

NOTE

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

July 2024

Something About Marketplaces For Sellers



Yuri Bolotov

Managing Partner,
Patent Attorney,
Member of the
Chamber of legal
advisers

Dear Ladies and Gentlemen, Dear Entrepreneurs!

Maybe you have already had a chance to put your goods for sale on such sites as Kaspi, Ozon, Wildberries and others, which we will further call “marketplace”, referring primarily to the site of Kaspi shop and this post is just about such sales.

According to the general procedure of sales through the marketplace, a seller, in order to put his goods for sale, must enter the product card, indicating whether he has a registered trademark and, if so, confirming it with documents. If there is a trademark and its registration is confirmed by documents, then other sellers of the same product will not be able to join the same card, and if there is no registration or it is not specified, you can add yourself as another seller of this product.

Probably, you have seen more than once that there are several sellers of a product you need and you could choose one of them.

Everything seems to work well, but, as it turns out, there may be such a situation, which we will describe below without giving names and trademark.

Seller A filled out a product card without mentioning the existing trademark registration in his name. A number of other sellers of the same goods (New Sellers) joined this card, some of whom did not even use Seller A's registered trademark on the goods.

These New Sellers were not aware of a trademark registration when they joined existing card, and when one of them asked about the registration, the Kaspi shop manager replied that since a trademark was not listed on the card, there was no registration and the card was free to join. The New Sellers joined and sometime later Seller A made a claim against them for unlawful use of his trademark and demanded substantial compensation, threatening to demand an even larger amount through the court.

The claim was based on the fact that one of ways of a trademark use is its use in advertising, and even if the New Sellers did not produce or place the advertisement themselves, their joining an existing card is an adhesion to an existing advertisement. It does not matter whether there is a registered trademark on the goods themselves or their packaging, what is important is that in the existing product card this trademark is declared by Seller A, it is clearly identified and, perhaps, the successful sale of goods is due to its presence (or maybe not).

A similar situation may arise in the case when at the date of creation of the card a trademark has not yet been registered, but all joined sellers will automatically become infringers of trademark rights after the registration of a trademark indicated in the card.

In our opinion, formally, the trademark owner has a right to demand the termination of his trademark use or use of a confusingly similar trademark and demand for eliminating of New Sellers from this card.

However, questions arise as to the possible abuse of a right.

- Seller A could not accidentally, but deliberately not indicate the presence of a trademark and wait for some time, having recorded the facts of accession of New Sellers to the card opened by him. Then to address them with a claim, as it was in the case known to us.

- Seller A may not have had a registered trademark on the date of

opening the card, and having received such registration may not immediately notify other fair sellers of its receipt, and again to bring a claim against them.

There is no liability for failure to notify of the existence or appearance of registration, which opens up the possibility of abuse of right.

What to do in such a case?

Probably the safest advice would be to make your own card of goods with a registered trademark in your own name, or in the name of another person who either gives you a license to use this trademark, or if his goods have been legally released into circulation in Kazakhstan and you resell them. Particular care should be taken when importing goods into Kazakhstan from abroad, and especially from outside the Customs Union.

In any case, if a trademark registration is not indicated in the card, you need to double-check it. First to search for registered trademarks and applications filed for registration. If you cannot do it yourself, contact us, we will assist you. The opinion of a manager, even if he is responsive and competent, may be wrong, if only because his information is out of date.

Of course, it would be good if marketplaces made it a mandatory condition to indicate in the card the presence or appearance of a trademark registration, but this is a recommendation and even such a requirement is not a protection from possible claims of trademark owners.

Your own trademarks should be registered without delays, do not wait for someone else to do it in your own name. If necessary, please contact us and our professional team is ready to assist.

All above is thinking out loud, each case is subject to separate consideration. In the meantime, be careful and good luck in business!