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Five reasons to recognize a trademark as well-known



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The five reasons can be only referred to the popular trend of using headlines to draw attention to an article. In fact, there are many more reasons for recognizing a trademark as well-known; moreover, for each well-known trademark recognized in Kazakhstan the reason is usually individual.

Our company recognized more than forty well-known trademarks in Kazakhstan. Each individually recognized well-known trademark or a series of trademarks of one owner have their unique history and conditions for obtaining this high status.

In order to register a trademark you need only to file an appropriate application to the registering authority, providing necessary information and paying relevant fee to the Patent Office. However not every designation, even well-known ones may become protected. The *Law of the Republic of Kazakhstan On Trademarks and Appellations of Origin of Goods* provides for a number of restrictions which prevent from granting legal protection to the applied designations. In addition the right to a trademark applies only to the list of goods and services indicated at registration. If, over time, production with the protected trademark expands into a new range, an application with an expanded list must be filed to ensure full protection, however the former priority is lost on the newly filed application. Such restrictions play into the hands of unfair competitors wishing to take advantage of the popularity of the third party trademark.

A real example from the nineties. A major tobacco company had prudently secured legal protection for its trademarks in Kazakhstan, but did not

consider that there would be producers who would use one of the company's most popular trademarks to promote a heterogeneous product. In the result an alcoholic beverage with an almost similar trademark appeared on the market and it was even registered with the Patent Office as under the law, identity or similarity to the point of confusion is determined not only by the coincidence of verbal or image elements, but also by the homogeneity of goods for which trademarks are granted protection. Despite lengthy court proceedings and the evidence of unfair grounds of the alcohol producer, the tobacco company was not able to defend its case, because the law was not on their side. Everything would have turned out differently if the provision on well-known trademarks had been in force at the time. But this was still a long way off.

A similar example of exploiting loopholes in the law occurred in one of the former republics of the USSR. There, the legally savvy daredevils took a swing at the world's most popular soft drink brand, producing butter in a bright red briquette with white lettering that, to the chiming of bells, promised a merry feast for many generations. It was impossible not to recognize the brand on the package of a food product and, of course, if not to buy it, then to look at it and tell others. What a powerful advertising at no extra cost! And the real trademark owner had no power to stop such an outrage without complex and lengthy court proceedings. In the comments to the article describing this interesting case, readers were puzzled how it could happen with such a famous brand. Knowledgeable people responded, famous but not recognized as well-known. Between these two seemingly similar concepts was not only the prefix *well-known* but also an abyss of legal advantages, which by law provides the rights owners, a high legal status, saving unnecessary costs, hassle and worries.

Another case of the tobacco industry from the nineties that our clients encountered, who in good faith obtained protection for their trademarks only in relation to the products for which the trademarks were used. Tobacco products already have a lot of restrictions on distribution and sale. But the rights owners could not have anticipated that his trademarks would be placed on vending machines in public places targeted at children. Vending machines with brightly colored posters of tobacco brands angered parents and concerned citizens and this was followed by claims of heavy fines - not against the vending machine owners but against the tobacco company itself. The company, in turn, was legally unable to prohibit the use of its trademarks on the vending machines, as the product was not covered by the current protection of its trademarks. A similar situation arose when sun umbrellas with popular trademarks of both tobacco companies and soft drink producers were installed.

It is of course possible, when registering a trademark, to try to cover as

complete a list of goods and services as possible, up to and including the entire classifier. However, if a trademark is not used for any good or service, a third party has the right to cancel its registration on the ground of non-use. Although the procedure is rather complicated and costly, interested parties take this step to obtain the desired trademark. Our company has quite often provided services for cancellation of trademarks due to non-use. Not so long ago we cancelled the registration of a well-known trademark for a wristwatch for a part of its products. The trademark had every chance of being recognized as well-known, and then our client would have had no chance of having it cancelled in the ordinary course of business. However the owner of the disputed trademark made no such attempt and lost his registration in Kazakhstan.

In each of the above cases, complex proceedings with costly evidence proof could have been avoided and even such situations could have arisen if the rights owners of these well-known trademarks had been able to recognize them as well-known.

Thus, one of the important reasons for recognizing a trademark as well-known is the absolute protection in respect of any kind of goods or services. At the registration stage, designations that are identical or similar to a well-known trademark are refused legal protection regardless of the type of goods or services. Also, when infringers use on any product designations that are identical or similar to the point of confusion with a well-known trademark, the right owner is justifiably entitled to stop such attempts.

Another important reason for recognizing a trademark as well-known is the possibility of overcoming the criterion of non-protectability. Surprisingly, there are many successful brands in the business world made up of non-protectable designations. In our fast-paced times, with the trend towards simplification and minimalism, ornate names and allegorical images are falling into oblivion, leaving room for completely simple words to indicate a specific product: I-LAMP, MYMILK, KAZ MAGAZ, etc. For the producer and the consumer such trademarks are both individual and informative, however for the experts of the registration authority it is yet another reason to reject the registration due to lack of distinctiveness. At best, a partial registration in the form of a disclaimer of such words as part of a combined mark may be obtained, where the applicant, through a variation of fonts, graphics and colours, attempts to somehow secure its designation. But it gives third parties the opportunity by using similar words in similar trademarks. And the more famous the trademark, the more active are unfair competitors in their attempts to copy it.

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

trademark. But there are only two grounds for refusal to recognize a trademark as well-known: lack of sufficient evidence of the trademark's celebrity and 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 prominence that consumers unambiguously associate it with certain products (and the producer, which need not necessarily be proved when recognizing it as well-known), then the lack of distinctiveness is no longer a bar to recognizing it as well-known.

We have had several such trademarks in our practice, one of them being a 3-D trademark - the shape of a confectionery product. The examining authority refused registration of this trademark as a designation having the shape due only to its functionality. A little later, a competitor emerged who began to copy the shape of the candy and even duplicate the appearance of the candy on the packaging, which began to mislead consumers about the true producer, who was losing out on the drop in sales on impressive revenues. Long court proceedings failed to prove the competitor's infringement and it was only after the recognition of a trademark as well-known that justice was restored and a third party was legally prohibited from copying the shape of the candy, which had become popular in the seventies.

Another well-known trademark which was recognized as well-known through assistance of Bolotov & Partner is inherently unique - it consists only of unprotected elements which, as part of a combined trademark have always been excluded from protection. However, over the period of its existence it has become so popular that it is invariably associated with only one Kazakhstani company. Interestingly, when it was first registered in the nineties, one of its word elements had the sole meaning of *capital*, a little later it became the name of the capital of Kazakhstan. However a trademark has successfully existed for the third decade, and again the word designation has regained its only meaning - *capital city*. With the recognition of this trademark as well-known, its distinctiveness was also proven, and subsequently all versions of this trademark received legal protection without the disclaimer of word elements.

Recognition of a trademark as well-known has helped to obtain legal protection for the brand of another well-known Kazakhstan producer, which has faced a difficult issue in registration of conventional trademarks. Several years ago, the law introduced a provision that legal protection could not be granted to designations for a certain type of goods that included word elements or prefixes such as *BIO*, *ECO* and *etc.* Registration of such trademarks can be made only with the permission of the competent authorities. However there is one problem: the ban was introduced but the competent authorities forgot to identify them. Many refusals were received

in connection with this forbidding clause of the law which could not be overcome or enforced. The provisions on well-known trademarks had no such restriction, so our client's well-known trademark was granted an even higher legal status by overcoming the obstacles.

Some words about the high status of a well-known trademark. It is not only the opportunity to hinder attempts of the competitors to take advantage of someone else's popularity or to take a non-protected trademark to a trademark with acquired distinctiveness. A well-known trademark shows a high level of development of the trademark owner's production, successful and continuous activity, financial stability and the ability to invest in the intellectual property. A well-known trademark means history of the company, its achievements, developed advertising, participation in social life. That is how a producer may declare itself in one word by recognizing a trademark as well-known.

The possibility to recognize a trademark as well-known assisted our clients to cope with many seemingly insurmountable issues. All well-known trademarks have had different reasons for obtaining this status, but the result has always been the same: the trademark owner has been able to secure maximum legal protection for its trademark.