



New rules for the resolution of administrative disputes in Russia: key points for rights owners and practitioners

Russian Federation - A Zalesov & Partners Patent & Law Firm LLC

- The new "Rules for Consideration and Resolution of Administrative Disputes by the Federal Service for Intellectual Property" have entered into force
- Parties in revocation actions can now file additional arguments and grounds for revocation, as well as supporting documents
- A case before Rospatent can now be suspended at the request of one of the parties pending resolution of another dispute

Introduction

On 6 September 2020 the new "Rules for Consideration and Resolution of Administrative Disputes by the Federal Service for Intellectual Property" entered into force, following their adoption by order of the Ministry of Science and Education. The new rules for the consideration of disputes before the Russian Patent and Trademark Office (Rospatent) allow the parties to amend arguments and file additional documents in revocation actions, and request the suspension of an administrative case pending resolution of another dispute.

These new rules had been awaited since 2006, when the Fourth Part of the Civil Code was adopted and changed the relevant legal framework.

Key changes

The rules provide for procedures for the consideration of revocation actions, appeals against Rospatent refusals, preliminary trademark terminations and similar disputes.

Although the main requirements set forth by the rules are quite logical and customary for litigators, who rely on the principles of equality and fair competition between the parties, it was important to set these requirements as a rule of law in order to:

- oblige IP owners to provide a written response to a revocation action 10 days before the start of the hearing (previously, there was no obligation to provide a written submission in advance);
- directly give the parties the right to seek the postponement of a hearing to review documents provided by the counterparty (previously, it
 was up to the chamber to decide whether or not to postpone a hearing); and
- oblige the parties, as soon as they have been notified of the dispute, to take the necessary steps to watch the proceedings and be aware of the hearings and documents in the case file, and bear the negative consequences of failing to obtain such information.

Importantly, from now on, all the documents relating to a dispute (except those concerning unpublished patent applications) should be made publicly available on the website of Rospatent within five days of their submission, unless it is technically impossible to upload them on the website. Previously, the parties to a dispute could settle the case amicably and hide the argumentation about the invalidity of the IP right at issue from the public; however, it is now impossible to keep such argumentation secret.

Further, the timeframes for the consideration of invalidity actions are now strict:

- the first hearing of an appeal against a Rospatent refusal should take place within one month of filing;
- the first hearing of a revocation action should take place within two months; and
- if the official fee is not paid immediately, the first hearing should take place within three months.

The hearings may be postponed by one or two months in a limited number of cases. Therefore, the overall timeframe for the consideration of administrative disputes is between two and five months.

A brand new - and unexpected - rule is that an independent expert opinion may be obtained during the consideration of the dispute and, to this end, the hearing can be postponed for three months. In trademark disputes, it is most likely that an opinion on sociological research based on consumer surveys may be requested.

Another novelty is that a case before Rospatent can be suspended at the request of a party, or at the discretion of the panel of experts, if there is a pending court or administrative dispute the outcome of which may influence the case at issue, or if certain security measures imposed by the court do not allow the consideration of the case. Trademark applications will often be refused based on the existence of earlier third-party trademarks which are not actually being used. In such cases, the applicant for registration must send an appropriate letter to the trademark owner and, within two months, file an action with the IP Court requesting the cancellation of the earlier trademark on the ground of non-use; this action should be considered within six months - or within a year if the trademark owner is a foreign company. Since the cancellation of the earlier

trademark for non-use will eliminate the obstacle to registration, the applicant must file an appeal against the refusal and, at the same time, file a non-use cancellation action. A non-use cancellation action takes much longer than an appeal against a refusal by Rospatent, and the lack of possibility to suspend the administrative appeal did not allow applicants to fight for their trademarks effectively. The new rules have now remedied this issue.

In addition, the rules clearly state the type of amendment that can be made to a trademark registration at the stage of the appeal against a refusal (ie, the amendments allowed during the trademark prosecution) and during a revocation action (ie, limiting the list of goods, amending the trademark owner's details, or changing some elements that do not alter the substance of the trademark), if these amendments may lead to preserving the trademark registration in part.

If the chamber uncovers new arguments for refusing to grant an application or new arguments for revocation, it will share this information in the minutes of the hearing and give time to the parties to file a defence against these arguments.

Finally, the events of 2020 have contributed to the new rules, as it is now possible to, among other things:

- file revocation actions electronically;
- participate in hearings online;
- sign by e-signature; and
- obtain communications from Rospatent by email.

Comment

The most important amendment - which will make market players reconsider their strategies to defend their IP rights - is that, from now on, parties can file additional arguments and grounds for revocation, as well as supporting documents, which was prohibited under the previous rules.

Although the new rules do not meet all the expectations of IP professionals in Russia, they do clarify certain ambiguities in the current system and provide clear principles of administrative procedure. Therefore, they should be considered as a positive development by the IP community.

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TAGS

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