

Evolution of the Russian Legislation on the Intellectual Property

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I

AFTER THE long-term discussion in Russian juridical science, the victory was awarded to the conception, according to which the Civil Code of the Russian Federation (CC) should contain only general provisions on the intellectual property and its detailed regulation should be implemented by the specific federal laws. In conformity with this conception, the new Civil Code of the RF [effective from January 1, 1995 (Part One), March 1, 1996 (Part Two) and March 1, 2003 (Part Three)] contains app. 30 articles regulating directly the relations concerning the intellectual property¹. But the main volume of legal norms are included in five federal laws (dated 1992-1993), which were noticeably amended in 2002-2003 (or will be amended soon) in accordance with the said conception.

The laws in question are the Patent Law of the RF of September 23, 1992 as amended by the Law #22-FZ, February 2, 2003; the Law on the Legal Protection of Computer Programs and Data Bases #3523-1, September 23, 1992 as amended by the Law #177-FZ, December 24, 2002; the Law on the Legal Protection of Topologies of Integrated Microcircuits #3526-1, September 23, 1992 as amended by the Law #82-FZ, July 9, 2002; the Law on Trademarks, Service Marks and the Appellations of the Origin of Goods #3520-1, September 23, 1992 as amended by the Law #166-FZ, December 11, 2002. The draft Law on Introduction of Amendments and Additions to the Law of the Russian Federation on Copyright and Neighbouring Rights passed only the first reading in the State Duma of the RF and is not yet effective. The Law on Copyright and Neighbouring Rights was adopted on July 9, 1993 and was amended only once – on July 19, 1995.

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1. Articles 2, 8, 18, 26, 54, 69, 128, 138, 150, 208, 336, 559, 769, 772, 773, 1027-1040 and certain others.

II

The numerous amendments to the Patent Law didn't affect the conditions of the patentability of invention, useful model and industrial design. Particularly, as before, "the invention shall be granted legal protection if it is novel, involves an inventive step and is commercially applicable"². Only the law provisions on the objects of invention were amended. According to Article 4.1 "As an invention, protection shall be given to a technological conception in any field related either to the product (in particular, a device, substance, microorganism strain, plant or animal cell culture) or method (process of performing actions on a material object with the help of material means)."

The most outstanding and significant amendments to the Patent law are the following:

1. The operation of Law is extended on the secret inventions with the peculiarities set forth in section VI.I³;
2. When determining the novelty of an invention, only such applications are to be included in the technological step which concern inventions and useful models whose documents any person can get acquainted with, provided their earlier priority has been determined⁴;
3. As an industrial design, protection shall be given to the artistic and design conception of the product not solely of industrial manufacture but also of craftsmanship⁵;
4. Together with the traditional right of prior use⁶, the right of the subsequent use was established. According to Article 30.1⁷, "any person who, in the period between the termination of the patent for an invention, useful model or industrial design and the publication in the official bulletin of the federal executive agency for intellectual property (i.e. presently – Rospatent) of information on the renewal of the patent, started to use the patented invention, useful model or industrial design or made in the said period arrangements therefore, shall retain the right to its further free use without expanding the extent of such use";
5. The procedure for the request of the right of conventional priority by the applicant became more definite⁸;

2. Art. 4.1.

3. Art. 3.3.

4. Art. 4.1.

5. Art. 6.1.

6. Art. 12.

7. Introduced by the Law #22-FZ, February 7, 2003.

8. Art. 19.2.

6. Instead of two instances examining the disputes concerning the issuance of patent (Appeal Chamber and Supreme Patent Chamber), the sole Chamber for the Patent Disputes was established. The decision of this Chamber is subject to approval by the head of the federal executive agency for intellectual property (presently – Rospatent), takes effect as from the date of its approval and can be appealed in court.

III

Amendment introduced in the Law on Trademarks, Service Marks and the Appellations of the Origin of Goods are the following:

1. Definitions of some notions were modified, particularly the notion of “trademark”. According to Article 1, “the trademark and the service mark (hereinafter referred to as the “trademark”) shall mean designations used for individualization of goods, carried out works and rendered services (hereinafter referred to as the “goods”) of legal entities and physical persons”. “A legal entity or a physical person engaged in a entrepreneurial activity may be the holder of an exclusive right to a trademark”⁹;
2. Together with other illegal acts, placement of a trademark or of a designation so similar to thereto that it can cause confusion “in Internet, particularly, in domain names and with other forms of addressing” was deemed the illegal use of the trademark;
3. Together with traditional verbal, figurative, three-dimensional and other designations or combinations thereof,¹⁰ legal protection is introduced for the well-known trademarks¹¹. Legal protection can be provided to a well-known trademark on the basis of a decision of the Chamber for the Patent Disputes¹²;
4. In Article 30.1, a more definite notion of the appellation of the origin of goods is introduced. It is “a designation constituting or containing the present-day or historical denomination of a country, settlement, locality or other geographic unit (hereinafter referred to as the “geographic unit”) or a derivative of such denomination that has become known as a result of its use in respect of goods whose properties are chiefly or exclusively determined by natural conditions or human factors which are characteristic of this geographic unit”;

9. Art. 2.3.

10. Art. 5.1.

11. Arts. 19.1-19.2.

12. Art. 19.2.1.

5. Together with traditional types of liability for illegal use of the trademark and of the appellation of the origin of goods (i.e. compensation of damages, stopping of the use of designation, its removal from the goods etc.), Article 46.4 provides for the first time that “the owner of a trademark and the owner of the certificate entitling to use a appellation of the origin of goods shall be empowered, instead of demanding the recovery of damages caused, to demand of the person illegally using a trademark or an appellation of the origin of goods to pay a monetary compensation defined by the court in the amount of from 1 thousand to 50 thousand minimum monthly wages set forth by federal law.

IV

In the course of the evolution of the legislation on copyright and neighbouring rights, the draft law on Introduction of Amendments and Additions to the Law of the Russian Federation on Copyright and Neighbouring Rights (hereinafter referred to as the “draft”) is discussed over a long period. The necessity of such law and the content thereof are connected with a number of important facts. Adopted in 1993 the Law on Copyright and Neighbouring Rights (hereinafter referred to as the “Law”) played the important part in the regulation of the copyright related relations. In general, the Law meets the world standards relating to the copyright and neighbouring rights, therefore, the Russian Federation could join a number of international treaties, including Berne Convention for the Protection of Literary and Artistic Works, Universal Copyright Convention (as revised in 1971) and Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms.

However, taking into consideration the technological evolution, the advent of the new telecommunications, the development of the international cooperation regarding the copyright, the drafting of the new international treaties, it is necessary to amend the Law. Furthermore, the analysis of the practice of the Law application revealed lacunas and internal contradictions of the Law, the correction of which requires the amendments of the Law. Moreover as the Law was drafted and came into effect before the adoption of the Constitution of the Russian Federation a number of the Law provisions conflict with the Constitution of the Russian Federation.

The draft aims to achieve the following:

- Bringing the Law to conformity with the Constitution of the Russian Federation;
- Bringing the Law to conformity with the Berne Convention for the Protection of Literary and Artistic Works;
- Enabling the possibility for the Russian Federation to accede to the Agreement on Trade-Related Aspects of Intellectual Property

Rights (the TRIPS Agreement) in case the Russian Federation joins the World Trade Organization;

- Enabling the enforcement of the author's right to fair compensation for the creative work, the extension of the rights of directors of the spectacles (inclusion of the plays in the objects of the copyright), providing the authors with the additional possibilities for the protection of their rights;
- Widening of the list of the authors of audio-visual works, arrangement of the relations relating to the creation and the use of audio-visual works;
- Creation of the conditions needed for the enforcement of the Law provisions concerning the payments to the authors, performers and phonogram producers for the use of audio-visual works and phonograms for private purposes ("home copies");
- Establishing the possibility of the payments for the development of the Russian culture made from the payments for the use of audio-visual works and phonograms for private purposes;
- Improvement of the provisions on the author's agreement and the use of works;
- Amendments of the Law necessary for the improvement of the activity relating to the collective-based management of the patrimonial copy – and neighbouring rights;
- Increase in possibilities of the counteraction against the illegal use of works and objects of neighbouring rights;
- Correction of the internal contradictions of the Law;
- More precise definitions of some Law provisions and of notions used therein.

In particular, bringing the Law in conformity with the Constitution of the Russian Federation will be implemented by the amendments to Articles 2, 17.2, 28.3, 31.3 of the Law and will aim to achieve the full conformity of the Law with the goals, principles and provisions of the Constitution of the Russian Federation, especially its provisions regarding the delimitation of powers of the federal and regional authorities, the rights and the freedoms of individuals, the competence of the state authorities.

A great number of the proposed amendments (to Articles 5.1, 5.3, 16.4, 17.2, 19.5, 27, 28.1 and others) are connected with the necessity to bringing the Law in conformity with the Berne Convention for the Protection of Literary and Artistic Works 1886 (as revised by the Paris Act 1971).

According to the TRIPS Agreement, a country acceding thereto must comply with a number of the provisions of the Berne Convention for the Protection of Literary and Artistic Works and must introduce some specific

provisions concerning the objects of neighbouring rights in the national legislation.¹³

The proposed extension of the copyright duration in the draft is connected with the necessity to provide the additional protection for the works of Russian authors overseas. In many countries, the term of protection is already extended to 70 years¹⁴.

However it can be that the Russian holders of right can't get the protection because the international treaties usually don't provide the obligatory protection for the "foreign" works, if the term of protection is expired in the country of their origin. Thus, the extension of the protection term of copyrights in the Law will extend the protection of the Russian author's rights in most of developed countries (according to the provisions of the Berne Convention, the TRIPS Agreement and others).

The dissemination of the modern audio and video recording equipments enabled the easy duplication of audio-visual works and phonograms for private purposes. The Russian Federation, as many other countries, introduced in 1993 the special provisions concerning the payments for the "home copies" to the holders of right¹⁵. However, up to the present time these provisions are not enforced in practice. Most of the amendments proposed in the draft are connected with the necessity of the enforcement's procedure which will be most convenient for the practice.

In the world, the scope of the systems of the collective management of the patrimonial rights has become wider. The draft proposes the provisions (amendment to Article 44-47 of the Law), needed for the effective works of such systems and for the due state control of their activity; it will make the systems of the collective management of the patrimonial rights accessible for all interested holders of right.

The draft contains also certain amendments of "technical nature", including correction of the Law contradictions (e.g. amendments to paragraphs 9 and 15 of Article 4, to Article 5.1, 16.4, 17.2, 27, 28.1, 35, 37-42 and others). Adoption of these amendments will favour the right interpretation and effective enforcement of the Law provisions.

The adoption of the proposed draft will involve the favourable economic, political and legal effects, including increase in social effectiveness of the Law, growth of incomes of the Russian holders of rights, especially in connection with amendments to Article 5.3, 17.2, 35.4 and 37-41 of the Law.

13. Amendment to Art. 35.4 and to Art. 43 of the Law.

14. Art. 1 and 2 of the European Union Directive #93/98/EEC of October 29, 1993, Harmonizing the Term of Protection of Copyright and Certain Related Rights.

15. Art. 26 of the Law of the Russian Federation on Copyright and Neighbouring rights.

During the preparation of the draft for the first reading on the recommendation of the relevant Committee with consideration of the given proposals, the draft was amended with the provisions concerning the necessity to indicate in Article 2 of the Law that the copyright legislation is a part of civil legislation. According to other amendments, the draft proposes now to exclude from Articles 26, 45, 46, 48-2 of the Law, the provisions on the special authorization which is issued by the federal executive agency for intellectual property to the organizations managing the patrimonial rights on the collective basis.