



Pre-judicial proceedings in Russia in relation to intellectual property disputes

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📌 INTELLECTUAL PROPERTY, RUSSIA

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In accordance with article 4 part 5 of the Arbitrazh Procedure Code of the Russian Federation no.95-FZ dated 24 July 2002 (the Procedure Code), disputes on money payment claims based on contracts, other deals and unjust enrichment shall be settled by the parties by way of pre-judicial proceedings. If the attempt for settlement fails, a lawsuit may be filed. Other disputes are subject to pre-judicial proceedings only if this is expressly provided by Russian law or the agreement of the parties. Pre-judicial proceedings in Russia are broadly speaking equivalent to the concept of mediation in most EU jurisdictions, which can similarly be mandatory or non-mandatory.

The Supreme Court of the Russian Federation made a review of case law in connection with the mandatory pre-judicial proceedings (“Review of the case

law of the commercial courts in connection with mandatory pre-judicial proceedings” adopted by the Presidium of the Supreme Court of the Russian Federation on 22 July 2020 (the Review) that also addresses certain issues applicable to disputes on intellectual property rights.

We briefly address below the main points of Review on IP rights disputes.

1. Cases when pre-judicial proceedings apply to IP rights disputes

The Civil Code of the Russian Federation provides for mandatory pre-judicial proceedings for claims on “reimbursement of damages and payment of compensation” arising from the infringement of IP rights. In accordance with articles 1301, 1311, 1406.1, 1515, 1537, the rightholder may claim reimbursement of damages or payment of compensation for the



infringement of copyright, neighboring rights, patents, trademarks, geographical indications and appellations of origin.

The mandatory pre-judicial proceedings apply only to the cases “*where both parties are legal entities or individual entrepreneurs*” (individual entrepreneur is a special legal status of a person that is prescribed for performing a commercial activity in Russia by non-corporate entities). The plaintiff may file a lawsuit only when his/her pre-judicial claim was rejected in part or in full, or if the plaintiff has not received the answer within 30 days from issuing the claim. (part 5.1 Article 1252 of the Civil Code)

2.Cases when a pre-judicial claim is not required

Lawsuits, other than those by which a money payment is claimed, can be filed without previous recourse to pre-judicial proceedings. In the IP field, such claims are, to exemplify, those for recognition of the right, those aimed at countering infringement conducts, those for the seizure of infringing/counterfeit goods, destruction and withdrawal from the market; and those for publication of a court decision.

3.Information about the pre-judicial claim that should be provided in the lawsuit

Articles 125 and 126 of the Procedure Code provide that a lawsuit including claims for payment of monies must refer to the unsuccessful pre-judicial claim and provide evidence of compliance with the mandatory pre-judicial proceedings. As a rule, copy of the pre-judicial claim, confirmation/evidence of sending such claim to the defendant and the rejection reply or absence thereof are produced as the evidence.

4.Consequences of failing to comply with mandatory pre-judicial proceedings

Failure to comply with the mandatory pre-judicial proceedings precludes the plaintiff from filing the lawsuit. If that is the case, the court returns the lawsuit to the plaintiff claimant and issues a decision according to part 1 of article 129 the Procedure Code.

On the other hand, part 6 of article 129 provides that the return of the lawsuit does not affect the right of the plaintiff to re-file the same claim as soon as the irregularity is remedied and the pre-judicial proceedings are duly gone through.

5.Limitation and deadlines for filing a lawsuit

The general rule of article 196 of the Civil Code provides for a basic 3 year limitation. With respect to IP rights, the deadline for filing a lawsuit starts on the day when the plaintiff becomes or should have become aware of the infringement and of the identity of the infringer, who is the proper defendant.

There is no special limitation for filing a pre-judicial claim. Taking into account the limitation period and need to go through the pre-judicial proceedings phase in connection with financial claims, the general interpretation is that the pre-judicial claim should be filed at least 30 days before expiry of limitation.

However, the Supreme Court stated in the Review that the limitation period is suspended for the time from the date of sending the pre-judicial claim until expiry of the 30-days period for answering the claim or the date of receipt of the answer. This means that the general limitation period is not missed, if the plaintiff sends the pre-judicial claim on the second last day of the limitation, and files a lawsuit on the date next to that of expiry of the 30-days period or of receipt of rejection.

6.Consequences of early filing of the lawsuit

It is essential that the lawsuit is filed only after pre-judicial proceedings are completed. The Russian Supreme Court noted in the Review that the court shall return the lawsuit, if the term for answering the pre-judicial claim has not yet expired.

This is not applicable where a pre-judicial claim was received and rejected by the defendant. In such case, the lawsuit filed earlier than 30 days from issuing the pre-

judicial claim shall be accepted by the court.

The absence of an answer to the pre-judicial claim for 30 days from the date of issuance is deemed a rejection of the claim received on the thirtieth day after sending.

7. Requirements for indicating the amount claimed in pre-judicial proceedings

Pre-judicial procedure is considered an attempt for amicable settlement of financial claims, so the claim should contain an offer for settlement and state the amount of the payment that is demanded.

It is recalled that article 1252 of the Civil Code grants to the rightholder the right to claim reimbursement of the damages or payment of statutory compensation for infringement of the IP rights concerned.

Articles 1301, 1311, 1406.1, 1515, 1537 furthermore provide the rightholder with the option to claim either payment of damages or statutory compensation for the infringement of its right in a work, a neighboring right, a patent, a utility model, a design, a trademark, a geographical indication and an appellation of origin.

The amount of statutory compensation is set by the court within a range established by law, and is based on the nature of the infringement and the circumstances of the case. The law provides that the compensation must be paid and cannot be avoided, if the infringement was established in the court. In that case, the law relieves the rightholder from the burden of proving the amount of its damages.

As clarified by the Supreme Court in the Review, *“the sum of compensation may*

not be stated” in the pre-judicial claim. Item 10 of the Review explains that if the law sets minimum and maximum amounts of statutory compensation for infringement, the requirements of pre-judicial proceedings for a subsequent lawsuit on compensation is deemed met, provided the pre-judicial claim refers to the existing dispute and makes offer of settlement.

However, in accordance with the law, a pre-judicial claim *“for reimbursement of damages”* should state the exact sum and be based on the calculation provided with the claim.

8. The amounts claimed in the pre-judicial claim and in the lawsuit may differ

The law does not address the question of whether the amount stated in the pre-judicial claim should correspond with the amount claimed by the lawsuit, and if a discrepancy could nullify the lawsuit.

The Supreme Court explained that the amount of damages stated in the pre-judicial claim may not be the same as that claimed in the lawsuit. By way of example, the Supreme Court referred to cases where the discrepancy was caused by a mistake in calculation and where the increase of the claimed sum was based on the change of the period for calculation.

The Supreme Court moreover confirmed that a discrepancy between the compensation claimed in the lawsuit and the compensation claimed in the pre-judicial claim does not retroactively affect the existence and regularity of the pre-judicial claim. The discrepancy in the amount is, in fact, irrelevant, as Russian law provides that the amount of compensation claimed by the rightholder is eventually adjudged and awarded by the court.



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