GETTING THE DEAL THROUGH
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Getting the Deal through – Patents 2009

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Patent enforcement proceedings

1. Lawsuits and courts

What legal or administrative proceedings are available for enforcing patent rights against an infringer? Are there specialised courts in which a patent infringement lawsuit can or must be brought?

Patent owner has a choice of three different procedures: civil court, criminal court and administrative (police) procedure. No special courts for patent cases are available, as a rule the lawsuit takes place in the district court where the infringer has place of residence. Criminal court procedure were and is used very rare, administrative procedure is effective and fast, civil court procedure is not very fast and is depending on complexity and number of examination.

2. Trial format and timing

What is the format of a patent infringement trial? To what extent are documents, affidavits and live testimony relied on? Is cross-examination of witnesses permitted? Are experts used? Are disputed issues decided by a judge or a jury? How long does a trial typically last?

Patent infringement trial has a format of judgment with one judge. Documents are most welcomed evidences, affidavits and live testimony are rare accepted by a judge, though not forbidden. Cross-examination of witnesses is theoretically available but practically not used. When deciding the fact of infringement the judges mostly rely on independent technical expert's conclusion. In some cases upon agreement of both parties two assessors may be invited to joine the judge. It looks like a jury but it is not a classical jury since the assessors take decisions together with the judge. Assessors should have business, law or financial education and experience, so it is not very useful for consideration of infringement cases having complicated technical essence.

Duration of trial is critically depending on a number of examinations; sometimes it can take years, but typically last about 1, 5 year.

3. Proof requirements

What are the respective burdens for establishing infringement, invalidity and unenforceability of a patent?

In most of infringement cases and in all invalidity cases a claimant has a burden of proof. The only exception arises in case of a patent relating to a method for manufacturing a new product: if the defendant manufactures the same product, it will be assumed that this product is produced by the protected method (Art. 1358. 2(2) Russian Civil Code) and the burden of proof is on the defendant No unenforceability procedure is available in Russia.

4. Standing to sue

Who may sue for patent infringement? Under what conditions can an accused infringer bring a lawsuit to obtain a judicial ruling or declaration on the accusation?

In case of patent infringement a patent owner as well as an exclusive license holder may sue the infringer. An accused infringer may bring in some cases a lawsuit to obtain a judicial ruling or declaration on the accusation as a means of protection. E.g. it is possible if a patent owner spread information about infringement to the accused infringer associates and customers followed by a warning letter, but the accused infringer does not consider the infringement taking place. In such a case the accused infringer may initiate a lawsuit to prove a fallacious treatment of the patent owner and to protect his rights basing on Art. 12 of the Russian Civil Code. It should be noted it is a very rare situation in the Russian practice.

5. Inducement and contributory infringement

To what extent can someone be liable for inducing or contributing to patent infringement?

Actually no precedents are known in Russia where someone was liable for inducing or contributing to patent infringement. So called “indirect violation” is often discussed among specialists but is never used in practice.

6. Infringement by foreign activities

To what extent can activities that take place outside of the jurisdiction support a charge of patent infringement?

Foreign activities have no influence to a charge of patent infringement.

7. Infringement by equivalents

To what extent are 'equivalents' of the claimed subject matter liable for infringement?

Equivalents are very often taken into consideration in patent infringement lawsuits since Art. 1358 of the Russian Civil Code provides for use of equivalents as an infringement. It should be noted that the current Russian legislation does not comprise a legal definition of the 'equivalents' concept. For the last time the legal definition was mentioned in a subordinate legislation issued in 1974 , i.e. in the USSR, so a reference to such a subordinate legislation may be considered as improper. Therefore an application of the 'equivalents' concept by Russian judges is rather diverse.

8. Discovery of evidence

What mechanisms are available for obtaining evidence from an opponent, from third parties or from outside the country for proving infringement, damages or invalidity?

Evidences for lawsuit should be collected by a claimant singly or through commissions. If the claimant is aware on documental evidences which are in the infringer possession the judges may vindicate such evidences from the infringer. It refers also to the third parties for proving infringement or damages. There is no judicial practice for obtaining evidence from outside the country in infringement cases.

9. Litigation timetable

What is the typical timetable for a patent infringement lawsuit in the trial and appellate courts?

It is difficult to indicate a typical timetable because the number of infringement lawsuits a year is not enough to create statistically established data. The procedure in trial court: from filing a suit till the first (preliminary) hearing – 1 month, after that in a month – hearing, after that (as a rule) – examination which may last till 2 month and may be repeated sometimes; after that cross-examination of the examiner – in a month. The court decision may be appealed within 1 month and a hearing usually takes place in a month or two.

10. Litigation costs

What is the typical range of costs of a patent infringement lawsuit before trial, and for an appeal?

Having in mind the above reservation costs of a patent infringement lawsuit before trial may be estimated as 5-10,000 EUR, during trial – 3-10,000 EUR, appeal – 3-8,000 EUR

11. Court appeals

What avenues of appeal is available following an adverse decision in a patent infringement lawsuit?

The parties have a right to file an appeal within 1 month to the appellation court.

12. Competition considerations

To what extent can enforcement of a patent expose the patent owner to liability for a competition violation, unfair competition, or a business-related tort?

Generally a patent owner in Russia is presumed to have right to take all lawful measures to enforce a patent without being exposed to liability for a competition violation etc. If the patent owner goes beyond the monopoly granted by the patent the Antitrust legislation may be used.

13. Alternative dispute resolution

To what extent are alternative dispute resolution techniques available to resolve patent disputes?

Alternative dispute resolution techniques though being available according to the Russian Civil Code are not very popular in Russia and especially to resolve patent disputes. Usually Chambers of Commerce and Industry in many of big Russian cities like Moscow, St. Petersburg etc. have arbitration tribunals. Such arbitration tribunals are important for commercial disputes, but not for patent ones.

II. Scope and ownership of patents

14. Types of protectable inventions

Can a patent be obtained to cover any type of invention, including software, business methods and medical procedures?

Russian Civil Code provides for patent protection of products (including a device, substance, microorganism strain, culture of cells of plants or animals) and methods (a process of conducting actions on material object with help of material means). Methods comprising surgical and therapeutic treatment as well as computer-related solutions are patentable. Business methods and software as such are not patentable. Methods of cloning of a human being, methods of modification of the genetic integrity of cells of the embryonic line of the human being, use of human embryos for industrial and commercial purposes may not be objects of patent rights.

15. Patent ownership

Who owns the patent on an invention made by a company employee, an independent contractor, or multiple inventors? How patent ownership is officially recorded and transferred?

Employer is entitled to file applications and obtain patents for all inventions made by its employee in the course of routine work. Independent contractor – a natural person - is not an employee so a right for invention should be declared in the contract. In case an invention is created in the performance of a contract of work and labour, or a contract for the performance of scientific or technological research, which did not directly envision its creation, the right to obtain a patent and exclusive right for such invention shall belong to the contractor (performer) unless the contract provides otherwise. In case of multiple inventors all or any of them may be patent owner(s) depending on agreement between the inventors.

Patent ownership may be transferred at any time in full by an alienation or assignment, or in part by a license agreement. All such agreements must be recorded in the Register of the Russian PTO and are not valid until recorded.

III. Defences

16. Patent invalidity

How and on what grounds can a patent be invalidated?

According to Art. 1398 of the Russian Civil Code a patent may be recognized in the course of the time of its effectiveness as invalid in whole or in part in the following cases:

a) failure to correspond to the patentability conditions (novelty, inventive level or industrial applicability);
b) presence in the claims of the granted patent features that were absent on the filing date of the application in the description and/or claims;
c) grant of a patent in the presence of several applications for identical inventions having the same priority date;

d) Wrong indication of inventor or patent owner.

If grounds a)-c) take place a demand to nullify the patent should be filed with the Patent Dispute Chamber of the Russian PTO. If ground d) takes place the grant of the patent may be disputed in the civil court, namely the civil court in Moscow where the Russian PTO is located.

17. Absolute novelty requirement

Is there an 'absolute novelty' requirement for patentability, and if so, are there any exceptions?

In Russia 'absolute novelty' requirement for patentability is established. For patents there are no exceptions from 'absolute novelty' requirement. But for utility models a prior art may include an information on means for the same purpose published worldwide and an information on use of means for the same purpose on the territory of the Russian Federation only, not worldwide.

18. Obviousness or inventiveness test

What is the legal standard for determining whether a patent is 'obvious' or 'inventive' in view of the prior art?

Legal standard established by Art. 1350 of the Russian Civil Code is drafted very common and laconic: "An invention has an inventive level if for a specialist it does not obviously follow from the prior art". At that prior art may include technical solutions from any technical field in order to demonstrate anticipation of any separate feature of the claimed invention.

19. Patent unenforceability

Are there any grounds on which an otherwise valid patent can be deemed unenforceable owing to misconduct by the inventors or the patent owner, or for some other reason?

Art. 1362 of the Russian Civil Code: "If a patent owner cannot use the invention to which he has the exclusive rights without infringing thereby the rights of an owner of another patent (the first patent) for an invention or utility model who has refused to conclude a license agreement on conditions corresponding to the established practice, the patent owner (of the second patent) shall have the right to apply to court with a suit against the owner of the first patent to obtain a compulsory non-exclusive license for the use on the Russian Federation territory of the invention or utility model covered by the first patent".

IV. Remedies

20. Monetary remedies for infringement

What monetary remedies are available against a patent infringer? When do damages start to accrue? Do damage awards tend to be only nominal, provide fair compensation or be punitive in nature?

According to the Russian legislation, indemnification is only compensatory and not punitive. There is no additional punishment for willful infringement as well. To get monetary remedies from a patent infringer the patent owner must prove in the court of justice an amount of damages. Only proved damages can be recovered. Lost profit is impossible to obtain,

21. Injunctions against infringement

To what extent is it possible to obtain a temporary injunction or a final injunction against future infringement? Is an injunction effective against the infringer's suppliers or customers?

Temporary or preliminary injunctions are possible but difficult to get. It is necessary to prove reasonableness and adequacy of the injunctive measures as well as how and why the proofs may disappear. No injunction is available against third parties who have not been sued, such as the infringer's suppliers or customers.

22. Attorneys' fees

Under what conditions can a successful litigant recover costs and attorneys' fees?

In the Russian court proceedings (incl. infringement proceedings), the losing party has to bear the entire court taxes. Attorneys' fees of the winning party are on discretion of the court.

23. Wilful infringement

Are additional remedies available against a deliberate or wilful infringer? If so, what is the test or standard to determine whether the infringement is deliberate?

No additional remedies available in Russia against a deliberate or wilful infringer.

24. Time limits for lawsuits

What is the time limit for seeking a remedy for patent infringement?

No special time limit for seeking a remedy for patent infringement is established by the Russian law. It means a common approach is applicable according to which one can seek a remedy within 3 years after he/she found out or should find out about the infringement.

25. Patent marking

Must a patent holder mark its patented products? If so, how must the marking be made? What are the consequences of failure to mark?

No special prescriptions on marking of patented products are established in the Russian legislation. Nevertheless it is strongly advisable to indicate information on patent protection on the patented product, e.g. to indicate patent number or patent application number, preferably followed by a warning sentence.

V. Licensing

26. Voluntary licensing

Are there any restrictions on the contractual terms by which a patent owner may license a patent?

Generally speaking the terms and conditions of licensing contracts are the responsibility of the contracting parties only and can be chosen by them. 'Field-of-use' restrictions, restrictions regarding the amount of production and sale, temporal or regional restrictions are allowed. It must be indicated in the text of the agreement: a subject matter (patent), a territory and a term of license, a reward and ways of use of the invention. It is important to know that all license and assignment agreements are to be registered in the Russian PTO and are not valid until registered. If any of a.m. obligatory points are not included in the agreement, the Russian PTO issues a notification with request to improve the agreement. The registration procedure may last till 6 month.

27. Compulsory licences

Are any mechanisms available to obtain a compulsory licence to a patent? How are the terms of such a licence determined?

According to Art. 1362 of the Russian Civil Code if an invention is not used by the patent owner, or is used insufficient during 4 years from the date of grant and it leads to insufficient offering of the corresponding goods, works or services on the market, any person wishing and prepared to use the invention may apply to a court for providing a simple compulsory license, if the patent owner refused to conclude a license agreement on conditions corresponding to the established practice. It is to be noted that the concept of "conditions corresponding to the established practice" is extremely vague since neither official information on the established practice nor governmental guidelines are available.

VI. Patent office proceedings

28. Patenting timetable and costs

How long does it typically take, and how much does it typically cost, to obtain a patent?

After patent application is filed and filing fee is paid the preliminary examination takes usually 2-3 month. In case of positive result of formal examination a request for substantive examination should be submitted within 3 years from the filing date. After the request for substantive examination is accepted (provided that the examination fee is paid) the first office action is usually received within 10-12 months. Response to the office action should be filed within 2 month after receipt but the term can be extended till 12 month (provided that the appropriate fee is paid). After an official notification on readiness to grant a patent is issued and granting and publication fee is paid the patent is usually published within 4-6 month. Overall duration of substantive examination is usually 1-2 year, costs may greatly vary depending on complexity and volume of the application. Official fees for filing, examination and grant totally are amounting about 1000 – 1500 USD. Attorney fee may vary from 1500 till 5000 USD. The costs may be significantly higher in appeal or opposition proceedings.

29. Prior art disclosure obligations

Must an inventor disclose prior art to the patent office examiner?

It is an obligation of an applicant to disclose prior art in the Russian application description and to indicate the closest one. The examiner may require to insert such an information into the application if the applicant missed it. But a lack of such information in the application may not influence to validity of a granted patent.

30. Pursuit of additional claims

May a patent applicant file one or more later applications to pursue additional claims to an invention disclosed in its earlier filed application? If so, what are the applicable requirements or limitations?

Applicant may file one or more divisional application(s) until the first application is not finally refused, is not withdrawn or a patent is registered (Art. 1381 of the Russian CC). The divisional application may not claim any new matters, if the applicant wishes to use the priority of the first application.

31. Patent office appeals

Is it possible to appeal an adverse decision by the patent office in a court of law?

An adverse decision of the examining departments may be appealed with the Patent Dispute Chamber of the Russian Patent Office. An adverse decision of the Patent Dispute Chamber may be appealed in a court of justice, namely in the Moscow civil court.

32. Oppositions or protests to patents

Does the patent office provide any mechanism for opposing the grant of patent?

A grant of a patent may be opposed in Russia in the same procedure as described in p. 16 and p. 31, i.e. after a patent is granted. No other special mechanism for opposing a patent application being under examination is available.

33. Priority of invention

Does the patent office provide any mechanism for resolving priority disputes between different applicants for the same invention? What factors determine who has priority?

Actually the Russian patent office requires priority disputes between different applicants for the same invention to be resolved, but does not provide any mechanism for that. Art.1383 of the Russian Civil Code stipulates that if in the process of examination is established that different applicant have filed applications for identical inventions claiming the same priority date a patent may be granted only on one of that application to the person determined by agreement between the applicants. If such an agreement is not submitted to the Russian PTO with 12 month after

notification from the RU PTO all applications are deemed to be withdrawn. The term of 12 month can be extended in the same way as other extendable terms, i.e. by 10 month. If such an agreement is timely submitted to the Russian PTO in the granted patent all inventors indicated in it shall be recognized as co-authors with respect to identical inventions.

34. Modification of patents

Does the patent office provide procedures for modifying, re-examining and revoking a patent? May a court amend the patent claims during a lawsuit?

A granted patent may be modified with respect of its claims only by decision of the Patent Dispute Chamber of the RU PTO if a third party have initiated an invalidation procedure. Russian court of justice may not amend the patent claims during a lawsuit.

35. Patent duration

How is the duration of patent protection determined?

Generally the duration of the patent protection in Russia is 20 years from the patent application filing date. If an invention is related to therapeutic means, a pesticide or an agrochemical which need a governmental permission for a use, and if from the patent application filing date till the date of obtaining such a permission more than 5 years have elapsed, the term of validity can be extended by petition of the patent owner. The total extension may not be more than 5 years.

Utility model is valid within 10 years from the filing date and can be extended for 3 years by petition of the owner of the utility model.

BOXOUT: Update and trends

What is the most significant developing or emerging trends in the country's patent law?

The most significant developing in the Russian patent legislation is that the Patent Law was actually incorporated into the Russian Civil Code Part IV. In another words the level and significance of the patent legislation was increased. Simultaneously some new amendments arose in the law: the validity term for utility models was extended till 13 years and for design till 20 years; article 1349 gives a clear indication that methods of cloning of a human being, methods of modification of the genetic integrity of cells of the embryonic line of the human being, use of human embryos for industrial and commercial purposes may not be objects of patent rights.

Nevertheless a big part of a subordinate law is not issued yet thereby leaving some practical aspects of obtaining and protecting patent rights not clear enough.