

Ukraine

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Ownership and scope of marks

1 Who may apply?

Any natural person or legal entity may apply for trademark registration in Ukraine.

2 What can and cannot be protected and registered as a trademark?

Any designation or combination of designations, namely words, letters, figures, images (graphical compositions), three-dimensional figures or composition thereof, colours and combinations of colours, or any combination of the above mentioned. Registration of sound, light trademarks, colours and combinations of colours is allowed provided there is technical possibility to enter them into trademark register and promulgate this information.

The following designations cannot be registered as trademarks:

- marks which contradict the principles of humanity and morality;
- state emblems, flags, other state symbols; official names of the states; emblems, abbreviations and names of international intergovernmental organisations; official control and warranty signs and hallmarks, stamps; awards;
- marks which have no distinctiveness; consist only of designations which are commonly-used for definite goods/services; consist only of designations which are descriptive in regard to claimed goods/services;
- marks which are deceptive in regard to the goods/services or manufacturer thereof;
- marks consisting only of commonly-used symbols and terms;
- marks which reflect only the shape caused by the natural condition of product;
- marks identical or confusingly similar to other marks for which registration or an application for registration already exists in Ukraine, or marks protected without registration under international treaties; or trade names of other entities known in Ukraine in regard to similar goods/services; indications of origin of goods; duly registered signs of compliance;
- marks reproducing designs registered in Ukraine by other persons; names of known works of science, literature and art, parts thereof, without consent of the authors; names, surnames, pseudonyms, and portraits of people that are famous in Ukraine, without their consent.

Trademark office procedures

3 How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

Based on current practice, the trademark registration procedure typically takes one-and-a-half to two years if no refusals are issued and no objections are filed. Currently, the amount of time taken to obtain trademark registration seems to be decreasing. The official fees are as follows:

- official filing fee: US\$450 for up to three international classes;
 - US\$255 official filing fee for each class in excess of three;
 - official granting fee: US\$200 per single mark, regardless of the number of international classes.
- Legal fees typically amount to US\$300 per single mark.

4 What classification system is followed, and what goods/services may be claimed?

Ukraine is a party to the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks and the eighth edition of the Nice Classification of goods and services is applied. Any goods/services may be claimed, i.e. the applicant may claim goods/services in his/her own version, provided that they are formulated clearly enough to be classified as goods/services of a definite class under Nice Classification.

5 Are applications examined for conflicts with other trademarks? What is the procedure followed in the trademark office?

Yes, the trademark applications are examined for conflicts with earlier registered trademarks or trademarks with earlier priority, where similar goods/services are applied. The Patent and Trademark Office (the PTO) carries out a trademark search for earlier marks through the database of Ukrainian trademark registrations and applications, and international registrations with extended protection in Ukraine. If such earlier mark is found, corresponding notification of provisional refusal is sent to the applicant. The applicant may file an opposition to the provisional refusal. The opposition should be filed within two months of the date of receipt of provisional refusal. This term can be extended for six months. If the grounds given by the applicant are considered reasonable, the official granting decision is issued. Otherwise, final refusal is issued on the trademark application. The final refusal can be appealed against to the Appeal Chamber or directly to the court.

- 6** Does use of a trademark or service mark have to be claimed before a registration is granted? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin to maintain the registration?

No, use of a trademark before registration is not required and no proof of use should be submitted to the PTO. Nevertheless, if trademark is not used for three years (from the publication date or any other date after publication) any person may initiate a cancellation action in the court. Exception is made for cases when the causes for non-use do not depend on the trademark owner.

- 7** Is there an appeal process if the application is denied?

Yes, any decision on the application, including the final refusal, may be appealed by the applicant to the Appeal Chamber or to the court within two months from the date of receipt of such decision. Further, the Appeal Chamber decision may be appealed to the court.

- 8** Can a third party oppose registration or seek cancellation of a trademark or service mark? What are the procedures?

Any person can file an opposition to the trademark application claiming that the trademark cannot be granted legal protection. Such opposition should be filed to the PTO and the corresponding official filing fee should be paid. A copy of the opposition should be sent by the PTO to the applicant. The opposition is considered in the process of examination. If the trademark is registered, any person may initiate a cancellation action in court, ie bring a lawsuit against trademark registration. The lawsuit is considered by the court in hearings where the parties present their claims and arguments. The following would be grounds for the cancellation of trademark registration:

- the mark does not meet the requirements for granting legal protection;
- the trademark registration certificate contains elements of mark or goods/services which were not included into the application;
- the filing of the trademark application was infringing the rights of another person.

- 9** How long does a registration last and what is required to maintain a registration?

The trademark registration certificate is valid for 10 years and can be renewed for further 10 years. To proceed with the renewal it is necessary to pay the official renewal fee and file the renewal petition with the PTO. The number of such renewals is not limited.

- 10** What are the benefits of registration?

The exclusive rights in trademark are granted to the trademark owner, ie to allow use of the trademark by others, to prevent others from illegal use of the trademark, to prohibit use of the trademark, etc. If a trademark is not registered it is more likely to be infringed, and it is possible that another person or entity may obtain registration for the mark. Also, it is much more difficult to prove infringement of an unregistered mark.

In Ukraine, trademark registration also allows the registration of domain names like *www.trademark.ua* (ie second level '.ua' domain).

Assignment

- 11** What can be assigned – trademark with goodwill, without goodwill, all of the goods/services, some of the goods/services? Must other business assets be assigned to make it a valid transaction?

In Ukraine, trademark can be assigned entirely or for part of goods/services only. It can be assigned with or without goodwill. The assignment of other business assets is not required when a registered trademark is assigned. It is required only if the mark being assigned is used on the basis of 'prior use right', ie when a person (not the trademark owner) commenced use of the mark before the application was filed by another. In this case, according to Ukrainian legislation, the scope of use cannot be extended and prior use right in the trademark can be transferred only along with the business or part thereof.

- 12** What documents are required?

Trademarks can be assigned on the basis of an assignment agreement, according to which all exclusive rights in the trademark are transferred. The assignment agreement should be in writing but no further notarisation or legalisation is required.

- 13** Must the assignment be recorded for validity?

Yes, the assignment agreement must be recorded and corresponding data about transfer of the exclusive rights in trademark must be entered into the State Trademark Register.

- 14** Are security interests recognised?

No.

Markings

- 15** What words or symbols can be used to indicate trademark use or registration? Do these words or symbols have to be used? What are the benefits of using them and the risks of not using them?

Ukrainian legislation provides that a trademark owner can use warning markings to indicate the registered trademark. What kind of marking should be used is not clearly defined. Therefore, in practice, different markings are used, such as 'Registered Trademark', 'Registered', @, etc. Marking TM is usually used to show that the application for trademark has been already filed.

The main benefit is that use of such markings may prevent others from using a registered trademark or a trademark for which registration has been applied. There is also a risk that others will use the trademark if such markings are not used, although their use is not necessarily a deterrent against illegal use.

Trademark enforcement proceedings

- 16** What types of legal or administrative proceedings are available for enforcing trademark rights against an infringer? Are there specialised courts or other tribunals?

Ukrainian legislation provides civil (court), administrative and criminal procedures for the enforcement of trademark rights. Court proceedings are most commonly used.

In the course of a civil procedure, the lawsuit should be filed to the court of law. There are two types of courts: common courts which deal with cases where at least one party is natural person,

and arbitration courts, which deal with cases where both parties are legal entities or entrepreneurs. There are no specialised courts, but in the arbitration court there is a separate chamber dealing with intellectual property cases.

In the course of an administrative procedure, the application claiming trademark infringement can be filed with the Antimonopoly Committee of Ukraine. The term for Antimonopoly Committee proceedings is 30 days but it may be prolonged for 60 days if any additional information is needed. In regard to the liabilities applied, the Antimonopoly Committee can decide to stop the infringement, to impose a fine on the infringer and to seize the infringing goods.

There is also a possibility to prevent illegal import/export of infringing goods by filing a petition to the State Customs Authority. A registered trademark may be included in the special register held by State Customs Authority, whereupon monitoring of imported and exported goods will be carried in order to prevent the import or export of infringing goods. If customs processing of infringing goods is stopped, it is also necessary to file a lawsuit against the alleged infringer. Otherwise further processing and subsequent import/export of such goods may be allowed.

Ukrainian legislation also provides for criminal procedures in regard to trademark infringement. Such procedure can be initiated by filing a petition to the police department. However, criminal procedures are not commonly used in Ukraine.

Procedural format and timing

- 17** What is the format of the infringement proceeding? Is discovery allowed? Live testimony? Experts? Who decides the case? How long does the proceeding typically last?

The court proceedings are carried out in the form of court sittings held in the presence of the parties. In court sittings, the parties can present their arguments to the court, submit evidence, claim objections, etc.

The case is decided by a judge. A case may be decided by jury (three judges), but usually the board of judges decides complicated cases.

Before the trial is started, the judge carries out preparations for the hearing by obtaining necessary information, materials, documents, information, explanations, evidence, etc from the parties and other participants to the case.

Different kinds of evidence are allowed in court: written evidence (documents), exhibits, live testimony and explanations, written explanations, experts' opinions. The parties may apply for examination to be carried out, but only the judge may decide whether obtaining the expert conclusion is necessary. The judge can also refuse to accept an independent expert's opinion filed by the party and appoint another expert.

The general rule is that each party is obliged to disclose evidence of circumstances being claimed or referred to.

The timeframe of court proceedings mostly depends on the case in question, but such proceedings will not take less than four months.

Procedural

- 18** What is the burden of proof to establish infringement or dilution?

To establish the fact of trademark infringement, it is necessary to prove exclusive rights in trademark (registration), illegal use of registered trademark or mark which is confusingly similar to the

registered trademark in regard to goods and/or services for which the trademark is registered or related goods/services, and the person of the infringer (natural person or legal entity). The mark is considered to be used if it is applied on the goods, on the packaging of goods, in advertising, print, on publicity boards, while featuring at exhibitions or fairs, in booklets, invoices, on letterheads and other documents, on the Internet, as a domain name, etc.

To seek damages it is necessary to prove the fact that the damage was caused and to establish cause-and-effect relations between the actions of the infringer and the damage alleged.

To establish dilution of a trademark, it is necessary to prove that the trademark was used by different manufacturers over a long period (ie it should be proved which manufacturers used the trademark and for how long) in regard to the same or related goods and/or services and lost distinctiveness as a consequence of such use.

Standing

- 19** Who is entitled to seek a remedy (trademark owner, licensee, etc) and under what conditions?

First of all, the trademark owner can seek a remedy for damage and losses caused as a result of infringement. The licensee can seek a remedy provided that the consent of the trademark owner is granted. Such consent may be stipulated by the trademark licence agreement or issued by the trademark owner as a separate document.

Foreign activities

- 20** Can activities which take place outside the country support a charge of infringement or dilution?

In general, only activities which take place in Ukraine (of Ukrainian or foreign entities) are taken into consideration in cases of trademark infringement. However, activities which take place outside the country may serve as additional evidence in cases of trademark infringement or dilution, proving the scope of the trademark owner's activities in general, the reputation of the trademark owner and that of the trademark itself.

Discovery

- 21** What, if any, discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Information which confirms or denies the claims or oppositions of the parties to the case or other relevant information can be used as evidence in court trial. Such information can be disclosed by means of written evidence (documents), exhibits, court experts' opinions, explanations of the parties (oral and written) and other participants to the proceedings (third parties, etc).

Evidence may be disclosed by the parties or other participants to the proceedings, or such disclosure may be requested by the judge.

Before the trial the judge may request parties, other persons or entities, state authorities, etc, to perform actions (such as to check calculations or examine evidence at specific locations) or to disclose documents and other information relevant to the case. The judge can also personally familiarise him/herself with evidence at specific locations. The same can be done after the trial has started.

If the party cannot obtain evidence possessed by another person, they are entitled to file a petition to the judge with a demand to request such evidence.

Timing

22 What is the typical timeframe for an infringement or dilution action, at the trial level and on appeal?

The timeframe for infringement actions varies from case to case, depending on the complexity of the case, the number of claims, the necessity of requesting evidence, etc. The general rule is that the case should be decided within two months from the receipt of the lawsuit. Nevertheless, this term can be extended upon request of the parties. The timeframe for such extension is not definite. Extended terms for trademark cases are usual in Ukrainian court practice. As a rule, the trial proceeding lasts for no less than four months, but if the case is complicated and much evidence is involved it may last for several years. The appeal process at each stage usually takes three or four months. Sometimes the appeal may take more time, especially when new evidence is presented or a court examination is appointed at this level of the case.

Litigation costs

23 What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The litigation costs will depend on the complexity of the case. Basically, hourly rates are applied for infringement or cancellation actions. The approximate rates are as follows:

- partners: €240;
- attorneys at law: €120;
- paralegals: €60.

It is also possible in some cases to set fixed costs which will amount to no less than €2,000.

Appeals

24 What avenues of appeal are available?

Ukrainian legislation provides three stages of appeal. The initial court decision on the case can be appealed against to the Appeal Court. The corresponding appeal should be filed before the initial decision comes into force, i.e. within 10 days from the date on which the decision was issued. The Appeal Court reconsiders the case and examines legality and validity of the decision. New evidence may be filed to the Appeal Court if it could not be filed in the initial trial.

The initial court decision or Appeal Court resolution may be appealed against to the High Arbitration Court of Ukraine within one month from the date on which the decision/resolution comes into force. In this stage new evidence is not accepted; the High Arbitration Court checks if the material and procedural regulations were properly applied.

The next appeal stage which can be used is appeal to the Supreme Court of Ukraine. The list of grounds for filing appeal to the Supreme Court is very limited, and the jury in the preliminary sitting decides whether the appeal should be accepted for consideration. The Supreme Court is the court of last instance in Ukraine.

Defences

25 What defences are available to a charge of infringement or dilution?

Defences are not strictly defined by Ukrainian legislation. According to the Civil Code of Ukraine, a person's actions are considered to be fair and reasonable unless the court decides otherwise. However, a party charged with infringement is entitled to use any evidence which can count in favour of their conscientiousness. The final assessment of the grounds shall be given by court. If the adverse party owns registered trademark, it is possible to undertake an attempt to cancel the registration by filing a lawsuit or the counterclaim if the infringement case was already initiated. In the stage of application, a person charged with infringement (or any other person as said earlier) may file an opposition to the trademark application claiming that protection cannot be granted. Depending on the case, the party charged with infringement may also use the following grounds, *inter alia*, to prove that there is no infringement:

- the mark (used or registered) which is claimed to be infringing is not confusingly similar to the mark of the plaintiff;
 - the mark claimed to be infringing is well known (has been used bona fide for a long time and acquired reputation in the market) and does not in fact infringe another mark; and priority for this mark was obtained as prior use right.
- In dilution cases, the most effective form of defence is to claim the reputation of the mark.

All claims against charges of infringement should be confirmed by admissible evidence.

Remedies

26 What remedies are available to a successful party in an action for infringement or dilution? How is monetary relief apportioned? Is injunctive relief available, preliminarily or permanently, and under what circumstances and conditions?

Ukrainian legislation provides that the party which considers its rights infringed is entitled to seek the following:

- to cease the infringement;
- to recognise rights in trademark;
- to reimburse damages (damages may be substituted with fixed compensation);
- to compensate for moral damage;
- to apply for immediate measures in order to prevent infringement and preserve the evidence;
- to stop import/export of goods which are infringing trademark rights;
- to seize any infringing goods from civil circulation or even to destroy goods marked by the infringing mark;
- to seize materials and equipment used mainly for producing infringing goods;
- to publish information about the infringement in mass media.

In regard to monetary relief, the general rule is that the losing party should compensate the successful party for all court costs, including official fees, cost of court examination, etc. If claims of the plaintiff are partially upheld, the court costs are apportioned proportionally between the parties.

According to Ukrainian legislation, both preliminary and permanent injunctions are used. A preliminary injunction is used if there are sufficient grounds to consider that, otherwise, the execution of the court decision will become more difficult or even impossible. In trademark cases, a preliminary injunction often concerns seizure of infringing goods. A preliminary injunction can

be initiated by the parties or by the judge. A permanent injunction is included in the court decision or resolution.

Alternative dispute resolution

27 Are ADR techniques available and commonly used? What are the benefits and/or risks?

In view of high cost and long duration of court cases regarding trademark infringement, the parties often make attempts to resolve the dispute without court trial. According to Ukrainian legislation, the parties involved in the dispute may use arbitration, but in fact this method is rarely used. The most common method of pre-court dispute resolution is sending a warning letter to the infringer and to carry out further negotiations. In this way it is often possible to prevent or to stop an infringement without a lawsuit. Another result which can be achieved by negotiations in regard to trademark use is a licence agreement.

Miscellaneous

28 Are there any emerging trends or hot topics in the law of trademark infringement or dilution in the country?

One of the hottest topics of trademark infringement in Ukraine is infringement of well-known marks, including registration of well-known marks (or confusingly similar marks) in regard to the same goods/services. Recent changes in the Trademark Law of Ukraine included grounds for recognising trademarks as well known. At the beginning of the year, the first trademarks in Ukraine were recognised as well known. These are the trademark 'EUROPA PLUS' and three marks of the McDonalds Corporation. Since legislative regulations in regard to well-known marks are very general in their nature, court cases are extremely important.

Another interesting trademark infringement topic is that, according to the new Civil Code of Ukraine which came into force on 1 January 2004, the 'prior use right' in trademarks is provided for. Thus, a person who carries out bona fide use of a trademark can continue such use in the same scope even if another person files an application or obtains registration for the same trademark.

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