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How to obtain the right to use a trademark under a license?



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Pursuant to the current legislation of the Republic of Kazakhstan only the owner of a trademark has the exclusive right to its own, duly registered trademark. An exclusive right is the right to use a trademark in any way and at its discretion, and also to prohibit others from using this trademark.

However, an interested person who does not have his own trademark may on legal grounds obtain the right to use another's trademark and the only legal option to do this is to enter into a license agreement. Usually license agreements are concluded by the subsidiaries, official distributors and importers. In many cases, instead of a license agreement, other agreements such as distribution or dealer agreements, will help in business, they do not transfer the right to use a trademark.

The license agreement for the use of a trademark must be registered with the Ministry of Justice of the Republic of Kazakhstan, otherwise such agreement shall be invalid.

What is required for this?

First, it is necessary to evidence that a trademark is duly registered in the territory of Kazakhstan or is protected in Kazakhstan by virtue of international treaties.

Sometimes, distributors and importers in Kazakhstan register the

trademark themselves in their own name, which actually belongs to the rightful owner and their partner. This happens if, for some reasons, the owner did not have time, did not consider it necessary to get protection for his trademark in Kazakhstan. However, registration of a trademark in the distributor's or importer's name is not permitted by the Paris Convention for the Protection of Industrial Property of 1983 and, if it happened, then this registration may be canceled upon the application of the rightful owner of the trademark.

Second, the owner of a trademark (licensor) and the interested person (licensee) enter into a license agreement. There are some features that must be underlined:

The license agreement for the use of a trademark must contain a mandatory provision that the quality of goods or services shall not be lower than the quality of goods and services of the licensor and that the licensor has the right to monitor the fulfillment of this provision.

In order to determine the correct taxation, it shall be more appropriate to indicate that the license agreement is reimbursable, that is, the licensee pays the licensor a fee for using its trademark, for example, in the form of royalties.

The license agreement comes into force from the date of its registration with the authorized body, therefore royalty can be paid only from this date.

Documents for registration of the license agreement must be submitted to the Patent Office not later than six months after the date of signing the agreement.

Other terms of use by the licensee of the licensor's trademarks are optional, although there are still some mandatory requirements for the execution of documents.

A standard license agreement for the use of a trademark can be found on the website of the patent office: kazpatent.kz

Third, the documents of the license agreement are forwarded for registration to the Patent Office.

For this purpose it is necessary to:

- Fill in the appropriate application form.
- Executed copies of the license agreement - originals or notarized copies in Kazakh and Russian languages.
- Power of attorney from the parties to the license agreement, if the application is submitted through a patent attorney.
- Confirmation of payment of state fee and payment for services of the Patent Office.

If the license is granted by the Kazakh owner of a trademark, in addition to the agreement, the decision is also given by the licensor's management bodies on the matter of concluding an agreement and granting the authority to sign an agreement. The review usually takes about two (2) months.

The right to use the trademark can be transferred by the licensee to another person (sub-licensee), if this is permitted in the license agreement, and the sub-licensee, in turn, can transfer this right to the sub-sub-licensee. The number of participants in this chain is not limited by law.

In the case of a positive outcome of the case, the agreement is registered; a stamp with registration number and date is stamped on the title page. The registered agreement is entered into the Register of agreements on the disposal of exclusive rights to trademarks and industrial property. This Register is available on the website of the Patent Office.

Two copies of the license agreement remain in the Ministry of Justice and in the Patent Office, and two copies are sent to the address specified in the application for registration, one for both parties to the license agreement.

We would like to draw your attention to the fact that all amendments and additions to licensing agreements should also be reflected in writing and also registered with the Ministry of Justice of the Republic of Kazakhstan.

[Inna Kamorgina - April, 2018](#)