

Comments

Review

УДК 347

DOI:10.17323/2713-2749.2024.1.78.97

Key Issues in the Intellectual Property Court's 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 between July and September of 2023. The 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, the 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, patent law and various procedural matters.



Keywords

trademarks; grounds for invalidity; legitimate expectations; revocation for non-use; patents; utility models; registered design.

For citation: Kolzdorf M.A., Kapyrina N.I., Goloiad N.E. (2024) Key Issues in the Intellectual Property Court's Presidium Rulings. *Legal Issues in the Digital Age*, vol. 5, no. 1, pp.78–97. DOI:10.17323/2713-2749.2024.1.78.97

1. What Is Kazan, a Cooking Utensil or a City? The IPC Presidium Takes Context into Account

IPC Presidium Resolution of 17 July 2023 in Case No. SIP-974/2022

When assessing the perception of a verbal sign by a consumer target group for the purpose of Para 1, Article 1483 of the Civil Code, the context should be taken into account: what products / services does the sign and combination of words in the sign describe

Rospatent has refused to register the trademark “KazanExpress” and to satisfy the subsequent appeal to this decision because it believes that consumers perceive this sign as the words “Kazan” and “Express”, and that the sign indicates the place of rendering the services and their properties for the claimed services of ICGS Classes 35, 38, and 39.

The first instance court has overturned the decision of Rospatent, but the IPC Presidium did not agree with the court’s conclusions and ordered a new examination of the case with the following comment.

The first instance court proceeded from the fact the word “kazan” has an independent meaning (a cooking utensil) in the Russian language, so it is not self-evident to Russian-speaking consumers that the sign “Kazan-Express” contains the name of the city of Kazan.

At the same time, it should be taken into account that the assessment of a sign for compliance with the provisions of Para 1, Article 1483 of the Civil Code is based on the perception of this sign by recipients of services of ICGS Classes 35, 38, and 39. Therefore, the nature of this type of services related to the provision of e-commerce online shops was to be established.

The documents submitted by the applicant together with the objection were aimed at confirming the fact that the purpose of the sign “KazanExpress” is to identify a marketplace operating in the Republic of Tatarstan and a number of other constituent entities of the Russian Federation.

Consumers of the services of the respective electronic trading platforms are, on the one hand, buyers of various goods, and on the other hand, sellers using the relevant Internet services to sell their goods.

Thus, neither the services claimed for registration nor the range of their consumers are directly related to cooking and cooking utensils, including the kazan.

Also, the text of the appealed judicial act does not contain any conclusions as to why the above group of service consumers will perceive the sign applied for registration as a cooking utensil.

Moreover, in this case the signs applied for registration are not two independent signs, one of which is the sign “Kazan”, and the other is the sign “Express.” In this case, one sign is applied for registration, “KazanExpress”, consisting of two verbal elements.

In such a situation, the way Russian consumers perceive certain words (in particular, polysemantic word, such as “kazan” in the case under review) depends on the context: on the one hand, for what services the words are used, and on the other hand, how the words used relate to each other.

However, the first instance court assessed the verbal elements “Kazan” and “Express” in isolation, without considering the context.

The IPC Presidium also recalled the following positions previously reflected in other cases.

Each of the grounds in Para 1 of Article 1483 of the Civil Code is legally independent, and each of them in itself may serve as a ground to refuse registration of a trademark. At the same time, there may be an overlap between them: the same sign may be recognised, e.g., as both non-distinctive, on the one hand, and characteristic of goods, on the other hand.

The corresponding restrictions have been established primarily in the public interest in order to prevent the granting to one person of an exclusive right to a sign that is not capable of fulfilling the main (individualising) function of trademarks (to individualise specific goods in the eyes of consumers) and/or should be free for use by others, because it can reasonably be assumed that it can be used in relation to certain goods (name them, characterise them, define their shape, etc.).

Moreover the IPC Presidium underlined that the purpose of judicial review in this case is to check the legality of Rospatent’s decision with respect to each claimed good or service among those listed in the application filed with the court.




The IPC Presidium does not rule out the possibility of making aggregated conclusions for certain groups of goods or services (rather than for each product or service individually), or for market sectors, but only if the reasons for grouping the goods or services together are properly motivated in order to assess the likely perception of the disputed designation by targeted groups of consumers of those goods.

2. Three Letters Can Have a Distinctive Character. Under Certain Circumstances.

IPC Presidium Resolution of 17 July 2023 in Case No. SIP-651/2022

In Deciding on the Distinctive Character of a Sign Applied for Registration, the Evidence that Confirms the Use of the Sign in a Modified Form Should Also be Assessed.

The IPC Presidium emphasised: the fact that a particular sign is known may also be based on its previous use in a different form, if it is proved that the consumer has transferred the awareness of the previously used sign to the new one, including, e.g., in the case of minor differences that do not attract the attention of consumers.

When assessing if the sign “” acquired a distinctive character, Rospatent did not take into account the evidence supporting the use of the verbal element “RCF” and signs “”, and “.” The IPC ruled that this view was erroneous.

The circumstances for establishing the acquired distinctiveness depend on which of the grounds of Para 1 Article 1483 of the Civil Code the sign did not meet originally (Subpara 1, Para 1, or Subparagraphs 1, 2, 3 or 4 Para 1 of Article 1483).

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

In this case, the public interests are unaffected, because the target group of consumers begins to associate a particular sign with a particular subject.

When examining an application, the subject of examination is whether it is possible to register the disputed sign in relation to each claimed good (among the goods specified in the application). When considering an appeal, the subject of consideration is to verify the legality of the expert panel's decision in relation to each claimed good (from among those specified in the appeal, taking into account the applicant's specification of the list of goods for which legal protection of the disputed trade mark is claimed). When the court examines the case, the purpose of the examination is to check the legality of Rospatent's decision with respect to each claimed good among those mentioned in the application filed with the court.

3. Can Lice Combs and Beer Mats Violate Moral Principles?

IPC Presidium Resolution of 13 July 2023 in Case No. SIP-891/2022

When refusing to register a sign on the basis of Subpara 2 Para. 3 Art. 1483 of the Civil Code, in case the disputed sign does not fit into the categories specified in Para 37 of Rules No. 482, Rospatent should cite specific public interests it protects, or specific principles of humanity, or specific moral principles. In doing so, Rospatent should assess the influence on public interest, humanity or morals of the sign itself (albeit in relation to the good) rather than the good proper.

Rospatent refused to register the sign “SHKOLASAD” in relation to an extensive list of goods and services. Following the claimant’s appeal, the disputed sign was registered in respect of a part of the goods and services on the list, while in respect of the rest of them, the sign was recognised as either descriptive, or false, or capable of misleading as to the type and purpose of the goods, or involving moral aspects, since the semantics of the sign is related to children’s educational and training institutions. The verbal sign “SHKOLASAD” is indeed composed of “shkola” (a school) and “sad” (a kindergarden), the addition of which does not create a word.

The first instance court recognised the decision of the administrative body as invalid, pointing out that the decision did not comply with the provisions of Para 1 of Article 1483 of the Civil Code, and ordered Rospatent to reconsider the appeal. The IPC Presidium ruled to reverse the decision of the first instance court and ordered a new examination of the case.

In doing so, the IPC Presidium pointed first of all to the inconsistency between the motivation part of the court decision, which gave a critical assessment of Rospatent’s application of Subparagraphs 1 and 2, Para 3 of Article 1483 of Civil Code, and the operative part, which did not assess the inconsistency of the decision with these provisions. The IPC Presidium considered that such a court decision prevented Rospatent from understanding in what part the applicant’s objection needed to be re-examined.

Taking into account Rospatent’s arguments, the IPC Presidium also explained to the first instance court the methodology of checking Rospatent’s decisions for compliance with the requirements of Subparagraphs 1 and 2, Para 3, and Subpara 3, Para 1 of Article 1483 of the Civil Code, with account for the Recommendations on Certain Issues of Examination of Claimed Signs approved by order of the Russian Agency for Patents and Trademarks No. 39 of 23 March 2001.

Concerning the assessment of conformity of the sign to Subpara 1, Para 3 of Article 1483 of the Civil Code (signs or elements of signs that are

false or capable of misleading the consumer with regards to the goods, the producer or the place of production), the IPC Presidium pointed out that falsity must be obvious, while the ability of the elements of the sign to mislead the consumer has, on the contrary, a probabilistic character. It should be noted that signs indicating a certain property which is not inherent in the goods and which cannot be perceived as plausible by the average consumer are not false or capable of misleading in the sense of Subpara 1, Para 3 of Article 1483 of the Civil Code.

With regard to the assessment of compliance of Rospatent's decision with Subpara 2, Para 3 of Article 1483 of the Civil Code (principles of public interests, principles of humanity and morals), the IPC Presidium reminded that Para 37 of the Rules for the Compilation, Filing and Consideration of Documents that are the Basis for Legally Significant Actions for the State Registration of Trademarks, Service Marks and Collective Marks approved by order of the Ministry of Economic Development 20 July 2015 No. 482 (in the applicable wording; hereinafter referred to as Rules No. 482) provides a non-exhaustive list of cases when the registration of a trademark contradicts public interests, principles of humanity or moral principles. For the cases listed above, the court only checks whether the sign is correctly assigned to one of these categories. In cases not listed in Para 37 of Rules No. 482, the court checks whether Rospatent's decision in respect of a particular mark when applying it to specific goods (services) contains an indication of specific public interests or principles of humanity or moral principles, which are harmed in connection with the proposed granting of legal protection to this sign.

In doing so, the IPC Presidium reminded that it is the influence on public interest, humanity or morals of the sign itself (albeit in relation to the good) that should be assessed rather than the good proper. Thus, a negative attitude to the existence of certain goods (e.g., the lice combs mentioned by Rospatent in this case) cannot be taken into account: if the goods are present on the market and can be in civil turnover legally, trademarks can be registered for them.

With regard to the verification of the application of Subpara 3, Para 1 of Article 1483 of the Civil Code (descriptive signs), the IPC Presidium reminded that it is necessary to distinguish descriptive signs from signs that evoke in the consumer's mind an idea of the goods produced through associations, since the latter ones may be granted legal protection. The IPC Presidium suggests using the following questions in assessing the descriptive nature: Is the meaning of the element clear to the average consumer without additional reasoning and speculation? Does the average consumer perceive the element as directly (and not through association) describing the type and characteristics of the product, the information about the manufacturer? If the answer to these questions is yes, the sign is descriptive, but

if for the target consumer group the meaning of the sign requires conjecturing, it is not recognised as descriptive.

As a general rule, when examining an appeal Rospatent is obliged to check the legality of refusal of registration of the claimed sign in relation to each good or service indicated in the appeal, but it is allowed to combine the latter into groups and assess the probable perception of the disputed sign by target consumer groups. In such a case, when checking the legality of the decision of the administrative body, the court should analyse the correctness of combining the disputed goods (services) in these groups, and then assess the conclusions about the characteristic of the disputed verbal elements of goods and services in relation to each group. In this case, the IPC Presidium noted that the first instance court found that there was no proper motivation to include certain goods and services into groups, which shows that Rospatent's decision was unlawful with regard to the application of the provisions of Subpara 3 Para 1 of Article 1483 of the Civil Code.

4. The Legitimate Expectations Principle: Recognize Not Refuse

IPC Presidium Resolution of 21 July 2023 in Case No. SIP-939/2022

It follows from the principle of legitimate expectations that there is a need to ensure predictability of Rospatent's decisions. This implies the same assessment of the same factual circumstances. Where the same person registers other trademarks, Rospatent is bound by its conclusions drawn in respect of identical trademark elements. E.g., where an administrative body has recognised certain elements as distinctive, if there are no objections from third parties, Rospatent must recognise them as having the same distinctive character for applications filed by the same person.

Rospatent has refused to extend legal protection in Russia for the service mark “**PPF**” registered under the Madrid System. In its appeal, the applicant cited that the combination of elements that form the sign give them a distinctive nature, noting that previously Rospatent had granted it protection for a range of international service marks:

“**PPF**”, “**PPF**”, “**PPF**”, and “**PPF**.”

Rospatent has refused to satisfy the appeal due to the lack of the sign's distinctive character. In particular, the agency established material differences: firstly, there is a rectangle of a different colour in the lower part of the sign series, whereas the disputed sign features a combination of letters that are not perceived as a word, and a simple geometric figure.

The first instance court has recognized the decision of Rospatent invalid because it did not comply with the provisions of Para 1 of Article 1483 of the Civil Code, and ordered Rospatent to register the disputed trademark.

The IPC Presidium upheld this ruling, noting that the first instance court applied the norms of Para 1 and Subpara 2, Para 1¹ of Article 1483 of the Civil Code proceeding from the legitimate expectations principle. The IPC Presidium gave the following explanation as to why this principle must be applied.

In accordance with Para 17 of the Resolution of the Plenum of the Supreme Court 28 June 2022 No. 21 “On some issues of application by the courts of the provisions of Chapter 22 of the Code of Administrative Proceedings and Chapter 24 of the Code of Commercial Procedure”, when checking decisions or actions (inaction), the courts should proceed from the fact that in their exercise of state or other public powers, bodies and persons having such powers are bound by the law (principle of legality) and are obliged to maintain the confidence of citizens and their associations in law and actions of the state.

In its ruling of 28 December 2022 No. 59-P, the Constitutional Court has stated: The principles of legal certainty and maintaining confidence in the law and in the actions of the state guarantee citizens that decisions are taken by state-authorized bodies on the basis of strict compliance with legislative prescriptions, as well as careful and responsible assessment of the actual circumstances to which the law relates the emergence, change, and termination of rights (ruling of the Constitutional Court 14 January 2016 No. 1-P). At the same time, within the meaning of the legal position expressed by the Constitutional Court in its ruling of 22 June 2017 No. 16-P, in a democratic state governed by the rule of law, that is the Russian Federation, neglect of the requirements of reasonableness and prudence on the part of a public-law entity represented by competent authorities should not affect the property and non-property rights of citizens.

Thus, the IPC Presidium stated that government authorities must execute their functions with account for the legitimate expectations principle. That principle follows from Article 45 of the Constitution. Predictability of the behaviour of a government body is one of the factors that restrain the arbitrary behaviour of the authorities, create conditions for the realisation of the legitimate expectations principle and help persons that do not belong to authorities grow trust in the law and the actions of the state.

It follows from the principle of legitimate expectations that there is a need to ensure predictability of Rospatent's decisions. This implies the same assessment of the same factual circumstances.

Where the same person registers other trademarks, Rospatent is bound by its conclusions drawn in respect of identical trade mark elements. E.g.,

where Rospatent has recognised certain elements as distinctive, if there are no objections from third parties, Rospatent must recognise them as having the same distinctive character for applications filed by the same person.

Since the PPF element occurs in all earlier service marks and the element “rectangle coloured blue” occurs in two of them, proceeding from the principle of legitimate expectations, the fact that Rospatent recognised the distinctive nature of the two elements of the service mark series should bring to the conclusion that the same elements of the disputed service mark have a distinctive nature.

The court has dismissed Rospatent’s argument based on the fact that the signs differ from each other (there is a second triangle) and that the service marks had been registered as a combination of unprotected elements that had a distinctive nature (Subpara 2, Para 1.1 of Art. 1483 of the Civil Code), while the disputed sign consists of two simple elements that have no distinctive nature both individually and in combination.


The IPC Presidium has noted that, if no disclaimer had been lodged with respect to the disputed elements, they are entitled to protection, and the provisions of Subpara 2, Para 1¹ Art. 1483 of the Civil Code do not apply.


The IPC Presidium then emphasised that in this case the violation of the legitimate expectations principle was not caused by the fact that the unprotected element combination in the disputed service mark was the same as in the above-mentioned elements (which, in the opinion of the Presidium is clearly incorrect); the reason was that the elements recognised by Rospatent as protected in respect of the previous elements, were recognised by the same as unprotected in the disputed service mark.

5. Venire Contra Factum. IPC Presidium Revisits Legitimate Expectations

IPC Presidium Resolution of 27 July 2023 in Case No. SIP-6/2023

Rospatent must evaluate the same factual circumstances in the same way, i.e., semantic perception of the same words by the same target consumer group in relation to identical word elements must be the same.

In 2021, the MEKO company has filed an objection with Rospatent against the granting of legal protection to the trademarks “” and

“” registered in respect of ICGS Class 25 goods (apparel, footwear, hattery) that belonged to Best Price company.

MEKO cited incompliance of the said signs with the provisions of Subpara 3, Para. 1 of Art. 1483 of the Civil Code (signs characterising goods).

Rospatent found MEKO's position convincing. Arguing that consumers would perceive the verbal element "Lady collection" used in both trademarks as "women's collection", Rospatent excluded the verbal element "Lady Collection" from the legal protection of the said trademarks in respect of all ICGS Class 25.

In 2022, Best Price filed a similar objection against the granting of legal protection to the trademark "" registered in respect of ICGS Class 25 goods that belonged to MEKO.

Rospatent noted the sequence of the words, different fonts, multiple meanings and the dominant position of the word "LADY", and concluded that this trademark does not contain a direct indication to any specific properties and characteristics of ICGS Class 25 goods. In view of this, Rospatent refused to satisfy objection of Best Price.

In considering Best Price's application to recognise Rospatent's decision invalid, the IPC Presidium paid special attention to the legal expectations principle.

The IPC noted that when assessing the perception of the verbal element "Lady Collection", Rospatent considered the graphic criterion to be determinative, actually avoiding the need to analyse the semantics of the words "Lady" and "Collection", which, as Rospatent found when examining MEKO's objection, is totally obvious to the average Russian consumer.

In view of the above, the IPC stated that Rospatent's decision to reject the objection of Best Price contradicts the legitimate expectations principle, and therefore obliged Rospatent to reconsider this objection.

6. Do You Know What Psyrtskha is?

IPC Presidium Resolution of 10 August 2023 in Case No. SIP-990/2022

When assessing whether a sign consisting of a geographical name complies with the requirements of Subpara 3, Para 1 of Article 1483 of the Civil Code, it is first of all necessary to establish to what extent the name is known to a reasonably informed target group of Russian consumers.

Rospatent has refused to register the sign "PSYRTSKHA" in respect of a part of ICGS Class 32 goods and all Class 33 goods. Rospatent has decided that this geographical name is perceived as an indication of the place of production of goods and the location of the manufacturer (Subpara 3, Para

1 of Article 1483 of the Civil Code), and that the sign would mislead the consumer as to the natural origin of some of the drinks, because the applicant is registered in the city of Sukhum (Subpara 3, Para 1 of Article 1483).

After the objection was dismissed, the applicant has turned to the IPC. The first instance court upheld the applicant's position and ordered Rospatent to reconsider its objection.

Rospatent emphasised in its cassation appeal that when assessing compliance with the requirements of Subpara 3, Para 1 of Article 1483, the relevant question is whether the consumer could reasonably assume that the goods were produced in the respective locality.

Rospatent concluded that such perception is possible based on the connection of the disputed sign with the village of Psyrtskha (Abkhazia), with the railway stop on the Tskuara-Novy Afon section, and with the old Abkhazian name of the town of Novy Afon.

The IPC Presidium also has pointed out that it was first necessary to establish that the geographical name was known to a reasonably informed target consumer group. Thus, the court described as premature the conclusions of Rospatent on the existence of associative links between the disputed sign and the claimed goods, as well as on the possibility to perceive the disputed sign as the place of origin or production of the said goods in the absence of sufficient evidence that the Russian consumer knows the geographical name Psyrtskha.

The Presidium has emphasised that it considered Rospatent's position to be correct, which is that it is not the familiarity of a geographical object to the consumer as the place of production of goods that should be established, but the possibility to reasonably assume that the name would indicate the place of origin of the disputed goods to a target consumer group. In any case, however, the first step is to establish whether the geographical entity is known as such.

The court also has noted that Rospatent's erroneous conclusion that the toponym "Psyrtskha" was known to the Russian consumer of the goods in question led to an incorrect judgement that the Russian consumer had wrong associations with the place of production of the goods or the location of the manufacturer, which was a violation of the methodology for assessing compliance with the provisions of Subpara 1, Para 3 of Article 1483 of the Civil Code.

7. Of Names, Peculiar and Common

IPC Presidium Resolution of 17 August 2023 in Case No. SIP-75/2023

The name and surname commonly used in the Russian Federation do not have inherent distinctiveness in relation to any goods or services.

Mr. S.A. Abramov has applied to Rospatent for registration of the trade mark “СЕРГЕЙ АБРАМОВ” (“SERGUEY ABRAMOV” in Slavic alphabet).

Rospatent refused to register the said sign due to its non-compliance with the requirements of Para 1 of Article 1483 of the Civil Code (lack of individual character). In doing so, it stated: the claimed sign features a common name and surname, including the name and surname of well-known personalities, therefore, it cannot individualise the goods and services of a single person.

Disagreeing with the decision of Rospatent, S.A. Abramov has appealed to the IPC with a request to declare the said decision invalid.

The first instance court has noted that the broad use of a surname in a sign in the Russian Federation cannot in itself serve as grounds for refusal to register the sign.

At the same time, the first instance court has pointed out that the absence of an exclusive stylistic solution or bright graphic elements of a simple combination of the name and surname of an individual does not contribute to the distinctiveness of the sign as a whole, since the personal name “Sergey” and combination of such name with the surname “Abramov” is quite common in the Russian Federation.

In addition, the first instance court has come to the following conclusion: It has not been proved that the claimed sign has acquired distinctiveness as a result of its prolonged use by the applicant in the course of his commercial activities.

In considering S.A. Abramov’s cassation appeal, the IPC Presidium has agreed with the conclusion of the first-instance court that the wide popularity in the Russian Federation of the said name and surname indicates that a sign consisting of such elements is not inherently distinctive in relation to any goods or services.

With regard to the argument presented in the cassation appeal about the popularity of S.A. Abramov among the target consumer group, the IPC Presidium has noted that the documents submitted by the applicant do not constitute evidence confirming the use of the designation as a means of individualisation of goods and services within the meaning of Para. 2 of Article 1484 of the Civil Code.

In addition, the IPC Presidium noted that participation in trainings and conferences or the existence of professional accounts in social networks does not in itself confirm the sale of goods or provision of services to consumers, in relation to the perception of which it is necessary to determine the acquired distinctiveness of the sign applied for registration.

B. Revocation for Non-use

8. The Standard of Interest. Balance of Probabilities, or Beyond Reasonable Doubt?

IPC Presidium Resolution of 10 August 2023 in Case No. SIP-281/2022

Evidence of the production of homogeneous goods, receipt of a claim of trade mark infringement, and the filing of an application for trade mark registration may be insufficient to conclude that the plaintiff is interested in early termination of the trade mark's legal protection.

Parapharm is the owner of the trademarks “ТОЧНО В ЦЕЛЬ” (“Into the target” in Russian) and “УМНЫЙ КАЛЬЦИЙ — ТОЧНО В ЦЕЛЬ” (“Intelligent calcium — into the target” in Russian) registered in respect of goods of ICGS Class 5 goods (pharmaceutical and other preparations for medical or veterinary purposes).

Evalar applied to the IPC for early termination of these trademarks.

The plaintiff argued that it was a manufacturer of goods similar to those in respect of which the disputed means of individualisation had been registered. In addition, Evalar referred to the fact that it had received a claim motivated by infringement of rights to the above trademarks and by the filing of an application for registration of a sign similar to the disputed trademarks.

However, the IPC found that Evalar was not interested in early termination of legal protection of the disputed trademarks, and rejected the above arguments, arguing as follows.

With regard to the arguments regarding the existence of an application for registration of the trade mark, the IPC proceeded from the fact that the application for registration of the sign “**НАПРАВЬТЕ КАЛЬЦИЙ ТОЧНО В ЦЕЛЬ**” (“Direct calcium into the Target” in Russian) was filed after the interested party had submitted its proposal to the right holder (whereas interest is determined on the date of submission of the interested party's proposal), and the screenshots from the website: <https://shop.evalar.ru/> with information about the dietary supplement “Evalar Natural Vitamin K2” and the information article about it under the heading “Direct calcium into the Target” did not, in the opinion of the IPC, evidence the use (or the intention to use) a sign similar to the disputed trademarks specifically to individualise its own goods.

Thus, the IPC considered that the words and phrases “calcium” and “into the target” do not individualise any goods that Evalar sells.

The IPC has rejected the plaintiff's evidence proving the production of goods homogenous to those for the individualisation of which the disputed trademarks had been registered.

In particular, the IPC concluded that the plaintiff had not provided evidence of an intention to use a sign similar to the disputed trademarks to individualise its own goods.

When considering the arguments about the existence of a claim received by Evalar, the IPC noted that no claim for protection of the right to the disputed trade mark had been filed.

The IPC also pointed out that the arguments in the claim boil down to an infringement of the disputed trade mark by Evalar in an article posted on the Internet. At the same time, the IPC concluded that the words and phrases "calcium" and "into the target" in the article under review do not individualise any goods.

The IPC also noted that the person who had signed the claim to Evalar was not authorised to express the respective position on behalf of the trade mark owner.

On this basis, the IPC found that Evalar had no interest in the early termination of legal protection of the disputed trademarks.

II. Patents

9. Two Against One: the IPC Presidium Looks into the Design of Backpacks

IPC Presidium Resolution of 24 July 2023 in Case No. SIP-999/2022

In order to conclude that a utility model fails to meet the condition of novelty, all of its essential features must be contained in a single means. At the same time, a combination of features of different means from a single source is possible if the combination clearly follows from that document or has been expressly disclosed.

Rospatent has received an objection against the granting of a patent for a utility model (backpack) due to its non-compliance with the Novelty requirement.

Rospatent has dismissed the objection. With respect to one of the opposed sources of information, Rospatent has found that it disclosed several technical solutions which are means for the same purpose as the utility model under the disputed patent. However, none of them contained all the essential features of the disputed utility model: either the feature "...and

the orthopaedic backrest in the middle contains a rigid element...”, or the feature “...the backpack contains two detachable fasteners connecting each other from the front...” was missing.

The IPC upheld Rospatent’s decision. It argued as follows: It cannot be concluded that a utility model fails to meet the “Novelty” requirement if the inherent features of the utility model are known from a group of technical solutions in the aggregate. To make such a conclusion, such features must be contained in a single means. Different means can be disclosed in a single source of information, and, likewise, one means can be disclosed in different sources of information.

To assess the novelty of a disputed utility model, it is contrasted with means for the same purpose, and not with sources of information. Consequently, each means is contrasted independently: all the essential features of the disputed utility model must be known from a specific independent means for the same purpose.

According to the methodology for testing the novelty of a utility model, it is not permissible to combine individual features belonging to different means described in the same document unless the possibility of such a combination clearly follows from that document or unless such a combination has been expressly disclosed.

Hence, the said combination is possible in exceptional cases: (1) if the combination clearly follows from that document, or (2) if the combination has been expressly disclosed.

10. Inaccurate Information in Mathematics Harms the Public Interest

IPC Presidium Resolution of 21 August 2023 in Case No. SIP-947/2022

A solution for the appearance of a product bearing an inscription with inaccurate information cannot be recognized as an industrial design, because it is contrary to the public interest.

Rospatent has refused to grant a patent for the industrial design “Wooden hypercube on a prefabricated stand with a proof of Fermat’s Great Theorem” and confirmed its refusal when examining the applicant’s objection. Rospatent based its decision on the fact that the claimed product cannot be an object of patent rights within the meaning of the provisions of Subpara 4, Para 4 of Art. 1349 of the Civil Code. It stated that it was contrary to the public interest to place misleading information on a solution for the appearance protected as an industrial design (in this case, misleading information about the proof of a mathematical theorem).

The IPC upheld Rospatent's decision. It argued as follows: Given the applicant's disagreement with the fact that inaccurate information was printed on one of the faces of the product, the first instance court sent requests on the basis of Part 1¹ of Art. 16 of the Code of Commercial Procedure to several scientific and educational organisations; these responded that from a mathematical point of view the applicant's position is erroneous. These answers, together with other materials of the case, allowed the first instance court to conclude that the contested decision of Rospatent was lawful and justified.

In upholding the judgement of the first instance court, the IPC Presidium proceeded from the content of the provision of Subpara 4, Para 4 of Article 1349 and by-laws, in particular Para 13 of Requirements to the Documents for an Application for a Design Patent (approved by Order of the Ministry of Economic Development No. 695 of 30 September 2015). According to the latter provision, the conclusion that the claimed industrial design is contrary to the public interest, the principles of humanity and morality may be made on the basis of the inscriptions and logos printed on the product.

The IPC Presidium also has rejected the applicant's arguments that when sending court requests on the basis of part 1¹ of Article 16 of the Code of Commercial Procedure, the first instance court violated the principles of openness and publicity of court proceedings, appointing an informal expertise. The IPC Presidium has clarified that Articles 82 and 84 of the Code of Commercial Procedure do not apply to court requests aimed at obtaining clarifications, consultations and professional opinion of academics or specialists in a certain field of knowledge.

III. Procedure

11. Odd One out: Actual Interest is not Sufficient for a Person to Join a Litigation Where a Decision of Rospatent Is Challenged.

IPC Presidium Resolution of 21 July 2023 in Case No. SIP-446/2023

Where a non-regulatory act is challenged in part, it is in that part that the court reviews it.

When reviewing non-regulatory acts, the court is not bound by the grounds and arguments of the objections raised; at the same time, this does not imply the right (and obligation) of the court to review the non-regulatory act in its unchallenged part.

A factory applied to Rospatent for registration of the sign “Marina Lupin” as a trademark. In the course of examination of the application, the co-operative submitted an appeal to Rospatent under Para 1, Article 1493 of the Civil Code, motivated by the fact that it manufactures products labelled with the name identical to that of a French politician. Based on the results of the examination, Rospatent refused registration, motivating its decision by the disputed sign’s ability to mislead consumers about the manufacturer of goods (Subpara 1, Para. 3 of Article 1483 of the Civil Code).

Having considered the factory’s objection, Rospatent has withdrawn the above-mentioned ground for refusal of registration. At the same time, it pointed out the impossibility to register the designation “Marina Lupin” on new grounds: Non-compliance with the requirements of Subpara 2, Para 3 of Article 1483 of the Civil Code (because the sign claimed contradicts public interests, principles of humanity and morality).

The factory did not agree with Rospatent’s conclusions and appealed to the IPC, citing the inconsistency of the decision with the provisions of Subpara 2, Para 3 of Article 1483 of the Civil Code.

In its turn, the co-operative, filed a motion to join the litigation as a third party that is not making independent claims with respect to the subject matter of the dispute.

The IPC has refused the co-operative due to the fact that the decision of Rospatent is challenged under Subpara 2, Para 3 of Article 1483 of the Civil Code, while the request to review Rospatent’s decision in respect of application of Subpara 1, Para 3 of Article 1483 of the Civil Code (on the ability of the sign to mislead the consumer as to the manufacturer of goods) was not lodged. The IPC has noted that the condition for joining a case as a third party that is not lodging independent claims with respect to the subject matter of the dispute is when the judgement directly influences its rights and obligations, rather than the existence of any actual interest in the outcome of the case.

The IPC Presidium upheld the first instance court’s ruling to refuse the satisfaction of the co-operative’s request.

12. Who Can be Reimbursed for Administrative Expenses?

IPC Presidium Resolution of 13 September 2023 in Case No. SIP-639/2019

Only the party that “wins” can recover the costs of the administrative procedure before Rospatent; the patent holder can be recognised as the “win-

ning” party only if the objection to granting legal protection to the patent is rejected in its entirety.

FORES Company filed an opposition to Rospatent’s decision to grant legal protection to a patent held by NIKA-PETROTEK Company.

Upon considering the said opposition, Rospatent recognised the disputed patent to be partially invalid and granted a new patent with the wording submitted by the patent holder.

The IPC has considered the application of FORES on the above decision of Rospatent and left it unchanged.

The IPC has partially satisfied the request of NIKA-PETROTEK for distribution of court expenses, recovering a part of court expenses incurred by NIKA-PETROTEK during the examination of the case in the IPC, but completely refused to reimburse the expenses incurred at the stage of examination of the objection in Rospatent.

The Constitutional Court, upon considering the complaint of NIKA-PETROTEK, has recognized that the interrelated provisions of Para 2, Article 1248 of the Civil Code and Article 106 of the Code of Commercial Procedure do not comply with the Constitution in so far as they prevent a person involved in a case challenging a decision of Rospatent from being reimbursed for expenses previously incurred by them in connection with the examination by that agency of an objection to the granting of a patent for an invention; it is worth noting that, in the system of current legal regulation, there is no mechanism for effective protection of the right to reimbursement of such expenses.

After considering NIKA-PETROTEK’s petition to reconsider the ruling on the distribution of court costs based upon new circumstances, the court has cancelled the ruling with regard to the costs incurred by NIKA-PETROTEK in connection with the consideration of FORES’ objection before Rospatent.

At the same time, having considered the issue of reimbursement of these expenses, the first instance court determined that, contrary to the position of NIKA-PETROTEK, the Constitutional Court did not anticipate the outcome of consideration of the request for recovery of expenses within this particular case, and did not recognize NIKA-PETROTEK as a “winning” party with regard to the outcome of consideration of the administrative case by Rospatent.

In addition, the first instance court has concluded that since Rospatent’s decision satisfied the objection of FORES (the patent for the disputed in-

vention was partially invalidated and a new patent was issued), therefore the FORES is not a “losing” party within the meaning of Article 110 of the Code of Commercial Procedure.

Upholding the ruling of the first instance court, IPC Presidium has noted the following: The Constitutional Court linked the right to reimbursement of costs for administrative proceedings to the outcome of the proceedings.

Consequently, with regard to Rospatent’s decisions appealed in court, reimbursement shall be paid as follows:

If the court judgment upheld the decision of Rospatent, the reimbursement shall be paid to the person who has “won” the administrative procedure;

If the court judgment recognized Rospatent’s decision as invalid and a title decision is passed, the reimbursement shall be paid to the person who is deemed to have “won” the administrative procedure with account of the court judgment;

If the court judgement has invalidated the decision of Rospatent and an objection is sent for a new examination, the reimbursement shall not be paid until the renewed administrative procedure is completed.

The IPC Presidium emphasised that in this case, in considering the merits of the dispute, the court upheld Rospatent’s decision. In this light, the first instance court was right to determine in whose favour the decision in the administrative procedure had been taken — namely, who was the “winning” party in the administrative procedure.

In addition, the IPC Presidium has supported the first instance court that NIKA-PETROTEK could not be recognised as the “winning” party because the patent for the disputed invention had been partially invalidated and a new patent had been granted.

The IPC Presidium then criticised NIKA-PETROTEK’s arguments that the differences between the new patent and the previously granted patent were immaterial, pointing out that the patent holder was not a “winning” party, even if it was satisfied with the extent to which it had managed to minimise the losses from the objection filed.

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M. A. Kolzdorf — para 1,9.

N. I. Kapyrina — para 3, 4, 6, 10.

N. E. Goloiad –para 2, 5, 7, 8, 11, 12.

The article was submitted to editorial office 07.02.2024; approved after reviewing 04.03.2024; accepted for publication 04.03.2024.