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Russia Sanctions Update: Intellectual Property General License and a Prohibition on the Provision of Some Services



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May 11, 2022



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New General License Permits Certain Russia-Related Intellectual Property Transactions

Last week, the Office of Foreign Assets Controls (OFAC) issued four new general licenses, most notably General License 31, which authorizes certain transactions related to patents, trademarks, and copyrights. General License 31 authorizes transactions previously prohibited by OFAC's Russian sanctions regulations in connection with patent, trademark, copyright, or other form of intellectual property protection in the United States or the Russian Federation. Specifically, it authorizes:

- 1. the filing and prosecution of any application to obtain a patent, trademark, copyright, or other form of intellectual property protection;
- 2. the receipt of a patent, trademark, copyright, or other form of intellectual property protection;
- 3. the renewal or maintenance of a patent, trademark, copyright, or other form of intellectual property protection; and
- 4. the filing and prosecution of any opposition or infringement proceeding with respect to a patent, trademark, copyright, or other form of intellectual property protection, or the entrance of a defense to any such proceeding.

For further information or if you have any questions, please contact any member of Wilson Sonsini's national security or patents and innovations practices.

OFAC Clarifies Prohibition Against Russia-Related Accounting, Management Consulting, Etc.

Following on the new investment ban issued by President Biden's Executive Order 14071 discussed here and the determination of May 8, 2022 made pursuant to E.O. 14024, OFAC clarified today in FAQ 1038 that it prohibits the provision of certain services in the accounting, trust and corporate formation, and management consulting sectors to any person located in the Russian Federation. Specifically, this prohibition covers activities related to products and services in or involving the Russian Federation in the following:

- "Accounting sector"—includes the measurement, processing, and transfer of financial data about economic entities.
- "Trust and corporate formation services sector"—includes assisting persons in forming or structuring legal persons, such as trusts and corporations; acting or arranging for another person to act as directors, secretaries, administrative trustees, trust fiduciaries, registered agents, or nominee shareholders of legal persons; providing a registered office, business address,

correspondence address, or administrative address for legal persons; and providing administrative services for trusts.

 "Management consulting sector"—includes strategic advice; organizational and systems planning, evaluation, and selection; marketing objectives and policies; mergers, acquisitions, and organizational structure; staff augmentation and human resources policies and practices; and brand management.

The determination regarding these sectors pursuant to E.O. 14024 takes effect immediately and prohibits the exportation, re-exportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of accounting, trust and corporate formation, or management consulting services to any person located in the Russian Federation. For entities impacted by these restrictions, it will be critical to wind down relevant activities immediately and ensure that future business activities with Russia do not involve these sectors.

We will continue to closely monitor the evolving regulations. If you have any questions, please contact any member of Wilson Sonsini's national security practice.