

FEDERAL LAW
NO. 35-FZ OF MARCH 12, 2014
ON AMENDING PARTS ONE, TWO AND FOUR OF THE CIVIL CODE OF THE RUSSIAN
FEDERATION AND CERTAIN LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION

Adopted by the State Duma on February 25, 2014

Endorsed by the Federation Council on March 5, 2014

Article 1

Article 358.18 with the following content shall be added to Subparagraph 2 of Paragraph 3 of Chapter 23 of the Civil Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1994, No. 32, Article 3301; 2003, No. 2, Article 167; 2005, No. 1, Article 39; 2007, No. 27, Article 3213; No. 31, Article 3993; No. 41, Article 4845; 2009, No. 1, Article 14; 2011, No. 50, Article 7347; 2013, No. 51, Article 6687):

"Article 358.18. Pledge of Exclusive Rights

1. The exclusive rights to the results of intellectual activities and to the individualisation means of legal entities, goods, works, services and enterprises equated to them (Item 1 of Article 1225) may be the subject of pledge, insofar as the rules of this Code permit their alienation.

2. The state registration of the pledge of exclusive rights shall be effected in compliance with the rules of Section VII of this Code.

3. The general provisions on pledge (Articles 334-356) shall apply to an agreement on the pledge of the exclusive right to a result of intellectual activities or to an individualization means, while to an agreement on the pledge of rights under an agreement on alienation of exclusive rights and under a licence (sublicence) agreement shall apply the provisions on the pledge of contractual rights (Articles 358.1-358.8), as not otherwise established by this Code and does not result from the content or nature of appropriate rights.

4. Under an agreement on the pledge of the exclusive right to the result of intellectual activities or to an individualization means the pledger within the validity term of this agreement is entitled without the pledgee's consent to use such result of intellectual activities or such individualisation means and to dispose of an exclusive right to such result or to such means, except for the instance when the exclusive right is alienated, if not otherwise provided for by an agreement. The pledger is not entitled to alienate an exclusive right without the pledgee's consent, if not otherwise provided for by an agreement."

Article 2

The following amendments shall be made to Part Two of the Civil Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 5, Article 410; 2006, No. 52, Article 5497):

1) in Part One of Article 727 the words "that can be regarded as a commercial secret (Article 139)" shall be replaced by the words "in respect of which the holder thereof has established the conditions of a commercial secret";

2) Item 2 of Article 1028 shall be stated in the following wording:

"2. The provision of the right to apply in the user's business activities a set of the exclusive rights held by the right holder under a contract of commercial concession is subject to the state registration with the federal executive power body in charge of intellectual property matters. If the requirement for the state registration is not satisfied, the provision of the right shall be deemed frustrated.";

3) in Paragraph Two of Item 2 of Article 1031 the word "contract" shall be replaced by the words "provision of the right to apply in the user's business activities a set of the exclusive rights held by the right holder under the contract".

Article 3

The following amendments shall be made to Part Four of the Civil Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2006, No. 52, Article 5496; 2008, No. 27, Article 3122; No. 45, Article 5147; 2010, No. 8, Article 777; No. 9, Article 899; No. 41, Article 5188; 2011, No. 50, Article 7364; 2013, No. 27, Articles 3477, 3479; No. 30, Article 4055):

1) in Article 1227:

a) in the title thereof the words "the Right of Ownership" shall be replaced by the words "Real Rights";

b) in Item 1 after the words "the right of ownership" shall be added the words "and other real rights";

c) in Item 2 the words "Item 2 of Article 1291" shall be replaced by the words "Paragraph Two of Item 1 of Article 1291";

d) Item 3 with the following content shall be added hereto:

"3. The provisions of Section II of this Code shall not apply to intellectual rights, if not otherwise established by the rules of this section.";

2) in Article 1229:

a) Item 3 shall be stated in the following wording:

"3. Where the exclusive right to the result of an intellectual activity or means of individualisation is jointly held by several persons, each of the right holders may use such result or such means at the own discretion thereof, unless otherwise envisaged by the present Code or agreement between the right holders. Relationships between the persons jointly holding the exclusive right shall be defined by an agreement between them.

The right holders shall jointly dispose of the exclusive right to the result of intellectual activities or to the means of individualization, if not otherwise provided for by this Code or by an agreement between the right holders.

The incomes derived from the joint use of the result of an intellectual activity or means of individualisation or from the joint disposal of the exclusive right to such result or such means shall be distributed to all right holders in equal parts, except as otherwise envisaged by an agreement between them.

Each of the right holders is entitled independently to take measures aimed at the protection of the rights thereof to the result of an intellectual activity or to the means of individualization.";

b) Item 4 shall be stated in the following wording:

"4. Where it is provided for by Item 3 of Article 1454, Item 2 of Article 1466 and Item 2 of Article 1518 of the present Code, independent exclusive rights to one and the same result of an intellectual activity or one and the same means of individualisation may be simultaneously held by different persons.";

3) Article 1231.1 with the following content shall be added hereto:

"**Article 1231.1.** The Objects Including Official Symbols, Denominations and Distinction Marks

1. As legally protected in the same way as an industrial design or individualisation means shall not be deemed the objects including, reproducing or imitating official symbols, denominations and distinction marks or recognizable parts thereof:

1) the state symbols and signs (flags, emblems, orders, currency notes and the like);

2) shortened or full denominations of international and non-governmental organisations, their flags, emblems, other symbols and signs;

3) official control, guarantee or assay marks, stamps, awards and other distinction marks.

2. The official symbols, denominations and distinction marks cited in Item 1 of this article, their recognisable parts or simulations may be included into an industrial design or individualisation means as a non-protected element where there is the consent to it of an appropriate authorized state body, the body of an international or intergovernmental organisation.";

4) in Article 1232:

a) paragraphs with the following content shall be added to Item 1:

"The right holder is bound to notify accordingly the federal executive power body in charge of intellectual property and the federal executive power body in charge of selection achievements (Article 1246) about changes in the data related to the state registration of the result of an intellectual activity or individualization means: denomination or name, place of location or residence and postal address. The risk of unfavourable effects, if such notification of an appropriate federal executive power body has not been made or unreliable data has been presented, shall be borne by the right holder.

The federal executive power body in charge of intellectual property and the federal executive power body in charge of selection achievements may change the data related to the state registration of the result of an intellectual activity or means of individualization for correcting evident and technical errors on their own initiative or at the request of any person after having notified the right holder of it.";

b) Item 3 shall be stated in the following wording:

3. The state registration of alienation of the exclusive right to the result of an intellectual activity or individualisation means under a contract, the state registration of the pledge of this right, as well as the state registration of granting the right to use such result or such means under a contract, shall be effected on the basis of an application of the parties to the contract.

An application may be filed by the parties to a contract or by one of the parties to a contract. In the event of filing an application by one of the parties to a contract, the application shall have attached thereto one of the following documents at the applicant's choice:

a notice about the effected disposal of the exclusive right signed by the parties to the contract;
an extract from the contract certified by a notary;
the contract proper.

The following shall be cited in the application of the parties to the contract or in the document attached to an application of one parties to the contract:

kind of the contract;

data on the parties to the contract;

the subject matter of the contract citing the number of the documents certifying the exclusive right to the result of an intellectual activity or to an individualization means.

In the event of the state registration of the provision of the right to use the result of an intellectual activity or individualization means, along with the data cited in Paragraphs Seven-Nine of this item, the following shall be mentioned in an application of the parties to the contract or in the document attached to an application of one of the parties to the contract:

the contract's validity term, if such term is fixed by the contract;

the territory in which the right to use the result of an intellectual activity or individualization means, if the territory is fixed by the contract;

the ways of using the result of an intellectual activity or the goods and services in respect of which the right to use the individualization means is granted;

the availability of the consent to granting the right to use the result of an intellectual activity or individualisation means under a sublicense contract, if the consent is given;

the possibility of the unilateral dissolution of the contract.

In the event of the state registration of the pledge of the exclusive right, along with the data cited in Paragraphs Seven-Nine of this item, the following shall be cited in an application of the parties to the contract or in the document attached to an application of one of the parties to the contract:

the validity term of the contract of pledge;

the limitation of the pledger's right to use the result of an intellectual activity or individualization or to dispose of the exclusive right to such result or to such means.";

c) in Item 4 the words "or means of individualization" shall be deleted;

d) Item 6 shall be stated in the following wording:

6. In the event of non-observance of the requirement for the state registration of transfer of the exclusive right to the result of an intellectual activity or individualization means under a contract of

alienation of the exclusive right or without a contract, of the pledge of the exclusive right or granting to another person the right to use such result or such means under a contract, the transfer of the exclusive right, its pledge or granting the right to use it shall be deemed unaccomplished.

5) Item 5 of Article 1233 shall be stated in the following wording:

"**5.** The right holder may make publicly, that is, by way of notifying an indefinite circle of persons, an announcement about providing to any person an opportunity to use free-of-charge the work of science, literature or arts or the object of allied rights possessed by him under the terms defined by the right holder and within the time period fixed by him. Within the cited time period any person is entitled to use the given work or the given object of allied rights under the terms defined by the right holder.

The announcement shall be made by way of inserting it on the official Internet site of a federal executive power body. The federal executive power body responsible for inserting the cited announcements, as well as a procedure for and terms of their insertion, shall be defined by the Government of the Russian Federation.

The announcement shall contain the data enabling to identify the right holder and the work or object of allied rights possessed by him.

If the right holder's announcement does not specify the term, the cited term shall be deemed as being equal to five years.

If the right holder's announcement does not specify the territory, it shall be deemed that it is the territory of the Russian Federation.

Within the validity term the announcement may not be withdrawn and the terms of use provided for by it may not be restricted.

The right holder has no right to make the cited actions where there is an effective licence agreement under which the exclusive licence to use a work or object of allied rights is granted within the same limits. If the right holder makes the cited actions in the presence of an effective licence agreement under which the onerous non-exclusive licence to use a work or object of allied rights is granted within the same limits, the operation of such agreement shall be terminated. The right holder that has made an appropriate announcement in the presence of an effective licence agreement shall compensate for the losses caused to the licensee.

The author or any other right holder, if the exclusive right to a work or object of allied rights has been violated by the wrongful insertion of the announcement made in compliance with this item is entitled to apply against the violator the measures of protection of the exclusive right in compliance with Article 1252 of this Code.

The provisions of this item shall not apply to open licences (Article 1286.1).";

6) in Article 1234:

a) Item 2 shall be stated in the following wording:

"**2.** The contract of alienation of the exclusive right shall be made in writing. The non-observance of the written form thereof shall cause the invalidity of the contract.

The transfer of the exclusive right under an agreement is subject to the state registration in the instances and in the procedure which are provided for by Article 1232 of this Code.";

b) a paragraph with the following content shall be added to Item 3:

"The payment of remuneration under a contract of alienation of the exclusive right may be provided in the form of fixed one-time or periodical payments, interest deductions from the income (proceeds) or in some other form.";

c) Item 3.1 with the following content shall be added hereto:

"**3.1.** It is not allowed to alienate gratuitously an exclusive right in the relations between profit-making organisations, if not otherwise provided for by this Code.";

d) Item 4 shall be stated in the following wording:

"**4.** The exclusive right to the result of an intellectual activity or individualization means shall be transferred from the right holder to the acquirer at the time when a contract of alienation of the exclusive

right is made, if not otherwise provided for by an agreement of the parties. If the transfer of an exclusive right under a contract of alienation of the exclusive right is subject to the state registration (Item 2 of Article 1232), the exclusive right to such result or such means shall be transferred from the right holder to the acquirer at the time of the state registration.";

e) Paragraph Two of Item 5 shall be stated in the following wording:

"If the exclusive right has not been transferred to the acquirer, then, if he has essentially failed to execute his duty to pay the fee for the acquisition of the exclusive right within the term set by the contract, the right holder may waive the contract unilaterally and claim for payment of damages due to the rescission of the contract. The contract shall be terminated upon the expiry of 30-day term as from the time of receiving by the acquirer a notice of the contract's renunciation, if within this time period the acquirer did not discharge the duty of paying the remuneration.";

7) in Article 1235:

a) Item 2 shall be stated in the following wording:

"2. The licence agreement shall be made in writing, if not otherwise established by this Code, Failure to observe the written form thereof shall entail a licence agreement's invalidity.

Granting of the right to use the result of an intellectual activity or individualization means under a licence agreement is subject to the state registration in the instances and in the procedure which are provided for by Article 1232 of this Code.";

b) a paragraph with the following content shall be added to Item 5:

"The payment of remuneration under a licence agreement may be provided in the form of fixed one-time or periodical payments, interest deductions from the income (proceeds) or in some other form.";

c) Item 5.1 with the following content shall be added hereto:

"5.1. It is not allowed to grant gratuitously the right to use the result of an intellectual activity or individualization means in relations between profit-making organisations in the territory all over the world and within the whole time period while an exclusive right is effective under the terms of the exclusive licence, if not otherwise established by this Code.";

d) in Subitem 1 of Item 6 the words "and the date of issue" shall be deleted;

8) Item 1.1 with the following content shall be added to Article 1236:

"1.1 The licensee is not entitled to use himself the results of an intellectual activity or individualization means within the limits in which the right to use such result or such individualization means is granted to the licensee in compliance with a contract under the terms of an exclusive licence, if not otherwise provided for by this contract.";

9) in Article 1237:

a) Item 1 shall be stated in the following wording:

"1. The licensee is bound to submit to the licensor reports on the use of the result of an intellectual activity or individualization means, if not otherwise provided for by a licence agreement or this Code. If in a licence agreement providing for the submission of reports on the use of the result of an intellectual activity or individualization means there are no terms concerning the time of and procedure for submitting them, the licensee is bound to submit such reports to the licensor at the request thereof.";

b) Item 4 shall be stated in the following wording:

"4. If the licensee fails to execute his duty to pay to the licensor the fee for granting the right to use the result of an intellectual activity or individualization means, the licensor may unilaterally waive the licence contract and claim payment of the losses caused by the rescission of the contract. The contract shall be terminated upon the expiry of a 30-day term as from the time of receiving a notice of the contract's renunciation, if within this time period the licensee did not discharge the duty of paying the remuneration.";

10) in Paragraph One of Item 1 of Article 1240 the words "comprehensive technology" shall be replaced by the words "database";

11) in Article 1243:

a) Item 1 shall be stated in the following wording:

"1. An organisation managing rights on a collective basis shall conclude licence contracts with users for the provision to them of the rights transferred by right holders to the organisation for management concerning the relevant manner of using the objects of copyright and allied rights on the terms of a ordinary (non-exclusive) licence and collect fees from the users for the use of these objects. In cases when objects of copyright and allied rights according to the present Code may be used without the right holder's consent but with a fee paid thereto, the organisation managing rights on a collective basis shall conclude contracts with users or with other persons, which are charged under this Code with the duty of paying assets for payment of fees, on payment of a fee and collect funds for the purpose.

The organisation managing rights on a collective basis is not entitled to refuse to conclude a contract with a user without a sufficiently good reason.";

b) Item 6 with the following content shall be added hereto:

"6. Failure of the organisation managing rights on a collective basis to the pay a fee collected for the right holder as a result of violation by it of the procedure for the rights management established by this Code shall entail taking in respect of this organisation the measures of protection of an exclusive right in compliance with Article 1252 of this Code.";

12) Subitems 1 and 2 of Item 1 of Article 1244 shall be stated in the following wording:

"1) managing the exclusive rights to published musical works (with or without a text) and segments of dramatic-musical works in respect of the public performance thereof, broadcast or cable transmission, including re-transmission (Subitems 6-8.1 of Item 2 of Article 1270);

2) exercising the rights of the authors of the musical works (with or without a text) used in an audiovisual work to receive a fee for the public performance or broadcast or cable transmission of such audiovisual work (Item 3 of Article 1263);

13) Article 1246 shall be stated in the following wording:

Article 1246. The State Regulation of Relationships in the Area of Intellectual Property

1. Where it is envisaged by the present Code, the enactment of normative legal acts for the purpose of regulating relationships in the area of intellectual property which relate to objects of copyright and allied rights shall be the responsibility of the authorised federal executive governmental body charged with normative legal regulation in the area of copyright and allied rights.

2. For the purpose of regulation of the relationships in the area of intellectual activity which are connected with inventions, utility models, industrial designs, computer programmes, databases, integrated circuit layout-designs, trademarks and service marks and the appellation of the origin of goods the authorised federal executive governmental body charged with normative legal regulation in the area of intellectual property shall endorse the forms of the documents (requests, applications, rejoinders, petitions and so on) serving as a ground for making the actions relevant in law which are cited in Item 3 of this article, shall establish the rules for drawing up and filing the cited documents, the rules and procedure for their consideration, including the criteria for adoption of decisions on the basis of the results of consideration of the cited documents, as well as shall issue other regulatory legal acts where it is provided for by this Code.

3. The legally-significant actions of the state registration of inventions, utility models, industrial designs, computer programmes, databases, integrated circuit layout-designs, trademarks and service marks and the appellation of origin of goods, including the acceptance and expert examination of relevant applications, of the issuance of patents and certificates proving the exclusive right of their right holders to the said results of intellectual activity and means of individualisation, and in the cases envisaged by a law, also other actions relating to the legal protection of the results of intellectual activity and means of individualization, shall be committed by the federal executive governmental body charged with intellectual property matters. Where it is envisaged by Articles 1401-1405 of the present Code, the actions mentioned in the present item may be also committed by the federal executive governmental bodies authorised by the Government of the Russian Federation.

4. In respect of breeding achievements the functions specified in Items 2 and 3 of the present article

shall be carried out by the authorised federal executive governmental body charged with normative legal regulation in the area of agriculture, and the federal executive governmental body charged with breeding achievements respectively.

5. The Government of the Russian Federation is entitled to establish the rates of, and a procedure and term for paying out, an emolument for work-for-hire inventions, work-for-hire useful models and work-for-hire industrial designs. The cited rates, procedure for and term shall apply, if the employer and the employee has not made the agreement fixing the rate, terms of and a procedure for paying a fee for a work-for-hire invention, work-for-hire useful model and work-for-hire industrial design.

6. The Government of the Russian Federation is entitled to establish minimum rates, a procedure for collecting, distributing and paying out a fee for specific types of using works, performances and phonograms, if under law such results of intellectual activities are used with the consent of their right holders and with payment of a fee.

The Government of the Russian Federation is entitled to establish the rates of remuneration, a procedure for collection, distribution and payment of fees for the use of works, performances and phonograms, if under law such results of intellectual activities are used without the consent of their right holders but with payment of a fee thereto";

14) in Article 1247:

a) in Item 1 the words "concerned" shall be deleted;

b) in Item 2:

in Paragraph Two the word "concerned" shall be deleted;

in Paragraph Three the words "issued by the applicant, right holder or other person concerned" shall be deleted;

15) in Item 3 of Article 1248 the words "and by a patent disputes chamber set up under it" shall be deleted;

16) in Item 1 of Article 1249 the words "and of contracts on disposing of such rights" shall be replaced by the words ", the state registration of the pledge of these rights and granting the right to use the results of an intellectual activity and individualisation means under a contract";

17) Article 1250 shall be stated in the following wording:

"Article 1250. The Protection of Intellectual Rights

1. Intellectual rights shall be protected by the remedies envisaged by the present Code, with account taken of the essence of the right violated and of the consequences of the infringement of the right.

2. The remedies set out in the present Code for intellectual rights shall be applicable at the request of right holders, organisations managing rights on a collective basis, and also other persons where it is established by law.

3. The measures of responsibility for breaching intellectual rights provided for by this Code are subject to application where there is the infringer's fault, if not otherwise established by this Code.

The absence of guilt shall be proved by the person that has infringed upon intellectual rights.

If not otherwise established by this Code, the measures of responsibility for infringement upon intellectual rights by the infringer in the exercise of business activities by him, which are provided for by Subitem 3 of Item 1 and Item 3 of Article 1252 of this Code, are subject to application irrespective of the infringer's fault, if such person does not prove that the infringement of intellectual rights is the result of an act of Good, that is, of the extraordinary circumstances that could not be prevented under the given conditions.

4. The person against which the measures of protection of intellectual rights provided for by Subitems 3 and 4 of Item 1 and Item 3 of Article 1252 of this Code have been taken in the absence of guilt thereof is entitled to make a claim of exoneration for compensation of the suffered losses, including the amounts paid to third persons.

5. The absence of the infringer's guilt shall not relieve him of the duty to terminate infringement upon intellectual rights, as well as shall not exclude taking in respect of the infringer such measures as

publication of the court decision on the infringement made (Subitem 5 of Item 1 of Article 1252), suppression of the actions breaking the exclusive rights to the result of an intellectual activity or individualization means or posing the threat of such right's infringement (Subitem 2 of Item 1 of Article 1252), confiscation and destruction of counterfeit material media (Subitem 4 of Item 1 of Article 1252). The cited actions shall be made at the infringer's expense."

18) in Item 2 of Article 1251 the words "Item 3 of Article 1295" shall be replaced by the words "Item 4 of Article 1295";

19) in Article 1252:

a) Item 1 shall be stated in the following wording:

"**1.** The intellectual rights to the results of intellectual activities and individualization means shall be protected, in particular, by way of making in the procedure provided by this Code claims for the following:

1) recognition of the right: against a person that denies or otherwise does not recognise the right and by doing so violates the interests of the right holder;

2) suppressing the actions that infringe the right or create the threat of infringement thereupon: against the person committing such actions or making necessary preparations for such actions, as well as against other persons that can suppress such actions;;

3) payment of damages: against the person that has illegally used the result of intellectual activity or means of individualisation without concluding an agreement with the right holder (use without a contract) or otherwise has violated the right holder's exclusive right and inflicted a damage thereon, in particular has violated the right thereof to a fee provided for by Article 1245, Item 3 of Article 1263 and Article 1326 of this Code;

4) seizure of a material medium in accordance with Item 4 of the present article: against its manufacturer, importer, keeper, carrier, seller, another distributor or non-bona fide acquirer;

5) publication of a court decision on the infringement committed with reference to the actual right holder: against the violator of the exclusive right.";

b) Item 2 shall be stated in the following wording:

"**2.** By way of securing a claim in a case of infringement on an exclusive right the security measures adequate to the extent and nature of an offence established by the procedural legislation may be taken, including the imposition of arrest upon the material media, equipment and materials, prohibition to make the appropriate actions in information-telecommunication networks, if in respect of such material media, equipment and materials or in respect of such actions the assumption has been made about violation of the exclusive right to the result of an intellectual activity or individualisation means.";

c) Paragraph Three of Item 3 shall be stated in the following wording:

"Where a single action has violated the rights to several results of an intellectual activity or individualization means, the rate of compensation shall be determined by court for each wrongfully used result of intellectual activities or individualization means. With this, if the rights to the appropriate results or individualization means are held by the same right holder, the total amount of compensation for violation of the rights to them subject to the nature and effects of the violation may be reduced by court below the limit fixed by this Code but may not be less than 50 per cent of the amount of the minimum rates of all compensations for the violations made.";

d) Item 6 shall be stated in the following wording:

"**6.** If various means of individualisation (a firm name, trademark, service mark or commercial name) turn out to be identical or similar to the point of confusion, and as a result of this identity or similarity consumers and/or parties under a contract may be misled, then preference shall be given to the means of individualisation in respect of which the exclusive right came into being earlier or, in the event of establishing the convention or exhibition priority, the individualization means with the earlier priority.

If an individualisation means or industrial design turn out to be identical or similar to the point of confusion, and as a result of this identity or similarity consumers and/or parties under a contract may be misled, then preference shall be given to the means of individualization or industrial design in respect of

which the exclusive right came into being earlier or, in the event of establishing the convention, exhibition or other priority, the individualization means or industrial design with the earlier priority.

The holder of such exclusive right in the procedure established by this Code may claim for declaring invalid the provision of legal protection to a trade mark or service mark, for declaring invalid the patent on the industrial design or the full or partial ban on the use of the firm's name or commercial designation.

For the purposes of this item the partial ban shall mean the following:

in respect of a firm's name - a ban on its use in definite kinds of activities;

in respect of a commercial designation - a ban on its use within the limits of a definite territory and/or in a definite kinds of activities.";

e) Item 6.1 with the following content shall be added hereto:

"**6.1.** Where the same violation of the exclusive right to the result of an intellectual activity or individualization means is made by joint actions of several persons, such persons shall be held jointly liable with respect to the right holder."

20) Article 1253 shall be stated in the following wording:

"Article 1253. Liquidation of a Legal Entity and Termination of the Activities of an Individual Businessman in Connection with Violation of Exclusive Rights

If a legal entity several times or grossly infringes the exclusive rights to the results of intellectual activity and means of individualisation, a court may take a decision in accordance with Item 2 of Article 61 of the present Code on liquidating the legal entity at the demand of a prosecutor. If such infringements are committed by a citizen in the exercise by him/her of the activities as an individual businessman, the activities thereof as an individual entrepreneur may be terminated by a court decision or judgment in the procedure established by law, if he/she is guilty of violating the exclusive rights.";

21) in Article 1254 the words ", 1252 and 1253" shall be replaced by the words "and 1252";

22) in Item 3 of Article 1255 the words "for the use of a service work" shall be replaced by the words "for a service work";

23) in Article 1257 the second sentence shall be stated in the following wording: "The person cited as an author on the original or a copy of a work or in some other way in compliance with Item 1 of Article 1300 shall be deemed its author, except as otherwise proven.";

24) in Paragraph One of Item 2 of Article 1260, after the word "database," shall be added the words "Internet site,";

25) in Article 1262:

a) Paragraph Five of Item 2 shall be declared invalidated;

b) in Paragraph Two of Item 3 the words "the publication of the information in the publication" shall be replaced by the words "the time of the state registration of a computer programme or database";

c) Item 5 shall be stated in the following wording:

"**5.** The transfer of the exclusive right to a computer programme or database to other person on a contractual basis or without a contract is subject to the state registration with the federal executive governmental body charged with intellectual property matters.";

d) Item 5.1 with the following content shall be added hereto:

"**5.1.** On the basis of the right holder's application the federal executive power body charged with intellectual property matters shall make the amendments related to the data on the right holder and/or the author of a computer programme or database, in particular to the right holder's denomination or name, the place of location or residence thereof, the author's name or postal address, as well as the amendments connected with correction of evident and technical mistakes in the Register of Computer Programmes or the Register of Databases and in the state registration certificate.

The federal executive power body charged with intellectual property matters may make amendments connected with correction of evident and technical mistakes in the Register of Computer Programmes or the Register of Databases on its own initiative or at the request of any person having

preliminary notified the right holder of it.

The federal executive power body charged with intellectual property matters shall publish in the official bulletin data on the amendments made in the Register of Computer Programmes or the Register of Databases.";

26) in Article 1263:

a) Item 3 shall be stated in the following wording:

"**3.** In the event of a public performance or broadcasting or cable transmission of an audiovisual work, the authors of a musical work (with or without a text) used in the audiovisual work shall retain a right to a fee for the said types of use of their musical work.";

b) Item 4 shall be stated in the following wording:

"**4.** The rights of the manufacturer of an audiovisual work, i.e. of the person that has organised the creation of the work (producer), shall be defined in accordance with Article 1240 of the present Code.

The manufacturer shall hold the exclusive right to an audiovisual work on the whole, if not otherwise results from the contracts made by him/her with the authors of the audiovisual work which are cited in Item 2 of this article.

The manufacturer in case of any kind of use of an audiovisual work is entitled to cite the name or denomination thereof or to demand such citing. If not otherwise proven, as the manufacturer of an audiovisual work shall be deemed the person whose name or denomination is cited on this work in a traditional way.";

27) Item 3 with the following content shall be added to Article 1266:

"**3.** Where it is provided for by Item 3 of Article 1233 and Item 2 of Article 1286.1 of this Code, the author may give the consent thereof to making in future changes, abbreviations and additions in the work thereof, if it is caused by a need for it (correction of mistakes, specification or supplementation of factual data and the like) on condition that it does not distort the author's tendency and does not break the integrity of the work's perception.";

28) Article 1269 shall be stated in the following wording:

"**Article 1269.** Right of Withdrawal

1. The author is entitled to waive the decision on promulgation of a work taken earlier (the right of withdrawal) before its actual promulgation, on condition that compensation is provided to the person to which the exclusive right to the work has been alienated or to which the right to use the work has been granted for the damage caused by the decision.

2. The rules of the present article are not applicable to computer programmes, service works and the works incorporated into a complex object (Article 1240).";

29) in Item 2 of Article 1270:

a) Subitem 1 shall be stated in the following wording:

"1) the reproduction of the work, i.e. the manufacture of one and more copies of the work or a part thereof in any material form, including in the form of a audio or video recording, the manufacture of one and more three-dimensional copies of a two-dimensional work and of one and more two-dimensional copies of a three-dimensional work. In this case, a recording of the work on an electronic medium, including saving in a computer memory, shall also be deemed reproduction. As reproduction shall not be deemed a short-term recording of a work which is of temporary or accidental nature and is an integral and significant part of a technological process solely intended for the legal use of a work or is the transfer of a work in an information telecommunication network between third persons by an information broker, provided that such record has no independent economic importance";

b) in Subitem 7 the words "(including the show or performance thereof)" and the words "(including retransmission)" shall be deleted;

c) in Subitem 8 the words "(including retransmission)" shall be deleted;

d) Subitem 8.1 with the following content shall be added hereto:

"8.1) retranslation, that is, the reception and simultaneous transmission (in particular through a

satellite) or via cabling of a full and unchanged radio or television broadcast or an essential part thereof which is aired or transmitted via cabling by an organisation engaged in on-air or cable broadcasting;"

30) in Article 1272 the words "a legally published work" shall be replaced by the words "a work that legally";

31) in Item 1 of Article 1273:

a) the words ", except as provided for by Article 1280 of this Code" shall be added to Subitem 2;

b) Subitem 4 shall be stated in the following wording:

"4) the reproduction of books (in full) and musical notation texts (Article 1275), that is the facsimile reproduction with the help of technical facilities for the purposes other than publication;"

32) in Article 1274:

a) in Item 1:

Subitem 1 shall be stated in the following wording:

"1) quoting in the original and in a translation for scientific, discussion, critical, information and educational purposes, for the purpose of disclosing the author's creative design legally promulgated works within the scope justified by the purpose of the quotation, including the reproduction of excerpts from newspaper and magazine articles in the form of press reviews;"

Subitems 3-6 shall be stated in the following wording:

"3) reproducing in a periodical print and subsequent distribution copies of this edition, on-air or cable reports, bringing to public knowledge of the articles legally published in periodical prints on current economic, political, social and religious issues or broadcast works of the same nature, or works of the same nature broadcast on air or via cabling or brought to public knowledge, unless such reproduction, reporting or bringing to knowledge has been specifically prohibited by the author or other right holder;

4) reproducing in a periodical print and subsequent distribution of copies of this edition, on-air or cable reporting, publicly pronounced political speeches, addresses, reports and other similar works within a scope justified for information purposes. In this case, the authors of such works shall retain the right to publish them in collections;

5) reproducing, or disseminating, or broadcasting on air or via cabling, bringing to public in current events reviews (in particular by means of photography, cinematography, television or radio) the works which are seen or heard in the course of these events, as justified for information purposes;

6) public performance of lawfully promulgated works by way of their live reproducing without profit-making at educational organisations, medical organisations, social servicing institutions and institutions of the penal system by the workers (employees) of the given organisations and institutions and by the persons serviced by these organisations and institutions or kept at these institutions;"

Subitem 7 with the following content shall be added hereto:

7) recording on an electronic medium, including recording to the computer memory and bringing to public knowledge of dissertation papers' autoabstracts.";

b) Item 2 shall be stated in the following wording:

"2. The creation of copies of lawfully promulgated works in the formats exclusively intended for blind and starblind people (using the point system or other special methods) (in special formats), as well as reproduction and promulgation of such copies without profit-making, shall be allowed without the consent of the author or other holder of the exclusive right and without paying a fee thereto but with obligatory citing of the name of the author whose work is used and of the source where it is borrowed from.

Libraries may provide blind and starblind people with copies of the works created in special formats for temporary gratuitous use at home, as well as by way of providing access thereto through information telecommunication networks. A list of special formats, as well as a list of the libraries providing access through information-telecommunication networks to copies of the works created in special formats and a procedure for providing such access shall be determined by the Government of the Russian Federation.

Any further reproduction or bringing to public knowledge in other format of a copy of a work

intended solely for the use by blind and starblind people is not allowed.

The provisions of this item shall not apply to the works created for the purpose of using in special formats, as well as in respect of the phonograms mainly consisting of musical pieces of work.";

c) Item 3 shall be stated in the following wording:

3) It is allowed without the consent of the author or other right holder and without paying a fee to carry out an audio description or to accompany a work with a sign language translation for the purpose of simplifying the work's perception by persons with limited physical abilities.";

d) Item 4 with the following content shall be added hereto:

"4. The creation of a work in the style of a literary, musical or other parody or in the style of a caricature on the basis of another (original) work that has been lawfully promulgated and the use of these parodies or caricature is allowed without the consent of the author or other holder of the exclusive right to the original work and without paying a fee thereto.";

33) Article 1275 shall be stated in the following wording:

"Article 1275. Free Use of Works by Libraries, Archives and Educational Organisations

1. Public libraries, as well as archives where access to archival documents is not restricted, provided that there is no aim to derive profits, are entitled without the consent of the author or other right holder and without paying a fee to provide for temporary gratuitous (in particular by way of mutual use of library stocks) the originals or copies of the works that have been lawfully put into the civil circulation.

In so doing, copies of works in electronic form may be solely provided for temporary gratuitous use at the premises of a library or archive, provided that it is impossible to create any more copies of the work in electronic form.

2. Public libraries, as well as archives where access to archival documents is not restricted, provided that there is no aim to derive profits, are entitled without the consent of the author or other right holder and without paying a fee but with mandatory citing of the name of the author whose work is used and the source of borrowing to make singular copies, in particular in electronic form, of copies of the works held by them and lawfully put into the civil circulation:

1) for the purpose of ensuring the safekeeping and availability for users:

of dilapidated, wear-out, spoiled and defected copies of works;

of singular and/or rare copies of works and manuscripts whose issuance to users may lead to their loss, spoilage or destruction;

of copies of works recorded on machine-readable media for whose use there are no required facilities;

of copies of works which are of exceptional scientific and educational importance, provided that they have not been within over 10 years as from the date of publication of their last editions in the territory of the Russian Federation;

2) for the purpose of restoration, replacement of lost or spoiled copies of works, as well as for providing with copies of works other libraries and archives where access to archival documents is not restricted that have lost them for some reason.

3. Copies of the works made in electronic form in compliance with Item 2 of this article may be provided to users subject to the conditions provided for by Item 1 of this article.

4. Libraries receiving copies of dissertation papers in compliance with the law on the obligatory copy of a document, where there is no aim to derive profits, are entitled without the consent of the author or other right holder and without paying a fee but with mandatory citing of the name of the author whose work is used and of the source of borrowing to make singular copies of such dissertation papers, in particular in electronic form, for the purposes provided for by Item 2 of this article.

Copies of dissertation papers made in electronic form shall be provided to users subject to the conditions provided for by Item 1 of this article.

5. Public libraries, as well as archives where access to archival documents is not restricted,

provided that there is no aim to derive profits, are entitled without the consent of the author or other right holder and without paying a fee but with mandatory citing of the name of the author whose work is used and of the source of borrowing to make a single copy and provide copies, in particular in electronic form, of individual articles and small-size works lawfully published in collections, newspapers and other periodical prints, short extracts from other lawfully published written works (with illustrations and without such) at the requests of citizens for scientific and educational purposes.

6. Educational organisations, provided that there is no aim to derive profit, are entitled without the consent of the author or other right holder and without paying a fee but with mandatory citing of the name of the author whose work is used and of the source of borrowing to make copies, in particular in electronic form, of individual articles and small-size works lawfully published in collections, newspapers and other periodical prints, of short extracts from other lawfully published written works (with illustrations and without such) and to provide these copies to trainees and pedagogical workers for conducting examinations, classes and self-training in the number which is required for this purpose.

7. The state archives are entitled within the scope of authority thereof to make singular copies of the works inserted on the Internet for keeping in an archive with the subsequent reproduction and bringing to public knowledge to be excluded.";

34) Article 1276 shall be stated in the following wording:

"Article 1276. Free Use of a Work which Is Permanently Located at a Public Place

1. It is allowed without the consent of the author or other right holder and without paying a fee to reproduce and distribute produced copies, to transmit on air or through a cable, to bring to public knowledge works of fine arts or photographic works which are permanently located at a public place, except if the image of the work is the main object of use or the image of a work is used for the purpose of deriving profit.

2. It is allowed to freely use by way of reproduction and distribution of produced copies, transmission on air or through a cable, bringing to public knowledge in the form of images the works of architecture, town-planning and landscape arts located at a public place or visible from that place.";

35) in Article 1277 after the words "musical work" shall be added the words "which is lawfully promulgated";

36) in Article 1280:

a) the title thereof shall be stated in the following wording:

"Article 1280. The Right of the User of a Computer Programme and Database";

b) Subitem 1 of Item 1 shall be stated in the following wording:

"1) to make actions required for functioning of a computer programmer or database (in particular in compliance with their use for their purpose), including recording and storing in the computer memory (of a single computer or a single networker), making amendments in a computer programmer or database solely for their functioning at the user's facilities, to correct evident errors, if not otherwise provided for by the contract made with the right holder;";

c) in Item 4 the words "cause unjustified damage to the normal use" shall be replaced by the words "goes counter to the normal use";

37) in Item 1 of Article 1282 the words "Upon the expiry" shall be replaced by the words "Upon termination":

38) a sentence with the following content shall be added to Item 2 of Article 1283: "With this, in the event of death of one of the co-authors, the exclusive right shall be terminated in the part thereof held by him/her, if a work consists of several parts, each of which is of independent importance or, where a work is inseparable, the share of the late co-author in the exclusive right shall pass over in equal portions to all the co-authors who are alive.";

39) in Paragraph One of Item 1 of Article 1284 after the words "is prohibited" shall be added the words ", except when execution is levied under the contract of pledge made by the author and whose subject is the exclusive right to a specific work cited in the contract and held by the author" and the words

"However, the author's claims" shall be replaced by the words "The author's claims":

40) in Article 1286:

a) Item 3 shall be stated in the following wording:

"**3.** An onerous licence agreement shall specify the rate of a fee for the use of a work or a procedure for estimation of such fee.";

b) Item 4 shall be stated in the following wording:

"**4.** The user of a computer programme or database, along with the rights held by him by virtue of Article 1280 of this Code, may be granted the right under the licence agreement to use the computer programme or database within the limits established by the contract.";

c) Item 5 with the following content shall be added hereto:

"**5.** The licence agreement made with the user on granting thereto an ordinary (non-exclusive) licence to use a computer programme or database may be concluded in a simplified procedure.

The licence agreement made in a simplified procedure shall be an agreement of adhesion whose terms may be stated, in particular, on the copy of the computer programme or database to be acquired or on the packing of such copy, as well as in electronic form (Item 2 of Article 434). As the start of using a computer programmer or database by the user, as it is defined by the cited terms, shall be deemed the consent thereof to make the agreement. On such occasion, the written form of the agreement shall be regarded as observed.

A licence agreement made in a simplified procedure shall be onerous, if not otherwise provided by the agreement.";

41) Article 1286.1 with the following content shall be added hereto:

"**Article 1286.1.** The Open Licence for Using a Work of Science, Literature or Arts

1. The licence agreement under which the author or other right holder (licencor) grants to the licensee an ordinary (non-exclusive) licence for using a work of science, literature or arts may be made in a simplified procedure (open licence).

An open licence shall be an agreement of adhesion. All its terms shall be accessible to an indefinite circle of persons and shall be inserted so that the licensee could get familiar with them before starting to use an appropriate work. An open licence may contain an indication of the actions whose making shall be deemed to be the acceptance of its terms (Article 438). On such occasion, the written form of the agreement shall be deemed observed.

2. Seen as the subject of an open licence shall be the use of a work of science, literature or arts within the limits provided for by an agreement.

The licencor may grant to the licensee the right to use the work owned by him for creation of a new result of intellectual activities. On such occasion, if not otherwise provided for by an open licence, it shall be deemed that the licencor has made the offer to make the agreement (Item 2 of Article 437) on the use of the work owned by him by any person wishing to use the new result of intellectual activities created by the licensee on the basis of this work within the limits and under the terms which are provided for by the open licence. The acceptance of such offer shall be also deemed the acceptance of the licencor's offer to make a licence agreement in respect of this work .

3. An open licence shall be gratuitous, if not otherwise provided for by it.

If the duration of an open licence is not fixed, in respect of a computer programme or database the agreement shall be deemed made for the whole time period while an exclusive right is in effect and in respect of other kinds of works the agreement shall be deemed made for five years.

If an open licence does not cite the territory in which it is allowed to use an appropriate work, such use shall be allowed in the territory of the whole world.

4. The licencor that has granted an open licence is entitled to renounce the agreement unilaterally in full or in part (Item 3 of Article 450), if the licensee grants to third persons the right to use the work held by the licencor or the right to the use of a new result of intellectual activities created by the licensee on the basis of this work beyond the scope of the rights and/or under the terms, other than those which are

provided for by the open licence,

5. The author or other right holder, if the exclusive rights to a work are violated by wrongful actions as to the provision or use of an open licence, are entitled to demand taking against the violator measures of protection of the exclusive right in compliance with Article 1252 of this Code.";

42) Article 1291 shall be stated in the following wording:

"Article 1291. Alienating an Original Work and the Exclusive Right to a Work

1. When alienation is effected by the author of an original work (manuscript, original work of painting, sculpture etc.), for instance, when an original work is alienated under an author's order contract, the exclusive right to the work shall be retained by the author, unless otherwise envisaged by the contract.

When the original work is alienated by the owner thereof holding the exclusive right to the work but not being the work's author, the exclusive right to the work shall pass over to the acquirer of the original work, if not otherwise provided for by an agreement.

The rules of this item related to the author of a work shall also extend to the author's heirs, to their heirs and so on within the limits of the effective period of the exclusive right to the work.

2. If the exclusive right to the work has not been transferred to the acquirer of the original thereof, the acquirer is entitled without the author's consent and without paying out a fee to the author to show the original work acquired and reproduce it in catalogues of exhibitions and in publications dedicated to his collection, and also to hand over the original work to be exhibited at exhibitions organised by other persons.

The acquirer of the original work of fine arts or photographic work who is pictured in this work is entitled without the author's consent or that of another right holder and without paying a fee thereto to use this work as an illustration when publishing works of literature thereof, as well as to reproduce, demonstrate in public and distribute without the aim of deriving profit copies of the work, if not otherwise provided for by the agreement made with the author or other right holder.

The acquirer of a photographic work which is pictured in this work is also entitled to freely use it in connection with publication of the works dedicated to the acquirer's biography, if not otherwise provided for by the agreement made with the author or other holder of the rights to the photographic work.";

43) Item 1 of Article 1293 shall be stated in the following wording:

"1. If alienation is effected by the author of an original work of fine arts, every time when the appropriate original work is publicly re-sold with participation in it of a legal entity or individual businessman as a mediator (in particular, an auction company, art gallery, art show or art shop), the author is entitled to receive a fee from the seller in the form of interest on the re-sale price (artist's resale right). The rate of the interest and also the terms and procedure for paying out the interest shall be defined by the Government of the Russian Federation.";

44) in Article 1295:

a) in Item 2:

in Paragraph One the words "other contract" shall be replaced by the words "civil law contract";

in Paragraph Two the words "shall be owned by the author" shall be replaced by the words "shall be returned to the author";

a paragraph with the following content shall be added hereto:

"The right to a fee for a service work shall be unalienable and shall not be inherited but the author's rights under the agreement made by him/her with the employer and the income which is not received by the author shall pass over to heirs thereof.";

b) Item 3 shall be stated in the following wording:

"3. If according to Item 2 of the present article the exclusive right to a service work is owned by the author, the employer is entitled to use the appropriate service work under the terms of an ordinary (non-exclusive) licensee with a fee to the right holder to be paid. The limits of a service work's use, the amount, terms of a procedure for paying a fee shall be determined by the agreement made by the employer and author or, if there is a dispute, by court.";

c) Item 4 with the following content shall be added hereto:

"4. An employer may promulgate a service work, if the agreement made by him and the author does not stipulate otherwise, as well as to cite when using the service work the name or denomination thereof or to demand it to be cited.";

45) Article 1296 shall be stated in the following wording:

"Article 1296. Computer Programmes and Databases Created by Order

1. The exclusive right to a computer programme, database or other work created under a contract having the creation thereof as its subject matter (by order), shall be held by the orderer, unless otherwise envisaged by the contract between the contractor (performer) and the orderer.

2. If according to Item 1 of the present article the exclusive right to a work is owned by the orderer, the contractor (performer) is entitled, insofar as not otherwise envisaged by a contract, to use such work for his own needs under the terms of a gratuitous ordinary (non-exclusive) licence within the whole effective term of the exclusive right.

3. If according to a contract concluded between a contractor (performer) and an orderer the exclusive right to a work is owned by the contractor (performer), the orderer is entitled to use such work for the own needs thereof on the terms of a gratuitous ordinary (non-exclusive) licence within the whole effective term of the exclusive right.

4. The author of a work made by order who does not own an exclusive right to the work is entitled to a fee in accordance with Paragraph 3 of Item 2 of Article 1295 of the present Code.

5. The rules of this article shall not extend to the contracts under which the contractor (performer) is the author proper (Article 1288).";

46) Article 1297 shall be stated in the following wording:

"Article 1297. Pieces of Work Created When Carrying Out Works under a Contract

1. The exclusive right to a computer programme, database or other piece of work created when a contractor's contract or a contract for the performance of research and development works or technological works was performed, such contracts not expressly requiring the creation thereof, shall be held by the contractor (performer), except as otherwise envisaged by a contract between him and the orderer.

Unless otherwise envisaged by a contract, in this case the orderer is entitled to use the work so created for the purposes for which the relevant contract has been concluded, on the terms of an ordinary (non-exclusive) licence within the whole effective term of the exclusive right without paying out an additional fee for such work's use. If the exclusive right to a work has been assigned by the contractor (performer) to another person, the orderer shall retain the right to use the work.

2. If according to a contract between the contractor (performer) and the orderer the exclusive right to work has been assigned to the orderer or to the third person indicated by the orderer, then the contractor (performer) is entitled to use the work he has created for his own needs under the terms of a gratuitous ordinary (non-exclusive) licence within the whole effective term of the exclusive right, except as otherwise envisaged by a contract.

3. The author of the work mentioned in Item 1 of the present article who does not own an exclusive right to the work is entitled to a fee in accordance with Paragraph 3 of Item 2 of Article 1295 of the present Code.";

47) Item 4 with the following content shall be added to Article 1299:

"4. If Items 1-3 of Article 1274 and Article 1278 of this Code permit to use a work without the consent to it of the author or other right holder and such use is impossible by virtue of the presence of technical means of copyright's protection, the person rightfully pretending to such use may demand of the author or other right holder to remove the restrictions as to the use of the work imposed by way of applying technical means of copyright's protection or to provide an opportunity of such use at the right holder's choice on condition that it is technologically possible and does not require major outlays.";

48) Article 1301 shall be stated in the following wording:

"Article 1301. Liability for a Breach of the Exclusive Right to a Work

In the event of a breach of the exclusive right to a work, the author or other right holder may claim), in accordance with Item 3 of Article 1252 of this Code, the following compensation from the infringer instead of payment of damages, along with the use of the other applicable remedies and measures of liability established by the present Code (Articles 1250, 1252 and 1253):

1) in the amount from 10,000 to 5,000,000 roubles as determined at the discretion of the court on the basis of the nature of violation;

2) in the twofold cost of counterfeit copies of the work;

3) in the twofold cost of the right to use the work determined on the basis of the price normally charged in comparable circumstances for the legal use of the work in the way that the infringer has used.

4) in Article 1302:

a) Item 1 shall be stated in the following wording:

"1. A court may forbid the defendant or the person believed on sufficient grounds to be an infringer of copyright carrying out certain actions (manufacture, reproduction, sale, hiring out, importation or other use envisaged by the present Code, and also the transportation, storage or possession) of copies of a work for the purpose of using them in civil-law transactions, if the copies are understood to be counterfeit.

A court may also take security measures which are adequate to the extent and nature of an offence aimed at suppressing the wrongful use of works in information-telecommunication networks, in particular at restricting access to the materials containing illegally used works. A procedure for restricting access to such materials shall be established by the legislation of the Russian Federation on information.";

b) in Paragraph Two of Item 2 the words "for the manufacture or reproduction/playback" shall be replaced by the words "for the reproduction/playback":

c) Item 3 shall be declared invalidated;

50) Item 3 with the following content shall be added to Article 1303:

"3. Allied rights shall be exercised with the observance of copyright with respect to works of science, literature and arts that were used in creating the object of the allied rights. Allied rights shall be recognized and shall be effective, regardless of whether the copyright in respect of such works is available and effective or not.";

51) Article 1305 shall be stated in the following wording:

"Article 1305. The Mark of Legal Protection of Allied Rights

The manufacturer of a sound recording and performer, and also another owner of the exclusive right to a sound recording or performance is entitled to use for the purpose of warning about the exclusive right held by them, a mark of protection of allied rights to be placed on each original or copy of the sound recording and/or on each case containing it, the mark being composed of the following three elements: the Latin letter "P" in a circle, the name or company name of the owner of the exclusive right and the year of initial publication of the sound recording. With this, a copy of the sound recording means its copy on any material medium manufactured directly or indirectly from the sound recording and including all the sounds or part of the sounds or a representation of the sounds fixed in the sound recording. The representation of sounds means their being represented in a digital form that requires the relevant technical facilities to convert it into an audible form.";

52) in Article 1308:

a) the words "Under a licence" shall be replaced by the words "1. Under a licence":

b) Item 2 with the following content shall be added hereto:

"2. The licence agreement under which an ordinary (non-exclusive) licence for the use of an object of allied rights is granted may be concluded in a simplified procedure (open licence). The provisions on granting an open licence for the use of works of science, literature or arts (Article 1286.1) shall apply to such agreement.";

53) Article 1308.1 with the following content shall be added hereto:

"Article 1308.1. The Transfer of Exclusive Rights to Objects of Allied Rights by Way of Inheritance

The provisions on the transfer of the exclusive right to a work by way of inheritance (Article 1283) shall accordingly apply to the exclusive rights to the performance, phonograms, on-air or cable broadcast of radio and TV programmes, to the content of databases, as well as to works of science, literature and arts promulgated after their becoming the public domain.";

54) Article 1311 shall be stated in the following wording:

"Article 1311. Liability for Infringement of the Exclusive Right to an Object of Allied Rights

In the event of a breach of an exclusive right to an object of allied rights, the owner of the exclusive right is entitled, apart from the use of other applicable remedies and measures of liability established by the present Code (Articles 1250, 1252 and 1253), to claim in accordance with Item 3 of Article 1252 of the present Code from the infringer at the owner's discretion the following compensation instead of payment of damages:

1) in amount of 10,000 to 5,000,000 roubles as determined at the court's discretion on the basis of the nature of an offence;

2) in the amount of the double cost of counterfeit copies of a phonogram;

3) in the amount of the double cost of the right to use the object of allied rights to be estimated on the basis of the price which under comparable circumstances is normally taken for the rightful use of the object in the way that has been used by the infringer.";

55) in Item 1 of Article 1315:

a) in Subitem 3 the word "work" shall be replaced by the word "performance";

b) Subitem 4 shall be stated in the following wording:

"4) the right to the integrity of the performance, i.e. the right to have the performance protected against any distortion, i.e. against modifications in a record, broadcast or cable transmission leading to a perversion of the sense or a break in the integrity of perception of the performance, as well as when bringing the performance to public notice.";

56) in Paragraph One of Item 2 of Article 1316 the word "his" shall be replaced by the word "authorship," and after the word "name" shall be added the words "of the performer";

57) Item 2 of Article 1317 shall be stated in the following wording:

"2. The following shall be deemed the use of a performance:

1) the broadcasting, i.e. communicating of the performance for the notice of the general public, by means of its being broadcast by radio or television (including re-transmission), except for cable broadcasting. In this case, communication means any action whereby the performance is made available for audio and/or visual perception, irrespective of its actual perception by the public. When the performance is broadcast via a satellite, broadcasting means the reception of the signals from a ground station at the satellite and the transmission of the signals from the satellite, such signals serving to bring the performance to the notice of the general public, irrespective of its actual reception by the public. The transmission of encoded signals shall be deemed on-air broadcasting, if the decoding facilities are provided to an unlimited circle of persons by an on-air broadcasting organisation or with its consent;

2) cable communication, i.e. the communication of the performance for the notice of the general public by means of transmitting it by radio or television by means of a cable, wire, optical fibre or similar facilities (including re-transmission);

3) bringing the performance to public notice so that any person may provide access thereto from any place and at any time at the own choice thereof (bringing to public notice);

4) the recording of the performance, i.e. the fixation of sounds and/or an image or of representations thereof by means of technical facilities in any material form enabling their multiple perception, reproduction/playback or communication;

5) the reproduction of a recording of the performance, i.e. making one and more copies of a

performance or of a part thereof in any material form. In this case, a recording of the performance on an electronic medium, including a record made in the memory of a computer, shall be also deemed reproduction. As reproduction shall not be deemed recording of temporary or accidental nature and the one which is an integral and significant part of a technological process solely aimed at legally using the record, or transmission of the performance in an information-telecommunication network by an information broker to third persons, provided that such recording is of no independent economic importance;

6) the distribution of a recording of the performance by means of selling or another alienation of its original or of copies being copies of the recording on any material medium;

7) an action taken in respect of a recording of the performance and envisaged by Subitems 1-3 of the present item;

8) a public playback of a recording of the performance, i.e. any communication of the recording by means of technical facilities in a place open to the public or in a place where a significant number of people are present who do not belong to the ordinary family group, irrespective of whether the recording is perceived in the place where it is communicated or in another place simultaneously with the communication thereof;

9) hiring out of an original recording of the performance or of copies thereof.";

58) in Article 1318:

a) Item 4 shall be stated in the following wording:

"4. The exclusive right to a performance shall be transferred to the performer's heirs within the limits of the remaining part of the time period cited in Items 1-3 of this article.";

b) Item 5 shall be stated in the following wording:

"5. Upon the expiry of the effective term of the exclusive right to a performance the right thereto shall pass into the public domain. A performance that has passed into the public domain is subject to the rules of Item 2 of Article 1282 of the present Code.";

59) Paragraph One of Item 1 of Article 1319 shall be stated in the following wording:

"1. It is not allowed to levy execution against the exclusive right held by the performer, except when execution is levied under the contract of pledge which is made by the performer and whose subject is the exclusive right to a specific performance cited in the contract and held by the performer. Execution may be levied against the right of claim of the performer against other persons under contracts of alienation of the exclusive right to a performance and under licence agreements, as well as against the income derived from the use of a performance.";

60) in Article 1320 the words "by a performer in the line of duty" shall be replaced by the words "within the limits of the labour duties established for an employee (performer)";

61) the words "or in some other way in compliance with Article 1310 of this Code" shall be added to Article 1322;

62) in Item 2 of Article 1324:

a) in Subitem 2 the words "received by the public" shall be replaced by the words "received by the public. The transmission of encoded signals shall be deemed on-air broadcasting, if the decoding facilities are provided to an unlimited circle of persons by an on-air broadcasting organisation or with its consent";

b) in Subitem 4 the word "a" shall be replaced by the word "any";

c) Subitem 5 shall be stated in the following wording:

"5) reproduction, i.e. the manufacturing of one and more copies of a phonogram or of a part thereof in any material form. In this case, the recording of phonogram or a part thereof on an electronic medium, including saving in the memory of a computer, shall be also deemed reproduction. As reproduction shall not be deemed short-term recording of a phonogram which is of temporary or accidental nature or is an integral and significant part of a technological process solely aimed at legally using the phonogram or its transmission to an information-telecommunication network by an information broker to third persons, provided that such recording does not have an independent economic importance";

63) in Article 1325 the words "legally published sound recording" shall be replaced by the words "sound recording that has been legally published";

64) Item 3 of Article 1326 shall be stated in the following wording:

"**3.** The fee described in Item 1 of the present article shall be distributed to the right holders according to the following proportion: 50 per cent to performers, 50 per cent to the manufacturers of phonograms. The fee distribution to specific performers and manufacturers of phonograms shall be carried out pro rata to the actual use of the relevant sound recordings. The Government of the Russian Federation is entitled to fix the fee rates, as well as a procedure for collection, distribution and payment of fees.";

65) Item 3 of Article 1327 shall be stated in the following wording:

"**3.** Upon the expiry of the effective term of the exclusive right to a phonogram it shall pass into the public domain, that is, it may be freely used by any person without anybody's consent or permit and without paying a fee.";

66) Article 1329 shall be stated in the following wording:

"**Article 1329.** A Broadcasting or Cable-Services Organisation

As a broadcasting or cable-services organisation shall be deemed a legal entity independently determining the content of radio and TV programmes (the totality of sounds and/or images or of their presentations) and communicating them over air or by cable by their own assets or with the help of third persons.";

67) in Article 1330:

a) in Item 2:

Subitem 2 shall be stated in the following wording:

"2) reproduction of a record of a radio or TV broadcast, i.e. the manufacturing of one and more copies of the record of a radio or TV broadcast or of a part thereof in any material form. In this case, a record of a radio or TV broadcast or a part thereof on an electronic medium, including saving in the memory of a computer, shall be also deemed reproduction. As reproduction shall not be deemed a short-term record which is of temporary or accidental nature or is an integral and significant part of a technological process solely aimed at legally using a record of a radio or TV broadcast phonogram or its transmission to an information-telecommunication network by an information broker for third persons, provided that such record does not have an independent economic importance;"

Subitem 4 shall be stated in the following wording:

"4) the re-transmission, i.e. reception and simultaneous broadcasting (for instance, via a satellite) or by cable of a radio or television programme or of a significant part thereof aired or cabled by an organisation engaged in on-air or cable broadcasting;"

Subitem 7 with the following content shall be added hereto:

"7) hire of the original or copies of a record of a radio or TV broadcast.";

b) Item 3 shall be declared invalidated;

68) Item 3 of Article 1331 shall be stated in the following wording:

"**3.** Upon termination of the exclusive right to the communication of a radio or television programme it shall pass into the public domain, that is, it may be freely used by any person without anybody's consent or permit and without paying a fee.";

69) paragraphs with the following content shall be added to Item 2 of Article 1333:

"the right to promulgate a database, that is, to make the action for the first time making the data base accessible for general public by way of its publication, ringing to public notice, broadcasting over air or by cable, or in some other way. With this, as publication (release) shall be deemed release for circulation of the databases' copies by the producer's approbation in the number which is sufficient for meeting the reasonable public demand.

The right to cite on the databases' copies and/or on their packing his/its name or denomination shall be in effect and protected within the whole effective term of the exclusive right of the database's manufacturer.";

70) Item 3 of Article 1334 shall be stated in the following wording:

"**3.** Within the effective term of the exclusive right to a database the right holder may at will thereof

to register the database with the federal executive power body in charge of intellectual property matters, The rules of Article 1262 of this Code shall apply to such registration.";

71) Article 1335.1 with the following content shall be added hereto:

"Article 1335.1. Actions Which Are Not Deemed to Be a Violation of the Exclusive Right of the Database's Manufacturer

1. The person rightfully using a promulgated database is entitled without the consent of the exclusive right's holder being the database's producer and insofar as such actions do not violate the copyright of the database's producer and of other persons to retrieve materials from the database and subsequently use them:

with the aim for which the database is provided thereto to any extent, if not otherwise provided for by a contract;

for personal, scientific and educational purposes to the extent justified by the cited purposes;

for other purposes to the extent making up an insignificant part of the database.

The use of the materials retrieved from a database in the way envisaging the provision of access thereto of an unlimited circle of persons shall be accompanied by citing the database these materials have been retrieved from.

2. Making the actions encompassed by an exclusive right of the database's producer by some other person shall not be deemed a violation of such right, if such person can prove that he/it could not establish the identity of the database's producer and that he/it under the circumstances reasonably believed that the effective term of the exclusive right to the database has expired.

3. Multiple retrieval or use of the materials making up an insignificant part of the database is not allowed, if such actions go counter to the normal use of the database and unreasonably infringe the legitimate interests of the database's producer.

4. The database producer may not prohibit to use individual materials which, though being contained in the database, have been rightfully received by the person using them from sources other than this database.";

72) in Item 1 of Article 1339 the words "1-8 and 11 of Item 2" shall be replaced by the words "1-8.1 and 11 of Item 2";

73) Article 1340 shall be stated in the following wording:

"Article 1340. The Effective Term of the Exclusive Right of the Publisher to a Work

1. The exclusive right of the publisher to a work comes into being as from the time when the work is promulgated, and it shall be in effect within 25 years from January 1 of the year following the year in which it was promulgated.

2. After termination of the publisher's exclusive right a work may be freely used by any person without anybody's consent or permit and without paying a fee.";

74) in Item 2 of Article 1343 the words "in Paragraph Two of Item 1 of Article 1291" shall be replaced by the words "in Item 2 of Article 1291";

75) in Item 3 of Article 1345 the words "the use of a service invention, utility model or industrial design" shall be replaced by the words "a service invention, utility model or industrial design";

76) in Article 1349:

a) in Item 1 the words "artistic design" shall be replaced by the word "design";

b) in Item 4:

the words "and a clone thereof" shall be added to Subitem 1;

in Subitem 4 the words "other developments inconsistent with" shall be replaced by the words "the results of intellectual activities cited in Item 1 of this article, if they go counter to";

77) in Article 1350:

a) the words "in particular, to the application of a product or method for a definite purpose" shall be added to Paragraph One of Item 1;

b) in Item 2:

in Paragraph Three after the words "The state of the art" shall be added the words "in respect of an invention";

in Paragraph Four the words "inventions and utility models" shall be replaced by the words "inventions, utility models and industrial designs";

c) in Item 3 the first sentence shall be stated in the following wording: "The disclosure of information concerning an invention by the author of the invention, by an applicant or any person that has received this information from them directly or indirectly (in particular, as a result of showing an invention at an exhibition) which made the essence of the invention available to the general public shall not be deemed a circumstance precluding the recognition of the invention's patentability, provided a patent application has been filed with the federal executive governmental body charged with intellectual property matters within six months after the date of the information disclosure.";

d) the words ", in particular" shall be added to Paragraph One of Item 5;

e) Subitem 1 of Item 6 shall be stated in the following wording:

"1) varieties of plants, breeds of animals and the biological methods for producing them, that is, the methods consisting in full of cross-breeding and selection, except for microbiological methods and products made by such methods;"

78) in Article 1351:

a) Paragraph Two of Item 2 shall be stated in the following wording:

"The state of the art in respect of a utility model includes all the data that have become generally available in the world before the priority date of the useful model. The state of the art also includes (upon condition of an earlier priority) all the patent applications filed for an invention, utility model or industrial design by other persons in the Russian Federation if any person is entitled to read the documents related thereto in accordance with Item 2 of Article 1385 or Item 2 of Article 1394 of the present Code, and the inventions and utility models patented in the Russian Federation.";

b) in Item 3 the first sentence shall be stated in the following wording:

"The disclosure of information concerning a utility model by the author thereof, applicant or any other person that has directly or indirectly obtained this information from them (in particular, as a result of showing the utility model at an exhibition) making information on the essence of the utility model available to the general public shall not be deemed a circumstance precluding the recognition of patentability of the utility model, provided that a patent application for the utility model was filed with the federal executive governmental body charged with intellectual property matters within six months after the information disclosure.";

c) Item 5 shall be stated in the following wording:

"5. As utility models shall not be deemed, in particular, the objects cited in Item 5 of Article 1350 of this Code.

In compliance with this item, the possibility of classifying the cited objects as utility models shall be only excluded in the instance when a patent application for a utility model concerns the cited objects as such.";

d) Item 6 with the following content shall be added hereto:

"6. Legal protection as to a utility model shall not be provided to the objects cited in Item 6 of Article 1350 of this Code.";

79) Article 1352 shall be stated in the following wording:

"Article 1352. The Conditions for the Patentability of an Industrial Design

1. As an industrial design shall be protected the appearance solution of a factory-made or home-made article.

An industrial design shall enjoy legal protection, if it is novel and original in terms of its significant features.

Seen as the significant features of an industrial design shall be the features determining the

aesthetic details of the appearance of an article, including the form, configuration, decoration, colour and line pattern, the outline of an article, the texture or finish of the material an article is made of.

The features determined solely by the technical function of an article shall not be deemed the protected features of an industrial design.

2. An industrial design shall be deemed novel, if the aggregate of its significant features reflected on images of the article's appearance is not known from the information that was made available to the public in the world before the priority date of the industrial design.

3. An industrial design shall be deemed original, if its significant features are stipulated by the creative nature of the article's features, in particular if it is not known from the data that have become generally available in the world before the priority date of an industrial design what is the solution of the appearance of an article of similar purpose making upon an informed consumer the same general impression as the industrial design shown on images of the article's appearance.

4. When the novelty and originality of an industrial design is being established, account shall also be taken (upon condition of an earlier priority) of all the applications for inventions, utility models and industrial designs and applications for the state registration of trademarks and service marks filed in the Russian Federation by other persons and with whose documents any person is entitled to get familiar in compliance with Item 2 of Article 1385, Item 2 of Article 1394 and Item 1 of Article 1493 of this Code.

The disclosure of information about an industrial design by the author thereof, an applicant or any person that has directly or indirectly received this information from them (in particular as a result of showing an industrial design at an exhibition) which made information on the essence of the industrial design available to the general public shall not be deemed a circumstance precluding the recognition of patentability of the industrial design, provided that a patent application for the industrial design was filed with the federal executive governmental body charged with intellectual property matters within 12 months after the information disclosure. The burden of proving the existence of the circumstances due to which the disclosure of information does not preclude the recognition of patentability of the industrial design shall be borne by the applicant.

5. No legal protection shall be granted to the following as to industrial designs:

1) solutions whose all features are exclusively due to the technical function of an article;

2) solutions that can mislead the article's consumer, in particular in respect of the article's manufacturer or the place of manufacture of the article or of the goods for which the article serves as the tare, packing or label, in particular the solutions which are identical to the objects cited in Items 4-10 of Article 1483 of this Code, or the ones making the same general impression or comprising the cited objects, if the rights to the cited objects had originated before the priority of an industrial design, except if the legal protection of an industrial design is requested by the person enjoying the exclusive right to such object.

The provision of legal protection to the industrial designs which are identical to the objects cited in Item 4, Subitems 1 and 2 of Item 9 of Article 1483 of this Code or make the same general impression or comprise the cited objects shall be allowed by approbation of the owners or of the persons authorized by owners or of the holders of rights to the cited objects.";

80) Item 3 of Article 1354 shall be stated in the following wording:

"3. Protection of intellectual rights to an industrial design shall be granted under a patent within the scope defined by the aggregate of significant features of the industrial design which are reflected on images of the article's appearance contained in the industrial design's patent.";

81) Article 1358 shall be stated in the following wording:

"**Article 1358.** The Exclusive Right to an Invention, Utility Model or Industrial Design

1. The patent holder shall own the exclusive right to use the invention, utility model or industrial design in accordance with Article 1229 of the present Code in any manner that does not conflict with law (the exclusive right to an invention, utility model or industrial design), for instance, by the methods described in Item 2 of the present article. The patent holder may dispose of the exclusive right to the invention, utility model or industrial design.

2. The following in particular, shall be deemed to be the use of an invention, utility model or industrial design:

1) the importation into the territory of the Russian Federation, manufacture, application, offer for sale, sale, other introduction into civil-law transactions or storage for such purposes of the product in which the invention or utility model is used or of an article in which the industrial design is used;

2) the commission of the actions described in Subitem 1 of the present item in respect of a product directly made by a patented method. If the product made by the patented method is novel, then an identical product shall be deemed produced by the patented method, unless otherwise proven;

3) the commission of the actions described in Subitem 1 of the present item in respect of an apparatus in whose functioning (operation) the patented method is automatically implemented;

4) the commission of the actions provided for by Subitem 1 of this item in respect of the product intended for application in compliance with the purpose thereof cited in the formula of an invention, when the invention is protected in the form of the product's use for a definite purpose;

5) the implementation of the method in which the invention is used, for instance, by means of applying the method.

3. An invention shall be deemed used in a product or in a method if the product contains and the method uses each feature of the invention that had been stated in an independent item of the formula of the invention contained in the patent, or a feature equivalent thereto, and that had become known as such in the given field of technology before the invention's priority date.

A utility model shall be deemed used in a product, if the product contains each feature of the utility model stated in an independent item of the formula of the utility model contained in the patent.

When establishing the use of an invention or utility model, the formula of the invention or utility model shall be interpreted in compliance with Item 2 of Article 1354 of this Code.

An industrial design shall be deemed used in an article, if this article contains all the essential features of the industrial design or the totality of the features making on an informed consumer the same general impression as the patented industrial design, provided that the article has a similar purpose.

4. If in the use of an invention or utility model all the features are also used that are stated in an independent item of the formula of another invention contained in the patent, or the feature which is equivalent thereto that had become known as such in the given field of technology before the priority date of another invention, or each feature stated in an independent point of the formula of another utility model contained in the patent or, when using an industrial design, each essential feature of another industrial design or the totality of features of another industrial design making upon an informed consumer the same general impression as the industrial design, provided that an article has a similar purpose, another invention, another utility model or another industrial design shall be also deemed to be used.

5. If the owners of a patent for an invention, utility model or industrial design are two and more persons, the relationships between/among them respectively shall be governed by the rules of Items 2 and 3 of Article 1348 of the present Code, irrespective of whether any of the patent owners is the author of this result of intellectual activity or not.";

82) Article 1358.1 with the following content shall be added hereto:

"Article 1358.1. A Dependent Invention, Dependent Utility Model and Dependent Industrial Design

1. An invention, utility model and industrial design whose use in a product or method is impossible without using another invention, utility model and industrial design protected by a patent and having an earlier priority shall be deemed a dependent invention, dependent utility model and dependent industrial design.

Seen as an a dependent invention shall be, in particular, an invention protected in the form of application for a definite purpose of the product in which another invention protected by the patent and having an earlier priority is used.

An invention or utility model related to a product or method shall be also deemed to be dependent, if the formula of such invention or such utility model differs from the formula of another patented invention or another patented utility model with an earlier priority solely by the purpose of the product or method.

2. An invention, utility model and industrial design may not be used without a permit of the holder of the patent to another invention, another utility model and another industrial design with respect to which they are dependent ones.";

83) the words "or without a permit thereof, but upon condition that such introduction in civil law transactions was rightfully effected in the instances established by this Code" shall be added to Subitem 6 of Article 1359;

84) in Item 1 of Article 1361 after the words "identical solution" shall be added the words "or a solution that only differs from the invention by the equivalent features (Item 3 of Article 1358)";

85) in Item 3 of Article 1362 the words "state registration of" shall be added the words "state registration of granting and termination of the right to use an invention, utility model or industrial design under the terms of";

86) Article 1363 shall be stated in the following wording:

"Article 1363. The Effective Term of Exclusive Rights to an Invention, Utility Model and Industrial Design

1. The exclusive right to an invention, utility model, industrial design, and to the patent certifying this right shall be effective, provided that the requirements established by this Code are satisfied, from the day when the patent application was filed with the federal executive governmental body charged with intellectual property matters, or, in the event of a divisional application (Item 4 of Article 1381), from the date when the initial application is filed:

- 20 years for inventions;
- 10 years for utility models;
- 5 years for industrial design.

The protection of a patented exclusive right may be only exercised after the state registration of an invention, utility model, industrial design and the issuance of the patent (Article 1393).

2. If more than five years have elapsed from filing a patent application for an invention relating to such product as a medicine, pesticide or agrochemical substance, which requires that permission be secured in the procedure established by law, up to the receipt of the first permission for using it, the effective term of the exclusive right to the relevant invention and the patent certifying this right shall be extended on the basis of an application of the patent holder by the federal executive governmental body charged with intellectual property matters.

The said term shall be extended by the period that has elapsed since filing the patent application for an invention to the date of receipt of the first permission to use the product, less five years, but at most for five years. In this case, the effective term of the patent for the invention shall not be extended by a term exceeding five years.

A term-extension application shall be filed by the holder of a patent within the effective term of the patent before the expiry of six months after the receipt of the first permission to use the product or the date of issuance of the patent, whichever of these terms expires latest.

The patent holder may be requested for additional materials, if without them the consideration of an application is impossible. The additional materials may be presented within three months as from the date of forwarding such request. If the patent holder does not present the requested materials within this term or does not file a petition for extension of the term, an application shall be rejected. The term fixed for presenting additional materials may be extended by the federal executive power body in charge of intellectual property matters by at most 10 months.

When extending on the basis of Paragraph One of this item the effective term of an exclusive right,

an additional patent shall be issued containing the totality of the features of the patented invention describing the product for whose use a permit has been obtained.

3. The effective term of the exclusive right to an industrial design and the patent certifying this right may be repeatedly extended on the basis of an application of the patent holder by five years but in total at most by 25 years as from the date of filing a patent application with the federal executive governmental body charged with intellectual property matters or, in the event of filing a divisional application (Item 4 of Article 1381), from the date of filing the initial application.

4. A procedure for issuance and operation of an additional patent for an invention and for extending the effective term of a patent for an invention or industrial design shall be established by the federal executive governmental body charged with normative legal regulation in the area of intellectual property.

5. The exclusive right to an invention, utility model, industrial design and the patent certifying this right shall be deemed invalid or shall be terminated ahead of time on the grounds and in the procedure provided for by Articles 1398 and 1399 of the present Code.";

87) in Item 1 of Article 1364 the words "Upon the expiry" shall be replaced by the words "Upon termination";

88) Article 1365 shall be stated in the following wording:

"Article 1365. The Contract of Alienation of the Exclusive Right to an Invention, Utility Model or Industrial Design

1. Under a contract of alienation of the exclusive right to an invention, utility model, industrial design (contract of alienation of a patent) one party (patent holder) shall assign or undertake to assign his/its exclusive right to the relevant result of intellectual activity in full to the other party, that is, to the acquirer of the exclusive right (acquirer of the patent).

2. The alienation of the exclusive right to an industrial design is not allowable, if it can cause the consumers' misleading in respect of goods or the producer thereof.";

89) Article 1366:

a) Paragraph One of Item 1 shall be stated in the following wording:

"1. An applicant being the sole author of an invention, before adoption on the basis of the application of the decision on the patent's issuance or on the refusal to issue the patent, or on declaring the application withdrawn, may file an application to the effect that if a patent is issued he/it undertakes to conclude a contract of alienation of the patent on the terms complying with the prevailing practices with any citizen of the Russian Federation or Russian legal entity which is the first to express such a will and notifies accordingly the patent holder and the federal executive governmental body charged with intellectual property matters. If the cited application exists, the patent duties envisaged by the present Code shall not be collected from the applicant for the patent application for the invention and for the patent issued under the application. The duties paid before filing the cited application shall not be returned.";

b) Paragraph Two of Item 2 shall be stated in the following wording:

"The state registration of transfer of the exclusive right to the acquirer under a contract of patent's alienation shall be effected with the federal executive power body in charge of intellectual property matters upon condition of paying all the patent duties, of which the applicant (patent holder) has been relieved.";

90) Article 1369 shall be stated in the following wording:

"Article 1369. The Form of a Contract of Disposing the Exclusive Right to an Invention, Utility Model and Industrial Design and State Registration and the State Registration of Transfer of an Exclusive Right, Its Pledge and Granting of the Right to Use an Invention, Utility Model and Industrial Design

1. A contract on alienation of a patent, a licence contract, and also other contracts whereby one disposes of the exclusive right to an invention, utility model or industrial design shall be concluded in writing. Failure to observe the written form thereof shall entail the contract's invalidity.

2. The alienation and pledge of the exclusive right to an invention, utility model or industrial design, or granting under a contract of the right to their use are subject to the state registration in the procedure established by Article 1232 of this Code.";

91) in Article 1370:

a) in Item 3 the word "another" shall be replaced by the words "civil law";

b) in Item 4:

in Paragraph Two the words "held by" shall be replaced by the words "returned to" and the word "compensation" shall be replaced by the word "remuneration";

a paragraph with the following content shall be added hereto:

"the right to remuneration for a service invention, service utility model or service industrial design shall be inseparable and shall pass over to the author's heirs for the remaining effective term of the exclusive right.";

92) in Paragraph One of Item 1 of Article 1371 the words "If an invention, utility model or industrial design has been created" shall be replaced by the words "The right to receiving a patent and the exclusive right to an invention, utility model or industrial design created" and the words "the right to obtain a patent and the exclusive right to the invention, utility model or industrial design" shall be deleted;

93) in Article 1372:

a) in Item 1 the words "If an industrial design is created" shall be replaced by the words "The right to obtain a patent and the exclusive right to an industrial design created" and the words "the right to obtain a patent and the exclusive right to the industrial design" shall be deleted;

b) Item 3 shall be stated in the following wording:

"3. If according to a contract between the contractor (performer) and the customer the right to obtain a patent and the exclusive right to the industrial design is owned by the contractor (performer), the customer is entitled to use the industrial design for the purposes for which the relevant contract has been made on the terms of a free-of-charge ordinary (non-exclusive) licence for the whole effective term of the patent.";

94) Item 5 of Article 1374 shall be declared invalidated;

95) in Item 2 of Article 1375:

a) Subitems 1 and 2 shall be stated in the following wording:

"1) a patent application including an indication of the author of the invention and of the applicant, that is, of the person entitled to receive a patent, and also the place of residence or location of each of them;

2) a description of the invention that discloses its essence to the extent which is sufficient for making the invention by an expert in a given field of technology;"

b) in Subitem 3 after the word "claim" shall be added the word "clearly";

96) in Article 1376:

a) in Item 1 the words "or a group of utility models interrelated to the extent that they form a united creative concept " shall be deleted;

b) Subitems 1-3 of Item 2 shall be stated in the following wording:

"1) a patent application including an indication of the author of the utility model and of the applicant, that is, of the person entitled to receive the patent, and also the place of residence or location of each of them;

2) a description of the utility model that discloses its essence to the extent which is sufficient for making the utility model by an expert in a given field of technology;

3) the formula of the utility model related to a single technical solution clearly showing its essence and fully based on its description;"

97) in Article 1377:

a) in Item 2:

Subitems 1-3 shall be stated in the following wording:

"1) a patent application with an indication of the author of the industrial design and of the applicant

- of the person enjoying the right to receive the patent, and also the place of residence or location of each of them;

2) a set of images of the article that provide the complete idea of the essential features of the industrial design that determine the specifics of the article's appearance;

3) a general view drawing of the article and assembly chart, if they are required for disclosing the essence of the industrial design;"

Subitem 5 shall be declared invalidated;

b) in Item 3 the words "a patent application, a set of images of the article, a description of the industrial design and a list of the significant features of the industrial design" shall be replaced by the words "a patent application and a set of the article's images giving a full idea of the essential features of an industrial design that determine the specifics of the article's appearance";

98) Article 1378 shall be stated in the following wording:

"Article 1378. Amending the Documents of the Application for an Invention, Utility Model or Industrial Design

1. An applicant is entitled to make in the documents of the application for an invention, utility model or industrial design, additions, updates and corrections by means of filing additional materials at the request of the federal executive power body in charge of intellectual property matters, until the decision on issuing a patent, or on refusing to issue a patent, or on declaring the application withdrawn is taken on the application, unless these additions, updates and corrections change the essence of the application for the invention, utility model or industrial design.

After receiving a report on an information search carried out in the procedure established by Items 2-4 of Article 1386 of this Code an applicant is entitled to present once at the own initiative thereof the modified formula of an invention that does not change the essence of the invention and to make the appropriate amendments in a description thereof.

2. The additional materials are deemed to change the essence of an application for an invention or utility model in one of the following instances, if they contain the following:

other invention that does not satisfy the requirement for integrity of the invention in respect of the invention or a group of inventions accepted for consideration or other utility model;

the features which are subject to inclusion into the formula of an invention or utility model and which are not disclosed in the documents of an application which are provided for by Subitems 1- 4 of Item 2 of Article 1375 or Subitems 1-4 of Item 2 of Article 1375 of this Code and presented as of the date of filing the application;

an indication of the technological result which is ensured by an invention or utility model and is not connected with the technological result contained in the same documents.

3. Additional materials shall change an application in respect of an industrial design on its merits, if they contain images of an article on which the following is shown:

another industrial design that does not satisfy the requirement of the integrity of an industrial design in respect of an industrial design or a group of industrial designs accepted for consideration;

the essential features of an industrial design are presented that are absent on the images presented as of the date of filing the application or the images of an article are presented from which the essential features of an industrial design available on the images presented as of the date of filing an application are deleted.

4. Changes in the data on the author, on the applicant, in particular when transferring the right to receive the patent to another person or as a result of changing the author's name, the name or denomination of the applicant, as well as correction of evident and technical mistakes may be made by the applicant in the documents of the application on the own initiative thereof prior to registration of an invention, utility model or industrial design.

5. The changes made by an applicant in the documents of the application for an invention shall be taken into account when publishing data on the application, if such changes are presented to the federal

executive power body in charge of intellectual property matters within 15 months as from the date of filing the application.;

99) Article 1379 shall be stated in the following wording:

"Article 1379. Transforming an Application for an Invention or Utility Model or Industrial Design

1. Until the publication of information on an invention application (Item 1 of Article 1385) but not later than the date of a decision on the issuance of a patent, or, when adopting the decision on the refusal to issue the patent for an invention or declaring an application withdrawn, before the possibility of filing an objection against this decision provided for by this Code, the applicant is entitled to transform it into a utility model or industrial design application by means of filing an appropriate application with the federal executive governmental body charged with intellectual property matters, except if the applicant has filed an application about the proposal to make a contract of the patent's alienation provided for by Item 1 of Article 1366 of the present Code.

2. The transformation of a utility model application into an invention or industrial design or an industrial design application into an invention or utility model application shall be permitted on the basis of an application filed with the federal executive governmental body charged with intellectual property matters until the date of a decision on the issuance of a patent, or if a decision on refusing to issue a patent or on declaring an application withdrawn is taken, until the possibility of filing an objection against this decision provided for by this Code is exhausted.

3. The transformation of an application for an invention, utility model or industrial design in compliance with Items 1 or 2 of this article shall be allowed, if the priority and date of filing the transformed application subject to the requirements of Item 3 of Article 1375, Item 3 of Article 1376, Item 3 of Article 1377, Item 3 of Article 1381 or Article 1382 of this Code remain unchanged.";

100) in Article 1380 the words "until the registration" shall be replaced by the words "until the state registration";

101) in Item 3 of Article 1381:

a) Paragraph One shall be stated in the following wording:

"3. The priority of an invention, utility model or industrial design shall be established by the date when an earlier invention, utility model or industrial design application is filed by the same applicant with the federal executive governmental body charged with intellectual property matters that discloses these invention, utility model or industrial design, provided that the earlier application is not withdrawn, or declared withdrawn and on the basis of it the invention, utility model or industrial design was not registered in the appropriate register as of the date of filing the application in which the priority is sought and, with this, the application for an invention in which the priority is sought is filed within 12 months as from the date of filing an earlier application, while an application for a utility model or industrial design - within six months as from the date when an earlier application is filed.";

b) in Paragraph Two the words "on which" shall be replaced by the words "in which";

c) in Paragraph Three the words "on which" shall be replaced by the words "in which";

102) in Article 1382:

a) in Item 2:

the words "utility model or" shall be deleted;

a paragraph with the following content shall be added hereto:

"If an attested copy of the first application is not filed within the cited time, the right of propriety, nevertheless, may be recognized by the federal executive governmental body charged with intellectual property matters on the applicant's petition filed with the same the federal executive governmental body charged with intellectual property matters before the expiry of the cited time period. The petition may be allowed on condition that a copy of the first application has been requested for by the applicant at the same patent office with which the first application is filed within eight months as from the date of filing the first application and is presented with the federal executive governmental body charged with intellectual property matters within two months as from the date when it is received by the applicant.";

b) in Item 3:

in Paragraph One after the words "application concerning the invention" shall be added the words "or utility model";

Paragraph Three shall be stated in the following wording:

"The federal executive governmental body charged with intellectual property matters is only entitled to demand of an applicant to present a translation into Russian of the first application for an invention or utility model, if the verification of validity of a claim for the priority of the invention or utility model is connected with establishing the patentability of the declared invention or utility model.";

103) in Item 1 of Article 1383:

a) in Paragraph Two the words "after the receipt of a relevant notice from" shall be replaced by the words "after forwarding a relevant notice by";

b) in Paragraph Four the words "inventions, utility models or" shall be replaced by the words "inventions and/or utility models or identical";

c) in Paragraph Five the figure "5" shall be replaced by the figure "6";

104) in the title of Subparagraph 3 of Paragraph 5 of Chapter 72 the words", Utility Model and Industrial Design" shall be deleted;

105) Article 1384 shall be stated in the following wording:

"Article 1384. The Formal Expert Examination of an Invention Application

1. A formal expert examination shall be carried out in respect of an invention application received by the federal executive governmental body charged with intellectual property matters to verify the availability of the documents mentioned in Item 2 of Article 1375 of the present Code, and their compliance with established requirements.

2. The federal executive governmental body charged with intellectual property matters shall immediately notify an applicant of a positive result of a formal expert examination of an application for an invention after the completion of the formal expert examination.

3. If the invention application does not comply with the established requirements applicable to application documents, the federal executive governmental body charged with intellectual property matters shall send a request to the applicant asking him/it to file corrected or missing documents within three months after the receipt of the request. Unless the applicant files the documents so requested within the established term or files a petition for extension of the term, the application shall be deemed withdrawn. The term may be extended by the said federal executive governmental body by up to ten months.

4. If when conducting a formal expert examination of the invention application it is established that it is filed in breach of the concept of unity of invention (Item 1 of Article 1375), the federal executive governmental body charged with intellectual property matters shall suggest that the applicant within three months after the receipt of the relevant notice state which of the inventions declared is to be examined, and if necessary amend the application documents. The other inventions declared by means of that application may be formalised under divisional applications. Unless within the established term the applicant notifies which of the inventions declared is to be examined and if necessary files relevant documents, the invention indicated in the invention claim first shall be considered.

5. If when conducting a formal expert examination of an invention application it is established, that the additional materials filed by an applicant change the application on its merits, the rules of Paragraph Three of Item 6 of Article 1386 of this Code shall apply.";

106) in Item 1 of Article 1385:

a) in Paragraph One the words "from the day" shall be replaced by the words "from the date";

b) a) in Paragraph Two the words "from the day" shall be replaced by the words "from the date";

c) in Paragraph Four the words "12 months after" shall be replaced by the words "15 months after";

107) Article 1386 shall be stated in the following wording:

"Article 1386. The Expert Examination of an Invention Application on the Merits Thereof

1. At a petition of an applicant or third persons that may be filed with the federal executive governmental body charged with intellectual property matters when an invention application is filed or within three years after filing the application, provided a formal expert examination is completed in respect of the application with a positive result, the invention application shall undergo an expert examination on the merits thereof. The federal executive governmental body charged with intellectual property matters shall notify the applicant of the third persons' petitions received.

The term for filing a petition for an expert examination of an invention application on the merits thereof may be extended by the federal executive governmental body charged with intellectual property matters at a petition of the applicant filed before the expiry of the term, by up to two months.

Unless a petition for expert examination of the invention application on the merits thereof is filed within the established term, the application shall be deemed withdrawn.

2. The expert examination of an invention application on the merits thereof includes the following: information retrieval concerning the declared invention to assess the state of the art subject to which the invention patentability will be verified;

verifying the compliance of the declared invention with the requirements established by Item 4 of Article 1349 of this Code and with the patentability conditions set out by Paragraph One of Item 1, Items 5 and 6 of Article 1350 of this Code.

verifying the sufficiency of disclosing the essence of the declared invention in the documents of the application provided for by Subitems 1-4 of Item 2 of Article 1375 of this Code and presented as of the date when it is filed for making the invention by an expert in the given field of technology;

verifying the compliance of the declared invention with the conditions of the patentability provided for by Paragraph Two of Item 1 of Article 1350 of this Code.

The federal executive governmental body charged with intellectual property matters shall forward to an applicant a report on the information retrieval.

No information retrieval shall be carried out in respect of the objects cited in Item 4 of Article 1349 and in Items 5 and 6 of Article 1350 of the present Code and the federal executive governmental body charged with intellectual property matters shall notify an applicant of it.

A procedure for carrying out information retrieval and for filing a report on it shall be established by the federal executive governmental body charged with normative legal regulation in the area of intellectual property.

3. If a petition for holding an expert examination of an invention application on its merits is filed simultaneously with filing an application and no earlier priority is claimed for in the application than the date of filing the application, the federal executive governmental body charged with intellectual property matters shall forward to an applicant a report on information retrieval before the expiry of seven months as from the starting date of an expert examination of the application on its merits.

The time period for forwarding to an applicant a report on information retrieval may be extended by the federal executive governmental body charged with intellectual property matters, if there is a need for requesting from other organisations the source of information which is missing in the records of the cited federal executive power body or the declared invention is described so that it makes impossible to make the information retrieval in the established procedure. The cited federal executive power body shall notify an applicant about the extension of the time period for forwarding a report on information retrieval and about the reasons for its extension.

4. The applicant and third persons are entitled to petition for an information retrieval concerning an invention application that has undergone a formal expert examination with a positive result in order to assess the state of the art subject to which the patentability of the declared invention is to be assessed. The procedure and conditions for such information retrieval and provision of information on the results thereof shall be established by the federal executive governmental body charged with normative legal regulation in the area of intellectual property.

5. In respect of an invention application published in the procedure established by Article 1385 of this Code the federal executive power body in charge of intellectual property matter shall publish a report

on the information retrieval effected in the procedure established by Items 2 and 4 of this article.

After publishing data on an invention application any person is entitled to present observations thereof in respect of the compliance of the declared invention with the patentability terms established by Article 1350 of this Code. Such persons shall not take part in the proceedings concerning the application. Observations shall be taken into account when adopting a decision on an application in the procedure established by Article 1387 of this Code.

A procedure for and term of informing an applicant about the results of holding an information retrieval and publication of a report on such retrieval shall be established by the federal executive governmental body charged with normative legal regulation in the area of intellectual property.

6. In the course of an expert examination of an invention application on the merits thereof the federal executive governmental body charged with intellectual property matters may request additional materials from the applicant (including a modified invention claim) without which the expert examination or adoption of the decision on issuance of the invention patent is impossible. In this case, additional materials without a change in the essence of the invention shall be provided within three months after forwarding the request or copies of the materials contradicting the application, provided the applicant has asked for the said copies within two months after the request of the said federal body is forwarded. Unless within the established term the applicant provides the requested materials or files a petition for extension of this term, the application shall be deemed withdrawn. The term established for the applicant to submit the materials requested may be extended by the said federal body by at most ten months.

If it is established while holding an expert examination of an application on its merits that the requirement for the unity of an invention is not satisfied, the provisions of Item 4 of Article 1384 of this Code shall apply.

If an applicant has filed additional materials, it shall be verified whether they have changed the essence of an application or not. Additional materials in the part thereof that changes an application on its merits shall not be taken into account when considering an invention application. Such materials may be presented by an applicant as an independent application. The federal executive governmental body in charge of intellectual property matters shall notify an applicant of it.";

108) Article 1387 shall be stated in the following wording:

"Article 1387. The Decision on Issuance of a Patent for an Invention, on Refusing to Issue It or on Declaring an Application Withdrawn

1. If as a result of an expert examination of an invention application on the merits thereof it is established that the declared invention expressed in the invention claim proposed by the applicant does not refer to the objects cited in Item 4 of Article 1349 of this Code, meets the conditions of patentability set out in Article 1350 of the present Code and the essence of the declared invention in the application documents provided for by Subitems 1-4 of Item 2 of Article 1375 of this Code and filed as of the date of its submission is disclosed fully enough for making the invention, the federal executive governmental body charged with intellectual property matters shall take the decision on issuing a patent for the invention with this invention claim. The decision shall contain the date of filing the invention application and the priority date of the invention.

If in the course of the expert examination of an invention application on the merits thereof it is established that the declared invention expressed in the invention claim proposed by the applicant does not comply with at least one requirement or condition of patentability cited in Paragraph One of this item or the application documents cited in Paragraph One of this item do not satisfy the requirements provided for by this paragraph, the federal executive governmental body charged with intellectual property matters shall take the decision on refusing to grant a patent.

Until taking the decision on refusing to issue a patent the federal executive governmental body charged with intellectual property matters shall send a notice to the applicant of the results of verification of patentability of the invention declared with a proposal for presenting its arguments concerning the reasons set out in the notice. The applicant's reply containing arguments concerning the reasons set out in

the notice may be presented within six months as from the date when the notice is forwarded thereto.

2. The invention application shall be deemed withdrawn under the provisions of the present chapter on the basis of a decision of the federal executive governmental body charged with intellectual property matters.

3. The decisions of the federal executive governmental body charged with intellectual property matters on issuance of the patent for an invention, on refusing to grant a patent for the invention or on deeming the invention application withdrawn may be challenged by the applicant by means of filing his/its objection with the cited federal executive power body within seven months after forwarding by it to the applicant an appropriate decision or copies of the materials requested from the cited federal executive power body which are opposed to the application and are cited in the decision on the refusal to issue the patent, provided that the applicant has requested for copies of these materials within three months as from the date of forwarding the decision adopted in respect of the invention application.";

109) in Article 1388 after the word "matters" shall be added the words ", except for the application documents which are not available for familiarization to any person (in particular of the application cited in the notice provided for by Paragraph Two of Item 1 of Article 1383 of this Code), if data on such application are not published";

110) in Article 1389:

a) Item 1 shall be stated in the following wording:

"1. If the applicant misses the main term or extended term for filing documents or additional materials at a request of the federal executive governmental body charged with intellectual property matters (Item 4 of Article 1384 and Item 5 of Article 1386), the term for filing a petition for expert examination of an invention application on the merits thereof (Item 1 of Article 1386) and the term for filing an objection with the cited federal executive power body (Item 3 of Article 1387) may be renewed by the said federal executive power body, provided the applicant presents proof of a good reason for missing the term.

The terms provided for by Item 4 of Article 1384, Items 1 and 6 of Article 1386 of this Code shall be renewed in compliance with the provisions of this chapter on the basis of a decision of the federal executive governmental body charged with intellectual property matters on reversal of the decision on declaring the application withdrawn and renewing the term missed.";

b) in Paragraph Four of Item 2 the words "the chamber of patent disputes" shall be replaced by the words "the federal executive governmental body charged with intellectual property matters";

111) Article 1390 shall be stated in the following wording:

"Article 1390. An Expert Examination of a Utility Model Application

1. A formal expert examination shall be carried out in respect of a utility model application received by the federal executive governmental body charged with intellectual property matters to verify the availability of the documents mentioned in Item 2 of Article 1376 of the present Code and their compliance with established requirements.

Should the result of a formal expert examination be positive, an expert examination of a utility model application shall be conducted, this comprising the following:

information retrieval concerning the declared utility model to assess the state of the art subject to which the utility model's patentability will be verified;

verifying the compliance of the declared invention with the requirements established by Item 4 of Article 1349 of this Code and with the patentability conditions set out by Paragraph One of Item 1, Items 5 and 6 of Article 135i of this Code.

verifying the sufficiency of disclosing the essence of the declared utility model in the documents of the application provided for by Subitems 1-4 of Item 2 of Article 1376 of this Code and presented as of the date when it is filed for making the utility model by an expert in the given field of technology;

verifying the compliance of the declared utility model with the conditions of the patentability provided for by Paragraph Two of Item 1 of Article 1351 of this Code.

The information retrieval in respect of the objects cited in Item 4 of Article 1349 and Items 5 and 6 of Article 1351 of this Code shall not be conducted, and the federal executive governmental body charged with intellectual property matters shall notify an applicant of it.

2. If as a result of an expert examination of a utility model application on the merits thereof it is established that the declared utility model expressed in the invention claim proposed by the applicant does not refer to the objects cited in Item 4 of Article 1349 of this Code, meets the conditions of patentability set out in Article 1351 of the present Code and the essence of the declared invention in the application documents provided for by Subitems 1-4 of Item 2 of Article 1376 of this Code and filed as of the date of its submission is disclosed fully enough for making the invention by an expert in the given area of technology, the federal executive governmental body charged with intellectual property matters shall take the decision on issuing a patent for the utility model with this invention claim. The decision shall contain the date of filing the utility model application and the priority date of the invention.

If in the course of the expert examination of an utility model application on the merits thereof it is established that the declared object expressed in the claim proposed by the applicant does not comply with at least one requirement or condition of patentability cited in Paragraph One of this item or the application documents provided for by Subitems 1-4 of Item 2 of Article 1376 of this Code and filed as of the date of its submission do not disclose of the utility model fully enough for making the utility model by an expert in the given area of technology, the federal executive governmental body charged with intellectual property matters shall take the decision on refusing to grant a patent.

3. When conducting a formal expert examination of an application for a utility model and an expert examination of an application on its merits, the provisions provided for by Items 2-5 of Article 1384, Item 6 of Article 1386, Items 2 and 3 of Article 1387, Articles 1388 and 1389 of this Code shall apply, respectively.

4. If when considering by the federal executive governmental body charged with intellectual property matters a utility model application it is established that the data contained therein constitutes a state secret, the application documents shall be declassified in the procedure established by the legislation on the state secret. In so doing, the applicant shall be notified of the possibility of withdrawing the utility model application or of transforming it into an application for a secret invention. The consideration of the application shall be suspended pending the receipt from the applicant of the appropriate application or pending the application's declassification.";

112) Article 1391 shall be stated in the following wording:

"Article 1391. An Expert Examination of an Industrial Design Application

1. An industrial design application received by the federal executive governmental body charged with intellectual property matters shall be subjected to a formal expert examination to verify the availability of the documents mentioned in Item 2 of Article 1377 of the present Code and their compliance with established requirements.

If the result of the formal expert examination is positive, an expert examination of the industrial design application on the merits thereof shall be carried out, this including the following:

information retrieval concerning the declared industrial design to determine the generally accessible data subject to which the patentability thereof will be verified;

verifying the compliance of the declared industrial design with the requirements established by Article 1231.1, Item 4 of Article 1349 of this Code and with the patentability conditions set out by Paragraph One of Item 1, Items 5 and 6 of Article 1352 of this Code;

verifying the compliance of the declared industrial design with the conditions of the patentability provided for by Paragraph Two of Item 1 of Article 1352 of this Code.

The information retrieval in respect of the objects cited in Item 4 of Article 1349 and Items 5 and 6 of Article 1351 of this Code shall not be conducted, and the federal executive governmental body charged with intellectual property matters shall notify an applicant of it.

2. If as a result of an expert examination of an industrial design application on the merits thereof it

is established that the declared industrial design shown on images of an article's appearance does not refer to the objects cited in Article 1231.1 or Item 4 of Article 1349 of this Code and meets the conditions of patentability set out in Article 1352 of the present Code, the federal executive governmental body charged with intellectual property matters shall take the decision on issuing a patent for the industrial design. The decision shall contain the date of filing the industrial design application and the priority date of the industrial design.

If in the course of the expert examination of a utility model application on the merits thereof it is established that the declared object does not comply with at least one requirement or condition of patentability cited in Paragraph One of this item, the federal executive governmental body charged with intellectual property matters shall take the decision on refusing to grant a patent.

3. When conducting a formal expert examination of an application for a utility model and an expert examination of an application on its merits, the provisions stipulated by Items 2-5 of Article 1384, Item 6 of Article 1386, Items 2 and 3 of Article 1387, Articles 1388 and 1389 of this Code shall apply, respectively.";

113) in Item 3 of Article 1392 the words "monetary compensation" shall be replaced by the words "monetary remuneration" and the word "compensation" shall be replaced by the word "remuneration";

114) in Article 1393:

a) Item 1 shall be stated in the following wording:

"1. On the basis of the decision on issuing a patent for an invention, utility model or industrial design adopted in the procedure established by Item 1 of Article 1387, Item 2 of Article 1390, Item 2 of Article 1391 or Article 1248 of this Code, the federal executive governmental body charged with intellectual property matters shall enter the invention, utility model or industrial design into the relevant state register, i.e. the State Register of Inventions of the Russian Federation, the State Register of Utility Models of the Russian Federation and the State Register of Industrial Designs of the Russian Federation, and it shall issue a patent for the invention, utility model or industrial design.

If a patent has been sought in the names of several persons, a single patent shall be issued thereto.";

b) Item 2 shall be stated in the following wording:

"2. The state registration of an invention, utility model or industrial design, and the issuance of a patent shall be completed, if the relevant patent duty has been paid. If an applicant has not paid the patent duty in the established procedure, the invention, utility model or industrial design shall not be registered, and the relevant application shall be deemed withdrawn on the basis of a decision of the federal executive governmental body charged with intellectual property matters.

Should the decision on issuance of a patent for an invention, utility model or industrial design be disputed in the procedure established by Article 1248 of this Code, the decision of declaring the application withdrawn shall not be taken.";

c) Item 4 shall be stated in the following wording:

"4. The federal executive governmental body charged with intellectual property matters shall enter on the basis of an application of the right holder in a patent issued for invention, utility model or industrial design and/or in the relevant state register the amendments related to the data on the right holder and/or author, in particular to the denomination or name of the right holder, the place of location or residence thereof, the author's name and address for correspondence, as well as the amendments aimed at correcting obvious and technical errors.";

115) Item 1 of Article 1394 shall be stated in the following wording:

"1. The federal executive governmental body charged with intellectual property matters shall publish information in its official bulletin on the issuance of a patent for an invention or utility model, including the name of the author (unless the author has refused to be mentioned as such), the name or denomination of the holder of the patent, the title and invention or utility model claim.

The federal executive governmental body charged with intellectual property matters shall publish in its official bulletin data on the issuance of a patent for an industrial design, including the name of the author (unless the author has refused to be mentioned as such), the name or denomination of the holder of

the patent, the name of the industrial design or an image of an article giving in full an idea about all the essential features of the industrial design.

The composition of the data to be published shall be defined by the federal executive governmental body charged with normative legal regulation in the area of intellectual property.";

116) a paragraph with the following content shall be added to Item 2 of Article 1395:

"In respect of the appropriate application serving as a ground for seeking the priority for an international application filed with the federal executive governmental body charged with intellectual property matters the provisions of Paragraph Two of Item 3 of Article 1381 of this Code shall not apply.";

117) in Article 1396:

a) Item 1 shall be stated in the following wording:

"1. The federal executive governmental body charged with intellectual property matters shall commence considering an international application for an invention or utility model which is filed in accordance with the Patent Cooperation Treaty and in which the Russian Federation is referred to as the state in which the applicant intends to obtain a patent for the invention or utility model, upon the expiry of 31 months after the priority date sought in the international application on condition of filing with the cited federal executive power body an application for issuance of a patent for the invention or utility model. At the applicant's request the international application shall be considered before the expiry of this time period.

Filing with the federal executive governmental body charged with intellectual property matters an application for issuance of a patent for an invention or utility model may be replaced by the presentation of the application in Russian contained in the international application or of a translation of such application into Russian.

Unless the said documents are filed within the established term, the effect of the international application in accordance with the Patent Cooperation Treaty shall be terminated in respect of the Russian Federation.

The time period for filing the cited documents missed by an applicant may be restored by the federal executive governmental body charged with intellectual property matters on condition that the reasons for failure to observe are specified.";

b) Item 2 shall be stated in the following wording:

"2. The consideration of an Eurasian invention application having under the Eurasian Patent Convention the effect of an invention application envisaged by the present Code shall be commenced from the day when the federal executive governmental body charged with intellectual property matters receives an attested copy of the Eurasian application from the Eurasian Patent Department.";

118) Article 1398 shall be stated in the following wording:

"Article 1398. Declaring Invalid a Patent for an Invention, Utility Model or Industrial Design

1. A patent for an invention, utility model or industrial design may be declared invalid in full or in part if:

1) the invention, utility model or industrial design does not comply with the conditions of patentability established by the present Code or with the requirements provided for by Item 4 of Article 1349 of this Code, as well as if an industrial design does not comply with the requirements provided for by Article 1231.1 of this Code;

2) the non-compliance of the documents of the application for an invention or utility model presented as of the date of its filing with the requirement for disclosing the essence of the invention or utility model fully enough for making the invention or utility model by an expert in a given field of technology;

3) the invention or utility model claim contained in the decision on issuance of the patent contains features which are not disclosed as of the date of filing the application in the documents presented as of this date (Item 2 of Article 1378) or the materials attached to the decision on issuance of a patent for an industrial design contain the articles' images comprising the essential features of the industrial design that

lack on the images presented as of the date of filing the application or the articles' images from which the essential features of the industrial design available on the images presented as of the date of filing the application are deleted (Item 3 of Article 1378);

4) the patent has been issued when there were several applications for identical inventions, utility models or industrial designs having one and the same priority date, in breach of the conditions envisaged by Article 1383 of the present Code;

5) the patent has been issued with an indication therein as the author or patent holder of a person not being such in accordance with the present Code or without an indication in the patent as the author or patent holder of the person being such in accordance with the present Code.

2. The issuance of a patent for an invention, utility model or industrial design may be challenged by any person that has learned about the irregularities set out in Subitems 1-4 of Item 1 of the present article, by means of filing an objection with the federal executive governmental body charged with intellectual property matters within its effective term fixed by Items 1-3 of Article 1363 of this Code.

The issuance of a patent for an invention, utility model or industrial design may be challenged with court by any person that has learned about the irregularities set out in Subitem 5 of Item 1 of the present article within its effective term fixed by Items 1-3 of Article 1363 of this Code.

The issuance of a patent for an invention, utility model or industrial design may be also challenged with court by any person concerned upon the expiry of the effective term thereof on the grounds and in the procedure which are established by Paragraphs One and Two of this item.

3. During the time period while a patent for an invention is being disputed the patent holder is entitled to file an application for transforming a patent for an invention into a patent for a utility model, if the effective term of the patent for the invention has not exceeded the effective term of the patent for the utility model provided for by Item 1 of Article 1363 of this Code. The federal executive governmental body charged with intellectual property matters shall allow an application for transforming a patent for an invention into a patent for a utility model on condition of declaring the patent for the invention fully ineffective and of the utility model's compliance with the patentability requirements and conditions for utility models which are provided for by Item 4 of Article 1349, Article 1351, Subitem 2 of Item 2 of Article 1376 of this Code. The transformation shall not be effected, if a patent for an invention has been issued on the basis of the application in respect of which the proposal has been received to make a contract of the patent's alienation in the procedure established by Item 1 of Article 1366 of this Code, and this application is not withdrawn in compliance with Item 3 of Article 1366 of this Code as of the date when the application for the patent's transformation is filed.

In the event of transforming a patent for an invention into a patent for a utility model, the priority and date of filing the application shall be preserved.

4. A patent for an invention, utility model or industrial design shall be deemed invalid in full or in part under the decision of the federal executive governmental body charged with intellectual property matters adopted in accordance with Items 2 and 3 of Article 1248 of the present Code or a court's decision that has come into force.

If a patent is deemed partially invalid, a new patent shall be issued for an invention, utility model or industrial design.

In the event of allowing an application for transforming a patent for an invention into a patent for utility model, a patent for the utility model shall be issued.

5. A patent for an invention, utility model or industrial design that has been declared invalid in full or in part shall be annulled from the date when the application for the patent was filed.

6. The licence contracts concluded on the basis of a patent for an invention, utility model or industrial design that was later deemed invalid shall remain effective in as much as they have been discharged as of the time when the decision on the patent's invalidity was issued.

7. Declaring a patent for an invention, utility model or industrial design as invalid shall mean the revocation of the decision of the federal executive governmental body charged with intellectual property matters on the issuance of the patent for the invention, utility model or industrial design (Article 1387) and

the annulment of the entry made in the relevant state register (Item 1 of Article 1393).";

119) in Paragraph Three of Article 1399 the words "as of the date of expiry" shall be replaced by the words "upon the expiry";

120) in Article 1400:

a) Item 1 shall be stated in the following wording:

"1. A patent for an invention, utility model or industrial design terminated due to the fact that no patent duty has been paid when due for the maintenance of the patent in effect may be reinstated by the federal executive governmental body charged with intellectual property matters at the petition of the person who owned the patent or of the legal successor thereof. A petition for reinstatement of the patent may be filed with the said federal body within three years after the expiry of the patent duty payment term but before the expiry of the effective term of the patent envisaged by the present Code.";

b) Item 4 with the following content shall be added hereto:

"4. The right of after-use may be only transferred to another person jointly with the enterprise where an invention or a solution that only differs from the invention by the equivalent features (Item 3 of Article 1358), a utility model or industrial design was used or preparations for it were made.";

121) in Article 1404:

a) the words "Issued by an Authorised Body" shall be added to the title thereof";

b) the figures "1-3" shall be replaced by the figures "1-4";

122) Item 2 of Article 1405 shall be stated in the following wording:

"2. The transfer of the exclusive right under a contract of alienation of a patent and granting of the right to use a secret invention under licence contract are subject to the state registration with the agency that has issued the patent for the secret invention or with the legal successor thereof or, in the absence of the legal successor, with the federal executive governmental body charged with intellectual property matters.";

123) in Item 1 of Article 1406:

a) in Subitem 7 the words "to the author of an invention, utility model or industrial design in accordance with the present Code" shall be deleted;

b) Subitem 8 shall be declared invalidated;

124) Article 1406.1 with the following content shall be added hereto:

"Article 1406.1. Liability for Breaching the Exclusive Right to an Invention, Utility Model or Industrial Design

Should the exclusive right to an invention, utility model or industrial design be violated, the author or other right holder, along with the use of other applicable remedies and punitive sanctions established by this Code (Articles 1250, 1252 and 1253), are entitled to demand at the choice thereof of the violator payment of the following compensation instead of repair for damages:

1) in the amount from 10,000 to 5,000,000 roubles as determined at the discretion of the court on the basis of the nature of violation;

2) in the twofold cost of the right to use the invention, useful model or industrial design determined on the basis of the price normally charged under comparable circumstances for the legal use of the invention, useful model or industrial design in the way that the infringer has used.";

125) in Item 2 of Article 1408 the words "for the use of a service breeding achievement" shall be replaced by the words "a service breeding achievement";

126) in Item 2 of Article 1423 after the words "shall carry out the state registration" shall be added the words "shall grant the right to use a breeding achievement under the terms of";

127) in Item 1 of Article 1425 the words "Upon the expiry of effective term" shall be replaced by the words "Upon termination";

128) Paragraph Two of Item 2 of Article 1427 shall be stated in the following wording:

"The state registration of transfer of the exclusive right to the acquirer under a contract of alienation

of a patent shall be effected by the federal executive governmental body charged with breeding achievement matters on condition of paying the patent duties, which the applicant (patent holder) has been relieved of.";

129) in Article 1430:

a) in Item 3 the word "another" shall be replaced by the words "civil law";

b) in Paragraph Two of Item 4 the words "shall own" shall be replaced by the words "shall be returned";

c) a paragraph with the following content shall be added to Item 5:

"The right to remuneration for a service breeding achievement shall be unalienable but shall be transferred to the author's heirs for the remaining part of the effective term of the exclusive right.";

130) in Article 1431:

a) Item 1 shall be stated in the following wording:

"1. The right to receive a patent and the exclusive right to a breeding achievement that has been created, developed or discovered under a contract whose subject matter was the creation, development or discovery of such breeding achievement (by order) shall be owned by the customer, except as otherwise envisaged by the contract made by the contractor (performer) and the customer.";

b) in Item 2 the second sentence shall be deleted;

c) in Item 3 the words "to use the breeding achievement for his/its own needs" shall be replaced by the words "to use the breeding achievement for the purposes for which the appropriate contract has been made";

131) Subitem 3 of Item 2 of Article 1433 shall be declared invalidated;

132) Item 2.1 with the following content shall be added to Article 1439:

"2.1. On the basis of the right holder's application the federal executive governmental body charged with breeding achievement matters shall make the amendments related to the data on the right holder and/or the author of a breeding achievement , in particular to the denomination or name of the right holder, the location or place of residence thereof, the name of the author of the breeding achievement, postal address, as well as the amendments aimed at correcting obvious and technical mistakes to the State Register of Protected Breeding Achievements and to the patent for a breeding achievement.";

133) in Paragraph Two of Item 2 of Article 1448 the words "the entity of such elements" shall be replaced by the words "spatio-geometric lay-out of the entity of such elements and links between them";

134) in Item 2 of Article 1449 the words "the use of a service layout design" shall be replaced by the words "a service layout design";

135) in Article 1452:

a) in Paragraph Two of Item 1 the words "for a certificate of state registration" shall be replaced by the words "for the state registration";

b) in Item 2 the words "for a certificate of state registration" shall be replaced by the words for the state registration";

c) Subitem 3 of Item 3 shall be declared invalidated;

d) in Paragraph Two of Item 5 the words "of the federal executive governmental body charged with intellectual property matters or on his own initiative the applicant is entitled to add, update and correct the materials of the registration application until the publication of information in the gazette" shall be replaced by the words "of the cited federal executive power body or on the own initiative the author or other right holder is entitled to add, update and correct the materials of the registration application before the time of the state registration";

e) Item 7 shall be stated in the following wording:

"7. On the basis of the right holder's application the federal executive governmental body charged with intellectual property matters shall make the amendments related to the data on the right holder and/or the author of a lay-out designs , in particular to the denomination or name of the right holder, the location or place of residence thereof, the name of the author of the lay-out design, postal address, as well as the amendments aimed at correcting obvious and technical mistakes to the State Register of Integrated Circuits

Layout Designs and to the certificate of the state registration of the layout- design.

The federal executive governmental body charged with intellectual property matters shall publish in the official gazette data on any changes in the entries made in the Register of Integrated Circuits Layout Designs.";

136) in Item 4 of Article 1457 the words "Upon the expiry" shall be replaced by the words "Upon termination" and the words "for its use" shall be deleted;

137) Article 1457.1 with the following content shall be added hereto:

"Article 1457.1. The Transfer of the Exclusive Rights to a LayOut Design by Inheritance

The provisions on transfer of the exclusive right to a work by inheritance (Article 1283) shall apply to the exclusive right to a layout-design.";

138) Article 1460 shall be stated in the following wording:

"Article 1460. The Form of a Contract of Disposal of the Exclusive Right to a LayOut Design and the State Registration of Transfer of the Exclusive Rights to a Layout Design, Its Pledge and Provision of the Rights to Use a Layout Design

1. A contract of alienation of the exclusive right to a layout design and a licence contract shall be made in writing. Failure to observe the written form of the contract shall entail the contract's invalidity.

2. If a layout design has been registered (Article 1452), the alienation and pledge of the exclusive right to the layout design, the provision on a contractual basis of the right to use the layout design and the transfer of the exclusive right to the layout design and the licence contract shall be subject to the state registration with the federal executive governmental body charged with intellectual property matters in the procedure established by Article 1232 of this Code.";

139) in Article 1461:

a) in Item 3 after the words "by agreement" shall be replaced by the words "by a labour or civil law";

b) paragraphs with the following content shall be added to Item 4:

"The right to remuneration for a service layout-design shall be unalienable but shall pass over to the author's heirs for the remaining part of the effective term of the exclusive right.

If the exclusive right to a layout design is held by the author, the employer is entitled to use such layout design under the terms of an ordinary (non-exclusive) licence with remuneration to be paid to the right holder".

140) in Paragraph One of Item 1 of Article 1462 the words "If a layout design has been created" shall be replaced by the words "The exclusive right to a layout design created" and the words "the contractor (performer) owns an exclusive right to the layout design" shall be replaced by the words "the contractor shall own it";

141) in Article 1463:

a) in Item 1 the words "If a layout-design has been created" shall be replaced by the words "The exclusive right to a layout-design created" and the words "the contractor (performer) owns an exclusive right to the layout design" shall be replaced by the words "the contractor shall own it";

b) in Item 3 the words "for his/its own needs" shall be replaced by the words "for the purposes for which an appropriate contract has been made":

142) Article 1465 shall be stated in the following wording:

"Article 1465. A Production Secret (Know-How)

1. As a production secret (know-how) shall be deemed information of any nature (production, technological, economic, organisational and others) about the results of intellectual activities in the area of science and technology and about the methods of carrying out professional activities that has a real or potential commercial value due to its not being known to third persons, which is not freely accessible to third persons on legal grounds, and the holder of such information takes reasonable measures aimed at

keeping it confidential, in particular by way of introducing a commercial secret regime.

2. As a production secret may not be deemed the data whose mandatory disclosure or inadmissibility of restricting an access to them are established by a law or any other legal act.":

143) Part Two of Article 1471 shall be declared invalidated;

144) in Article 1473:

a) Paragraph One of Item 3 shall be stated in the following wording:

"3. The legal entity shall have a single full company name and is entitled to have a brief company name in Russian. The legal entity is also entitled to have a single full and/or an abbreviated company name in any language of peoples of the Russian Federation and/or in a foreign language.";

b) Subitem 3 of Item 4 shall be declared invalidated;

c) Item 5 shall be stated in the following wording:

"5. If the company name of a legal entity does not comply with the requirements of Article 1231.1 of this Code, Items 3 and 4 of this article, the body responsible for the state registration of legal entities is entitled to file a claim against such legal entity whereby it is forced to change its company name. On such occasion, the provisions of Items 2 and 3 of Article 61 of this Code shall not apply.";

145) in Article 1474:

a) the words "or on the Internet" shall be added to Paragraph One of Item 1;

b) Item 4 shall be stated in the following wording:

"4. A legal entity that has violated the rules of Item 3 of this article, If the right holder so demands, at the choice thereof, shall either stop using a company name identical to the company name of the right holder or similar thereto to the extent of confusion in respect of the types of activity similar to those pursued by the right holder, or to change its company name, as well as is bound to compensate the right holder for the damages inflicted.";

146) in Article 1483:

a) Paragraph Seven of Item 1 shall be declared invalidated;

b) Item 1.1 with the following content shall be added hereto:

"1.1. The provisions of Item 1 of this article shall not apply in respect of the denominations which:

1) have acquired the discrimination performance as a result of their use;

2) are made up of the elements cited in Subitems 1-4 of Item 1 of this article and form a combination having the discrimination performance.";

c) Item 2 shall be stated in the following wording:

"2. It is not allowed to effect the state registration as trademarks of the designations related to the objects which are not subject to legal protection in compliance with Article 1231.1 of this Code or are similar to them to the extent of confusion.";

d) in Item 6:

in Subitem 1 the words "is withdrawn or is deemed withdrawn" shall be replaced by the words "is withdrawn, is deemed withdrawn and in respect of it the decision has been adopted to deny the state registration":

the words "from an earlier date than the priority of the declared designation" shall be added to Subitem 3;

Paragraph Five shall be stated in the following wording:

"The registration as a trademark for uniform goods of a designation similar to the extent of confusion with any of the trademarks mentioned in Subitems 1 and 2 of this item shall be only admissible with the consent of the right holder, provided that such registration may not be a reason for consumers' misleading. The consent may not be withdrawn by the right holder.";

a paragraph with the following content shall be added hereto:

"The provisions stipulated by Paragraph Five of this item shall not apply to the designations which are similar to the extent of confusion with collective marks.";

e) in Item 7 the words "except for cases when such designation" shall be replaced by the words ", as well as with the designation declared for registration as such before the priority date of a trademark,

except when such designation or the one similar to that to the extent of confusion", and the words "if the trademark registration" shall be replaced by the words "on condition that the registration of a trademark";

f) in Item 9:

in Subitem 2 after the words "Article 1265" shall be added the words "and Subitem 3 of Item 1 of Article 1315";

a paragraph with the following content shall be added hereto:

"The provisions of this article shall also apply in respect of the designations which are similar to the extent of confusion with the objects cited therein.";

g) Item 10 shall be stated in the following wording:

"**10.** The designations whose elements are the individualization means of other persons similar to them to the extent of confusing, as well as the objects cited in Item 9 of this article, protected in compliance with this article may not be registered as trademarks in respect of homogeneous goods.

The state registration as trademarks as such designations shall be allowed where there is the appropriate consent provided for by Item 6 and Subitems 1 and 2 of Item 9 of this article.";

h) Item 11 with the following content shall be added hereto:

"**11.** On the grounds provided for by this article legal protection shall not be also provided to the trademarks registered in compliance with international treaties made by the Russian Federation.";

147) in Item 2 of Article 1486 the words "not affecting its distinguishing capability" shall be replaced by the words "not modifying the essence of the trademark";

148) in Article 1489:

a) in Item 1 the words "as applicable to a certain area of entrepreneurial activity" shall be replaced by the words "in respect of all or a part of the goods for which the trademark is registered":

b) Item 1.1 with the following content shall be added hereto:

"**1.1.** The licence agreement on granting the right to use a trademark shall contain, along with the terms provided for by Item 6 of Article 1235 of this Code, a list of the goods in respect of which the right to use the trademark is granted.";

c) in Item 3 the words "to use such appellation" shall be replaced by the words "to such appellation":

149) Article 1490 shall be stated in the following wording:

"**Article 1490.** The Form of a Contract of Disposing the Exclusive Right to a Trademark and the State Registration of Transfer of the Exclusive Right to a Trademark, of the Pledge of the Exclusive Right to a Trademark and of Granting the Right to Use a Trademark

1. A contract of alienation of an exclusive right to a trademark, a licence contract, and also other contracts used to dispose of the exclusive right to a trademark shall be concluded in writing. Failure to observe the written form thereof shall entail the invalidity of a contract.

2. The alienation and pledge of the exclusive right to a trademark, granting on a contractual basis of the right to use it and transfer of the exclusive right to a trademark without a contract are subject to the state registration in the procedure established by Article 1232 of this Code.";

150) in Article 1491:

a) Item 1 shall be stated in the following wording:

"**1.** The exclusive right to a trademark shall be effective within ten years after filing the trademark state registration application with the federal executive governmental body charged with intellectual property matters or, in the event of registration of a trademark on the basis of a divisional application, as from the date when the initial application is filed.";

b) in Paragraph Three of Item 2 the words ", provided the duty is paid" shall be deleted;

151) Item 5 of Article 1492 shall be stated in the following wording:

"**5.** The charter of a collective mark shall be attached to an application for a trademark, if the application is to be filed for a collective mark (Item 1 of Article 1511).";

152) Item 1 of Article 1493 shall be stated in the following wording:

"1. After a trademark application is filed with the federal executive governmental body charged with intellectual property matters any person is entitled to get familiar with the documents of the application.

The federal executive governmental body charged with intellectual property matters shall publish in the official gazette data on the applications filed for trademarks.

After publishing data on an application and pending the adoption of the decision on the state registration of a trademark any person is entitled to file with the federal executive governmental body charged with intellectual property matters a petition in writing that contains arguments as to the non-compliance of the declared designation with the requirements of Articles 1477 and 1483 of this Code.";

153) in Paragraph One of Item 3 of Article 1496 the words "within six months after the receipt of a relevant notice from the federal executive governmental body charged with intellectual property matters" shall be replaced by the words "within seven months as from the date of forwarding by the federal executive governmental body charged with intellectual property matters";

154) in Article 1497:

a) the words "or the adoption of the decision on the denial of the state registration thereof" shall be added to Item 3;

b) in Paragraph Two of Item 4 the first sentence shall be stated in the following wording: "The additional materials shall be submitted by the applicant within three months after forwarding thereto by the federal executive governmental body charged with intellectual property matters the relevant request or copies of the materials opposed to the application, provided these copies have been requested by the applicant within two months after forwarding the request by the federal executive governmental body charged with intellectual property matters.";

155) in Article 1499:

a) in Item 1:

in Paragraph Two the words "and Items 1-7" shall be replaced by the words "and Items 1-7, Subitem 3 of Item 9 (as regards industrial designs), Item 10 (as regards means of individualization and industrial designs)";

a paragraph with the following content shall be added hereto:

"In the event of receiving the petition in compliance with Paragraph Three of Item 1 of Article 1493 of this Code, the arguments as to non-compliance of the declared designation with the requirements of Articles 1477 and 1483 of this Code contained in the petition shall be taken into account when conducting an expert examination of the declared designation.";

b) a sentence with the following content shall be added to Item 2: "In compliance with international treaties of the Russian Federation, on the basis of the results of an expert examination of a trademark the federal executive governmental body charged with intellectual property matters shall render the decision on providing legal protection or on the refusal to provide legal protection to the trademark in the territory of the Russian Federation.";

c) in Item 3 the words "on the results of the expert examination of the declared designation a notice in writing may be sent to the applicant" shall be replaced by the words "on the denial of the state registration of a trademark or the decision on the state registration of a trademark in respect of the goods contained in a list of goods as of the fate of filing an application or in the list modified by an applicant in compliance with Item 2 of Article 1497 of this Code, the applicant shall be forwarded";

156) in Article 1500:

a) Item 1 shall be stated in the following wording:

"1. The decisions of the federal executive governmental body charged with intellectual property matters on a refusal to accept for consideration a trademark application, on the state registration of a trademark, on refusal to grant the state registration to a trademark and on declaring a trademark application withdrawn, the decision on granting or on the refusal to grant legal protection to a trademark in the territory of the Russian Federation or to deny the state protection thereof in compliance with international

treaties of the Russian Federation may be challenged by the applicant by means of filing an objection with the federal executive governmental body charged with intellectual property matters within four months after forwarding the relevant decision or copies of the materials opposing the application requested from the said federal executive governmental body, provided the applicant requested copies of the materials within one month after his/its receipt of the relevant decision.";

b) in Item 2 the words "the chamber of patent disputes" shall be replaced by the words "the federal executive governmental body charged with intellectual property matters";

157) Article 1501 shall be stated in the following wording:

"Article 1501. The Renewal of the Missed Term Connected with Holding the Expert Examination of a Trademark Application

1. The term provided for by Item 4 of Article 1497 and Item 1 of Article 1500 of this Code and missed by an applicant may be renewed by the federal executive governmental body charged with intellectual property matters on petition of the applicant filed within six months after the expiry of the term, if the applicant cites the reasons for his/its failure to observe it. The petition for renewal of a missed term shall be filed by the applicant with the said federal executive power body simultaneously with the additional materials requested in accordance with Item 4 of Article 1497 of the present Code or with a petition for extension of the term for filing thereof or simultaneously with filing an objection with the federal executive governmental body charged with intellectual property matters under Article 1500 of the present Code.

2. The term provided for by Item 4 of Article 1497 of this Code shall be restored in compliance with the provisions of this chapter on the basis of the decision of the federal executive governmental body charged with intellectual property matters on the reversal of the decisions on declaring an application withdrawn and on restoration of the missed term.";

158) in Item 2 of Article 1502 after the words "the trademark application" shall be added the words "or consideration by the federal executive governmental body charged with intellectual property matters of an objection against the decision of the federal executive governmental body charged with intellectual property matters on the state registration of a trademark or on the denial of the state registration of a trademark adopted on the ground provided for by Item 6 of Article 1483 of this Code.";

159) in Article 1503:

a) Paragraph One of Item 1 shall be stated in the following wording:

"1. Under the decision on the state registration of a trademark adopted in the procedure established by Item 2 of Article 1499 the federal executive governmental body charged with intellectual property matters within a month as from the date of paying the duty for the state registration of the trademark and for issuance of the certificate in respect of it shall complete the state registration of the trademark in the State Register of Trademarks.";

b) Item 2 shall be stated in the following wording:

"2. If an applicant has not paid in the established procedure the duty cited in Item 1 of this article, a trade mark shall not be registered and the appropriate application shall be deemed withdrawn on the basis of a decision of the federal executive governmental body charged with intellectual property matters.

In the event of disputing the decision on registration of a trademark in the procedure established by Article 1248 of this Code, the decision on declaring the application withdrawn shall not be rendered.";

160) in Article 1505:

a) Item 1 shall be stated in the following wording:

"1. The federal executive governmental body charged with intellectual property matters shall make on the basis of the right holder's application in the State Register of Trademarks and the issued certificate for the trademark the amendments related to the data on registration of the trademark, in particular on the right holder, denomination or name thereof, location or place of residence, postal address, as well as the amendments connected with the reduction of a list of goods and services for whose individualization the trademark has been registered and the amendments in individual elements of the trademark that do not

change the essence thereof, and also the amendments for correcting obvious and technical mistakes.";

b) Items 3 and 4 shall be declared invalidated;

161) in Article 1512:

a) in Item 2:

in Subitem 2 the words "Items 6 and 7" shall be replaced by the words "Items 6, 7 and 10";

Subitem 6 shall be stated in the following wording:

"6) in full or in part within the whole effective term of legal protection, if the right holder's actions connected with the provision of legal protection to a trademark or to another trademark which is similar to it to the point of confusion are declared in the established procedure an abuse of the right or unfair competition;"

Subitem 7 with the following content shall be added hereto:

"7) in full or in part for the whole effective term of legal protection if it is provided with a failure to satisfy the requirements of Item 3 of Article 1496 of this Code.

The provisions of Subitems 1-3 of this item shall apply subject to the circumstances that have occurred as of the date of filing an objection (Article 1513)";

b) Item 4 with the following content shall be added hereto:

"4. The provision of legal protection in the territory of the Russian Federation to a trademark registered in compliance with international treaties of the Russian Federation may be disputed and declared invalid on the grounds provided for by Item 2 of this article.";

162) in Article 1513:

a) in Item 1 the words "with the chamber of patent disputes or" shall be deleted;

b) in Item 2 after the figures "1-4" shall be added the figures ", 6, 7" and the words "with the chamber of patent disputes" shall be deleted;

c) in Item 3:

in Paragraph One the words "with the chamber of patent disputes" shall be deleted;

Paragraph Two shall be declared invalidated;

163) in Article 1514:

a) Subitem 4 of Item 1 shall be stated in the following wording:

"4) on the basis of the decision of the federal executive governmental body charged with intellectual property matters on early termination of the legal protection of the trademark in connection with termination of the legal entity being the right holder or registration of termination by a citizen of the entrepreneurial activity of the individual entrepreneur being the right holder;"

b) Item 5 with the following content shall be added hereto:

"5. The legal protection in the territory of the Russian Federation of a trademark registered in compliance with international treaties of the Russian Federation shall be terminated on the grounds and in the procedure which are provided for by this article.";

164) in Item 2 of Article 1518:

a) in Paragraph One after the word "certificate" shall be added the words "or certificates" and the words "these persons" shall be replaced by the words "each such person";

b) the words "(Item 1 of Article 1516)" shall be added to Paragraph Two;

165) Paragraph One of Item 2 of Article 1519 shall be stated in the following wording:

"2. As the use of the appellation of the goods' origin shall be deemed, in particular, the placement of this appellation:"

166) in Article 1522:

a) a paragraph with the following content shall be added to Item 2:

"An application for the state registration of the appellation of the place of the goods' origin and for granting the exclusive right to this appellation may be filed by a single person or by several persons.";

b) Item 5 shall be stated in the following wording:

"5. If the geographic object whose name is being declared as an appellation of the goods' place of origin is located in the territory of the Russian Federation, the application shall be have attached thereto a

statement of the federal executive power body authorised by the Government of the Russian Federation (of the authorised body) to the effect that within the boundary of the given geographic object the applicant manufactures merchandise whose special properties are exclusively or predominantly due to the natural conditional and/or human factors characteristic of the given geographic object (Item 1 of Article 1516).

Where an application for the state registration of the appellation of the place of goods' origin and for granting the exclusive right to this appellation is filed by several persons, the application shall have attached thereto on the applicant's initiative the statement cited in Paragraph One of this item in respect of each applicant's goods.

Attached to the application for an exclusive right to an appellation of the place of the goods origin located in the territory of the Russian Federation that has been registered earlier shall be a statement of the competent body to the effect that within the boundary of the given geographic object the applicant manufactures merchandise possessing the special properties specified in the State Register of Appellations of Origin of the Russian Federation (the State Register of Appellations of Origin) (Article 1529).

If the statement cited in Paragraphs One, Two and Three of this item has not been filed by an applicant, the federal executive governmental body charged with intellectual property matters shall request the authorised body for the cited statement or the data contained therein.

The authorized body shall exercise control over preservation of the special properties of the goods in respect of which the appellation of the place of the goods' origin is registered.

If the geographic object whose name is being declared as the appellation of the place of origin for merchandise is outside the Russian Federation, the application shall be accompanied by a document confirming the applicant's right in the country of origin of the merchandise to the appellation of the place of goods' origin being declared.";

c) Item 9 with the following content shall be added hereto:

"9. The federal executive governmental body charged with intellectual property matters shall publish in the official gazette thereof data on filed applications for the place of the goods' origin, except for the data contained in a description of the goods' special properties.

After publication of data on an application and before adoption of the decision on the state registration of the appellation of the place of goods' origin and granting the exclusive right to such appellation or on the refusal to effect the state registration of the appellation of the place of goods' origin and/or to grant the exclusive right to such appellation any person is entitled to file with the federal executive governmental body charged with intellectual property matters a petition in writing containing arguments against the provision of legal protection to the appellation of the place of the goods' origin or against granting the exclusive right to the use of the appellation of the place of the goods' origin.";

167) Paragraph Two of Item 3 of Article 1523 shall be stated in the following wording:

"The additional materials shall be submitted by an applicant within three months after forwarding the relevant request by the federal executive governmental body charged with intellectual property matters. On the applicant's petition this term may be extended by at most six months, if the petition is received before the expiry of the term for giving an answer to a request. If an applicant has not observed the cited term or has not replied to the request for additional materials, the petition shall be deemed withdrawn on the basis of a decision of the federal executive governmental body charged with intellectual property matters.";

168) in Item 1 of Article 1525:

a) in Paragraph Three the word "second" shall be replaced by the word "third";

b) a paragraph with the following content shall be added hereto:

"In the event of receiving the petition in compliance with Item 9 of Article 1522 of this Code, the arguments contained therein shall be taken into account when holding an expert examination of the declared appellation.";

169) in Article 1528:

a) in Item 1 the words "with the chamber of patent disputes within three months after the receipt of" shall be replaced by the words "with the federal executive governmental body charged with intellectual

property matters within four months as from the date of forwarding";

b) in Item 2:

Paragraph One shall be stated in the following wording:

"2. The term envisaged by Item 3 of Article 1523 of the present Code and Item 1 of the present article and missed by an applicant may be renewed by the federal executive governmental body charged with intellectual property matters on a petition of the applicant filed within six months after the expiry of the term, provided that the applicant cites the reasons for which this term has not been observed.";

a paragraph with the following content shall be added hereto:

"The term in compliance with this item shall be restored on the basis of the decision of the federal executive governmental body charged with intellectual property matters on reversal of the decision on declaring an application withdrawn and on restoration of the missed term.";

170) Item 1 of Article 1530 shall be stated in the following wording:

"1. A certificate of an exclusive right to the appellation of the place of goods origin shall be issued by the federal executive governmental body charged with intellectual property matters within a month after paying the duty for the issuance of the certificate of the exclusive right to the appellation of the place of goods' origin.

If the cited duty is not paid in the established procedure, the certificate shall not be issued.";

171) in Item 2 of Article 1531:

a) Paragraph One shall be stated in the following wording:

"2. The effective term of a certificate of exclusive right to the appellation of the place of origin may be extended on the basis of an application of the holder of the certificate. The application shall have attached thereto on the right holder's initiative a statement of the authorised body to the effect that within the boundary of the appropriate geographic object the certificate's holder manufactures merchandise possessing the special properties specified in the State Register of Appellations of Origin of the Russian Federation. If the right holder does not present a statement of the authorized body, the federal executive governmental body charged with intellectual property matters shall request the authorized body for the statement or for the data contained therein.";

b) in Paragraph Four the words "provided an additional duty has been paid" shall be deleted;

172) Article 1532 shall be stated in the following wording:

"Article 1532. Making Amendments to the State Register of Appellations of Origin and to a Certificate of Exclusive Right to an Appellation of Origin

1. The federal executive power body in charge of intellectual property matters on the basis of the right holder's petition shall make amendments in the State Register of Appellations of Origin and to a certificate of the exclusive right to an appellation of origin which are related to the state registration of the appellation of the place of goods' origin and to granting the exclusive right to this appellation (Item 2 of Article 1529), in particular to the denomination or name of the right holder, location or place of residence thereof, postal address, as well as amendments aimed at correcting obvious and technical mistakes.

The holder of a certificate of the exclusive right to an appellation of origin shall notify of the changes occurring in his/its name and the other changes relating to the state registration of the appellation of origin and the granting of exclusive right to the appellation of origin (Item 2 of Article 1529).

An entry on the change shall be made to the State Register of Appellations of Origin and in the certificate, provided the relevant duty has been paid.

2. An application for making amendments in a description of special properties of the goods in respect of which the appellation of the place of their origin is registered shall have attached thereto on the right holder's initiative a statement of the authorised body to the effect that such amendments do not make a major impact upon the goods' special properties. If the statement of the authorised body is not presented by an applicant, the federal executive power body in charge of intellectual property matters shall request the authorized for the statement or for the data contained therein.";

173) in Article 1535:

- a) in Item 1:
in Paragraph One the words "a certificate" shall be replaced by the words "all certificates";
in Paragraph Three the words "a certificate" shall be replaced by the words "all certificates";
- b) the words ", if the exclusive right has been granted in defiance of the requirements of this Code" shall be added to Paragraph One of Item 2;
- 174) in Article 1536:
- a) Subitem 2 of Item 1 shall be stated in the following wording:
"2) termination of legal protection of the appellation of the place of goods' origin in the country of the goods' origin.";
- b) in Item 2:
Subitem 3 shall be stated in the following wording:
"3) termination of the legal entity being the right holder or registration of termination by a citizen of the activities as an individual businessman being the right holder or such citizens' death;"
- Subitem 6 with the following content shall be added hereto:
"6) loss by a foreign legal entity, foreign citizen or stateless person of the right to a given appellation of the place of goods' origin in the country of the goods' origin.";
- c) in Paragraph One of Item 3 after the word "certificate" shall be added the words "or certificates" and the words "and on the ground set out in Subitem 3 of Item 2" shall be replaced by the words "and on the grounds provided for by Subitems 3 and 6 of Item 2";
- 175) in Article 1537:
- a) Subitem 2 of Item 2 shall be stated in the following wording:
"2) of double the value of the counterfeit goods on which the appellation of the place of goods' origin was placed illegally.";
- b) in Item 3 the words "applying warning marks" shall be replaced by the words "using the mark of protection of the appellation of the place of goods' origin";
- 176) in Item 1 of Article 1539 after the words "on the packaging thereof," shall be added the words "on the Internet,".

Article 4

The following amendments shall be made to Federal Law No. 98-FZ of July 29, 2004 on Commercial Secrecy (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2004, No. 32, Article 3283; 2006, No. 6, Article 636; No. 52, Article 5497; 2007, No. 31, Article 4011; 2011, No. 29, Article 4291):

- 1) Part 1 of Article 1 shall be stated in the following wording:
"1. The present Federal Law regulates the relations, involved in the establishment, amendment and termination of the regime of commercial secrecy with respect to the information that has a real or potential commercial value by virtue of its not being known to third persons.";
- 2) Article 2 shall be declared invalidated;
- 3) Item 2 of Article 3 shall be stated in the following wording:
"2) **information constituting a commercial secret** means data of any character (production, technical, economic, organisational, etc.), including those on the results of intellectual activity in the scientific and technical area, as well as information on the methods for the performance of professional activity of an actual or potential commercial value because it is unknown to third persons, as third persons have no free access to it on lawful grounds and with respect to which the possessor of such information has introduced the regime of commercial secrecy;"
- 4) Article 6.1 with the following content shall be added hereto:

"Article 6.1. The Rights of the Holder of Information Constituting a Commercial Secret

1. The rights of the holder of information constituting a commercial secret shall originate from the time of establishing by him/it in respect of this information the regime of commercial secrecy in compliance with Article 10 of this Federal Law.

2. The holder of information constituting commercial secret shall enjoy the right:

1) to establish, change and cancel in writing the regime of commercial secret in compliance with this Federal Law and a civil law agreement;

2) to use the information constituting a commercial secret for meeting own needs in the procedure which is not at variance with the legislation of the Russian Federation;

3) to provide or prohibit access to the information constituting a commercial secret and to define a procedure for and terms of access to this information;

4) to demand of the legal entities and natural person that have obtained access to the information constituting a commercial secret, of the state power bodies, other state bodies and local authorities, which the information constituting a commercial secret has been provided to, the discharge of the duties involved in keeping it confidential;

5) to demand of the person that have obtained access to the information constituting a commercial secret as a result of actions made by accident or by mistake to keep this information confidential;

6) to protect their right in the procedure established by law in case of divulgence or illegal use by third persons of the information constituting a commercial secret, in particular to demand repair for the damages caused in connection with violation of their rights.";

5) Article 11 shall be stated in the following wording:

"Article 11. Protection of the Confidentiality of Information Constituting Commercial Secret Within the Framework of Labour Relations

1. With the objective to protect the confidentiality of information constituting commercial secret the employer shall be obligated:

1) to familiarise against receipt the employee whose access to this information held by the employer and by contractors thereof is essential for him to fulfill by this employee his labour obligations with a list of information constituting a commercial secret;

2) to familiarise against receipt the employee with the regime of commercial secrecy established by the employer and also with punitive measures for violation of same;

3) to create for the employee necessary conditions enabling him to comply with the regime of commercial secrecy established by the employer.

2. Access of an employee to the information constituting a commercial secret shall be effected with his consent thereto unless that is stipulated under his labour obligations.

3. With a view to protect the confidentiality of information constituting a commercial secret, the employee shall be obligated:

1) to observe the regime of commercial secrecy established by the employer;

2) not to disclose information constituting a commercial secret the holder of which is the employer and his counteragents and not to use that information for personal aims without their consent thereto within the whole time period while the regime of commercial secrecy is in effect, including after termination of the labour contract's validity term;

3) to compensate for the losses caused to the employer, if the employee is guilty of divulging the information constituting a commercial secret that has become known thereto in connection with the discharge of labour duties thereof;

4) to pass over to the employer upon termination or dissolution of the labour contract the material information media which are at the disposal thereof and which contain the information constituting a commercial secret.

4. The employer is entitled to demand the repair for damages caused thereto by divulgence of the information constituting a commercial secret by the person who has obtained access to this information in connection with the discharge of labour duties but has terminated labour relations with the employer, if this information was divulged during the effective term of the regime of commercial secrecy.

5. The losses caused by an employee or by a person that has terminated the relations thereof with the employer shall not be compensated for, if the information constituting a commercial secret was

divulged as a result of the employer's failure to ensure the regime of commercial secrecy, actions of third persons or acts of God.

6. A labour contract made with the head of an organisation shall provide for his duty to guarantee protection of the confidentiality of the information constituting a commercial secret, the holder of which is the organisation and its counteragents, and for responsibility to ensure the protection of its confidentiality.

7. The head of an organisation shall compensate to the organisation for the losses caused by guilty actions thereof in connection with violation of the legislation of the Russian Federation on commercial secrecy. In so doing, the losses shall be estimated in compliance with the civil legislation.

8. The employee shall have the right to appeal judicially against the illegal institution of the regime of commercial secrecy in respect of information to which he/she has acquired access in connection with performance by him/her of labour duties thereof.";

Article 5

The following amendments shall be made to Federal Law No. 231-FZ of December 18, 2006 on Putting into Operation Part Four of the Civil Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2006, No. 52, Article 5497):

1) Part Four with the following content shall be added to Article 11:

"The exclusive right to the result of a intellectual activity created under a state contract before January 1, 2008 and possessed by the Russian Federation or by a constituent entity of the Russian Federation may be assigned to the performer of works, if the state orderer does not practically apply (introduce) this result before January 1, 2015. Where such exclusive right requires the state registration but, nevertheless, is not included into an appropriate state register, the performer of works interested in the practical application (introduction) of this result shall take necessary measures aimed at the state registration thereof and the obtainment of a patent. A procedure for assigning exclusive rights to appropriate results to performers of works and other persons shall be established by the Government of the Russian Federation.";

2) Article 12 shall be declared invalidated.

Article 6

Item 2 of Article 4 of Federal Law No. 187-FZ of July 2, 2013 on Amending Certain Legislative Acts of the Russian Federation on Protecting Intellectual Rights in Information-Telecommunication Networks (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2013, No. 27, Article 3479) shall be declared invalidated.

Article 7

1. This Federal Law shall enter into force on October 1, 2014, except for the provisions for which this article fixes other time for entry into force.

2. Article 1 of this Federal Law shall enter into force on July 1, 2014.

3. Item 5, Subitem (b) of Item 32, Items 33, 86 and 124 of Article 3 of this Federal Law shall enter into force on January 1, 2015.

4. The provisions of Article 1363 of the Civil Code of the Russian Federation (in the wording of this Federal Law) shall apply to patents for industrial designs issued on the basis of the applications bearing the date of filing after January 1, 2015.

5. The provisions of Article 1366 of the Civil Code of the Russian Federation (in the wording of this Federal Law) shall also apply to the applications filed before the date when this Federal Law enters into force.

6. The rules of Item 5 of Article 1286 of the Civil Code of the Russian Federation (in the wording of this Federal Law) shall apply to the licence agreements in respect of which the proposals to make them are made after the date when this Federal Law enters into force.

7. The provisions of the Civil Code of the Russian Federation (in the wording of this Federal Law)

shall apply to the legal relations originated after the date when this Federal Law enters into force. As regards the legal relations originated before the date when this Federal Law enters into force, the provisions of the Civil Code of the Russian Federation (in the wording of this Federal Law) shall apply to the rights and duties that will originate after the date when this Federal Law enters into force.

8. Up to bringing legislative and other regulatory legal acts effective in the territory of the Russian Federation into accord with the provisions of the Civil Code of the Russian Federation (in the wording of this Federal Law) the legislative and other regulatory legal acts of the Russian Federation, as well as acts of the legislation of the Russian Federation effective in the territory of the Russian Federation within the limits and in the procedure which are provided for by the legislation of the Russian Federation, shall apply insofar as they do not contravene the provisions of the Civil Code of the Russian Federation (in the wording of this Federal Law).

9. After the date of entry of this Federal Law into force, the federal executive governmental body charged with intellectual property matters shall continue in the procedure established by the rules of the Civil Code of the Russian Federation (in the wording effective before the date of this Federal Law's entry into force):

1) applications for issuance of a patent for an invention, utility model, industrial design, trademark or service mark, or the appellation of the place of goods' origin whose consideration is not completed as of the date of this Federal Law's entry into force;

2) objections whose consideration in the administrative procedure established by Item 2 of Article 1248 of the Civil Code of the Russian Federation (in the wording effective before the date of this Federal Law's entry into force) is not completed before the date of this Federal Law's entry into force.

10. Where it is provided for by Part 9 of this article, the patentability conditions in respect of an invention, utility model or industrial design and the requirements for a trademark, service mark or appellation of the place of goods' origin provided for by the legislation which is in effect as of the date of filing or receiving an application shall apply.

President of the Russian Federation

V. Putin

The Kremlin, Moscow
March 12, 2014
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