### <u>G</u>orodissky

## INFORMATION #130

IN THIS ISSUE: OUR TMT PRACTICE ENHANCES page 1 IP RISK MANAGEMENT FOR EMPLOYEE page 3 QUARTERLY LEGAL REVIEW page 4 FIRM'S NEWS page 9

# **G-NEWS**

#4 (130) 2018, MOSCOW, RUSSIA

GORODISSKY & PARTNERS PATENT AND TRADEMARK ATTORNEYS IP LAWYERS



## IP Risk Management for Employee



Sergey Vasiliev, Ph.D. Patent Attorney Senior Lawyer Gorodissky & Partners (Moscow)

#### I. RISK MANAGEMENT SYSTEM

A well-arranged risk management system is key for developing a successful business model. Effective management and consulting aim to prevent disputes and conflict situations as best as possible.

However, over the last few years, the number of court disputes related to intellectual property (IP) created in the workplace has materially increased, since it is salaried employees that create most intellectual property through their creative work.

As practice shows, the lack of due diligence to this issue may result in severe consequences for a company's IP assets, including losing the right to obtain a patent, being able to contest existing patents, to terminate legal protection of knowhow and to incur employee demands to be paid a fee for work-related IP, etc. Russian inventors and engineers often file claims against representative offices of foreign companies, and foreign-owned Russian subsidiaries that act as their employers. To use a recent example, a former subsidiary employee of a foreign company filed a claim years after his dismissal. The claimant wanted to be named as an author of an invention, to be paid a royalty fee for the invention's use covering a 3-year period, and to be compensated for emotional damages. The case proceedings have » page 2

not yet been completed, but it is obvious that any foreign company carrying out innovative or manufacturing activities in Russia may face such a risk. The rights to IP assets are frequently used as leverage against opponents in labour or corporate disputes. This situation can arise if there are no documents formally establishing the allocation of rights between the inventing employee and the employer; this also has the knock-on effect of leaving the ownership rights undefined. By way of illustration, Gorodissky & Partners has lately represented a defendant in a court dispute over the recovery of debts (numbering in the millions) under a licence agreement for granting the right to use several inventions. After a thorough examination of the case files, it was found that some of the defendant's employees were indeed the authors of the patented inventions, but the defendant had not been defined in the patents as a patent holder or co-holder. On this basis, an effective defence strategy was devised, which has resulted not only in the dismissal of the stated claims against the client but also in the issuance of new patents; in some of which the client has been stated as a patent co-holder or as a patent holder in others.

#### II. MAIN RISK GROUPS IN SERVICE-RELATED IP

Experience dictates that it makes sense to divide the main risks in this area into the following assumed groups:

**1.** Classification and documentation on the relationship with RIA authors

**2.** Employee failure to notify the employer about the creation of a work-related RIA

3. Disclosure of a work-related RIA by the author

**4.** Employer adoption of measures aimed at registering work-related RIA in its name, keeping them secret or transferring the rights of a work-related RIA to any third parties

5. Paying a royalty fee for a work-related RIA.

Let us consider some key points of each risk group in more detail.

#### 1. Classification and documentation on the relationship with RIA authors

Many employers often make the mistake of assuming that the payment of salaries to employees automatically guarantees the transfer of intellectual property rights to the company from the employee.

There are a number of binding provisions, and failure to comply with them may result in a loss of rights to the RIA created by regular employees.

This risk group includes the cases where there are no documents that determine the scope of the employee's official duties/duty assignment in the company, or cases where an RIA created by an employee is beyond his or her official duties/duty assignment.

In addition, it is often the case that employees are employed in two (or more) places simultaneously. A classic example is concurrent employment at both a research institute and a business entity. In such an event, there are risks of incorrect determination of ownership and documentation of rights to a work-related RIA.

### 2. Employee failure to notify the employer about the creation of a work-related RIA

The failure to notify an employer about the creation of an RIA often results from the employee's negligent attitude or poor awareness of the need to do so. At the same time, willfully concealing work-related RIAs to misappropriate further the rights of the employee happens often, too.

In this case, a helpful reminder is to determine the list of individual categories of employees/positions that may potentially create an RIA and to regularly monitor the work of said employees and maintain regular reporting on their activities. It is also recommended to use a written form of notice specifying the authors, creative input, the scope of application, and examples of implementation of an RIA.

**3. Disclosure of work-related RIA by the author** With the best intentions, inventors seek to share their discovery by publishing a research article or by reporting a new solution to conferences and other public events.

Having said that, the value of an RIA depends on its novelty and being unknown to any third parties. In the event of disclosing an RIA, an employer runs the risk of losing the opportunity to protect it as an invention, since the invention should comply with the 'novelty' patentability criterion. To mitigate the above risks, therefore, an employer should implement a set of measures aimed at keeping the information on work-related RIAs secret.

4. Employer failure to implement measures on registering work-related RIAs in its name, or keeping them secret The law has set a strictly defined list of actions to be taken by the employer so that the rights to work-related RIAs are passed from the employee to the employer. In particular, within four months of the date that the employee notifies the employer about the creation of a work-related RIA, the employer may apply for a patent, transfer the right to obtain a patent to any third party and decide on keeping the information on the RIA secret. If none of the above actions is taken, the rights to the work-related RIA are returned to the employee.

#### 5. Paying a royalty fee for a work-related RIA

The conflicts related to royalty fee payments comprise a separate risk group. Even though disputes on royalty fees cannot formally result in a change of a right holder, this issue is topical for each employer, since it is the employer that is obliged to pay the royalty fee, regardless of who owns the rights to the RIA when the author lodges a claim.

Usually, disagreements surface about the basis and amount of a royalty fee, since the law classifies the relations range as subject to contractual regulation. With no agreement/consent between the parties, a court may apply a minimum/recommended fee.

#### **III. RISK MITIGATION**

Because Russian legislation has its specific features of regulating work-related inventions and employment relations, which are irrelevant to foreign jurisdictions, foreign-owned subsidiaries are often among those companies that are specifically recommended to check this area for compliance with Russian legal requirements.

The implementation of an intellectual property risk management system in the company will help to mitigate the mentioned risks. This system, among other things, entails a set of local documents, contracts, agreements and other documents to be signed with employees, contracting parties and any other third parties. Such documents may include:

**1.** Intellectual property management policy. The most important document regulating activities in managing risks arising from the creation, documentation, recording, acquisition, use, disposal, and protection of rights to the RIA

**2.** Regulation on intellectual property. A large and important document regulating the relations associated with creating, documenting, recording, acquiring, using, disposing, and protecting the rights to an RIA **3.** Regulations on trade secrets (know-how). A local act setting forth the procedure for handling information constituting trade secrets (know-how), including the procedure for implementing legal protection of know-how and for accessing such information by any third parties

4. Documents mediating the creation of a company's knowledge assets

**5.** Employment agreements and job descriptions. To enhance the effectiveness of a work-related RIA risk management system, additional training to the designated staff in the form of seminars and presentations should be provided. During the training, the particular scenarios should be studied along with recommendations and explanations on the introduction of, and control over compliance with, the documents regulating the relations associated with work-related RIAs.

## Gorodissky & Partners enhances TMT practice

Gorodissky & Partners announces joining to its team of Stanislav Rumyantsev, a new lawyer with more than ten years' experience in one of the leading European law firms. He has got extensive practice in advising Russian and foreign clients in the field of TMT, in particular, on issues of: comprehensive compliance checks, support for international and Russian projects related to the protection of personal data and Roskomnadzor supervisions, due diligence of IT companies, legal support of projects related to software development, cloud computing, e-commerce, the provision of network platforms and computer infrastructures as a service (SaaS), as well

as the implementation of IT-systems. Stanislav was recognized as an eminent data privacy and protection lawyer by Who's Who Legal and is a member of International Association of Privacy Professionals (IAPP).

Lawyers and attorneys of Gorodissky & Partners advise Russian and foreign clients on IT, information and personal

data protection, provide legal support on a whole range of issues related to the creation, licensing/ distribution and protection of the rights to software and databases, transfer and protection of information, information security and its licensing, certification of information systems and cryptographic data protection. They conduct due diligence of the personal data protection in companies, assist in registering as a personal data operator in the relevant registry of the national regulator, advise Russian and foreign clients on various aspects related to cloud computing, the provision of network platforms and computer infrastructures as services (PaaS, SaaS, IaaS), data hosting and big data.

"We remain a legal practice in the field of intellectual property, but in the modern world there are more and more related issues, in particular regulatory issues in the field of telecommunications, media and technology (TMT), including personal data protection, intellectual property operations taxation, questions on the lawful conduct of

We remain a legal practice in the field of intellectual property, but in the modern world there are more and more related issues, in particular regulatory issues in the field of telecommunications, media and technology (TMT)

> advertising campaigns. We successfully deal with all issues related to intellectual property and are confident that the joining of a new lawyer will allow us to enhance our TMT practice, and strengthen the company's position in TMT area in Russia" – said Valery Medvedev, Managing Partner of Gorodissky & Partners.

## QUARTERLY **REVIEW OF NEWS** IN LEGISLATION, **COURT PRACTICE,** AND ROSPATENT PRACTICE RELATED TO INTELLECTUAL PROPERTY (July – September 2018)

## 1. Laws and Draft Laws

The draft new edition of the Civil Code of Russia introduces a geographical indication as a new intellectual property right item

On July 27, the draft law was passed in the first reading: "On Amendments to Part Four of the Civil Code of the Russian Federation" proposing to recognize a new intellectual property right item – a geographical indication – a designation that makes it possible to identify a product as originating from the territory of a geographical area, with a certain quality, reputation, or any other features of the product being largely determined by its geographical origin.

A possibility to register a geographical indication will be provided to one or more individuals, a legal entity or an association.

### 2. Government Enactments and Departmental Enactments

#### New Guidelines on Expert Examination

On July 24, orders of Rospatent (Federal Service for Intellectual Property) Nos. 127 and 128 approved the Guidelines on Expert Examination of Trade Marks and the Guidelines on Expert Examination of Industrial Designs. The guidelines were prepared in order to procedurally ensure the uniformity of practice of expert examination of applications for trade marks and industrial designs under the conditions of Part Four of the Civil Code.

The guidelines are non-regulatory.

## 3.1. Court Practice

<u>The Constitutional Court of Russia explained</u> <u>the provisions on transfer of an exclusive right</u> <u>to a trade mark</u>

The Intellectual Property Rights Court challenged the constitutionality of clause 6 of Article 1232 of the Civil Code of the Russian Federation, pursuant to which, in case of non-compliance with the requirement for registration of transfer of an exclusive right without an agreement, alienation of an exclusive right under an agreement, or registration of a pledge or licence, transfer of the exclusive right, its pledge, or licence granting shall be considered invalid.

The recourse of the Intellectual Property Rights Court to the Constitutional Court was due to the facts of case SIP-157/2017, where Testato LLC challenged the Rospatent's dismissal of its motion to extend the validity period of the exclusive right to a trade mark.

The trade mark belonged to the legal entity, which was reorganized by way of accession to another legal entity, which, in its turn, was also reorganized by way of accession to Testato.

Rospatent dismissed the motion filed by Testato to extend the validity period of the trade mark registration, since Testato was not registered with Rospatent as a new right holder.

The Intellectual Property Rights Court found a contradiction between clause 6 of Article 1232 of the Civil Code of Russia and Articles 57 and 58 of the Civil Code of Russia, from which it follows that a successor becomes a holder of the rights and obligations of the acceded legal entity upon completion of the reorganization procedure, including with respect to the items being subject to state registration.

The claimant states that, due to their uncertainty, the disputed provisions result in violation of the constitutional guarantees of court protection of rights, freedoms, and legitimate interests of individuals.

The Constitutional Court ruled that clause 6 of Article 1232 of the Civil Code of Russia does not contradict the Constitution, since the provision contained in it provides that:

(a) In case of reorganization of legal entities in the form of accession of one legal entity to another one, the exclusive right to a trade mark held by the acquired legal entity shall be considered as transferred to a successor upon making the entry into the Unified State Register of Legal Entities (EGRYuL) on discontinuance of the acquired legal entity's operations;

(b) The exclusive right may be exercised in full by the legal successor only subject to state registration with Rospatent of the right transfer that have taken place;

(c) Clause 6 of Article 1232 of the Civil Code of Russia allows that Rospatent may consider registration of the transfer of the exclusive right to a trade mark along with extension of the validity period of such right.

The change of a place of business in case of permanency of general area, where the use of a trade designation is known, does not result in termination of the exclusive right to it

Repa Natyazhnye Potolki LLC and individual entrepreneur A. V. Ryabov using the Repa Natyazhnye Potolki trade designation in Chelyabinsk filed counter claims with a court for prohibition of the use of this name.

In its cassation appeal, the Company argued that for business purposes Ryabov used non-residential premises under lease agreements, which meant that Ryabov changed the place of business, therefore, the entrepreneur's exclusive right to a business name did not accrue.

In its resolution dated July 24, 2018 on case No. A79-11966/2017, the Intellectual Property Rights Court evaluated the entire asset complex owned by Ryabov as an undertaking belonging to him and pointed out that the change of the place of business by the entrepreneur within Chelyabinsk being the area, where his trade designation was known, does not result in termination of the exclusive right to such a designation.

#### An express requirement for a manufacturer in the documents cannot be regarded as a requirement for a trade mark, with which the supplied goods should be marked

El-Union submitted a bid for participation in an open request for quotation for a right to conclude a contract for supply of the Big Kaiser tools for the needs of ODK-STAR. At the same time, the procurement documents contained no requirements for a trade mark, with which the required goods should have been protected, but it was stated that Big Kaiser Prazisionswerkzeuge AG, the owner of the BIG KAISER international trade mark, should be a manufacturer of the goods.

In its turn, Big Kaiser Company considered that, by participating in the request for quotation, El-Union had illegally used the "BIG KAISER" trade mark owned by the Company and filed a claim with a court for an infringement of its exclusive right to this trade mark.

In its Resolution dated August 17, 2018 on case No. A40-146660/2017, the Intellectual Property Rights Court pointed out that an express requirement for a manufacturer in the documents is a requirement for a manufacturer and cannot be regarded as a requirement for a trade mark, with which the supplied goods should be marked, and dismissed the stated claims of Big Kaiser.

The court also noted that the Company was not recognized as a successful bidder of the request for quotation, no contract between the Company and the organizer of the request for quotation was concluded, and no goods were supplied.

In this case, if the Company was recognized as a successful bidder with regard to the request for quotation, the principle of exhaustion of rights would apply to the goods supplied, as they were commercialized in the Russian Federation directly by Big Kaiser or its authorized representative.

When purchasing the goods marked with another person's trade mark for resale of the goods, it is necessary to foresee the consequences of using such mark.

ESB-Tekhnologii manufactures and sells film electric heaters and is the holder of trade mark No. 408416 "PLEN" with regard to the relevant goods and services.

The company considered that Luch Group of Companies offering for sale film electric heaters bearing the "PLEN" and "PLEN-Zebra" designations on its websites and using these designations in advertisements had acted in bad faith and filed a claim with a court.

In its Resolution dated July 26, 2018 on case No. A70-15306/2017, the Intellectual Property

Rights Court agreed that such use of the "PLEN" designation was an infringement of the rights to the disputed trade mark and noted that, when buying the goods for resale, Luch Group of Companies could and should have foreseen the consequences of using another person's trade mark.

When purchasing for resale these goods marked with the disputed trade mark, Luch Group of Companies did not request from the goods' seller any documents evidencing the right holder's authorization to use the trade mark on the said goods.

### 3.2. Rospatent's Practice

The registration of the ROVEX trade mark was cancelled due to recognition of the registration of this trade mark as an act of unfair competition.

Rospatent received an opposition to registration by Euroclimate LLP of the exclusive right to the ROVEX trade mark under certificate No. 619097 ROVEX.

As it follows from the materials of the opposition, this designation had been used by many manufacturers of air conditioners long before the trade mark was registered. At the same time, the sole purpose of Euroclimate LLP was just to obtain an advantage by removing any competitors from the market, since the company itself does not and did not produce air conditioning systems under this designation.

These arguments are confirmed with the decision of the Directorate of the Federal Antimonopoly Service for Moscow dated February 19, 2018 and the Resolution of the Intellectual Property Rights Court on case No. A32-45288/2017.

On this basis, by its decision dated July 31, 2018, Rospatent satisfied the opposition received and invalidated the granting of legal protection to the trade mark under certificate No. 619097 in full.

## 4. Appellations of Origin

For registration of the name of a geographical area, which is located in a foreign country, as an appellation of origin, the substance of a protection item shall be determinant

Consorzio Tutela Vini Emilia filed an opposition with Rospatent to its refusal to register the appellation of origin under application No. 2014721690 EMILIA

Rospatent dismissed this opposition, having referred to the fact that, under the certificate dated November 05, 2013, the disputed designation was granted legal protection as a protected geographical indication (PGI), but not as a protected designation of origin (PDO) and to the fact that the said certificate did not determine, for which goods this PGI was protected.

Having disagreed with this decision of Rospatent, Consorzio Tutela Vini Emilia filed a claim with the Intellectual Property Rights Court, which, in its decision dated September 24, 2018 on case No. SIP-185/2018, pointed out that not exact consistency of the legal framework existing in a foreign country with the legal framework set forth in paragraph 3 of Chapter 76 of the Civil Code of Russia, which might differ in different countries, including by the item, to which legal protection was granted (and much less the name of protection item "appellation of origin", which might differ depending on a particular language or legal traditions), but the substance of the protection item was determinant for deciding whether it was possible to perform state registration of the name of a geographical area, which was situated in a foreign country, as an appellation of origin of the goods. In this regard, the court invalidated the challenged decision of Rospatent and ordered Rospatent to reconsider the said opposition.

## 5. Patents

### 5.1. Court Practice

The changes to correct obvious and technical errors in the patent issued for an invention may not be made as part of the procedure related to consideration of an opposition to issuance of a patent

On July 28, 2017, Rospatent made a decision to invalidate patent of the Russian Federation No. 2588634 in full for the reason that the description of this patent did not meet the criterion for "disclosure of invention", which should be sufficient for a specialist in the pertinent art to implement the invention. The right holder did not agree with the decision of Rospatent and filed a claim with court arguing that, while deciding on invalidation of the patent, Rospatent had not suggested that the patent holder should amend the summary and description of the invention, although it should have suggested it in accordance with Article 1378 of the Civil Code of Russia. In addition, the right holder referred to clause 2 of Article 10 of the Patent Law Treaty, pursuant to which a patent may not be invalidated without allowing the holder to change or to correct it.

The Presidium of the Intellectual Property Rights Court disagreed with these arguments and, in its Resolution dated August 15, 2018 on case SIP-631/2017, pointed out that Article 1378 of the Civil Code of Russia regulated the amendments only to the application documents before making a decision on issuance of the patent, and clause 2 of Article 10 of the Patent Law Treaty was not directly applicable in Russia, since the national legislation allowed such changes or amendments under the circumstances of individual procedures. Thus, the Court concluded that it was not possible to change the description of the invention under the patent at the stage of consideration of the opposition to its issuance.

#### <u>A patent may be invalidated after its expiration</u> <u>if the authors were indicated incorrectly</u>

A. M. Valiullin filed a statement of claim with a court for invalidation of patent of the Russian Federation No. 107340 for the "Fender" utility model due to the fact that he was the real author of the technical solution disclosed in the patent, but not A. S. Geller indicated as the author and the patent holder. In support of his words, the claimant produced the materials, pursuant to which he had been the first to develop a disputed solution and he had supplied it to various buyers, including the company, where A. S. Geller worked, long before the claimed priority date. Having examined the evidence produced, the court concluded that the genuine author of the "Fender" utility model under patent of the Russian Federation No. 107340 was A. M. Valiullin.

It is of interest that, at the time of filing the statement of claim, the disputed patent was early terminated due to the non-payment of the annual patent maintenance fee and could not be restored. However, A. M. Valiullin pointed out that a claim for invalidation of the disputed patent in terms of indicating the author was the only way to assert himself as an author. Thus, in its decision dated August 15, 2018 on case No. SIP-745/2017, the Intellectual Property Rights Court satisfied the claims of A. M. Valiullin and invalidated the patent under consideration in terms of indicating A. S. Geller as the author and the patent holder.

### 5.2. Rospatent's Practice

#### "Purified Water" and "Distilled Water"

Rospatent received an opposition to issuance of patent of the Russian Federation No. 2163119 with a priority dated April 26, 2000 for the "Antiseptic Drug" invention. The patented drug is a solution containing, among other things, "Purified Water".

The opposition provides an earlier application for an antiseptic drug including "Distilled Water". According to the patent holder, the terms "purified

## 6. Know How

Know how is not the property itself created using such process, but the technical solutions and methods necessary to create such property

The Russian Federation represented by the Federal Agency for Legal Protection of the Results of Intellectual Activity with Military, Special and Dual-Use Purposes and JSC "Shipyard "Yantar" concluded a licence agreement, under which Yantar received for a fee a right to use the results of intellectual activity registered as know how, for building of ships under the commission agreement and contract.

However, Yantar refused to pay royalties for use of the know how and requested to recognize the contract as null and void, arguing that it had previously manufactured and supplied ships to foreign customers using the technical solutions and methods constituting the licensed know how. From the water" and "water" have a mismatched content, and distilled water and water for injection used in the pharmaceuticals industry are not identical to purified water.

The decision of Rospatent dated September 14, 2018 states that the "distilled water" used in the well-known antiseptic solution is nothing else than "purified water", which is indicated as a feature in the summary of invention under the disputed patent. So, it is well known that distilled water is water that is purified from impurities dissolved in it by distillation, i. e., by evaporation using heat application and further condensation of the formed vapours. At the same time, it should be noted that the disputed patent indicated a more general feature "purified water" without specifying any methods for its purification.

In this regard, Rospatent satisfied the opposition to issuance of patent of the Russian Federation No. 2163119 and invalidated the patent.

viewpoint of the shipyard, the information that had previously constituted the know how lost its confidentiality and became known to the third parties that had previously bought ships of such design.

In its Resolution dated July 10, 2018 on case No. A40-106303/2017, the Intellectual Property Rights Court indicated that the assumption of Yantar was erroneous, since the know how was not the property itself created using such process, but the technical solutions, techniques, and methods, contained in the design, process, and any other regulatory technical documents obtained during the research and development works, and necessary to create such property. No evidence of disclosure of manufacturing method or submission to any third parties of the design documents used to manufacture the property sold is contained in the files of the case. In this regard, the court dismissed the stated claims of Yantar.

## 7. Copyright

The fact of earlier publication of the disputed photos alone does not disprove the principle of presumption of the claimant's authorship

The claimant became aware that the defendant posted on his/her website 29 photos taken by the claimant and at the same time removed the marks indicating the claimant's authorship. It should be noted that the disputed photos were posted on the defendant's website earlier than on the claimant's one. The defendant filed a claim to a court for infringement of his/her exclusive rights to these photos.

The court of first instance and the court of appeal recognized the actual infringement of the claimant's rights with regard to only one photo. At the same time, partially satisfying the claimant's claims, the courts proceeded from the fact that the photos were posted on the defendant's website earlier than on the claimant's one and that the actual authorship of the claimant was recognized by the courts with regard to only one photo, since the claimant produced media containing an original only with regard to the said photo.

In its Resolution dated July 9, 2018 on case No. A55-19920/2017, the Intellectual Property Rights Court (IPRC) pointed out that the presumption of the claimant's authorship proved by indicating "foto by Maxim Chabarov" mark at the lower right-hand corner was not disproved by the defendant through submission to the court of evidence confirming that the defendant's right of authorship to the disputed photos had accrued earlier.

In addition, the claimant submitted digital copies of his/her photos containing internal metadata, which may also indicate that it was the claimant who created the disputed photos.

The Intellectual Property Rights Court pointed out that the courts' conclusion on the necessity for the claimant himself to prove that he/she had posted the disputed photos on his/her website earlier than the defendant did not comply with the current legislation. The Intellectual Property Rights Court also noted that copyright should apply both to published and to unpublished works. Thus, the decision on authorship will depend not on the publication date of photos, but on their proven creation date. On this basis, the defendant's argument for the earlier publication of the disputed photos did not relate to authorship attribution for the photos.

Taking into consideration that the claimant produced to the court the evidence confirming that his/her rights of authorship to the disputed photos had accrued earlier and this evidence was not disproved by the defendant, the court ruled that the case should be remanded for reconsideration to the court of first instance.

## 8. Copyright

<u>The use of the programs for automated data</u> <u>collection from social networks may be</u> <u>considered as an infringement of the allied</u> <u>rights to a database</u>

DABL used the program it created to automatically search and copy information on the users from the VKontakte social network in order to create its own database. The social network considered that the actions of DABL contradicted the normal use of the database and infringed the rights of VKontakte as the creator and the owner of such database and filed a claim with a court against DABL.

In its resolution dated July 24, 2018 on case No. A40-18827/2017, the Intellectual Property Rights Court pointed out that extraction and further use of all content of the database or substantially all of its component materials without the right holder's authorization or repeated performance of any such action (extraction or use) with regard to an immaterial part of the database constituted an infringement of the exclusive right to the database, if it contradicted the normal use of the database. At the same time, the conclusions of the inferior courts on whether the defendant had extracted and (or) used the materials from the database and on whether it was material or not could not be considered as based on study and evaluation of the whole body of the facts material to the case.

On this basis, the court reversed the previously delivered court decisions and remanded the case on protection of the exclusive allied rights to the database for reconsideration to the court of first instance.

### <u>G</u>ORODISSKY

## News (conferences, seminars, news)

#### 14 - 16 NOVEMBER 2018//NEW DELHI

Vladimir Biriulin, Partner, Russian Patent Attorney (Gorodissky & Partners, Moscow), and Anand Saini, Regional Director (Gorodissky & Partners, Dubna), took part at the 6th World Intellectual Property Forum in New Delhi, where Vladimir Biriulin made a presentation at the session "Trademarks vs. Company Names".

A wide range of questions including technology advancements and their impact on IPR protection were discussed. Over 1000 participants from different countries attended the event.

#### $1-2 \ \text{NOVEMBER} \ 2018 / / \text{SHENZHEN}$

Valery Medvedev, Managing Partner, Russian & Eurasian Patent Attorney, Trademark Attorney, (Gorodissky & Partners, Moscow) spoke on "Patent prosecution in Russia" at the



Photo: Valery Medvedev China Intellectual Property & Innovation Summit, organized by Conways Asia with

support of the Government and leading media of China. Over 300 participants, mostly entrepreneurs and lawyers from China, attended the Summit.

#### 26 OCTOBER 2018//KAZAN

Albert Ibragimov, Russian and Eurasian Patent Attorney, Regional director, and Ramzan Khusainov, Russian Patent Attorney, Lawyer (both - Gorodissky and Partners, Kazan), made a presentation on "Regional brands – protection perspectives: use of geographical indications in means of individualization" at the public meeting at the Ministry of Economy of the Republic of Tatarstan on the activation of the registration of regional brands in the republic.

The meeting was attended by representatives of the republican ministries of economy, culture, agriculture and food, industry and trade, the regional center for the development of folk arts and crafts and other enterprises and institutions of the Republic of Tatarstan.

#### 18 – 19 OCTOBER 2018// KRASNODAR

Vadim Bloshentsev, Partner, Trademark Attorney, Regional Director (Gorodissky & Partners, Krasnodar), and Sergey Medvedev, Ph.D., LL.M, Senior Lawyer (Gorodissky & Partners, Moscow), took part in The Krasnodar Franchise Expo, where



Photo: Gorodisky booth

Sergey Medvedev spoke on "Legal aspects of franchising: the pitfalls of the

contract or what to mention when buying a franchise". The Exhibition gathered over 30 known business-models from different areas. It was a key event of the Southern region of Russia, which was attended by 3000 representatives of successful international and Russian franchising companies from various industries.

#### 17-20 OCTOBER 2018//NEW DELHI

Continuing the realization of social projects, Gorodissky & Partners co-organized and sponsored the Russian team participation in the International Exhibition for Young Inventors (IEYI). The first International Exhibition for Young Inventors (IEYI) took place in 2004 in Tokyo and became a kind of international continuation of the national exhibition held annually since 1904, and for 14 years, it has been held in different countries of Asia and Africa. This year the exhibition was organized by the Foundation of Glocal Science Initiatives in New Delhi.



Photo: members of the Russian team

It was second participation of Russian team in

this exhibition. Last year our team won 1 silver and 5 bronze medals. The results of this year exceeded all expectations – the Russian team won 2 gold, 3 silver and 1 bronze medals, as well as 3 special prizes.

Participants had to compete hard for the awards and prizes about 200 young inventors from 9 countries took part in the competition for the best invention. The International Exhibition for Young Inventors is an event designed to promote creative development, innovation and unification of young inventors around the world. It gives participants a unique opportunity to present their inventions and share experience with other participants from around the world.

#### 16 OCTOBER 2018\\UFA

Valery Medvedev, Managing Partner, Russian & Eurasian Patent Attorney, Trademark Attorney, Alexey Kratiuk, Partner, Trademark Attorney, Anton Melnikov, LL.M., Senior Lawyer (all from Gorodissky & Partners, Moscow), spoke at the Conference "IP for SMEs Bashkortostan", organized by Media group RBK in association with Gorodissky & Partners.

The Conference was attached to the opening of Gorodissky Branch in Ufa. The representatives of industrial, commercial, service companies, research and financial organizations, business development consultants, lawyers, patent/trademark attorneys, marketing and advertising specialists and brand managers attended the Conference.

Among speakers also were Vera Alyabyeva, Vice-President of the CCI of Bashkortostan, Irina Abramova, The Public Chamber of Bashkortostan, Guzaliya Shangareva, Head of Patent Department of Bashkir State University, Rafail Gibadullin, Business Rights Commissioner and others. At the conference were discussed the role and importance of innovations, intellectual



Photo: Valery Medvedev

property, licensing and franchising for

successful development of production and entrepreneurship in Bashkortostan, as well as modern trends in protection of intellectual property.

#### 15 - 16 OCTOBER 2018 / /LONDON

Stanislav Rumyantsev, Ph.D., Senior Lawyer, (Gorodissky & Partners, Moscow), spoke on "Data Transfer and Localization Rules for Online Services" in the frames of the Session "Fintech and data transfers" at the PrivacyRules Conference held by Shakespeare Martineau law firm.

#### 12 OCTOBER 2018//VLADIVOSTOK

On October 12, 2018, Seminar "IP Protection in China" was held at the Primorsky Territory Administration. The Seminar was organized by Gorodissky & Partners law firm with the support of the Primorsky Territory Export Development Center of the Primorsky Territory Enterprise Support Center. Vladimir Trey, Partner, Russian Patent Attorney (Gorodissky & Partners, Moscow), spoke on "Choosing a trademark registration strategy. Design protection design in China". Evgeny Alexandrov, Partner, Head of Legal (Gorodissky & Partners, Moscow), made presentation on "Monitoring and eliminating trademark infringement on the Internet".

Nikolay Ptitsyn, Regional Director, Russian Patent Attorney (Gorodissky & Partners, Vladivostok), presented an overview of the problem situation that occurred with a local manufacturer of goods during the registration of a trademark in China, and Irina Gurtovaya (Vladivostok division of the Russian Export Center) elaborated on the specifics of state subsidies for registrating trademarks and patenting in China.

Foreign colleagues were invited to participate in the seminar. Masashi Kurose, Japanese Patent Attorney, Counsel (Gorodissky & Partners, Vladivostok), devoted his presentation to issues relating to protection of intellectual property when Japanese companies conducted business in China. Wei Wei, Deputy Secretary General, Chinese Innovation Strategic Alliance to Combat Intellectual Property Violations and Counterfeit Goods Circulation, described the activities of the Alliance. The seminar gathered over 30 attendees – representatives of small and medium business of the Primorsky Territory. The presentations aroused great interest and active discussion.

#### 11-12 OCTOBER 2018//MOSCOW

media law were present.

Sergey Medvedev, PhD, LLM, Senior Lawyer, and Stanislav Rumyantsev, PhD, Senior Lawyer (both of Gorodissky & Partners, Moscow), attended the 2nd International Conference "Protection of IP Rights" held by Business Way Forum at Marriott Courtyard Moscow City Center.

Stanislav Rumyantsev spoke on "Personal data protection at Internet: international compliance issues" within the session "Intellectual Property in the Era of Digitalization and the Digital Economy: Global Challenges and Trends". Sergey Medvedev gave presentation on "Pledge of exclusive rights: theory and practice" in the framework of the session "Transactions, Taxation and Management in the Field of Intellectual Property". Both presentations caused great interest among the participants and were accompanied by numerous questions. The conference discussed current legal and practical aspects of IP protection, suppression unfair competition and abuse of rights, protection IT projects, combating illegal production and turnover of counterfeit goods, advertising and media, and also touched upon the major issues in patent law. More than 120 lawyers, consultants and specialists whose professional activities related to intellectual property, information technology and

### <u>G</u>ORODISSKY

E Spasskaya str., 25, bldg. 3 Phone: +7 (495) 937-61-16 / 61-09 Fax: +7 (495) 937-61-04 / 61-23 e-mail: pat@gorodissky.ru

197046, **ST. PETERSBURG**, RUSSIA Kamennoostrovsky prosp., 1/3, of. 30 Phone: +7 (812) 327-50-56 Fax: +7 (812) 324-74-65

141980, **DUBNA**, RUSSIA Flerova str., 11, office 33, Moscow region, Phone: +7 (496) 219-92-99 / 92-29 e-mail: Dubna@gorodissky.ru

350000, **KRASNODAR**, RUSSIA Krasnoarmeiskaya str., 91 Phone: +7 (861) 210-08-66 Fax: +7 (861) 210-08-65

620026, EKATERINBURG, RUSSIA Rosa Luxemburg str., 49 Phone: +7 (343) 351-13-83 Fax: +7 (343) 351-13-84

#### 603000, N. NOVGOROD, RUSSIA

ll'inskaya str., 105A Phone: +7 (831) 430-73-39 Fax: +7 (831) 411-55-60

630099, **NOVOSIBIRSK**, RUSSIA Deputatskaya str., 46, of.1204 Business center Citicenter Phone / Fax: +7 (383) 209-30-45

607328, SAROV TECHNOPARK, RUSSIA N.Novgorod region, Diveevo, Satis Parkovaya str., 1, bldg. 3, office 14 Phone / Fax: +7 (83130) 674-75 e-mail: sarov@gorodissky.ru

443096, **SAMARA**, RUSSIA Ossipenko str., 11 Phone: +7 (846) 270-26-12 Fax: +7 (846) 270-26-13

420015, **KAZAN**, RUSSIA Zhukovskogo str., 26 Phone: +7 (843) 236-32-32 Fax: +7 (843) 237-92-16

690091, **VLADIVOSTOK**, RUSSIA Oceansky prospect, 17, office 1003 Phone: + 7 (423) 246-91-00 Fax: + 7 (423) 246-91-03

Astra appartment house, office 4.8 Phone / Fax: +7 (342) 259-54-38 / 39

450077, **UFA**, Russia Verkhetorgovaya pl., 6, Business center Nesterov, office 2.1.1 Phone\Fax: +7 (347) 286-58-61 e-mail: ufa@gorodissky.ru

01135, **KIEV**, UKRAINE V. Chornovola str., 25, office 3 Ph / Fx: +380 (44) 278-4958 / 503-3799 e-mail: office@gorodissky.ua