

Report

Greetings

My name is Galina Mozgovenko. I am a head of Legal Department of Federal Treasure Enterprise Sojuzplodoimport.

FKP “Sojuzplodoimport” was established in 2002 in accordance with resolution of Russian government. The company is overseen by the Ministry of Agriculture of the Russian Federation and manages, as well as protects and recovers rights of the Russian Federation to state-owned trademarks for alcoholic product, including widely known throughout the world Russian vodka “Stolichnaya”, “Moskovskaya”, “Russkaya”. In addition the company exercises work to provide protection for Appellation of Origin “Russian Vodka”.

In course of this work our company has faced with several problems which are common for all Russian manufacturers who wish to obtain legal protection of an Appellation of Origin

In Russia all current problems causing difficulties in protection of appellations of origin may be divided in three main groups.

The first group: problems determined by historical development of Russia,

The second group: legal problems,

The third group: administrative problems.

Absence of developed institutions of Appellations of Origin similar to European ones is caused by specific historical development of Russia and its economy.

In Russia Appellations of Origin (as object of intellectual property) have being protected only from 1992; first registrations of appellations of origin for agricultural product were made only in 1996.

Absence of competition in Soviet planned economy, the fact that in USSR only few companies participated in foreign trade and lack of private capital in civil turnover in the USSR – all these factors affected the system of intellectual property objects which were protected in the USSR.

Only upon the dissolution of the USSR and transition from planned economy to market economy the manufacturers started to be interested in individualization means as means providing further competitive advantages.

It also should be stress that during long period Russian consumers was not ready to buy goods enjoying status of an Appellation of Origin. In 90-s of the 20 century dissolution of the economy and fall of living standards led to consumers incapability to pay the manufacturers additional reward for the quality.

The indication showing that for a long time Russian manufacturers did not see any economic advantages in registration of the Appellations of Origin is the quantity of the existing registrations. Now only 107 Appellations of Origin are protected in Russia, including only 14 in agriculture, in the same time in France - more than 500.

Now the situation in Russia is changing. The economic grounds for use of Appellation of Origin have appeared in Russia.

Incomes of Russian citizens grow annually. According to Russian Committee of Statistics, in January 2008 net incomes of Russian citizens have grown by 12 per cents in comparison with January 2007. In Russia there have appeared a category of consumers who are ready to pay additional reward to the manufacturers for goods enjoying specific characteristics and quality.

Appellation of Origin is relatively new institution of the intellectual property and therefore there are difficulties of administrative nature.

In accordance with Russian law Rospatent, Russian Patent Office, is currently authorized to register Appellations of Origin. The ground for registration of an Appellation of Origin is a conclusion about specific characteristics of a commodity. Such conclusions are issued by the Ministry of Agriculture.

Both the Ministry of Agriculture and Rospatent are state bodies of the Russian Federation, which exercise state policy in respective fields.

But now there have appeared needs that can't be satisfied by the efforts of the abovementioned state bodies without creation of special state institutions.

The manufacturers producing traditional goods with specific characteristics ordinarily do not have appropriate skills and means which may allow them to initiate the process of registration of an Appellation of Origin by themselves, and then provide appropriate protection, prevention from counterfeit and representation abroad.

Organizational supervision under associations of the manufacturers of the goods with status of Appellations of Origin also is a problem which should be resolved.

The important problems also are cooperation with law-enforcement agencies in order to prevent counterfeit and control over compliance by the manufacturers of the specific characteristics established for Appellations of Origin.

The manufacturers need state support to resolve all these problems. The lack of such support leads to the situation that the manufacturers of the agricultural product with status of the Appellation of Origin can't protect their rights.

The example is Appellation of Origin “Vologda Butter”. This Appellation of Origin was registered by Rospatent in 1998, the certificates for use of this Appellation of Origin were issued to 3 manufacturers.

Now all certificates for use of the Appellation of Origin “Vologda Butter” are cancelled, because the manufacturers have not renewed these registrations. The reason for manufacturers’ unwillingness to use the Appellation of Origin is huge quantity of counterfeit and impossibility to get additional reward in the market, which they expected to receive.

The example of solution of such problems can be experience of French colleagues.

In France there was created National Institution of Appellations of Origin under the Ministry of Agriculture and fishery and the Ministry of economy, finance and industry. This Institution is state organization which main aim is policy development in the field of registration of Appellations of Origin, Geographical Indications and Quality Labels, as well as rendering assistance to manufacturers in field of protection of Geographical Indications. Creation of such organization in Russia would allow resolving a number of complicated problems.

In addition since the Russian Federation is not a member of international treaties on protection of geographical indications, special state organization could render assistance to Russian manufacturers and their associations to obtain legal protection of Appellations of Origin abroad.

It also should be noted the distinction between objects of intellectual property protecting in Russia and in Europe in part relating to geographical indications.

In Europe both Appellations of Origin (AOC) and Geographical Indications (IGP) are protected as institutions of intellectual property. In Russia only Appellations of origin are protected. Such objects have distinctions.

The distinctions between system of geographical indications protecting in Russia and Europe complicate entrance of Russian manufacturers to foreign markets. Therefore it will be useful to harmonize Russian legislation in that part with legislation of the EU.