

OVERVIEW FOR THE CLIENTS

Please contact us:



Bolotov & Partners LLP

Almaty, Kazakhstan, 050008

60 Auezov Street, 4th floor, Almaty Residence business center

+7 (727) 357 23 80

info@BolotovIP.com

www.BolotovIP.com

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Checklist for importers – trademarks



Zhanat
Nurmagambetov

Tons of goods bearing trademarks registered in the name of foreign legal entities are sold in Kazakhstan. However, sales are made without obtaining licenses or entering into direct agreements with rights holders allowing the importation of these goods into Kazakhstan. Goods are simply purchased abroad and brought into our country. These may be original goods and counterfeit goods and goods intended for other countries.

When there are no official representatives (importers/dealers and etc.) in Kazakhstan, goods are purchased abroad and imported for sale or resale in Kazakhstan under agreements with different companies. There is no opportunity for an importer to obtain import authorization or purchase goods in Kazakhstan from the owner of a trademark or its representative.

For diligent businessmen, there is a risk of either illegal parallel imports or even importing of faked goods.

There is also a risk that at the decision of a trademark owner, any day these supplies of goods may be declared parallel imports or determined to be counterfeit, and the right holders will demand the termination of *infringement of rights to a trademark* and the destruction of the parallel imported goods

and, of course, counterfeit goods.

This is an area of private law and the truth will almost always be on the side of a trademark owner. We say “almost always” because there are exceptions, but these are special cases and will not be detailed in this article.

It is impossible to force right holders to issue licenses or to conclude direct agreements with importers, and it is not always possible to negotiate such agreements with them. At the same time, many trademark owners are not against importing their goods to Kazakhstan (and other CIS countries), but do not want to issue any permits and authorizations.

Question - how to protect diligent importers and sellers of imported goods from possible claims of trademark owners?

We will try to answer this question in brief and what is written below is really a brief description.

If you are going to import goods into Kazakhstan for commercial use, you should pay attention to the following conditions which are reflected in the Trademarks Law.

Importation of goods without trademark owner’s consent or importation of goods bearing confusingly similar designations is recognized as infringement of the exclusive right to a trademark.

For infringement of an exclusive right to a trademark, the infringers shall bear responsibility in accordance with the laws of the Republic of Kazakhstan.

Illegal use of a trademark is also recognized as unfair competition.

A person who has infringed the right of a trademark owner (right holder) shall be obliged to immediately stop the infringement and compensate a trademark owner (right holder) for the losses incurred.

Goods and their packaging bearing a trademark or designation which are confusingly similar with a registered trademark and

are placed without the consent of a trademark owner shall be considered as counterfeit. Counterfeit goods and their packaging, as well as tools, equipment or other means and materials used for their production shall be subject to withdrawal from business and destruction at the expense of the infringer.

The owner shall have the right to demand removal from counterfeit goods and their packages of illegally placed confusingly similar trademark or designation.

A person who has infringed a trademark owner (right holder) rights during performance of work or rendering of services shall be obliged to remove a confusingly similar trademark or a designation from the materials that relate to the performance of work or rendering of services, including documentation, advertising and signboards.

If the fact of the infringement is proved, a trademark owner has the right, instead of compensation for losses, to demand from the infringer to pay compensation based on the nature of the infringement, the market value of similar (original) goods on which confusingly similar trademark or designation placed with the consent of the owner.

Illegal use of the third party's trademark may also constitute an administrative or criminal offence, which result in liability in the form of fines, correctional or community service, arrest, as well as confiscation and destruction of imported goods.

Taking the foregoing, the consequences can be very serious.

How can a diligent importer avoid these possible consequences if he buys goods not from a trademark owner?

In our opinion (and currently) to confirm its good faith and attempt to obtain authorization for the legal import of goods, it is necessary to first check the following:

- whether a trademark applied to the goods is registered in Kazakhstan (a trademark on imported goods may be registered in the Republic of Kazakhstan either under the national or international procedure, and to check whether such registration exists, it is necessary to check both registers - national and international);

- whether a trademark is registered with the Customs Register of Intellectual Property Objects of Kazakhstan;
 - whether there are representatives of a trademark owner in Kazakhstan (availability of a registration of a company, branch, representative office or there are other representatives declared on the Internet);
- If there are such registrations, it is necessary to make a request to a trademark owner to the address specified in a trademark register for granting the right to import goods with the applied trademark.

If a registered designation is very similar to the designation that reflected on your goods, you need to determine whether these designations are confusingly similar. Most likely that in this case you will need the opinion of a specialist, such as a patent attorney or experts of an authorized body.