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LEGAL PROTECTION OF INTELLECTUAL PROPERTY RIGHTS WITH REGARD TO ACCESSION TO WTO

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20 September 2012
Conference
WTO, Customs Union, EurAsEC:
what to expect from the new business order

I. IP CONCEPT OF WTO

The WTO implements the idea of mitigating global differences between the countries leading in technology and the remaining world. From this perspective, the most important elements of the WTO legal structure are not the rules of international trade as such, but the mechanisms restraining the appropriation of other parties' intellectual products, along with investment protection and non-discrimination in services.

The service industries, incidentally, benefit from a competitive edge in technology. One could expect that the most complex services, for instance, in the field of law, whose profits are attributed to the professional skills of specialists and their teamwork efficiency, are less dependent upon technology. In practice, however, all of us see that this is not the case. And clients go to those firms which, unlike others, are capable of using video conferences, have a more impressive office or an advanced information storage and processing system etc. It is not by chance that the WTO document package includes three international conventions or agreements concerning services, investments and intellectual property.[1]

Those who are eager to accede to the WTO and obtain a preferential delivery or import treatment must sign the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS") and adopt procedures against illegal copying.

[1] See *General Agreement on Trade in Services (GATS), Trade-Related Investment Measures (TRIMs), Trade-Related Aspects of Intellectual Property Rights (TRIPS).* Information on WTO agreements used herein is taken from http://www.wto.org/english/docs_e/legal_e/legal_e.htm

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You may have noticed that, despite the great number of the WTO members (more than one hundred and fifty (157) countries), it does not constitute part of the UN, since it would be impossible to promote the WTO's own concept within the framework of that international organisation. The developing countries would never vote in favour of it. During the long period of its existence as part of the UN, the World Intellectual Protection Organisation (WIPO) has adopted no convention which would mainly consist of mandatory substantive rules in the field of intellectual property, its rules being basically of a procedural, conflict-of-law or fundamental nature. Another illustration: the protection of integrated circuit layouts should have been regulated by the 1989 Washington Convention drafted by representatives of Europe, the USA and Japan in order to stop the massive and cynical copying of their products in other countries. The Convention has never come into force since the number of countries willing to sign it has proved to be insufficient. Now WTO members are bound to introduce administrative mechanisms in order to protect such layouts by virtue of the TRIPS rules referring to Washington Convention.

A global order where incentives for the protection of intellectual products against their copying or counterfeiting would work started to take shape through gradual involvement of various developing countries into a regulation field originally formed by industrial nations. Having built a global system of minimum standards for the protection of identification means and results of intellectual activity, the developed countries took a further step by sharply raising the level of protection offered by themselves. The mechanism did work, and all large rightholders, irrespective of their nationality, started, for production purposes, to patent advanced design products, to have their inventions or trademarks registered in those countries and to make investments in high-tech businesses working there. The USA has left the other countries of the world far behind in terms of the number of registrations of intellectual activity results and identification means. In Europe, Germany is the most patenting country.

II. COLLISION WITH IP CONCEPT OF RF

Being a transition economy according to the WTO classification, Russia has, I would say, a rather advanced system of positive law. The laws devoted to industrial property and copyrights are compactly concentrated in Part 4 of the RF Civil Code. They are based on the continental law tradition in which the protection of the author/inventor and the results of his or her creative efforts is the central aspect. It is the interests of a large rightholder company implementing the commercial attractiveness of an intellectual product that is the main protectable object in the TRIPS. The provisions of the Agreement reproduce the Anglo-Saxon concept of intellectual property where the field of trade is separated from the powers of the creators. However, the Agreement itself regulates the use of not all items of intellectual property rights but only those whose commercialisation yields a large-scale economic effect: trademarks rather than a trade name; inventions rather than a breeding achievement; the design and appearance of products rather than a device, i.e. industrial samples rather than

useful models. The personal non-property rights of authors are totally outside the scope of the Agreement.

Russia's accession to the WTO cannot leave the regulation of intellectual rights untouched, at least in a number of important aspects. However, it will be difficult for legal scholars to predict the extent of its impact. On the one hand, Russia was obliged to bring its laws into conformity with the WTO requirements. So we see how wording has changed in the Criminal Code articles regarding responsibility for violation of exclusive rights[2] and in the Customs Code provisions regarding the destruction of counterfeit products upon the rightholder's application[3] and so on. Part 4 of the Civil Code is also to be adapted to the WTO rules. It is recognised that its rules are generally consistent with the TRIPS[4]. On the other hand, some changes in regulations and in the practice of their application are inevitable.

III. ANTICIPATED INCONSISTENCY

First of all, differences may arise from the terminology which in many cases conveys different meanings. Let us take, for example, production secrets (know-how) (Article 1465 of the RF Civil Code) and industrial samples (Article 1352 of the RF Civil Code) – the TRIPS uses different notions: undisclosed information (Article 39 of the TRIPS) and industrial design (Articles 25 and 26 of the TRIPS). The above terms are not equivalent, they are materially different in their substance. Knowledge can never be equal to information, especially where such knowledge is represented by production secrets. Knowledge is structured information, expertise or even the results of a research. Information can consist of a mere set of data. Can any personal correspondence of a deceased well-known person of a non-creative nature and without any reference to production be protectable under the RF Civil Code? No, it can't. According to the TRIPS, however, the answer is yes, since it has a commercial value in itself as a product: it could be repeatedly sold to any interested parties upon obtaining the heirs' permission.

A design is in no way identical to an industrial sample, even in its linguistic meaning. A design is a form of structure based on the combination of convenience and beauty. Essentially, any new silhouette and texture constitutes a design. A different emphasis can be seen in an industrial sample. A sample is an example to be followed, it should be defined by reference not only to its novelty and originality, but also to its consumer properties or qualities. It is the best among any similar things, but it is a trial specimen. Due to the word "industrial", our law expressly states

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[2] See the Federal Law dated 7 March 2011, No. 26-FZ, "On Amendments to the Criminal Code of the Russian Federation", the Federal Law dated 7 December 2011, No. 420-FZ, "On Amendments to the Criminal Code of the Russian Federation and Certain Legal Acts" as concerns amendments to Articles 146, 147 and 180 of the Criminal Code of the Russian Federation.

[3] See Articles 307-309, 331 of the Customs Code of the Customs Union, Article 310 of the Federal Law "On Customs Regulation in the Russian Federation" etc.

[4] See, e.g., *Section 3 of the Information Statement on the Obligations of Russia as a WTO Member issued by the Ministry of Economic Development of the Russian Federation*.

that it should have ergonomic properties, i.e. support the most convenient and safe operation. Basically, this defines an indication of patentability. However, Article 1352(1) of the RF Civil Code appears, in its wording, to permit the replacement of this characteristic with an aesthetic quality, but ergonomics already includes aesthetics, so the word "or" may, according to one of the interpretations, have the meaning of specification rather than an alternative. Terminology has a key importance for law-making, since it not only gives sense to the articles of a law but also influences their application. This can be exemplified, in particular, by the regulation of the two intellectual property items discussed above according to the TRIPS and according to the RF Civil Code, respectively. In accordance with Article 1465 of the RF Civil Code, any know-how should be treated as a production secret, that is, such knowledge should be collected, a procedure for access to it should be put in place, its list should be compiled, its carrier should be labelled etc. According to Article 39(2)(c) of the TRIPS, it would be sufficient to take reasonable action to keep such information in secret.

As regards the industrial sample, the following is stated (Article 1352(3) of the RF Civil Code): "An industrial sample shall be original if its essential features are attributed to the creativity of the product's characteristics".

Section 2, essentially, sets forth criteria based on global novelty, which is not the case with the TRIPS.

There are also important differences in legal rules as well. The Agreement contains the prohibition of design imitation[5], whereas our law formulates such a restriction in a narrower manner[6]. Article 16(2) of the Agreement provides that to determine whether a trademark is well-known, reference should be made to the awareness of the consumers, which may be achieved, for instance, through an advertising campaign. At the same time, a directive of our patent office introduces the criterion of public awareness of a trademark identifying a product known to the public[7]. According to our regulations, the claimant must prove that its use is fraught with confusion[8], whereas the TRIPS contains no such provision (Article 16(1) of the Agreement presumes the likelihood of confusion wherever similar trademarks are used). The TRIPS in its Article 16(1) prohibits the use of a trademark in similar products, whereas our Civil

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[5] See Article 26 of the TRIPS: *"The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes".*

[6] Article 1358 of the RF Civil Code, in essence, prohibits the use of an industrial prototype by any person without the consent of the rightholder. However, an industrial prototype will only be deemed used in a product if such product contains all essential features of the industrial prototype, reflected in the images of the product and cited in the list of the industrial prototype's essential features to be prepared for patent application purposes.

[7] See Section 3.6 of Order No. 74 of the Russian Patent Office, dated 1 June 2001, "On Approval of Recommendations for Consumer Polls regarding Well-Known Status of a Trademark in the Russian Federation".

[8] See Article 65 of the RF Code of Arbitration Procedure; Article 56 of the RF Code of Civil Procedure; Ruling No. 2133/11 of the Presidium of the RF Supreme Arbitration Court, dated 28 July 2011, in Case No. A 45-6990/2010 etc.

Code in Article 1484(3) refers, in the relevant context, to production items “of the same kind”. The differences may prove gigantic in practice.

IV. THE MODES OF TRIPS IMPLEMENTATION

However, changes in the field of intellectual rights protection are made imminent not even by the matters discussed above, but by the fact that the substantive rules under the TRIPS have a different nature and their application should aim at unification, i.e. conformity with their judicial interpretation in other countries (Article 31(3)(b) of the 1969 Vienna Convention on the Law of Treaties). Therefore, in order to give legal sense to the TRIPS rules, legal practitioners should take into account their doctrinal substance in other countries, and that could result in approaches totally different from those which have been established so far. In light of the aforesaid, there are reasons to expect that such a universal international agreement could substantially alter legal regulation.

Perhaps, however, it will not occur at once. Let us recall the accession of the Russian Federation to the 1965 Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, which established a simplified manner of notifying a party as a condition to any subsequent recognition of a judgment against it. This usually requires exchange via diplomatic channels. The courts did not apply the said Convention for many years. They refer to various reasons, including the fact that it had no official Russian translation[9] or had not been published officially, whereas the law prohibited the courts to reply upon any other language in a Russian-language proceeding (Article 5(3) of the Federal Law “On International Treaties of the Russian Federation” and Section 3 of Order No. 5 of the Plenary Meeting of the Supreme Court of the Russian Federation dated 10 October 2003, “On the Application of Generally Recognised Rules and Rules of International Law by Courts of General Jurisdiction”).

The Agreement has its original texts in English, French and Spanish. In addition, its Article 1(1) states that its signatories should determine by themselves the manner of bringing its legal provisions into effect. In our case, it could be a law which would make amendments to the existing RF Civil Code reproducing the wording of the Agreement or limit the application of the TRIPS to relations involving a foreign element. Alternatively, it will become effective by virtue of Article 15 of the Constitution and will be directly applied by courts in priority to the Civil Code. Russia has declared that the TRIPS will apply as from the time of its accession to the WTO, despite article 65 of TRIPS about one year suspension period.

[9] The text was published in the RF Law Collection on 13 December 2004, about four years after Russia had joined the Convention by Federal Law No. 10-FZ dated 12 February 2001.