

**Comments**  
**on “Exceptions and Limitations to Patent Rights”**  
**based on questionnaire responses in relation to five clusters:**  
**private and/or non-commercial use, experimental use, and/or scientific research,**  
**preparation of medicines, prior use, use of patentable subject matter on foreign**  
**vessels, aircrafts and land vehicles**

**I. General provisions**

In Russian legislation, exceptions to the patent monopoly are concentrated in Article 1359 of the Civil Code of the Russian Federation (hereinafter, ‘the Code’)<sup>1</sup>, which prescribes an exhaustive list of cases of free, and largely free of charge, use of patented subject matter.

Use of the invention in the interests of national security (Article 1360 of the Code), the right of prior use (Article 1361 of the Code), and compulsory licensing (Article 1362 of the Code), are likewise treated as exceptions to the patent monopoly.

Article 10 of the Code, which defines the limits of civil rights, establishes the general provisions underlying the exceptions that limit a patent monopoly. In accordance with this Article, in exercising civil rights the following are prohibited:

- actions undertaken with the sole purpose of causing harm to another person, as well as misuse of rights in other forms;
- exercising civil rights for the purpose of restricting competition, as well as abuse of a dominant market position.

General requirements of Russian legislation in cases of free use of patentable subject matter provided for in Article 1359 of the Code, are focused on the provisions of Articles 30 and 31 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter, ‘the TRIPS Agreement’), under which Member States may provide for limited exceptions to the patent rights conferred by a patent, provided that such exceptions do not conflict with normal use of the patent, and taking into account that the legitimate interests of third parties do not unreasonably infringe the patent holder’s rights.

Underpinning these restrictions on the territory of the Russian Federation are the principles of unimpaired moral rights of authors of inventions, and the non-exclusive nature of free use.

A comprehensive list of cases of free, and largely free of charge, use of patented subject matter consists of six items:

- 1) use of a product incorporating the invention in structure, in auxiliary equipment, or in the operation of vehicles (river and marine, air, road, and rail transport) or spacecraft;
- 2) conducting scientific research on a product or process incorporating an invention, or conducting an experiment on such a product or process;

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<sup>1</sup> Federal Law No.230-FZ of December 18, 2006

- 3) use of an invention in an emergency (natural disasters, calamities, accidents);
- 4) use of an invention for private, family, domestic, or other purposes unrelated to business activity, where the purpose of such use is not to derive profit or revenue);
- 5) one-off preparation in pharmacies of prescription medicines using the invention;
- 6) importing on to the territory of the Russian Federation, use, offer for sale, sale, other form of introduction into civil circulation, or storage for such purposes of a product that incorporates the invention, where such product had previously been introduced into civil circulation within the territory of the Russian Federation by the patent holder or by another person with the consent of the patent holder.

Below are theoretical approaches and practical examples for the five clusters, namely:

1. private and/or non-commercial use;
2. experimental use, and/or scientific research;
3. preparation of medicines;
4. prior use;
5. use of patentable subject matter on foreign vessels, aircrafts and land vehicles.

## **II. Theoretical approaches**

### **2.1. Private and/or non-commercial use**

According to Article 1359(4) of the Code, “use of the invention for personal, family, domestic or other non-business needs shall not infringe the exclusive right in an invention where the purpose of such use is not to generate profit or income.”

In this case, use is meant in a broad sense, but not, however, for the purpose of generating profit or income. Using other people’s patentable subject matter is possible, primarily where a person directly manufactures a product containing the patented solution (with his own hands, or to order). In addition, it is irrelevant as to whether the product is manufactured as a result of parallel, independent creative work, or using other people’s ideas (including directly using patent application materials). It should be recognized that “importation into the territory of the Russian Federation” by a person intending to use a product for private purposes also constitutes free use of the product. It seems, moreover, that personal use must be presumed. The use of a patented process as a “process for implementing actions” is permitted in all cases. The case under consideration relates to citizens, but is perhaps also applicable to legal entities. Moreover, by analogy with Paragraph 5 of Resolution No.18 of the Plenum of the Supreme Arbitration Court of the Russian Federation of October 22, 1997, it should be acknowledged that “use of a product or process in safeguarding an organization’s or entrepreneur’s business (e.g., office equipment, office furniture, vehicles, etc.) must be interpreted as purposes unrelated to personal use”.

### **2.2. Experimental use and/or scientific research**

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

Under Article 1359(2) of the Code, “conducting scientific research on a product or process incorporating an invention, or the conduct of an experiment on such a product or process, shall not constitute an infringement of the exclusive right in an invention.”

Thus, in the Russian Federation, the application of this exception to the patent monopoly is limited only by conducting scientific research or experiments on the patented tool (in order to test it, and assess its effectiveness for scientific purposes, etc.) Development in this area should be the subject of research, and not a means thereof.

The Russian legislator does not treat scientific research on a product or process in which patented inventions are incorporated as an infringement of the patent holder’s exclusive right. The inclusion of such laws in the Code appears totally reasonable, particularly in view of the fact that that any person, prior to taking a decision on the expediency of requesting the patent holder to alienate a patent, or to conclude a license agreement, should have the opportunity to satisfy himself that the relevant subject matter possesses the characteristics in which he is interested.

However, attention must be drawn to the fact that this only refers to an experiment or scientific research conducted in relation to the patented product or process itself, and not to an experiment or scientific research conducted using them, for instance in measuring instruments or in other equipment facilitating the performance of an experiment or scientific research.

At the same time, in order to facilitate scientific and technological progress, international practice also permits all actions by third parties relating to the patented invention for experimental purposes. In this context, it would be useful to exchange information regarding positive examples of broadening the scope of free use of an invention in conducting fundamental and applied scientific research, in order to assess the suitability of making appropriate changes to Russian legislation.

Under Russian legislation, third parties may only study the patented subject matter, and not use it as a means of conducting research, without infringing the exclusive right of the patent holder.

Limiting the patent holder’s exclusive rights when conducting scientific research is therefore governed by prioritizing public above personal interests. The distinction between scientific research and experimentation is that with research, the subject matter is studied in its pure form (without any additional influence thereon), whereas with experimentation, the subject being studied is placed under certain conditions, i.e. subjected to certain influence from external forces.

In this context, it would be useful to exchange information regarding positive examples of broadening the scope of free use of an invention in conducting fundamental and applied scientific research, in order to assess the suitability of making appropriate changes to Russian legislation.

### **2.3. Preparation of medicines (pharmaceuticals)**

According to Article 1359(5) of the Code, “one-off preparation in pharmacies of prescription medicines using an invention shall not constitute an infringement of the exclusive right in an invention.”

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

It is assumed that preparation of medicine for subsequent storage and sale may not be considered a single use; therefore, preparation of a similar medicine for future use may be regarded as an infringement of the patent holder's exclusive rights.

This exclusion from the patent monopoly covers one-off preparation in pharmacies of prescription medicines using the invention. This restriction applies to cases of use of inventions for the benefit of human and animal health. The above cases can occur in emergency situations where there is a need for urgent medical care. Preparation of medicines should be genuinely one-off, and not develop into preparation of inventories of said medicines for future sale, which in the context of large cities, could harm the patent holder's economic interests appreciably.

In this regard, in adjudicating legal disputes, the courts deem the preparation of medicines to be one-off only to the extent specified in the prescription.

It should be noted that the Russian legislator has formulated the exception from the patent monopoly too narrowly. In global patent practice, the patent covers not only direct, one-off preparation of medicines in pharmacies by prescription, but also actions related to the medicines so prepared, i.e. prescription sales. Otherwise, one-off preparation in pharmacies of prescription medicines is pointless if it is not accompanied by permission to sell the medicines to patients.

In this context, it would be useful to exchange information concerning the application of the relevant restrictions in national practices in order to assess the expediency of making the appropriate changes in Russian legislation.

#### **2.4. Prior use (subsequent use)**

Article 1361 of the Code provides that "Any person who, before the priority date of an invention, was using in good faith within the territory of the Russian Federation an identical solution created independently from the author, or made the necessary preparations for such use, shall have the right to proceed with that use free of charge provided that the scope thereof is not extended (the right of prior use)."

Prior use is qualified as a case of free (i.e. free of charge) use of a simultaneously created (i.e. his own, not that of others) invention. Therefore, the right of prior use is a subjective civil right with unique characteristics within the territory of Russia.

Independence is demonstrated through the independent nature of the prior user's creativity, meaning that the solution had not been developed on the basis of descriptions and drawings of the person who obtained the patent.

The right of prior use, as enshrined in Article 1361 of the Code, traditionally relates to exceptions from the patent monopoly in all legal systems.

The classical meaning of prior use is to incentivize parallel creativity of persons who, for one reason or another, were unable to patent the results of their technical or artistic design work at the appropriate time.

As indicated in Article 1361(1) of the Code, the right of prior use assumes the presence of the following conditions:

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

- fair use of an identical solution (or necessary preparations for such fair use) before the priority date of an invention, utility model or industrial design within the territory of the Russian Federation;

- an identical solution created independently from the author of the invention, utility model or industrial design;

- the scope of use of the identical solution is not broadened.

It is impossible to distinguish Russian legislation in terms of the necessary conditions for the right of prior use. Patent legislation of a number of States does not include, for example, independence in creating the identical solution as a condition of the validity of the right of prior use.

Consistent application of this provision significantly reduces the powers of the prior user. Let's imagine a situation where the customer of the design uses the invention as know-how, and then the author patents the invention. In this case, in the absence of appropriate contract terms, the customer would not be able to use the results of the ordered design even as a prior user, since in this case, in accordance with Article 1361(1) of the Code, the invention is to be created independently of its author.

The only condition of the right of prior use is enshrined almost universally: bona fide use or adoption of necessary measures, which in practice means no borrowing or appropriation of another person's invention.

In this context, the exchange of information concerning the application of relevant restrictions in national practices would be useful to assess the suitability of making appropriate changes to Russian legislation, and the establishment of judicial practice.

The right of subsequent use related to the possibility of restoration of the patent may additionally be considered a limitation of the patent monopoly, as provided for in Article 1400 of the Code.

Restoration of the patent, which significantly increases Russian patent holders' rights, was adopted into Russian patent law relatively recently as a result of amending and updating the Patent Law of the Russian Federation in 2003. Restoration of the patent in all jurisdictions where it is provided for, has been accompanied by the introduction of the concept of subsequent use, which counterbalances the right of restoration of the patent.

The right of subsequent use is granted under Russian legislation with a number of conditions:

- use of the invention, utility model or industrial design began when preparations to that end had been undertaken during the period when the relevant subject matter was in the public domain (between the patent expiry date and its restoration);

- the scope of use of the invention, utility model or industrial design for which patent protection has been reinstated must not be extended by the subsequent user.

The right of subsequent use involves free (i.e. without a license) use of the invention, utility model or industrial design by the subsequent user after the restoration of the patent monopoly without the threat of accountability for infringement of another person's patent.

Subsequent use is essentially one of the types of limitation of the patent monopoly, along with the right of prior use, for example. However, it is the legislator's intention

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

that the right of subsequent use should differ from the right of prior use in terms of scope, since, unlike the right of prior use, it may not be transferred to another person or an enterprise.

Under Article 1400(3) of the Code, any person who, during the period between the expiry of the patent, and the date of publication in the Official Gazette of the federal executive authority for intellectual property of information on the restoration of the patent, began using the invention, utility model or industrial design, or made preparations necessary for this within the specified time limit, shall retain the right to its future use free of charge provided that the scope of such use is not expanded.

For the purposes of law enforcement, it would be useful to exchange information on the international practice of applying appropriate limitations, including assessing the "necessary preparations" for subsequent use, or use "without expanding the scope of such use" in the resolution of legal disputes.

## **2.5. Use of articles on foreign vessels, aircrafts and land vehicles**

Under Article 1359 of the Code, "Use of a product incorporating the invention in the structure, in auxiliary equipment, or in operating vehicles (river and marine, air, automobile, and railway transport) or spacecraft of foreign States provided that such vehicles or spacecraft are located within the territory of the Russian Federation, temporarily or accidentally, and that the aforesaid product or device is used solely for the needs of vehicles or spacecraft... shall not constitute an infringement of the exclusive right in an invention. Such an act shall not be recognized as an act of infringement of the exclusive right with respect to vehicles or spacecraft of those foreign States that grant similar rights with respect to vehicles and spacecraft registered in the Russian Federation.

Auxiliary equipment means equipment which facilitates the operation of the vehicle or spacecraft, but is not a constituent part thereof. For instance, for a car, a pump serves as such equipment.

The provisions of Article 1359 of the Code amend the territorial principle of the exclusive right's validity: if a solution used in a vehicle has only been patented in Russia, then foreign countries are not bound by said patent- in such countries, use of the solution is free. Accordingly, then, "importation" of these vehicles into Russia is classified as an infringement of the Russian patent holder's exclusive right.

An exception from the patent monopoly relating to the use of a product incorporating the invention in vehicles of foreign States located temporarily or accidentally within the territory of the Russian Federation, is generally accepted in global patent practice on the basis of reciprocity. An exception from the patent monopoly is provided for in Article 5-ter of the Paris Convention for the Protection of Industrial Property (the Paris Convention), for instance.

The legislator's instructions on the use of the product for transportation requirements removes other cases of use of patented subject matter from the scope of this regulation. However, at the same time, the issue of use of the product for leased vehicles remains unresolved.

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

Furthermore, Russian law does not provide for the use of the patented method in the vehicles of foreign States, which could lead to retaliatory measures against Russian vehicles that are temporarily or accidentally located on the territory of foreign States.

Given the burgeoning pace of international communications in the field of transport due to, *inter alia*, the globalization of economic processes, it would seem useful to exchange information on the scope of limitations associated with the use of patent-protected subject matter in vehicles.

### **III. Practical examples (jurisprudence)**

The theoretical provisions set out in Section II have been confirmed in a number of court decisions, the conclusions and narratives of which are listed below.

#### ***Opinion of the Constitutional Court of the Russian Federation No. 389-O of October 16, 2003***

The case disputed the constitutionality of Article 11(3) of the Patent Law of the Russian Federation of September 23, 1992, No. 3517-1<sup>2</sup>, whereby performing scientific research or experiments on an article containing a patent-protected invention is not recognized as an infringement of the patent holder's exclusive right. In the applicant's opinion, the practice of courts of general jurisdiction- to the extent that persons conducting scientific experiments or research on an article containing an invention, are permitted to derive profit (revenue)- contravenes Article 44 (Part 1) of the Constitution of the Russian Federation on the legal protection of intellectual property. The Constitutional Court of the Russian Federation failed to find grounds for accepting the complaint, and stated that the provision of Article 11(3), in conjunction with Article 10 of the Patent Law of the Russian Federation (as amended in 1992), could not be considered to infringe the applicant's constitutional right to protection of his intellectual property by law, since "it (the limitation) has been established in order to safeguard the balance of interests of all parties for whom freedom of scientific and technical creativity has been guaranteed, and does not presuppose the introduction of the patented solution."

In other words, the disputed provision does not assume that the patent-protected invention will be marketed while a scientific experiment is carried out by third parties on a product incorporating the invention. Taking into account the similarity of the contents of Article 11 of the Patent Law of the Russian Federation, as examined, with the contents of the current provision under Article 1359(2) of the Code, there can be no real doubt as to the Constitutional Court's motivation at present. The experimenter or researcher is not permitted to use the patented product or process.

#### ***Resolution of the Court of Cassation of the Federal Arbitration Court of the North Caucasus District of August 7, 2001 regarding case No.F08-2449/2001.***

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

In the dispute regarding Russian Federation patent No.2102903, in which the courts have upheld the defendant's lack of prior user rights, since, as evident from the case materials, the development by the defendant of a production method for a dietary supplement, which is protected by Russian Federation patent number 2102903, took place under the supervision of the patent holder and one of the invention's authors. Thus, the defendant was not recognized as a person who used a patented process in good faith independently of the author of the invention (Federal Arbitration Court of the North Caucasus District, Resolution of the Court of Cassation of August 7, 2001 regarding case No.F08-2449/2001).

***Determination of the Supreme Arbitration Court of the Russian Federation of March 5, 2012 regarding case No.VAS-1762/12***

As a result of the action of “Scientific and Production Enterprise “Lanthanum-1”” Limited (hereinafter, “Lanthanum-1”) against “Kaluga plant “Avtopribor”” plc (hereinafter, “Avtopribor”) for the recovery of damages caused by infringement of Russian Federation invention patent No.2207575 (priority date April 10, 2001) in connection with the sale of phase sensor 24.3847 in the amount of 239,758 roubles.

As a result of “Avtopribor’s” counterclaim against “Lanthanum-1” for recognition of “Avtopribor’s” right of prior use under Russian Federation patent No.2207575 for the invention, “gear tooth position sensor”, the court found the following. On the basis of Russian Federation patent number 2207575 for an invention, “Lanthanum-1” is the patent holder of the invention, “gear tooth position sensor”, registered in the State Register of Inventions of the Russian Federation on June 27, 2003, with priority from April 10, 2001, and valid for 20 years. The plaintiff’s patent is not challenged. In this case, “Avtopribor’s” argument that Russian Federation patent No.19921 (with priority date of April 10, 2001) for a utility model is evidence of the right of prior use was justifiably rejected by the court. The existence of standalone patents belonging to the defendant and the plaintiff, which are neither disputed, nor considered invalid, refutes “Avtopribor’s” claim as to the identity of its technical solution (since the novelty of the patents was called into question), which is a necessary condition for recognition of the right of prior use.

***Determination of the Supreme Arbitration Court of the Russian Federation of September 7, 2011 regarding case No.VAS-11155/11***

“Arzamas Electromechanical Plant” Limited applied to the court for recognition of the right of prior use to a solution contained in paragraphs 1 and 5 of the claim for the invention, citing the fact that before the priority date, the plant had used in the manufacture of its products the solution contained in said paragraphs of the claim for the invention protected by Russian Federation patent No.2268232, as registered in the State Register of inventions of the Russian Federation on January 20, 2006, with priority date of March 30, 2004.

According to the judicial forensic patent examination of October 15, 2010, all the features listed in the independent claims for the invention are used in the device, “Tower

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.



crane load limiter ONK-160B.” Having examined the evidence presented, the court concluded that “Arzamas Instrument Plant” Limited started production of device ONK-160B, containing an identical technical solution to that patented, independently from its author in 2000-2001, i.e. before the priority date of the invention, and in 2007, transferred production of this device to the plaintiff, therefore satisfying the requirements of the action. The trial court proceeded from the fact that, in accordance with the provisions of Article 12 of the Patent Law of the Russian Federation of September 23, 1992 No.3517-1, in force until January 1, 2008, the right of prior use may only be transferred to another legal entity together with the enterprise at which use of the identical solution took place, and the necessary preparations for such use had been made, thereby rejecting the applicant's argument that contrary to the provisions of Article 1361(2) of the Code, the relevant enterprise had not been transferred as a whole. The Court proceeded from the definition in Article 132 of the Code that the enterprise is considered to be a standalone property. However, the right of prior use is inextricably linked to the enterprise at which use of the identical solution took place, and the necessary preparations for such use had been made. Thus, the court proceeded not from the definition of the production as a separate property (real estate), but in the sense of production as a process of creation of wealth, services, machinery, tools, devices, etc. Thus, the fact of the transfer of production to the plaintiff was confirmed. The prior user shall not forfeit the right of prior use to subject matter that is covered by the right of prior use by moving the production premises (location). As a business entity, the prior user may exercise his right not only on his own enterprise’s premises, but also while leasing production facilities and necessary equipment and supplies from other parties. In reality, a set volume of output acts as a limitation of prior use, and where prior use relates to a process as the subject matter of an invention, volume data should be used by which the specific method will be identified. Along with equipment used for production, the right of prior use may constitute part of the property, and may be the subject matter of a commercial sale transaction, exchange, lease and a number of other transactions.

***Resolution of the Federal Arbitration Court of the North-Western District of October 9, 2001 regarding case No.A56-8882/01***

Many uses of identical solutions, including the importation of a product, and not just its manufacture, have already been defined in the decisions of Russian courts in establishing the right of prior use, and are equivalent to types of use of inventions, utility models and industrial designs.

Having examined in open court “R.T. Vershina” Limited’s appeal against the decision of June 7, 2001, and the judgment of the appellate court of the Arbitration Court of St. Petersburg and the Leningrad region of August 6, 2001 regarding case No. A56-8882/01, the court found the following:

“R.T. Vershina” Limited appealed to the Arbitration Court of St. Petersburg and the Leningrad region with an action against Closed Joint Stock Company “SignArt”, prohibiting use of the invention, “A display device and a method of operating the display device”, which was protected by Russian Federation patent No.2125298 owned by the plaintiff, including by unauthorized manufacture, use, importation, offer for sale, and

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

sale or other introduction into civil circulation, or storage for such purposes of a product that incorporates the patented invention, as well as a process protected by a patent for an invention; introduction into civil circulation or storage for such purposes of a product manufactured directly by a process protected by a patent for an invention. At the court hearing, it was established that in accordance with Russian Federation patent No.2125298, which had been registered in the State register on January 20, 1999, with priority date of June 9, 1998, the plaintiff is the patent holder of the invention, “A display device and a method of operating the display device”.

The arbitration court found that contract No.01/97 had been concluded on January 2, 1997 between the defendant and the German company, Rainer Wesemueller Trade-Marketing-Service, for the supply of various products, including MOTION DISPLAY. From the documents submitted by the parties, it could be seen that all the features of the invention in respect of which the plaintiff was the patent holder, were identical to the features that characterized MOTION DISPLAY. The defendant presented documents proving the invention, use and sale in the period up until June 9, 1998 (the priority date of the invention) of the MOTION DISPLAY product, manufactured by the company, BASYS.

By virtue of Article 12 of the Patent Law of the Russian Federation, any natural or legal person who, before the priority date of an invention, was using in good faith within the territory of the Russian Federation an identical solution created independently from the author, or made the necessary preparations for such use, shall retain the right to proceed with that use free of charge provided that the scope thereof is not extended. The Federal Arbitration Court of the North-Western District decreed that the decision of June 7, 2001, and the judgment of the appellate court of August 6, 2001 of the Arbitration Court of St. Petersburg and the Leningrad region regarding case No.A56-8882/01 would be upheld, and the appeal would be rejected.

This was subsequently followed by a cassation appeal. In its judgment of May 14, 2003, the Federal Arbitration Court of the North-Western District examined the appeal of “R.T. Vershina” Limited against the determination of October 11, 2002, and the judgment of the appellate court of February 28, 2003 of the Arbitration Court of St. Petersburg and the Leningrad region regarding case No.A56-8882/01, and found as follows:

“R.T. Vershina” applied to the arbitration court and requested clarification regarding the following:

- Which uses of MOTION DISPLAY, provided for in Article 10 of the Patent Law of the Russian Federation (the manufacture, use, import, offer for sale, other form of introduction into civil circulation, or storage for such purpose), are covered by the right of prior use of Closed Joint Stock Company “SignArt”.

A determination of October 11, 2002 clarified that the right of prior use in respect of the MOTION DISPLAY product belonged to CJSC “SignArt”, allowing CJSC “SignArt” gratuitous use of the product in the way that it had used it since June 9, 1998, i.e. to continue to import products into the territory of the Russian Federation, and either sell or lease said products. The Federal Arbitration Court of the North-Western District ruled that the determination of October 11, 2002, and the judgment of the appellate court

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.

of February 28, 2003 of the Arbitration Court of St. Petersburg and the Leningrad region regarding case No.A56-8882/01 would be upheld, and the appeal of “R.T. Vershina”, rejected.

In this way, courts of all levels have recognized that importation of a product (device), and its subsequent sale or lease, constitutes use of an identical solution which is covered by the right of prior use. The Chamber for Patent Disputes subsequently deemed the patent totally invalid. In this case, what is interesting is recognition of the right of prior use not only in relation to the product- a display device, but also in relation to a method for operating the display device. And although such a direct conclusion regarding the method was not drawn, it follows from the judicial clarification that the right of prior use in respect of the MOTION DISPLAY product belongs to CJSC “SignArt”, allowing CJSC “SignArt” to use the product gratuitously, as it has done since June 9, 1998.

<sup>2</sup> Repealed, due to the enactment of Part IV of the Civil Code of the Russian Federation on January 1, 2008.