Russia restricts IP payments to ‘unfriendly’ IP owners

Russia has adopted a new decree that restricts payments to some foreign IP owners who had previously agreed to licensing terms in the country.

Decree No. 322, approved on Friday, May 27, stipulated that payments outlined under IP agreements must only be paid via an account opened with a Russian bank. All payments must be in Russian Rubles.

Russian licensees do not need to pay any royalties until the rights owner agrees to the new method. In addition, IP owners are not allowed to transfer funds outside Russia without government permission.

Those affected by the order include rights owners from countries that have imposed sanctions on Russia (known as “unfriendly states”) and any rights owner who has publicly approved sanctions or criticised Russian forces or authorities.

It also targets rights owners who have published allegedly offensive information about Russian forces or authorities online.

The order also applies to IP owners who stopped or reduced supplies and production of goods and services to Russia, or who prohibited the use of their IP in the country “without economic justification”.

However, the order does not apply to agreements relating to the import or production of drugs, medical equipment, industrial and agricultural products, food, and provision of communication services.