

# UKRAINIAN INTELLECTUAL PROPERTY

2024 HANDBOOK



**FRISHBERG  
& PARTNERS**  
ATTORNEYS AT LAW

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## **I. OVERVIEW OF UKRAINIAN INTELLECTUAL PROPERTY LEGISLATION**

Overall, Ukraine’s IP system provides a solid foundation for the protection and enforcement of intellectual property rights, which is crucial for fostering innovation, attracting foreign investment and supporting economic growth. The legal framework offers straightforward and transparent procedures for registering and enforcing IP rights in-country or abroad.

Ukraine’s IP framework is historically comprehensive, encompassing a range of rights, including patents, trademarks, copyrights, industrial designs, and geographical indications. The country has made significant strides in aligning its IP laws with international standards, adhering to agreements such as the Paris Convention for the Protection of Industrial Property (adopted back in 1883), the Berne Convention for the Protection of Literary and Artistic Works (1886), and the TRIPS (“Trade-Related Aspects of Intellectual Property Rights”) Agreement under the World Trade Organization, which allows member countries to freely determine the methods for implementation in their respective countries’ legal systems and practice.

In recent years, Ukraine has undertaken numerous reforms to improve its IP system to the level of international standards. These reforms have been driven by the need to integrate more fully into the global economy, protect the interests of IP rights holders and create a favorable environment for business and innovation.

Below we review the recent reforms in Ukrainian property legislation and exemptions during the martial law.

### **1. Recent Reforms and Institutional Developments**

As previously stated, the strategic goal of IP reform is to align Ukraine’s IP laws and enforcement mechanisms with EU and global standards, fostering a more reliable IP environment for businesses and innovators. These reforms are part of a broader initiative outlined in the Sustainable Development Strategy “Ukraine 2020” and the “Concept for Reforming the State System of Legal Protection of Intellectual Property in Ukraine.” The launching of the Higher Court on Intellectual Property, which remains a highly anticipated reform, is expected to further enhance IP rights protection in Ukraine.

On June 16, 2020, the Ukrainian Parliament passed Law No. 703-IX “On Amendments to Certain Laws of Ukraine Regarding the Creation of the National Intellectual Property Authority” (the “Law”). This legislation marked a significant step in the modernization of Ukraine’s intellectual property system, with the goal of aligning it more closely with European Union standards. On July 14, 2020, the Law was published, signaling the completion of long-anticipated institutional reforms in Ukraine’s IP sector.

As part of this reform, the National Intellectual Property Authority (“NIPA”) was established, replacing the State Enterprise “Ukrainian Institute of Intellectual Property” (“Ukrpatent”) and assuming certain functions previously held by the Ministry of Economic Development, Trade

and Agriculture. NIPA now serves as the central authority responsible for overseeing the legal protection of intellectual property in Ukraine. This restructuring was designed to streamline the IP registration process, enhance transparency, and increase the efficiency of IP enforcement in the country.

## **2. The Role and Responsibilities of National Intellectual Property Authority**

NIPA was created by consolidating Ukrpatent and other state organizations within the intellectual property sector, making it the key institution for IP protection in Ukraine. Operating under the oversight of the Cabinet of Ministers, NIPA is tasked with several crucial functions:

- conducting examinations of applications for the registration of intellectual property objects;
- carrying out state registration of IP objects and issuing patents and certificates;
- invalidating, either partially or fully, the rights to certain types of registered IP objects;
- publishing official information, maintaining registries, and issuing certificates and extracts from the state register about protected IP objects.

NIPA also includes specialized bodies such as the Appeals Chamber, which handles objections to decisions made by NIPA regarding the acquisition of IP rights, and the Attestation and Appeals Commission, which addresses matters related to the certification of patent attorneys.

These reforms are expected to simplify and expedite the IP registration process in Ukraine, while posing greater clarity and efficiency. However, businesses and IP rights holders should anticipate certain challenges and potential uncertainties during transitional periods, as the new authority may not yet be fully operational.

## **3. Impact of War on Intellectual Property Rights**

On February 24, 2022, Russia launched a full-scale war against Ukraine, which had profound implications for the country, including its intellectual property landscape. In response to the ongoing conflict, on April 13, 2022, Law No. 2174-IX “On the Protection of Interests in the Field of Intellectual Property During Martial Law Introduced Due to the Armed Aggression of the Russian Federation against Ukraine” came into effect. This law provides critical guidelines on how intellectual property rights are managed during martial law.

#### **a. Extension of Intellectual Property Protection Terms**

Under the aforementioned law, running deadlines related to the protection of intellectual property rights are suspended for the duration of martial law. If the protection term for IP objects (e.g., patents, trademarks) expires from February 24, 2022 and throughout the duration of martial law, necessary actions may be taken to extend the validity of protection documents (certificates, patents) within 90 days after martial law is lifted without the need to pay additional fees for missing original deadlines.

The same rule applies to any other deadlines, such as responses to NIPA actions, deadlines for filing additional documents, and so forth. In other words, during the entirety of martial law, all relevant IP rights remain in force and can be renewed under the general procedure after martial law is canceled.

#### **b. Suspension of Deadlines During Martial Law**

The law also specifies that the following deadlines are suspended for the duration of martial law:

- Deadlines related to the protection of IP rights;
- Deadlines for acquiring rights to IP objects;
- Deadlines for filing objections against applications or international registrations in Ukraine;
- Deadlines for appealing decisions of NIPA in court or to the Appeals Chamber to invalidate IP rights;
- Deadlines within which missed deadlines can be reinstated (excluding those set for actions by NIPA).

These deadlines resume on the day following the officially declared termination of martial law, taking into account the time elapsed before suspension of the above deadlines. Furthermore, all necessary applications, petitions, objections and responses required by relevant IP laws can be submitted within 90 days after the end of martial law without the need to pay additional fees for renewals, extensions or deadline extensions.

#### **4. Publication of Information Concerning Defense or Dual-use Technologies**

Under the Law, NIPO does not publish information related to military and dual-use products during the period of martial law, for obvious reasons. This measure aims to protect national security interests by restricting access to potentially sensitive technological information that could be misused by adversaries. Consequently, data concerning inventions or utility models

that have applications in defense or dual-use technologies remain confidential, minimizing the risk of exposure during the ongoing conflict.

In conclusion, despite the challenges posed by the ongoing conflict, IP legal reforms demonstrate Ukraine's commitment to upholding and advancing its intellectual property system. The establishment of NIPA, along with the strategic alignment of Ukraine's IP laws with EU and global standards and the introduction of emergency measures during martial law, reflect the country's dedication to creating a secure and effective IP environment for all interested parties.

## **II. INVENTIONS & UTILITY MODELS**

Ukrainian IP legislation, particularly concerning patents for inventions and utility models, has undergone significant changes over the recent years. These reforms are a result of Ukraine's efforts to harmonize its legislation with that of the European Union (EU) and to stay in competition with other pertinent markets worldwide (China, India, Pakistan, The Philippines, South Korea, Singapore, etc.).

One of the key milestones in this evolution is Law No. 816-IX "On Amendments to Certain Legislative Acts of Ukraine on the Reform of Patent Legislation", dated August 16, 2020 (the "Patent Law"). The Patent Law introduced several important updates to patent-related legislation, such as the introduction of post-grant opposition procedures and supplementary protection certificates (SPCs).

Immediately below we provide you with an overview of the current IP legislation in Ukraine, focusing on the transition from the old to the new Patent Law by comparing their provisions and highlighting the implications.

### **1. Evolution of Ukrainian Patent Legislation**

Prior to the adoption of the Patent Law, Ukraine's patent legislation was governed by various laws and supporting regulations that did not fully accommodate modern challenges or align with international standards. The patent system under the old legislation lacked certain critical mechanisms, such as administrative procedures for revoking patents (post-grant opposition) and the availability of supplementary protection certificates, which are vital for extending the protection of pharmaceutical and other patents beyond their standard term. The absence of these mechanisms often resulted in prolonged disputes and limited the ability to challenge patents effectively, leading to egregious damages caused to legitimate patent holders.

The passage of the Patent Law marked a turning point in Ukraine's IP landscape, introducing several key innovations that greatly enhance the patent system. The main changes are as follows:

### **a. Non-Patentable Technologies**

Under the Patent Law, the range of technologies eligible for protection as utility models has been somewhat narrowed. For example, protection is now limited to devices or processes, while substances are no longer considered patentable as utility models.

Furthermore, the Patent Law expands the list of objects excluded from patent protection, including the following:

- Surgical or therapeutic methods for treating humans or animals, and diagnostic methods applied to human or animal physiques;
- Processes related to human cloning or altering the genetic identity of humans through germline modification;
- The use of human embryos for industrial or commercial purposes; and
- The human body at various stages of its formation and development, as well as the discovery of elements of the human body, such as gene sequences.

This is designed to prevent the abuse of the utility model system and ensure that patents are granted only for genuinely innovative and industrially applicable inventions.

### **b. Combatting “Evergreening” Patents**

The Patent Law specifically addresses the issue of “evergreening”, where minor modifications to existing pharmaceuticals are used to unjustifiably extend patent protection without substantiation. For example, known pharmaceutical, such as salts, esters and polymorphs, are deemed obvious and non-patentable, unless they demonstrate significant differences in effect via testing. This change is designed to encourage genuine innovation and competition rather than allow the perpetual extension of monopolies on existing products.

### **c. Electronic Documentation and Filing**

The Patent Law provides for the option to submit and file documentation electronically, which streamlines administrative procedures and increases accessibility for patent applicants. Ukraine’s consistent moves towards digitalization are taking a lead in current global trends and facilitate more efficient state processing.

### **d. Opposition Procedures**

An important advancement under the Patent Law is the introduction of a pre-grant opposition mechanism. Any interested party can now file an objection against a patent application within

six months of its publication. If a party believes that its patent rights have been violated, the party may submit a claim to argue non-patentability, offensiveness to public morals, and non-compliance with effective patentability criteria. This mechanism enhances transparency and allows for the scrutiny of patent applications before rights are granted.

Additionally, post-grant opposition has been introduced, allowing patents to be challenged after they have been administratively granted. The Appeals Chamber can invalidate patents if they fail to meet the requirements of patentability. The timeframe for filing such claims varies depending on patent type: nine months for inventions and at any time during the term of a utility model patent. This new administrative route provides a quicker and less costly alternative to court proceedings for contesting patent validity.

#### **e. Supplementary Protection Certificates**

The introduction of supplementary protection certificates (“SPC”) is another significant novelty for Ukraine. Patent holders can now apply for an SPC to extend the term of IP rights for up to five years beyond the original patent term, particularly for pharmaceutical and agrochemical products that require regulatory approval before market entry. The Patent Law also provides for an additional six months of protection if pediatric studies have been conducted.

During the SPC period, third parties are permitted to undertake certain activities, such as manufacturing the product for export or preparing for market entry post-SPC expiration. This provision, similar to the EU's Bolar exemption (discussed below), is designed to balance patent rights with public interest by facilitating the timely introduction of generic medicines.

There is an ongoing debate concerning certain provisions within the Law “On the Procedure for Considering Requests for Granting Supplementary Protection for Inventions”. Significantly, due to a legislatively unregulated situation, applicants who filed their applications prior to the new legislation came into effect are potentially not eligible for supplementary protection. Unless a “grandfather clause” is introduced to this law, this creates legal uncertainty and potential inequity for earlier applicants, as they are unable to benefit from the extended protection granted under the new rules.

#### **f. Bolar Provision**

The Patent Law introduced a “Bolar-like” provision in Ukraine, which allows third parties to use patented inventions without the patent holder’s consent for research purposes only, particularly to prepare regulatory submissions for generic pharmaceuticals. The aim is to expedite the availability of generic medicines on the Ukrainian market, thus increasing competition and reducing costs.

## **2. Military and Dual Application Technology during the War with Russia**

During the ongoing conflict between Ukraine and the Russian Federation, the ability to patent military and dual-use technologies has become particularly important. Currently, the trend is seeing a significant increase in the number of such registrations. The official statistics are not published in order to maintain security and confidentiality. The approach, however, does ensure that sensitive information related to military and dual-use technologies remains undisclosed and protected.

The reforms brought about by the new Patent Law represent a significant step forward in modernizing Ukraine's patent legislation. By incorporating international practices, such as the introduction of opposition procedures, SPCs, and the Bolar provision, this Law enhances the balance between protecting inventors' rights and promoting public access to innovation. These changes are expected to improve the overall effectiveness of the patent system in Ukraine, fostering a more innovation-friendly environment while aligning the country's IP laws more closely with those of the EU.

### **III. INDUSTRIAL DESIGNS**

The legal landscape for industrial designs in Ukraine was significantly revised with the introduction of the Law of Ukraine No. 815-IX "On Amendments to Certain Legislative Acts of Ukraine on Enhancing the Protection and Defense of Rights to Trademarks and Industrial Designs and Combating Patent Abuse" (the "Industrial Design Law"), which came into effect on August 16, 2020. This legislation introduced several critical changes to the protection of industrial designs, including new registration requirements, the protection of unregistered designs, and an administrative procedure for invalidating rights post-grant ("post-grant opposition").

The key changes under the new Industrial Design Law are follows:

#### **1. New Criteria for Protection**

A major change in the Industrial Design Law is the introduction of new criteria for the protection of industrial designs. In addition to novelty, industrial designs must now possess an "individual character" to qualify for protection. An industrial design is deemed to have an individual character if the overall impression it produces on an informed user differs from that of any other design that has been made publicly available before the application date or, if priority is claimed, before the priority date. The degree of freedom of the author in creating the design is also taken into account when assessing its individual character.

#### **2. Objects Not Eligible for Protection**

The Industrial Design Law specifies the list of objects that are not recognized for legal protection as industrial designs in Ukraine, including the following:

- Objects of unstable form made from liquid, gaseous, loose (granular) or similar substances;
- Results of intellectual or creative activity in the field of artistic design embodied or applied in a product that forms part of a complex product and is not noticeable during normal use;
- Features of a product's appearance determined solely by its technical function; and
- Features of a product's appearance that must be precisely reproduced to enable it to be mechanically connected to or placed within, around, or against another product so that each product can perform its respective function(s).

### **3. Certificates for Industrial Designs**

The Industrial Design Law replaces the patent previously granted for protecting industrial designs with a new document known as a “certificate of industrial design”. This certificate is issued only for industrial designs registered in accordance with the Law.

### **4. Unregistered Industrial Designs**

Industrial designs can also be protected without registration, provided they meet the protection criteria. The legal protection for an unregistered industrial design commences from the date it is publicly made available. Unlike registered designs, unregistered designs have a shorter protection period and allow the owner only to prohibit the unlawful copying of the design.

### **5. Protection Period**

The protection period for a registered industrial design is now five years from the application date with the option for renewal; however, the total protection period cannot exceed 25 years. A renewal request must be submitted no later than six months prior to expiration of the protection period. For unregistered industrial designs, the protection period is three years from the date the design is introduced to the market in Ukraine.

### **6. Limitations on Industrial Design Rights**

The Industrial Design Law introduces new exceptions to industrial design rights, including:

- The import of spare parts and components for repairing vehicles from foreign countries temporarily located in Ukraine; and

- Acts performed for illustration or educational purposes, provided the source is cited in relevant materials and the undertaking of such acts does not conflict with equitable commercial practices or harm normal usage of the design.

## **7. Multiple Applications**

The Industrial Design Law allows the submission of a single application for registering multiple industrial designs, subject to the following conditions:

- The number of designs in the application does not exceed one hundred;
- The designs fall under the same class within the International Classification for Industrial Designs;
- The applicant for each design is one individual or entity; and
- Each design has the same author.

If the first two conditions are not met, the applicant must submit divided applications within three months of receiving the relevant remark from the examination body. If the application is not divided, the examination will only cover designs belonging to the same class as the first design listed in the application and within a quantitative limit.

## **8. Electronic Document Management**

The Law now provides for the possibility to electronically manage documents, including the online filing of applications. The application may still be filed in paper, but electronic filing speeds up the application process.

## **9. Administrative Invalidation of Rights (Post-Grant Opposition)**

The Appeals Chamber may invalidate an industrial design certificate via an administrative procedure. Any person may submit a corresponding invalidation appeal throughout the entire term of proprietary rights to the industrial design and even after their termination based on non-compliance with the conditions for granting legal protection. The Appeals Chamber considers appeal requests within three months of receipt. A party may argue the decision of the Appeals Chamber in court within two months of receiving the Chamber's decision.

The Industrial Design Law represents a substantial improvement for protecting industrial designs, bringing the legislation more closely in line with EU and global standards. The introduction of stricter protection criteria, the protection of unregistered designs and the establishment of an administrative procedure for invalidating rights are significant advancements. These changes are expected to strengthen the legal framework for industrial

design protection in Ukraine, providing more comprehensive and effective protection for owners.

#### **IV. TRADEMARKS**

The legal landscape for trademarks in Ukraine has undergone noteworthy changes with the recent amendments to the Law of Ukraine No. 3689-XII “On Protection of Rights to Marks for Goods and Services” (the “Trademark Law”). These changes, which came into force on August 16, 2020, have introduced several critical changes to trademark registration and their protection in Ukraine, including new unconditional grounds for refusal, updated opposition procedures, the formal recognition of consent letters, improvements in search capabilities, and other substantial revisions designed to enhance the legal framework for trademarks.

Immediately below we summarize key changes in Ukrainian trademark legislation:

##### **1. New Grounds for Application Refusal**

One of the most noteworthy changes in the new legislation is the expansion of “absolute” or inarguable grounds for refusing a trademark’s registration. The Trademark Law now explicitly prohibits the registration of marks that:

- represent a shape or design dictated solely by the product’s form/nature and which is necessary to achieve technical viability or to add considerable product value;
- reproduce the name of a plant variety that is registered or under consideration for registration in Ukraine; and
- contain geographical indications that are registered or under consideration for registration.

These new provisions are designed to prevent the registration of trademarks that could potentially mislead consumers or unfairly restrict competition on the market.

##### **2. Collective Trademarks**

The newest amendments also introduce the concept of collective trademarks. Associations and similar entities can now register collective trademarks, which may be used by associated participants to distinguish their goods and services from those of other groups. Applications for collective trademarks must include a list of entities authorized to use the mark and a document outlining the conditions for use. This provides organizations with a new tool for brand protection and identity.

### **3. Recognition of Consent Letters**

Another significant change is the legal recognition of letters of consent from owners of previously registered trademarks. Such letters can now be used to overcome relative grounds for refusal during trademark registration. However, the Trademark Law also provides that consent may be disregarded if there is a risk of consumer confusion, ensuring that the public interest in preventing deceptive practices is maintained.

### **4. Revised Opposition Procedures**

Arguably, the most significant procedural change introduced by the Trademark Law relates to the trademark opposition process:

- oppositions must be filed within three months from the date of publication of a trademark application. This early-stage opposition allows interested parties to challenge applications prior to the granting of registration; and
- parties that file an opposition during the application stage can also challenge registration within two months of officially receiving a copy of the authority's decision. This provides an additional layer of protection for those seeking to prevent the registration of conflicting trademarks.

In light of the above changes, trademark owners are advised to adjust their monitoring services to comply with the new opposition deadlines and fully utilize the enhanced procedural tools available.

### **5. Extended Period for Non-use**

“Non-use” refers to the situation when a registered trademark has not been used in commerce as per the goods or services listed in the registration database for a lengthy period. The Trademark Law establishes a continuous five-year period as the duration of the non-use period in adherence to the effective EU-Ukraine Association Agreement. If a trademark is not used within this period, it becomes vulnerable to cancellation. This change eliminates previous discrepancies and sets a clear standard for trademark use in Ukraine.

### **6. Restriction on Reregistration Rights**

The period during which a trademark owner can re-register their trademark has decreased to two years from the date of termination of previous registration. However, other parties may apply for relevant trademark registration before this period expires, provided they have the consent of the former or current owner.

## **7. New Grounds for Invalidating Registration**

The Trademark Law also introduces grounds for invalidating a trademark registration based on the bad faith actions of agents and/or representatives, who registered a trademark in Ukraine without the consent of the rightful owner in another country. The rightful owner can seek a court ruling to invalidate registration or transfer the rights to the trademark.

## **8. Electronic Filing and Proceedings**

To streamline the trademark application process, the Trademark Law formally introduces the option to electronically file applications and work on other related proceedings. This modernization effort is designed to improve efficiency and accessibility for applicants, making it easier to manage trademark registrations and relevant activities online.

## **9. Search Functionality Enhancement**

A significant improvement arrived in the spring of 2023, when the NIPA made trademark applications available in search systems, including those applications that have not yet been assigned an official filing date. This update has simplified the work of intellectual property professionals, IP rights holders and interested parties by allowing them to quickly perform searches for identical or similar marks and to monitor applications that might infringe upon earlier filed or registered objects. This enhancement provides a more transparent and proactive approach to trademark monitoring and protection.

The recent amendments to Ukraine's trademark legislation represent a significant advancement in the country's intellectual property legislation. By introducing new grounds for refusal, enhancing opposition procedures and making electronic processes available, the Trademark Law provides trademark owners with stronger tools to protect their rights. Trademark owners should familiarize themselves with these updates to ensure compliance and take full advantage of the protections offered by the Trademark Law.

## **V. COPYRIGHT AND RELATED RIGHTS**

The protection of copyright and related rights in Ukraine has undergone significant modernization with the adoption of a new and improved Law No. 2811-IX "On Copyrights and Related Rights" (the "Copyright Law"), which came into effect on January 1, 2023. The primary goal of this law is to streamline Ukrainian legislation in the field of copyright and related rights, aligning it with European Union norms and implementing provisions from the effective Association Agreement between Ukraine and the EU, as well as EU Directives concerning the protection of copyrights and related rights.

The Copyright Law introduces numerous changes, such as expanding the list of protectable and non-protectable objects, specifying the rights of authors, and establishing new procedures for the use of orphan works (works for which copyrights exist but the author is either unknown

or cannot be located) and databases. These improvements are designed to strengthen the legal framework for intellectual property, enhance transparency, and create a salubrious environment for creativity and innovation in Ukraine.

Despite the positive steps forward, significant challenges in protecting copyright and related rights in Ukraine remain. The implementation of the most recent changes requires significant effort, from raising awareness about new rules to improving enforcement mechanisms and addressing infringement issues, especially in light of today's prevalent digital domain. Liability for copyright violations has increased and new responsibilities have been placed on content-sharing service providers. However, ensuring effective compliance and addressing unauthorized use of copyrighted works, both online and offline, continues to be problematic, as additional efforts are necessary to create a reliable system of intellectual property protection.

The key changes introduced by the Copyright Law include the following:

- The Copyright Law has expanded the list of copyright-protected works. Notably, it now includes artistic designs, including stage design, and typeface designs;
- The Copyright Law revised the list of objects ineligible for copyright protection. Additions include abbreviations and non-original photographs. A new provision introduces a “sui generis” right for non-original objects generated by computer programs (including AI-generated works) and for non-original databases;
- The list of moral rights of authors has been expanded. New rights include the right to name a work or leave it untitled and anonymous, including the right to dedicate a work to a person(s), event or date;
- The Copyright Law has clarified the conditions under which the placement of hyperlinks or framing of works is considered use or non-use of the work;
- The Copyright Law sets out clear guidelines for the distribution of rights to works created as part of employment or commissioned work. By default, commercial rights to hired works or commissioned works are transferred to the employer or commissioner, unless otherwise provided by law or specific agreement of the parties. For commissioned visual artworks (excluding works specifically created as part of a computer program), commercial rights belong to the author if not otherwise stipulated by contract or law;
- Computer programs are protected in the form of their expression, such as source or object code, which must be original. Elements such as graphical user interface, functions sets and file formats are not considered forms of expression and are therefore excluded from protection;

- The Copyright Law clarifies that databases are protected by copyright if they are the result of intellectual effort through selection or arrangement of their components. It introduces a “one of its own kind” right for database generators, who have made a substantial qualitative or quantitative investment in obtaining, verifying or presenting content. This right is independent of the copyright status of the corresponding database.
- New categories have been added to permit the free use of copyrighted objects without the permission of copyright holders, without payment and without mentioning the author's name and source. There are also specific cases for the free use of databases.
- The Copyright Law dedicates an entire section to the essential terms and conditions of contracts for the management of copyrights and related rights, including assignment agreements, license agreements, public licenses and collective management agreements.
- Content exchange service providers are held legally responsible for the infringement of copyrights and related rights if they have not obtained necessary permission to use objects through interactive access or public notification.

The Copyright Law represents significant reforms in the field of copyright and related rights in Ukraine. The introduction of new rights, updated definitions and increased liability are aimed at providing a more open, encompassing and honest system that encourages creative industries in Ukraine while bringing it into close alignment with EU and globally acceptable legislation.

## **VI. IP TRANSFER RIGHTS AND LICENSING**

As of 2024, the legal framework governing the transfer and licensing of intellectual property rights in Ukraine, including patents, industrial designs and trademarks, remains relatively unchanged. As before, these rights are still transferred or licensed through formal agreements, which allows businesses to protect and commercialize their IP assets.

### **1. IP Transfer Options**

The following options for transferring IP are applicable in Ukraine:

- **Assignment:** this involves permanent transfer of ownership rights. Once an IP right is assigned, the original owner relinquishes all ownership rights to and control over IP;
- **License:** a license grants permission to the licensee to use IP rights without transferring ownership rights. Licenses can be either (a) exclusive, where the

licensee is the only party allowed to use IP or (b) non-exclusive, where the IP can be used by multiple licensees; and,

- **Mergers and Acquisitions (M&A):** in the context of M&A transactions, IP assets are transferred as part of a framework transaction. IP transfers are often integral to the merging or acquiring company's strategy to consolidate and enhance its market position.

## **2. Requisite Documents**

The necessary documents for each of the options listed above include the following:

### **a. Assignment Agreement**

An Assignment Agreement must be signed by both the assignor (the current owner) and the assignee (the new owner), formalizing the transfer of ownership rights. The transfer of IP ownership through an assignment requires specific submissions to the NIPA. Once the requisite state fee is paid, the assignment transaction can be officially published for recognition in Ukraine.

Notably, the required documents do not need to be notarized or otherwise legalized if they are signed by authorized legal representatives. In case of sub-delegation of IP rights, all documents must be duly legalized, certified by Apostille or notarized. In any case, registration of an assignment agreement is mandatory in Ukraine.

### **b. License Agreement**

A license agreement contains specific terms and conditions for use of IP. Such agreement is vital when the transfer involves granting permission to use IP without outright transferring ownership rights. In contrast to assignments, the registration of a license agreement is optional under Ukrainian law, but it can be concluded at the request of either the licensor or the licensee.

The underlying documents do not need to be notarized or legalized if they are signed by a duly authorized legal representative. As with assignments, sub-delegation requires that the documents are duly legalized (apostilled) or notarized. We strongly recommend to register IP licenses for legal clarity, because if a license agreement is not registered, it may not be recognized as valid by third parties.

### **c. Additional Documents**

In Ukraine, translation of all documents into the state-recognized language is mandatory, regardless of origin of the documents and agreement of the parties, including:

- Power of Attorney: individuals and legal entities must exercise their rights through an intellectual property representative (patent or trademark attorney) duly registered in Ukraine. This document grants the representative or attorney-in-fact the legal authority to act on the behalf of the client in order to complete the transfer process.
- Supporting Documents, including proof of ownership, current IP status and any encumbrances such as existing licenses or legal disputes, must be filed with registration or recognition documents, especially if requested by NIPO.

In conclusion, the legal framework for the transfer and licensing of intellectual property rights in Ukraine remains quite stable and largely unchanged. Businesses can effectively protect and commercialize their IP assets through assignment, licensing or as components of M&A transactions. Proper documentation and, where necessary, registrations are essential to ensure legal recognition and protection.

## **VII. DUAL APPLICATION TECHNOLOGY IN UKRAINE**

With regard to the transfer of dual application technologies to a Ukrainian legal entity (joint venture or 100% foreign owned subsidiary), the owner of the intellectual property rights has two options: (a) contribute its dual application technology to the authorized capital of its Ukrainian subsidiary or (b) enter into a license agreement for the use of technologies (with corresponding royalty payments).

Immediately below we discuss both options, as well as registration of dual application technology IP rights:

### **1. Contribution of Dual-Use Technology to the Authorized Capital of Ukrainian Company**

The parent company (owner of dual application technology) can transfer IP rights as part of its contribution to the authorized capital of its Ukrainian joint venture or subsidiary. In this scenario, the Ukrainian company (joint venture or a 100% foreign subsidiary) effectively becomes the owner of the contributed technology, enabling it to use the technology freely without paying ongoing fees. The subsidiary's authorized capital increases, which can help bolster the company's financial standing.

The drawbacks can be significant because the owner of dual application technology loses all rights to this intellectual property. Additionally, registering the technology as part of authorized capital can be time-consuming. For example, the contributed technology must be officially appraised to determine its fair market value, the contribution needs to be formally registered with the state, and documentation must be filed reflecting the updated authorized capital.

Valuation of intellectual property is crucial for determining the accurate contribution value of the technology to a company's authorized capital, and it involves the following steps:

- **Licensed Appraiser:** a certified valuation expert, accredited in Ukraine, must be retained to conduct valuation;
- **Document Review:** the appraiser reviews all relevant documents related to the technology, including patents, licenses, and technical specifications;
- **Valuation Methodology:** the appraiser selects an appropriate valuation method, which may include the cost approach, market approach or income approach, depending on the nature of the technology;
- **Calculation and Report Preparation:** the appraiser analyzes and determines fair market value and prepares a detailed valuation report; and
- **Approval and Registration:** the valuation report must be approved by the relevant authorities, especially if it's being used for capitalization purposes.

## **2. License Agreement for Use of Dual Application Technology**

The parent company can transfer IP rights by entering into a licensing agreement with the local company (joint venture or a 100% foreign subsidiary) in exchange for royalties. According to Ukrainian legislation, license agreements are not subject to mandatory registration; nevertheless, we highly recommend registration especially in the cases of dual-use technologies.

As a major benefit, the parent company retains ownership of the technology, maintaining full control over its use. Additionally, the parent company will receive regularly scheduled royalty payments abroad, which the Ukrainian company can deduct locally as a business expense, potentially providing tax benefits.

The drawback for the Ukrainian company (joint venture or subsidiary) is the financial burden of paying royalties over a long-term period. From a legal perspective, such royalties must be set at an arm's length price to avoid transfer pricing issues, and this may require additional compliance and documentation. Finally, there may be tax implications on the transfer of intellectual property, depending on the valuation.

## **3. Registration of Dual Application Technology IP Rights in Ukraine**

In Ukraine, dual application technologies can be protected under several intellectual property options, depending on the level of their innovation.

These technologies, which have both civilian and military uses, can be registered as inventions or utility models, while the appearance of such products may be protected as industrial designs. Furthermore, some aspects of these technologies can be safeguarded as trade secrets (know-how).

Immediately below we discuss the specific features of registering inventions, utility models, industrial designs, and know-how rights in Ukraine.

### **a. Inventions and Utility Models**

An invention is defined as a fresh and innovative technical solution to a specific problem, characterized by its ability to provide a practical or industrial benefit. In Ukraine, an invention must meet three primary criteria: (i) novelty, (ii) inventive step, and (iii) industrial applicability. Registration of an invention provides the right holder with protection for up to 20 years.

Utility models offer a more straightforward approach to protecting technical solutions. The requirements are less strict compared to inventions - specifically, utility models are not required to have an inventive step, making registration faster and less complex. However, the term of protection is shorter, with a maximum duration of 10 years. This form of protection is often preferred for technologies with a shorter commercial lifespan or for incremental improvements to existing products.

In Ukraine, both inventions and utility models are subject to examination by the Ukrainian IP Office. In the case of inventions, a substantive examination is conducted to ensure compliance with the novelty, inventive step, and industrial applicability criteria. For utility models, only a formal examination is required, which significantly expedites the process.

### **b. Industrial Designs**

Industrial designs protect the aesthetic, attractive or ornamental aspects of a product, which may include the shape, configuration, or surface decoration. Dual application technologies often involve products that need to be both functional and visually appealing, making industrial design protection relevant.

The registration process for industrial designs in Ukraine is relatively straightforward and involves the examination of the design's novelty characteristics. Protection for industrial designs is initially granted for a term of five years and can be renewed for successive five-year periods, up to a maximum of 25 years.

### **c. Know-How**

In addition to formal IP rights, dual application technologies can also be protected as know-how. Know-how refers to valuable confidential information, methods, or processes that give a competitive advantage to the business holding them. Unlike registered IP rights, know-how does not require disclosure to the public and can be kept confidential indefinitely, provided that adequate measures are taken to ensure its secrecy.

The nature of know-how makes it particularly valuable for dual application technologies, where maintaining the confidentiality of specific technical details or production processes is essential for security reasons. Protection of know-how in Ukraine is achieved through contractual agreements and internal security measures rather than formal registration.

In conclusion, when determining how to protect dual application technologies in Ukraine, it is crucial to consider the nature of the technology, the duration of the protection required, and the commercialization strategy. Combining different IP rights, such as patenting core technology as an invention or utility model, registering a product's appearance as an industrial design, and protecting sensitive details as know-how, provides a comprehensive protection strategy that maximizes the value of the technology while maintaining its security and market advantage.

## **VIII IP COURTS, CUSTOMS & ANTI-COUNTERFEITING MEASURES**

### **1. IP Courts in Ukraine**

As intellectual property disputes become increasingly complex, many businesses operating in Ukraine are eagerly awaiting the establishment of a specialized patent court. The creation of a dedicated patent court will improve the efficiency of resolving IP disputes, offering more consistent and expert-driven decisions. While discussions and preparations for such a court are ongoing, a patent court has not yet been established.

Currently, all IP disputes, including patent, industrial designs, trademark and copyright infringement cases, are handled by Ukraine's civil and commercial courts, which are responsible for adjudicating IP disputes, including both infringement claims and enforcement of rights. Unfortunately, these courts often lack the specialized knowledge required for dealing with highly technical IP cases, making the resolution process slower and less predictable.

### **2. IP Litigation and Enforcement**

In case of unfavorable decisions, IP dispute parties are presented with the opportunity for appellate review, where a higher court can reassess the case. In certain situations, parties may also seek a review by the Supreme Court, Ukraine's highest judicial authority. This multi-tiered system ensures that parties involved in IP disputes have several avenues to challenge or defend their positions, providing a balanced approach to justice.

Depending on court workload, the timeframe for resolving cases in the court of first instance can take up to 2 to 3 years, which poses challenges for businesses seeking swift enforcement of their rights. In many IP cases, Ukrainian courts appoint court examinations to provide technical opinions on disputed matters. The duration of these examinations varies depending on the institution conducting them, typically taking between 3 to 9 months. This additional step, while crucial for ensuring informed decisions, further extends the overall timeline for resolving IP disputes.

Importantly, Ukrainian courts continuously collect and summarize relevant case law, which often plays a significant role in the decision-making process of higher courts. This evolving body of case law helps ensure consistency in rulings and provides valuable precedents for future intellectual property disputes.

### **3. Customs Enforcement of Intellectual Property Rights**

Considering Ukraine's strategic geographical position as a transit country between Europe and Asia, effective customs enforcement and strong anti-counterfeiting measures are critical to safeguarding the interests of right holders and maintaining the integrity of the market.

In recent years, Ukraine has taken significant steps to strengthen border measures related to IP protection. This includes the introduction of advanced risk assessment techniques and the use of modern technologies, such as electronic databases and real-time information sharing, to identify and intercept counterfeit goods. Additionally, training programs for customs officers have been implemented to improve their ability to recognize and handle IP-infringing products.

In this context, the State Customs Service of Ukraine (SCSU) plays a vital role in preventing the import and export of counterfeit goods. Specifically, the SCSU is responsible for monitoring and controlling the movement of goods across national borders, ensuring that products infringing on IP rights do not enter the domestic market. Increased cooperation between customs authorities, IP rights holders, and international partners, has led to a more efficient identification and seizure of counterfeit goods.

One of the primary mechanisms for protecting IP rights at the border is the customs clearance system. IP owners can register and record their rights, including trademarks, patents, and copyrights, with the Ukrainian customs authorities. Once registered, customs officers are tasked with detaining suspect counterfeit goods and taking appropriate enforcement actions. This customs regime allows the SCSU to undertake the following actions:

- suspend customs clearance procedures for suspect goods;
- inspect and sample detained goods; and
- initiate administrative proceedings or refer to law enforcement agencies if a violation is confirmed.

Applications included in the registry of the SCSU should be submitted in paper and/or electronic form. In case of electronic filing, an original legalized power of attorney must be submitted within 30 working days. Entry into the SCSU registry is valid for a period of one year with possible extension for an unlimited period (if the term of rights to the IP object remains valid).

Despite positive trends in the development of IP protection in Ukraine, some legislative challenges remain unresolved. For instance, the administrative procedure does not allow for the destruction of counterfeit goods detained at customs upon the request of right holders. This limitation makes it difficult to prevent counterfeit products from re-entering the market via “other” channels, creating ongoing challenges for IP rights enforcement. Addressing such legislative gaps is crucial for improving the effectiveness of IP protection in the country.

#### **4. Police Enforcement and Anti-Counterfeiting Initiatives**

In addition to the state customs authorities, the National Police of Ukraine plays a critical role in combating the distribution and sale of counterfeit goods within the country. The police are

empowered to conduct investigations, raids, and prosecutions related to IP crimes, including the production, distribution, and sale of counterfeit and pirated goods.

Ukrainian legislation provides for both criminal and administrative liability for IP infringements. Penalties for counterfeiting can include fines, confiscation and forced destruction of counterfeit goods, as well as imprisonment for more serious offenses. Cooperation between law enforcement agencies, IP right holders, and international organizations has been essential in enhancing the effectiveness of protection measures.

On April 15, 2023, the Law of Ukraine No. 2974-IX “On Amendments to Certain Legislative Acts of Ukraine on Strengthening the Protection of Intellectual Property Rights” (the “IP Protection Law”) came into force. This Law implements several provisions of the EU Directive 2004/48/EC on the enforcement of IP rights and amends a range of Ukrainian regulations. A key aspect of the Law is the introduction of measures for protecting against IP rights violations. Specifically, infringers are now required to cover all costs associated with the removal of their counterfeit goods from public circulation and the destruction of materials and tools used in their production.

Additionally, the IP Protection Law introduces a new remedy: a one-time monetary payment, designed for cases when the infringement was unintentional and without negligence, making the application of other remedies overly disparate to actual harm caused. However, the minimum amount of the one-time payment may not be less than the cost of the license for using the relevant IP object. The Law also explicitly allows for the recovery of non-pecuniary (moral) damages for IP rights violations and grants courts the authority to order the publication or dissemination of information about IP rights violations and related court decisions at the infringer’s expense.

Changes have also been made to legislation regulating advertisements to facilitate the struggle against IP right violations and promote a safer online environment. According to the new version of Law No. 270/96 “On Advertisement,” (as lastly amended this year), the placing of advertisements on websites that raise concerns regarding IP rights compliance is prohibited. The list of these websites is to be included in the database of the World Intellectual Property Organization (WIPO).

Despite these efforts, challenges remain in fully eradicating counterfeit goods from the Ukrainian market. The ongoing war with Russia, resulting economic pressures and the growing sophistication of counterfeit networks continue to pose significant obstacles. However, Ukraine remains committed to improving its IP enforcement mechanisms, both at the border and within the domestic market.

The Ukrainian government, in conjunction with international partners and right holders, continues to improve its legislative framework and enforcement practices. Ongoing efforts include the development of more robust IP enforcement policies, the enhancement of inter-agency cooperation and the promotion of best practices in IP protection.

While significant progress has been made, additional efforts are required to address the challenges posed by counterfeit goods. Through strengthened border controls, enhanced law enforcement capabilities and increased public awareness, Ukraine is working to create a safer and more secure environment for IP right holders and consumers alike.

The protection of intellectual property rights in Ukraine, particularly at the customs level and through police enforcement, is a dynamic and evolving field. The recent legislative changes further underscore Ukraine's commitment to implementing international standards and improving its IP protection legislation.

## ABOUT THE AUTHOR



Maksym Koval is a patent & trademark attorney with Frishberg & Partners, specializing in patent filings, registration of trademarks and utility models, analyses and searches in the IP sector, internet law and reservation of domain names, IP due diligence, IP strategy, and related litigation.



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