



Moscow moves on

Legal developments in Russian IP law have improved the position of rightsholders, say **Vasilisa Strizh, Anastasia Dergacheva, Ksenia Andreeva and Kseniya Lopatkina**

Since the dissolution of the Soviet Union the Russian Federation has sought to address important issues surrounding IP and its protection. In several areas these efforts have led to greater recognition of IP rights and now provide for a greater degree of protection. Brand protection in the digital space has become more complicated in recent years. Cybersquatters and bad-faith market participants are adopting new tactics and abusing new loopholes presented by the rapid growth of e-commerce and development of internet technologies.

Nevertheless, domestic and international brand owners remain active and persistent in enforcing their trademark rights against third-party infringers. Russian cyberspace is no exception. Lawmakers are constantly developing new rules and options that will further help trademark owners to enforce their IP rights in the most efficient way. For example, in 2013 the Civil Code and the Information Law were amended to provide conditions under which internet service providers, search engines, and other information intermediaries can be held liable for IP infringements.

Anti-piracy reform

Several years ago, Russia initiated legal reforms to improve enforcement against online piracy, which still evolves to address challenges of rapidly developing internet technologies.

In 2013, Russia adopted massive amendments to the Civil Code, Federal Law No 149 "On Information, Information Technologies and Information Protection" of 27 July 2006 (the Information Law), the Civil Procedure Code and the Arbitrazh Procedure Code to introduce the anti-piracy rules. The amendments are known as the "Anti-Piracy Law". Since 2013, the Anti-Piracy Law has been amended several times.

In sum, the Anti-Piracy Law introduced procedure to block content violating third parties' intellectual property rights.

Scope of covered content

The Anti-Piracy Law initially applied to movies and TV shows only. In 2014 the blocking procedure became available to the owners of all copyrighted works and objects of neighbouring rights, including music, databases, and literature works, except for photographic images. For now only photographs are still specifically excluded from the scope of the blocking procedure.

Importantly, the Anti-Piracy Law also introduced the mechanism aimed at blocking internet resources that contain hyperlinks to

resources designed to provide access to infringing (pirated) content. This mechanism was aimed as a tool against so-called "torrent sites". Torrent sites are popular in Russia and commonly used to share pirated movies, music, and other copyrighted files. Eventually, the Anti-Piracy Law was started, and continues to be, interpreted broadly, to the effect that any internet resource (eg, torrent site, social network account, news website, online forum) can be blocked if it contains infringing materials or hyperlinks to such materials (the court practice is still uneven in this respect though).

The Anti-Piracy Law provides for the "out-of-court" and "court" blocking procedures, which can be used in parallel by the owner whose IP rights are infringed.

Blocking procedure – out-of-court

The out-of-court procedure is similar to the "notice and takedown procedure" used in the US and Europe. The owner of IP rights sends a notice on infringement to the website where the allegedly infringing content is posted, either in writing or electronically. The Anti-Piracy Law specifically requires that the notice must (1) clearly identify the owner of IP rights or its representative, (2) identify the domain name or IP address of the infringing website (without a requirement to indicate an URL of the infringing material), (3) identify the infringed IP right, (4) contain a confirmation that the applicant is the owner or licensed user of the infringed IP right, and (5) contain a statement that use of the content is not authorised. Upon receipt of a notice, the website owner has 24 hours to remedy the violation. Websites' owners and administrators must indicate their contact details (names, postal addresses and email addresses that shall be used for sending the notices on infringement) on their websites. Website owners may also provide special online forms for submission of such notices.

Blocking procedure – preliminary injunction and court procedure

If an owner of IP rights chooses to use the court procedure, the owner can apply for a preliminary "blocking injunction" to the Moscow City Court (abbreviated as 'Mosgorsud'), which is the only court in Russia authorised to issue such injunctions. If the injunction is granted, the owner of a website where the allegedly infringing content is posted has one business day to address the injunction and, in particular, to restrict access to the infringing content, or, if needed, to the entire webpage or even the website. Information on injunctions is posted at

the Mosgorsud’s website.¹

If the website owner does not restrict access to the infringing content, the access will be disabled by a hosting provider or, if necessary, by an internet service provider at the request of a Russian internet regulator, the Federal Service for Supervision of Communications, Information Technology, and Mass Media, aka Roskomnadzor.

Importantly, to keep the blocking injunction, the owner of the IP rights must file a claim to a court against the owner of the infringing resource no later than 15 days from the date of the injunction; otherwise the injunction will be removed.

Permanent blocking / mirror websites

The Mosgorsud is also entitled to issue an order to permanently block access to repeatedly infringing websites. Under the Anti-Piracy Law, an infringement is considered repeated if there is a prior decision of the Mosgorsud against the same website owner or administrator at the request of the same owner of IP rights. The Mosgorsud has already permanently blocked several websites including one of the most popular Russian torrent trackers, RuTracker.org.

Blocking mirror websites is a recent novelty in the sphere of anti-piracy regulation in Russia. The amendments introducing the mirror websites blocking were adopted in July 2017 and became effective on 1 October 2017. The amendments contemplate a simplified procedure to block access to “mirror” websites without a need to go to a court. The blocking is done internally by the Ministry of Communications and Mass Media at the request of IP right owners. To be blocked, the content of a mirror website must be “confusingly similar” to the content of the already blocked website, or contain information (links or descriptions such as VPN or proxy server instructions) designed to enable access to the blocked website or infringing content. As contemplated, blocking of a mirror website should take a maximum of three calendar days.

Domain name and website-related disputes

Domain name and website-related disputes involving trademark infringement have become a significant aspect of brand protection in Russia.

Part IV of the Russian Civil Code acknowledges that a trademark owner has the right to use a trademark on the internet. In the absence of the trademark owner’s explicit consent, use of the trademark as a part of the domain name or otherwise on the internet for commercial purposes is considered trademark rights infringement.

The Russian Court on Intellectual Rights (CIR) has developed a substantial practice on domain names and website infringement disputes and published its guidelines in this sphere in 2014. The CIR is the cassation court for such types of IP-related disputes. The CIR’s position with respect to internet-related disputes is, generally, based on the fundamental principles of the Uniform Domain-Name Dispute-Resolution Policy (UDRP) (although Russia has not formally adhered to the UDRP), as well as Article 10bis of the Paris Convention for the Protection of Industrial Property.

In many cases, courts support claims of trademark owners and rule against use of domain names by infringers, especially where the infringement involves well-known brands which have a higher risk of infringement. However, courts try to investigate the overall circumstances, and involvement of major brands allegedly being infringed may not be an unconditional basis for satisfying the owners’ claims. An interesting CIR position to the “major brands” was demonstrated in the *Ozon* case.²

Ozon, one of the largest e-commerce companies in Russia, applied to the court to prohibit use of the domain name “Ozonfashion.ru” owned by a small Russian regional company of the same name and used for online sales of women’s clothes. Ozon argued that the

“Ozonfashion.ru” domain was confusingly similar to the Ozon’s trademark and Ozon is known as a major Russian brand, and that the owner of the Ozonfashion.ru website could use the Ozon reputation and trademark to strengthen its competitive position. The CIR did not support the Ozon’s arguments and left the disputed domain name “Ozonfashion.ru” with its owner.

The CIR thoroughly studied the use of the disputed name and ruled that the use of the “Ozonfashion.ru” domain name was in good faith, as the challenged element in the “Ozonfashion.ru” domain contained the abbreviation (“O” and “Z”) which was the name of the designer of the clothes that were sold via the “Ozonfashion.ru” website.

Keywords advertising

From 2010 through 2015, Russian courts rarely upheld trademark infringement claims for the use of trademarks by competitors in keywords for online advertising. In most cases, courts ruled that the use of words that are identical or similar to the registered trademarks does not amount to the prohibited use of a trademark on the basis that keywords do not form part of the advertising, are not publicly available, and are not demonstrated to the users.

At the same time, the Russian advertising regulator, the Federal Antimonopoly Service (FAS), adopted a different approach to keyword advertising. Where trademark owners complained to the FAS arguing that the use of trademarks in keywords for online advertising violated the Advertising Law, the FAS usually supported the claimants. Unlike the courts, which took a formal approach, the FAS focused on the goals of alleged infringers and the impact that the use of trademarks as keywords had on the effectiveness of advertising.

In 2016-2017, the courts’ approach to keywords advertising began to change. In 2016, the Appellate Court of the Ninth District disagreed with the Moscow Arbitrazh Court, which rejected the trademark infringement claim and partially granted the claim of the trademark owner in the *MoneyMan* case.³ The Russian Court on Intellectual Rights and the Supreme Court supported the decision of the appellate court that the use of the protected designation in connection with the online advertising should not be allowed. It remains to be seen whether this approach will be replicated in future cases.

Footnotes

1. <https://www.mos-gorsud.ru/mgs/defend>
2. See Decision of the Court on Intellectual Rights of 5 March 2015 No. C01-57/2015.
3. See Decision of the Ninth Arbitrazh Appeal Court of 18 August 2016 No. 09AP-34533.

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