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Reimbursement of part of expenses related to registration of trademarks abroad



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Almost everyone knows that a trademark is one of the most important tools for promoting goods on the market. An experienced businessman not only invests funds and efforts in the development of production, but also takes timely measures related to protection of intellectual property items. These protective measures help to avoid incidents with violation of the third parties' rights, as well as provide an opportunity to struggle against unfair competition.

Quite a lot of articles have been written about obtaining the right to a trademark in Kazakhstan or abroad. However, a domestic businessman will probably be interested to know that when registering his trademark in other countries, our state provides support to businessmen and can reimburse the trademark owner expenses occurred during this procedure. How to do this, what kind of costs and to what extent can be reimbursed? The following costs can be refunded: the cost of advertising domestic products abroad, participation in foreign exhibitions, fairs or festivals, production of catalogs, the maintenance of a representative office, a sales outlet, a warehouse abroad, as well as costs related to registration of trademarks and product certification abroad.

- How is the registration of a trademark carried out abroad?

To register a trademark, an application should be filed with a registering

authority. The filing fee should be paid. Then an examination of the application is carried out. The amount of payment for the examination of the application depends on the list of goods and services, more precisely the number of classes of goods and services for which a trademark will be used, since the amount increases for each additional class. In some countries, in addition to the payment for each additional class specified in the application, payment is also charged for the number of items within the class exceeding the allowed minimum. Further, after the decision on registration of a trademark is issued, payment must be made for recording a trademark with the register and obtaining a trademark certificate.

In general, when registering a trademark, a fee may be charged for filing an application, for conducting an examination of the application, as well as, in fact, for registration and issuance of a trademark certificate.

In addition, a foreign applicant can apply to the patent office only through a representative and accordingly the costs of the services of a representative (patent attorney) can be also counted as reimbursable costs.

In addition to applying directly to a foreign office through a patent attorney, you can register a trademark under the international system by filing an application with the WIPO International Bureau indicating the countries where a trademark is planned to be used.

The amount of the fee for filing an international application will depend on the number of classes of goods and services, as well as the number of countries covered. In addition the costs for a trademark registration include tariffs of the National Institute of Intellectual Property for the preparation and submission of an application to the WIPO International Bureau. The second method of obtaining legal protection is more cost saving since it eliminates such costs as the services of patent attorneys in each country, as well as a single fee for filing an application in general, much less than the total fees for filing applications directly with patent offices of foreign countries.

- What costs of registering a trademark are reimbursable?

In total, fifty percent of the above costs related to registering trademarks abroad are reimbursed, provided that they are documented. Costs are reimbursed in the national currency of the Republic of Kazakhstan, and amounts in foreign currency are reimbursed at the exchange rates of the National Bank of the Republic of Kazakhstan valid on the date of the announcement of acceptance of applications. The budget for reimbursement of these costs is limited for a certain year, consequently

with a large number of applications submitted, the advantage remains with those who applied just after the announcement of the acceptance of applications.

It should be borne in mind that the costs of registering trademarks that are actually used abroad and are used in relation to goods produced in Kazakhstan shall be subject to reimbursement.

- What is the timeframe for applying for a refund?

The documents attached to the application for reimbursement of part of the costs must cover a period not earlier than two years before the date of the announcement of the acceptance of applications on the website of the authorized body (www.invest.gov.kz and www.export.gov.kz). In general, we are talking about payment documents, in which the date should not be later than two years from the date of the announcement.

- What costs shall not be refunded?

Before filing an application, a preliminary search for trademarks may be carried out in order to exclude the possibility of refusal to register or the likelihood of violation of the rights of the third parties. This is a considerable amount of expenses, since the fees of the patent organization, the fees of patent attorneys or specialized search services are also paid. However, there is no reimbursement of costs for this procedure if the cost of the search is not included in the cost of filing an application for registration.

Also, the costs of registration of license agreements and assignment agreements, in which the right to a trademark is granted to another person, are not subject to reimbursement.

Expenses for renewal of a trademark registration are not considered as reimbursable costs.

Indirect taxes (value added tax and excise taxes) are not taken into account when reimbursing costs.

Costs that were incurred two years prior to the date of announcement of reimbursement also cannot be refunded.

- What is the procedure for applying for refund of part of the expenses?

An application for reimbursement of part of the costs may be submitted after the announcement of the acceptance of the relevant applications. The announcement is published in the Kazakh media, as well as on the websites: www.invest.gov.kz and www.export.gov.kz.

The application should include copies of the foundation documents of a legal entity, agreements for the performance of works/services, the costs of payment of which are included in the application for their refund, invoices, acts of work performed, payment orders evidencing the fact of payment for the provision of works/services, documents confirming the origin of goods, titles of protection for trademarks registered abroad and a power of attorney, if the application is submitted through a representative.

Applications are accepted by KAZNEX INVEST National Agency for Export and Investment JSC, this organization also informs about the deadline for accepting applications, while the deadline for accepting applications cannot be less than one month from the date of the announcement of the beginning of their acceptance.

- What is the procedure for examining application to refund the expenses?

The received application is examined in three stages. First, required documents are examined, then a relevant report is issued. Further, the Working Group reviews all documents submitted to the application and issues a decision. Afterwards, the Commission having considered the report related to the application and the decision of the Working Group makes recommendations on the grounds of which the authorized body issues a decision on reimbursing part of the expenses. When making such a decision, the authorized body enters into an agreement with the applicant on the transfer of funds. In general, this procedure, provided that there are no requests related to the submitted documents takes 49 working days.

- When an application to refund the expenses related to trademark registration may be rejected?

- If the payment documents for the costs of registering a trademark abroad relate to a period earlier than two years from the date of the announcement of the acceptance of applications.
- If the documents attached to the application to refund the expenses or the work for which the costs were incurred do not meet the requirements established by the legislation.
- If the application is forwarded later than the deadline for the submission of applications.

- If funds for refund of the expenses allocated from the budget for the current year have run out on applications submitted earlier.

Summing up, it should be noted that in order to successfully reimburse part of the expenses it is necessary: a) to carefully consider the correct preparation of the application b) forward an application as soon as possible from the date of the announcement of the acceptance of applications in order to be among the lucky ones for whom there will be enough funds allocated from the budget for this type of expenses.