

Intellectual Property Rights

FREQUENTLY ASKED QUESTIONS – AS OF 26 APRIL 2022

1. Do EU sanctions provided for in Council Regulation (EU) No 269/2014 apply to intellectual property rights?

EU sanctions apply to intellectual property rights (e.g. trademarks, designs, patents, plant variety rights; collectively IPRs). Under Council Regulation (EU) No 269/2014, the EU has designated a number of individuals and legal persons as subject to sanctions. Being a “designated person” means that all funds and economic resources, directly or indirectly belonging to, held or controlled by a designated person must be frozen. In practice, any EU legal and private person and EU Member State’s public institution doing business in the EU must prevent any transfer of, alteration of, access to, use of or other dealings with those funds or economic resources. The freezing of economic resources of a designated person means that any asset of a designated person, whether tangible or intangible, cannot be used by anyone to obtain other funds or assets. IPRs can qualify as intangible ‘economic resources’. Hence, they are also subject to this restriction. This means that public institutions (e.g. a trademark register) must not enable the use of IPRs of a designated person, or of a person owned or controlled by a designated person (e.g. no IPR property transfer should be registered). EU sanctions also prohibit making further funds or economic resources available to designated persons or persons owned/controlled by them. By way of example, this means that no further transactions with those persons are possible as of the moment of the application of the prohibition (e.g. payment of license fees for an IPR by an EU person to a designated person). By the same token, EU economic operators should not make IPRs available to designated persons (e.g. by means of licensing agreements).

2. Should EU and Member State intellectual property offices suspend the registration or the registration of transfer of IPRs held by persons and entities designated under Annex I to Council Regulation (EU) 269/2014?

Economic resources of persons and entities designated under Annex I to Council Regulation (EU) 269/2014 (designated persons) must be frozen. The use of economic resources to obtain funds, goods or services in any way must be prevented. Moreover, it is prohibited to make available economic resources to or for the benefit of designated persons.

This means, inter alia, that EU and Member States intellectual property offices must not grant a new registration for an IPR and they must not register transfers of already granted IPRs, if they belong to a designated person or entity or if they belong to persons owned or controlled by designated persons or entities. This is because, if the designated person/entity is deemed to own or control a non-designated entity, it can be presumed that the control also extends to the assets of that entity, and that any funds or economic resources made available to that entity would reach the designated person. The assessment of control is to be made on a case-by-case basis. See on this the [FAQs](#) on Russia sanctions concerning Asset freezes and the prohibition to make funds and economic resources available.

- 3. Should EU and Member State intellectual property offices remove from their online databases (e.g. TMView, DesignView, etc.) the entries of IPRs held by persons and entities designated under Annex I to Council Regulation (EU) 269/2014? If so, what would be the adequate cut-off date and should they remove from the databases IPRs of non-designated Russian or Belorussian persons?**

The asset freeze and the prohibition to make funds available apply as of the date of entry into force of the Council Implementing Regulation including the person or entity in Annex I to Council Regulation 269/2014. Please note that the list in Annex I is a dynamic one; persons and entities are included and removed periodically. The updated list and the relevant date of entry into force can be consulted in the Annex I to the non-official consolidated versions of Council Regulation (EU) 269/2014 in the section Ukraine of the EU sanctions map, available at the following hyperlink: <https://www.sanctionsmap.eu/>

EU and Member States' intellectual property offices can display a reference/sign/indication that a given Russian and Belorussian mark, related to Annex I designated persons and entities as well as person and entities owned or controlled by them, is frozen due to the EU sanctions. This means that a frozen mark should still be displayed in the online IPR databases used by EU and Member States' intellectual property offices.

- 4. Should EU and Member State intellectual property office suspend the renewal of, invalidate or revoke registered IPRs owned or controlled by persons and entities designated under Annex I to Council Regulation (EU) 269/2014?**

IPRs can be renewed, provided they remain frozen. They do not have to be invalidated or revoked, unless so required according to the procedures provided for in the EU or Member State law (e.g. cancellation procedure under Article 29 of [Regulation \(EU\) 2017/1001](#)).

- 5. Does it make a difference whether the IPRs was applied for or registered on the basis of EU secondary law (e.g. Trade Mark Regulation) or through international agreements (e.g. Madrid trade mark registration system, European Patent Convention, Patent Cooperation Treaty)?**

No, it does not make any difference. IPRs included in registers of EU and Member State intellectual property offices must be frozen.

- 6. Could frozen IPRs still be enforced before EU courts?**

Preserving rights which otherwise remain frozen is not paramount to using them. Enforcing IPRs before EU courts should be permitted. Restrictions concerning the asset freeze and the prohibition to make funds available to designated persons remain applicable.

7. Would EU persons breach the obligations envisaged in Council Regulation (EU) 269/2014 if they continue paying renewal fees for trademarks, patents or other IPRs registered to the Russian and Belorussian intellectual property offices?

The restrictions provided for in Council Regulation (EU) 269/2014 only apply to persons and entities included in Annex I to Council Regulation 269/2014, as well persons and entities owned or controlled by them. As long as the Russian and Belorussian intellectual property offices are not designated and they are not controlled by a designated person, they are not subject to the restrictions provided for in Council Regulation (EU) 269/2014, in which case EU persons are allowed to continue paying renewal fees for trademarks, patents or other IPRs registered to the Russian and Belorussian intellectual property offices.

8. How should “payments” received by EU IP law firms to lodge/represent a Russian or Belorussian IPR’s owner be treated? Does it make a difference if the IPR’s owner is designated under Annex I to Council Regulation (EU) 269/2014? Should the EU and Member State intellectual property office refuse fee payments for registration or renewal?

Council Regulation (EU) No 269/2014 prohibits EU operators from making any funds or economic resources available to persons designated under Annex I to it, directly or indirectly. In principle, and by way of example, an EU business is not allowed to sell or deliver products or services to those persons, even if in exchange for adequate payment. There are a number of exceptions (derogations) to this prohibition, including for prior contracts where a payment by a listed person is due under a contract or agreement concluded, or an obligation that arose before the date on which that person was included in Annex I, and provided that the funds or economic resources will be used for a payment by the designated person and that the payment is not made to or for the benefit of a designated person (Article 6). However, this is subject to prior authorisation by the relevant [national competent authority](#). The contact details of Member State competent authorities are included in Annex I to Council Regulation No 269/2014.

As already mentioned, persons non designated or non-owned/controlled by designated persons are not subject to restrictions.