

Review

УДК: 347

DOI:10.17323/2713-2749.2023.1.123.143

Comment

Key Issues in the Intellectual Property Court Presidium Rulings



Maria A. Kolzdorf¹, Natalia I. Kapryrina²

¹ Intellectual Property Court, 5/2 Ogorodnyy Proyezd, Moscow, 127254, Russia

² MGIMO University, 76 Prospekt Vernadskogo, Moscow 119454, Russia

¹ ORCID: 0000-0003-3227-3348, Researcher ID: AAI-1625-2019, mkolzdorf@hse.ru

² ORCID: 0000-0003-1276-1600, Researcher ID: AAQ-3784-2021, n.kapryrina@my.mgimo.ru



Abstract

This comment reviews key positions in the rulings of the Presidium of the Russian Intellectual Property Court (IPC) issued between March and July 2022. This Chamber hears cassation appeals against the decisions of the IPC first instance and deals primarily, but not only, with matters of registration and validity of industrial 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 encompasses a variety of topics related to trademark law, such as acquired distinctiveness, revocation for lack of use, unprotected elements; the protection of utility models; various procedural matters.



Keywords

case law; intellectual property; Rospatent; Federal Anti-Monopoly Service; trademarks; standard of proof; Paris Convention; utility models; procedural law.

For citation: Kolzdorf M.A., Kapyrina N.I. (2023) Key Issues in the Intellectual Property Court Presidium Rulings. *Legal Issues in the Digital Age*, vol. 4, no. 1, pp. 123–143 (in English) DOI: 10.17323/2713-2749.2023.1.123.143

I. Trademarks

1. Pre-trial Offer Submission Period in Trademark Early Termination Proceedings

IPC Presidium Ruling of 15 July 2022 in Case No. SIP-645/2021

Pursuant to the provisions of Article 1486 of the Civil Code of the Russian Federation (hereinafter — CC RF) and Article 19 (1) of the TRIPS Agreement, the interested party may initiate the early termination of trademark protection by sending an appropriate offer to the trademark owner not earlier than after three years from the date of registration of the trademark. If the interested party submits the pre-trial offer before the three-year period expiring, the right to lodge a claim is lost.

The Company filed a lawsuit in the Intellectual Property Court seeking early termination of the legal protection of a trademark. The claimant was found to be the interested party; the Company's claims were satisfied with respect to part of the products, and the proceedings were closed with respect to the other products. The IPC Presidium overturned the verdict of the first instance court stating that the claimant had no right for the claim because it had lodged the claim before the set date.

In particular, the IPC presidium noted the following:

Under Article 5(C)(1) of the Convention for the Protection of Industrial Property (concluded in Paris on 20 March 1883), if the use of a registered mark is compulsory in a country, then the registration may be cancelled only after a reasonable period, and only if the person concerned cannot provide evidence to justify their failure to act.

Under Article 19(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (concluded in Marrakech on 15 April 1994), if it is required to use the trademark for the registration to remain valid, then the registration may only be cancelled after an uninterrupted period of at least three years of non-use, unless the trademark owner provides valid reasons based on the existence of obstacles to such use.

Pursuant to CC RF Article 1486(1), an interested party may make an offer to the right holder not earlier than three years after the date of the trademark registration.

Thus, both international agreements and Russian law stipulate that the legal protection of a registered trademark may only be terminated after a certain period from the date of granting legal protection to such a mark, during which period the mark was not used.

According to Russian law, this period may not be less than three years.

In the dispute under review, the claim for early termination of legal protection of the trademark was filed in the court before the three-year period from the date of registration of the disputed trademark elapsed.

The above circumstance is a separate ground for the application of the legal approach set out in Para 30 (3) of Resolution No. 18 of the Plenum of the Russian Federation Supreme Court ‘On Certain Issues of Pre-trial Settlement of Disputes Considered in Civil and Arbitral Proceedings’ of 22 June 2021 for qualifying the compulsory pre-trial procedure for dispute settlement as infringed, and, consequently, for dismissing the claim for early termination of legal protection of the disputed trademark.

Furthermore, the mistake of the first instance court was that even if the defendant hadn’t lodged a plea of non-compliance with the compulsory pre-trial procedure for settling the dispute, if the interested party’s offer was made earlier than three years after the registration of the disputed trademark, then the claim could not be granted in any event.

In view of the above provisions of CC RF Article 1486 and Article 19(1) of the TRIPS Agreement, the requirement that an interested party’s offer cannot be submitted before the expiry of three years has two legal meanings:

as part of the compulsory pre-trial procedure for dispute resolution;

as part of the circumstances relevant to determining whether the plaintiff has standing to lodge a claim.

Pursuant to the above legal provisions, an interested party may initiate the process of early termination of legal protection of a trademark by sending a corresponding offer to the trademark owner not earlier than three years after the date of registration of the trademark.

2. Random Coincidence of Signs

IPC Presidium Ruling of 14 July 2022 in Case No. SIP-1228/2021

Unfair competition, being an act committed always with the specific purpose of obtaining an economic advantage at the expense of the ag-

grieved person(s), is always a deliberate violation. Such an advantage cannot be the result of a random coincidence.

If there is no direct evidence that the disputed trademark owner was aware that others were using the disputed sign at the time the application was filed, such awareness can be established on the basis of circumstantial evidence, depending on the 'balance of probabilities' standard of proof, i.e., how probable it is that the future rightholder did not choose the same sign by coincidence, but being aware of the sign and its use on the market.

This probability is established, inter alia, by taking into account the characteristics of the disputed sign itself: the more unique is the sign, the less it is probable that two persons could have begun using it on their own and independently of each other.

3. Recognising a Trademark Element as Unprotected

IPC Presidium Ruling of 11 July 2022 in Case No. SIP-763/2021

CC RF Article 1483 (1) (6) on the inclusion of unprotected elements in a trademark may apply only in a situation where the disputed sign is comprised of more than one element.

Where a verbal sign consisting of a single (verbal) element is assessed, that element cannot be qualified as unprotected.

4. Proving Acquired Distinctiveness

IPC Presidium Ruling of 11 July 2022 in Case No. SIP-1239/2021

The circumstances for establishing acquired distinctiveness depend on which of the grounds of CC RF Article 1483(1) the sign did not originally meet.

The provisions of CC RF Article 1483 (1) have been set forth primarily in the public interest and are intended to prevent one person from receiving an exclusive right to a sign which cannot perform the basic (individualising) function of trademarks (to individualise specific products for the consumer) and/or must remain free for use by others, since it is reasonable to assume that it may be used in relation to certain goods (i.e., name them, characterise them, define their shape, etc.).

These public interest restrictions do not apply where, as a result of the use of the sign in relation to a particular person's (affiliated or related per-

sons) goods or services, this person obtains the ability to individualise the goods or services of a particular person (CC RF Article 1483 (1) (1.1).) In this case, the public interests are not affected, because the relevant group of consumers begins to associate a particular sign with a particular person.

The circumstances for establishing acquired distinctiveness depend on which of the grounds of CC RF Article 1483 (1) the sign did not meet originally.

For signs that did not originally have distinctiveness (CC RF Article 1483 (1) Para 1), i.e. signs that cannot individualise a specific product for a relevant group of consumers, it is sufficient to prove that, as a result of its use, the sign has come to individualise specific goods in the opinion of consumers. This is sufficient to lose public interest in denying the registration of a trademark.

For signs that have come generic to designate products of a particular kind (CC RF Article 1483 (1) Para 1), in order to remove the public interest in retaining the ability to call the product by its name, it must be established that, as a result of the acquisition of distinctiveness, the relevant group of consumers has come to associate the particular sign only with the products of a particular person or affiliated persons.

Equally, for signs consisting only of elements that are common symbols and terms (CC RF Article 1483 (1) Para 2), in relation to specific products, the relevant group of consumers must begin to associate the named symbol or term with only one person or affiliated persons.

In the case of the acquisition of distinctiveness by signs characterising goods or services (CC RF Article 1483 (1) Para 3), which, in the public interest, must be free for use by others (because it is reasonable to assume that they can be used in relation to certain goods and services, and characterise them), it must be established for such signs that, as a result of acquiring distinctiveness, the relevant group of consumers no longer perceives them as a particular characteristic of goods offered by different producers (but associates it only with one person or affiliated persons); therefore it is no longer reasonable to assume that other manufacturers will use these signs to describe their own goods.

5. Protection of the Exclusive Right to a Trademark until the Transfer of the Right is Registered with Rospatent

IPC Presidium Ruling of 30 June 2022 in Case No. SIP-979/2021

During the period from the conclusion of the agreement on the assignment of the exclusive right to the service mark and until the public regis-

tration of the transfer of exclusive right to the new rightholder, the original rightholder may be deemed as a person interested in filing an administrative action against the registration of a similar trademark by another person under CC RF Article 1483(6).

Rospatent believed that during the period from the conclusion of the agreement on the assignment of the exclusive right to the prior service mark and until the registration of this transfer to the new rightholder, neither the initial rightholder, nor the new rightholder may be deemed as a person interested in filing an administrative action against a similar trademark registered by another person on the grounds set out in CC RF Article 1483(6) Para 2.

Disagreeing with this position, the IPC Presidium noted that this approach by the administrative body deprived the persons in question of the right to defend their distinctive signs in an administrative procedure and, as a result, substantially infringed the rights of the 'senior' trademark owner.

The 'senior' trademark owner's right to lodge an administrative action to the registration of the 'junior' trademark (CC RF Article 1483(6)) is one of the ways to protect the 'senior' trademark from its dilution, i.e. from infringement of a trademark's basic function (the individualisation).

By virtue of CC RF Article 1 (2), civil rights may be restricted on the basis of federal law and only to the extent necessary to protect the foundations of the constitutional order, morality, health, rights and lawful interests of others, national defence, and state security.

Neither the CC RF nor any other federal law stipulates that the right to protect a trademark is limited in any way (including in terms of opposing the trademark to 'junior' trademarks) from the date of conclusion of an agreement on the assignment of an exclusive right to a trademark until the date of public registration of the transfer of the right under that agreement (CC RF Article 1232).

In this sense, the view of Rospatent and the first instance court on the period of 'defencelessness' of the trademark contradicts the provisions of Article 44(1), Article 45 (1) and Article 55(3) of the Russian Federation Constitution.

If one takes Rospatent's position to its logical conclusion, it seems that other means of protecting the exclusive right to a trademark are also excluded during this period (because, according to the said organisations, the

current rightsholder no longer needs protection and the acquiring party has not yet obtained the right to protection).

However, the registration of trademarks is intended to protect the rights of their owners and others, and hence ensures the sustainability of civil circulation in general (Decision of the Russian Federation Constitutional Court No. 28-P of 03 July 2018). Thus, Rospatent cannot use the registration of the transfer of an exclusive right under an assignment agreement in contradiction with its objective, i.e. to reduce the level of protection.

At the time of registration of the transfer of the exclusive right under the assignment agreement, the trademark has an owner as expressly defined by law (the person listed as such in the State Register, i.e. the alienator under the contract.)

As the Plenum of the Supreme Court of the Russian Federation notes in Para 37 of Resolution No. 10 of 23 April 2019 ‘On Application of Title Four of the Civil Code of the Russian Federation’ (hereinafter referred to as ‘Resolution No. 10’), if the transfer of an exclusive right under an assignment agreement is subject to public registration, the date of the transfer of the exclusive right is determined by law imperatively: it is the date of public registration of the transfer of such right. The transfer is not deemed to be effective before the public registration of the transfer of the exclusive right to the trademark (CC RF Article 1232(6).)

6. False Associations about the Place of Origin

IPC Presidium Resolution of 21 April 2022 in Case No. SIP-1197/2021

Rospatent refused to register the combined sign with the ‘Tamanskaya Usadba’ (*The Taman’ homestead*) verbal element that was used for the goods of ICGS Class 33 “wines; wine made of grape pomace” based on CC RF Article 1483 (3) (1).

The first instance judgement, upheld by the cassation instance, rejected the claims to invalidate Rospatent’s decision.

In particular, the IPC presidium noted the following:

Irrespective of which of the two words in the disputed verbal element is the stronger and dominant one, ‘Taman’ or ‘homestead’, the whole verbal element has a certain geographical connotation: it is not just any homestead, but a homestead located in Taman’.

The first instance court recognised that the disputed sign had a plausible geographical connotation. Therefore, the granting of such broad legal protection (i.e., in relation to any wines) was rightly recognised as to falling short of the requirements of CC RF Article 1483(3)(1): for wines not associated with the Taman' Peninsula, the disputed designation would be plausibly false.

II. Patents

7. Novelty of a Group of Utility Models

IPC Presidium Resolution of 05 July 2022 in Case No. SIP-606/2021

Novelty assessment of a utility model can be performed in two ways:

by comparing all the features of the utility model with the features of a technical solution known from the prior state-of-the-art, and if all the features are found to be known, then a conclusion on the lack of novelty is made (if all the features are known, the essential character of those features does not need to be determined);

by identifying the essential features of the disputed utility model and comparing them with the features of the technical solution known in the prior state-of-the art, and if all the essential features are found to be known, the conclusion is made that the novelty does not exist.

Company 1 holds the exclusive right to the group of utility models 'Flexible (deformable) container for bituminous materials (versions)' under the disputed patent. Company 2 lodged an objection with Rospatent against the granting of the disputed patent. The motive was that the application documents for which the disputed patent was granted did not comply with the sufficiency of disclosure requirement, and that the group of utility models under the disputed patent did not meet the novelty condition of patentability.

Rospatent rejected the objection, but the court of first instance invalidated its decision and ordered Rospatent to re-examine the objection. After examining Rospatent's appeal, the IPC Presidium upheld the first-instance court's ruling.

The issue of compliance with the requirement of utility model sufficiency of disclosure was not raised in the appeal procedure. Thus, the court examined Rospatent's conclusions only in relation to the novelty requirement within the meaning of CC RF Article 1351(1).

The subject matter of the dispute was the relationship between the group of utility models under the disputed patent and a technical solution that was known from one of the opposing patent documents and had the same purpose.

The Presidium of the Court reminded that the verification of the conformity of a utility model with the novelty condition of patentability implies the need to establish the purpose of the disputed and opposing technical solutions and assess their mutual relationship; it furthermore implies the need to identify the essential (i.e., those that affect the technical result) features of the utility model under the disputed patent, and to compare them with the features known from the prior source of information.

From the point of view of methodology, such comparison for the purposes of assessing the novelty of a utility model can be exercised in two ways:

by comparing all the features of the utility model with the features of a technical solution known from the prior state-of-the-art, and if all the features are found to be known, then a conclusion on the lack of novelty is made (if all the features are known, their essential character does not need to be determined);

by identifying the essential features of the disputed utility model and comparing them with the features of the technical solution known in the prior state-of-the-art, and if all the essential features are found to be known, the conclusion is made that the novelty does not exist.

In the case under review, Rospatent first compared all the features and, upon finding no overlap, analysed the essential character of the non-overlapping features.

While doing so, as the court of first instance pointed out, Rospatent has also failed to analyse one of the technical solutions known from the prior art document.

8. How to Establish Borrowing in a Utility Model Authorship Case

IPC Presidium Ruling of 29 June 2022 in Case No. SIP-250/2017

The ‘beyond reasonable doubts’ standard of proof widely used in criminal law does not apply in cases where utility model’s authorship is challenged. Instead, the ‘balance of probabilities’ standard of proof corresponding to the nature of claim applies.

The balance of probabilities involves a factual analysis of how likely it is that the defendants created the technical solution in question independently rather than borrowing it from the plaintiffs.

Borrowing can be established in various ways: based on direct evidence of the defendants' knowledge of the outcome of the plaintiffs' intellectual activity; based on evidence of the author's style; or based on circumstantial evidence.

The probability of independently producing the same result does exist (even the probability of random coincidence, as in the infinite monkey theorem), but the extent of this probability depends, inter alia, on the extent of coincidence. The larger the volume of the text coinciding word-for-word, the less likely is parallel creation and the more likely is the later writer's awareness of a previously existing text.

9. Author of a Utility Model and the Paris Convention Priority

IPC Presidium Ruling of 06 June 2022 in Case No. SIP-960/2020

The Paris Convention priority is not relevant to a dispute over the authorship of a utility model in a judicial action. The correct establishment of the date of priority is necessary to test protection of a disputed utility model, as this is relevant to establishing the state of the art.

The plaintiff filed a claim before the Intellectual Property Court against two defendants for the invalidation of a utility model patent on the basis of CC RF Articles 1398 (1) (5) and 1398 (2) (para 2) (incorrect indication of the author or patentee in the application).

The disputed patent was applied for in Russia based on a prior application filed in China. The Russian application listed the names of the defendants as the author and right holder, while the Chinese application listed three other persons as the authors and a different company as the right holder.

In view of the discrepancy between the authors and the rightsholders in the disputed and priority applications, and despite the evidence of co-authorship and the absence of a dispute as to authorship between the said persons, the court of first instance satisfied the plaintiff's claim for invalidation of the disputed patent in its entirety. The Court also found that, for Article 4 (A) of the Paris Convention and CC RF Article 1382 to apply, only the person who filed the priority application or their successor in title may be the applicant for a patent claiming conventional priority.

The IPC Presidium did not agree with the conclusions of the first instance court and ordered a new examination of the case. With regard to the first instance court's reference to a mismatch between the applicants for the disputed application and for the priority application, the IPC Presidium noted the following:

CC RF Article 1382 does not set forth who is authorised to apply for a patent. The scope of such persons is defined in CC RF Article 1357 and is verified, as stated above, based on who is the actual author of a particular technical solution patented in the Russian Federation, and with account for whether the right to obtain a patent has passed from this actual author to another person.

CC RF Article 1382 defines the rules for establishing the Paris Convention priority, and, if they are not complied with, then such priority may not be applied to a particular technical solution. This, in turn, means that the priority of a particular technical solution must be determined according to the general rules, i.e. on the basis of CC RF Article 1381.

The correctness of the priority date of the disputed patent affects the scope of information to be included in the state-of-the-art to test the validity of the disputed utility model. The impossibility of establishing priority based on the date of an earlier application means that, in certain cases, such an application may be opposed to a Russian technical solution. However, this is outside the scope of the present dispute.

10. Intrinsic Attributes of a Utility Model

IPC Presidium Resolution of 14 April 2022 in Case No. SIP-34/2021

Application of the formal methodology can lead to the conclusion that a utility model is novel in a situation where the feature in question is not formally stated in the prior art document but is intrinsic to the opposing device.

A company applied to the Intellectual Property Court to invalidate the decision of Rospatent, which cancelled the patent for the utility model 'High-strength stainless steel rod' because the latter did not meet the novelty criterion.

The decision of the court of first instance, upheld by the court of cassation, granted the company's application, imposing an obligation on Rospatent to re-examine the objection to the granting of the patent.

The court of the first instance agreed with Rospatent that the independent claim of the disputed utility model reflected alternative implementations and that part of those alternative versions were characterised by ranges of values for the elements of steel known from opposing sources.

Upon analysing the opposing sources, the court found that there was no restrictive condition that was known from the prior art documents and that represented a mathematical ratio which the quantitative values of the steel elements selected from the ranges must satisfy. Thus, the disputed model satisfies the novelty condition of patentability.

In its cassation appeal, Rospatent referred, in particular, to the fact that the court had incorrectly applied the formal approach to the novelty of the model as set forth in paragraph 2.1 (3) of the Rules for the Preparation, Filing and Examination of the Application for a Utility Model Patent, approved by Order No. 83 of the Russian Agency for Patents and Trademarks of 06 June 2003. According to this approach, a utility model protected by a patent is deemed to meet the novelty condition of patentability if no means is known in the prior state-of-the-art for the same purpose as the utility model which would possess all the essential features listed in the independent claim of the utility model, including the feature of its purpose.

Agreeing with the conclusion of the first instance judgement, the IPC Presidium noted the following:

The court of first instance went beyond the formal approach to assessing the novelty of the disputed utility model by pointing to the fact that it was possible to carry out a further investigation and determine whether the distinctive feature of the disputed utility model was formally inherent in the opposing steels.

In view of the above, the court of the first instance considered it possible to apply the methodological approach as per paragraph 1.5.4.3 of the Recommendations on Examination of Applications for Inventions and Utility Models approved by Order of the Russian Agency for Patents and Trademarks No. 43 of 31 March 2004 with regard to the examination of the novelty of inventions.

The IPC Presidium considered that this methodological approach was justified because no similar methodological approach for testing the novelty of utility models has been developed.

A known methodological approach can be applied with account for the specifics of the legal relationship in question (all the features contained in

the claims are analysed when investigating the novelty of an invention, but only the essential features are analysed when investigating the novelty of a utility model).

The court noted that the fact that Rospatent denies the possibility of applying such a methodological approach leads to the need for a formal analysis of the novelty of a utility model: if an essential feature of its claims is not known from an opposing source, the utility model must be recognised as new.

However, the application of such a methodology would lead to the recognition of the novelty of utility models in a situation where the feature in question is not formally stated in the opposing source but is inherent in the opposing device.

III. Procedural Issues

11. Parties not Involved in Administrative Proceedings Challenge Rospatent's Actions

IPC Presidium Ruling of 14 July 2022 in Case No. SIP-39/2022

Interference of third parties in the procedure for granting legal protection to a trademark may be allowed only in cases expressly provided for by law (e.g., CC RF Para 3 of Article 1493 (1)).

The absence of restrictions on third parties to interfere with the granting of legal protection to trademarks would block the granting procedure itself and the verification of the sign for compliance with the conditions of eligibility for protection.

The inability of non-participants in administrative proceedings to appeal against a particular inaction of Rospatent does not in itself violate the rights of such persons.

12. The Competence of IPC as a Court of First Instance

IPC Presidium Ruling of 23 May 2022 in Case No. SIP-989/2021

Acquisition of the exclusive right to a trademark may be either initial (on the basis of an application filed) or derivative (in particular, on the basis of an agreement on the assignment of an exclusive right).

Both options of acquiring an exclusive right can be exercised in bad faith and may be found to be so, including in judicial proceedings.

A dispute over the unfairness of a derivative acquisition of an exclusive right to a trademark is not a dispute over the granting or termination of legal protection to intellectual results and similar means of individualisation of legal entities, goods, works, services and enterprises (except for copyright and related rights subject-matter, and integrated circuit topologies) within the meaning of Article 34(4)(2) of the Code of Commercial Procedure of the Russian Federation.

Thus, such a dispute is not subject to the IPC in its capacity of a court of first instance.

13. The Competence of a Territorial Anti-Monopoly Agency

IPC Presidium Ruling of 20 May 2022 in Case No. SIP-1046/2019

If a person in respect of whom an unfair competition case has been initiated operates in several constituent entities of the Russian Federation, the case is subject to review by the Federal Antimonopoly Service (FAS) of Russia, and not by a territorial body.

The FAS may vest a territorial body with the right to consider a case of an antimonopoly violation committed in several constituent entities of the Russian Federation, but such vesting must be carried out before the end of the proceedings.

In an appeal against the decision of the Moscow Department of the Federal Antimonopoly Service, the court of first instance found that the person against whom the case was brought had operated in several constituent entities of the Russian Federation, but that a significant number of transactions had taken place in the city of Moscow. In view of the above, the first instance court agreed with the antimonopoly body's conclusion that the city of Moscow was the geographical boundary of the product market and, as a consequence, the Moscow City FAS had jurisdiction to hear the antimonopoly case.

Disagreeing with this conclusion, the IPC Presidium referred the case to the RF FAS for consideration on the merits, taking into account the following:

Pursuant to Article 39 (3) of the Federal Law of 26 July 2006 No. 135-FZ 'On Protection of Competition', an antimonopoly body may consider a case concerning the infringement of the antimonopoly legislation at the place of the infringement or at the location or place of residence of the person against whom the application or materials are filed. The FAS may examine

the case irrespective of the place where the infringement occurred or where the person in respect of whom the application or the materials are submitted is located or resides.

Para 3.12 of the Administrative Regulation of the FAS on the execution of the state function to initiate and consider cases of violation of the antimonopoly legislation of the Russian Federation (approved by FAS Order No. 339 of 25 May 2012) stipulates that an application or materials indicating violation of the antimonopoly legislation shall be submitted:

to the relevant territorial authority at the place where the infringement was committed or at the location (residence) of the person against whom the application is made;

to the FAS of Russia irrespective of the place where the infringement was committed or the location (residence) of the person in respect of whom the application or materials are submitted.

Pursuant to Para 3.13 of Administrative Regulation No. 339, the relevant territorial authorities submit an application or materials indicating that an infringement of antimonopoly law has been committed in two or more constituent entities of the Russian Federation to the FAS of Russia, which is then to decide whether to examine the application or materials, and the applicant is notified thereof.

Pursuant to Para 3.118 of Administrative Regulation No. 339, the Commission has the right to refer the case for consideration:

to another antimonopoly body if the consideration of the case is within its competence;

to FAS of Russia on its request to accept the case for its consideration;

or, in the event that during the case proceedings it is found that the antimonopoly law violation was committed in the territory of two or more territorial entities, to another antimonopoly body (in accordance with the procedure laid down in the Rules for the Transmission by the Antimonopoly Authority of Applications, Materials and Cases Concerning Violations of Antimonopoly Law to Another Antimonopoly Authority for Review, as approved by Order of the FAS No. 244 of 01 July 2007).

By virtue of para 1.4.3 of Regulation No. 244, the antimonopoly authority shall transfer applications, materials and case files if during the examination of the application and materials or in the course of the proceedings it is established that an infringement of antimonopoly law has been com-

mitted in the territory of two or more territorial authorities. In this case, the relevant territorial authorities submit the application, materials, and case to the FAS of Russia to decide whether to consider the application, materials, and case.

Thus, the regulations establish an obligation for the territorial antimonopoly authority to refer the application or case to the federal antimonopoly authority if the alleged infringement occurred in two or more constituent entities of the Russian Federation.

In the case under review, the Moscow Department of the FAS independently examined the case of an infringement of antimonopoly law involving the acquisition and use of the exclusive right to the disputed means of individualisation, despite the fact that the alleged infringement was committed in at least two constituent entities of the Russian Federation.

Consequently, the decision contested was approved by an incompetent body.

The FAS of Russia takes a similar approach. In Para 25 of its Review of the Practice of the of Anti-Monopoly Legislation Application by the Collegial Bodies of the FAS of Russia (for the period 1 July 2018 to 1 July 2019), as approved by the minutes of the Presidium of the FAS of Russia, the FAS states that ‘if a territorial body lacks the authority to consider an antimonopoly law violation committed in several entities of the Russian Federation, it is a ground to cancel the rulings issued in the case.’

The IPC Presidium rejected the antimonopoly authority’s argument that the letter from the deputy head of the FAS of Russia submitted during the new consideration of the case confirmed the case could be examined by the territorial authority, i.e. its Moscow City Department. The Presidium explained the letter was signed after the disputed decision was issued, whereas the question of vesting the territorial body with the authority (obtaining consent from the FAS of Russia) to consider the antimonopoly case on economic activities in different constituent entities of the Russian Federation should be resolved before the relevant decisions are issued.

14. Limits for Re-examination of an Objection at Rospatent

IPC Presidium Ruling of 31 March 2022 in Case No. SIP-669/2021

Rospatent does not have right to re-examine those claims asserted in the objection, the outcome of which has not been appealed in court and therefore was valid at the time the objection was re-examined.

In re-examining the objection, Rospatent shall not be entitled to re-examine on its own initiative the uncontested result of the claims examination.

Rospatent refused to register the trademark with the verbal element “Is-toki Baikala” (Origins of Baikal) on the ground that the sign does not meet the requirements of CC RF Article 1483 Para 1, 4 and 6. It then dismissed the applicant’s objection, reducing the grounds for dismissal to non-compliance with the requirements of CC RF Article 1483(4).

The applicant contested the Rospatent decision. Upon consideration of case No. SIP-677/2018 in first instance, in cassation, and again in first instance, this decision was overturned, and the court ordered the administrative body to reconsider the objection submitted by the company. Rospatent, after examining the objection, removed the obstacle based on CC RF Article 1483 (4), but adopted a new decision rejecting the objection on the basis of CC RF Article 1483 (6) (2). Rospatent found similarities between the disputed sign and seven different trademarks previously registered in the names of other persons for similar goods and services.

The applicant again appealed to the Intellectual Property Court claiming that, in re-examining the objection, Rospatent had no right to refuse registration of the claimed sign based on CC RF Article 1483 (6) (2). The administrative authority withdrew this ground during the initial examination of the objection, taking into account the letters of consent submitted by the rights holders of the opposing trademarks and the shortening of the list of goods.

The decision of the court of first instance, upheld by the court of cassation, invalidated Rospatent’s decision as being inconsistent with CC RF Article 1483 (6).

The IPC Presidium rejected the argument in Rospatent’s cassation appeal that, since the previous court decision (No. SIP-677/2018) had found Rospatent’s decision to be invalid in full, the latter was entitled to consider the objection in its entirety, including the applicant’s disagreement with the examiners’ position that the claimed sign does not meet the requirements of CC RF Article 1483 (6) (2).

The court reminded that the examiners initially revealed three separate grounds for refusing registration of the trademark. Each of the three grounds became the basis of a separate claim in the applicant’s objection. Rospatent granted two of these claims, removing two grounds for refusal of registration (CC RF Article 1483(1) and (6)), and rejected one (CC RF Article 1483 (4)). The applicant contested Rospatent’s decision in court with

respect to the remaining unsatisfied claim. The court examined Rospatent's decision in this part only and upheld the applicant's claim in its entirety.

In view of this, an objection was submitted to Rospatent in respect of the claim that had been the subject of the court examination. Rospatent was not entitled to review, on its own initiative, the outcome of those objection claims that had not been the subject of judicial review in case No. SIP-677/2018.

The IPC Presidium agreed with the finding of the first instance court that the applicant was in a position to have a legitimate expectation that the re-examination of their objection would not result in a different decision in relation to the provisions of CC RF Article 1483 (6).

The Russian Federation Constitutional Court noted repeatedly principle of maintaining citizens' confidence in law and in the actions of the state must be respected. This principle implies that reasonable stability in legal regulation must be preserved; that it shall be inadmissible to grant retroactive effect to regulations that worsen the legal position of a citizen; and that the rights and lawful interests of the subjects of continuing legal relations in the event of changes in the regulatory parameters of their implementation shall be unconditionally guaranteed (Resolutions of the Constitutional Court of May 2001 No. 8-P, of 29 January 2004 No. 2-P, of 20 April 2010 No. 9-P, of 20 July 2011 No. 20-P, and others.)

The Court noted, in particular, that the provision of CC RF Article 1483 (6) had not and could not change (see Para 27 of Resolution No. 10), and the appealing party's argument that, by the time the applicant's objection was re-examined, Resolution No. 10, Para 162 of which served as the basis for changing the administrative body's position, was not substantiated. The clarifications in Para 162 of Resolution No 10 do reveal some of the criteria applicable when analysing the similarity of comparable signs. However, they do not fundamentally alter or contradict the provisions of CC RF Article 1483 (6), that existed when the company submitted its application, or Rospatent Regulation 482 on trademark examination, and cannot constitute grounds for the administrative body to adopt a decision is fundamentally different from its earlier decision made upon the initial examination of the same objection.

15. Irregularities in the Proceedings at Rospatent

IPC Presidium Ruling of 28 March 2022 in Case No. SIP-571/2021

If the examiner has indicated an incorrect deadline for responding to a request, this does not provide a basis for concluding that the deadline has not

been missed, but should be the grounds for restoring the missed deadline. In this case, the claimant does not have to pay the fee for restoring the deadline.

An individual applied to Rospatent for a patent for invention. During the assessment of the application on the merits, the administrative body on 13 June 2019 sent the applicant another request for assessment on the merits in which it proposed to rectify the irregularities in the updated materials.

The applicant received the request on 25 June 2019.

A response to the request (the amended claims and description of the invention) was sent to Rospatent on 25 September 2019 and received by the latter on 04 October 2019.

In response, Rospatent has sent a letter to the applicant stated that, pursuant to CC RF Article 1386(6), the deadline for responding to the request have expired on 13 September 2019. The letter also advised that the deadline for submitting additional material could be restored by filing a request for an extension of the missed deadline and paying the patent fee.

In view of this, Rospatent decided to consider the application as withdrawn due to the failure to submit the documents requested by the examiners within the prescribed time limit.

The applicant requested the administrative authority to restore the missed deadline for providing the requested documents and objected to the decision declaring their application withdrawn.

The applicant based the request to restore the missed deadline on the fact that they had sent the requested documents within the time limit specified in the examiners' request (three months from the date of receipt of the request). Furthermore, the applicant pointed out that the statutory 12-month time limit set out for lodging an application to restore the time limit to respond to an examiners' request had not expired at the time the decision recognising the application withdrawn was made. In view of this, the decision to recognise the application withdrawn was unfounded.

Rejecting the objection, Rospatent upheld the decision to recognise the application as withdrawn.

The applicant applied to the IPC to challenge Rospatent's decision.

The first instance court upheld Rospatent's decision. The IPC Presidium overturned the decisions of Rospatent and the court of first instance, ordering Rospatent to reopen the assessment. The IPC noted, in particular:

CC RF Article 1386 (6) provides that, during assessment of an invention application on the merits, the Federal executive body in the field of intellectual property may request the applicant to provide additional materials (including the amended claims), without which the assessment cannot be performed or decision to grant a patent for the invention cannot be made. In this case, additional materials (without altering the substance of the application) must be submitted within three months from the date on which the request or copies of the materials opposed to the application were submitted, provided that the applicant has requested copies within two months of the date of the request from the said federal executive body. If the applicant fails to submit the requested materials within the prescribed period or to request an extension, the application shall be considered withdrawn. The deadline set for the applicant to submit the requested material may be extended by not more than ten months by the designated federal executive agency.

The first instance court found the following: the request from the examiners erroneously mentions that the response to the request must be provided within three months from the date of the receipt of the request. The response to the request was submitted to Rospatent within three months from the date of the receipt of the request by the applicant.

The first instance court concluded that the examiner's erroneous reference to the length of the deadline for responding to their request did not constitute grounds for holding that the deadline had not been exceeded, but should be grounds for restoring the missed deadline.

The rulings of the Russian Federation Supreme Court of 07 September 2016 No. 310-ES16-8163 and of 27 June 2017 No. 307-AD16-20892 contain a similar legal position in relation to the missed procedural deadlines applicable when a case is considered in court.

Pursuant to the legal position stated in Ruling No. 8-P, 24 May 2001, of the Constitutional Court, the principle of maintaining citizens' confidence in law and in the actions of the state must be respected. Thus, even if the deadline for appeal is erroneously stated in the court ruling, if the persons involved in the case could have perceived it as real and the complaint was lodged within the deadline stated in the ruling, then the deadline missed by the appellant must be restored.

The IPC Presidium pointed out the following: The Constitutional Court stressed unequivocally that in the situation under review the deadline must be restored without any doubts.

A similar approach to the issue of restoring a deadline missed due to the fault of a public authority should apply to disputable relationships. However, this approach must take into account the difference between procedural law and the procedure for examining an application by Rospatent.

One of the distinctive features of the procedure for restoration of the missed deadline for reply to the examiners' request is the need to pay an additional fee for restoration of such deadline (Para 1.16.1 of the Regulation on Patent and Other Duties, approved by the Government Resolution No. 941 of 10 December 2008).

However, the IPC Presidium recognised that the mistake made by the administrative body's examiner in the request regarding the deadline for a reply, in a situation where the reply to the request was sent within the time limit referred to by the examiner, could result for the person filing an invention application in negative consequences such as the need to pay a fee for restoring such a time limit. Rospatent should have restored the missed deadline for responding to the examiners' request proactively.

A different position in a situation where the applicant perceived the deadline to be realistic and submitted the documents within the deadline stated by the examiner undermines confidence of citizens in law and in the actions of the state at large.

Information about the authors:

N.I. Kapyrina — Candidate of Sciences (Law), Assistant Professor.
M.A. Kolzdorf — Deputy Head, Department of statistics and analytics, LL. M., Senior Lecturer.

Contribution of the authors:

N.I. Kapyrina — para 1, 6, 7, 9, 10, 14.
M.A. Kolzdorf — para 2, 3, 4, 5, 8, 11, 12, 13, 15.

The article was submitted to the editorial office 17.10.2022; approved after reviewing 16.11.2022; accepted for publication 01.12.2022.