



Geographical indications soon registered in Russia

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Ekaterina Boldareva
Alisa Pestryakova

On 11 July 2019 the State Duma adopted in second reading a draft bill which will amend the provisions of part four of the Civil Code of the Russian Federation and introduce a new object of intellectual property: "geographical indication". The bill also establishes special provisions for wine products.

Before the bill becomes law, it will go through several stages of the legislative process and, most likely, will undergo further changes. However, it is already clear that the legislator has a firm intention to provide legal protection to geographical indications in Russia, and it is therefore worthwhile already paying attention to the key-provisions of the new legislation.

First, the legal protection of geographical indications will be implemented in coordination with the legal protection of appellations of origin. This is based on provisions of World Trade Organization

Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) and is consistent with the current global approach to IP rights.

In order to obtain legal protection as a geographical indication in accordance with the draft law, the designation must identify a product as originating from a geographical territory, and a certain quality, reputation or other characteristics of the product must be largely related to its geographical origin. An important condition for acquiring legal protection for a geographical indication will be that at least one of the stages of production of the goods, which has a significant impact on their quality, reputation or other characteristics, must take place within the specified geographical territory.

By introducing geographical indications into the Civil Code as an independent object of IP rights, the legislator seeks to relax the current strict requirements applicable to appellations of origin. At the



same time, the legislator recognizes the need to protect a larger number of designations existing in Russia, by indicating the geographical origin of goods that have a certain quality and reputation, but which cannot be registered as appellations of origin. The main purpose of the law is to establish softer requirements as compared with appellations of origin. As geographical indications can be registered, for example, such designations as Kamchatka Crab, Russian Caviar, Yakut Diamonds, Kaluga Dough, Baikal Omul, Kostroma Gold, Penza Maple Syrup, Koelgi Marble, Mud Lake Ulzhai. Since the introduction of the State registration of appellations of origin in Russia in 1992, about 209 have been registered and protected. Examples include Tula Gingerbread, Orenburg Downy Shawl, Vologda Lace, Khokhloma, Gzhel, Dulevsky Porcelain, Vologda Butter, Adygei Cheese, Bashkir Honey, Astrakhan Tomatoes, Lukhovitsy Cucumber, Narzan, Essentuki, Pavlovo Posad Shawl, Kamchatka Sockeye, Honey of Gorny Altai, Kuban Apples.

Without altering the overall approach to appellations of origin, the legislator provides in the draft law that (otherwise than for geographical indications) all stages of the production of goods having a significant impact on the creation its special properties must be carried out in the specified geographical territory.

The legislator, however, provides that the stages and boundaries of the production of the goods, as well as the characteristics or special properties of the goods, which are denoted by the geographical indication or appellation of origin, must comply with the requirements established by federal laws and other regulatory acts specific to the areas of reference.

In accordance with the draft law, State registration as a geographical indication or appellation of origin is not permitted for a designation registered as a geographical indication or appellation of origin as regards to goods of the same type. It is furthermore provided that a designation identical or similar to a trademark with an earlier priority cannot be registered as a geographical

indication or appellation of origin, if the use of such a geographical indication or appellation of origin can mislead the consumer regarding the product or its manufacturer. Similarly, designations that are identical or confusingly similar to a geographical indication or appellation of origin, cannot be registered as trademarks in relation to any goods (with some exceptions). It is interesting to see if existing trademark registrations in Russia that include e.g. words such as “Chianti” or “Lambrusco” could be the basis for refusal of registration of geographical indication for such names.

In order for the exclusive right to use a geographical indication to operate in Russia, the designation must go through a procedure of examination and registration at the Russian Patent Office (Rospatent).

State registration as a geographical indication of a designation that allows identifying a product as originating from a geographical territory located in a foreign country is allowed if this designation is protected as a geographical indication or other means of individualization in the country of origin, subject to compliance with the requirements for geographical indications set by the bill itself. Legal protection as geographical indications could, for example, be acquired by Italian Chianti or Lambrusco wines. The holder of the exclusive right to use a geographical indication can only be a person whose right to use such a geographical indication is protected in the country of origin of the goods.

One or several citizens, legal entities, associations of persons (unions) or other associations meeting the requirements set by the draft law may register a geographical indication. If the geographical object, the name of which is claimed as a geographical indication, is outside the Russian Federation, then for the State registration of the designation as a geographical indication, Rospatent will need to be provided with:

- 1) a duly drawn up application,
- 2) documents confirming that the claimed designation meets the requirements for geographical indication according to the new law,

- 3) documents confirming the applicant's exclusive right to the claimed designation in the country of origin of the goods.

The exclusive right to a geographical indication is valid for 10 years from the date of filing the application with Rospatent and can be repeatedly renewed, provided that the goods maintain the quality, reputation or other characteristics specified in the State Register. This is different from the regime offered by the Lisbon system (the Lisbon Agreement and the Geneva Act of the Lisbon Agreement), where the international registration of an appellation of origin or geographical indication remain valid unless the registration is cancelled, without any need for renewal, for as long as the right is protected in the country of origin.

With regard to the grounds for termination of the legal protection of a geographical indication and the exclusive right attaching thereto in accordance with the draft law, special mention of the termination of the legal protection in the country of origin of the goods should be made.

The legislator determines in the draft law the prohibited cases of illegal use of a geographical indication:

- by persons who do not have the right to use it, even if the actual place of origin of the goods is indicated or the geographical indication is used in translation or in combination with words such as "gender", "type", "imitation" and the like,
- in relation to goods that do not have the claimed quality, reputation, or other characteristics specified in the State Register, or that are produced outside the boundaries of the geographical territory specified in the State Register.

In addition, according to the draft law, the use as a geographical indication for any goods that could mislead consumers as to the place of origin and properties of a product or its quality, reputation or other characteristics is illegal. Goods, labels and packagings of goods on which a geographical indication or a confusingly

designation are illegally used will be deemed counterfeit.

In addition to the amendments to Part Four of the Civil Code, the draft law will also amend Federal Law of November 22, 1995 N 171-FZ "On State Regulation of the Production and Turning of Ethyl Alcohol, Alcohol and Alcohol-Containing Products and on Limiting the Consumption (Drinking) of Alcohol Products". The draft law provides for the introduction of a provision on the grant of legal protection to geographical indication and designation of the place of origin in relation to wine products, also taking into account the features established by Federal Law No. 171.

The main new provisions of the bill will come into force upon expiration of 1 year after official publication of the law. The rules relating to liability for illegal use of markings will enter into force 5 years after entry into force.

The attention of the authorities and businesses to geographical indications and appellations of origins in Russia has considerably increased and is gaining momentum. In 2018 compared with 2017, the number of applications for registration of appellations of origin grew by 78%. Mineral waters traditionally occupy a leading position among the goods for which legal protection of appellations of origin is requested. In 2018, 8 times more applications than in 2017 were filed in respect of products of folk arts and crafts. Next in number of applications are food products (bakery products, confectionery, fish and fish products, cheese, honey, alcoholic beverages, tea, butter). At the same time, in 2018 only 2 applications were filed on behalf of foreign applicants, which, first of all, according to Rospatent, is due to the economic situation following the extension of economic sanctions against the Russian Federation. The consequence of this is the reduction of imports into Russia of goods in respect of which there would be the need to ensure legal protection of appellations of origin.

So-called regional brands, which also include appellations of origin and geographical indications, are now regarded as a tool for socio-economic development. Today they occupy a

special place in the regional agendas, in some cases elevated to the rank of strategic priority. In addition, some experts point out that Russia could offer its domestic and foreign markets its food products with geographical indications in many niches, in particular, such as wines, wild berries, honey, animal husbandry, confectionery, mineral water, dairy, butter products, fish. It should also be borne in mind that, due to the economic and political sanctions, many markets for Russian producers are now in practice closed.

Our specialists monitor the legislative process of the bill on geographical indications in the State Duma and are ready to provide information on all developments.



Ekaterina Boldareva
ASSOCIATE



e.boldareva@dejalex.com



+7 495 792 54 92



Ulitsa Bolshaya Ordynka 37/4
119017 – Moscow



Alisa Pestryakova
ASSOCIATE



a.pestryakova@dejalex.com



+7 495 792 54 92



Ulitsa Bolshaya Ordynka 37/4
119017 – Moscow

MILANO

Via San Paolo, 7 · 20121 Milano, Italia
T. +39 02 72554.1 · F. +39 02 72554.400
milan@dejalex.com

ROMA

Via Vincenzo Bellini, 24 · 00198 Roma, Italia
T. +39 06 809154.1 · F. +39 06 809154.44
rome@dejalex.com

BRUXELLES

Chaussée de La Hulpe 187 · 1170 Bruxelles, Belgique
T. +32 (0)26455670 · F. +32 (0)27420138
brussels@dejalex.com

MOSCOW

Ulitsa Bolshaya Ordynka 37/4 · 119017, Moscow, Russia
T. +7 495 792 54 92 · F. +7 495 792 54 93
moscow@dejalex.com