

Registration Rules Governing Transfers, Licenses and Pledges of Intellectual Property Rights in Russia

Legal Framework

Russia codified, and in certain cases substantially rewrote, all of its intellectual property (IP) laws with the enactment of Part 4 of the Civil Code of the Russian Federation, which went into effect January 1, 2008, replacing a patchwork of laws extending back into Soviet times. The Federal Service on Intellectual Property, Patents and Trademarks (Rospatent) remains the executive agency charged with registering IP rights and enforcing the laws related thereto.

On December 24, 2008, pursuant to Decision No. 1020 of the Russian government, new rules governing the registration of transfers of IP rights went into effect (Registration Rules). The former rules approved by Rospatent Order No. 64 dated April 29, 2003 (the Rospatent Rules) remain applicable to the extent that they do not conflict with the Registration Rules.

Conceptually, IP in Russia can be divided into three broad categories: patents, trademarks and copyrighted materials, with certain types of IP not fitting neatly into any category (i.e., integrated microcircuit topologies, computer programs and databases). Patent protection is accorded for inventions (20 years of protection), utility models (10 years of protection that can be extended for another three years) and industrial designs (15 years of protection that can be extended for another 10 years). Trademarks, service marks and names of a commodity's place of origin are protected for 10 years and can be extended indefinitely in 10 year increments. Copyrighted material is protected from the date of its creation for a period of 70 years from the first day of the year following the originator's death. Integrated microcircuit topologies, databases and computer programs are protected for 10, 15 and 70 years after their creation, respectively.

IP Subject to Mandatory Registration

Under Russian law the following types of IP must be properly registered with Rospatent or in certain instances with the World Intellectual Property Organization in order to be accorded legal protection:

- Patented inventions, utility models and industrial designs; and
- Trademarks, service marks and names of a commodity's place of origin.

Franchise agreements also must be registered with Rospatent in order to be valid (see below). Copyrighted materials, integrated microcircuit topologies, computer programs and databases are not subject to mandatory registration.

Permissive Registration of IP

Owners of copyrighted materials, such as integrated microcircuit topologies, computer programs and databases, may choose to register their rights with Rospatent. The benefit of permissive registration is that owners may enjoy enhanced legal protection – in particular, in case of judicial disputes – but the burden of having to register all future transfers of such rights may outweigh any such benefits.

Registration of IP Transfers

All transfers of IP rights that previously were registered with Rospatent (Registered IP) must be registered with Rospatent in order to be valid and enforceable. Such transfers are valid only upon registration and not upon execution of the governing agreement.

The Registration Rules classify transfers into two types: contractual and noncontractual.

Contractual Transfers

Contractual transfers are defined as:

- Assignment/sale agreements involving the indefeasible transfer of rights to regulated IP;
- Pledge agreements involving the transfer of rights to regulated IP as collateral to secure obligations of the grantor; and
- License and sublicense agreements, whether exclusive or nonexclusive, granting rights of use of IP.

Collectively, these are known as Contractual Transfer Agreements.

Noncontractual Transfers

Noncontractual transfers are those that occur by operation of law but nonetheless are subject to registration under the Registration Rules, such as transfers as a result of inheritance, succession, merger or foreclosure.

General Registration Requirements

Rospatent is obliged to register an agreement (or amendments thereto), as well as a noncontractual transfer, if:

- The respective IP enjoys protection in Russia due to registration or in accordance with international treaties of Russia;
- The information on the owner of the IP, the subject of the agreement (the number of the patent or certificate, scope of legal protection and period the exclusive right remains in

effect) and the parties to the agreement conform to the information contained in the state registers maintained by Rospatent;

- The rights that are the subject of the agreement do not exceed the limits of the rights enjoyed by a transferor of the IP;
- The agreement's consideration provision is clear; and
- The agreement does not contain internal contradictions.

Further, Rospatent will not register a Contractual Transfer Agreement that fails to include all mandatory terms prescribed by law. For example, license agreements and franchise agreements involving trademarks and service marks must contain provisions contractually binding the licensee to produce goods of equal or greater quality than those produced by the licensor and requiring that the licensor exercise control over compliance with this provision.

Lastly, Rospatent will register a unilateral termination only if the operative registered agreement unambiguously grants such right to the petitioning party.

Required Document Submissions

The following documents must be submitted to Rospatent in order to register an agreement:

- A completed application for state registration;
- The original agreement in duplicate;
- A simple (not notarized) copy of the agreement; and
- A document confirming payment of the duty for state registration.

Additional documents must be submitted in the following circumstances:

- If the registration involves a patent, a copy of the affected patent and proof of payment of patent duties (if any) must be submitted;
- If the agreement involves IP that was registered, but not subject to mandatory registration, copies of all official registration certificates of the subject IP must be submitted;
- If the registration involves a court ordered termination, the applicable court decision must be submitted;
- If the registration involves a unilateral termination, the copies of the agreement authorizing such unilateral termination must be submitted; and
- If the registration involves a noncontractual transfer, all documents evidencing such transfer must be submitted.

Moreover, under the Rospatent Rules, the power of attorney authorizing a patent attorney to represent a client must be submitted. Moreover, a natural person who permanently resides outside Russia and non-Russia-based legal entities are required to use a

licensed patent attorney in all interactions with Rospatent.

Timing

The Rospatent Requirements provide that within two months of receipt of a proposed registration filing Rospatent shall either register the submitted documents or seek additional information necessary to complete registration. Upon registration, Rospatent is obliged to send to the parties:

- A notice of state registration;
- A copy of the registered agreement or the amendment thereto; and
- Patents or certificates for the respective IP rights with a note regarding the assignment of the exclusive right or the granting of the right to use such object.

Registration of Franchise Agreements

Previously, agreements of commercial concession (i.e., franchise agreements) had to be registered with the territorial body of Russia's Federal Tax Service that registered the legal entity or individual entrepreneur that held the franchise rights and with Rospatent only if the registered IP was transferred under such agreements. The law now requires registration of all franchise agreements with Rospatent, but registration with the Federal Tax Service is no longer required. Such agreements only come into force when registered.

For More Information

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