not be objects of patent rights:**
> **1) human cloning techniques;**
> **2) the techniques for modifying the genetic integrity of human embryo cells;**
> **3) the uses of human embryos for industrial and commercial purposes;**
> **4) other developments inconsistent with the public interest and humane and moral principles.**

Does "inconsistent with the public interest and humane and moral principles" in paragraph (4) have the same meaning as "protect[ion of] *ordre public* or morality" as used in Article 27(2) of the TRIPS Agreement?

23. Paragraph 6 of Article 1349, provides:

> **6. No legal protection shall be provided to the following as inventions:**
> **1) varieties of plants, breeds of animals and the biological methods for producing them, except for microbiological methods and products produced by such methods;**
> **2) integrated circuit layout-designs.**

(a) Article 27(3)(b) of the TRIPS Agreement requires Members to provide for sui generis protection for plants, if patents cannot be granted for varieties of plants. How does the Russian Federation provide protection for plants? Decree No. 735 of 14/09/2009, the Russian Federation Government Approving the Regulation on Patent Fees and Other Types of Fees Related to Plant Variety Patents and State Registration of Agreements Assigning Exclusive Rights on Plant Variety, is noted, but has this decree been notified to the WTO?

(b) How does the Russian Federation provide protection for integrated circuit designs? Order No. 323 of October 29, 2008 of the Ministry of Education and Science of Russia (Approving the Administrative Regulations to Govern the Performance by the Federal Service for Intellectual Property, Patents and Trademarks of its Functions to Process and Examine Applications for the Registration of Topographies of Integrated Circuits as well as to Grant of Certificates of State Registration of Topographies of Integrated Circuits in

accordance with Established Procedure) is noted, has this order been notified to the WTO?

Answers for three previous questions.

Paragraph 4 of Article 1349 CC RF as a whole establishes exclusions from patent rights of solutions contradicting societal interests and principles of humanity and morality, which are common exclusions from patent rights. Subparagraphs 1-3 of the abovementioned paragraph emphasize solutions recognized as subject to exclusion from patent rights. Similar approach is used on the European Union level: Additional Protocol on the Prohibition of Cloning Human Beings of 1998 to the Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Application of Biology and Medicine of 1997, Directive 98/44/EC.

It should be noted that provisions of 4quarter Article of the Paris Convention for the Protection of Industrial Property, according to which "The grant of a patent shall not be refused and a patent shall not be invalidated on the ground that the sale of the patented product or of a product obtained by means of a patented process is subject to restrictions or limitations resulting from the domestic law". Thus limitations or reductions of sales of a product in which the invention as well as utility model or industrial design applied for may be embodied, cannot serve as a basis for the recognition of the object of patent rights applied for as contradicting societal interests, principles of humanity and morality with the exception of the cases of direct prohibition of usage (sales) on the territory of the Russian Federation of such particular product as contradicting societal interests, principles of humanity and morality. The list of objects in Paragraph 4 of Article 1349 CC RF includes solutions commercial usage of which shall be prevented for the sake of public order maintenance and morality protection, including protection of life and health of the population as well as preventing extensive damage to the environment.

Seemingly provisions of Paragraph 4 of Article 1349 CC RF imply the same meaning as provisions of TRIPS Article 27(2).

Paragraph 6 of Article 1350 CCR F (in the question Article 1349 was named mistakenly): Legal protection as inventions shall not be granted to: varieties of plants, breeds of animals and biological methods of obtaining them, with the exception of microbiological methods and products obtained through the use of such methods; the topology of integrated circuits. Such objects are recognized as independent result of intellectual activity (Paragraph 1 of Article 1225 CC RF) and are provided by CCRF with a separate ("special"») legal protection.

Legal protection of varieties of plants and breeds of animals is granted by Chapter 73 CC RF as to achievements of breeding.

Legal protection of integrated circuit layouts is explained in Chapter 74 CC RF. CC RF retains the principles of protection and use of integrated circuit layouts established in Law of Russian Federation № 3526-I d.d. 23.09.1992 "On legal protection of topology of integrated circuits" in force prior to Part 4 CC RF. The legal protection granted by the present Code shall extend only to an original integrated circuit layout created as the result of the creative activity of an author and/or specialists unknown to the author in the area of integrated circuit layout development on the date of its creation (Paragraph 2 of Article 1448 CC RF).

According to Article 1452 CC RF the rightholder, during the time period of effectiveness of the exclusive right to the layout may at his option register the layout with the Federal agency of executive authority for intellectual property. The rules of such optional state registration of topology of integrated circuits are determined by the Administrative Rules of Procedure of execution by the Federal agency of executive authority for intellectual property, patents and trademarks functions of receiving applications for state registration of topology of integrated circuits and of their consideration and issuance in accordance with the established procedure of a certificate on state registration of an integrated circuit layout, approved by Order № 323 d.d. 29.10.2008 of the Ministry of Education and Science of the Russian Federation.

24. Article 1359 (IP/N/1/RUS/O/2). Actions Not Deemed an Infringement of the Exclusive Right to an Invention, Utility Model or Industrial Design

> **The following are not deemed an infringement of the exclusive right to an invention, utility model or industrial design:**
> **2) the carrying out of scientific research of a product or method in which the invention or utility model is used or of scientific research of an article in which the industrial design is used or the carrying out of an experiment in respect of such product, method or article;**

Would experiments using protected inventions or designs to experiment on other things infringe a protected invention or design? For example, if a medical instrument is patented or protected as an industrial design, would use of a copy of that instrument in medical testing infringe the patent or industrial design right?

25. Article 1359, continues, providing:

> **3) the using of the invention, utility model or industrial design in emergency circumstances (natural calamities, disasters, accidents), with the patent holder being notified of this use as soon as possible and with commensurate compensation being paid henceforth to the patent holder;**

According to Article 31(a) of the TRIPS Agreement, each use without authorization of the rights holder shall be considered on its individual merits. Furthermore, Article 31(b) of the TRIPS Agreement clarifies that the requirement to make reasonable efforts to obtain permission may be waived by a Member if certain conditions apply. How does Article 1359 provide for a decision on a case by case basis?

26. Article 1359, continues, providing in paragraph 4:

> **4) which provides the use of the invention, utility model or industrial design for meeting personal, family, household or other needs other than entrepreneurial activity, unless profit-making or making earnings is the purpose of the use;**

This provision may conflict with a normal exploitation of the patent and encroach on the legitimate interests of the patent owner, where the invention or design is intended for household use. Please explain how the provision addresses these concerns.

Answers for three previous questions.

Paragraph 2 of Article 1359 CC RF: the conduct of scientific study of a product or method in which the invention or utility model is utilized, or scientific study of a manufacture in which an industrial design is utilized or the conduct of an experiment on such a product, method, or manufacture; thus third parties without infringing the exclusive right can only study a patented object, but cannot utilize it as a mean o conducting a research.

Not considered as infringing the exclusive right: the conduct of scientific study of a product or method in which the invention or utility model is utilized, or scientific study of a manufacture in which an industrial design is utilized or the conduct of an experiment on such a product, method, or manufacture. This rule allows any person to make sure of the actual properties and characteristics declared in the description to the patent or in the rightholder's advertisement prior to contacting the rightholder and only after doing so to make a decision on reasonability of entering negotiations with the rightholder on purchasing the right of use of the invention.

This only refers to experiment or scientific research conducted on the patented product, method or manufacture themselves but not to experiment or scientific research conducted with their help. Thus the abovementioned rule does not imply commercialization of a patent-protected invention during the conduction of scientific experiment on an object containing the invention by third parties.

Paragraph 3 of Article 1359 CC RF: Not considered as infringing the exclusive right: the utilization of an invention, utility model, or industrial design in extraordinary circumstances (natural

disasters, catastrophes, accidents) with notification of this use to the patent holder as soon as possible and with subsequent payment to him of proportionate compensation. The legislator does not limit scope of persons authorized to utilize patented objects without rightholder's pemit should the abovementioned circumstances arise, however such persons shall notify the rightholder about the utilization as soon as possible with subsequent payment to him of proportionate compensation.

This exclusion from the exclusive rights of a patent holder is attributed to the importance of an urgent use of an invention in public interest in case of extraordinary circumstances which should the necessity of preventing or recovering the consequences of natural disasters, catastrophes and other accidents. Also this exclusion from the exclusive rights concerns only extraordinary circumstances and does not extend to other accidents and disasters. Extraordinary circumstances are declared by public authorities of a particular country or by international organizations providing aid in such circumstances.

However the patent holder shall be notified of such use as soon as possible with subsequent payment of proportionate compensation to him. That regulation corresponds with Article 31 of the TRIPS Agreement. Russian jurisdiction lacks precedents on that matter at present. Also the legislator does not determine notification procedure of the patent holder of such use of an invention, utility model, or industrial design and does not declare neither the way of paying the compensation nor its time limitations.

Paragraph 4 of Article 1359 CC RF: Not considered as infringing the exclusive right: the utilization of an invention, utility model, or industrial design for the satisfaction of personal, family, home, or other needs not connected with entrepreneurial activity if the purpose of such utilization is not the receipt of profit or income. As defined in Paragraph 1 of Article 2 CC RF business activity shall be an independent activity, performed at one's own risk, aimed at systematically deriving a profit from the use of the property, the sale of commodities, the performance of work or the rendering of services by the persons, registered in this capacity in conformity with the law-established procedure. Also a citizen, engaged in business activities without forming a legal entity with the violation of the requirements of Item 1 of the present Article, shall have no right to refer, with respect to the deals he has thus effected, to the fact that he is not a businessman. That means that the primary criteria of an activity not recognized as infringing exclusive rights is it being non profit-seeking.

Thus the legislator protects the interests of those members of society who use the patented object without gains.

For example, a person can legally assemble and use a fishing tent the patent on which is held by another person, moreover the person's family and friends can also use the tent. However, selling such tent, even secondhand, with profit shall be recognized as infringement of the exclusive right of the patent holder.

When applying Article 1359 CC RF one should bear in mind that according to Paragraph 5 of Article 1229 CC RF the limitations on exclusive rights to results of intellectual activity are established on the condition that they do not cause unjustified harm to the ordinary use of the results of intellectual activity or means of individualization and do not impair in an unjustified manner the lawful interests of the rightholders.

27. Article 1360 (IP/N/1/RUS/O/2). Using an Invention, Utility Model or Industrial Design in the Interests of National Security

In the interests of national security the Government of the Russian Federation is entitled to permit the use of an invention, utility model or industrial design without the consent of the patent holder, with the patent holder being notified as soon as possible and with a commensurate compensation being paid to the patent holder.

According to Article 31 of the TRIPs Agreement, each use without authorization of the rights holder shall be considered on its individual merits. Please explain how this Article addresses consideration on the individual merits. Also, the term "National Security" appears overbroad and not well defined. Was "national emergency or other circumstances of extreme urgency" intended?

Article 1360 of the Civil Code of the Russian Federation regulates relationships about use of an Invention, Utility Model, or Industrial Design in the Interests of National Security. According to this Article the Interests of National Security are interests of defense and security. In conformity with Item 1 of Article 1 of the Federal Law №61-FZ of 31st May 1996 "About Defense" the Defense is system of politic, economic, military, social, legal and other measures for preparation by armed protection and armed protection of the Russian Federation, integrality and untouchability of the territory. In conformity with Item 6 of the Strategy of National Security of the Russian Federation until 2020 ratified by Decree of President of the Russian Federation №537 of 12 May 2009 a notion "National Security" is condition of security of personality, society and state from home and foreign threats what give to secure constitutional the rights, freedoms, worthy quality and standard of living of citizens, sovereignty, territorial integrality and stable development of the Russian Federation, the defense and security of the state. In conformity with Article 1 of the Federal Law №390-FZ of 28th 2010 "About Security" the main subjects of guarantee of security are federal state authorities, state authorities of subjects of the Russian Federation, municipal authorities in range of security and the Security Council of the Russian Federation also.

According to Article 1360 of the Civil Code of the Russian Federation in the interests of national security the Government of the Russian Federation as an executive authority assignee to ensure the security is entitled to permit the use of an invention, utility model or industrial design. That is mean the legislator has endowed the Government of the Russian Federation the right to give to other persons right to use patented Invention, Utility Model or Industrial Design in certain conditions and without the consent of the patent holder. Herewith the legislator has established that the patent holder may be notified about use of his invention, utility model or industrial design as soon as possible and with payment of proportionate compensation to him. But Article 1360 of the Civil Code of the Russian Federation do not define an order and term of notification by patent holder about use of invention, utility model or industrial design and does not provide a method of calculation of compensation.

28. Article 1362 (IP/N/1/RUS/0/2 at 408): The Compulsory License for an Invention, Utility Model or Industrial Design

> **1. If an invention or industrial design is not used or is insufficiently used by the patent holder within four years after the issuance of the patent, and a utility model within three years… or industrial design -- if the patent holder refuses to conclude a licence contract with this person on terms meeting the prevailing practices -- is entitled to file a claim with the court …..**

In paragraph 1, does "terms meeting the prevailing practices" have the same meaning as "reasonable commercial terms" as used in Article 31(b) of the TRIPS Agreement?

29. The article also provides "A compulsory simple (non-exclusive) licence may be terminated in a judicial procedure at a claim of the patent holder, if the circumstances due to which the licence has been issued are no longer existing and it is unlikely that they are going to appear again. In this case the court shall establish a term and procedure for termination of the compulsory simple (non-exclusive) licence and of the rights that have come into being due to the receipt of the licence."

Article 31(c) of the TRIPS Agreement states that the scope and duration of such use shall be limited to the purpose for which it was authorized. This article appears to require the patent holder to sue for termination of the compulsive license. Is this correct?

30. Furthermore, the article provides "If the patent holder having an exclusive right to such dependent invention manages to prove that it is an important technical achievement and that is has significant economic advantages over the invention or utility model of the holder of the first patent, the court shall take a decision on granting a compulsory simple (non-exclusive) licence thereto. The right of using the invention protected by the first patent obtained under such licence shall not be assigned to other persons, except for the case of alienation of the second patent."

Article 31(l)(ii) of the TRIPS Agreement provides conditions for when a patent owner is entitled to a cross license. Please explain how this situation is addressed in the Russian system.

31. Article 1362, compulsory licenses. This article makes the provisions of compulsory licenses equally applicable to industrial designs as patents, and results in compulsory licensing (forfeiture) of rights if the patented invention or design is not used or worked within a set time. Paris Convention Article 5(B) provides that the protection of industrial designs, "shall not, under any circumstances be subject to any forfeiture, either by reason of failure to work or by reason of importation of articles corresponding to those which are protected." Article 2(1) of the TRIPS Agreement requires compliance with Article 5, among other parts, of the Paris Convention. Please explain how Article 1362 addresses the requirements of Article 5(B) of the Paris Convention.

32. Finally, as to Article 1362, Articles 31 (i) and (j)of the TRIPS Agreement requires that judicial review by a distinct higher authority be available. How does the Russian Federation provide for such judicial review?

Answers for five previous questions.

Article 1362 of the Civil Code of the Russian Federation is devoted to detailed regulation of questions of the compulsory licensing. Quotas regulating the Compulsory licensing are founded on the provisions of the Paris Convention for the Protection of Industrial Property (Article 5 item A(2)) and the TRIPS Agreement (Articles 31 and 40).

Semantic maintenance of the notion "conditions corresponding to established practice" is used in Article 1362 of the Civil Code of the Russian Federation and the notion "reasonable commercial conditions" is used in Article 31(b) of the TRIPS Agreement are same.

In case of insufficient using of invention or industrial design during four years since the date of granting of the patent or utility model – during three years since the date of granting of the patent and a patent holder's refusal to conclude license contract with an interested person on conditions corresponding to established practice, this person shall have the right to go to court with a suit against the patent holder for the granting of a compulsory simple licence (non-exclusive license) for the use of an invention, utility model, or industrial design. In the demand in the lawsuit, the interested person must indicate the proposed the terms of a license, including the scope and the conditions of use of the patented object, the amount, procedure, and times of payments. The court makes decision about the granting of the compulsory license if the patent holder does not show that nonuse or insufficient use of the patented object is based on valid causes. All cases of using of the patented object are defined in the court decision. The rights which are is provided in conformity with the compulsory license may not be transferred to third persons.

If the circumstances that were the basis for the granting of simple (nonexclusive) license cease to exist and their reappearance is unlikely, then acting of the Compulsory license may be terminated by judicial procedure on a suit by the patent holder. This quota corresponds to Article 31(c) of the TRIPS Agreement. A duty of proof of absence a/n circumstance is encharged to patent holder. In this case the term and procedure of termination of distributed license and termination of right is arised with getting of this license are established by court.

Article 31(I)(ii) of the TRIPS Agreement foresees a "cross license". Analogous quota is contained in item 2 of Article 1362 of the Civil Code of the Russian Federation. Present item establishes rules for situation when the using of one patented Invention is connected with the using of other patented Invention or patented Utility Model. If other person have the patent to this other Invention or Utility Model than using of first patented Invention needs to get a permission from other patent holder. In case of refusal of other patent holder to get license, first patent holder shall have the right to go to court with a suit for the granting of the Compulsory license. Observation of conditions "an important technical achievement" and "a significant economic advantage" is directed to protection of hindering patent holder's interests and this quota provides some balance of interests of both patent holders and the society in full so long as the society interested in creation of an important technical achievement, patenting them and use. In case of the granting the Compulsory license by court decision second patent holder acquires the right to get from second patent holder analogous license to such Invention for procuring of use which is provided

the Compulsory license. Necessary to mark that positions in this item do not provide a possibility to demand a submitting the Compulsory license for procuring of possibility to use patented Utility Model. Such limitation stipulated for the fact that the patent to Utility Model is distributed without a verification of her patentability.

The provisions of Article 1362 of the Civil Code of the Russian Federation about the Compulsory licensing in case of insufficient use the Industrial Design during forth years do not contradict to Article 5(B) of the Paris Convention for the Protection of Industrial Property so long as the submitting of the Compulsory license to patented Industrial Design does not mean a cessation of his legal protection.

A reconsideration of court decisions is realized in conformity with the Civil Procedural code of the Russian Federation and the Arbitration Procedural code of the Russian Federation.

The procedure of reconsideration of court decisions about the Compulsory licensing on basis of Article 1362 of the Civil Code of the Russian Federation is provided in procedural legislation.

33. Article 1508: (IP/N/1/RUS/0/2 at 463): Article 1508 (1) states that a trademark may be considered generally-recognized in the Russian Federation as the result of intensive use. Can the GOR clarify whether "intensive use" includes knowledge in the Russian Federation which has been obtained as a result of the promotion of the trademark?

The main conditions for an acknowledgement of designation as generally known in the Russian Federation trademark are his intensive use, wide known of this designation in the Russian Federation among the corresponding consumers, and wide known with respect to goods of person who think his trademark is generally known (Article 1508 of the Civil Code of the Russian Federation).

The intensity of use is estimated proceeding from concrete situation, kind of trademark, goods and amount of advertising campaign, speed of mastering of market and other factors.

For confirmation of the intensive use of trademark on the territory of the Russian Federation may be shown in particular: date of starting of use the trademark, the list of populated locality where realization of goods are marked with trademark is made, the amount of realization these goods, methods of use the trademark, average annual amount of consumers of good, position of manufacturer on the market in certain economic sector etc.; countries where trademark have wide known, the expenditure to advertisement of trademark (e.g. annual financial reports), cost (value) of trademark in conformity with data in annual financial reports, the results of interrogation of consumers in question of generally-known of trademark is produced by specialized independent organization.

34. Article 1515 Second sentence (IP/N/1/RUS/O/2 at 466): "If the placing of the goods in transactions is required for the public interest the right holder is entitled to demand removal at the infringer's expense of the illegally used trademark...." The provision appears to allow for a broad exception. Article 46 of the TRIPS Agreement allows for the removal of infringing marks only in "exceptional circumstances." (Article 46 of the TRIPs Agreement: "In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.") Please explain how proposed Article 1515, which allows for removal of infringing marks for claims of "public interest," addresses Article 46 of the TRIPS Agreement.

Article 46 "Other Remedies" of the TRIPS Agreement provides that the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

Part 2 of Article 1515 of the Civil Code of the Russian Federation corresponds to shown provision of the TRIPS. In conformity with this Article two main methods of protection to trademark are provide:

- The rightholder's demand of removal from commerce and destruction of counterfeit goods on which an unlawfully used indication;
- The payment of compensation instead of indemnity of damage.

The possibility of presentation of demand about removal of indication is exception from the general rule and it may be shown instead of demand about removal from commerce and destruction of counterfeit goods, and in case only when "the introduction of such goods into commerce is necessary in societal interests". Herewith there is talk about valid social significancy of the introduction of certain kind of good in civil commerce and about possible negative consequence of destruction for customers what will have make a breach of social interest (e.g. foodstuffs).

Other laws (which seem not to have yet been notified)

35. Article 18.6 of the Law on Circulation of Medicines (as last amended on June 25, 2012) states: "The results of the nonclinical trials of medicinal products and clinical trials of medicinal products submitted by the applicant for state registration of the medicinal products shall not be obtained, disclosed, used for commercial purposes and for purposes of state registration without applicant's permission within six years from the date of the state registration of the medicinal product. Violation of the prohibition specified by this Clause shall entail the responsibility in accordance with the legislation of the Russian Federation. The circulation of medicines in the Russian Federation registered with violation of this Clause shall be prohibited."

How this provision is implemented? Is the six-year term of protection in force? Are there any implementing regulations that would explain (1) what procedures the MOH would follow in order to protect originator's data from both disclosure and from reliance by generic companies and (2) what procedures would generic companies follow to obtain state registration for medical products. Please explain the relationship of Article 18.6 with Article 26 of the same law, which allows for the accelerated review of the marketing authorization applications for generic drugs.

Article 18 of Federal law FZ-61d.d. 12.04.2010 has been complemented with section 7 of the following content: «It prohibited to receive, disclose, commercially use and use for state registration any information on non-clinical research of medical products and clinical research of medical products, provided by the applicant for state registration of medical products without their permission for six years since the date of state registration of a medical product.

Non-observance of the prohibition stated by the abovementioned section entails amenability in compliance with laws of the Russian Federation.

Turnover of medical products registered with violation of this section on the territory of the Russian Federation is illegal»

The abovementioned section applies after 22 August 2012.

To observe requirements of Section 7 of Article 18 and prevent violations of exclusive rights of developers of medical products the Ministry of Health of the Russian Federation in its draft bill «On amendments to Federal law «On turnover of medical products» and to article 333.32.1 of part two of the Tax Code of the Russian Federation» made an amendment to the composition of the registration dossier (article 18, section 3) by including documents that verify:

"12) presence of intellectual rights

13) presence of consent of an applicant of an original medical product to use information about results of non-clinical and clinical researches of the original medical product in case less than six years has passed since the registration of the original medical product."

Article 26 FZ-61 d.d.12.04.2010 «On turnover of medical products» applies only to urgent production of experts evidence but not to urgent registration. Since rapid production of experts evidence may be applied to reproduced medical products provision of information obtained during non-clinical and clinical researches of the original medical product and published in specialized

publications is possible during such procedure if the original medical product is not covered by patent protection.

At the same time the Russian Federation according to the Doha Declaration (on the TRIPS Agreement and Public Health) of 2001 in which a concern about the impact of intellectual property rights on medical products prices was expressed and ultimately reserves the right to consider applying Article 8 of the TRIPS Agreement in terms of implementing the right to health, which states that during drafting or amending of national laws or regulations member-states can take measures necessary in protecting population's health, as well as Article 30 of the TRIPS agreement which contemplates some exclusions from exclusive rights granted by patents while barring unjustified limitations of rights of patent-holders and third parties. Particularly the right to «early usage» does not contradict this article (the so-called Bolar provisions) which allows generic drugs producers to conduct all the procedures and trials necessary to registration of a generic drug before patent to the original drug expires (or exclusive research data regulations). As a result they are guaranteed the possibility of entering generic product to the market right after the stated period has expired.

Actually a series of amendments in the Law on Circulation of Medicines N61 is considered by the Government.

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