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Protecting patents and intellectual property in conflict zones

Recent events in Ukraine have underscored that geopolitical boundaries in the 21st century remain disturbingly fluid. I spent significant time working in Ukraine as a consultant in connection with its accession to the World Trade Organization in 2008.

Toward the end of this multi-year project, I had the pleasure of meeting with my Ukrainian colleagues in Yalta on the Crimean peninsula. We even celebrated the successful conclusion of our efforts to craft a comprehensive, Trade Related Aspects of Intellectual Property Rights (TRIPS) compliant, intellectual property omnibus act in Livadia Palace.

To see Russian troops invading what my colleagues plainly considered Ukrainian soil has been painful to watch. It also signals a potential new era in conflict zone protection issues as geopolitical instability moves beyond the "traditional" geographic locales of the Middle East and Africa to a country in Eastern Europe working toward membership in the European Union.

This column is being written while the alleged "referendum" on Crimean "independence" is taking place. Regardless of the outcome of this "referendum," wise intellectual property owners are already taking stock of the intellectual property they have at risk in the region. Any marks being used in the Crimea that have not been registered in Russia will be at risk if the "choice" results in reunification with Russia. Something that seems likely now.

Although under international law, "well-known" marks must be protected regardless of registration, Russian law has been relatively unforgiving in its application of this doctrine. Marks must be registered on a well-known marks registry. Registration requires evidence of intensive reputation in Russia, which generally requires substantial use in Russia evidenced by consumer

or expert surveys.

Even more problematic, marks in the Cyrillic alphabet may not necessarily be considered infringing of their Latin alphabet equivalents.

U.S. companies with patents in Ukraine have most likely sought similar patent protection in Russia, given the close proximity of these two East European markets. If they do not have parallel protection, unless the 30-month period for extending patent protection under the Patent Cooperation Treaty (PCT) remains, it would be too late to correct the problem.

Russia is basically an "absolute novelty" country where any grace period for inventor disclosures is limited to six months before the application date. Any prior use in Ukraine would undoubtedly bar any post-separation, applied-for patent in Russia.

One of the mainstays of conflict resolution in the 21st century is the use of economic sanctions. As I write this, international entities such as the United Nations and the European Union, as well as individual countries, including the United States, are considering imposing economic sanctions against Russia.

For those who do not currently have any significant intellectual property rights at risk in Ukraine, now is a good time to examine conflict protection policies and take proactive measures to strengthen those policies.

Such sanctions generally do not prevent the legal protection of intellectual property but may require special licenses before such actions can be undertaken.

In addition, legal permission to maintain rights, such as in trademarks, generally does not extend to the right to make continued sales of branded products within the country. Information regarding the scope of any such limitations imposed by the U.S. are generally located at the website of the U.S. Treasury Department's Office of Foreign Asset Control

GLOBAL IP



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website at treas.gov/offices/enforcement/ofac/. Specific information about current sanctions imposed in connection with the current conflict in Ukraine can be found at treasury.gov/resource-center/sanctions/Programs/Pages/ukraine.aspx.

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Owners should conduct an intellectual property audit to identify those marks, patents and other intellectual property, they would take steps to protect and identify

their legal rights in places such as Ukraine, Syria and Venezuela.

Though enforcement efforts against pirates and counterfeiters are unlikely in such volatile settings, local industrial property and copyright offices often remain operational. Thus, subject to any obligations imposed by U.S. sanctions, steps can still be taken to strengthen enforcement even as a domestic situation destabilizes. Having a reliable and accurate inventory is an essential first step and should be regularly reconfirmed irrespective of political and

social climate.

The second step to protecting trademarks in potential or actual conflict zones is to examine countries in which the company has avoided registration to determine their continuing viability. Even if there is no market reason for registering a mark, there may be a defensive reason for doing so such as pre-empting the development of a strong local counterfeit market or establishing the groundwork for future development. Most countries do not require actual use of a mark for registration so some "warehousing" of registrations may be possible.

The third step is to examine existing translations and transliterations of identified critical marks. If Crimea becomes part of Russia, Ukrainian language marks may have little market value and even less legal protection. Cyrillic language marks in Ukraine may suffer the same fate.

For U.S. companies who have resisted the inherent complexities of registering non-English versions of their marks, it is time to reconsider the issue. The U.S. has a relatively generous translation policy when it comes to determining likely confusion. Many countries with non-Latin alphabet national languages are less generous.

While patent protection is difficult even in the best of times, protecting a patented product through trademarks is a "backdoor" protection technique worth consideration. Developing and registering marks used expressly in connection with patented products, provides a basis for protection under trademark laws that may be easier to achieve in the unsettled legal environment of a conflict zone.

Finally, research, development and distribution agreements should be evaluated to assure the ability to permit rapid cessation or reconfigurations of activities in the event a conflict erupts. As events in Ukraine and elsewhere have demonstrated, local conflicts can rapidly escalate into game-changing events that require a nimble conflict policy. And maybe a crystal ball.