

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, KIMBERLYCLARK PROFESSIONAL

For example:
4303 (natural and
artificial fur, products
made from it)

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

Customs does not suspend goods imported without permission of the rightholder, and they are introduced on the territory of the Russian Federation



Goods are on the Minpromtorg list, Trademark is in the Customs Register



- Interact with customs and indicate the need to control import of counterfeit goods;
- 2. Initiate exclusion of its brand products from the Minpromtorg list (a small chance of success)

Customs shall suspend import of goods, send a notification of the import of goods to a representative of the rightholder and, depending on the response received, make a decision on the possibility of importing the goods.

In practice: after legalization of parallel import, customs began to react less actively to any such cases



Goods are not on the list, Trademark is in the Customs Register



- Actively interact with customs to control performance of its duties on the suspension of goods
- 2. Monitor cases of illegal supplies of goods and "work" with violators

Customs may suspend the goods if there is a request from the rightholder, but is not obliged to



Goods are not on the list,
Trademark is not in the
Customs Register



- Consider the option of including the Trademark in the Customs Register
- 2. Send letters to the customs office with a request to control import of counterfeit goods and parallel import (does not work in the long term)





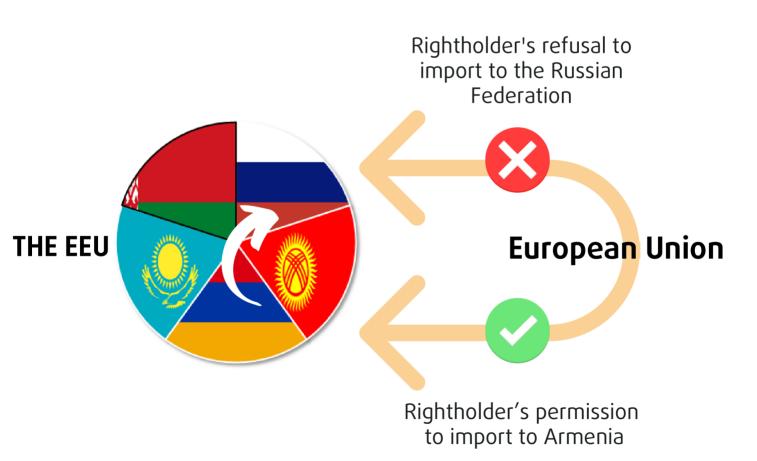


The rightholder may



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.



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IMPORTANT TO REMEMBER!

The rightholder may agree to import goods in different ways:









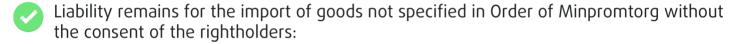
Trademark Permission Letter (including within a specific supply)

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







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.



(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!



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