

INTELLECTUAL PROPERTY RIGHTS
RELATED PROVISION: COUNCIL REGULATION 269/2014
FREQUENTLY ASKED QUESTIONS – AS OF 8 SEPTEMBER 2022

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

Last update: 8 September 2022

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 in principle 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) (see however in this respect Question 5 and 8).

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?

Last update: 8 September 2022

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. See on this also this [FAQs](#), Section B. Individual Financial Measures.

3. How can EU and Member States intellectual property offices verify whether an IPR applicant/owner, or a party in opposition or invalidity proceedings is designated under Annex I to Council Regulation 269/2014?

Last update: 8 September 2022

EU and Member States intellectual property offices are subject to the same obligations concerning compliance with sanctions than any other individual and legal persons that fall under the scope of application of Article 17, Council Regulation 269/2014.

In respect to what sanctions compliance entails, see this [FAQs](#) Section A.2. Circumvention and Due Diligence, in particular questions 1, 2 and 4. EU and Member State intellectual property offices should first and foremost verify the names of owners/applicants of IPR, as well as applicants in opposition or invalidity proceedings, against the entries in Annex I to Council Regulation 269/2014; a non-official consolidated list of those entries is also available on the EU [sanctionsmap](#)¹ and in the financial sanctions database².

¹ <https://www.sanctionsmap.eu/#>. For the list, it is necessary to click on the map on Ukraine, and tick the box Lists of persons, entities and items

² <https://webgate.ec.europa.eu/fsd/fsf#!/files>

EU and Member State intellectual property offices should also ensure that owners and applicants of IPRs as well as applicants in opposition or invalidity proceedings are not owned or controlled by persons and entities in Annex I to Council Regulation 269/2014. In this case, EU and national Member State Offices should not rely solely on the information submitted by the IPR applicant/owner or party in the afore-said proceedings (see Section B.1 Asset freeze and prohibition to make funds and economic resources available). Rather, they should do further investigations in the public domain and in relevant registries (see this FAQs, Section A.2. Circumvention and Due Diligence, question 2).

EU and Member State intellectual property offices can also seek the advice and support of the [relevant National Competent Authority \(“NCA”\)](#) (e.g. the NCA in the Member State where the intellectual property office is based) when they are unable to verify whether a legal persons is owned or controlled by a designated person.

4. 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?

Last update: 26 April 2022

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.

- 5. With regard to applications for IPR registration filed by designated persons or entities before the date of inclusion in Annex I to Council Regulation 269/2014, should EU and Member State intellectual property offices complete the examination phase and not register the IPR, or should the examination phase be suspended immediately? In the case of patents, can the search report and written opinion be forwarded to the applicant? In the case of trademarks, is it possible to publish trademark applications for the purpose of opposition proceedings?**

Last update: 8 September 2022

Once the IPR applicant is identified as one of the sanctioned individuals or entities listed in Annex I of Council Regulation (EU) No 269/2014, all steps of the procedure should be immediately suspended to guarantee that no economic resources are made available to, or for the benefit of persons or entity, regardless of the timing of the application (filed before or after the designation date) and the type of IPR involved (patent, trademark, etc.).

This is to prevent that through an IPR application the designated individual or entity obtains funds or economic resources (goods or services or any other intangible asset). Patents search reports and written opinions must not be forwarded to the applicant. Publication of trademarks applications should be withheld as long as the applicant is designated or owned/controlled by a designated person.

For already registered IP rights, EU and Member States' intellectual property offices can display a reference/sign/indication that a given application by a designated person or entities as well as persons and entities owned or controlled by them, is frozen pursuant to the EU sanctions (see question 4).

- 6. Should EU and Member State intellectual property offices suspend requests from designated entities/persons for formal modifications, e.g., change of address of an IPR owner or change of name of its representative?**

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If such requests can be considered as use in the sense of Article 1(e) of Regulation (EU) No 269/2014, i.e. aiming at obtaining funds, goods or services, in any way, they should be suspended.

- 7. 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?**

Last update: 8 September 2022

IPRs can be renewed, provided they remain frozen (see Question 1). 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). See also Question 8.

8. Could EU and Member State intellectual property offices continue to receive payments of fees from designated persons or entities or persons/entities owned or controlled by designated persons, with regard to suspended proceedings? Should renewal fees be accepted?

Last update: 8 September 2022

According to Article 2(1) of Council Regulation (EU) No 269/2014, all funds and economic resources of designated persons and entities must be frozen and no funds or economic resources can be made available to them or for their benefit.

However, Council Regulation (EU) No 269/2014 provides for exceptions to these obligations. For instance, NCAs are allowed to authorise the release of frozen funds or the provision of funds or economic resource if they are necessary to satisfy the basic needs of natural or legal persons (Article 4(1)(a)) or intended exclusively for payment of fees or service charges for routine holding or maintenance of economic resources (Articles 4(1)(c)).

In practice, the designated owner of an IPR could consider applying pursuant to the above provisions, if the conditions are met, to the relevant NCA, to allow the release of funds that have been frozen by a bank in a Member State to pay the renewal fees, and allow the EU or Member State IP office to register the renewal. In this context, it has to be noted that sanctions are not punitive; the purpose of sanctions is not to deprive the designated person of its rights. If an IPR is not renewed, the owner would lose its rights on it.

Hence, if the conditions are met and subject to the discretion of the NCA, a derogation under Article 4(1)(a) or (c), lodged for the purpose of renewing a frozen IPR appears legitimate. As noted, it is the person interested in the renewal that should apply for the derogation (i.e. the designated person).

The application should be filed with the NCA with which there are the closest links (e.g. the NCA in the Member State where the IP office is based). In the interest of the economy of the proceedings, in the same decision granting a derogation, the NCA could (i) authorise the bank in a Member State to release the frozen funds of the designated person necessary to pay the renewal fees and (ii) the EU or Member State IP office to renew the IPR.

9. How should EU and Member State intellectual property offices process requests for extension of deadlines from designated entities/persons?

Last update: 8 September 2022

Requests from designated entities/persons for extension of deadlines should only be accepted if the related procedure for which the extension is sought is necessary to preserve an IPR or an

application for an IPR.

10. 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)?

Last update: 26 April 2022

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

11. How should an EU or Member State intellectual property office proceed in case a designated entity/person files an application for an international trademark (Madrid Protocol) through the International Bureau of the World Intellectual Property Organisation?

Last update: 8 September 2022

If the intellectual property office only freezes the proceedings with the application, then within 12 months (or within the extended period of 18 months) the trademark will become valid in its territory. As a result, the intellectual property office should refuse to grant protection within the time period applying under Art 5(2) of the Madrid Protocol.

12. Could frozen IPRs still be enforced before EU courts?

Last update: 8 September 2022

Enforcing IPRs before EU courts should be permitted, insofar as the judicial proceeding is necessary to preserve the right. Restrictions concerning the asset freeze and the prohibition to make funds available to designated persons remain applicable.

13. Could a designated persons or entity initiate, participate in or continue opposition/invalidity procedures, acting as applicant?

Last update: 8 September 2022

EU and Member States intellectual property offices should suspend the initiation of new opposition procedures by a designated person or entity, the participation therein or the continuation of pending opposition/invalidity proceeding, unless these proceedings are necessary to preserve an already granted right³.

However, a distinction should be made between opposition and invalidity proceedings. EU and Member States intellectual property offices should not suspend the registration of the IPR; if, at the end of the timeframe for filing an opposition, the opposition procedure cannot be resumed

³ That could be the case for instance if the EU and Member States intellectual property offices believe that the registration of the IPR applied for will lead to dilution of listed-person' IPR.

(i.e. because the designated opponent has not be de-listed), the EU or Member States intellectual property office should proceed with the registration. This is because the non-designated applicant for an IPR registration should not bear the consequence of the designation of the opponent that would stem from keeping the registration of the IPR suspended until the opposition proceedings can be resumed.

Invalidity proceedings lodged by a designated person should remain suspended as long as the person is designated.

14. Could a designated person or entity defend its right against in opposition proceedings?

Last update: 8 September 2022

Defending an IPR against an opposition should be permitted, to the extent necessary to preserve the right. Restrictions concerning the asset freeze and the prohibition to make funds available to designated persons remain applicable. This for instance could apply in the case of patents, in which case opposition takes place once the registration is granted.

15. 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?

Last update: 26 April 2022

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.

16. 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?

Last update: 26 April 2022

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.

17. Can applications for Geographical Indications (GIs) be granted if one or more applicants are designated under Annex I to Council Regulation (EU) No 269/2014 or owned/controlled by them?

Last update: 8 September 2022

No. According to the Court's case law (judgment of 14 July 2022, *Commission v Denmark*, Case C-159/20, ECLI:EU:C:2022:561, paragraph 54), protected designations of origin (PDOs) and protected geographical indications (PGIs) are protected as an intellectual property right by the relevant EU legislation, according to which a scheme for PDOs and PGIs is established in order to help producers of products linked to a geographical area by ensuring uniform protection of the names as an intellectual property right in the territory of the European Union.

The Advocate General has clarified that geographical names (PDOs and PGIs) are industrial property rights, even if they are covered by sui generis rules, of which the public-law aspects prevail over the private-law aspects; he also added that GIs confer exclusive rights on the proprietor, even if not individual (Opinion of 17 September 2020, *Syndicat interprofessionnel de défense du fromage Morbier V Société Fromagère du Livradois SAS*, Case C-490/19, ECLI:EU:C:2020:730, paragraph 29).

It follows from that that even if GIs are linked to a specific geographic area rather than a producer, a successful GI application would bring about an economic advantage and financial benefit to the person or entity applying for it.

This would thus violate the prohibition to make funds and economic resources available, directly or indirectly, to or for the benefit of designated natural or legal persons, entities or bodies, or those associated with them, as specified in Article 2(2) of Council Regulation (EU) No 269/2014.

Hence, GI applied for by persons designated in Annex I to Council Regulation (EU) No 269/2014 cannot be granted. In this vein, pending applications in that case should be frozen (e.g. suspended).