

ДЕЛОВЫЕ РЕШЕНИЯ И ТЕХН<u>ОЛОГИИ</u>

BUSINESS SOLUTIONS AND TECHNOLOGIE

BST Consulting

Parallel import

# Foreign approach to legalisation of parallel import



#### EU

The regional (EU) principle of exhaustion of trademark rights is applicable



#### China

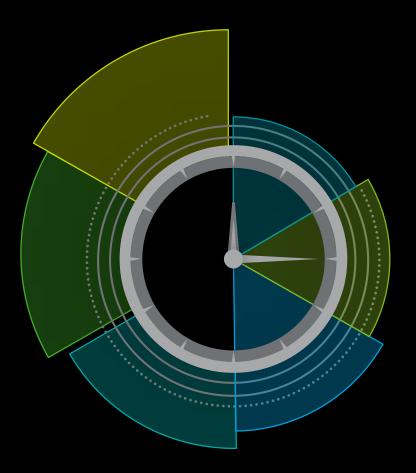
The principle of international exhaustion of trademark rights is applicable



#### **Hong Kong**

The principle of international exhaustion of trademark rights is applicable

**Exemption:** a situation where "the goods have been modified or deteriorated after being put on the market, which may have an adverse impact on the trademark reputation"





#### **USA**

The principle of international exhaustion of trademark rights is applicable

**Exemption:** Parallel imports are significantly different from those sold by the trademark owner in the United States.



#### Indonesia

Parallel import of patented products is not allowed

**Exemption:** the ban does not apply to pharmaceutical products



#### Singapore

Parallel import is allowed

**Exemption:** the ban applies to pharmaceutical products

OOO "BST Consulting" Parallel import

# Parallel import legalisation regulations



Federal Law No. 46-FZ of 8 March 2022



The Russian Government determines a list of goods that are out of scope of the Russian Civil Code's provision on the protection of intellectual property rights, including trademarks.



Russian Government Resolution No. 506 of 29 March 2022



The Russian Ministry of Industry and Trade is authorised, following proposals of federal executive authorities, to approve a list of products (product groups) that are out of scope of Item 6 Art. 1359 and Art. 1487 of the Russian Civil Code, provided that such goods are put on the market outside Russia by trademark owners and upon their consent.



Order of the Russian Ministry of Industry and Trade
No. 1532 of 19 April 2022



The Russian Ministry of Industry and Trade approved the list of products (product groups) that are out of scope of Item 6 Art. 1359 and Art. 1487 of the Russian Civil Code, provided that such goods are put on the market outside Russia by trademark owners and upon their consent.

# Order of the Russian Ministry of Industry and Trade No. 1532 of 19 April 2022: details



#### Items included in the list\*

- The list includes 96 product groups (includes automotive components);
- The EAEU commodity classification codes and/or trademarks from a hostile state;
- The list of items for parallel import includes both products essential for the operation of production facilities and a wide range of consumer goods.



# Changes in the list of products

- The list is **not exhaustive**;
- The list of products is subject to periodical reviews (e.g., once every 2-3 months);
- The main criterion for changing the list is the brand's decision to continue its operation in Russia.



# Grounds for including in the list:

- Protection of the interests of domestic consumers in light of foreign companies exiting or suspending their operations in Russia;
- Maintaining business continuity of Russian companies in light of the existing logistics challenges and restrictions on the supply of certain types of industrial products;
- Ensuring the availability of foreign products that have no equivalents in Russia.

OOO "BST Consulting"

<sup>\*</sup> The list is published on the governmental website: http://publication.pravo.gov.ru/Document/View/0001202205060001

# Responsibility for parallel import and legislative initiatives

### Responsibility for parallel import



#### **Civil liability:**

 Liability for illegal use of trademark (Article 1515 of the Russian Civil Code)

#### **Administrative liability:**

- Violation of copyright and related rights, invention and patent rights (Article 7.12 of the Russian Code of Administrative Offenses)
- Illegal use of brand identity (Article 14.10 of the Russian Code of Administrative Offenses)

### **Criminal liability:**

- Violation of copyright and related rights (Article 146 of the Russian Criminal Code)
- Illegal use of brand identity (Article 180 of the Russian Criminal Code)

According to the Law No. 127049-8 "On Amendments to Article 18 of Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation" (accepted on 28 June 2022), the use of intellectual property, in particular goods permitted for parallel import, and related trademarks shall not be considered a violation. Administrative and criminal prosecution is not provided.



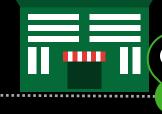
Law No. 127049-8

# Actions to protect intellectual property rights taken by customs authorities until parallel import is legalised

Importation of trademarked products included in the Customs Register of Intellectual Properties by a person not authorised by the trademark owner

Suspension of customs clearance of goods by the customs authority to forward a request to the trademark owner







Release of goods / expiration of the period for the trademark owner's response



Customs clearance failure

# Actions to protect intellectual property rights taken by customs authorities after parallel import is legalised



The products are not included into the List of the Russian Ministry of Industry and Trade

Suspension of customs clearance of goods by the customs authority to forward a request to the trademark owner



Release of goods / expiration of the period for the trademark owner's response



Customs clearance failure



Release of goods

The products are included into the List of the Russian Ministry of Industry and Trade

+ there are no signs of counterfeit goods

OOO "BST Consulting"

# Verification of compliance for parallel imports



The applicant or a person authorised by the applicant are required to present conformity documents verifying compliance with technical regulations for customs declaration purposes



The applicant may authorise another person authorised to act as a declarant to submit conformity documents to the customs authorities together with the customs declaration (subject to certain conditions)



- Simplified procedure for obtaining approvals in 2022
- Ability of obtaining approvals in other EAEU member states

000 "BST Consulting" Parallel import

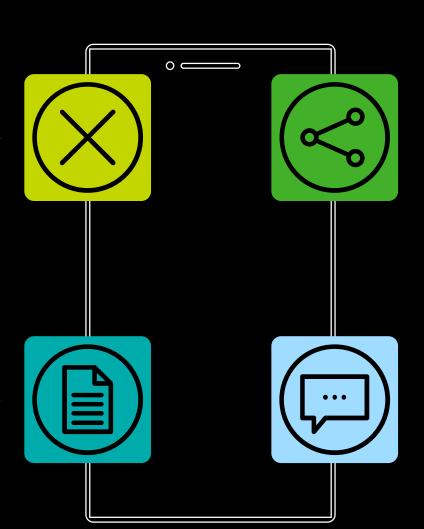
## Consumer rights protection

# Amendments to consumer protection laws are not required

According to Rospotrebnadzor, the existing dispute resolution mechanisms provide for the observance of the interests of all parties in full

# The rights of customers must not be violated

The consumer protection law does not make differences between goods imported under various procedures, thus customers should still have the right to protect their interests



#### **Warranty maintenance**

The same supply chain participants (including manufacturers) will be responsible for warranty maintenance of parallel imports

## The expert community

suggests to:

- shift responsibility for maintenance services and repairs to importers
- stipulate the temporary nature of such measures

The expert community requests for exceptions for some companies.

OOO "BST Consulting"
Parallel import



ДЕЛОВЫЕ РЕШЕНИЯ И ТЕХНОЛОГИИ

**BUSINESS SOLUTIONS AND TECHNOLOGIES** 

#### delret.ru

This communication contains general information only and none of the companies operating under the Business Solutions and Technologies brand (Business Solutions and Technologies Group, <a href="deliver.cu/about">deliver.cu/about</a>) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in Business Solutions and Technologies Group shall be responsible for any loss whatsoever sustained by any person who relies on this communication.