

Comment

Research article

УДК: 347

DOI:10.17323/2713-2749.2022.1.95.110

Key Issues in the Intellectual Property Court' Presidium Rulings



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Abstract

The comment reviews key positions in the rulings of the Presidium of the Russian Intellectual Property Court (IPC) issued in October and November 2021. This Chamber hears cassation appeals against the decisions of the IPC first instance and deals primarily, but not only, with matters of validity of registered intellectual property rights. Therefore, this review predominantly covers substantive requirements for patent and trademark protection, as well as procedural issues both in the administrative adjudicating mechanism at the Patent office (Rospatent) and at the IPC itself. The current review covers such issues as the procedure for challenging a Eurasian patent term extension (supplementary patent), legal costs, appeals against the decisions in the areas of unfair competition, well-known trademarks, signs that are contrary to general interests, challenging the validity of a utility model, the adoption of interim measures, the registration of a trademark under Article 6. *septies* of the Paris Convention.



Keywords

Russia, case-law, Intellectual Property Court, Rospatent, Eurasian Patent, supplementary patent, Trademarks, well-known trademarks, utility models, unfair competition, legal costs, interim measures.

For citation: Kapyrina N.I., Kolzdorf M.A. (2022) Key Issues in the Intellectual Property Court's Presidium Rulings. *Legal Issues in the Digital Age*, vol. 3, no.1, pp. 95–110. DOI:10.17323/2713-2749.2022.1.95.110

1. Contesting Renewal of a Eurasian Patent

Renewal of a Eurasian patent in the Russian Federation may be contested in the Intellectual Property Court

Decision of the IPC Presidium dated 22 November 2021 in case No. SIP-1030/2020

A company turned to the IPC with an appeal to the Eurasian Patent Office to cancel the renewal of a Eurasian patent in Russia on the grounds that the renewal was carried out with an extension of legal protection.

The first instant court dismissed the case because it believed that the dispute was not a matter for the court. The court based its holding on the fact that, according to the procedure for challenging the renewal of a Eurasian patent lifetime set out in Rule 16 of the Patent Regulation under the Eurasian Patent Convention as approved by the Administrative Council of the Eurasian Patent Organisation (EAPO) on 01 December 1995 (“the Patent Regulation”), the respective parties do not file any claims to national courts of the member countries either against the renewal of the patent lifetime or against decisions made upon consideration of the objection and the appeals against them. Proceeding from these norms, the court of first instance concluded that the procedure for contesting decisions of the European Patent Office stipulated in the international law did not provide for a possibility to turn to a national court of a member country including the IPC in Russia (Part 1 Art. 45 of the Constitution of the Russian Federation).

Overruling this decision of the court of first instance, the IPC Presidium ordered to re-examine the case on the following grounds.

In accordance with Part 1, Article 13 of the Convention, any dispute related to validity of a Eurasian patent in a particular Contracting State

or violation of a Eurasian patent in a particular Contracting State shall be resolved by the national court or any other competent agencies of that state on the basis of the Convention and Regulation; such a decision shall only be applicable in that Contracting State.

The Court rejected the Company's arguments about the significance of the Regulation, citing Part 4, Article 15 of the Constitution. The said norm only applies to international treaties while the Patent Regulation is a document issued by an intergovernmental agency on the basis of an international treaty.

Thus, the court of first instance erred in defining the nature of the Regulation norms in the framework of the legal system regulating matters of controversy and unreasonably referred exclusively to the provisions of Para. 4 Article 15 while failing to take into consideration the provisions of Article 46 and 79 of the Constitution.

The Convention as an international treaty of the Russian Federation does not imply that the possibility of contesting the validity of a Eurasian patent in a particular Contracting State may be ruled out at the Regulation level. Any other approach would create a situation where it would be impossible to judicially review the existence in the Russian Federation an exclusive right to an invention; this may violate the interests of an unlimited range of persons, including public interests in providing access to the results of scientific creativity, development of science and technology, ensuring public health and safety.

The lifetime of the disputed patent was renewed in the Russian Federation only and the claims made in the present dispute challenge the validity of the patent with account for its renewal exclusively in the Russian Federation as a Contracting Party to the Convention. Under these conditions, the conclusions of the court of first instance that the national court did not have jurisdiction contradicted the above-mentioned norms of the Russian Constitution and the Convention.

The administrative procedure stipulated in the Regulation to contest the renewal of a patent in a particular state cannot be considered in this case and as a mandatory pre-trial procedure that prevents direct recourse to the courts in the sense of Para. 52 of the resolution of the Plenum of the Supreme Court of the Russian Federation No. 10 dated 23 April 2019 "On Application of Title Four of the Civil Code of the Russian Federation" (hereafter — resolution No. 10). The administrative procedure stipulated in the Regulation is, in the sense of Russian law, an alternative judicial

procedure for dispute resolution, which may be applied alongside the judicial procedure. The presence of an alternative administrative procedure for dispute resolution is as typical of the Russian law and order as the presence of a compulsory administrative procedure. E.g., there is an alternative administrative procedure for antimonopoly disputes (Para. 61 of the resolution of the Plenum of the RF Supreme Court No. 2, dated 4 March, 2021, “On Certain Issues Arising in Connection with the Application of the Antimonopoly Legislation by Courts”).

Since the Regulation stipulates an alternative administrative procedure for dispute resolution and not a mandatory one, the company should not exercise the right granted to it by the rules of the Eurasian patent law and apply to the Eurasian Patent Office with an objection to the renewal of the disputed patent on the basis of Subpara. “a” Para. 7, Rule 16 of the Regulation. The claim filed by the company was to be considered by the court on its merits.

The Eurasian Patent Office has not established a mandatory pre-trial procedure in relation to the provisions of Para. 1 Art 13 of the Convention, hence the procedure for consideration of disputes on invalidation of patents due to violations of the rules of their renewal must be applied.

Para. 2 Art. 1248, Para. 2 Art. 1363, Para. 2 Art. 1398 of the Civil Code of the Russian Federation (hereafter — CC RF) does not establish a mandatory administrative procedure for such disputes, therefore these are to be considered by court in accordance with the rules of action proceedings. By virtue of Para. 2 Part 4 Art. 34 of the Code of Commercial Procedure (hereafter — CCP RF), this dispute falls under the jurisdiction of the Intellectual Property Court.

2. Recovery of Court Costs

In recovering court costs, courts cannot rely on an “average” cost of services without regard to the specific circumstances of the case.

Decision of the IPC Presidium dated 18 November 2021 in case No. SIP-764/2020

It is well known and does not require proof that the cost of legal services rendered by a professional representative, especially in protecting the interests of the person represented in a non-standard dispute, is not limited to some average rates and can amount to a considerable sum.

Hence, the court must proceed from the specific circumstances of the case. The opposite approach may result in a violation of the rights of per-

sons represented who pay considerable money for professional legal services rendered to them, which money the court will in any case reduce to some “average” amounts on the grounds that it exceeds the average cost of legal services in a particular region.

3. Challenging a Decision of the Office of the Federal Antimonopoly Service

The antimonopoly authority is not entitled to conclude in its decision to terminate the proceedings that there is unfair competition in the actions of a person if no opinion has been prepared on the circumstances of the case in accordance with the Law on Protection of Competition.

Decision of the IPC Presidium dated 18 November 2021 in case No. SIP-1037/2021

A company applied to the IPC to invalidate the decision of the Office of the FAS to terminate proceedings in the case regarding the conclusion that the company's actions constituted unfair competition under Part 1 Article 144 of the Federal Law No. 135-FZ “On Protection of Competition” (“the Law on Protection of Competition”).

The court of first instance granted the claim, and the IPC Presidium upheld the decision, on the basis of the following.

Part 3.3 Article 41 of the Law on Protection of Competition stipulates requirements to the content of the substantiation part of decisions taken by the antimonopoly authority, including requirements to the substantiation part of the decision to terminate consideration of a case. The substantiation part of the decision may contain conclusions on the merits of the violation committed. However, these conclusions can be permitted only if they are made in accordance with the Law on Protection of Competition.

As Part 1 Article 48.1 of the Law on Protection of Competition stipulates, before the completion of consideration of a case of violation of antimonopoly law, the committee must make a conclusion on the circumstances of the case in deciding whether the defendant's action (inaction) constituted a violation of antimonopoly law.

Pursuant to Part 2 Article 48.1 of the Law on Protection of Competition, the conclusion on circumstances of the case is to be executed as a separate document, signed by the Chairperson and members of the committee, and is to contain the circumstances specified in this provision. The conclusion is then to be forwarded to the persons involved in the case,

and the case is to be postponed to give such persons an opportunity to analyse the Committee's conclusions, give explanations and present their arguments to the Committee (Parts 3 and 4, Article 48.1 of the Law on Protection of Competition).

Thus, a conclusion on the circumstance of the case must precede the finding of a violation. The Law on Protection of Competition does not provide for any exceptions from this rule for any acts of the antimonopoly authority such as a decision to end consideration of a case of violation of the antimonopoly law (Article 48 of the Law on Protection of Competition). A different approach would contradict the essence of the legal regulation: When an opinion is expressed on a violation committed in the dismissal of the case, it is unacceptable to offer a person in such a case guarantees of legality of the antimonopoly authority's decision that would be less than the guarantees in cases of decision on the merits. In this case, the antimonopoly authority did not make any decision on the circumstances of the case.

Upon establishing that the deadline stipulated by Article 41.1 of the Law on Protection of Competition expired and the case is to be dismissed, the antimonopoly authority is entitled not to perform all the actions prescribed by law for consideration of the case that were not performed by the time the deadline was missed. However, in a situation where not all the actions required by the Law on Protection of Competition to establish a violation have been performed, there are no grounds to conclude that the person involved in the case of violation of the antimonopoly law has committed an act of unfair competition. In a situation like this, the substantiation part of the antimonopoly authority's decision may contain a reference to the dismissal of the case before the end of its consideration and, in view of this, the impossibility to conclude if the alleged perpetrator has or has not been involved in unfair competition, but no conclusion may be made on the existence of the set of elements of an offence before the all statutory procedures have been completed.

4. Recognising a Trademark to be Well-known


A specific sign may be well known even if it has been previously used in a differing form but the consumer has shifted the previously used sign's recognition to the new one (which is pending for recognition as a well-known trademark).

Requiring Rospatent to re-consider the application for recognition of a service mark as a well-known trademark is not a proper remedy for the

owner in a situation where Rospatent examined the application on three occasions and each time cited new grounds on which the sign in question could not be found to be well-known, after the first instance court had established all the necessary material facts of the case. In a situation like this, the court may recognise the disputed sign to be a well-known trademark on its own.

Decision of the IPC Presidium dated 29 October 2021 in case No. SIP-155/2021

A company applied to Rospatent for recognition of the **ОКЕЙ** ('Okay') service mark as a well-known one. After Rospatent decided to reject the claim, the company challenged that decision before the IPC.

The first instance court analysed the trademarks used by the company in its operation and concluded that they all shared the **ОКЕЙ** verbal element that performed the primary differentiating function. The court actually recognised that, in perceiving any of the trademarks, namely , the consumer would note the **ОКЕЙ** verbal element first and would relate the services being purchased to the company. In that situation, the court held that Rospatent had been wrong in overlooking the documents in the administrative case file that concerned the use of all the above-listed signs, including the said trademarks.

Rospatent's position that consumers' perception is largely influenced by the 'shopping cart' image or additional verbal elements printed in small type is not based on substantive law provisions that establish the rules of identifying strong elements of trademarks, and fails to take into account the actual perception of those signs.

In Para. 162 of its resolution No. 10, the RF Supreme Court points out that trademark analysis should take into account trademarks' strong elements, and the Chamber for Commercial Disputes of the Supreme Court of Russian Federation, in its decision No. 300-ES20-12050 of 15 December 2020, stresses that a strong element gives rise to a series.

It is the strong element that is most vividly remembered by the consumer, and memories of that very element lead the consumer to establish an associative link to a previously seen sign as he/she turns to new signs.

In this case, **ОКЕЙ** is obviously that very element of all the above marks that the consumer retains in their memory. That is why an application was filed to recognise that element as a well-known one.

The first instance court found the Rospatent decision unlawful and obligated Rospatent to re-examine the application. The IPC Presidium disagreed with the choice of remedial action and noted the following.

As the first instance court obligated Rospatent to consider the application by the company for the fourth time, it actually required that administrative agency to consider the facts that had already been examined and duly evaluated by the court — along with facts that there was no need to examine; the evidence assessed by the court were sufficient for finding that the disputed sign should be declared a trademark well known in the territory of the Russian Federation. The legally relevant facts had been established and duly evaluated by the first instance court.

Besides, in choosing the remedial action, the first instance court should have taken into account that Rospatent had already considered the application by company for the recognition of the disputed sign as a well-known one in the territory of the Russian Federation on three occasions.

Notwithstanding the instructions given by courts in the cases Nos. SIP-354/2017 and SIP-370/2019 and the facts established by the courts, on each new examination Rospatent cited new grounds whose existence precluded the recognition of the sign in question as a well-known trademark in the territory of the Russian Federation.

Such conduct by an administrative agency cannot be permitted: It contradicts State protection of rights guaranteed by Part 1 of Article 45 of the Constitution of the Russian Federation.

In this situation, individual procedural irregularities on the part of Rospatent must not entail the return of the application for still another examination by Rospatent, for the facts established by the court are sufficient for recognising the trademark a well-known one.

Requiring Rospatent to examine on its own the facts examined and evaluated by the court and to finally take the legal and well-founded decision, while being legally correct, effectively frustrates the company's legitimate expectations of due and timely consideration of, and decision on their application by the State.

On the basis of the foregoing and given that the first instance court has properly found the disputed decision of Rospatent to depart from the requirements of Article 1508(1) of the CC RF, the IPC Presidium deemed it necessary, without returning the case for re-examination, to alter the decision as regards the restoration of the violated rights of the company. In view of the specific circumstances and given that the first instance court

has established all the required legally relevant facts of the case, the service mark shall be recognised as a trademark well known in the Russian Federation.

5. Signs Contrary to Public Interest, Principles of Humanity and Morality

Registration of a sign consisting of a prominent saint's name or image, requested for goods and services unrelated to religious activities, must be denied as being contrary to the public interest and/or principles of humanity or morality.

Decision of the IPC Presidium dated 29 October 2021 in case No. SIP-181/2021

The claimant and the Rospatent both challenged the first instance decision that had overruled the Rospatent decision to deny legal protection to the *SAINT-VINCENT* verbal trademark in respect of some ICGS Class 16, 33, 35, 29 and 42 goods and services.

In the course of invalidity proceedings Rospatent had found that the registration of the disputed sign offended religious feelings, was contrary to the public interest and/or principles of humanity or morality. The name or image of a saint recognised by a duly registered religious community could not be granted legal protection as a trademark; religious organisations ought to be free to use religious symbols of the religion to which they belong.

The first instance court overruled the decision of Rospatent on the grounds that the finding about the disputed trademark's sense and meaning had been based on an incomplete review of the evidence available in the file and had ignored circumstances that actually existed as the claim of invalidity was examined and excluded the finding that had unambiguously related the *SAINT-VINCENT* sign to a Christian saint and had entailed the conclusion that its sense and meaning had a religious connotation. Furthermore, the court did not find any evidence of a breach of the sanctity of religion.

The IPC Presidium ruled to grant the cassation appeals and overruled the IPC decision. Without ordering a retrial, the IPC Presidium has adopted a new judgement to declare the trademark invalid on the grounds of Article 6(2) of the Law on Trademarks № 3520-1 dated 23.09.1992.

According to Article 6 (2) of the Law on Trademarks (currently Article 1483(3.2) of the CC RF), signs that are contrary to the public interest and/

or principles of humanity or morality may not be registered as trademarks. These include indecent speech and images, inhumane calls and affronts to human dignity, religious feelings, etc. That rule is based on the need to support the rule of law and to protect consumers' moral feelings and values. It aims to defend the historic and cultural values of a society in which religion is an essential component of public life, including spiritual culture.

In view of this, the IPC Presidium concluded that Rospatent had properly found that the very registration of a saint's name as a trademark contradicted the public interest and/or principles of humanity or morality. The fact of the *SAINT-VINCENT* sign reproducing the name of some prominent religious saints was sufficient for finding that the disputed sign could not be registered as a trademark for goods or services unrelated to the performance of religious activities. What mattered was not which specific St. Vincent the consumer would identify the designation with, but the existence of saints of that name that was a well-known fact of religious culture.

It is not the finding on whether the disputed sign can be used at all and on the consequences of its use, particularly to mark wine products, that is material to the correct consideration of the issue, but rather the assessment of whether one commercial entity may properly be granted the exclusive right to the sign in question as a means of differentiating its products. The question of whether the sale of any goods affects believers' feelings is immaterial to the application of Article 6(2) of the Law on Trademarks.

6. Challenging a Utility Model Patent

The procedure for reviewing a patent challenge is different from that for expert examination of an alleged utility model. In the former case, the protectability of the disputed technical solution will be checked in the light of the arguments advanced in the patent challenge and the materials attached to it. In contrast to expert examination, at the challenge examination stage, in the presence of relevant arguments, the administrative agency must check whether the closest analogue really possesses the deficiency that the disputed utility model seeks to address.

Decision of the IPC Presidium dated 28 October 2021 in case No. SIP-405/2021

Rospatent received an objection to the issuing of a patent to a utility model stating that the model failed to meet the 'novelty' condition of patentability and that the application documents failed to disclose its essence fully enough for an expert in the field to implement it.

According to the arguments in the patent challenge, the closest analogue lacked the deficiency that the technical solution behind the disputed utility model aimed to address; consequently, the causative link between its distinctive feature and the stated technical result or the former's influence on the latter was not shown.

Rospatent's decision, later upheld by the first instance court, rejected the challenge.

The IPC Presidium overruled the above decisions and obligated Rospatent to re-examine the challenge in the light of the following.

In its written notes to the cassation appeal, Rospatent had expressed the following position: 'The applicant overlooks the fact that the check for compliance with the test of sufficient disclosure of the utility model's essence includes review of the application documents, particularly the description (Para. 38 of the UM Requirements¹), rather than the closest analogue (patent document).'

Disagreeing with that position, the IPC Presidium noted that Rospatent overlooked the fact that the UM Requirements regulate the relations arising at the stage of the examination of an alleged utility model. The patent challenge examination procedure is largely different from the procedure for the examination of an alleged utility model: the disputed technical solution will be checked for protectability in the light of the argument in the challenge and of its accompanying documents.

Indeed, the purpose of the analysis at the examination stage is to establish, *inter alia*, whether the causative link between specific features and the stated technical result has been properly shown. This does not include a check of whether the closest analogue really possesses the deficiency that the disputed utility model purports to address. At the same time, at the challenge examination stage both new information sources (not previously known to Rospatent) may be introduced and arguments may be put forward based on the same information sources as those indicated by the applicant in respect of the disputed patent. In the latter case, in the presence of relevant arguments in the challenge, the administrative agency must check particularly whether the closest analogue really possess the deficiency that the disputed utility model seeks to address.

¹ The requirements applicable to the documents accompanying an application for a utility model patent, approved by Order No. 701 of the Ministry for the Economy and Economic Development dated 30 September 2015.

Otherwise, the utility model institution (Article 1351 of the CC RF) would be legally destroyed: to have certain features recognised to be material (and utility model novelty is only established by its material features — Article 1351(2) CC RF), an applicant would only be required to ascribe a deficiency to its closest analogue and to formally reflect in the description how that invented deficiency would be eliminated.

That, in turn, would reinstate the situation that the Federal Law No. 35-FZ ‘On Amending Titles One, Two and Four of the Civil Code of the Russian Federation and Individual Legislative Acts of the Russian Federation’ sought to address; The law adjusted the utility model institution and obligated Rospatent to perform substantive examination in the process of State registration of utility models, i.e. legal protection would again be granted to technical solutions that constitute no technological advancement.

Moreover, the approach suggested by the administrative agency would also preclude challenging such ‘technical solutions’ intended to solve an imaginary and non-existent problem.

In examining a challenge filed in connection with the reference to the closest analogue indicated by the applicant himself in his description of the disputed utility model, that closest analogue’s protectability will certainly be not checked. At the same time, in the light of the argument in the challenge, it should be examined how the disputed utility model’s technical result is formulated; by reference to which closest analogue its achievement is being justified; and whether the closest analogue chosen by the applicant actually possesses the deficiency to which that applicant refers.

7. Interim Measures

Adopting interim measures requires not only a check of the claimant’s compliance with procedural legislation in filing the claim, but also the establishment of a legal link between the interim measures and the dispute’s subject matter.

Decision of the IPC Presidium dated 28 October 2021 in case No. SIP-889/2021

While requesting cancellation for lack of use of a combined trademark containing the words ‘*Moskovsky Provansal*’ (Moscow Provençale [Mayonnaise]), the claimant concurrently moved for interim suspension of the Rospatent proceedings to declare the *Moskovsky Provansal* verbal sign a well-known trademark in the Russian Federation. The first instance court granted the motion.

Rospatent and the owner of the disputed trademark appealed to the IPC Presidium against the order to impose the interim measures. Overruling the first instance court's order, the IPC Presidium referred to multiple violations of both procedural and substantive law, namely non-compliance with the respective provisions of the CCP RF and the positions adopted by the Plenum of the RF Supreme Arbitration Tribunal in its resolution No. 55 'On the Application of Interim Measures by Arbitration Tribunals' dated 12 October 2006.

Thus, the IPC Presidium pointed to a gross procedural irregularity in two aspects. Firstly, contrary to procedural law rules and clarifications by superior courts, the court had considered the claimant's application and taken the interim measures sought outside any stage of arbitration proceedings, because, at the time of the order appealed against, acceptance of the main claim was still pending and no proceedings had been instituted. Secondly, the claimant's request for interim measures was included in the wording in the letter of claim, so it could not be deemed an application for interim measures in the sense of Article 99 of the CCP RF. It should however be noted that the IPC Presidium disagreed with the position of Rospatent that taking such interim measures before the administrative agency was brought into the proceedings constituted a procedural irregularity. The very act of taking interim measures that prohibit Rospatent from taking certain actions without / before bringing that administrative agency into the proceedings does not indicate that a decision was taken in respect of the rules and obligations of a person not brought into the proceedings.

Further, the IPC Presidium agreed with the cassation appeals in that the court had taken the interim measures apparently unrelated to the dispute's subject matter. Thus, the submissions accompanying the application for interim measures failed to identify the subject matter of the application for declaring the sign or trademark a well-known trademark in the Russian Federation and, consequently, to relate the subject matter of the main claim filed by the claimant to that of the owner's application for declaring the sign/trademark a well-known one. In taking interim measures in respect of an object outside the scope of the dispute, the first instance court disrupted the balance of the parties' interests as it ignored the fact that the specific interim measure sought by the claimant was legally unrelated (or, at least, not proven to be related) to the subject matter of the claim brought and, consequently, would not lead to the actual attainment of the goals of interim measures as set out in Article 90(2) of the CCP RF.

8. Non-protectable Elements in a Sign

A creative sign consisting of non-protectable elements only may be registered as a distinctive combination, requiring no further proof that the such sign has acquired distinctiveness.

Decision of the IPC Presidium dated 25 October 2021 in case No. SIP-12/2021

The Disputed Sign

Rospatent denied registration of a sign consisting of an expression in Russian, ‘off-season wedding parties’, the Latin alphabet letter W, the French word ‘bureau’ and the number 12, arranged in a certain graphic and colour scheme, in respect of some ICGS Class 41 services. The applicant then appealed to invalidate the Rospatent decision that had upheld registration denial, and to obligate the administrative agency to register the sign while finding all its component parts non-protectable. The IPC decision, upheld by the IPC Presidium, found the Rospatent decision invalid due to non-conformity to Article 1483(1.1) of the CC RF.

The first instance court disagreed with the administrative agency’s conclusion that the disputed sign constituted no original design, and, referring to the provisions of Article 1483(1.1) of the CC RF and taking into account the use of various type faces, sizes and colours, superimposition of individual elements and width alignment between the verbal elements, found the image to have an inventive graphic design, which also consists in a distinguished typeface of the ‘1’ and ‘2’ digital characters with swashes different from a standard font’s serif endings. The disputed sign thus consists of non-protectable elements that form a distinctive combination.

The IPC Presidium also cautioned against confusing two different rules set out in Article 1483 (1.1) of the CC RF that establish different grounds for non-applying the requirements of Article 1483(1): 1) a designation acquires distinctiveness as a result of its use; and 2) an image consisting of a combination of elements possesses distinctiveness from the outset. In the latter case, there is no need to establish the disputed designation’s acquired distinctiveness for the purpose of applying the rule in Article 1483(1.1) of the CC RF.

In view of the above, the IPC Presidium rejected Rospatent’s argument that evidence of distinctiveness, acquired by the disputed sign as a means of differentiating the services provided by the applicant, had to be provided and examined.

9. Registration of a Trademark by its Owner's Agent or Representative Without the Former's Permission

The provisions of Article 1512(2.5) of the CC RF and Article 6. *septies* of the Paris Convention may serve to protect the interests of a group of affiliates if a trademark proprietor in a State party to the Paris Convention and the manufacturer of the goods marked are not one and the same person. The existence of agency or representation relations in the sense of Article 6. *septies* of the Paris Convention is established on a case-by-case basis and may be broadly interpreted.

Decision of the IPC Presidium dated 25 November 2021 in case No. SIP-224/2020

The applicant went to court to challenge a decision that had invalidated the registration of the *Magyarica* trademark for a list of food products and beverages on the grounds of Article 1512 (2.5) of the CC RF and Article 6. *septies* of the Paris Convention. The foreign company and its affiliate that jointly challenged the legal protection of a sign and had it cancelled were referring to earlier registration of a similar trademark in Hungary in the name of the person in question and to the fact that the person that had registered the disputed sign in Russia was purchasing products marked by that sign from the company for sale in Russia.

According to the provisions of Article 1512(2.5) of the CC RF and Article 6. *septies* of the Paris Convention, the registration of a trademark in an agent's name may be challenged by the trademark's rightsholder in a State party to the Paris Convention. The existence of agency relations between that person and the one who registered the disputed trademark in its own name must be confirmed in this case.

The IPC Presidium believed that the first instance court had properly recognised the group of affiliates, among which one is the owner of the trademark in the goods' country of origin and another is the manufacturer of the goods identified by the trademark, to be 'the proprietor of [the] mark in one of the countries of the Union' in the sense of Article 6. *septies* of the Paris Convention.

Further, the court agreed with the parties in that the relations that had arisen as the products with the disputed sign were purchased from the foreign company and marketed in the Russian Federation met the definition of agency and representation relations in the sense of Article 6. *septies* of the Paris Convention.

As the set of the required circumstances was established, the IPC Presidium upheld the conclusions of Rospatent and the first instance court that had found the registration of the disputed sign in the agent's name in the Russian Federation invalid.

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N.I. Kapyrina — part 5,7,8, 9;
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The article was submitted 17.12.2021; approved after reviewing 15.01.2022; accepted for publication 07.02.2022.