

Russia devising a "temporary management" mechanism for foreign IP rights and brands

IP regulation in Russia is evolving, with potential implications for foreign brands and market operations. The Kesarev team provides an update on latest developments concerning potential changes in intellectual property rights (IPRs) protection for foreign brands in Russia.

On 4 March, at a Federal IP Service (Rospatent) session, Deputy PM **Aleksandr Novak** (*oversees economic policy, innovation, and IP*) announced that the Government was developing **a mechanism for "temporary management" of IPRs held by foreign companies** that have exited the Russian market but retain registered IP rights. A formal proposal is expected by **mid-2026**.

The initiative traces back to PM Mishustin's strategic session on IP development (27 January 2026), where **adaptation to sanctions constraints was identified as a priority**.

Key features

- › The regulation is being deliberated over by the Ministry of Economic Development and Rospatent, with input from other government bodies and business associations.
- › The mechanism will allow the transfer of IPRs of foreign companies that have left Russia due to political decisions into temporary management.
- › The appointed temporary manager would be responsible for protecting the relevant IP rights and issuing licenses to Russian manufacturers, enabling the production of goods deemed necessary for the domestic market.

Compensation has not been publicly detailed. Based on existing precedents, payments to foreign rights holders could, therefore, **follow the "Type O" account framework**, where funds remain effectively frozen and are generally inaccessible to foreign beneficiaries without special governmental authorization.

Probable implementation models

By design, such implementation will require **a specific legal act identifying the IPRs subject to temporary management**, similar to Presidential Decree No. 320 on temporary external management of foreign-owned assets.

Two management structures appear most probable:

- 1. Centralized management** through a single designated state-controlled entity.
- 2. Decentralized management**, with separate Russian entities appointed to manage IPRs belonging to different foreign rights holders.



The **Sub-Commission on Patent Use** (coordinated by the Ministry of Economic Development) is the most probable vehicle for decision-making, given its role in administering the existing government-authorized compulsory licensing framework, historically applied to pharmaceuticals only.

Legal scope and regulatory gaps

This is where precision matters. Article 1360 of the Russian Civil Code permits compulsory licensing on national security, defense, and protection of life and public health grounds..

At the same time, the Sub-Commission regulations impose no sectoral restrictions to the technologies that may be subject to government-authorized use.

Consequently, **extending the mechanism beyond Article 1360's explicit scope will therefore require regulatory amendments and revised procedural frameworks** - a material regulatory gap that remains unresolved.

Context and regulatory history

- › Deliberations on mechanisms enabling the use of foreign-owned IP began in Russia in 2022 after foreign companies started suspending the supply of products and technologies into the market.
- › Several regulatory tools have since been introduced, including:
 - Presidential Decree No. 322 (May 2022) - regulating licensing payments routed via "Type O" accounts.
 - Presidential Decree No. 430 (May 2024) establishing a procedure for acquiring IPRs from rights holders located in "unfriendly" jurisdictions. To date, the number of transactions under this procedure remains very limited.
 - Presidential Decree No. 122 (February 2024) authorizing the use of inventions owned by "unfriendly" patent holders to ensure Russia's economic security.
 - Government-authorized compulsory licensing (CL) framework: piloted in pharmaceuticals during COVID-19 and expanded post-2022 in line with Decree No. 122 to secure economic and technological supply.
- › The Sub-Commission on Patent Use enforces Article 1360, issuing targeted authorizations. As of mid-March, nine Government resolutions have been adopted via the Sub-Commission, all for pharmaceuticals, though the framework allows broader application.

As the regulation takes shape, foreign rights holders should closely track legal and operational nuances, including potential sectoral expansion, licensing conditions, and any other material arrangements.

The Kesarev team provides strategic guidance, helping you assess risks, interpret regulatory nuances, track the changes under development, and design tailored responses to protect your interests in Russia.

Get in touch to explore the implications for your business and receive bespoke advisory insights on these developments.