Intellectual Property Protection
in
Ukraine

A review of the present situation of intellectual property rights and their enforcement in the Ukraine

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INTRODUCTION

The Advisory Group on the Protection and Implementation of Intellectual Property Rights for Investment of the United Nations Economic Commission for Europe (UN/ECE) entrusted Bénédicte Amblard, Avocat à la Cour in Paris, and Brigitte Lindner, Rechtsanwältin in Berlin, with the preparation of a background paper as a basis for the consultative meeting to be held in October 2001 in Ukraine. While Bénédicte Amblard was given the task to study the situation of industrial property rights including unfair competition, Brigitte Lindner was to analyse the situation with regard to copyright and neighbouring rights and was given responsibility to finalise the report.

As a result, while Part I dealing with industrial property rights was prepared by Bénédicte Amblard and Part II on copyright and neighbouring rights by Brigitte Lindner, Part III addressing the enforcement of intellectual property rights constitutes a co-production of both consultants.

The background paper is based on the legislation in English translation, which was made available to the consultants as well as on information obtained in the discussions with the persons listed below. Often, it was necessary to rely on general information on the contents of laws, since many laws, in particular the general civil law and the laws on civil, criminal and administrative procedures, as well as the draft Customs Code were not at the consultants’ disposal in English translation.

Meetings were held in Kiev between July 17 and 20, 2001 which were attended by the following representatives of public and private bodies:

Public Sector

Gennadiy Androshchuk, Chief Advisor, Committee on Science and Education, Supreme Rada of the Ukraine
Mr Volodymyr Balouta, Head Multilateral cooperation Section, Ministry of Economy
Sergiy V. Bondarenko, Director, Ukrainian Agency of Copyright and Related Rights
Mr Grygoriy Bozhok, Director of Institute , Representative of Ministry of Industrial Policy
Valentyn Chebotarov, Deputy Chairman, State Department of Intellectual Property
Anna P. Chmil, Deputy Minister, Ministry for Culture and Arts of Ukraine
Fedora Gnatush, Head, External Relations and Cooperation Division, State Department of Intellectual Property
Petro Ivanenko, First Deputy Director, Ukrainian Institute for Industrial Property
Olga Iyevinya, Senior Adviser, External Relations and Cooperation Division, State Department of Intellectual Property
Maxim V. Kobernyk, Captain, Ministry of Internal Affairs of Ukraine, Organized Crime Combating Headquarters
Dimitro Kolesnikov, Ukrainian Agency of Authors’ and Related Rights
Alexei Kotsuba, Legal Adviser, Tacis, Ukrainian-European Policy and Legal Advice Centre
Alisa V. Kremenetska, Chief of International Department, Ukrainian Agency of Copyright and Related Rights,
Yanina Kuzmina, Representative of Ministry of Industrial Policy
Dr. phil. Vladimir N. Lalo, Adviser, Ukrainian Institute of Industrial Property
Serhiy Lebid, Head of the Intellectual Property Crime Group, Economic Crime Combating Department, Ministry of Internal Affairs of Ukraine
Mikola Mazyar, Chief of Cinema Department, Ministry for Culture and Arts of Ukraine
Lyudmyla Menyayolo, Head, Registration and Intellectual Property, Economics Division, State Department of Intellectual Property
Mikola Paladiy, Chairman, State Department of Intellectual Property
Tatiana Petrova, Chief of Intellectual Property Rights Protection Department, The State Customs Service of Ukraine
Ms Ann Shecheglova, Specialist of 1st Categorie International and External Division, Ukrainian Industrial Property Institute
Tamara Sheveleva, Adviser to the Chairman, State Department of Intellectual Property
Sergiy S. Stefanovsky, Head (Fifth Department), Antimonopoly Committee of Ukraine
Sergiy V. Zagorodniy, Deputy Director, Ukrainian Agency of Copyright and Related Rights
Mr Zinchenko, Representative of National Creative Arts Union
Vladimir Zharov, Chief deputy of chairman, State Department of Intellectual Property
Private Sector

*Industrial Property*

Representatives from Procter and Gamble
Antonina Pakharenko, Patent and Trademark Attorney of Ukraine

*Copyright and neighbouring rights*

Andrey Dakhovsky, General Manager, Ukrainian Records
Mr Iling, International Federation of the Phonographic Industry (IFPI), Anti-Piracy Office Kiev
Olena Golovko, Program’s director, Gravis Telecompania
Vitaly Ivashov, Director – manager, Fond
Yuriy Leonov, Attorney at Law, Salkom Law Firm, Local Counsel for Microsoft
Vladislav Shapoval, Attorney at Law, Salkom Law Firm, Local Counsel for Microsoft
Chris Abel Smith, Premier Multi Media, *(by correspondence)*
Mr Volkovinskiy, General Director, Garant

During the interviews, interpretations were generally ensured by Tanya Seropyan and Larysa O. Seredenko.
SUMMARY

I Industrial Property

Protected industrial property rights

The following industrial property rights are (each by a specific law) protected in Ukraine: Patents and Utility Models, Industrial Designs, Trademarks, Variety Plant, Topographies of Integrated Circuits. These laws have been passed in the years since 1993, or 1997 for the latest. Most of them have several times been amended, more recently, in December 2000.

Indications of source of goods are ruled by a law passed in 1999 and amended in December 2000. Trade secrets and commercially sensitive information are expressly protected under law “on Information”. Unfair competition is protected by the law on “protection from unscrupulous competition”, 1996. It generally prohibits any act, which restricts free enterprise and is contrary to good morals and customs.

Furthermore, provisions on consumer rights (1991), advertising (1997) can also be used.

Scope of protection

Patent protection may be given to inventions in any field of technology, provided they are new, involve an inventive step and be industrially applicable. Novelty is absolute (subject to declarative patents, for which local novelty is only needed). The subject of an invention can be equipment, process, material.

An invention can be protected as utility model, if it is new and industrially applicable. As compared to patents, no inventive step is necessary.

An industrial design is a two-or three-dimensional solution of the appearance of a product. Legal protection by registration is granted to industrial designs that are novel, have an individual character and enable to manufacture products of industry or handicraft. Novelty is absolute.

A topography of an integrated circuit is a space geometric placing of combinations and joints of integrated circuits elements fixed on the material.
Variety plant is grouping selected artificially within single botanical taxon whose heredity is characterized by its inherent biological features and properties, provided that it is distinguished from any other features and properties, provided that it is distinguished from any other known plant grouping within the same botanical taxon by at least one feature and can be considered as a unit with regard to its suitability for being propagated. The category of variety covers clone, line, hybrid and population.

A geographical indication of source of goods can be simple or qualified (appellation o origin, geographical indication). It indicates directly or not, the geographic place which a goods originates from.

A registrable trademark is any sign or combination of signs which is capable of being represented graphically and consists of letters, words, numerals or designs or is three-dimensional, provided that such signs distinguish the goods or services of one natural or legal person from those of others. No specific provision is made concerning trademarks consisting of sound or smell that are supposed to be protected.

Exclusive right

The exclusive right of the patentee includes the import of patented products and of products made according to the patented process, as well as the export of the patented product. It includes also the exclusive right of the owner of a utility model patent, which is the same with that of the patentee as concerns the protected products.

The owner of the design and industrial model has the exclusive right to manufacture products according to the model and to distribute, sell, offer for sale or import, export and store for these purposes products which are manufactured according to the registered model.

The exclusive right of a plant variety patent is subject to legal limits and regulation. It includes the right of production, conditioning, selling, bringing seeds on circulation, importing and stocking of seeds.

The owner of topography of an integrated circuit has the exclusive right to copy, produce of it with the use of the given topography or any products that contain it. It includes the right to import them and the products that contain integrated circuits, offer them for sale store and put into the circulation, as well as any products that contain them.
The owner or a certificate of indication of source of goods may exploit a qualified indication of
a good but may not prevent other persons to register the rights for it exploitation too.

The exclusive right of the trademark owner is given against use of identical or confusingly
similar signs for the same or similar goods or services. The owner of a well-known mark can
prohibit the use of the trademark in relation to identical or similar or other goods or services.
The acts constituting use of the trademark include importation and exportation of goods
under the trademark and use in advertising.

Duration of protection

Inventions are protected for a period of 20 years, subject to “Declarative Patent for an
invention”, only protected for 6 years. The protection of inventions can be extended only for
patent which subject matter is remedy, means for protection of animals or plants, not more
than 5 years.

Utility models are only protected, by a “declarative patent”, for a period of 10 years.
Design and industrial models are protected for a period of 10 years extendable for a period of
5 years.

Topography of integrated circuits are protected for a period of 10 years.

Variety plants are protected for a period of 20 years, and 30 years for grapevines, trees and
fruit crops. The protection can be renewed for 10 more years.

Certificate as to indication of origin of goods are valid for a period of 10 years that may be
renewed for the next 10 years.

Trademarks are protected for a period of 10 years and can be renewed for further 10 years
period renewals without limitation.

Exhaustion of rights

The exhaustion of patents (and utility models) is provided, as well as for design and industrial
models and integrated circuits. The acts are unclear as to the scope of exhaustion.
International Treaties concerning Industrial Property

Ukraine is a member of the Paris Convention and the WIPO Convention, of the PCT, the TLT and the Madrid Protocol and the Madrid Agreement, the Budapest Treaty, Nairobi Treaty, the UPOV Convention.

The Ukraine is not a signatory of the TRIPs.

Transfer and licenses

All industrial property rights can be transferred and licensed. Expropriations for public interest or national security are possible. For patents, utility models and integrated circuits, compulsory licenses are possible, under certain conditions.

Liability for infringement

Natural persons are liable for infringement under civil and criminal law. Legal persons are liable under civil and administrative law. The rules on administrative liability of legal persons are scattered in different laws.

II Copyright and Neighbouring Rights

Legal basis for copyright and neighbouring rights protection

So far, copyright and neighbouring rights protection has been afforded by the Law on Copyright and Neighbouring Rights of 23 December 1993. On 11 July 2001, however, the Ukrainian Parliament, the Verkhovna Rada, adopted the “Law of Ukraine on Amendments to the Law of Ukraine on Copyright and Neighbouring Rights” which was signed by the President on 3 August 2001. The Law will enter into force on the day of its official publication. Once in force, copyright, and particularly neighbouring rights, will benefit from a considerably higher standard of protection which, if applied efficiently in practice, may ultimately eliminate a great number of concerns expressed by both Ukrainian and foreign right owners. As the recently adopted Law is scheduled to enter into force shortly, this report is entirely based on the new provisions, hereinafter referred to as the Copyright Law.
Ukraine is a member of the Universal Copyright Convention (1952 Text), the Paris Act (1971) of the Berne Convention for the Protection of Literary and Artistic Works as well as the Geneva (Phonograms) Convention.

Ukraine is not yet a member of TRIPS, nor has the country ratified the new WIPO Treaties.

**Conditions for application of protection**

Ukrainian authors and neighbouring rights owners as well as persons with permanent residence and legal entities located in Ukraine enjoy protection under the Copyright Law. Foreign authors and neighbouring rights owners are protected in accordance with international treaties to which Ukraine is a member or if their works or other subject matter of protection have been first or simultaneously published or are located in Ukraine.

Under the new provisions, protection shall also extend to works and subject matter of neighbouring rights in respect of which the term of protection has not yet expired in their country of origin.

Enjoyment and exercise of copyright and neighbouring rights do not require the compliance with any formalities. Where a copyright or neighbouring rights notice (© or (P)) is affixed on a work or object of neighbouring rights, a reversion of the burden of proof to the benefit of the right owner will apply.

**Subject matter of protection**

Copyright protection extends to scientific, literary and artistic works including computer programs and databases. The non-exhaustive enumeration of categories of works in Article 8 of the Copyright Law corresponds, in essence, to the catalogue of works listed in Article 2(1) Berne Convention.

Neighbouring rights protection is enjoyed by performers, producers of phonograms and videograms as well as broadcasting organisations.
Rights granted to owners of copyright and neighbouring rights

Broadly speaking, the new Copyright Law protects the minimum rights which are provided under the relevant international conventions and European Union Directives, except for the sui generis right of the maker of a database and a restricted scope of the reproduction right, particularly in the field of neighbouring rights. This means that rights in respect of reproduction (with the aforementioned proviso), adaptation, distribution, rental, and possibly lending (if not a translation error), broadcasting, public performance, and other forms of communication to the public are granted. The Copyright Law makes also provision for a so-called droit de suite, a remuneration for the resale of works of art. Authors and performers also enjoy moral rights under the Act.

As far as the exhaustion of the distribution right is concerned, the principle of national exhaustion applies in the field of copyright and neighbouring rights whose wording should, however, be improved in order to avoid any misinterpretations.

Duration of protection

As a general rule, works are protected for a period of 70 years, subject matter of neighbouring rights for 50 years. Exceptions to the general rule of 50 years exist for the protection of publishers who enjoy protection for 25 years in case of publication of unpublished public domain works. Moral rights are perpetual.

Transfer and assignment of rights

Economic rights of authors and neighbouring rights owners may be assigned or licensed. Moral rights are not transferable. Note, however, that following examples both in French and German law, the assignment of rights with regard to future works and unknown uses is restricted.
Administration of rights

Copyright and neighbouring rights may be administered personally by the right holder, through an agent or a collecting society. The Copyright Law contains basic rules on the establishment and functioning of collecting societies. At present, it would appear that the only organisation collecting remuneration with an official mandate is the Ukrainian Agency of Copyright and Related Rights which is in the process of developing from a State Agency to a collecting society.

III Enforcement

Infringements of intellectual property rights are subject to civil, criminal or administrative liability. Broadly speaking, infringement is the use of an intellectual property right without the consent of the right owner.

Civil proceedings

Civil proceedings may be directed against physical persons before general courts and against legal entities before the arbitration court. The Copyright Law provides for an extensive list of civil remedies which may be applied in the case of copyright infringement. The Statutes in the industrial property field appear to be less detailed. In both cases, however, civil remedies include injunctions, damages, award of assets acquired through the infringement and the seizure and destruction of infringing material. It appears, however, that in practice courts are rather reluctant to award damages.

An important shortcoming in the field of civil proceedings is the absence of provisional measures through which preliminary relief could be granted for the violation of intellectual property rights. The newly adopted provisions in the Copyright Law now address this issue, but as the law is not yet enforced, no information on the possible practical application can be given. It would be advisable to introduce such rules also in the field of industrial property rights.
Criminal proceedings

Since May 2001, criminal proceedings are available against violations of all intellectual property rights where the infringement caused a large scale material damage. The provision in the Criminal Code is modelled upon the Russian Criminal Code and provides for fines, corrective labour and imprisonment up to five years as well as the seizure and destruction of the infringing materials and equipment used for the manufacture. If effectively applied in practice, these sanctions doubtless constitute a deterrent against piracy. Regrettably, the system will change again in September when a new Criminal Code is scheduled to enter into force which will deteriorate considerably the sanctions in the field of copyright and neighbouring rights, and reportedly also in the area of industrial property. If the new provisions become indeed effective, the criminal sanctions can no longer be considered a deterrent against piracy.

Administrative proceedings

Where there is no large scale material damage which would justify the introduction of criminal proceedings, administrative proceedings may be initiated in accordance with the Code on Administrative Offences. The fines are however much lower than in the case of criminal sanctions and no imprisonment may be ordered. Administrative proceedings are also available before the Antimonopoly Committee on the basis of the Law on Unfair Competition.

Border measures

At present, border measures are only available on the basis of the Customs Regulations of 28 April 2001. As the Regulations have only been in force since 16 June 2001, there is of course not much practical experience as to the enforcement of intellectual property rights at the border. The Regulations apply to “goods containing objects of intellectual property” that are imported into or exported from the country. To benefit from the effect of the Regulations, the goods must be first of all entered into a register in accordance with a rather cumbersome procedure. Following registration, the customs procedure may be initiated in two ways: either through the right owner who must file a request for suspension of customs clearance according to yet further cumbersome rules or ex officio by the customs authorities. Note that the Customs Regulations do not apply to goods in personal luggage, mail order services and goods in transit. Under the current regime of customs rules, there are no administrative
sanctions available against the infringement of customs rules involving intellectual property rights. It should be noted that a new Customs Code is under preparation which will hopefully institute a more satisfactory border enforcement regime.

IV Recommendations

**Improvement of the laws on intellectual property**

While the main problems exist in the field of enforcement, certain changes of the substantive laws governing intellectual property rights are recommended. Adjustments are particularly needed to the Copyright Law in order to eliminate a number of drafting errors and uncertainties in the legal text and, for some remaining issues, to bring the law into compliance with the relevant international treaties and regional instruments (see in more detail Part II C 1).

**Improvement of the enforcement system**

In civil proceedings, provisional measures should be introduced in respect of all intellectual property rights, including clear provisions for preliminary relief against infringements as requested by Art. 50 TRIPS. Also, Courts will need to be encouraged to award damages in cases where the legal conditions for the application are fulfilled.

In the field of criminal proceedings, the currently applicable system should be maintained and the new provisions which would deteriorate the situation should be prevented from their entry into force. In addition, criminal proceedings could be strengthened by omitting the condition of a large scale material damage as a prerequisite for the application of criminal sanctions and by introducing new sanctions such as the publication of the judgment, the closure of a business and the confiscation of the infringers’ personal property. In addition, the criminal liability of legal entities should be clarified.

With regard to administrative proceedings, fines need to be much higher in order to constitute a deterrent against piracy.
Border measures require a great deal of improvement. The cumbersome registration and application procedures require to be replaced by a TRIPS compatible border enforcement system which gives right owners adequate legal tools to control the importation and exportation of intellectual property goods with the help of the customs authorities. In addition, border measures should also apply to goods in transit as well as to small consignments.

In view of the piracy problem, it would also appear useful to introduce a legal mechanism for an effective regulatory control of optical media production, possibly as part of administrative law.

**Training**

In particular in the field of enforcement, there is an enormous lack of practical experience. Consequently, a great need for education and training exists. This applies to all persons involved in the protection and enforcement of intellectual property rights and in particular to

- judges, who need more knowledge about the country's industrial property as well as copyright and neighbouring rights legislation and the international conventions and treaties, of which the country is a member or will become a member;
- prosecutors, police and customs officials who should be educated about the economic importance of the problem of counterfeiting and piracy. The police and the customs officials also would benefit from instructions as to how to distinguish counterfeit and genuine goods;
- other legal practitioners who are involved in intellectual property, such as members of the local Bar Association;
- a specialised intellectual property training should also be introduced at University level.

In the field of training, the wish to have access to translated material in either Ukrainian or Russian on international, EU and selected foreign laws was expressed.

**Court Reform**

In view of the forthcoming court reform, an exchange of know how and expertise on the various forms of court organisation as well as the establishment of specialised IP courts or chambers is recommended.
Funding/Staffing

Particularly in the industrial property field, a need for appropriate funding and staffing was expressed primarily by public sector representatives. It would further appear that proper staffing could facilitate the work to be carried out by the relevant enforcement divisions of the Ministry of the Interior and the State Customs Service.

Creation of awareness

Support should be given to Ukraine in order to organise campaigns for the creation of public awareness. The public should be conscious of the detrimental effects of buying counterfeit or pirated goods both for the cultural and trademark industries as well as the general public interest at large.
DISCUSSION

Part I   INDUSTRIAL PROPERTY

A. Legal basis for protection

1. Laws dealing with Industrial Property Rights

Before the arrival in Kiev, only a translation of the Trademark Act of 1993, the Patent and Utility Model Act of 1993 and the Industrial and Design Protection Act of 1993 was available to the consultant. Translations of the most recent Acts hereinafter referred to were received only after the arrival in Kiev.

Patent and Utility Model Act
of 15 December 1993, (last amended in December 2000), in force since 1 July 1994

Trademark Act
of 15 December 1993 (last amended in December 2000), in force since 1 July 1994

Industrial and Design Protection Act
of 15 December 1993, (last amended in December 2000), in force since 1 July 1994

Topography and Integrated Circuits Act
of 5 November 1997, (last amended in December 2000)

Variety Plant Act
of 21 April 1993.

Protection of Rights in Indications of Source of Goods
of 16 June 1999, (last amended in December 2000),

Unfair Competition Act
of 7 June 1996

Advertising Act
of 3 July 1996, last amended in June 1999
**Consumer Protection Act**  
of 12 May 1991, last amended in June 1999

2. **International Conventions and Treaties**

Ukraine is a member of the following Treaties:

- The Paris Convention (since 1992)
- The WIPO Convention (since 1970)
- The Patent Cooperation Treaty (since 1992)
- The Budapest Treaty on the international recognition of the deposit of microorganisms for the purposes of patent protection (since 1997)
- The Madrid Protocol (since 2000)
- The Nice Agreement concerning the international classification of goods and services (since 2000)
- TLT (since 1996)
- The Madrid Agreement concerning the international registration of Trademarks (since 1991)

Membership in the WTO has been applied for.

No details were available as to the conditions of signing those treaties nor as to their applicability in time. No further details were available as to bilateral or multilateral agreements.

**B. Substantive Legal Issues of Industrial Property Protection**

**General remarks**

Some general provisions are contained at the beginning in all the Acts relating to industrial property, providing that international agreements to which Ukraine is a party prevail in case of conflict over the corresponding provisions in the Ukrainian Acts, except as to Topography of Integrated Circuit.
In all the Acts concerning industrial property rights, moral right of the creator is provided as being inalienable and protected perpetually. In the Patent Act, a natural person may not be deemed inventor if having made no personal creative contribution.

All the acts, except the Industrial Design and the Plant Variety Acts, provide for the possibility for the owner of the certificate or the patent to use a forewarn marking on the products to inform the public that the Industrial property rights are registered in Ukraine. (The Trademark Act (§16-7), the Invention and Utility Model Act (28-4), the Indication of source of goods Act (§17-6) and the Topography of Integrated Circuit Act (§16-7)). Those provisions seem to play an important part in the protection of rights and education of consumers.

1. Patent Act

a) Scope of protection

The Patent Act concerns patent, as well as utility models, and provides a supplementary protection of remedies and means of protection for animal or plans.

An invention shall be protected if it meets the conditions for patentability of §7, according to which it is new and industrially applicable and needs an inventive step. The inventive step is not required for utility models.

Since 1999, until now about 11 000 patent registration applications have been made at the Patent Office. Among them, about 2400 have been made for 6 year term patents.

b) Subject of invention and utility models and exclusion from patentability

- The subject of an invention can be equipment or a device, use of already known product or process for a new purpose, a stump of a micro–organism, vegetal or animal culture (biologic rights), process (§. 5(2)).

Nothing is specifically provided by the law as to the combination of equipment and process.

- The subject of a utility model is the technical design of a device.

Excluded from patentability are (§ 6(1)):
Inventions contrary to general interest, public order and morality.

Not regarded as subject of an invention are (§ 6-3):

- discoveries, scientific theories and mathematical methods;
- methods for performing economic and mental acts;
- plans, conventional signs, time table and rules;
- programs for computers;
- result of an artistic design;
- layout-designs of integrated circuits;
- plant or animal varieties.

No further details was given upon a classification of inventions (the Strasbourg Agreement, was not signed by Ukraine).

c) Unity of invention (§ 12)

The patent application must relate to one invention or to a combination of objects of invention linked together by a unified inventive concept.

d) Extent of patent protection and claims (§ 12)

The extent of the patent protection is defined by the terms of the patent claims. The description of the invention, the drawing and other illustrative material is used to interpret the claims.

e) Priority (§ 15)

Priority can be claimed from an earlier patent or utility model application, filed within 12 months in any other state of the Paris Convention or the World Trade Organisation, subject to any previous priority claim. Art 15-2 sets a procedure of extension of the time limit to claim priority, subject to the payment of charges and to certain conditions.
f) **Exclusive right (§28-2)**

The patentee has the exclusive right to possess, use and dispose of the patent and to demand that all other persons avoid the infringement of these rights and eliminate the results of infringement (§ 28)

The exclusive right of the patentee means that a third party shall not be allowed, without the consent of the patentee, specifically to:

- Manufacture, offer for sale, use, import and store a product whose manufacture involves a patented invention.
- Use the process protected or offering it for use if it is obvious that use of the process is prohibited;
- Offer for sale, use, place on the market, store a product manufacture directly by means of the patented process.

g) **Exhaustion of patent rights (§ 31-3)**

Further commercial use of a product protected by a patent, which has been purchased without any infringement, which means “put on the market by the patentee or with his express consent”, cannot be prohibited by the patentee.

h) **Non-infringing proceedings (§ 31-2)**

A limited number of exceptions from the exclusive right is provided.

The first exception relates to use of an invention in ships, planes or land vehicles, if these sojourn accidentally or temporarily in Ukraine. Further exceptions relate to Non-commercial use, provided it does not infringe the interests of the patentee, and to the use of the invention in experiments concerning the invention itself, exceptional circumstances (cataclysms, epidemic), occasional preparation, in pharmacy, upon a medical prescription.
Furthermore an exception is provided by art 31-4, when the use is made by a person who has bought a product manufactured by means of a patented invention and has not been aware of the fact that product had been made with an infringement of rights of the patentee. The person shall only be required to cease use or to pay fair compensation to the patentee.

The right to a patent for an employee’s invention (utility model) shall belong to the employer, subject to certain conditions (§ 9)

i) Right of prior use (§ 31-1)

A person who used the invention, or an utility model, industrially in good faith before the patent application and independently from the applicant, or having in good faith made significant arrangements for their industrial use may continue that use.

j) Patent application (§ 12 - §20)

Subject to specific provisions concerning State Secrecy, the patent application must contain the description of the utility model or the invention, disclosing the subject matter of the invention in a manner sufficiently clear and complete that it may be carried out by a person skilled in the art (§12-7), the patent claim(s) and the drawing or other illustrative material referred to in the description.

Filing has to be made according to detailed provisions (§ 12) about filing and examination as to the formal requirements for the application. It needs to be file in Ukrainian language. Foreigners shall exercise their rights before the institution through representatives registered in accordance with the law (§5-2).

An international application is possible and shall be taken for examination as to the provisions of § 14.

The conditions for limited access to the files and release of information are provided by § 16 to § 20.
k) **Substantive examination (§16)**

The Patent Office examines the compliance of the invention with the conditions for patentability pursuant to § 5-2, § 6-3 and § 12.

Further details of the application procedure about corrections and supplementation, withdrawal, suspension, transformation, termination and resuming of the examination procedure, and temporary protection until the publishing of the patent in the official bulletin are contained in §16 - §21.

The examination set for declarative patent (utility models), after checking that the application meets the requirements of §12, is only on local novelty (§16-10).

The declarative Patents can be converted into long term patent and vice versa, prior the notification of the decision granting the patent (§18). After the grant of a declarative patent, this patent can be converted into a long term patent subject to a prior qualifying examination by the Institution, the date of validity of the patent being the date of the former application for the declarative patent (§26).

Registration of patent is organised by § 22, subject to the specific details concerning secret invention or utility models.

l) **Publication of patent application (§ 23)**

Subject to secret invention/utility models, the Institute publishes the data on granting the patent at the same time with the official registration of the patent in its Official Gazette. The patent application containing the claim and description, is published no more than 3 months after in the Official Gazette.

Notifications of cancellation are also published in the Official Gazette (§ 33-3).

m) **Appeal of the applicant (§§ 24,)**

According to § 24, the applicant may, within 6 months, appeal against any decision of the Patent Office during the examination procedure to the Board of Appeal. The Board of Appeal has to take a decision within 4 months.
The head of the institution may lodge a protest within 1 month of the decision and the decision of the Board made on that protest will be the final one and may only be cancelled by the court.

The applicant can appeal against those decisions before the tribunal within 6 months (the procedure follows the same provisions prescribed by § 15 of the Trademark Act and of the Integrated Circuit Act and §19 of the Design and Industrial Models Act).

n) **Cancellation of the Patent**

A person who considers that the grant of the patent infringes his rights may bring the case before the Court to cancel the patent in the following cases:

- The patent (utility model) does not meet the patentability requirements set by § 7;
- The claim contains features of invention that were not shown in the application as filed;
- The obligation set by §37-2, concerning prior information and authorisation of the Institute for patenting abroad, have not been complied.

Any person may file a request for qualifying examination of the patented invention (utility model) to determine if it meets patentability requirements, subject to payment of charge, in order to cancel it.

o) **Validity (§ 32)**

The term of the patent is 6 years for Declarative patents, or 20 years from the filing date of the patent application. A maintenance fee must be paid for each year. Upon failure in paying the annual fee the patent lapses prematurely.

Supplementary protection (§6-4), for no more than 5 years, is granted to a remedy, means for protection of animals or plants, by extending the term of rights conferred by the registration of invention protected by a basic patent upon expiration of the term of the basic patent.

The patent shall also terminate if the patentee renounce completely or in part, subject to the previous warning of the persons who have been authorised to exploit the patent.
p) Transfer (§ 28)

The patentee may transfer the patent to another person. (§28-6), subject to an authorisation of an Official expert in case of a secret invention (utility model). Without registration the assignment has no legal force with respect to third parties.

g) Licences (§ 28)

The patentee may license, in whole or in part, exclusively or not, his rights to one or several licensees by an agreement in writing, and, with the consent of the licensor, the licensee can grant sublicenses (subject to an authorisation of an Official expert in case of a secret invention /utility model). Without registration the license has no legal force with respect to third parties.

r) Compulsory licence

A non-exclusive compulsory license may, after refusal from the patentee to grant a licence, be granted under the conditions of § 30-1, and only to the extend necessary to the appropriate use, such as:

- the patentee has not used the invention or utility model in Ukraine, without excuses, within three years from the publication date of a notice of the grant of the patent or from the last use of the invention or utility model (§30-1);

- the patent hinders the use of another invention which is technologically progressive and essential for the Ukrainian economy (§30-2);

In this last case, it could be recommended, referring to §31 TRIPS, that more detailed provisions are provided as to the compensation given to the author, in consideration of the economic value and the non exclusive character of the licence, nothing being detailed it the current law as to §30-2 above.

s) Expropriation of rights:

The cabinet of Minister may, for public interest reasons or material law of state emergency, authorise the exploitation of the patent, subject to a fair compensation (§30-3)
2. **Design and Industrial Model Act**

The Design and Industrial Model Act, basically not being in contradiction with TRIPS, follows largely the pattern of the Patents Act, more especially regarding utility model provisions. Therefore, only the essentials and, in particular, the differences to the Patent Act, are described.

a) **Scope of protection (§ 6)**

A design and industrial model shall be protected with a patent, if the invention meets the conditions for registrability of §5, according to which a design and industrial model is new and industrially applicable. The same difference to a patent as the utility models is that no inventive step is necessary. Novelty is absolute.

Since 1999, until now about 1550 design registration applications have been made at the Patent Office.

b) **Subject of design and utility models and exclusion from patentability (§§ 5,6)**

The subject of an design and industrial model is a result of human creative activity in the field of artistic design (a shape, a drawing, a combination of colours or of its elements, settling the external appearance of an industrial item and fulfilling an aesthetic or ergonomic duty).

Not regarded as subject of a design and industrial model are (§ 5(3)):

- architecture works (subject to small size architectural shapes), industrial installations, hydraulic works and other stationary works)
- typographic works
- instable shape items, made of liquid material, gaseous, pulverulent or analogue, etc

-Excluded from patentability are (§ 5(1))

- Inventions contrary to general interest, order public and morality
The other provisions are most similar to the Patent Act, subject to the duration and renewing of the rights and a small difference in the period within which the applicant may ask for the priority date (§ 15 of the Patent act (IUM act) 12 months / § 13-1 of the ID act 6 months), and the possibility of extension of time limits set in the IUM act.

Furthermore, no provision is made relating to transformation and temporary protection, unnecessary regarding to the latest. There is no “declarative patent”. No specific provision, as contained in the Patent act, is made for international application.

3. Plant Varieties Rights Act

Ukraine has provided for protection of plant varieties. Ukraine is a member of UPOV and complies with its provisions.

The Variety Plant Act mostly follows the pattern of the Patent Act but, being older (1993) than the latter (last amended on December 2000), its provisions are less detailed.

a) Scope of protection

The Plant Variety Act concerns the proprietary and non proprietary of a variety breeder, a patent holder or a licensee it includes grape vines, trees, fruit crops. The Variety has to meet the condition for registrability of § 6-1, according to which it is distinctive, uniform and stable.

A Decree of Cabinet of Minister of Ukraine has provided with a list of the 10 genera and species for the Variety of which Patents are granted: Barley, Corn, Durum wheat, Fodder Beet, Potato, Rye, Soft wheat, Sunflower, Sugar Beet, While Cabbage.

b) Subject of a Variety Plant Patent

The subject of a variety plant patent is the plant grouping selected artificially within single botanical taxon whose heredity is characterized by its inherent biological features and properties, provided that it is distinguished from any other features and properties, provided that it is distinguished from any other known plant grouping within the same botanical taxon by at least one feature and can be considered as a unit with regard to its suitability for being propagated. The category of variety covers clone, line, hybrid and population.
c) **Extent of patent protection and claims (§12)**

The extent of the patent protection is defined by the terms of the patent claims.

d) **Variety denomination (§ 13)**

It must enable the variety to be identified but must differ from existing variety of the same or a closely related one. If filed in another country, it must have the same denomination. It cannot be solely a figure, the denomination cannot be misleading as to the characteristics, origin and value of the variety or the identity of the breeder, nor against public moral.

e) **Priority (§ 14)**

Priority can be claimed from an earlier patent application, filed within 12 months in any other state of the UPOV Convention. This article sets a procedure of extension of the time limit to claim priority.

f) **Exclusive right (§9)**

The patentee has the exclusive right to possess, use and dispose of the patent and to demand that all other persons avoid the infringement of these rights and eliminate the results of infringement (§ 9 § 26/27)

The exclusive right of the patentee means that a third party shall not be allowed, without the consent of the patentee, specifically to product, condition, sell, bring seeds on circulation, import and stock seeds.

g) **Non-infringing proceedings (§ 9-2)**

Limited exceptions from the exclusive right are provided for:

- Non-commercial use,
- Experimental purposes
- As an initial source of variation for the purpose of breeding other varieties
- Commodity processing, or transit transportation.
The right to a patent for an employee’s variety rests to the variety breeder, subject to certain conditions (§ 8-3). The Ukrainian Inventions Foundation is entitled to obtain the patent in certain conditions, if it has been designated by the variety breeder, against fair compensation (§8-4).

No provision is made as to exhaustion of rights.

i) Patent application (§ 11 - §12)

The patent application must contain the description of the variety needs to disclose its features and properties to the extent sufficient for the definition of variety and due payment of the fees. The patent claim(s) and the drawing or other illustrative material referred to in the description.

Filing has to be made according to detailed provisions (§ 15) about filing and examination, which shall be performed within 3 years from the filing date. The formal requirements for the application are set by §15.

Foreigners shall exercise their rights before the institution through patent attorneys registered with the Office.

Patenting of a varitety abroad is provided by §30.

i) Substantive examination (§17)

Patentability is examined by the Office pursuant to the provisions of § 17.

The Act provides further details of the application procedure about corrections and supplementation (21), withdrawal (§22) and provisional protection until the publishing of the patent in the Official Gazette (18).

Registration of patent and entering in the appropriate data is provided by § 19,
j) **Appeal of the applicant (§§ 16-3, §17-3,)**

The applicant may appeal against the decision of the Office as to the formal examination or as to the refusal of granting the patent to the Appeals council of Appeal. The regulations of these appeals are established by the Office.

k) **Nullity of the Patent**

A person who considers that the grant of the patent infringes his rights may bring the case before the Court to cancel the patent in the following cases:

- The Patent does not meet the patentability requirements
- The claim contains incorrect indications of the variety breeder or the patent holder

Further, an opposition to the grant of the patent can be considered by the Appeals Council, on the same above ground.

l) **Validity (§ 4)**

The term of the patent is 20 years, and 30 years for grapevines, trees and fruit crops. The protection can be renewed for 10 more years.

A maintenance fee must be paid for each year. Upon failure in paying the annual fee the patent lapses prematurely (§25).

m) **Transfer and licence (§9)**

The patentee may transfer or licence the patent to another person. Without registration with the Office, the transfer of the licence are considered to be invalid assignment has no legal force with respect to third parties.
n) **Compulsory licence**

A compulsory license may, after refusal from the patentee to grant a licence, and non-exploitation in Ukraine within the 5 years from the patent, be granted by the Court. No further settlement is made about this in the law.

4. **Topography of Integrated Circuits Act**

The Topography of Integrated Circuits Act follows the pattern of the Patent Act. Therefore, only the essentials and, in particular, the differences to the Patent Act, are described.

Nevertheless, it is expressively provided that rights resulting from the registration of the topography of integrated circuits do not infringe any other property and non-property rights (§16-6)

There is no priority system provided by this law. Filing an application abroad is provided by §24.

a) **Scope of protection (§ 6)**

A Topography of Integrated Circuits shall be protected, for a 10 years period, with a certificate, if the invention meets the conditions for registrability of §5, according to which it is original until opposite is not proved, as long as it is filed no more than 2 years after its first exploitation.

b) **Subject of a Topography of Integrated Circuits and exclusion from registrability**

The subject of a Topography of Integrated Circuits a space geometric placing of combinations and joints of integrated circuits elements fixed on the material.

Not regarded as subject of a Topography of Integrated Circuits are (§ 4-2)):

- The rights of ideas, ways, systems, technologies or encoded information that may be implemented in topography or integrated circuits.
c) **Exclusive right (§16)**

The exclusive right given to the owner of a certificate refers to the right to assign, transfer in whole or in part, to copy, produce of it with the use of the given topography or any products that contain it, the right to import them and the products that contain integrated circuits, offer them for sale store and put into the circulation, as well as any products that contain them. possess, use and dispose of the patent and to demand that all other persons avoid the infringement of these rights and eliminate the results of infringement (§ 9 § 26/27)

d) **Non-infringing proceedings (§ 17-1)**

Limited exceptions from the exclusive right are provided for:

- non-commercial purpose,
- scientific or experimental purposes
- extraordinary circumstances (disaster, epidemic..)

The right to a certificate for an employee’s variety rest belong to the employer under certain conditions (§7).

e) **Application for a registration (§9)**

The application must contain the name(s) of the applicant(s), the request and the materials identifying the topography of integrated circuits bearing complete information, and due payment of the fees. Examination is set by § 11, as to the requirements of art 9 and 4-2 of the law.

Foreigners shall exercise their rights before the institution through patent attorneys registered with the Office.

Registration of the certificate entering in the appropriate data and publishing are provided by § 12 and §13
f) Appeal of the applicant (§15)

The applicant may, appeal against the decision of the Office as to the formal examination or as to the refusal of granting the certificate to the Appeals Chamber within 3 months of the notice. A decision is taken within the next 4 months.

Following this, the Institution approves the decision by means of decree Prior that decision, the Head of the Institution may lodge a protest within 1 month. The final decision of the Appeal Chamber can only be cancelled by the court.

g) Nullity of the Patent

A person who considers that the grant of the certificate infringes his rights may bring the case before the Court to cancel the certificate in the following cases:

- The certificate does not meet the registrability requirements
- The owner abuses of the requirements of §24-2 as to the filing abroad

Further, an opposition to the grant of the patent can be considered by the Appeals Council, on the same above ground.

h) Compulsory licence, Expropriation

A compulsory license may, after refusal to grant a licence, and non-exploitation in Ukraine within the 3 years from the grant of the certificate, be granted by the Court (§18-2,18-3).

Those provisions are not in compliance with §31 TRIPS that only provides for non exclusive licences and only to the extend of a public and non commercial use or as a remedy to an unfair competition practice, after a court decision.

Expropriation is possible for national security interest, by the cabinet of Ministers of Ukraine, under fair compensation (§19-1).
i) Remedies for infringement:

The owner of a certificate may demand to the Court that the infringements against his rights as provided by § 16 shall terminate. He can ask for a compensation for the losses, and all subjects set by § 21-4.

5. **Trademark Act**

The Trademark Act deals only with the registration of trademarks, i.e. signs that distinguish goods or services of a person from those, of the same type, of other persons.

It does not deal with trade names, business identifiers or geographical indications. Company names (trade names) are scattered in different laws.

The Trademarks Act does not contain provisions on seizure of infringing goods, neither on fines and imprisonment, but only sets the possibility to remove the trademark from packaging or infringing products.

Furthermore, no provision is included in the Trademark Act related to the exhaustion of rights.

a) **Registrable trademark (§ 5)**

A verbal, figurative, three-dimensional or other sign, or a combination thereof executed in any colour or combination of colours may be registered as a trademark. Trademarks, which consist of smell or sounds are not expressly included protection.

It may be recommended to provide for further details in the further amendments of law. However there is no obligation under TRIPS to protect such marks, the EU already recognises that sounds can be protected (also the French law, § 711-1 b) protects sounds marks). Also, the Office in Alicante has already registered smell mark ( Dec. Ch rec n) 156/1998, Smell of fresh cut grass), while this last matter still appears to be technically very complicated.
b) **Exclusive right of the owner of a trademark (§ 16-1)**

The trademark owner has the exclusive right to use his trademark. He is protected against the use of identical or confusingly similar signs for the same or similar goods or services.

The owner of a mark, which is well-known, in the sense of Article 6bis of the Paris Convention, in the country, can prohibit the use of the trademark in relation to identical or similar or other goods or services, if such use takes unfair advantage of or is detrimental to the distinctive character or reputation of the trademark.

The following are deemed as use of the trademark (§16):

- Use of the trademarks on the goods or packaging, or for the provision of the registered services.

- Importation and exportation of goods under the trademark; *(not expressly provided by the law)*

- Use of the trademark in economic and commercial documents, advertising materials, related to fairs or exhibitions, or operating manuals relating to the goods.

Furthermore, the owner of a registered trademark can include a warning notice indicating that the trademark is registered in Ukraine. (§16-7)

c) **Restrictions of the exclusive right**

- The trademark owner cannot prohibit a third party from using elements of the trademark which are not subject to protection (§6-2)

- He cannot assign the trademark as long as it may be confusing the consumers in relation to the product, the service or the person who makes the products or gives the service (§16-4)

- The assignment or licence of a trademark, have both to be in writing and registered to be valid. The assignment may not mislead consumers as to the producer of the products (§ 16-4)
• The licence has to contain a provision guarantying the quality of the goods or service will not be inferior to the genuine ones (§16-5)

• The rights are to be exercised by the owner of a certificate with “good faith” ( § 17)

d) Absolute grounds for refusal (§ 6)

Armorial bearings, flags or state symbol, official names, symbols, names or short names of international or inter governmental organisations, signs or official control, training or guaranty hallmarks, medals or other honorary insignia.

However, there is a possibility, subject to an authorisation, to have such sign included in the registration as “non-protected items”.

Further, the protection is not granted to signs devoid of distinctiveness, constituting the usual designation of goods or services of a type, which designate the kind, quality, properties, intended purpose, value of goods or services or the place and time of production or sale, which are false or deceptive, constitute symbols or everyday terms.

However, there is a possibility to have certain of these signs included in the registration as “non-protected items”.

The absolute grounds for refusal basically correspond to those applied in the EU. However, public order and good moral are not expressly excluded.

e) Relative grounds for refusal (§ 8)

The Institution also examines on relative grounds of refusal. In fact, the Institution refuses an application for a sign very much in line with EU legislation on the Community Trademark:

• which is identical or confusingly similar with an earlier application trademark or a registered trademark and designates goods or services of the same kind;

• which infringes a mark protected without the need of a registration, according to the international treaties provisions to which Ukraine is a member;
• which is identical or confusingly similar to a trade name known throughout Ukraine and belongs to a third party whose rights have been granted before the trademark application and designates identical goods or services;

• which is identical or confusingly similar to a certification trademark;

• which includes appellation of origin, subject to an authorisation as a non protected item,

• which includes a protected industrial and design model belonging to a third party;

• which includes a scientific or a creative work protected by copyright, without an authorisation of the author or its assignee;

• which includes the name, surname or pseudonym of a well-known person, or his portrait.

• A sign that has been used by 2 or more legal persons, in good faith, for indication of the good of the same type before January 1992 (§ 6-4 - I do not have any further detail on this provision, quite unclear).

f) Registration procedure

Detailed provisions on how to file an application for registration and on the examination by the Office are contained in § 8. The goods or services are classified in accordance with the Nice International Classification of which Ukraine is a member.

The applicant may claim for a priority date before the Institution or before the appropriate office of a state which is a member of the Paris Convention, subject to a former priority claim. The §9 contains detailed provisions on how to claim for priority.

Foreigners need to be represented by an Ukrainian patent attorney (§ 4(2)), who must be registered in the State Register of Ukrainian Patent Attorneys.
g) **Register and certificate (§§ 12 to 14)**

An application, which is not refused, or withdrawn by the applicant (§ 11) is granted and, after payment of the registration fee, registered in the Register of Trademarks and Service marks. The registration is published in the Official Gazette of the Institute. The owner receives a trademark certificate.

About 6700 applications have been made in 2001 until now, including about 2000 applications according to the Madrid agreement and that the number of applications have been increasing since 1999.

h) **Appeal (§ 15)**

The applicant can contest any decision of the Institute at the Board of Appeal relating to his application registration or registration, within 3 months following the date of the notification of the decision.

The procedure follows the same pattern that the procedure set for Inventions and Utility model.

There is no opposition procedure for third parties who can only bring an action before the court.

i) **Term of validity and renewal (§ 5-3)**

The right to the trademark commences on the date of filing and expires after 10 years from the date of entry in the register, subject to the payment of the fees. It may be renewed for further periods of 10 years.

Only the owner of the registered trademark may file a new trademark application for his former trademark within a period of 3 years starting from the end of the first certificate (§22).

In practice, this means that the trademark exclusive right is prorogued for this period, a third party cannot apparently file any similar application within this period.
j) **Use of the trademark (§17)**

If a trademark has not been used (i.e. any of the acts covered by the exclusive right of the owner including advertising, as specified in §16-2), or sufficiently used for a period of 3 years, every interested person can contest the validity by filing a revocation request with the court or arbitration tribunal, subject to the fact that the owner was hindered from such use.

No definition of sufficient use is provided by the law.

k) **Transfer and license**

The trademark owner may use a warning notice together with the trademark in order to indicate that the trademark is registered in Ukraine (§ 16-7).

The trademark can be assigned, subject to the fact it cannot be misleading (see §16-4 above mentioned) or licensed, in a written form, for all or some of the goods or services. (§ 16-4). In order to be opposable to a third party, the transfer or the license has to be registered on payment of the prescribed fee (§16-6).

l) **End of validation (§ 19-1) and invalidation of trademark registration (§ 18)**

-The certificate owner can invalidate his own certificate, by the means of a registered declaration before the Institute, at any time, published in the Official Gazette. The validation can end in the absence of payment of the renewal fees. The validation can end according to a tribunal or arbitration court decision when the trademark has become, after the application date, a usual sign.

-The certificate may be invalidated if the registered trademark does not meet the conditions for legal protection or if it includes some items which were not included in the application trademark, related to the trademark representation or to the list of products and services.

m) **Collective marks**

When more than one person is the owner of a certificate, they must exercise their rights in accordance with the others. If failing such agreement, they may exercise their rights at their own discretion but may not give authorisation to a third party to use it (§16-2)
n) International registration (under the Madrid Protocol) (§24-2)

An application for international registration under the Madrid Protocol may be filed with the Institute.

6. Indications of sources of goods

The Act on the protection of rights of source of goods deals with the simple indication of a source of a good, protected on the basis on its exploitation by preventing the uses of false or deceptive indications and with qualified indication (appellations of origins and geographical indications of a source of good), protected on the basis of their registrations.

The Act, basically in line with the EU Regulation, follows mostly the pattern of the Trademark Act, therefore, only the essentials and, in particular, the differences to the Patent Act, are described.

No specific provision is made as to indication of source of wines, mentioned in §23 of Trips, nor as to the exploitation of an indication constituting unfair competition according to the standards of §10bis of the Paris Convention (1967) and § 22 TRIPS.

a) Registrable indications (§ 7)

Any qualified indication is supposed to have a name of a geographical area wherein the goods originate from, be used as the name of given goods, a geographical name truly existing of a source of a good that designates a specific geographical area wherein the goods originate from and which cannot be refused.

It can be a verbal or figurative designation that indicates directly or not a geographical place, which goods originate from. (further details are included in §7-3,7-4)

b) The right of the owner of a certificate (§17)

The owner of a certificate has the right to exploit registered qualified indication of a source of a good (use on a product or its label, on a packaging, advertising and commercial documents).
He may undertake measures to prohibit unauthorised exploitation, demand the cease of infringements and ask for compensation.

Furthermore, he can include a warning notice (AOG or GIS), indicating that the trademark is registered in Ukraine. (§17-6)

c) Restrictions of the right

• The owner of a certificate cannot grant license to third parties for exploitation of the registered qualified indication of a source of a good, no provision being made as to assignment.

• He cannot prohibit the authorities to control whether the goods possess the particular features on the basis of which they have been registered.

d) Grounds for refusal for qualified indications(§ 8)

The designation does not meet the above requirement set by §7, or is contrary to public interest, human and moral principles, is a generic name of goods, designate correctly a geographical area wherein the goods has been manufactured but mislead users as to the true origin of the goods is a denomination of a plant variety or an animal breed and may mislead users as to the true geographical area of the goods production.

Further, the protection is not granted to qualified indications related to a foreign geographical area if there is no mutual protection or no protection in the respective foreign state.

e) Registration procedure

Detailed provisions on how to file an application for registration and on the examination by the Institution are contained in § 9.

The right to registration belongs to person manufacturing the goods in the relevant area with the relevant features, consumer’s associations, institutions directly concerned with manufacturing or research in the relevant field. (§9-1)
Any person may lodge an opposition with the Institution, according to § 11-10 to § 11-14, within the 6 months of the date of publication of the application and subject to the payment of a charge.

The applicant may lodge an appeal with the court against the Institute decisions. (§13-1)

He also may lodge an appeal with the board of appeal, according to the same procedure set by §15 in the Trademark Act and the Invention and Utility models Act. (§13-2)

f) Register and certificate (§14)

An application is granted and, after payment of the registration fee, registered in the Register of the Institute. The registration is published in the Official Gazette of the Institute. The owner then receives a certificate.

g) Term of validity and renewal (§15 –4, §15-5)

The right to the owner commences on the date of filing and expires after 10 years from the date of entry in the register, subject to the payment of the fees. It may be renewed for further periods of 10 years subject to a confirmation by the authorities.

h) End of protection and invalidation of registrations and rights of exploitation (§ 20, 21)

The protection ends if the registration of the designation is invalidated.

The registration of a qualified indication of goods may be invalidated by the court if the certificate does not meet the conditions for legal protection set in §7.

The registration of a right to exploit the qualified indication may be invalidated by the court when it does not satisfy the provisions of § 7, 8 and 9 of the Law.

Further, validity of a registration of a qualified indication of a source of goods may be terminated by the court in case of failure of manufacturing in the geographic area or if it becomes a generic name (§20-2)
Validity of a qualified indication of source of goods related to the geographical area abroad cease as long as it cease in the state of origin.

The right to exploit the registered qualified indication of a source of a goods may cease according to a court decision, failure of the goods, in case of liquidation of the legal person, death of the owner, denunciation of his rights by the owner to the Institution, failure to pay the fees.

7. **Unfair Competition Act**

The Antimonopoly Committee supervises the implementation of this Act (§ 27). According to § 29 the Committee has the right to forbid the performance of acts, seize property or sums. Such orders may be appealed to a court within 15 days from their notice.

The Committee can also make binding decisions on recognising facts of unfair competition, terminate them, order official retractation, impose fines, confiscate products, annul or override unlawful acts, abrogate contracts made by a central or local bodies of state executive power and executive bodies of local self-government. Such decisions may be appealed to the court or arbitration court within 30 days from their notice. (§32)

a) **General clause of unfair competition**

Unfair competition means any act performed in the course of competition running counter to the rules, trade and other fair customs in entrepreneurial activities”.

Unfair competition is prohibited (§ 20).

b) **Special unlawful acts hereafter**:

1) **Unlawful use of business reputation**

The definition in §1 lists some non-exhaustive cases as being included in the general clause, which are dealt with in the subsequent paragraphs in more detail:

- The unlawful use of trademark, advertising, material and packing (§4)
- The unlawful use of products made by other manufacturers (§5)
• Copying of outward appearance of products (§6)
• Comparative advertising (§7) (This is not part of the Advertising Act)

Slavish imitation is probably covered by the special cases listed, being understood that it is
difficult to define what is unfair slavish imitation and that the WIPO Model Provisions on
Protection against Unfair Competition of 1996 expressly do not deal with slavish imitation
because it was not possible for WIPO to establish generally accepted conditions for such
protection.

We had some difficulties to understand clearly the difference between counterfeiting and
unfair competition as to the abovementioned cases. Even after discussion with the
competent official in the Antimonopoly Committee, it was not possible to determine which law
could be used in such cases: either unfair competition law or Laws against infringements of
intellectual property goods, or both (which is not possible in French law for example).

2) Obstruction of business and unlawful advantage

Chapter 3 of the act provides for an other category of unlawful acts and gives a list and
definitions of such acts:

• Discrediting an economic entity (§8)
• Sales and purchase of products, carrying out works and rendering services with
  compulsory assortment. (§9)
• Instigation boycott of an economic entity (§10)
• Instigating suppliers to discriminate against buyers (§11)
• Instigating an economic entity to abrogate contract with a competitor (§12)
• Bribing an employee of a supplier (§13), of a buyer (§14)
• Gaining an unlawful advantage in competition (§15)

3) Unlawful collection, disclosure and use of commercial secrets

Chapter 4 of the Act provides for a final category of unlawful acts and gives a list and
definitions of such acts:

• Unlawful collection of commercial secrets (§16), their disclosure (§17), the instigation to
disclose them (§18), their unlawful use (§19)
Without further details, we may think that the list of acts is exhaustive and that it may be
difficult to bring an action or a complaint for a case, which is not covered by one of these
grounds.

We were not given the business laws that may contain certain rules on unfair competition or
trade names, or rules on professional ethics developed with the Chamber of Commerce and
Industry that could have been relevant.

8. Advertising Act

a) Restrictions of advertising

The Act determines underlying principles for advertising activities, restrictions on advertising
and their extent and special conditions for advertising, regulates control of observance of law
and liability for violations of the Act.

The Act regulates unfair publicity, misleading or confusing for the consumer (§ 10) and
provides that advertising material will be subject to copyright and related right legislation
(§4).

The Act also regulates more specifically advertising on certain products (Chapter 3): Medical
products, tobacco, alcoholic beverage, weapons, involving population security.

b) Liability and supervision

Control of observance of advertising is made by the Ministry for the Press, State Committee
for Protection of Consumer's rights, Antimonopoly Committee and National Council for
Television and Radio (§26).

Advertisers who fail to comply with the requirements or restrictions established for
advertising are held liable pursuant to the procedure provided in the Act (§ 27) . The State
Committee for protection of consumer’s rights, and the Antimonopoly Committee shall have
the right to levy penalties, see part III ).
9. **Consumer Protection Act**

a) **Scope of protection**

The Consumer Protection Act does not deal with intellectual property rights, so that only its main principles will be developed hereafter.

This Act essentially deals with the rights of consumers in purchasing and making use of goods or services, as well as the liabilities of the vendor and manufacturer, and with the organisation of the government protection of the consumer.

b) **Consumer organizations**

The Act gives consumers the right to establish volunteer organizations. They have the right to organize legal consulting, assist the state organ in monitoring the quality of goods exercise controls and to make out a record concerning a discovered infringement and to submit it to a competent institution (§26).

c) **Control by the authorities**

Also the State Committee on Protection of Consumer’s rights is entitled to inspect business entities and have a large power defined by §5 of the law to take appropriate measures, such as terminating or suspending operations.

C. **Recommendations**

The current laws concerning Industrial Property rights provide for a detailed protection that can be improved according to the EU or TRIPS provisions, as mentioned above. However, the protection should be already basically satisfactory if it could be more precise, particularly as regards enforcement measures and if it was enforced in practice, which requires, at least, assistance in education of all the persons involved in this field and necessary funding.
I was told that it is currently discussed about a codification of the law concerning the industrial property matters. That could be an opportunity to provide for new amendments. However, no decision has been taken or is expected in the near future. Yet, many obstacles seem to appear, such a code being in contradiction with other principles and presenting a risk of further contradictions with the other laws dealing with IP matters, that would not be amended or abrogated by the new Code.

Currently, the Laws regulating the Industrial Property field all provide that the international convention prevails, which is a guarantee, as far as the courts are able to understand and enforce theses provisions. The enforcement of the rules still should be the main focus. Nevertheless, some legal issues could be improved as well. The following recommendations for improvement cover legal as well as practical issues.

1. **Legal issues**

   a) As far as international conventions in the industrial property field are concerned, Ukraine should consider to become a member of TRIPS.

   b) The exhaustion rule to the commercial industrial property rights should be worded more clearly, as to the field of exhaustion, preferably they should provide for national exhaustion.

   c) Generally in all cases of compulsory licences in the industrial property field, it could be recommended, referring to §31 TRIPS, that more detailed provisions are provided as to the compensation given to the author, in consideration of the economic value and the non exclusive character of the licence.

   For example, nothing is provided in the current law in case the patent hinders the use of another invention which is technologically progressive and essential for the Ukrainian economy (§30-2), or in any case in the Variety Plant Act.

   The provisions should also make it clear that a compulsory licence may only be “non exclusive” and given to the extent of a public and non commercial use or as a remedy to an unfair competition practice, after a court decision.
d) In the Trademark Act, it could be recommended to clearly exclude from the absolute grounds for refusal public order and good morals, although this basically corresponds to those applied in the EU.

It may also be recommended to provide for further details as to trademarks which consist of smell or sounds, not expressly included in protection, to be in line with the EU, that already recognises that sounds can be protected.

e) The Unfair Competition Act could be more clear as to covering or not slavish imitation, and may give a definition of it.

Furthermore, the Unfair Competition Act should make it clearer whether the unlawful use of trademarks, advertising, material and packaging (§4), unlawful use of products made by other manufacturers (§5), copying of outward appearance of products (§6), comparative advertising (§7) can also constitute an infringement as to Intellectual Property rights, for which punishment is eligible, and who is entitled to sue on these grounds.

2. Practical issues

As in the field of copyright and neighbouring rights, the main practical issue is training and basically the same problems exist.

Training also is necessary for all categories of legal practitioners (lawyers, judges, public prosecutors, state institutes). It is needed in the entire industrial property field. The lack of publication on foreign and EU law as well case law, translated in the Ukrainian or Russian language could be useful, as mentioned in the field of copyrights. Furthermore, handbooks from foreign institutes for industrial property could, for example, be a good help and example and a means of exchanging experiences with the Ukrainian Institute.