

ARTICLE

Please contact us:

■ **Bolotov & Partners LLP**
Almaty, Kazakhstan, 050008
60 Auezov Street, 6th floor, Almaty Residence business center
+7 (727) 357 23 80
info@BolotovIP.com
www.BolotovIP.com

November 2023

Features of trademark protection and enforcement in Kazakhstan



Managing partner,
Patent attorney,
Member of the
Chamber of legal
advisers

Recently, foreign companies actively develop markets of Central Asia. As a rule, the Republic of Kazakhstan is the first stop or a reference point on this path. Definitely, it is necessary to have protection of own rights to enter the Asian market and of course to check if the rights of already existing companies might be infringed, in particular rights to the trademarks. Now Russia is the most active in launching their businesses in Kazakhstan.

In CIS countries the protection and enforcement of trademarks are based on one common basis, after collapse of the Soviet Union the legislation in these countries was almost identical. Later, over time, the countries began to change their approaches and structuring of legislative acts and legislation in general, and the details of trademark protection and enforcement changed. Our countries have membership in almost all significant international conventions and are working on harmonization of legislation and practice, while there are still differences both in procedures and terminology.

For ease of reference and taking into account the statistics of registrations, we will describe the features of trademarks registration in Kazakhstan and the differences from Russia.

The National Institute of Intellectual Property of the Ministry of Justice of the Republic of Kazakhstan (NIIP or more simply - Kazpatent) carries out trademark registration in the Republic of Kazakhstan.

The registration procedure is somewhat different from the procedure in Russia. For example, an application for registration of trademark is not accepted without full payment for acceptance and examination of the application, including payment for additional classes over three. In case of incomplete payment, the application is cancelled at the stage of registration

© 2023 Bolotov & Partners. All rights reserved.

The information contained in this Article is of a general nature and cannot be used as a legal advice or recommendation. In case of questions, please contact us.

without requests from Kazpatent. There is no possibility to pay the fee after filing the application, even with the increase of the fee by 50%.

If the fee is reduced by 30% when filing an application online in Russia, there is no such reduction in the Republic of Kazakhstan. All applications like other documents are submitted only online in Kazakhstan, which significantly reduces the time of collection and submission of documents. Of course, in addition to a scan copy of the power of attorney, it is recommended to have its original, this is, so to speak “just in case of any unpredictable situation” or if in the future it will be necessary to conclude an agreement, licensing, franchising, assignment and for other purposes.

Since July, 2023 the cost of certain services of Kazpatent, in particular the fee for filing and examination of an application for trademark registration is different for legal entities, small and medium-sized businesses and individuals.

There are also differences in the number of classes of the International Classification of Goods and Services. Thus, in Kazakhstan, additional classes are considered after the third class both for filing an application and for conducting an examination, while in Russia - for filing an application after the fifth class and for conducting an examination - after the first class.

In the Republic of Kazakhstan at the stage of preliminary examination (a one month period is the same for Russia), Kazpatent does not forward a separate letter stating that the declared list of goods and services meets the requirements of the legislation.

Data on completion of the preliminary examination of the applications is published weekly. Any interested party has the right to file an opposition against registration of the applied designation as a trademark; however this can only be done within one month after the date of publication. Of course, this requires more frequent analysis of publications and monitoring of infringement risks, and we are ready to help applicants with this matter. Full examination in Kazakhstan is carried out in a shorter period of time comparing to Russia: it takes only 7 months rather than 10 months.

Unlike Russia, currently Kazpatent does not forward requests at the stage of examination of applications for trademark registration, indeed immediately issues refusals of registration, which can be challenged only after payment of the state fee.

The trademark registration certificate is issued only in electronic form and unfortunately no paper version is provided even for payment of an additional fee in the Republic of Kazakhstan.

As to the registration of agreements in the Republic of Kazakhstan, the approach is the same as for the registration of applications: all documents are submitted online. The registration period is only 10 working days comparing to 68 working days in Russia. There are other differences in procedural timelines and fees, but it is beyond the scope of this article to list them (you can always address your representatives in Kazakhstan about them).

© 2023 Bolotov & Partners. All rights reserved.

The information contained in this Article is of a general nature and cannot be used as a legal advice or recommendation. In case of questions, please contact us.

Similarly to Russian patent attorney firms, Kazakh law firms can provide preliminary advice on chances to register a particular designation, thanks to which clients can get general understanding about possibility of registering a trademark, possible restrictions during registration and chances to avoid refusal of registration.

Just as in Russia, in Kazakhstan registration may be refused both on unconditional and so-called other grounds.

Unconditional grounds for refusal in the Republic of Kazakhstan are the same as in Russia. If a refusal is based *on other grounds*, the territory of registration - the Republic of Kazakhstan - should most likely be taken into account to understand the ground for the refusal.

To establish other grounds for refusal of registration of a trademark, the trademark databases and filed applications are usually checked for identity and confusing similarity. The check is carried out on:

- industrial designs registered with an earlier priority;

- names of famous in Kazakhstan works of literature, science and art and fragments thereof. For example, images and names of famous works of art in Russian, Kazakh and other languages, such as Mona Liza, Kan Men Ter (Blood and Sweat), Ana Zher Ana (Mother's Field) are not subject to registration;

- surnames, first names, nick names and derivatives thereof, portraits and facsimiles in violation of the personal non-property rights of these persons, their heirs or legal successors. For example, the name Bibigul Tulegenova cannot be registered without permission of Soviet Union artist Bibigul Tulegenova. The same applies to other persons known in Kazakhstan who may be less well known in Russia. The same relates to the possibility of registering names known in Russia but not in the Republic of Kazakhstan;

- designations that are the heritage of history and culture of Kazakhstan. For example, an image of the Independence Monument of the Republic of Kazakhstan cannot be registered without the consent of the competent authorities.

In addition, since 2022, the Law on Trademarks of the Republic of Kazakhstan introduced a provision on possible conflict of a trademark with a firm name.

It is provided that “registration of a trademark may be challenged and invalidated in full or in part if a trademark is identical or confusingly similar in respect of homogeneous goods or services with a firm name of the third party, the exclusive right to which in the Republic of Kazakhstan arose earlier than the priority date of a trademark”.

In other words, in order to be sure about possibility to register certain designation, it is necessary to check if there is a legal entity already registered in Kazakhstan with the same (or very similar) name as the claimed (of course, only word) designation. Such searches are conducted on the database of the Ministry of Justice of the Republic of Kazakhstan.

It is worth to mention that if a trademark is registered only for the specified goods and services, the firm name actually refers to all goods and services (since a firm name may engage in everything that is not prohibited by law) and may be an obstacle for registration of a trademark in any class. (currently there are no court precedents related to the matter).

Consequently, it is highly advisable to conduct a search and detailed research on the possibility to register a trademark before applying for its registration. Of course, it is not strictly necessary, but if this is not done, after about 8 months you can get a refusal of registration and lose both the money for filing the application and time spent on this procedure. Conducting a full search/study can take up to a month and sometimes requires considerable expenses, however in the case of large scale projects these expenses are not so immense. It is also possible to carry out short studies with the exclusion of some checks, but in this case the risk of refusal of registration increases.

Well-known status of trademarks

Often companies already known in the Republic of Kazakhstan enter the country, with names and trademarks already familiar in Kazakhstan, at least from the media, the Internet or from the results of tourist and business trips. This provides an additional opportunity for foreign companies to make a loud statement about them and get a well-known trademark (which, by the way, it will be faster to recognize as well-known than to register an ordinary trademark).

As in many other countries, in Kazakhstan it is possible to recognize as well-known trademark both a non-registerable trademark and a trademark which is not yet in use but is already known in the country. In Kazakhstan, it is not necessary to prove the connection between the well-known trademark and its owner, as it is required in Russia.

One of the important grounds for recognizing a trademark as well-known is protection in relation to any type of goods or services. Even at the stage of registration, the claimed designations are refused legal protection regardless of the types of goods and services - the right owner can quite reasonably prevent attempts to use such designations on any products by infringers.

Another important reason to recognize a trademark as well-known is the possibilities to overstep unprotectability criteria.

Protectability is one of the most important conditions for the registration of a trademark. The Trademarks law defines a number of rather strict conditions under which a designation is considered as unprotectable, if it concerns an ordinary trademark. However as to the

© 2023 Bolotov & Partners. All rights reserved.

The information contained in this Article is of a general nature and cannot be used as a legal advice or recommendation. In case of questions, please contact us.

recognition of a trademark as well-known there are only two grounds for refusal: 1) lack of sufficient evidence of a trademark's famousness 2) the existence of a valid trademark for the same goods or services with an earlier priority. There is nothing about protectability, which means that if a trademark or designation has reached such a level of famousness that the consumer unambiguously associates it with certain products (and their producer, although in the Republic of Kazakhstan it is not necessary to prove the latter), the lack of distinctiveness is not an obstacle.

Recognition of a trademark as well-known helped to obtain legal protection for a brand of a well-known Kazakhstan producer, including verbal elements or prefixes "BIO", "ECO" and etc. According to the law, such trademarks may be registered only with "the authorization of the competent authorities". However, the ban was introduced, but they forgot to define what these competent authorities are, which resulted in many refusals... But the provisions on well-known trademarks do not have such grounds, so, having overcome the obstacles, the well-known trademark, thanks to the efforts of Bolotov and Partners LLP received both protection and a higher legal status.

One more important point. It is known, if you do not use a trademark in relation to certain goods or services, any interested party has the right to cancel the registration in relation to those goods or services. For a well-known trademark, this condition is not valid. Regardless of the goods and services for which a well-known trademark is used, the rights shall be considered as infringed for any copying on any products.

The application for recognition of a trademark as a well-known also should be filed with the Ministry of Justice of the Republic of Kazakhstan. Information about the filed application is published in an official source (today it is Kazpatent's website) so that all interested parties could provide grounded arguments against the possible recognition of a trademark as well-known. After 3 months from the date of publication, a meeting of the Commission on the recognition of a trademark as well-known should be scheduled.

As practice shows, the procedure of recognizing a trademark as well-known takes approximately 6-7 months. The term of validity of registration of such a trademark is 10 years from the date of its recognition as well-known.

Franchising

Franchising is one of the easiest types of doing business in new territories, of course with its own pros and cons.

"Commercial concession agreement" is concluded in Russia; in the Republic of Kazakhstan such agreement is called "a complex entrepreneurial license agreement". The differences are not only in names of the agreements, but also in substance. In Kazakhstan, the transferred set of exclusive rights to intellectual property objects must include rights to protected commercial

information and firm name, while it may only include rights to a trademark, invention, utility model, industrial design, copyright and etc.

In Russia, this set of intellectual property rights should include rights to protected commercial information and to a trademark and may include rights to use a firm name, invention and etc.

From a practical point of view, in Russia all franchise agreements are subject to registration, whereas in the Republic of Kazakhstan some of them may not be registered if the rights only to protected commercial information and firm name are assigned. This gives more flexibility in setting the terms of royalty payment and more freedom in regulating the terms of start and termination of franchise relations.

Of course, before entering into a franchise agreement, it is a good idea to “clean the market” from any infringement of rights. Below are some illustrative examples of infringements in the Republic of Kazakhstan that were eliminated before the conclusion of franchise agreements, thanks to which there are no more such infringements (Picture 1).

There are other interesting cases. Only in Almaty, almost immediately after McDonald’s chain left Russia, three independent cafes *Vkusno - i точка* appeared. It is not known how many of them there are now in Almaty and in the Republic of Kazakhstan in general.



McDonald's



There are other funny examples. Only in Almaty, almost immediately after the McDonald's chain left Russia, as many as three independent cafes "Вкучно - и точка" appeared. It is not known how many of them there are now in Almaty and in Kazakhstan (Picture 2).

Interestingly, unlike Russia, the Republic of Kazakhstan allows using of company names, shop and café names not only in the Cyrillic alphabet, but also in other alphabets. It is only necessary to take into account some restrictions and requirements to the language in advertising or consumer information during registration, however professional approach can be avoid such difficulties.

Before filing an application, it is recommended to monitor not only the applications for registration of trademarks filed in a particular class, but also to analyze the market as a whole. For example, monitoring of goods in markets and shops, the use of trademarks in billboards and advertising. This has become somewhat more complicated in recent years, as both Cyrillic and Kazakh alphabets based on Cyrillic and Latin alphabets with their own specific letters are used.

The protection of trademark rights in the Republic of Kazakhstan also differs from the protection of trademark rights in Russia. For example:

- Kazakhstan does not have an intellectual property rights court; however some courts have judges specializing in IP issues;
- in Russia, administrative protection is carried out by antimonopoly and customs authorities, while in Kazakhstan - only justice bodies, antimonopoly and customs authorities;
- Kazakhstan has a simple approach to protecting trademark rights against parallel imports that is the absence of the right owner's consent to import and to distribute goods is already a confirmation of infringement;

© 2023 Bolotov & Partners. All rights reserved.

The information contained in this Article is of a general nature and cannot be used as a legal advice or recommendation. In case of questions, please contact us.

- unlike Kazakhstan, Russian customs authorities inspect goods imported from Kazakhstan, despite the restrictions on such inspections under the EAEU treaty.

In conclusion, it should be noted that entering new markets always requires keeping up to at least one golden rule: do not violate the rights of others and protect your own rights. Therefore, in order to save time and money when entering a new market, it is recommended to monitor the new market, conduct trademark searches and analyze own designations for registration as trademarks.

We wish you amazing ideas and reliable partners in developing business in new territories!