



The IPReport **March - April 2010**

The Coalition for Intellectual Property Rights (CIPR) is pleased to offer select updates on pertinent IPR developments in Russia, other countries in the region and around the globe. Please let us know if you have questions or suggestions.

RUSSIA

Russia Announces WTO Bid as an Individual Country - First Deputy Prime Minister Igor Shuvalov announced in April that Russia would pursue World Trade Organization (WTO) accession as an individual country, reversing its intentions to join the trade organization as part of the Customs Union with Kazakhstan and Belarus. Shuvalov stated that, “it would be beneficial ... if Russia [joined] the WTO before we create a common market with Kazakhstan and Belarus.” This announcement clarifies Russia’s WTO decision after a year of uncertainty surrounding Russia’s bid to enter the trade body.

Last June, Prime Minister Vladimir Putin announced that Russia would create a customs union with Belarus and Kazakhstan and the three nations would join the WTO together as one body. After WTO members strongly suggested that this plan would be almost impossible to implement, Putin and President Dmitry Medvedev indicated that Russia would join in whichever way was most expedient – either jointly or as an individual state.

Russia’s most recent announcement was met with support in the United States. After a meeting in Washington between Shuvalov and White House economic adviser Lawrence Summers, the U.S. and Russia agreed to intensify talks on Moscow’s bid to join the WTO. In Washington, Shuvalov also informed the U.S. administration that the Customs Union would be built on the principles of the WTO.

New Cyrillic Domain Names - In April, Russia became the first country to receive a national upper-level country domain name. According to the Minister of Communications and Mass Media Igor Shchegolev, the executive director of ICANN (Internet Corporation for Assigned Names and Numbers) will travel to Russia in May to formally deliver the certificate approving Russia’s upper-level domain name. Currently, only owners of trademarks in Cyrillic that are registered in the Russian Federation can register for top-tier domain names in Cyrillic characters.

Beginning on May 12, the second stage of reservations will start, during which time the owners of trademarks in Latin characters, as well as public organizations and federal media outlets, may register for Cyrillic domain names. The second stage ends on September 16 and open

registration will begin at that point. The registration deadlines were extended to address similarities in Latin and Cyrillic characters that could lead to unintentional infringements against legally registered domain names.

There have been some difficulties in setting up Runet, the Russian segment of the internet. According to Denis Yakovenchuk, a spokesman for domain name registration company Garant-Park-Telecom, Runet does not yet recognize all of the entire Cyrillic alphabet or its symbols. It is also not yet clear what symbol will replace the “at” symbol. The launch of the first Cyrillic domain is expected sometime this autumn.

UKRAINE

Draft Amendments to IP Laws Withdrawn - The change in Ukraine’s government has already begun to affect the development of IP laws in Ukraine, although it is too soon to say whether the effect will be positive or negative. In March, the draft law “On the Adoption of Changes to Some Laws of Ukraine Considering Intellectual Property” was withdrawn by the Cabinet of Ministers, due to the departure from office of the previous Cabinet of Ministers after the March elections. The Ministry of Education and Science will now work to again reconcile the draft law with relevant executive bodies and resubmit it to the Cabinet of Ministers.

Draft Laws on Copyrights and Related Rights - Currently, there are five draft laws in the Parliament’s Committee on Science and Education that would amend legislation on copyright rights and related issues. One of these laws (No. 4073), introduced by then-deputy Dmytro Tabachnyk, was supported by the Ukrainian Cabinet of Ministers, but since Tabachnyk was appointed Minister of Education and Science his draft law was withdrawn due to the provisions of the Rules of Procedure of the Verkhovna Rada. In response, a number of MPs developed a new draft law that combines provisions from draft laws No. 4073 and No. 3503, which focuses on copyrights and other related rights.

This draft defines specific means of settling copyright IPR disputes based on applying the norms of existing legislation as well as relevant international experience. The draft law will not only enhance administrative responsibility for copyright violations but also enhance criminal responsibility.

The adoption of this draft law will enable IPR holders to implement efficient measures in order to increase the level of protection of their rights, especially regarding collective management. Importantly, once it is adopted, the law will help to increase the collection of fees for the use of copyrights and related rights objects and the payments of this fee to both national and foreign IPR holders.

Seller of Pirated Software Sentenced to 3.5 Years in Prison - The Obolon district court in Kyiv sentenced a purveyor of pirated software to 3.5 years in prison. According to the Business Software Alliance (BSA), this is the first time in Ukraine that a court sentenced a violator to a serious prison term for breaking intellectual property rights laws.

Members of the BSA initiated an inspection of the Petrovka market in Kyiv. During the inspection, law enforcement services found and seized a total of 63 pirated CDs with unlicensed copies of Adobe System and Microsoft software.

KAZAKHSTAN

IP Protections Within the Customs Union - The Kazakhstan Association of Brand Owners and its Russian counterpart have agreed to jointly protect their intellectual property within the Customs Union. An agreement was signed by RusBrand Commonwealth, which includes more than 50 leading Russian and international producers of goods and services, and the Kazakhstan Trademark Owners Association (KAVTZ).

According to the preamble of the Customs Union Code, effective enforcement of the rights of trademark owners in the Customs Union is impossible without a common approach to the protection of intellectual property. In this regard, both associations suggested establishing regular exchanges of information on the protection of intellectual property, joint seminars and conferences. Particular attention will be paid to the further development of cooperation between the associations and the customs agencies of Russia and Kazakhstan.

Government and Majilis Discussions on IP Law and Implementation - In March, the Committee on Intellectual Property Rights at the Kazakhstan Ministry of Justice and the Majilis held discussions on IP issues. On March 31, the Committee hosted an online conference with the committee chairman on its website. The conference was dedicated to the “Implementation of State Policy in the Sphere of Intellectual Property on the Threshold of WTO Accession.” Participants were allowed to send in questions and comments to the chairman. The Committee also organized a seminar on the legal protection of intellectual property and the protection of the rights of its owners on March 30.

On March 11, members of the Majilis discussed the improvement of intellectual property legislation during a meeting with World Intellectual Property Organization (WIPO) representatives. WIPO was represented by Mihel Svantner, the Director of the Department of Cooperation with the Countries of Europe and Asia, and Ronald John Marchant, an independent European expert on Intellectual Property. Kazakhstan acceded to the WIPO treaty in 2004.

Additionally, the Department of Intellectual Property Rights at the Kazakhstan Department of Justice held a lecture for students in the eighth and ninth grades at an Astana secondary school on the “concept of intellectual property.” The lecture focused on piracy issues because teenagers are likely to come across pirated CDs and software.

Director of Russian IP Institute on IP Developments in Kazakhstan - In an interview with *Kazakhstan Pravda*, the Director of the Republican Institute of Intellectual Property in Russia, Vladimir Lopatin, stated that Kazakhstan is making elementary, but effective steps to create an intellectual and innovative economy. For example, he noted that in Russia there is no single

point of coordination for intellectual property law and enforcement, as processes are distributed among Rospatent, the Ministries of Culture and Agriculture and other agencies. In contrast, Kazakhstan's Committee on Intellectual Property is included within the structure of the Ministry of Justice, which has branches in the regions. They are not only responsible for patents, but also copyright and related rights and know-how.

Lopatin noted that the Institute soon expects to sign an agreement with the IP Committee within the Kazakhstan Ministry of Justice and will establish an International Association of intellectual property institutions. He stated that this would be a "good start for our joint efforts in the CIS." Lopatin also announced that the Institute, along with its partner Rossotrudnichestvo — the Russian Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation) — will be opening a Kazakhstan Center for Intellectual Property and Innovation in 2010.

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