
WORLD INTELLECTUAL PROPERTY
RIGHTS and REMEDIES

UKRAINE

By

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Release 2001 -6
Issued October 2001

OCEANA PUBLICATIONS, INC., DOBBS FERRY, NY

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ISBN 0-379-01284-7 (looseleaf: alk. paper)

Library of Congress Catalog Card Number: 99-75931

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A. INTRODUCTION

The protection of intellectual property in Ukraine has developed primarily based on the principles and general rules established by major international treaties. Ukraine is a member state of the international system of protection of intellectual property rights created by:

1. The Paris Convention for the Protection of Industrial Property of 1883 (the "Paris Convention");
2. The Berne Convention for the Protection of Literary and Artistic Works of 1886;
3. The Universal Copyright Convention of 1952;
4. The Madrid Agreement of 1891; and
5. The Patent Cooperation Treaty of 1978.

To the extent these international treaties signed by Ukraine contradict Ukrainian legislation, the provisions of the treaties prevail.

The Constitution of Ukraine, adopted in 1996, states in article 41 that the results of the intellectual activity of any person will be protected as their exclusive property. There are three basic types of intellectual property rights presently protected by Ukrainian law, being:

1. Industrial property (inventions, utility models and industrial designs, marks for goods and services, and geographical indications of the goods' origin);
2. Copyright and neighboring rights; and

3. So-called "non-traditional results of intellectual activity" (e.g., varieties of plants and topographies of integrated chips).

Know-how is protected in Ukraine only as a commercial secret and, generally, its protection is the responsibility of its owner, who determines the access to it.

A draft Civil Code of Ukraine (expected to be adopted soon) provides a new framework for the protection of intellectual property, introducing legal protection for non-disclosed information (know-how) and firm names, among other changes to the existing intellectual property legislation. However, since the final version of this draft Civil Code has not yet been adopted and is subject to future revision, it is too early to comment on its provisions.

B. INVENTIONS AND UTILITY MODELS

i. Nature

Ukrainian law grants a patent both on the invention and on the utility model. These two types are regulated by the Law on the Protection of Rights to Inventions and Utility Models (the "Invention Law").

An "invention" is defined as a technological solution that meets conditions of patentability (novelty, reaching the level of being "inventive", and having an industrial application). An invention may be a new product (e.g., device, substance, microorganism, or animal or plant cell), a new method, or a use of a previously known product or method for a new purpose.

A "utility model" is a new, constructive form of a device. A utility model satisfies the conditions of patentability if it is novel and has an industrial application. Under Ukrainian law, only properly registered inventions and utility models have legal protection.

Recent revisions to the Invention Law have also introduced concepts of the "secret invention" and "secret utility model", i.e. inventions and utility models that contain information classified as being state secrets. Depending on the subject being patented, different rules and regulations may be applicable.

ii. Public Interest

Legal protection is provided to any invention or utility model which is not contrary to the public interest and principles of humanity and morality and which satisfies the above-mentioned conditions of patentability.

Hi. Creation of Rights

A person wishing to obtain a patent on an invention must file an application with the State Intellectual Property Department of Ukraine.¹ A patent confirms the priority, authorship, and ownership rights of the patentee to the invention.

The Invention Law introduces a rather cumbersome procedure for obtaining a patent, and it is, therefore, advisable to apply through a specialist in the field.

iv. Priority Right

An applicant has a priority right within 12 months from the date of filing an application to the State Intellectual Property Department or to the authority of another state party to the Paris Convention.

The applicant wishing to take advantage of the priority of a previous filing must declare this within three months from the date of application for registration by submitting a priority declaration to the State Intellectual Property Department stating the date and number of the application previously filed, including a copy of it if the application was submitted to another state party to the Paris Convention. If the said documents (declaring priority) are submitted after expiration of the three-month period, this priority right is lost.

y. Duration and Maintenance

The Invention Law provides for the following two types of patents:

1. A patent, granted after the qualification examination, which establishes whether the invention meets the conditions of patentability (examination of substance); and
2. A declared patent, granted after the formal examination for the inventions.

The declared patent also is the only kind of patent granted for utility models in Ukraine. A formal examination establishes whether that proposed for a patent subject may be recognized as an invention or a utility model and whether the application to the State Intellectual Property Department satisfies

¹ The State Intellectual Property Department of Ukraine was known as the State Patent Department which, together with several other state agencies in the field of intellectual property, was reorganized into the State Intellectual Property Department of Ukraine under the Regulation of the Cabinet of Ministers of Ukraine of 20 June 2000.

all of the official requirements. A declared patent is granted under the simplified procedure (the invention is examined for meeting the requirement of novelty only for Ukraine).

The duration of a patent on an invention is 20 years from the date of the filing of the application with the State Intellectual Property Department. For a declared patent on a utility model, this period is 10 years. For a declared patent on an invention, this period constitutes only six years. These periods for the life of a patent may be terminated earlier if the annual fee for the patent's maintenance is not timely paid.

The filing of an application and the granting of a patent, the maintenance of its validity, and the extending of the time of the patent's duration are all subject to the payment of fees. The list of fees, their amounts, time limits, and the procedure for payment are defined from time to time by resolutions of the Cabinet of Ministers of Ukraine.

vi. Rights Holders

The rights related to an invention are divided into personal and property rights. The inventor (the person who created the invention) has the exclusive right of authorship, an inalienable personal right protected permanently under Ukrainian law.

The inventor also has property rights. To confirm his rights and to receive their protection, the inventor must obtain a patent. The inventor's employer and legal successors in title of either the inventor or his employer also have the right to obtain a patent in the cases stipulated by the Invention Law. The employer has the right to obtain a patent in two basic cases, namely:

1. An invention has been created as a result of the inventor's performance of his official duties (under an employment contract or internal company regulations) or a written assignment of the employer unless the employment contract provides otherwise; or
2. An invention was created using the experience, production knowledge, secrets of production, or equipment of the employer.

However, if the inventor submitted a written application to the employer regarding the created invention along with the materials as to the characteristics of the invention and the employer within four months from the date of receiving these materials did not file an application for the registration of the invention to the State Intellectual Property Department, the inventor becomes the exclusive owner of the right to submit the application to the State Intellectual Property Department.

A successor in title is a person to whom the rights of an inventor are transferred under an assignment agreement or by inheritance within the period of the patent's duration. In case several persons jointly created the invention, they have equal rights to obtain the patent as co-authors, any of them having the right to file an application on behalf of the others, unless an agreement between them provides otherwise.

vii. Transfer of Rights

The owner of a patent may transfer the right of ownership to the invention to any person by an agreement. In that case, this transferee becomes the successor in title of the patentee. The owner also may grant a license for the right of use to the invention to any person or entity under conditions established by the license agreement.

If a patent for the invention or utility model belongs to several persons, it should be used according to an agreement between them. In the absence of such an agreement, each patentee may use the invention or utility model in his discretion, but none of them has the right to give a license for the invention or utility model, or to transfer the ownership right to the invention or utility model to any other person without the consent of the other one or more patentees.

viii. Licensing

Ukrainian legislation provides for two types of license agreements, being either exclusive licenses or non-exclusive licenses.

Under an exclusive license, the patent holder gives to a person or entity the right to use the invention or utility model to a defined extent in a specified territory and for a specified period of time, while retaining these rights to use the invention or utility model that were not transferred to the licensee. The licensor of such exclusive rights cannot give a license for the licensed rights to another person or entity in the same territory. Based on an exclusive license, the licensee may sue in his, her, or its own name in case of an infringement of licensed rights.

A non-exclusive license gives to the licensee the right to use the invention or utility model, but the licensor retains the right to use such invention or utility model and to grant such rights to other persons or entities.

A license agreement on the right to use an invention or utility model and an agreement on the transfer of ownership to an invention or utility model is binding on third parties from the date of publication of the information on

the transfer in the *Official Bulletin* of the State Intellectual Property Department of Ukraine and insertion of such information in the State Register of Patents.

ix. International Aspects

Foreign legal entities and individuals, as well as stateless individuals, have the same rights to patents as the citizens of Ukraine according to the international treaties and, in the absence of them, will obtain protection on the basis of comity principle.

Foreign persons and entities and stateless persons having a habitual residence outside of Ukraine must deal with the State Intellectual Property Department through their representatives registered in accordance with the Regulation on the Representatives in the Matters Concerning Intellectual Property approved by the Resolution of the Cabinet of Ministers of Ukraine.

x. Infringement

Under Ukrainian law, an infringement means any action violating the rights of a patent holder or licensee, such as the use of the invention without the holder's or licensee's permission. The manufacture, sale, offer, introduction into business operations, importation, or storage of a patented product without the permission of the patentee or a licensee is considered an infringement.

Ukrainian legislation also provides for criminal liability for misappropriation of the authorship of another person's invention or utility model or for divulging the substance of the invention or utility model without the author's consent before its official publication. Such violations are punished by up to two years of correctional labor or a substantial fine.

According to international treaties to which Ukraine is a party, state governments in the event of *force majeure* have the right to restrict the ownership of a patent. Under Ukrainian law, the Cabinet of Ministers, on the grounds of public interest or national security, has the right to authorize the use of an invention without the consent of the patentee subject to payment of appropriate compensation.

xi. Action for Damages

According to Ukrainian law, on the demand of the patentee or a licensee, an infringement must be terminated, and the violator is liable to the patentee or a licensee in damages caused by such illegal use, including lost profit and reimbursement of moral damages.

A person who has the right to use an invention or utility model on the basis of a license agreement has the right to demand restoration of the violated rights of the patent holder on his, her, or its behalf unless otherwise stipulated by the license agreement.

C. COPYRIGHT

i. Nature

Ukraine *is* a party to most of the major international treaties concerning protection of copyright and neighboring rights, which include the Berne Convention for the Protection of Literary and Artistic Works of 1886, the Universal Copyright Convention of 1952, the International Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations of 1961 (the "Rome Convention"), and the Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of Their Phonograms of 1971.

In 1998, the Ukrainian government also ratified a treaty among the states of the former Soviet Union (except for the Baltic states) on mutual cooperation for the protection of authors' and neighboring rights.

At present, the principal legislation regulating copyright and neighboring rights in Ukraine is the Law of Ukraine on Copyright and Neighboring Rights of 23 December 1993 (the "Copyright Law"). A new bill on Copyright and Neighboring Rights (the "Copyright Bill") to amend the Copyright Law has been adopted by the Ukrainian Parliament (*Verkhovna Rada*), but it has not yet been signed by the President of Ukraine into law and thus has not entered into force.

The Copyright Bill has been passed back and forth between the Parliament and the President of Ukraine several times over the past six months. Recently, a number of new proposals were made by the President to significantly amend the Copyright Bill, and these are being reviewed by Parliament. As it is presently difficult to predict what the final version of the Copyright Bill will be, this section is based on the Copyright Law as presently in force. However, since some version of the Copyright Bill is expected to be passed and finally signed by the President of Ukraine soon, comments on possible changes that are expected to be introduced by the Copyright Bill are included.

The Copyright Law provides for state protection of copyright and neighboring rights (the rights on performance of literary, music folklore, and other works,

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recordings of performances of works, recordings of any sounds and moving images with or without musical accompaniment, and programs of the broadcasting organizations).

The Copyright Law is intended to safeguard the moral and economic rights of authors and their legal successors related to the creation and use of products of science, literature, or articles, regardless of the intended use or merit of the work and the form of its expression and whether or not the work was made public. Under the Copyright Law, protection is, *inter alia*, granted to:

1. Literary works;
2. Computer programs;
3. Oral recitations;
4. Music;
5. Dance;
6. Architecture;
7. Audio and video products;
8. Photographs;
9. Images; and
10. Derivative works (such as translations and adaptations).

Copyright does not depend on the right of ownership to the material object in which the work is expressed. Under Ukrainian law, copyright is not extended to ideas, principles, processes, systems, methods, concepts, or inventions, even if they are described, explained, illustrated, or expressed in the work.

Official documents, national symbols and signs, information on events and facts, public information, and certain other types of objects are not protected.

ii. Creation of Rights

Under Ukrainian law, a copyright arises and is protected by the law from the moment of the creation of the work to which the protection is extended. The existence and the exercise of the copyright is subject to no formalities. It is not necessary to register the right with any authorized body to establish authorship and to receive protection. However, the person having the copyright may register his work with the State Intellectual Property Department within the term of protection to certify his authorship.

The person having the copyright also may use the sign of protection of the copyright, being the symbol ©, together with the name of the copyright owner and the year of first publication of the work, to provide notice of the existence of the copyright.

The neighboring rights of performers of works, producers of phonograms and videograms, and broadcasting organizations arise as a result of the performance of the work, the production of phonogram, and videogram, or making the broadcasting program public and do not need any formal procedures to be recognized and protected.

Producers of phonograms and videograms and performers may use the sign of protection of the neighboring rights, being the symbol ®, together with the name of the holder of the neighboring rights and the year of the first publication of the work, to give notice to others about such rights.

iii. Moral and Economic Rights

Ukrainian law recognizes both moral and economic rights of an author. An author has the moral rights to:

1. Decide whether, when, and how the work should be made public;
2. Demand recognition of his authorship having the author's name cited on the copies of the work and during any public exhibitions of the work if possible;
3. Prohibit mentioning of the author's name during public exhibitions of the work if the author wishes to remain anonymous;
4. Use a pseudonym and require its use by others instead of the author's true name on copies of the work or during its communication to the public; and
5. Demand respect for the integrity of the work and prevent any deformation, distortion, alteration, or other infringement of the work that may threaten the author's reputation and dignity.

Moral rights belong to the author independently of his economic rights to the work and may not be transferred or otherwise alienated and are protected permanently. The economic rights of an author or other person having a copyright include the following:

1. The exclusive right to use the work, which allows the use of the work in any form and by any means; and

WORLD INTELLECTUAL PROPERTY RIGHTS AND REMEDIES

2. The exclusive right to allow or prevent its use by other persons, which include reproduction, distribution, or communication to the public, translation, adaptation, and any other similar alterations of the work.

Economic rights may be transferred to another person or entity which, on such transfer, becomes the holder of the copyright. An additional economic right is the author's right to remuneration for any use of the work, except when the law authorizes free use of the work. The amount of remuneration is determined by the author agreement; however, the Cabinet of Ministers of Ukraine may establish minimum rates for remuneration of authors.

These economic rights also apply, *mutatis mutandis*, to the holders of the neighboring rights (i.e., performers, phonogram and videogram producers, and broadcasters).

iv. Initial Holder and Beneficiaries

According to the Copyright Law, the initial holder of a copyright is the author of a work. An author is presumed to be the person indicated as the author on a copy of the published work, on a manuscript, or on an original work of art unless otherwise is proved in court.

The author may have beneficiaries (persons to whom the copyright was legally transferred) and co-authors. The initial holders of the neighboring rights are:

1. Performers;
2. Producers of phonograms and videograms; and
3. Broadcasting organizations.

v. Co-Authorship

A work created by several persons is recognized as being created by co-authorship. The relations between the co-authors are supposed to be regulated according to an agreement among them. In absence of such an agreement among them, all of the co-authors have equal rights to publish or to otherwise use the work, and a co-author may not refuse to grant to other co-authors a permit to publish, otherwise use, or even change the work without reasonable grounds. Remuneration for the use of the work shall be equally divided between the co-authors if an agreement between them does not provide otherwise.

According to the Copyright Bill, each of the co-authors will retain copyright to the whole work, regardless of whether it is an indivisible whole or may be

divided into parts with independent meanings. However, if a work created under co-authorship consists of separate parts created by different authors and which have independent meanings, each co-author has the right to use the part created by him in his own discretion, if not otherwise provided for in an agreement between the co-authors.

vi. Rights of Translator and Author of Other Derivative Works

The existing Copyright Law establishes protection of derivative works without providing further regulation of this protection. The Copyright Bill in its present form specifically provides that a translator or an author of another derivative work will enjoy copyright to the translation, adaptation, arrangement, or other derivative work created by him, subject to acknowledgment being made of the rights of the author of the primary work which has been translated or otherwise adapted.

The translator, adaptor, or arranger requires the permission of the author of the pre-existing work to create his derivative work. The copyright of a translator or the author of some other derivative work may not prevent other people from making their own translations or adaptations of the same works (at least in the absence of an exclusive license for such translator or the author of such other derivative work to make the translation or other derivative work).

vii. Rights of Producer

Under Ukrainian law, a producer is a person who organizes or finances the production of an audio-visual work. If otherwise is not provided for in the agreement with the producer or with the entity that produces the audiovisual work, an author of an audio-visual work may be:

1. A director;
2. A script writer;
3. An author of music especially created for audio-visual work;
4. An art director; or
5. An operator.

Unless otherwise provided in an agreement on creation of an audio-visual work, if the authors who contributed or undertook to contribute to the creation of the audio-visual work have transferred their economic rights to the person or entity that produces such work (the producer), the authors will retain no right to object to any public performance, broadcasting, or other

communication to the public of such audio-visual work, or to any subtitling or dubbing of its text, with the exception of public presentation of any musical works included in the audio-visual work.

All authors retain the right to remuneration for every public performance or other communication to the public of the audio-visual work, including for renting it or its copies. Such remuneration must be distributed between the authors and is to be paid by the collective management organization (the organization that manages the economic rights of the owners of the copyright and neighboring rights).

Authors whose works have been included in an audio-visual work (both those works existing before the audio-visual work was created and those made during its creation) retain the copyright to each of their works and may independently use them without regard to the audio-visual work as a whole, unless there is agreement with the person or entity producing the work otherwise.

viii. Rights of Employer

According to Ukrainian law, if a person creates a work under an employment agreement, he is considered to be the author of the work and will have the moral rights to such work.

However, the exclusive economic rights to the work created by an employee belong to the employer unless otherwise provided in an employment agreement between them. The employee will nevertheless be entitled to the remuneration of the author for the creation and use of the work, the amount of which should be established in the employment agreement.

ix. Duration of Copyright

According to the Copyright Law, a work is protected from the moment of its creation throughout the life of the author and for 50 years after his death. Copyright for anonymous works and works under a pseudonym are protected for 50 years from the date when the work was made available to the public. If there is no doubt who is the author of a work published under a pseudonym, or if such author or the author of the work made public anonymously reveals his identity, the 50-year term after such author's death applies.

In the case of co-authorship, the death of the last surviving author is taken as the starting point for commencing the 50-year period. Copyright on a work that was first made available to the public within 30 years after its author's death lasts for 50 years after its being lawfully made available to the public.

The neighboring rights of a work are protected for 50 years from its first public performance or first recording. The moral rights of authorship (e.g., the author's name and reputation) are protected indefinitely.

Under the draft Copyright Bill, the term of protection of a copyright in Ukraine will be longer than that established by the current Copyright Law and the Bern Convention. Generally, under the Copyright Bill, a work will be protected from the moment of its creation throughout the life of the author and for 70 years after his death, beginning from January 1 of the year following the author's death.

In the case of joint authorship, the death of the last surviving author is taken as the starting point for determining the 70-year period. If a work is not made public as a whole, but only by parts, the duration of the protection is determined for each single part of the work. The rights for anonymous works and works under a pseudonym will be protected under the Copyright Bill for 70 years from 1 January, following the date when the work was lawfully made available to the public.

x. Transfer of Copyright

The economic rights of an author may be assigned or a right to use the copyright protected work may be granted by the author or any other person having copyright (e.g., by inheritance or sale). The right to use a work is granted through the issuance of a license.

Assignment of the rights of the author or issuance of a license is made in the form of a so-called "author agreement". The moral rights of the author may not be inherited or otherwise transferred. The author's heirs are, however, entitled to protect the authorship to the work and the author's reputation for an unlimited period of time. Economic neighboring rights also may be transferred to other persons pursuant to a contract.

xi. Licensing Copyright

An author or other person having a copyright (e.g., to whom the copyright is transferred under an assignment agreement or who inherited it) has the exclusive right to give other persons the right to use the copyright protected work on the basis of a license executed in the form of an author agreement.

An exclusive license grants a licensee the sole right to use the copyright protected work according to the conditions of the license agreement. The licensor retains the right to use such work but cannot grant a license to some one else. In case of any infringement, the licensee can sue in his own name.

Under a non-exclusive license, the licensee has a right to use the work without depriving the licensor and other possible licensees of such right. A non-exclusive license gives its holder the right to use the licensed work in the manner allowed on even terms with other non-exclusive license holders.

The Copyright Bill provides that a licensee can grant a non-exclusive license (sub-license) to a third party only if this is permitted by the license agreement. The licensee will be liable to the licensor for the actions of the sub-licensee if otherwise is not stipulated by the license agreement. Such a license agreement under current law must be in writing. According to the pending draft Copyright Bill, an agreement on the use (including by publishing) of a work in periodical editions (e.g., newspapers and magazines) may be entered in either in writing or verbally.

The amount of the author's remuneration must be provided for in the agreement, and it may not be less than the minimum rates established by the Cabinet of Ministers of Ukraine.

xii. International Aspects

All the above-mentioned rules apply both to Ukrainian and foreign copyright (and neighboring rights) holders. Foreign copyright (and neighboring rights) holders are protected within Ukraine if:

1. Their works were made public (or exist in the material form) in Ukraine for the first time or within 30 days from their first presentation elsewhere;
2. They have habitual residence in Ukraine; or
3. The works are protected in Ukraine in accordance with international treaties to which Ukraine is a party.

At present, as noted above, Ukraine is a party to the Universal Copyright Convention, the World Intellectual Property Organization (WIPO) Convention, and the Bern Convention. In 1998, the Ukrainian government also ratified a treaty among the states of the former Soviet Union (except for the Baltic states) on mutual cooperation for the protection of authors' and neighboring rights.

According to these international treaties, the provisions of which have been incorporated into Ukrainian law, expiration of copyright protection of a work means that it enters into the public domain. Works which have never been protected in Ukraine are deemed to have passed into the public domain and may be freely used in Ukraine by any person or entity without payment of

remuneration, but the authors moral rights, such as the right to be recognized as an author and the right to protect an author's reputation, must still be respected.

xiii. Infringement

According to the Copyright Law, in the event of an infringement of copyright and neighboring rights, civil, administrative, and criminal liability may be imposed in accordance with Ukrainian legislation.

Currently, misappropriation of the authorship to another person's works and unlawful production or distribution of such works may be subject to criminal liability and result in up to two years of correctional labor.

xiv. Actions for Damages

In case of a violation of the rights of a holder of a copyright or any neighboring rights, the holder is entitled to bring a lawsuit in a court having jurisdiction. The holder has the right in such litigation to claim for reimbursement of damages caused by infringement of copyright and neighboring rights.

A Ukrainian court has the right to respond to violations of a copyright (including at the request of the exclusive licensee) by ordering an injunction against the violator:

1. Prohibiting the release of a work, the staging of a performance, the playback of a sound recording, or transmitting on the air or by cable;
2. Stopping distribution of the work;
3. Causing the confiscation of all copies of the work, including of works constituting a sound recording, as well as of all equipment and materials used for their production and reproduction; and
4. Ordering that the announcement of the offence be published.

According to the Copyright Law, persons having copyright or neighboring rights also have the right to request one of the following remedies:

1. Reimbursement of damages caused to them as a result of violation of the copyright or neighboring rights, including lost profit;
2. Transfer of the profits gained by the violator as a result of the violation of copyright or neighboring rights; or
3. Payment of compensation in an amount determined by the court.

Apart from the reimbursement of damages or transfer of the profits, the court also may impose a fine for violation of copyright or neighboring rights in an amount equal to 10 per cent of such sum awarded by the court to the plaintiff. The person having copyright or neighboring rights also may claim reimbursement of moral damages.

D. TRADE MARKS AND SERVICE MARKS

i. Nature

Ukraine's system of protection of trade marks is based on the major international conventions in the field of the protection of industrial property, like the Paris Convention for the Protection of Industrial Property of 1883, the Madrid Arrangement of 1891, the Patent Cooperation Treaty of 1978, and the Nice Classification of Goods and Services for the Purposes of Registering Trade Marks and Service Marks.

Under the Law of Ukraine on the Protection of Rights to Marks for Goods and Services (the "Trade Marks Law"), legal protection is granted to any mark for goods or services (the "trade mark") which does not contravene the public interest or principles of humanity and morality and does not fall within the list of signs that cannot be registered as a trade mark. Trade marks can be expressed by a word, by visual, three-dimensional, or other signs, or by any combination thereof, and they may be produced in any color or combination of colors.

The Trade Marks Law lists several categories of signs that cannot be registered as trade marks. Thus, legal protection is not available for signs that represent state flags and symbols, official names of governments, emblems, full or abbreviated names of international intergovernmental organizations, and official test marks and seals. In addition, legal protection under the Trade Marks Law is not afforded to signs that:

1. Possess no distinguishing quality;
2. Are in general usage for indicating goods and services of a specific type;
3. Indicate the type, quality, quantity, characteristics, purpose, or value of goods and services, as well as the place and time of production or disposal of goods or the provision of services;
4. Are misleading or may be deceptive with respect to goods, services, or an entity that produces goods or provides services; and
5. Are in general usage as symbols or terms.

Finally, legal protection is not provided for signs that are identical or similar to the extent that they may be confused with:

1. Trade marks registered earlier or declared for registration in Ukraine in another person's name for generic goods and services;
2. Trade marks of other entities if such trade marks are protected without registration on the basis of international treaties to which Ukraine is a party;
3. Names of places of origin, except in instances where such names constitute elements of trade marks that are not protected and registered in the name of an entity that has a right to use such names;
4. With respect to generic goods and services, firm names that are known in Ukraine and belong to other entities that have obtained rights over them before the date of submission of the application to the State Intellectual Property Department; or
5. Certified trade marks, registered in accordance with the legally established procedure.

ii. Confirmation of Trade Mark Right

A trade mark ownership right in Ukraine is confirmed by a certificate issued by the State Intellectual Property Department in response to a properly filed application. The certificate gives the holder an exclusive discretionary right to use and dispose of the trade mark.

Joint applicants for a trade mark receive only one certificate. The range of the protection of the right is determined by the picture of the certified trade mark and the list of the goods and services specified in the certificate. Right arising from the certificate is effective from the date of the filing of the application for it, subject to the payment of the specified fee.

iii. Priority Right

The priority right of the first applicant lasts for six months from the date of submission of its application to the State Intellectual Property Department or to any relevant agency of a member state of the Paris Convention. The date of the priority right over a trade mark presented at official, or officially recognized, international exhibitions (that take place in member states of the Paris Convention) may be determined as the date of the opening of such exhibition, provided that a trade mark application is received by the State Intellectual Property Department within six months from such date.

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An applicant wishing to claim priority must file an application to this effect with the State Intellectual Property Department within three months after applying to the State Intellectual Property Department for registration of its trade mark.

iv. Co-Ownership

The certificate on a trade mark issued by the State Intellectual Property Department gives its holder an exclusive right to use and dispose of the trade mark at his, her, or its own discretion. When several persons or entities have the right to obtain a certificate, they would collectively be issued a single certificate, and their mutual rights to its use should be determined by an agreement.

In the absence of such an agreement, each of the joint holders of the certificate has the right to use and dispose of his, her, or its interest in the trade mark in his, her, or its own discretion, provided that none of them has the right to license the use of the trade mark or transfer ownership to it to any other person without the consent of the other holders under the certificate.

v. Transfer of Rights

The holder of a trade mark may have beneficiaries and successors. The certificate holder may transfer its ownership right to the trade mark to any person on contractual basis. Transfer of the ownership to the trade mark is not permitted if it may mislead consumers as to goods, services, or the entity that produces goods or provides services.

The certificate holder may give any person the right to use a trade mark by issuing a license, under a license agreement. A license agreement must include a condition that the quality of the goods produced or services rendered under the license agreement may not be worse than the quality of the goods produced or services rendered by the certificate holder and that the latter will control compliance with this requirement.

An agreement on the transfer of ownership to a trade mark, as well as a license agreement on the use of a trade mark, must be in writing. Such agreements are binding on third persons from the date of publication of information on the transfer or license in the *Official Bulletin* of the State Intellectual Property Department of Ukraine and insertion of such information in the State Register on Trade Mark Certificates. A certificate holder that conducts intermediary activity (such as wholesale reselling of goods) may use

its trade mark, together with or instead of the trade mark of the manufacturer of goods or the provider of services, on the basis of an agreement between them.

An exclusive or non-exclusive license to use a trade mark may be given on the basis of a license agreement. Under an exclusive license, the certificate holder gives to a person or entity the right to use the trade mark to a certain extent in a specified territory and for a specified period of time, but retains the right to use the trade mark to the extent not transferred to the licensee.

At the same time, such licensor cannot give a license to another person in the same territory or to the same extent as given to the licensee. Based on an exclusive license, the licensee may sue in his own name in case of an infringement of its rights.

A non-exclusive license gives to the licensee the right to use the trade mark, but the licensor retains the right to use such a trade mark himself and to grant such right to other persons or entities.

vi. Duration and Maintenance

A certificate confirming the ownership right to a trade mark is effective for a period of 10 years from the date of submission of any appropriate application to the State Intellectual Property Department. It is possible to extend the effective duration of the certificate at the end of each 10-year period by filing a proper application and paying a fee.

If the fee for the extension of the validity of the certificate is not paid, the certificate will terminate as of the first day of the period for which the fee was not paid.

vii. International Aspects

Foreign or stateless legal entities or individuals as well as those having their habitual residence abroad must deal with the State Intellectual Property Department through the representatives registered in accordance with the Regulation on the Representatives in Matters Concerning Intellectual Property, approved by the Resolution of the Cabinet of Ministers of Ukraine. According to international treaties, such persons have legal rights equal to those of Ukrainians, including those to:

1. Register trade marks;
2. Be granted licenses;
3. Have legal protection of their trade marks; and
4. Enforce their rights against infringement.

In the absence of the relevant international treaties, such foreign or stateless persons are granted protection on the basis of the comity principle.

The Trade Marks Law makes a specific reference to the application of the Madrid Convention on International Registration of Trade Marks (the "Madrid Convention") for registration of trade marks abroad. In June 2000, Ukraine also ratified a Protocol to the Madrid Convention and the Nice Convention on the International Classification of Goods and Services for the Purposes of Registration of Trade Marks as another step towards integrating Ukraine's intellectual property law into internationally established practices.

viii. Infringement

Any actions violating the rights of a certificate holder are considered under Ukrainian law to be infringements. At the certificate holder's request, such violations may be stopped and the violator obligated to pay compensation for any losses caused. In addition, the holder also may request deletion from goods or their packages of any trade mark that is used unlawfully, or of any other mark that is so similar to the registered trade mark that it may cause confusion. A license holder may, on its own behalf, request protection of any infringed rights of a trade mark holder, unless otherwise provided in the license agreement.

According to the Law of Ukraine on Protection against Unfair Competition, a person whose intellectual property rights have been violated by unfair competitive actions also may apply to the Ukrainian Antimonopoly Committee to stop such violations.

E. INDUSTRIAL DESIGNS i.

i. Nature

Under the Law of Ukraine on the Protection of Rights to Industrial Designs of 15 December 1993 (the "Industrial Designs Law"), an industrial design is the result of the creative work of a person in the sphere of art design.

The design may be expressed by a form, picture, colored picture, or any combination thereof, which defines the appearance of an industrial product, designed to meet aesthetic and ergonomic demands. Legal protection is given to designs that are not contrary to the interests of society or human and moral principles and that meet the conditions of patentability. To meet such conditions, an industrial design must:

1. Be novel; and
2. Have an industrial application.

Industrial design is recognized as being new if the combination of its material characteristics is not commonly known worldwide before the date of the application to the State Intellectual Property Department. The second criteria of patentability is that it must be capable of industrial application, i.e., it must be capable of being used in an industrial or other area of activity.

The Industrial Designs Law provides a list of exceptions to patentability. Thus, legal protection may not be afforded to objects of architecture, printed products *per se*, and objects made of unstable substances, such as gas and similar substances.

ii. Creation of Rights

a. *In General*

The author of an industrial design has the right of authorship, which is an inalienable right and is legally protected indefinitely. The right of ownership to an industrial design is confirmed by a patent. To obtain the patent, the author of the industrial design or his successor must submit an application to the State Intellectual Property Department.

Authors that produce industrial design in the course of a joint activity have equal rights to apply for a patent and, if successful, will receive a single jointly held patent. The rights arising from the patent are effective from the date of publication of the information about its issuance, subject to payment of the annual fee for the maintenance of the validity of the patent. The patent gives to its holder the right to use the industrial design at his, her, or its own discretion.

b. *Priority Right*

The applicant has a right of priority to apply for an industrial design within six months from the date of submission of the application to the State Intellectual Property Department or to the authorized body of another country that is a party to the Paris Convention.

The date of the priority of an industrial design which has been presented at an officially recognized exhibition that take place in member states of the Paris Convention is the date of the opening of such exhibition. An applicant wishing to claim a priority regarding an industrial design must submit an application to this effect within three months from the date of applying to the State Intellectual Property Department for registration of the industrial design.

c. *Duration*

The author of an industrial design should be granted a patent for a term of 10 years, beginning from the date of the submission of an application to the State Intellectual Property Department, with the possibility of a further extension of not more than five years at the patent holder's request.

d. *Initial Holder and Transfer of Rights*

The initial holder of the patent right to an industrial design is its author. As observed above, authors who create a design by their combined efforts have equal rights to obtain a patent, unless otherwise is provided by an agreement among them. In the absence of such an agreement, each patent holder may use an industrial design in his own discretion, but none of them has the right to grant a license to its use or to transfer the right of ownership to the industrial design to another person without the consent of other patent holders.

The author of an industrial design has the moral right to be recognized as such. This right is permanently protected and is non-transferable. However, the author may transfer on a contractual basis its right of ownership to the industrial design (in which case, the person or an entity to which the right of ownership is transferred becomes the successor of the author to the design) or may license the right to use the patented industrial design under a license agreement.

Such agreements must be in writing and are binding on third parties from the date of publication of the information on the transfer in the *Official Bulletin* of the State Intellectual Property Department of Ukraine and the insertion of such information into the Ukrainian State Register of Patents.

e. *Rights of Employer*

An employer has the right to obtain a patent to an industrial design if it has been created by one or more of its employees as a result of the performance of official duties or the fulfillment of the employer's assignment, unless a contract between the employer and the employee provides otherwise.

The employer should execute an agreement with the employee on the remuneration of the employee, based on the economic value of the industrial design and any other benefits that will be received by the employer from such industrial design.

However, if the author submits a written application to the employer regarding the design along with materials as to the characteristics of the design, and the employer within four months from the date of the receipt of such materials fails to submit an application for the registration of the design

to the State Intellectual Property Department, the author obtains the exclusive right to submit such an application to the State Intellectual Property Department.

iii. International Aspects

Foreign persons and stateless persons have the same rights provided by the Industrial Designs Law as citizens of Ukraine, in accordance with international treaties or on the basis of the comity principle. Foreign persons and stateless persons having their habitual residence outside of Ukraine must deal with the State Intellectual Property Department through their representatives registered in accordance with the Regulation on the Representatives in the Matters Concerning Intellectual Property, approved by the Resolution of the Cabinet of Ministers of Ukraine.

Such persons have legal rights equal to those of Ukrainians, such as the right to apply for and obtain a patent to an industrial design, the right to grant and receive a license, and the right to legal protection of an industrial design, including the right to terminate and obtain a remedy for any infringements of exclusive rights.

As was mentioned, Ukraine is a party to the Paris Convention, which provides protection for industrial designs and other types of industrial property. In addition, industrial property may be protected through the numerous bilateral treaties that exist between Ukraine and other countries on economic, scientific, and technical cooperation.

iv. Infringement

Any actions violating the rights of a patentee protected according to the Industrial Designs Law are considered to be infringements, apart from certain instances expressly exempted by the Law.

The patent holder may apply to a court requesting that such violations must be stopped, and the violator may be obliged to pay compensation for any losses caused. A license holder may on its own behalf also request protection of the infringed rights of the industrial design holder, unless otherwise is provided in the license agreement.