TRADEMARK PROTECTION *in* UKRAINE

TM

Table *of* contents

1. General legal framework ... 3
2. Trademark registration process ... 4
2.1. Application for trademark registration ... 4
2.2. What trademarks cannot be under protection? ... 5
2.3. Trademark expertise ... 6
2.4. Certificate on a trademark ... 7
2.5. International registration ... 7
3. Trademark disputes and fair use ... 8
3.1. Trademark disputes: out-of-court settlement procedures ... 8
3.2. Trademark disputes: court hearings ... 9
3.2.1. Evidence in court ... 9
3.2.2. Implementation of a judgment ... 10
3.2.3. High Intellectual Property Court ... 10
3.3. Fair use of a trademark ... 10
4. Trademark protection in criminal proceedings ... 12
5. Antimonopoly aspects of trademark protection ... 14
6. Trademarks and customs ... 15
6.1. Update of the register of IPR objects ... 15
6.2. Applying for IPR registration ... 15
6.3. Processing of the application for registration of IPR objects ... 16
6.4. Protection of IPR ... 16

DLF
ATTORNEYS-AT-LAW

1 General legal framework

The basic principles and general regulation of trademarks ownership, right and duties of trademarks owners are specified in the Law of Ukraine "On Protection of Rights to Marks for Goods and Services" (hereinafter referred to as "the Law")*.
In addition to the provisions of the Law, some, mainly procedural, aspects of trademark registration are included in the Rules on Drafting, Filing and Examination of an Application for the Certificate of Ukraine on a Trademark for Goods and Services (hereinafter referred to as "the Rules").

The Rules are quite a large document which provides detailed guidance on how to file application for a trademark, including requirements for the application, supporting documents, amendment of the application, appointment of representatives, communication with the IP Service, etc.

* Please note that the information contained in this brochure is valid as of 1 March 2021 and does not constitute legal advice or consultation in any form, but provides some general overview of the applicable legislative framework regarding trademarks in Ukraine. If any information, data or issues covered in this brochure require additional clarification, please do not hesitate to contact lawyers at DLF attorneys-at-law, who will be glad to provide you with specific and detailed advice for your case.

2

Trademark registration

2.1. Application for trademark registration

Trademark registration in Ukraine is conducted by the State Enterprise "Ukrainian Intellectual Property Institute" (hereinafter referred to as “Ukrpatent”). Therefore, in this brochure we refer to the Ukrpatent and its authority.

Any person wishing to obtain legal protection to its trademark should file appropriate request along with the supporting documents to the Ukrpatent in order to receive relevant certificate indicating that such trademark is included into the State Register of Trademarks of Ukraine (hereinafter referred to as “the Register”).

Pursuant to the Law, the request shall consist of:

a) application for registration of a trademark;
b) data about the applicant;
c) clear image of a trademark;
d) list of goods and services for which the trademark will be used.

Any individual or legal entity has the right to receive a certificate. An applicant with an earlier date of an application filing with Ukrpatent or, if priority is claimed, an earlier date of priority (provided that the application is not deemed withdrawn, has not been withdrawn, and Ukrpatent has not rejected trademark registration), has the right to receive a certificate.

The request (as well as the supporting documents) is further examined by the Ukrpatent in order to assess its compliance with the legal requirements under the Law. Usually this process may take up to 24 months from the date of submission of application. However, there is an option for fast-track registration, in which case it will be possible to register your trademark within 6 months.

If successful (and upon payment of the applicable state duty), the decision on issuance of a certificate on registration of a trademark is published in the official bulletin of the Ukrpatent and the relevant entry is made in the Register.

The scope of legal protection provided includes a trademark image and a list of goods and services entered in the State Register of Trademark Certificates of Ukraine (https://base.uipv.org/searchBul/search.php?dbname=reestrtm) and is certified by a certificate containing a copy of a trademark image and a list of goods and services entered in the Register.

2.2. What trademarks cannot be under protection?

The Law specifies that the legal protection is given to a trademark which does not contradict to the public order, moral and humanity principles. Furthermore, no legal protection is granted to trademarks which represent or imitate:

a) national emblems, flags and other state symbols;
b) official names of states;
c) official full or abbreviated names of states or international letter codes of states;
d) official control and guaranty seal and stamps;
e) awards and other distinctions;

or usually lack any distinguishing capacity and did not obtain such capacity throughout their use, such as:

- consisting exclusively of marks commonly used in modern language or in goods and services fair trade;
- consisting only of descriptive marks or data used for the goods and services specified in an application or in connection with them, indicating the type, quality, content, quantity, properties, intended purpose, value, geographical origin, place and time of goods production or sale or provision of services, or other goods or services characteristics;
- misleading marks, in particular regarding nature, quality or geographical origin of goods or services;
- misleading marks regarding a person who manufactures goods or provides service;
- consisting exclusively of marks, which are commonly used symbols and terms;
- representing only the form caused by a natural state of goods or a necessity to get a technical result, or imparting essential value to the goods.

Marks can't be registered as trademarks, if on the date of application or statement of priority, if any, they are identical or similar enough to be confused, and in particular, associated with:

- trademarks previously registered or filed for registration in Ukraine in the name of another person for the same or related goods and services;
- other persons' trademarks, if they are protected without registration in Ukraine on the basis of international agreements of Ukraine, in particular well-known trademarks under Article 6 bis of the Paris Convention for the same or related goods and services;
- other persons' trademarks, if they are protected without registration in Ukraine on the basis of international agreements of Ukraine, in particular well-known trademarks under Article 6 bis of the Paris Convention for unrelated goods and services, if the use of the trademark by another person for such unrelated goods and services shows connection between them and the owner of a well-known trademark and may harm the interests of the latter;
- commercial names known in Ukraine and belonging to other persons;
- duly registered conformity marks (certification marks);
- trademarks used by another person in a foreign country, if an application is filed by an agent or representative of such person on his/her own behalf within the meaning of

DLF
ATTORNEYS-AT-LAW

Article 6 septies of the Paris Convention without the person's permission and evidence of filling justification in case of person's objection.

No registration shall be granted to:

- industrial designs owned by other persons in Ukraine;
- titles of scientific, literary, and artistic works known in Ukraine or quotations and characters from them, works of art and their fragments without the consent of copyright owners or their successors;
- last names, first names, pseudonyms and their derivatives, portraits and facsimiles of persons known in Ukraine without their consent.

A mark is not subject to registration if it is identical or similar to the trademark which is under protection in Ukraine pursuant to article 6 bis of the Paris Convention for the Protection of Industrial Property 1883 or which is an undoubtedly well-known trademark.

2.3. Trademark expertise

The most important aspect, which is in detail provided in the Rules, is description of expertise for a trademark registration. Such expertise consists of the following stages:

a) establishment of the date of submission of the application;
b) formal features expertise;
c) content mark expertise.

Date of submission of the application is established on the basis of the materials and documents provided to the Ukrpatent. Formal features expertise, in essence, aims to establish whether the documents submitted are genuine and true as well as whether the application in whole could be subject to legal protection provided by the Law.

The purpose of the content mark expertise is to determine whether there are any reasons or circumstances present which do not allow the mark to enjoy legal protection granted by the Law. Thus, it is established whether the mark is in any way relates to a pornographic, racist image, emblem or name, or contradicts the public order, humane and moral principles. In addition, it is examined whether the mark is identical or similar to any existing trademarks.

Thus, the mark is considered as identical, if it imitates all elements of the other trademark. The mark is considered as similar if it is associated with the trademark despite certain differences. Examination of the marks includes:

a) check of existing identical and similar trademarks;
b) determination of the level of similarity of the trademark and any existing trademarks;
c) determination of similarity of goods and/or services of the trademark and any existing identical or similar trademarks.

In order to establish similarity of word signs, the sound (phonetics), graphic (visual) and content (semantic) similarity are analyzed.

2.4. Certificate on a trademark

If there are grounds or circumstances exist under which registration of a trademark is not possible, the applicant is sent a motivated notice with description of all incompatibilities with the Law. The applicant may send appropriate comments or clarification which could be taken by the Ukrpatent upon rendering the final decision.

Upon decision of the IP Service on registration of a trademark and payment of the registration fee for issuance of the certificate, the relevant entry is made in the Register and the certificate on a trademark is issued to the successful applicant. The certificate is valid for 10 years following the date of submission of the application and can be prolonged every 10 years (subject to payment of the state fee).

Under paragraphs 1 and 2 of Article 18 of the Law, no one other than the former owner has the right to re-register the trademark during two years following the termination of the certificate unless the owner of the terminated certificate consents to the registration of the trademark.

2.5. International registration

Furthermore, pursuant to the Law, any person may register a trademark in foreign jurisdictions. According to the Madrid Agreement Concerning the International Registration of Marks 1891 and the Protocol Relating to that Agreement 1989, the application for international registration of a trademark shall be submitted through the Ukrpatent along with the payment of national fee.

Even if the international application for a trademark is approved, the Ukrpatent shall also conduct expertise of a trademark application pursuant to Ukrainian law. Therefore, there might be cases when a trademark is approved for registration under the Madrid Agreement, but is not granted protection pursuant to Ukrainian legislation. It is always worth checking whether a trademark enjoys legal protection under Ukrainian legislation with the Ukrpatent.

3 Trademark disputes and fair use

3.1. Trademark disputes: out-of-court settlement procedures

While out-of-court settlement and pre-dispute resolution procedures could be very useful and, probably, the most correct way for resolving any disagreements regarding use of a trademark, it may not be the most efficient option in order to get the violator to stop breaching the IP rights.

Pursuant to the Law the owner of the trademark may demand the violator to stop breaching the IP rights and reimburse incurred losses. In particular, the owner has the right to demand the removal of the goods, the product packaging, labels, badges, or other object attached to the goods with the illegally used trademark, including prohibiting storage of such product, its subsequent offering for sale, import and export. Furthermore, the owner may prohibit use of a trademark by other persons during offering and provision of any services for which the trademark was registered, including in business documentation or in advertising and in the Internet or even to demand destruction of the images of such trademarks.

Unfortunately, under the current state of affairs the violators rarely agree to stop breaching IP rights in Ukraine in the out-of-court settlement arrangements. However, we advise the lawful owners of trademarks to use any pre-trial procedures only upon gathering of enough and proper evidence base against the violator, with which it would be easier to prove the violation in court in case of unsuccessful out-of-court settlement.

We also note that any pre-trial procedures are not mandatory under the Ukrainian legislation, and any person may choose to refer to the court immediately upon discovering of a violation.

3.2. Trademark disputes: court hearings

In the event that the out-of-court settlement has not resulted in elimination of the violation, the rightful owner of a trademark has only one option, which is to refer to a court.

Pursuant to the Law, the main methods of protection of the breached trademark right in courts are:

a) establishment of the rightful owner of the trademark;
b) issues of conclusion and performance of the licensing agreements;
c) breach of the trademark owner's rights;
d) failure to comply with the legal terms and conditions for protection of the trademark;
e) existence of elements of the mark which were not represented in the submitted application for registration of the trademark;
f) issuance of the certificate for a trademark with violation of the other persons' rights.

The dispute is heard in a commercial court of general jurisdiction of Ukraine. The dispute shall be resolved within two months following receipt of a claim. However, a court may prolong the term for resolving a dispute by 15 days, if there are some special circumstances present in the case and taken into consideration by the court.

3.2.1. Evidence in court

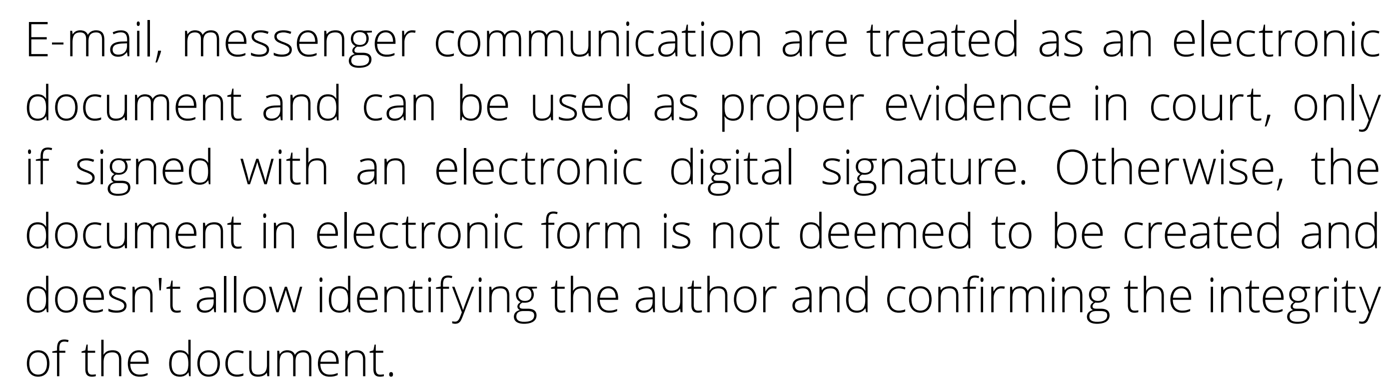
Special attention in disputes relative to trademarks shall be given to the issue of gathering of evidence in the Internet, including fixation of violations.
There is positive court practice regarding fixation of violations in the Internet in Ukraine. Thus, a respondent may be prohibited from use of a disputed trademark, including in the Internet advertisement or domain names. However, any violation committed in the Internet should be properly evidenced, such as represented on the website of the violator, in its domain name, in the advertisement, etc., which would undoubtedly lead to establishment of the fact of violation.

According to the established court practice in Ukraine, the mere fact of placement of a trademark or other object on the website of the respondent constitutes a violation, unless the respondent can provide evidence of the rightful placement of the disputed IP object. Reproduction of a trademark from the other website without confirmation of the lawful use of the IP object shall not be the ground for release of the respondent from any liability. The court shall aim to establish whether the website and information contained therein are in ownership of the respondent and how the violation of the trademark right is evidenced.

Under the current Ukrainian procedural legislation, web-pages treated as the electronic documents, which cannot be taken to the court. However, some information contained in such webpages might be useful for the case. Therefore, the court may decide to conduct examination of webpages with specification of all findings in the respective protocol, video or audio recording.

Generally, the print-outs of Internet webpages are not accepted as evidence in court. However, written evidence may include any certificates issued by the providers or online search services.

The reliability and validity of the evidence from the Internet for confirmation of the circumstances by the court are debatable if the communication files were sent without a digital signature.



E-mail, messenger communication are treated as an electronic document and can be used as proper evidence in court, only if signed with an electronic digital signature. Otherwise, the document in electronic form is not deemed to be created and doesn't allow identifying the author and confirming the integrity of the document.

The legislation defines that electronic evidence may be provided to the court in electronic form when signed by the case party with an electronic digital signature and filed through the Unified Judicial Information and Telecommunication System, but currently there is no functioning Unified Judicial Information and Telecommunication System.

3.2.2. Implementation of a judgment

Any judgment of a commercial court in Ukraine shall be mandatorily implemented. Such implementation shall be made by the State Executive Service of Ukraine, which is a part of the Ministry of Justice of Ukraine. Writs of execution can be presented for enforcement within three years. Under the Law of Ukraine "On Bodies and Persons Enforcing Judgments and Decisions of Other Bodies" adopted in recent years, the institution of private executive bodies was established in Ukraine. Court decisions are implemented by private executors in "reasonable time limits".

3.2.3. High Intellectual Property Court

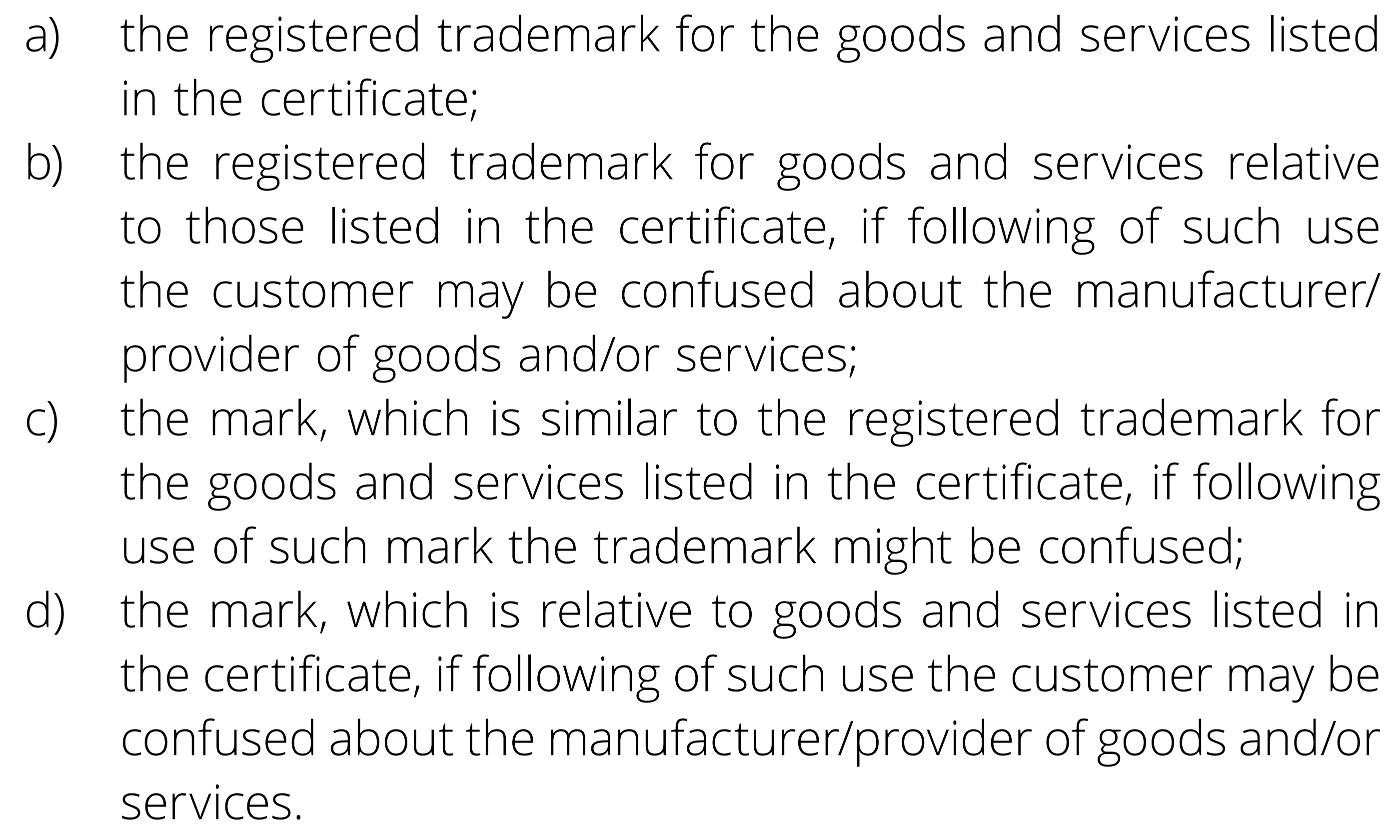
The recent court system reform will also significantly affect protection of the IP rights in Ukraine. In 2020 the new High Intellectual Property Court was established. This court will be the first appellate instance for consideration of disputes relative to IP rights.

Nowadays, other measures are being taken to ensure proper activity start of the High Intellectual Property Court and its representation as a public authority in relations with other public authorities, local governments, individuals and legal entities.

3.3. Fair use of a trademark

Another important issue is the fair use of the registered trademark by third parties without the consent of the owner of the trademark.

The Law specifies that the certificate of a trademark registration entitles its owner to prohibit any persons to use without the owners' consent:



a) the registered trademark for the goods and services listed in the certificate;
b) the registered trademark for goods and services relative to those listed in the certificate, if following of such use the customer may be confused about the manufacturer/provider of goods and/or services;
c) the mark, which is similar to the registered trademark for the goods and services listed in the certificate, if following use of such mark the trademark might be confused;
d) the mark, which is relative to goods and services listed in the certificate, if following of such use the customer may be confused about the manufacturer/provider of goods and/or services.

However, there is a list of exhaustive circumstances pursuant to which it is permitted to use a trademark without consent of its owner. Thus, the owner's right to prohibit any persons to use the registered trademark without the owners' consent is not applicable in the event of:

- exercise of any right arose before the date of application filing or statement of priority date, if priority has been claimed;
- using trademark for goods commercialized under such trademark by the certificate holder or under his consent, provided that the latter has no valid reason to prohibit such use due to further goods sale, not least because of goods change or deterioration after commercialization;
- business use of marks indicating the type, quality, quantity, purpose, value, geographical origin, time of goods production or provision of services or other goods or services characteristics, provided that there are no signs of infringement of the trademark owner's rights;

- business use of trademark, if it is necessary to indicate the purpose of the goods or services, in particular as additional equipment or spare parts, provided that such use is under fair trade;
- trademark use in comparative advertising solely to distinguish goods and services to objectively emphasize their differences, provided that such use is under fair trade and provisions of legislation on protection against unfair competition;
- non-commercial use of the trademark;
- all forms of news reports and news comments;
- fair use of their names or addresses.

DLF ATTORNEYS-AT-LAW

4 Trademark protection in criminal proceedings

The Criminal Code of Ukraine provides that illegal use of a trademark, brands, qualified indications of origin of goods, or any other intentional violation of the rights to these objects, and if this caused a significant pecuniary damage, shall be punishable by a fine of between UAH 17,000 to UAH 68,000 (between approximately USD 610 to USD 2,430).

The same actions committed repeatedly or a group of persons upon their prior conspiracy, or where they caused gross pecuniary damage shall be punishable by a fine of between UAH 51,000 to UAH 170,000 (between approximately USD 1,820 to USD 6,070).

The above actions committed by an official using his/her position or an organized group or if they caused pecuniary damage on a large scale shall be punishable by a fine of between UAH 170,000 to UAH 255,000 (between approximately USD 6,070 to USD 9,110), with or without the deprivation of the right to occupy certain positions or engage in certain activities for a term up to three years.

The object of a crime is the established legal regime for protection and use of trademarks, brands and qualified indications of origin of goods as well as fair competition.

The subject of the crime is:

a) brand name;
b) qualified indication of origin of goods;
c) trademarks, which are:

- registered in Ukraine;
- protected without registration on the basis of the international treaties of Ukraine;
- recognized as well-known in the appropriate procedure.

Illegal use provides, first of all, that the use of a trademark is made without the consent of the trademark's owner, including in advertisement, on webpages, domain names, etc.

The specific feature of this crime is that it is considered as committed only following causing material damage of at least UAH 22,700 (approximately USD 810), i.e. overall damage calculated as the sum of money, which the owner of the trademark:

a) spent or had to spend for recovery of its violated right (real damages);
b) proceeds, which could have been received under ordinary circumstances if the right to a trademark had not been violated (lost profits).

There are several methods could be employed for calculation of the damages incurred by the owner of the trademark and legal practice has not yet elaborated the single approach for calculation of damages within the criminal proceedings.

This results in the situation under which any offence committed without causing material damage in the amount of UAH 22,700 (approximately USD 810) or more will result in imposition of administrative liability instead of criminal. Under the administrative liability the violator will be subject to a fine (which may be as low as UAH 227 (approximately USD 8.10).

5 Antimonopoly aspects *of* trademark protection

Pursuant to the Law of Ukraine "On Protection from Unfair Competition", unfair competition is any action in the competition, contradicting trade and other fair customs in economic activities. Unfair competition in this sense also includes: use of name, commercial brand, trademark, advertisement, packaging, other marks and periodicals, etc., without consent of the business entity which has been using such marks previously or use of similar or identical marks, which results in confusion with activities of such entity.

Thus, the peculiarity of antimonopoly protection of a trademark is that it could be enjoyed by a person not on the basis of the document (certificate), but based on the actual primacy of use by the owner of such trademark.

The Antimonopoly Committee of Ukraine performs the following activities during implementation of the antimonopoly policy of Ukraine:

a) establishment of the fact of unfair competition;
b) termination of unfair competition;
c) official refutation (at the expense of the violator) of untrue, incorrect or incomplete statements or data;
d) confiscation of goods under the illegally used trademark.

Use of unfair competition practices leads to a fine of up to 5% of income from turnover of the entity for the last fiscal year. Limitation period for any unfair competition violation is three years from the date of commitment or, in case of the on-going violation, from the date of the completed violation.

It is also worth mentioning that the date starting from which the legal protection against any illegal use is granted to a trademark is different under the Law of Ukraine "On Protection of Rights to Marks for Goods and Services" and the Law of Ukraine "On Protection from Unfair Competition". Thus, while the former provides such protection from the date of submission of application for trademark registration, the latter applicable only following the date of use of a trademark in commercial activities.

6

Trademarks and customs

6.1. Update of the register of IPR objects

An updated register of intellectual property rights (IPR) is now published on the Unified State Information Web Portal "Single Window for International Trade". The weekly update of the register is another step in the implementation of customs legislation reform in the field of intellectual property rights protection.

The reforms are intended to bring the provisions of Ukraine's customs legislation in line with EU standards and practices. They will help to increase the level of prevention of and counteraction to the goods' transfer that violates intellectual property rights across the customs border of Ukraine, and, as a consequence, to purify the domestic market from pirated and counterfeit products.

6.2. Applying for IPR registration

To register an IPR object in the customs register, the applicant submits a written application to the State Customs Service of Ukraine for registration of an IPR object in the customs register or sends its scanned copy by electronic means. An application can also be submitted in electronic form using information and telecommunication systems of the State Customs Service.

It should be noted that, as of today, the application may include several objects of intellectual property rights at the same time.

The following documents shall be attached to the application for registration of an IPR object in the customs register:

- a copy of the copyright protection registration in Ukraine or international registration of IPR;
- power of attorney (or its duly certified copy) – if the application is submitted by an authorized representative of the right holder;
- description and photographic image of the IPR object;
- description of the identification method of the IPR object presence – in case the applicant submits an invention, industrial design, plant variety, or design of semiconductor products for registration in the customs register;
- photographic image of goods suspected of violating IPR, counterfeit, pirated goods, etc. (if available) or samples of such goods (optional);
- copies of documents based on which the producer of the goods uses an IPR object – if the right holder is a resident of Ukraine and the producer of the goods is a non-resident located outside Ukraine.

DLF ATTORNEYS-AT-LAW

6.3. Processing of the application for registration of IPR objects

Processing of the application for registration of IPR objects provides for the following:

- verification of the applicant's legal authority for filing an application and the required scope of rights to the IPR object;
- checking the compliance with the procedure for filling in the application columns, availability of necessary documents;
- checking the availability of all application's copies, electronic (scanned) copies of such application and the documents attached thereto;
- verification of the information specified in the application and/or submitted document;
- checking the presence of characteristic (typical) features of goods that can be identified by the customs authorities of Ukraine;
- assessment of the possibility of identifying IPR object in the product.

The term for the application processing is 30 working days from the date of the application registration. During this term, the IPR object is either registered or rejected from registration in the customs register of Ukraine.

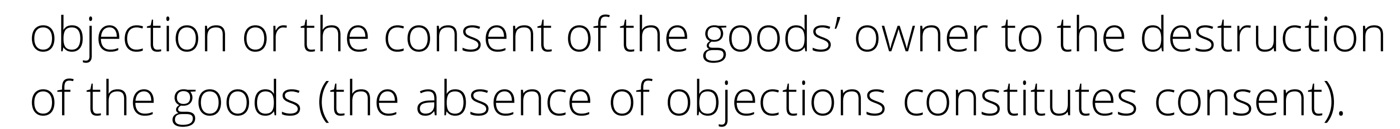
The IPR object registration in the customs register of Ukraine is rejected in the following cases:

- the right holder does not have the legal authority and/or the necessary scope of rights to submit an application;
- non-compliance with the application form for an IPR object registration in the customs register;
- revealing of inaccurate and/or incomplete information in the application and attached documents;
- failure to provide the necessary documents and/or information, including in response to a request from the State Customs Service of Ukraine;
- impossibility to identify the IPR object presence in the goods by the methods proposed by the applicant;
- lack of characteristic (typical) features of original goods that can be identified;
- non-conformity of goods containing the trademark with the classes of goods according to the International Classification;
- existence of unreimbursed costs related to the storage of goods with delayed customs clearance.

6.4. Protection of IPR

After registration of the object of intellectual property rights in the customs register of IPR objects, the customs authorities of Ukraine shall take actions to ensure the protection of IPR based on such register's data. In particular, in case of revealing the goods suspected of violating the IPR, the goods customs clearance is delayed based on the customs register. Delay of goods customs clearance (except for perishable goods) may also occur at the initiative of the customs authority of Ukraine. The right holder and the declarant are notified on the delay on the day of the relevant decision.

By responding to the notification, the right holder confirms or does not confirm the conclusion of the customs authority that the goods are charged with violating IPR, or reports that the goods are original, and notifies of his/her intention or lack of intention to take cooperation actions or gives consent to renewal of their customs clearance. Whereas, the declarant sends the



objection or the consent of the goods' owner to the destruction of the goods (the absence of objections constitutes consent).

Based on the right holder's and the declarant's answers, destruction of goods with delayed customs clearance may be carried out on charges of violating the IPR. In case of agreement between the right holder and the owner of the goods, there is also a possibility of preterm release of goods with delayed customs clearance on charges of violating the IPR. It is allowed to change the identification marks or markings on the goods or their packaging in the process of customs clearance to eliminate the signs of violation of intellectual property rights, provided that such actions are agreed with the right holder or done at their request.

It should be emphasized that the reimbursement of costs associated with the storage, as well as the destruction of goods with delayed customs clearance on charges of violating the IPR, is carried out at the expense of the right holder. It is worth noting that actions to ensure the protection of IPR do not apply to original goods.

Contacts

DLF attorneys-at-law

IQ Business Centre
13-15 Bolsunovska Street, 8th floor
01014 Kyiv, Ukraine

+380 44 384 24 54
info@DLF.ua
www.DLF.ua

DLF
ATTORNEYS-AT-LAW