GETTING THE DEAL THROUGH

Patents

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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?

A 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, and as a rule the lawsuit takes place in the district court where the infringer has his or her place of residence. The criminal court procedure has been and continues to be rarely used, while the administrative procedure is effective and fast, and the civil court procedure is not very fast and depends on the complexity and number of cases under examination.

2 Trial format and timing

What is the format of a patent infringement trial?

A patent infringement trial has one judge. Documents are the most welcomed form of evidence. Affidavits and live testimony are rarely accepted by a judge, although they are not forbidden. Cross-examination of witnesses is theoretically available but not used in practice. When deciding the fact of infringement judges mostly rely on independent technical experts' conclusions. In some cases, upon the agreement of both parties, two assessors may be invited to join the judge. This seems like a jury, but it is not a standard jury since the assessors take decisions together with the judge. Assessors should have education or experience in business, law or financial matters; they may, however, still have problems in infringement cases that are particularly technically complex.

The duration of a trial depends on the number of hearings necessary; sometimes trials can take several years, but most trials last about 18 months.

3 Proof requirements

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

In most infringement cases and in all invalidity cases a claimant bears the burden of proof. The only exception arises in the 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 (article 1358.2(2) of the 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 the case of patent infringement, a patent owner or an exclusive licence holder may sue the infringer. An accused infringer may in some cases bring a lawsuit to obtain a judicial ruling or declaration on the accusation as a means of protection. For example, if a patent owner spreads information about infringement to the accused infringer's associates and customers, followed by a warning letter, but the accused infringer does not believe infringement has taken place, then the accused infringer may initiate a lawsuit to prove fallacious treatment by the patent owner and to protect his or her rights based on article 12 of the Russian Civil Code. It should be noted that this is very rare in practice.

5 Inducement, and contributory and multiple party infringement

To what extent can someone be liable for inducing or contributing to patent infringement? Can multiple parties be jointly liable for infringement if each practises only some of the elements of a patent claim, but together they practise all the elements?

No precedents are known in Russia where someone was liable for inducing or contributing to patent infringement. Multiple party infringement precedents cases are also not known in Russia, and it seems strictly unlikely that such a liability could be endorsed by a court. Indirect violation is often discussed among specialists but is never used in practice.

6 Joinder of multiple defendants

Can multiple parties be joined as defendants in the same lawsuit? If so, what are the requirements? Must all of the defendants be accused of infringing the same patents?

Generally, the Russian legislation allows multiple parties to be joined as defendants in the same lawsuit. But there is no known precedent where, in a patent infringement case, multiple defendants have been involved.

7 Infringement by foreign activities

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

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

8 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 article 1358 of the Russian Civil Code provides for use of equivalents as an infringement. It should be noted that current Russian legislation does not include a legal definition of the equivalents concept. The last time the legal definition was mentioned was in subordinate legislation issued in 1974, namely, in the USSR, and consequently a reference to such legislation might be considered incorrect. Therefore the application of the equivalents concept by Russian judges is rather diverse.

9 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?

Evidence for a lawsuit should be collected by a claimant singly or through commissions. If the claimant is aware of documental evidence that is in the infringer's possession, the judge may liberate such evidence from the infringer. This process also refers to third parties for proving infringement or damages. There is no judicial practice for obtaining evidence from outside the country in infringement cases.

10 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 each year is not enough to create statistically established data. The procedure in the trial court is as follows: from filing a suit till the first (preliminary) hearing takes one month; after another month the hearing takes place; after that (as a rule) examination occurs, which may last two months and may be repeated; after that cross-examination of the examiner takes place in a month. The court decision may be appealed within one month and a hearing usually takes place after one or two months.

11 Litigation costs

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

Reservation costs of a patent infringement lawsuit before trial may be estimated as €5,000 to €10,000; during trial, €3,000 to €10,000; and appeal, €3,000 to €8,000.

12 Court appeals

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

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

13 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 the 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, antitrust legislation may be used.

14 Alternative dispute resolution

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

Alternative dispute resolution techniques, despite being available according to the Russian Civil Code, are not very popular in Russia, especially to resolve patent disputes. Usually the chambers of commerce and industry in many of the large Russian cities (such as Moscow and St Petersburg) have arbitration tribunals. Such arbitration tribunals are important for commercial disputes, but not for patent ones.

Scope and ownership of patents

15 Types of protectable inventions

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

The Russian Civil Code provides for patent protection of products (including a device, substance, micro-organism strain, culture of cells of plants or animals) and methods (a process of conducting actions on a material object with the 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 a human being, methods of modification of the genetic integrity of cells of the embryonic line of the human being and use of human embryos for industrial and commercial purposes may not be objects of patent rights.

16 Patent ownership

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

An employer is entitled to file applications and obtain patents for all inventions made by its employees in the course of routine work. An independent contractor – a natural person – is not an employee, so a right to inventions should be declared in the contract. If 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 that did not directly envision such 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 the case of multiple inventors, all or any of them may own the patent depending on the agreement between the inventors.

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

Defences

17 Patent invalidity

How and on what grounds can the validity of a patent be challenged? Is there a special court or administrative tribunal in which to do this?

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

(i) failure to correspond to the patentability conditions (novelty, inventive level or industrial applicability);
(ii) features in the claims of the granted patent were absent on the filing date of the application in the description or claims;
(iii) grant of a patent in the presence of several applications for identical inventions having the same priority date; or
(iv) wrong indication of inventor or patent owner.

If grounds (i) to (iii) take place, a demand to nullify the patent should be filed with the Patent Dispute Chamber of the Russian PTO. If ground (iv) 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.

A special Patent Court is expected to be created in the next two to three years, and all invalidity disputes based on grounds (i) to (iii) should be sent to the Patent Court.

18 Absolute novelty requirement

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

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

19 Obviousness or inventiveness test

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

The legal standard established by article 1350 of the Russian Civil Code states: 'An invention has an inventive level if for a specialist it does not obviously follow from the prior art.' The prior art may include technical solutions from any technical field in order to demonstrate anticipation of any separate feature of the claimed invention.

20 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?

Article 1362 of the Russian Civil Code states:

If a patent owner cannot use the invention to which he has the exclusive rights without infringing the rights of an owner of another patent (the first patent) for an invention or utility model who has refused to conclude a licence 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 licence for the use on the Russian Federation territory of the invention or utility model covered by the first patent.

21 Prior user defence

Is it a defence if an accused infringer has been privately using the accused method or device prior to the filing date or publication date of the patent? If so, does the defence cover all types of inventions? Is the defence limited to commercial uses?

Article 1361 of the Russian Civil Code provides for the notion 'previous (prior) use'. It means that if any person has been privately using the accused invention or utility model within the territory of the Russian Federation prior to the priority date of the invention or utility model, the person keeps the right to further use of the method or device provided that the scope is not increased. No indication of any limitation by a type of use or type of invention is included in the legislation.

Remedies

22 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 nominal, provide fair compensation or be punitive in nature?

According to Russian legislation, indemnification is only compensatory and not punitive. There is no additional punishment for wilful infringement. 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. Damages for lost profit are impossible to obtain.

23 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 the 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.

24 Banning importation of infringing products

To what extent is it possible to block the importation of infringing products into the country? Is there a specific tribunal or proceeding available to accomplish this?

According to article 1358 of the Russian Civil Code, an importation of patented products to the territory of the Russian Federation is deemed as a use of the invention or utility model. Therefore, an unauthorised importation of patented goods is considered as a patent infringement. Such an importation can be blocked on the customs border by the decision of customs officials upon the request of a patent owner, provided that the patent owner submitted proofs of infringement taking place. An expert's report or a court decision may be used as a proof of infringement. No specific tribunal is available and the custom official actions can be appealed in a civil court. Nowadays, such type of banning the importation of infringing goods by customs is working well in Russia in cases where registered trademark rights are violated. Patent cases are usually more complicated for proofs but can be effective as well.

25 Attorneys' fees

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

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

26 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 are available in Russia against a deliberate or wilful infringer.

27 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 Russian law. It means a common approach is applicable according to which one can seek a remedy within three years after one finds out or should find out about the infringement.

28 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? What are the consequences of false patent marking?

No special prescriptions on the marking of patented products are established in Russian legislation. It is nevertheless strongly advisable to indicate information on patent protection on the patented product (for example, to indicate the patent number or patent application number, preferably followed by a warning sentence). False patent marking is not directly mentioned in Russian legislation, but such an action cannot be unpunished. The Law of Unfair Competition and the Law on Consumer Protection may be used in such a case.

Licensing

29 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. The following must be indicated in the text of the agreement: a subject matter (patent), a territory and a term of the licence, a reward and ways of use of the invention. It is important to know that all licence and assignment agreements must be registered in the Russian PTO and are not valid until registered. If any of the above-mentioned obligatory points are not included in the agreement, the Russian PTO issues a notification with a request to improve the agreement. The registration procedure may last six months.

30 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 article 1362 of the Russian Civil Code, if an invention is not used by the patent owner, or is used insufficiently for four 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 to obtain a simple compulsory licence if the patent owner refused to conclude a licence agreement on conditions corresponding to the established practice. It should 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.

Patent office proceedings

31 Patenting timetable and costs

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

After a patent application is filed and the filing fee is paid the preliminary examination usually takes two to three months. In the case of a positive result in the formal examination, a request for a substantive examination should be submitted within three 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 to 12 months. Response to the office action should be filed within two months after receipt but the term can be extended to 12 months (provided that the appropriate fee is paid).

After an official notification on readiness to grant a patent is issued and the publication fee is paid the patent is usually published within four to six months. Overall duration of a substantive examination is usually one to two years, although costs may greatly vary depending on the complexity and volume of the application. Official fees for filing, examination and grant usually amount to about 30,000 roubles to 50,000 roubles. Attorneys' fees may vary from 50,000 roubles to 150,000. Translation costs are not included. The costs may be significantly higher in appeal or opposition proceedings.

32 Expedited patent prosecution

Are there any procedures to expedite patent prosecution?

For the time being there are several ways to expedite a patent prosecution in Russia. RUPTO is a member of various PPH programmes, for example, PPH – MOTTAINAI, PPH with Japan PTO, US PTO, Korean PTO, Finnish PTO. Another option is to file a Eurasian patent application instead of a Russian one. The Eurasian Patent Office provides a possibility to accelerate both formal and substantive examination by paying official extra fees. The accelerated proceeding may last only several months in the Eurasian Patent Office.

33 Patent application contents

What must be disclosed or described about the invention in a patent application? Are there any particular guidelines that should be followed or pitfalls to avoid in deciding what to include in the application?

Russian patent rules are in great part harmonised with the requirements of the PCT, so the disclosure of the invention in the patent application should be in line with PCT Regulations and Guidelines.

34 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 the applicant to insert such information into the application if the applicant omitted it. However, a lack of such information in the application may not influence the validity of a granted patent.

35 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?

An applicant may file one or more divisional applications until the first application is not refused, is not withdrawn or a patent is registered (article 1381 of the Russian Civil Code). The divisional application may not claim any new matters if the applicant wishes to use the priority of the first application.

36 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.

37 Oppositions or protests to patents

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

A grant of a patent may be opposed in Russia via the same procedure as described in questions 16 and 33, namely, after a patent is granted. No other special mechanism for opposing a patent application under examination is available.

38 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?

The Russian Patent Office requires priority disputes between different applicants for the same invention to be resolved, but does not provide any mechanism for the resolution. Article 1383 of the Russian Civil Code stipulates that if in the process of examination it is established that different applicants have filed applications for identical inventions claiming the same priority date, a patent may be granted to only one of the applications after agreement between the applicants. If such an agreement is not submitted to the Russian PTO within 12 months after notification from the Russian PTO all applications are deemed to be withdrawn. The term of 12 months can be extended in the same way as other extendable terms, namely, by 10 months. If such an agreement is submitted in a timely fashion to the Russian PTO, in the granted patent all inventors indicated in it shall be recognised as co-authors with respect to identical inventions.

39 Modification and re-examination of patents

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

A granted patent may be voluntarily revoked by a patent owner. A re-examination procedure is not provided by current Russian legislation. A granted patent may be modified with respect of its claims only by a decision of the Patent Dispute Chamber of the Russian PTO if a third party has initiated an invalidation procedure. The Russian court of justice may not amend the patent claims during a lawsuit.

Update and trends

The most exciting changes that are expected in the IP field in Russia regard the court system. A new law came into force in 2011 dealing with a new Court for Intellectual Right, which will be created in Russia in 2013. That court will be authorised to consider cases for:

(i) the nullification of patents, utility models, industrial designs and trademarks;
(ii) rthe efusal of the RU PTO to grant a protection to patents, utility models, industrial designs and trademarks;
(iii) the establishment of a patent owner; and
(iv) the challenging of statutory acts issued by the RU PTO or Federal Antimonopoly Authority;

In addition, the court will serve as second instance for cases regarding intellectual rights considered in the civil courts as first instance.

In fact, for points (i) and (ii), it will be a substitution of the Russian Patent Dispute Chamber, which is a part of the Russian PTO; for other points it will be a new and unique court within the Russian court system.

40 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 agrichemical that needs governmental permission for use, and if from the patent application filing date till the date of obtaining such a permission more than five years have elapsed, the term of validity can be extended by petition of the patent owner. The total extension may not be more than five years.

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

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