Intellectual Property Management in Modern Russian Conditions

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Abstract. The paper deals with the problems of intellectual property management in the Russian Federation and Crimea. The current state in the field of intellectual property is analyzed on the basis of the reports of the Federal service for intellectual property and statistical data. The ways of improvement due to changes in the legislation of the Russian Federation are proposed. Analysis of data on the Crimea and Sevastopol showed that in the new Russian conditions, despite the sanctions, there is a positive dynamics in the management of intellectual property, not only registered trademarks, but also the appellation of origin (geographical indications). One of the indicators of effective management is the positive dynamics of profit growth of enterprises operating in the Crimea.

1. Introduction

In today’s global economy, all countries are trying to protect their intellectual property rights as much as possible, so as not to miss any part of the profits. WIPO reports show that patent applications have increased by 8.3% and global trademark application activity by 13.5%, seven years in a row. After a decline of 8% in 2014 and a growth of 1% in 2015, in 2016, the activity of industrial design applications increased sharply with an increase of 8.3%[1].

As seen in previous years, China remained the main driver of global growth in filings. From already high levels, patent applications in China increased by 21.5%, as did filing activity for trademarks (+30.8%) and industrial designs (+14.3%). The United States of America also saw increases in filing activity for patents, trademarks and industrial designs, which grew by 2.7%, 5.5% and 12.1%, respectively. Other notable trends include large increases in trademark filing activity in Japan (+30.8%), the Russian Federation (+14.8%) and India (+8.3%), and rapid growth in industrial design filing activity in the Russian Federation (+9.4%) and at the European Union Intellectual Property Office (EUIPO; +6.5%). For the first time, however, the Republic of Korea saw declines in filing activity for all three intellectual property (IP) rights – patents (-2.3%), trademarks (-1.7%) and industrial designs (-4.6%)[1].

2. Relevance, scientific significance of the issue and a brief review of the literature

The Russian Federation has moved to a market economy relatively recently. Over the past period, a new concept of administrative and legal regulation of the Executive authorities in the field of intellectual property, taking into account the realities of the market economy, has not been developed. This
shows that the topic under consideration will continue to be relevant. For more effective management of intellectual property in modern conditions it is necessary to use economic – mathematical methods, digital technologies and software. The work of following scientists is devoted to these issues - D. H. Meadows, D. L. Meadows, I. Randers, V. V. Behrens, R. N. Tsybulev, D. Forester, V.T. Zinov and others.

3. Problem statement
In order to be able to solve management problems at enterprises in modern conditions, it is necessary to approach this process in a comprehensive manner. The efficiency of using the results of intellectual activity should be formed on the following basic principles: the formation of the state system of using the results of scientific and technical activities created with the involvement of the state budget; the orientation of domestic science and industry to create a knowledge-based, competitive products as the basis for innovative development of the economy; development of the system of legal protection of the results of scientific and technical activities as a condition of commercialization of results and distribution of market relations in the scientific and technical sphere; formation of the system of interaction of science, public and private capital in order to attract funds in the innovation sphere.

4. Theoretical part
The purpose of modeling the functioning of intellectual property of the Russian Federation is to demonstrate the possibility of controlling the system of factors that are related to each other, using the parameters - impact.

According to the purpose of modeling the functioning of intellectual property in Russia, there are tasks that can be solved with it: to prove the relationship of influence factors, to display the qualitative and quantitative dependence between the parameters and variables of the model, to construct the forecast values of the functioning of intellectual property in Russia.

Building a model is impossible without building a system of factors that shape and affect the functioning of intellectual property, their definition and the relationship between them will make it possible to build a conceptual model of the functioning of the entire system.

The leading hypothesis of modeling and concept formation of functioning of the intellectual property system will be established - the indicators of intellectual property that form the economic activity of the Russian Federation, with the help of distributed financing of the system.

Figure 1. A conceptual model of functioning and management of innovative activity in the Russian Federation.
The conceptual model requires proof of the relationship of these factors, which can be done by analyzing the dynamics of these indicators, which need to be considered separately and then in interaction.

The first group of factors will choose "sources of funding", consisting of the above elements.

Indicators of intellectual property and innovation costs are analyzed in detail, the next step in the analysis of the conceptual model is to highlight the specifics of the group of innovation-active business entities by economic activity:

1. Industry:
   a. Mining;
   b. Processing;
   c. Production.
2. Services:
   a. Wholesale trade;
   b. Transport and communication;
   C. Financial activities;
   d. Activities of Informatization.

Each of the types of enterprises and organizations is presented not even once in each Federal district of the country, so for a comprehensive simulation of the reactions of intellectual property indicators we should analyze the activities of these enterprises throughout the country, for this we will take into account the presence of 9 Federal districts, Moscow, St. Petersburg, Sevastopol, according to the statistical distribution of indicators. It becomes clear that the modeling of indicators in each of the areas makes the model bulky and loses the fundamental nature of the study, so the division of the set of areas into 4 zones, the so-called "Regions" or sectors. The formation of groups is based on the criterion of the volume of financial income and the number of innovation-active enterprises, it is clear that there will be a correlation between these criteria, so the groups will be formed the same.

Further, based on the above, it is possible to build a systemically dynamic model in the STELLA software product, a model that will take into account all the above parameters will allow to predict the state of the development of intellectual property of the country as a whole in the hourly context. For a demonstration example of the model, we will give a graphical view of only part of it, which contains all the logic of processes and effects, and is shown in Fig. 2.

![Figure 2. Graphical view of the simulation model.](image-url)
Using this model of intellectual property management in the country, you can predict and see the impact of factors in certain regions, such as Crimea and Sevastopol.

5. The practical significance of the proposals and the results of the implementations and experimental studies

The privatization of property of enterprises, without taking into account the value of intellectual property, has created a basis for theft, including intellectual labor. Effective communication of science with industrial production, were interrupted. The new owners of the funds in the renovation of obsolete industrial technologies was not invested. And based on the background of the rise of innovative development of most countries, the question of low competitiveness of most sectors of the domestic economy rose sharply.

Today, in developed countries, the share of human (intellectual) capital is two-thirds of the national product.

It is generally recognized that intellectual property rights act as a specific product that is put into economic circulation in the national and global markets. According to modern researchers, the competitiveness of a certain object of intellectual property is determined by such factors:
- degree of legal protection;
- technical level;
- novelty;
- the specifics of the market;
- price;
- the expected severity of the competition;
- the probability of market expansion.

Purchase and sale of intellectual property is made out by the relevant agreement, which is an effective tool for harmonizing the interests of economic entities. Consequently, the commercialization of intellectual property relations acquires institutional formalization in the relevant market agreements.

The need to ensure adequate legal protection of the trademark is recognized by all developed countries. Throughout the world, trademark owners hope that this valuable facility will be an incentive for investment and have a reliable level of protection. The brand embodies the reputation and prestige of the company and the products it manufactures, it is a means that allows the consumer to differentiate the products. As such, a trademark is a mandatory attribute of a competitive economic environment. However, there are cases when registered trademarks not only do not protect their manufacturers, but also act as a subject of speculation between countries and manufacturers. This situation is faced by the leading enterprises of vintage wines of Crimea and Sevastopol.

As many years ago, today the Crimea is famous not only for its magnificent resorts, where the rest is a real pleasure, but also the wines of the brand "Massandra". This brand was founded in 1894 and still attracts the attention and interest of true connoisseurs of the drink. Such fame and well-deserved honor the brand won because of the production of high-quality, Muscat and vintage species.

In connection with the return of Crimea to the Russian Federation, Massandra was nationalized by the decision of the state Council of Crimea on March 26, 2014. Later, the Council of Ministers of the Republic transferred National Production and Agricultural Organization (NPAO) "Massandra" to the Federal State Unitary Enterprise (FSUE) Production and agricultural Association (PJSC)" Massandra " of the presidential administration.

NPAO "Massandra" - one of the largest enterprises in the post-Soviet space for growing grapes. It includes nine plants of primary and secondary winemaking and 3 independent plants. The main enterprise of the Association is the Yalta factory of vintage wines. It also includes plants: Livadia, Gurzuf, Tavrida, Alushta, Malorechenskoye, Privet, Marine, Sudak [6].

The name of the plant was based on the geographical name of the area where wine was grown and wine was produced. Massandra - a resort village on the southern coast of Crimea. Massandra resort, located 5 km from the center of Yalta and is almost the Eastern suburbs of Yalta, is considered one of
the most famous resorts in the Crimea. Massandra is the administrative center of the Massandra village Council.

A similar situation is with the Sevastopol factory of vintage wines "Inkerman": Inkerman winery built (1961.) on the basis of underground tunnels of Inkerman (Sevastopol suburb). The company specializes in aging of natural and fortified vintage wines in the classical way in oak barrels and bottling under the brand INKERMAN (secondary wine). "Underground city" inside the mountain became the largest wine cellar in the USSR, unique in its size and grandiosity of galleries.

The emergence of tunnels is associated with the extraction of building stone, which was required for the restoration of Sevastopol, destroyed during the second world war [8].

At the present stage, the management of intellectual property in these enterprises goes to a new level. For 2016–2017, signs for goods and services and appellations of origin were registered, which allowed to protect its products in the markets and to obtain additional profits, as evidenced by the accounting records[22,23].

![Dynamics of changes in intangible assets of enterprises of Crimea, thousand rubles](image1.png)

**Figure 3.** Dynamics of changes in intangible assets of enterprises of Crimea [22,23].

For rice, it is noticeable that the cost of intangible assets has increased, which is associated with the receipt of security documents for the sign for goods and services and patents for wine production technology.

![Dynamics of changes in revenue of enterprises of Crimea, thousand rubles](image2.png)

**Figure 4.** Dynamics of changes in revenue of enterprises of Crimea [22,23].
Figure 4 shows a positive trend in revenues of enterprises, despite sanctions. As for these three years, the companies have new markets, which led to an increase in production.

Therefore, at the regional level, enterprises of Crimea and Sevastopol using modern management methods are trying to manage intellectual property objects with the greatest benefit. However, there are still problems at the legislative level. Administrative and legal regulation of public relations is based on the use of administrative and legal methods, while the set of methods used always varies depending on the characteristics of the scope of regulation and goals.

6. Conclusions

The Institute of intellectual property is an important element of the development of the state, both in the domestic sphere and in the sphere of international cooperation. Due to its complex nature, this area of public relations requires close attention of all branches of government. The study of administrative legal regulation of activities of Executive authorities in the sphere of intellectual property, legal and administrative institutions that have a regulatory impact in the field of intellectual property, the impact of public policies on the activities of the Executive bodies activities of bodies of Executive power on protection of intellectual property rights, public accountability for violations of intellectual property rights has allowed a comprehensive analysis of the activities of Executive authorities, arising in the regulation of public relations in the field of intellectual property.

In this study, on the basis of the conducted analysis, the conclusion about the necessity of using indirect methods (economic) and direct (administrative). Economic methods, in this case, are designed to achieve the goal of involving the results of intellectual activity in the economic turnover by creating economic incentives for right holders. Given the specificity and creativity in the process of creating the results of intellectual activity, there is a need to improve economic methods in order to match their dynamically changing social relations. As a result of the study of the activities of state bodies to inform participants of public relations about the peculiarities of involvement in economic turnover of intellectual property, as well as measures of state support for this type of activity, we can conclude a positive trend in the implementation of this direction. At the same time, despite the development of Federal and regional information resources, there is an important omission - insufficient information of the participants of the relations about the availability of such information resources. When implementing the method of information, the state bodies should not only provide information support of the features of involvement of the results of intellectual activity in the economic turnover, but also to bring information to the participants of legal relations, using modern methods of information dissemination. The use of direct methods of administrative influence is primarily related to the protection of intellectual rights. We can talk about the inadmissibility of establishing public liability for the violation of intellectual rights only for certain intellectual property objects. Agreeing with the views of other researchers about the necessity of introduction of administrative responsibility for violation of rights to trademarks for goods and services, topographies of integrated circuits, commercial designations, it should be possible to attract individuals to the public types of liability for violation of exclusive rights to breeding achievements and secrets of production (know-how).

Public liability for infringement of intellectual property rights should be comprehensive and unconditional. This provision is implemented through full and comprehensive harmonization of administrative liability and criminal liability for violation of intellectual property rights, both among themselves and with private law rules establishing the basis of legal regulation of relations related to intellectual property. The fragmentation of public and private law cannot contribute to the effective protection of intellectual rights through administrative and legal methods. The proposed provisions will allow to harmonize legal regulation in the field of public liability for violation of intellectual property rights.

Today, there are serious contradictions in the norms on administrative responsibility established in 2002 and the norms of the fourth part of the Civil code of the Russian Federation. This situation makes it impossible to carry out the process of bringing to public responsibility for some violations, as evidenced by the lack of law enforcement practice. The introduction of appropriate amendments to the
code of administrative offences of the Russian Federation, taking into account the provisions of private law, will change the situation and ensure compliance with the law when bringing persons guilty of violation of intellectual rights to public responsibility. In order to balance the interests of the state, the right holders and persons who have committed intellectual property rights violations, it is proposed to establish special grounds for exemption from administrative liability for violation of intellectual property rights, with compensation to the right holder by the person who has committed a violation of intellectual property rights, losses for the entire period of illegal use.

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