

LEGALIZATION OF PARALLEL IMPORT IN THE RUSSIAN FEDERATION: HOW DOES IT WORK?

WHAT IS LEGALIZATION OF PARALLEL IMPORT?

Import of goods to Russian territory without consent from the rightholder for such import is allowed, provided the rightholder has given consent to introduction of goods on the territory of the importing country.*

*Resolution No.506 of the Government of the Russian Federation dated 29.03.2022

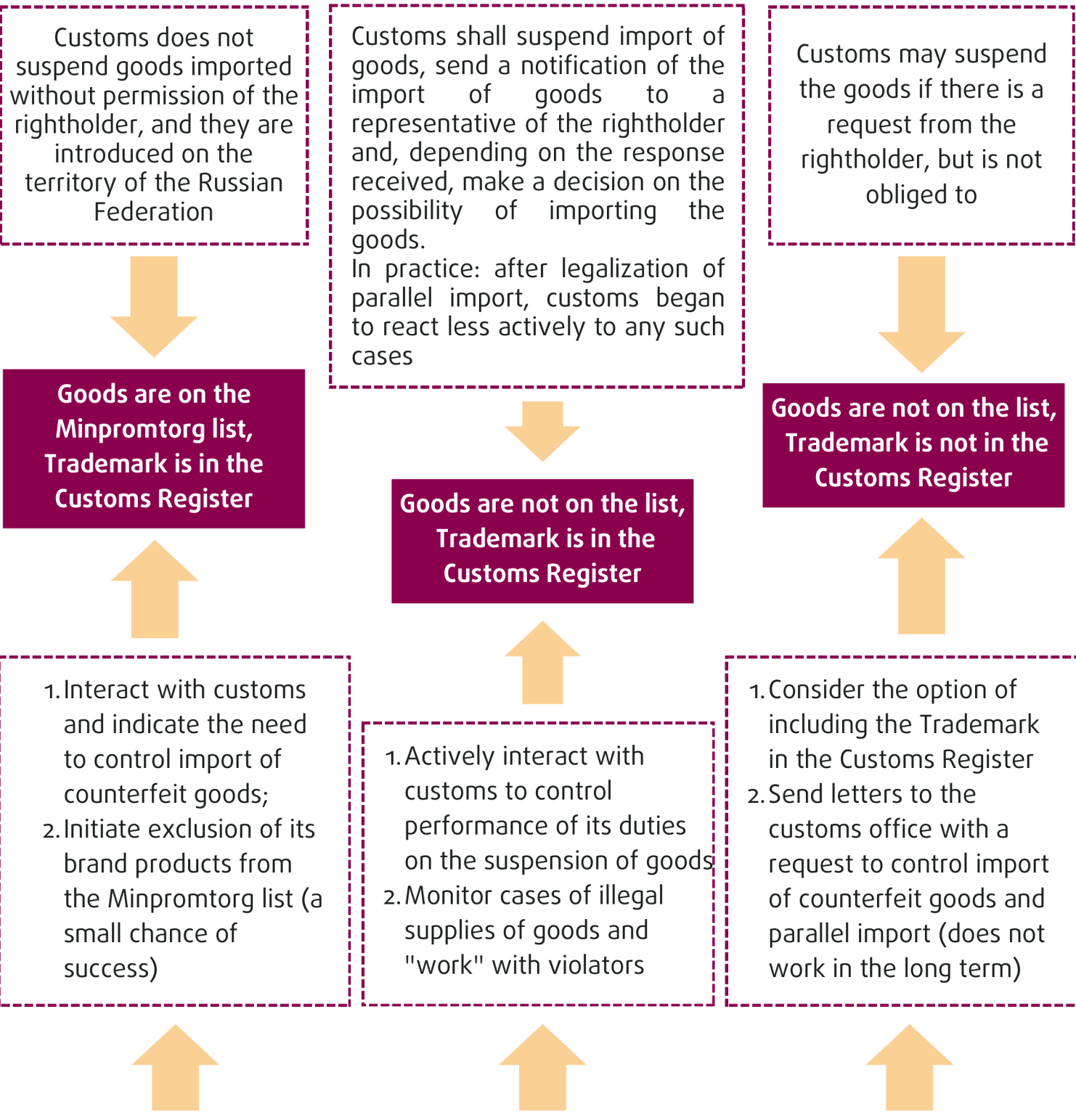
IS IMPORT OF ANY GOODS ALLOWED TO THE RUSSIAN FEDERATION?

No, only those categories and/or brands that are directly specified in the Order of Minpromtorg of Russia.*

PARALLEL IMPORT PERMISSION FOR SPECIFIC BRANDS ONLY	PARALLEL IMPORT PERMISSION FOR ALL PRODUCTS EXCEPT CERTAIN BRANDS	PARALLEL IMPORT PERMISSION FOR ALL PRODUCTS IN A PRODUCT GROUP
If the TN VED code is indicated and brands are listed	If the TN VED code is indicated with an "except" mark and a list of brands	If only the TN VED code is indicated without any brands
For example: 8427 (forklifts and other loaders) HYSTER, JCB, Linde, SHTIL, STILL, YALI	For example: 3924 (dishes) except AQUARIUS, KIMTECH, KIMBERLY-CLARK PROFESSIONAL	For example: 4303 (natural and artificial fur, products made from it)

*Order No.2701 of Minpromtorg of Russia

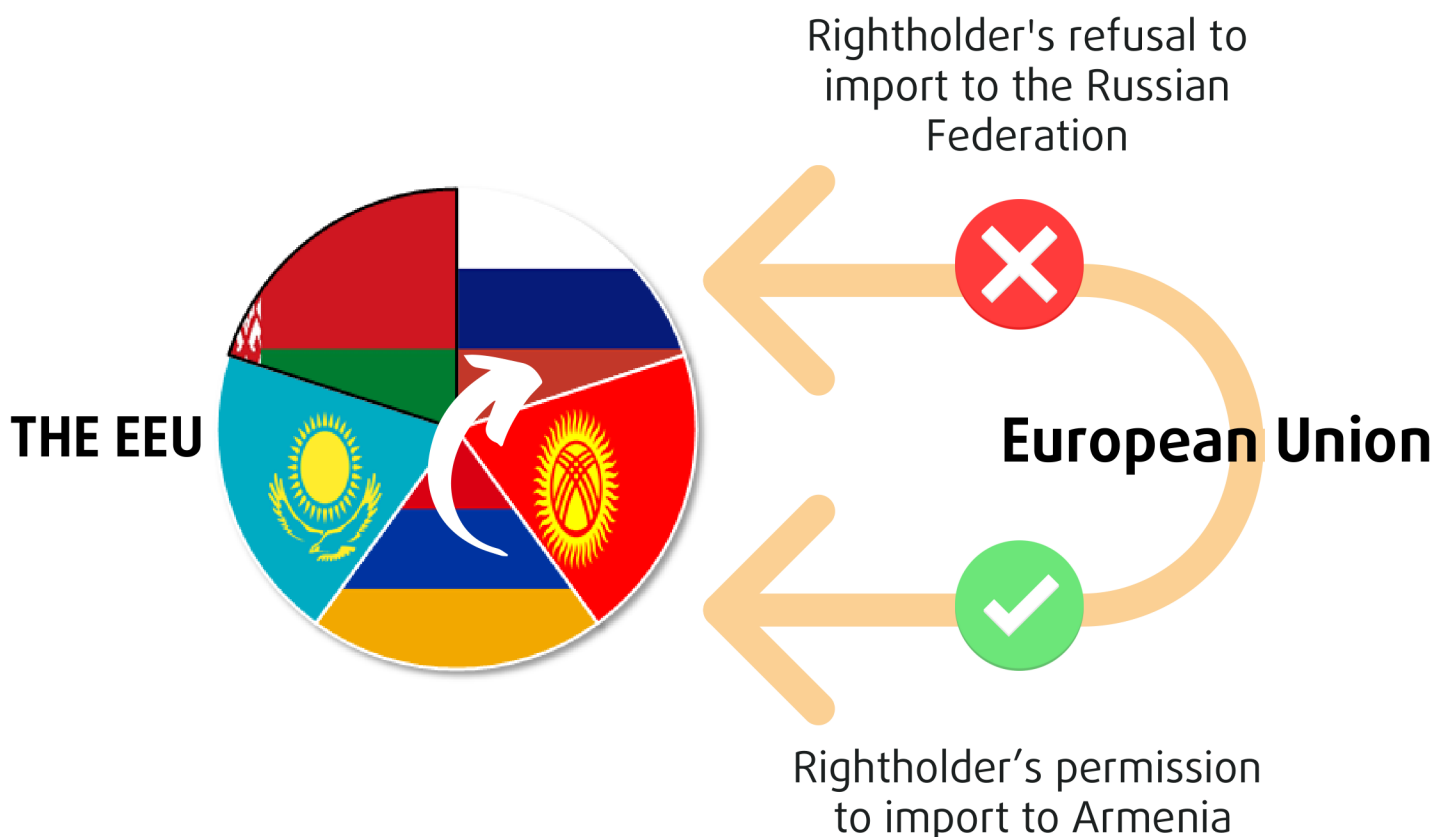
CUSTOMS REACTION TO PARALLEL IMPORT, AND WHAT SHOULD THE Rightholder DO?



The rightholder may

REGIONAL PRINCIPLE OF EXHAUSTION OF RIGHTS TO A TRADEMARK

The regional principle of exhaustion means that goods that are imported to the territory of any member state of the EEU with the consent of the rightholder, as a general rule, can freely move to other EEU states without the need to obtain a separate consent from the rightholder. This is also one of the options for "bypassing" the rightholder's consent to import goods to the territory of the Russian Federation.



LEGALIZATION OF PARALLEL IMPORT IN THE RUSSIAN FEDERATION: HOW DOES IT WORK?



IMPORTANT TO REMEMBER!

The rightholder may agree to import goods in different ways:



Trademark Permission Letter
(including within a specific supply)

Entering into a License Agreement

Entering into a Supply Agreement
(including trademark use agreement)

Indication as an official importer in the Customs Register of the Russian Federation



Import of goods to Russia via parallel import does not mean that actions to sell such goods to other countries (including the EEU) will not violate the rights of rightholders;



Liability remains for the import of goods not specified in Order of Minpromtorg without the consent of the rightholders:



Administrative
(damage < RUB 250,000):

- Officials - from RUB 10,000 to 50,000;
- Legal entities - from RUB 50,000 to 200,000



Criminal
(damage > RUB 250,000):

From fines and correctional labor to imprisonment for up to two years.



Civil
(according to claim of the rightholder):

- Compensation to rightholder:
- From RUB 10,000 to 5,000,000 (at the court's discretion);
 - Double the value of counterfeit goods or the right to use the trademark.

HAPPY TO ANSWER YOUR QUESTIONS!



ANTONINA SHISHANOVA

Head of IP practice



ashishanova@cls.ru



VICTOR KALUZHSKI

Associate



vkaluzhski@cls.ru