

Newsletter

Recent amendments to the Customs Register of Intellectual Property

November 20, 2018

Dear Ladies and Gentlemen,

We would like to inform you that, on September 4, 2018, the amendments to the procedure of, trademark inclusion into the Customs Register of Intellectual Property ("**Customs Register**") came into force. The amendments were made by the new Federal Law dated 03.08.2018 No. 289-FZ "On Customs Regulation in Russia" ("**Federal Law**").

What is the Customs Register?

The Customs Register is a register maintained by the Federal Customs Service of Russia ("FCS") and one of the most efficient mechanisms of prevention and detection of parallel import and import of counterfeit products.

The products can be imported into Russia only by authorized importers, or with the right holders' consent. Other importers may be suspended during customs clearance. Where a trademark is entered into the Customs Register, the right holder's representative is vested with the right to control import by issuing permits, or prohibitions, of import of the products marked by the trademark in the process of their customs clearance.

If the FCS detects indications of trademark infringement, the customs authority shall suspend the release of goods for 10 working days and shall notify the right holder of such suspension, no later than within 1 working day, following the date of such a decision.

Before starting court proceedings against importers, it is worth knowing that Russian court practice distinguishes rights of right holders to prohibit parallel import and import of counterfeit products. In March 2018, the Constitutional Court of the Russia issued the Ruling which stated that (1) the court may not impose the same liability on importers of original products and importer of counterfeit products; (2) destruction of original products is an extraordinary measure and may be imposed on the parallel importers only in certain cases: inadequate quality

of products, or negative influence on human health. For more information, please see our newsletter "[Parallel import: What are the practical implications of the new ruling of Russian Constitutional Court?](#)"

To include trademarks in the Customs Register, the right holder provides an application with supportive documents:

- evidencing the right to the trademark;
- a Power of Attorney issued to the right holder's representative;
- the list of contact persons;
- the list of authorized importers;
- proving the trademark infringement committed, in the opinion of the right holder;
- the trademark holder's unilateral document, wherein the trademark owner undertakes to compensate property damage to the declarant, if the ban on import of goods to Russia is held to be without merit;
- an agreement for the insurance of the risk of liability for harm to the declarant's goods

In order to unify Russian customs regulation with the Eurasian Economic Union standards, the following amendments have been made to the Customs Register regulation.

New requirements to procedure of trademark inclusion in Customs Register

Firstly, the right holders shall submit a separate application for each trademark. It means that right holder shall prepare a separate package of supporting documents in respect of each trademark. It certainly increases the time of preparatory work and the number of documents required for submitting applications.

Quite importantly, the Federal law has increased the period of inclusion from 2 to 3 years and it may be extended, based on right holder's application, any number of times.

Moreover, now it is not required to enter into a liability insurance contract prior to submitting an application. The FCS makes a preliminary decision on the inclusion of a trademark into the Customs Register, after which the right holder has a month period to submit an insurance contract. The minimum insured amount under these contracts has been increased from 300,000 RUB to 500,000 RUB, but in fact, this has not significantly affected the amount of the insurance

premium, which the right holder have to pay. The insurance premium for three-year agreement will not generally exceed 75 000 RUB (1000 EUR).

The inclusion in the Customs Register is free, no state duty should be paid.

For your convenience, please find below the comparison table with all relevant amendments re. Customs Register.

Comparison table

Type of amendment	Before	After
Application	One application for all trademarks	Separate application for each trademark
Period of inclusion	2 years	3 years
Insurance	Provided with application	Provided within 1 month after preliminary decision on the inclusion
Insured amount	300.000 RUB (4000 EUR)	500.000 RUB (6700 EUR)
Grounds for exclusion	<ul style="list-style-type: none"> • Right holder's exclusion application • Lack of insurance contract • Termination of trademark legal protection • Identification of unreliable information 	<p>Previous grounds +</p> <ul style="list-style-type: none"> • Alienation of the object of intellectual property • Non-observance of the terms of communication of the amended information (5 working days)

Despite that, the right holders will have to file a large set of documents and prepare evidence of the potential trademark infringement in Russia for each trademark, the Customs Register remains the most effective mechanism to defend against the trademark infringement at the stage of importing goods.

We hope that the information provided herein would be useful for you. If any of your colleagues would also like to receive our newsletters, please let us know by sending us his/her email address in response to this message. If you would like to learn more about our [Intellectual Property Practice](#) and Customs Register regulation, please let us know about it in reply to this email. We will be glad to provide you with our materials.

Note: Please be aware that all information provided in this letter was taken from open sources. The author of this letter and ALRUD Law Firm bear no liability for consequences of any decisions made in reliance upon this information.

If you have any questions, please, do not hesitate to contact the Partner of ALRUD Law Firm

Kind regards,
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