

Publisher Fined Record \$250M in Copyright Case

By [Alexander Bratersky](#)

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The  **Moscow Times**

A Moscow court has ordered a leading publishing house to pay an unprecedented 7.6 billion rubles (\$249.6 million) in damages to a smaller rival for copyright infringement in a lawsuit that lawyers said highlights the shortcomings of Russia's intellectual property rights laws.

Effective enforcement of intellectual property rights is a key issue blocking Russia's 17-year bid to enter the World Trade Organization.

The Moscow Arbitration Court ruled Tuesday that Astrel, a subsidiary of AST, had violated a copyright held by the Terra publishing house by publishing books written by renowned science fiction writer Alexander Belyayev (1884-1942), whose novels "Amphibian Man" and "Professor Dowell's Head" enjoyed immense popularity in Soviet times and still have a devoted following.

The 7.6 billion rubles in damages — a sum that matches AST's annual turnover — was

calculated by multiplying the number of Belyayev books published by AST by the price of a luxury six-volume leather-bound edition of Belyayev books that Terra printed in Italy. AST's books sold for 160 rubles (\$5.20) apiece, while the luxury set cost 114,650 rubles (\$3,760). The luxury set had a print run of 620 copies.

Terra praised the ruling as a signal that Russia would honor authors' rights.

“A musician makes a disc and sells it for \$100, but pirates sell it for \$2. The real damage is still \$100,” Terra lawyer Viktor Abdurakhmanov told *The Moscow Times*.

But AST lawyer Oleg Bartenyev complained that the ruling was unfair, noting that Terra also published Belyayev books in regular editions priced significantly less than the luxury set, RIA-Novosti reported.

An AST spokeswoman said the publisher would appeal but refused to elaborate, saying paperwork for the appeal had to be prepared first.

Whether Terra has any claim to the rights to Belyayev's works might be a matter for another lawsuit. The publishing house, which specializes in historical literature, dictionaries and classics, says it obtained the rights through a contact with the writer's daughter Svetlana in 2001.

But AST says the works passed into the public domain in 1992, 50 years after Belyayev's death.

Terra based its lawsuit on a clause in the Civil Code that allows copyrights for authors who worked during World War II to be extended to 70 years after their death.

But Irina Tulubyeva, a property rights lawyer, said the clause was introduced in 1993 and could not apply retroactively to Belyayev's writings.

She also said the size of the fine was unrealistic. “First of all, claims should be reasonable,” Tulubyeva said, adding that 5 million rubles (\$164,000) was the maximum compensation awarded in most copyright cases.

Tulubyeva said Terra's suit appeared to be the latest volley in a long-running battle between the two publishers.

AST claims to have won several property rights lawsuits against the Terra Book Club, an independent company previously headed by Sergei Kondratov, head of the Terra publishing house, and is demanding 11 million rubles (\$361,000) in compensation, the *Marker.ru* online business news magazine reported in May.

The web site of the Moscow Arbitration Court indicates that Terra Book Club was put under bankruptcy receivership in May as the result of a lawsuit by Astrel.

But Terra's lawyer Abdurakhmanov said neither AST nor its subsidiary Astrel “have won a single suit against Terra.”

WASHINGTON — Russia must improve efforts to stop piracy and counterfeiting of U.S. music,

movies and other goods to achieve its long-term goal of joining the World Trade Organization, a U.S. official said Wednesday.

"We have made clear to the Russian government repeatedly that intellectual property enforcement has to be strengthened in order for them to enter the WTO," Victoria Espinel, U.S. intellectual property enforcement coordinator, told the House of Representatives Foreign Affairs Committee.

A few weeks ago, Presidents Barack Obama and Dmitry Medvedev pledged to resolve issues blocking Russia's WTO accession by the end of September.

Espinel told committee members that she wanted to allay any concerns that pledge giving Moscow a free pass on intellectual property enforcement and said U.S. trade officials would be traveling to Russia in coming weeks to discuss the issue.

(Reuters)

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