



LEGALTECH REVIEW

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LEGISLATION

NEW VERSION OF THE BILL TO COMBAT DIGITAL MONOPOLIES

The Federal Antimonopoly Service offered [a new version](#) of the Fifth Antimonopoly package specifically tailored to combat digital monopolies - the owners of internet platforms dominating the market. This version now incorporates many new features. It includes amendments made in the Administration Violation Code which stipulates that the company fined for the violation of anti-monopoly legislation that failed to handle a warrant could be fined for the sum which doubles the first fine. The service also asks for the right to allow the use of objects of patent rights in the Russian Federation through the court if copyright owners failed to meet antimonopoly requirements. The proposed additional mechanism is no less interesting. Namely, it suggests preventing violators from selling items in the country that were manufactured with the use of industrial property assets. The draft bill of the antitrust package was submitted by the Federal Antimonopoly Service for approval to specialized agencies and a few specialized associations.

THE STATE DUMA INTRODUCED THE FEDERAL BILL ON APP STORES

The State Duma [introduced the federal bill](#) on app stores. The document says that the right holder should not limit or ban the installation of third-party app stores on mobile devices. Today, Apple users do not have this option. Additionally, the document provides that when selling a license or a subscription for the digital product in the marketplace as well as making any purchases in the app, the owner of the marketplace can charge commission, but not more than 20% without VAT. If the owner of the application store sets the maximum commission amount, the law will oblige him on a quarterly basis to deduct one third of his income from sales in Russia to a special fund for IT training which will be founded specifically for this occasion. Today AppStore and Google charge a commission of 30%, that is, only 70% goes to the developer from the sum charged to the buyer. The director of the Association of professional users of social media and messengers Vladimir Zykov says that the project has a number of gaps: in particular, it does not explain the choice of 20% commission, it does not specify the administrative body and liabilities for failure to meet the requirements.

THE PRESIDENTIAL COUNCIL WILL LAUNCH A WORKING GROUP FOR PROTECTION OF DIGITAL RIGHTS OF CITIZENS

The Presidential Council for Civil Society Development and Human Rights (HRC) launches a [working group](#) to promote and protect digital rights of citizens. At present, major problems are related to harassment in social media, protection of personal data and surveillance through video surveillance cameras. From this perspective, fraud prevention is an increasingly important issue that needs to be addressed. The head of the HRC Valery Fadeev says that the main task of the working group is to understand how to minimize the collateral damage from the development of IT.

RUSSIA FOUNDED THE ASSOCIATION OF LAWYERS IN THE DIGITAL ECONOMY

Digitalization obviously fills out all aspects of our lives. The legal industry is no exception. Thus, Zartsyn & Partners and Zakoshansky & Partners established the [Digital Economy Lawyers Association](#). The goal of this Association is to craft a unified approach to legal assistance to Russian companies in the sphere of information technologies as well as to conduct a legal due diligence on the issues of legal regulation of civil turnover powered by digital technologies and protection of rights of citizens and Internet entrepreneurs. All information about the Association's activities will be published at www.rudela.ru.

THE MINISTRY OF JUSTICE HOLDS AN OPEN COMPETITION FOR THE POST OF THE JUDGE OF THE ECHR

The Ministry of Justice of the Russian Federation [holds an open competition](#) to select candidates for the post of the judge of the European Court of Human Rights from the Russian Federation, vacant from January 1, 2022. Requirements to the judge are established by international acts. A judge must be a person of high moral character and meet the requirements for appointment to high court judges, or be a recognized legal expert. The judge must have a working knowledge of one of the working languages of the Council of Europe and at least a passive knowledge of the second language. The judge must have a knowledge of both public international law and national legal system. The judge shall not be older than 65 years old by the time he takes the oath of office. The term of office of the ECHR judge is nine years. The judge cannot be re-elected for a new term. Candidates for the position of the judge must submit documents not later than October 5, 2020.

INTELLECTUAL PROPERTY

WIPO LAUNCHES A NEW FREE DATABASE WITH FREE-OF-CHARGE DECISIONS RELATED TO IP LAW FROM AROUND THE WORLD

The World Intellectual Property Organization (WIPO) has launched a new database [WIPO Lex-Judgments](#), to provide free-of-charge online access to the most important judicial decisions of different countries of the world related to intellectual property assets. The database [WIPO-Lex Judgments](#) will enhance a common understanding of how courts view these issues providing access to solutions (selected by relevant offices in participating member states), which are precedents for the authoritative interpretation of IP law in their jurisdictions.

A MEMORANDUM OF UNDERSTANDING ON COOPERATION WAS SIGNED BETWEEN ROSKOMNADZOR AND THE WORLD INTELLECTUAL PROPERTY ORGANIZATION

A memorandum of understanding was signed between the head of Roskomnadzor and the general director of the World Intellectual Property Organization for the provision of information. Roskomnadzor will provide information for the [WIPO ALERT](#) database information on a website which many times illegally posted information with intellectual property containing objects of copyright and/or related rights. The memorandum of understanding [was signed](#) remotely.

AUTHORITIES WILL START MONITORING THE QUALITY OF REGIONAL BRANDS

In line with the Resolution of the Government that came into force on September 19, they defined the order in which the ministries and departments will control the preservation of the conditions that have a specific impact on products with appellations of origin. Thus, [in line with the document](#), any person, including the authority, can file a report on disappearance of special conditions in particular regions. If a right holder or a governor does not provide any convincing arguments, the legal protection of appellations of origin will be terminated. If the arguments are strong, the Office will send an application with both items attached to Rospatent, which will issue a final verdict.

THE MINISTRY OF JUSTICE HAS ISSUED THE RULES FOR TRANSFORMATION OF APPELLATIONS OF ORIGIN

The Ministry of Justice on September 2 registered the [Order](#) of the Ministry of Economic Development of the Russian Federation dated July 3, 2020 № 399 «On approval of the Procedure for transformation of appellations of origin or application for the state registration of appellations of origin, respectively, and vice versa, as well as forms of the petition on the change of geographical indication into the appellation of origin.” In line with the enactment the Ministry of Economic Development determined the order of transformation of appellations of origin into geographic indications. [They also provided](#) the forms of respective formal requests.

THE RUSSIAN AUTHORS SOCIETY (RAO) AND THE RUSSIAN UNION OF YOUTH SIGNED AN AGREEMENT ON COLLABORATION IN THE SPHERE OF INTELLECTUAL PROPERTY

The Russian Authors Society (RAO) and the Russian Union of Youth made [an Agreement on Collaboration and Cooperation](#). The signed document should protect intellectual assets and means of individualization and enable a program "Russian Student Spring" to encourage creative thinking. They also signed an agreement with the Russian Union of Youth on copyright fees. Pavel Krasnorutsky, member of the Public Chamber of the Russian Federation and acting chairman of the Russian Youth Union, said that an agreement signed between the Russian Union of Youth and the Russian Authors Society was an example of a responsible attitude to copyright, protection of intellectual property assets for the emerging generation, youth NGOs and creative communities.

THE MINISTRY OF INDUSTRY AND TRADE EXPLAINED A SUGGESTION TO BAN PHOTOGRAPHING BOOKS IN BOOKSTORES

The Ministry of Industry and Trade [has published draft rules](#) for the sale of goods under a retail sale and purchase agreement. The draft shall take into account the specifics of different types of sales. In particular, the Ministry came with a suggestion to ban photographing books or other printed materials in book stores before they are purchased to protect the rights of sellers, given the rise of technology. However, taking photos primarily concerns the book content. A source in the Ministry of Industry and Trade said that modern technologies enabled buyers to take photos of the pages they need in stores rather than buy a book (mostly, it is true for academic publications and educational literature). The relevant proposal was made to limit photographing printed materials in book stores before the purchase. We should mention that this issue has not been regulated yet. This initiative was suggested for public discussion to prevent difficult situations for customers.

ROLLTON HAS BECOME A POPULAR TRADEMARK

The Intellectual Rights Court [decided](#) that to satisfy the claims of MAREVEN FOOD HOLDING LIMITED and ordered the Federal Service for Intellectual Property to register the well-known trademark under application number 18-259 OM, namely Rollton. The conclusion of the Sociological Expertise Laboratory is based on the results of the sociological survey research conducted from November 7, 2017, to November 20, 2017, to confirm the publicity of the applied indication in regard to the level of familiarity of the combined designation with the verbal element “Rollton”, report of the Laboratory of sociological expertise dated January 11, 2018, № 06-2018 “Assessment of the market share of products marked with the sign “Rollton” today and as of January 1, 2009. As shown by the sociological survey, at the beginning of 2009, the combined designation “Rollton” was familiar to almost all respondents – 97%. At the date of the survey, the percentage of those who know the indication makes up 100%.

NASA PATENTS A CHEAPER ROUTE TO THE MOON

The Moon for most humans is still cosmically far away. When NASA first launched astronauts to the Moon in 1968, the first crewed flight ran only a couple of days. It should be mentioned that such direct shots are expensive, though, requiring an enormous consumption of energy to climb out of Earth’s deep gravity well, [comments B1](#). However, the United States Patent and Trademark Office issued NASA [a patent](#) for a series of orbital maneuvers. The technique isn’t meant for large spaceships that carry rovers or astronauts on board, but for smaller, more tightly budgeted missions tasked with doing meaningful science, for example, those doing research on the far side of the Moon.

APPLE PATENTS IPHONE CASE THAT HARDENS IF DROPPED

Apple [has patented](#) a protective case for iPhone that will change its properties before it falls on the ground if dropped. In line with the technical documentation published at the website of the United States Patent and Trademark Office, Apple engineers suggest using active electromechanical materials to provide better protection for electronic devices. A “smart” case would read electrical and magnetic fields and change its properties when certain triggers get activated. The case will consist of a body, a processor, a magnetic circuit and a magnetic-sensitive layer that includes a matrix

and magnetic particles embedded inside the matrix. The patent also states that the material will change its properties almost instantly, and the higher the drop height, the stronger the case will become. The ultimate goal is to provide sufficient damping to absorb the impact force in a matter of milliseconds.

PAYMENTS COMPANY SQUARE LAUNCHES A CONSORTIUM COPA TO COMBAT PATENT TROLLING

Payments company Square has launched The Cryptocurrency Open Patent Alliance (COPA), a [consortium](#) to combat patent trolling in the cryptocurrency industry. In this consortium, all patents, connected with blockchain, will be stored in the COPA library. The Alliance provides open access to patented technologies in the sphere of blockchain and cryptocurrencies. The main goal of the Alliance lies in the fight with trolls which register different patents for the development connected with the blockchain without trying to advance them at the market. The consortium members say that this storage of patents will facilitate the free implementation of innovative technologies, as well as the creation of new and redesigned products.

COPYRIGHT

ROBOT WROTE AN ENTIRE ARTICLE FOR THE GUARDIAN

For starters, it is not big news for mass media that AI could write articles. Thus, The Guardian employed AI for writing columns in its magazine. This article was written by GPT-3, an Open AI language generator. They gave special instructions for this particular essay. Each of them should contain unique and interesting content and should prove a specific claim. If you [follow the link](#), you can read a translation of this article.

FREE MOBILE APP “LIGHT” FOR READING IS AVAILABLE FOR DOWNLOADING

At the beginning of the school year, the citizens of the Russian Federation [were granted](#) free access to more than 1000 international and Russian literary works, hundreds of movies and plays. The national e-library launched for students a new mobile application [Light](#) under the aegis of the Ministry of Culture of the Russian Federation. The app features a unique motivation program which enables users to read, watch films and learn every day. It includes a few useful functions: setting a goal and tracking achievements. The app will make sure that the user reaches their reading goals, and it will playfully offer to test themselves with interactive tests. The app is available on App Store and will soon be available on Google Play.

GOOGLE ENLISTS MUSICIANS AS GUIDES FOR VIRTUAL ARTWORKS

Google launched an initiative called [Google Arts & Culture](#), where popular musicians act as virtual guides for artworks. It's a part of a series called [Art Zoom](#), which is in its second season. Jarvis Cocker, Feist, Maggie Rogers, Girl in Red и Lolo Zouaï are the musicians taking part. Guided excursions are available at the website Google Arts & Culture or through the mobile application.

TUNECORE BECAME AVAILABLE IN RUSSIA

The leading digital music distribution service [TuneCore launches](#) in Russia and announces a Russian-language website. TuneCore, founded in 2006, allows independent artists to be published in 150 digital stores and streaming services worldwide, including Spotify, iTunes/Apple Music, YouTube Music, Amazon Music, TikTok, Deezer, and local Russian platforms like Yandex. On the eve of the launch in Russia, TuneCore signed a partnership with the content aggregator UMA (United Media Agency), which distributes music in the BOOM service – the most popular streaming platform in Russia, integrated with the largest Russian social networks VK and OK.

THE US GOVERNMENT INCREASED REGISTRATION FEES FOR INTERNATIONAL TOURING MUSICIANS

From October 2020 the US Department of Homeland Security will increase registration fees for touring artists which affects both P and O visa types of more than 50%. At present, international artists will pay a higher visa fee for touring in the United States. The P visa, which can also be used by sportsmen, artists and family members of individuals, will increase by a total cost of \$695. The O visa, which can be used for individuals with exceptional abilities in the field of science, art, education, business, athletes or people who showed exceptional abilities in film or TV industries and recognized at national or international levels will increase 53% – from \$460 to \$705.

FRENCH GOVERNMENT WILL ALLOCATE €200 MILLION TO SUPPORT THE CONCERT INDUSTRY

France [is launching](#) a program to rebuild its cultural industry. The total budget of the program is €2 billion. [The distribution](#) of funding is overseen by the Centre National de Musique, a state organization that protects the interests of musicians and industry representatives.

THE ECONOMICS DRIVING THE STREAMING INDUSTRY

Although the development of streaming music services is gaining momentum, the economics of this aspect faces the economic challenges. The fundamental [problem](#) of streaming is that revenue does not grow with consumption. Operating profit grows only from subscription fees or advertising revenue. Once these sources go down, all musicians divide the same revenue in different proportions depending on the number of streamings in the given period. It also means that hit recordings do not bring more revenue for anyone, they just generate the most source of available income. The only way to generate more income from streaming for all artists is to create solutions which also generate the majority of income for streamers.

FACEBOOK STARTS PROTECTING COPYRIGHT TO IMAGES

FB introduces Rights Manager for protection of images. In order to get access to [Rights Manager](#), the administrator of the page can file an application to protect intellectual property. Right Manager uses the image matching technology. If algorithms find a match, the system will send notifications to copyright holders about the use of a photo or an image, and will offer several actions with the found content: monitoring, adding a link to the original source to someone else's post, or blocking it. For now, the system is not available to everyone, but only to Facebook partners.

BROADCASTERS PROPOSED SIMILAR REGULATIONS FOR VIDEO CONTENT ON SOCIAL MEDIA AND TV

The draft Concept for Development of Television and Radio Broadcasting for 2020-2025 [makes a proposal](#) for a legal regulation of activities of the owners of internet platforms in regard to advertising, appropriate classification of age group, etc. This proposal is due to the fact that viewers are increasingly spending more time watching video content in VKontakte or YouTube services. The new rules of regulation may get to social media, websites, news aggregators, and “other means of transmitting information which can be referred to as mass media, but in fact, are not”.

ARTIFICIAL INTELLIGENCE AND DIGITALIZATION

WIPO LAUNCHES VIRTUAL EXHIBITION ON ARTIFICIAL INTELLIGENCE AND INTELLECTUAL PROPERTY

The World Intellectual Property Organization (WIPO) launched an immersive online exhibition "[WIPO, IP and AI: The Virtual Experience](#) WIPO, IP and AI: the virtual experience.” The exhibition is the first of its kind to be organized by WIPO and offers visitors an interactive opportunity to discover this new technology and learn about some of the many ways in which AI promises to revolutionize culture and the economy. The exhibition focuses on the use of AI in art, music, technology and entertainment. The organizers of the exhibition pose a series of questions that allow visitors to delve into relevant aspects of existing IP systems. [The exhibition](#) opened for visitors on September 18 to December 18, 2020.

YOUTUBE BRINGS BACK HUMAN MODERATORS AFTER AI SYSTEMS FAILED TO MODERATE YOUTUBE CONTENT

Back in early spring, YouTube announced that it would give up human moderators and will rely on AI algorithms to flag and remove content that violates its policies. Today, however, the service brings back moderators of content. The service [admitted](#) that expectations for AI had not been met as AI moderation had led to a significant increase in video removals and incorrect takedowns.

UK HIGH COURT CONFIRMS AI CANNOT REGISTER AN INVENTION

Dr. Steven Thale applied to the Intellectual Property Office of the UK to obtain legal protection for technical solutions for gadgets, which were invented by an artificial intelligence (creative machines) called DABUS. However, the court refused to provide legal protection as Ai was not a person. The Supreme Court of England and Wales [did not satisfy the claim](#) of an expert who maintained that a machine learning system was eligible to the state registration of the patent application.

THE MINISTRY OF THE RUSSIAN FEDERATION TIGHTENS REGULATIONS ON CRYPTOCURRENCIES IN RUSSIA

The Ministry of Finance of the Russian Federation [has drafted](#) a new package of bills for regulating cryptocurrencies in the country. The draft bill suggests that the citizens should declare their operations involving cryptocurrencies. Cryptocurrency marketplaces and exchanges should report to the Federal Tax Service about the transfers of digital currencies. However, experts noted that the document was very poorly developed in terms of criminal punishment.

DIGITAL YUAN, MINERS AND BANS. HOW CHINA IS GOING TO CHANGE A BLOCKCHAIN TECHNOLOGY

Today, China is leading the world in the development of blockchain technology. The development of this technology in China is legally registered. It is interesting to trace the entire journey of the Celestial Empire in the development of this new technology, from a complete rejection of digital money to the launch of its own state-run cryptocurrency. You can find more details about the development of the blockchain industry in China [in this feature](#).

CHRISTINE LAGARDE: "THE DIGITAL EURO SHOULD COMPLEMENT, NOT REPLACE, FIAT CURRENCIES"

In her speech at a meeting of the French and German parliaments, the president of European Bank Christine Lagarde [said that](#) the digital euro should complement fiat currencies, but not replace. The digital euro should become an alternative to confidential cryptocurrencies while not disrupting the stability state currencies. It is imperative that they continue to play a major role in making payments apart from digital currencies. Lagarde also said that a final decision will soon be made to launch a digital currency for the Eurozone countries.

EUROPEAN COMMISSION INTENDS TO TIGHTEN CONTROL OVER AMAZON, APPLE, FACEBOOK AND GOOGLE

By the end of the year the European Commission plans to present [new rules](#), aimed at monitoring the activities of the world's largest digital companies (Amazon, Apple, Facebook and Google). These rules will focus on combating misinformation and the protection of personal data. According to Vera Jourova, deputy chairman of the European Commission, the platforms should be more responsible, accountable and transparent.

ROSATOM AND THE RQC LAUNCHED THE FIRST INTERNATIONAL SCHOOL ON QUANTUM COMPUTING

ROSATOM and the Russian Quantum Center (RQC) [launched](#) the first international school on quantum calculations in Sochi. Seventy four students and postdocs with exceptional abilities in quantum technologies and the scientists from Moscow State University, MIPT, Oxford and Harvard Universities will take part in the event. The members of the program committee include Ruslan Yunusov, head of Rosatom's Quantum Computing Project Office, Georgy Shlyapnikov, scientific director of the RQC, Artyom Voronov, vice-rector for academic activities and pre-university training at Moscow Institute of Physics and Technologies, among others.

GOOGLE HAS LAUNCHED A PLATFORM FOR BLOGGERS TO HOST PAID ONLINE EVENTS

Google has launched [a platform called Fundo](#), that will enable bloggers and other content creators to host online events and sell tickets to them. The platform was designed not for large scale events with thousands of users as events can accommodate only 30 persons. The service also allows you to purchase and host a meeting with a blogger one on one.

COURT CASES

SHOWMAN PAVEL VOLYA DEFENDS TRADEMARK IN A DISPUTE WITH VOLKSWAGEN

The Federal Service for Intellectual Property (Rospatent) [settled a dispute](#) between Volkswagen AG and a Russian showman, TV presenter and entrepreneur Pavel Volya. The car manufacturer was trying to annul the legal protection of the fashion trademark Volya Wear. They claimed that he was trying to confuse consumers by its resemblance to the logo of the German company. Rospatent rejected Volkswagen AG's objection and upheld the legal protection of the Russian trademark.

THE QUEEN ELIZABETH HAS WON A LEGAL BATTLE AGAINST A FORMER BUTLER

The Queen Elizabeth II [has won a legal battle](#) against a former butler Grant Harrold over the use of a commercial trademark. As he retired, Grant Harrold planned to start a business and trademark the term "The Royal Butler." Harrold claimed that he had been given verbal permission to continue such use by the Royal family, however, the lawyers of the Royal family claimed the opposite. The Intellectual Property Office satisfied the claim of her Majesty.

ROCKET COMPLEX: ROSCOSMOS SUES ROSTEC FOR A PATENT

On September 28, 2020, the court for intellectual rights plans to start considering the claim lodged by the state corporation Roscosmos to AO All Russian Research Center “Signal” of Vladimir region. The [dispute](#) is over the patent of the electro hydraulic system of the rotary ring of the launch rocket complex on the part of the patent holder. The lawsuit against the institute was filed on August 28, 2020. The Corporation demanded to invalidate patent № 2667418 in part specifying the patent owner. The plaintiff also insists on the issuance of a new patent, which will be owned not by the Institute by the State Corporation.

COURT SENTENCES TO SIX YEARS IN PRISON THE HEAD OF LEPIN, THE MANUFACTURER OF CHINESE COPIES OF LEGO

Nine managers of the company Lepin, which produces copies of LEGO, [were found guilty](#) in Shanghai. The court sentenced them to six years jail term and fined \$13 million. LEGO filed lawsuits with Lepin in November 2018. The court decided that Lepin had copied about 18 LEGO sets and violated its intellectual rights. [According](#) to the online store Lego-Lepin.ru, as Lepin closed, two other companies, King and Queen, started producing copies of LEGO sets.