Cooley

May 17, 2022

As noted in <u>our client alert on April 20, 2022</u>, Cooley continues to monitor the ever-changing situation in Russia and Ukraine following Russia's invasion of Ukraine in February 2022. Provided below is an update regarding recent developments related to intellectual property (IP) protection in Russia.

On May 5, 2022, the Office of Foreign Assets Control (OFAC) at the US Department of the Treasury issued <u>General License 31</u> (<u>GL31</u>), which authorizes certain transactions related to patents, trademarks and copyrights. Paragraph (a) of GL31 provides a broad authorization to engage in these specifically enumerated activities:

- 1. Filing and prosecution of applications for patent, trademark, copyright, or other form of IP protection.
- 2. Receipt of patents, trademarks, copyrights or other forms of IP protection.
- 3. Renewal or maintenance of patents, trademarks, copyrights, or other forms of IP protection.
- 4. Filing or maintenance of any opposition or infringement proceeding related to patents, trademarks, copyrights, or other forms of IP protection, or defending against any such proceedings.

Although the term "payment" is not explicitly stated in paragraph (a) of GL31, activities that are ordinarily incident and necessary to give effect to authorized transactions are generally authorized under the Russian Harmful Foreign Activities Sanctions Regulations, subject to limitations involving certain sanctioned blocked persons, debits to blocked accounts or transfers of blocked property (31 CFR §587.404). As such, payments incident and necessary to effectuate the IP-related transactions authorized by an OFAC general license are arguably permitted under the general license, subject to the limitations noted above.

GL31 also should be viewed as authorizing payments to Rospatent – even though those payments will be processed by a sanctioned Russian financial institution, specifically the Central Bank of the Russian Federation. In any event, payments related to taxes, fees, duties, permits, licenses, registrations or certifications (such as renewal and maintenance of IP protection) processed through the Central Bank of the Russian Federation continue to be authorized under OFAC <u>GL13</u>, which will remain in effect until at least June 23, 2022.

In addition, paragraph (b) of GL31 describes certain limitations to the authorizations permitted under this general license. However, these limitations appear to be very specific and unlikely to be implicated by the IP-related transactions permitted under paragraph (a) of GL31.

We will continue to monitor developments in these jurisdictions, and we will provide additional information and guidance if necessary. In the meantime, please reach out to a member of your Cooley team with any specific questions or if you need more information regarding this issue.

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