

## **Trademark Protection in Myanmar and the New Draft Trade Mark Law**

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### **Background for the European SMEs**

Despite being one of the poorest ASEAN nations, Myanmar has shown steady growth rates since the country set itself on a course of political liberalisation. The economy grew at around 8.5% in the 2014/2015 fiscal year, with economic reforms bolstering consumer and investor confidence. The service sector was the main driver of growth thanks to expansions in telecommunications and transportation. Myanmar is an emerging economy with a GDP of \$64.3 billion, which is attracting more and more foreign investments. Its 53.4 million strong population is mainly occupied in the agricultural sector. However, the garment and mining industries, as well as wood products also take up a significant part of the economy.

EU imports for Myanmar are dominated by the textile industry, accounting for nearly 80% in 2011, making it the 29<sup>th</sup> largest trading partner for the EU for clothing. Agricultural products also play a significant role in Myanmar's exports to the EU. EU exports to Myanmar on the other hand are dominated by machinery and transport equipment. EU exports to Myanmar have risen steadily since its increasing political liberalisation.

Myanmar is not currently a signatory of the Paris Convention for the Protection of Industrial Property or any other multilateral trade mark treaty. However, in accordance with the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), to which it has acceded, Myanmar is required to implement and comply with Articles 1-12, Article 19 of the Paris Convention and the terms of TRIPS by no later than 1<sup>st</sup> July 2021. Myanmar is now drafting IP laws such as the Trade Mark Law to ensure its IP legislation is more in line with the TRIPS.

### **Trade Mark Law in Myanmar – Current Status**

Currently, there is still neither a particular statute nor law on trade marks, nor specific provisions regarding the registration of trade marks in Myanmar. However, the Penal Code of Myanmar defines a trade mark as “a mark used for denoting that goods are the manufactured merchandise of a particular person”. Likewise, the Private Industrial Enterprise Law provides that “a business is not allowed to distribute or sell his goods without trademark”. At present, foreign companies doing business in Myanmar have been relying on these laws to enforce their IP rights relating to trade mark.

Whilst, there is no trade mark registration legislation in Myanmar, a practice has developed by which the person purporting to be the trade mark owner can make a Declaration of Ownership and register the declaration with the office of the Registrar of Deeds and Assurances in Yangon or Mandalay. It is

advisable for foreign SMEs doing business in Myanmar to follow this practice and register their trade mark in the following way, in case the Myanmar authorities request the Declaration when handling cases of infringement.

The declaration must be made by the trade mark owner and must include a description of the goods and services and a copy of the trademark. Foreign companies cannot complete the registration by themselves and need to appoint a local agent.

Once the declaration is registered, it is advisable to publish a Cautionary Notice in a daily English language newspaper such as the New Light of Myanmar, warning people not to infringe the trade mark. In the case of infringement, enforcement can then be pursued against 'passing off' clauses under the Myanmar Penal Code, the Myanmar's Specific Relief Act and the Myanmar's Merchandise Marks Act. The 'law of passing off' prevents other traders from unfairly riding on the reputation and success of an established trade mark. Three factors need to be proved before a claim of passing off can proceed: (i) that the SME has established a connection to the trade mark through actual use within Myanmar; (ii) that there is an infringement; (iii) that the SME has suffered damages to their brand's reputation. The registered declaration and the cautionary notice serve to establish prima facie 'use' of the trade mark in Myanmar for evidentiary purposes. This is why it is important under current trade mark regime, to register the declaration.

### **Main Changes Introduced by the Draft Trade Mark Law**

The Draft Trade Mark Law was published and submitted to the Myanmar parliament in 2013, however the parliament has not yet acted upon the new trade mark law. It is, however, expected that the parliament will pass the new trade mark law by 2017 at the latest.

The new trade mark law will introduce a 'first-to-file' system replacing the current 'first-to-use' system. This brings Myanmar IP laws closer to the IP laws of other ASEAN nations, as most ASEAN nations use the first-to-file system. It also means that European SMEs should register their trade mark in Myanmar as soon as possible and ideally before launching their product on the Myanmar market, because whoever registers the trade mark first will then become the owner of that trade mark, regardless of its first use.

### Definition and Scope

According to the Draft Trade Mark Law the definition of 'mark' will cover perceptible signs including sounds, smells, and touch, or any visible signs including pictures, names, domain names, signatures, letters, words, numerals, brands, labels, configurations, trade dress, packaging, colors, or combination of colors. This Trade Mark Law will be one of the most modern IP laws in South-East Asia, as many ASEAN countries still don't accept smells or touch as a trade mark. Under the Draft Trade Mark

Law, protection will be available for trademarks, service marks, collective marks, certification marks, and series of marks.

### Registration of Trade Marks

Any individual or corporate entity that owns the trade mark will be allowed to register it with the Myanmar Intellectual Property Office, which will be fully operational by the time the new Trade Mark Law comes into force. Foreigners have to appoint a local agent to file the registration on their behalf, if their ordinary residence or principal place of business is outside of Myanmar.

According to the Draft Trade Mark Law, the trade mark cannot be registered if it:

- Lacks distinctiveness
- Is similar or identical to other registered marks or well-known registered marks
- Is misleading the public or trade circles
- Is using the name of plant varieties protected in Myanmar
- Is infringing others' IP rights
- Is filed in bad faith
- Is using or reminiscent of a State flag, emblem of State, emblem of government institution, armorial bearing, flag or emblem of Red Cross or Red Crescent, flag, emblem, abbreviation or initials of the name of intergovernmental organizations, foreign States or international organizations.
- Or is in conflict with other restrictions as prescribed by the law.

The term of registration for marks will be ten years from the filing date of the application for registration, and the protection will be renewable every ten years. In order to register for the trade mark an applicant needs to submit:

- An application form, filled either in Myanmar language or in English.
- A request of registration.
- The notice of the power of attorney (if the applicant has to appoint local agent to file the application).
- Reproduction or the sample of the trade mark in accordance with the stipulations.
- Representation or the description of the trade mark.
- The declaration of intention to use the mark.

The registrar will then perform the inspection of the application and publish the trade mark. Once the trade mark has been published, it will be open to opposition which can be made by anyone. Opposition can be lodged against trademark applications during the publication period. The deadline to file an

opposition will be 30 days from the date of the application if the opposed resides inside Myanmar and 60 days if the opposed resides outside Myanmar.

#### Cancellation of Trade Marks

Grounds for full or partial cancellation of a trademark registration are:

- The registered mark falls under any ground of unregistrable mark as described in the law;
- The owner of the registered mark is not entitled to the registration; and
- The registration has been obtained by fraud, misrepresentation, or concealment of any prescribed point.

Non-use cancellation will also be available. The Registrar may cancel the registration of a mark if the trademark owner fails to use the mark for three consecutive years, commencing from the date of registration, without sufficient justification.

#### Enforcement

A trade mark owner has the right to file litigation, in criminal and/or civil actions, against an alleged infringer. Myanmar is currently in the process of establishing special IP Courts that will then hear criminal and civil cases relating to trade mark infringements. Trade mark infringement will also be a criminal offence under the Myanmar law and can be punishable with up to a 3 years prison sentence. The trade mark must be registered in Myanmar if the trade mark owner wishes to take action against infringers. This is why it will be important for SMEs to register their marks in Myanmar as soon as possible.

Trade mark owners will also have the opportunity to use customs to enforce their IP rights. A trade mark owner who has sufficient grounds for suspecting the import, export or transit of infringing goods through seaport, airport or border crossing, may lodge an application to the relevant customs to issue a suspension or detention order for the infringing goods. The IP Courts may also issue injunctions that the customs will then carry out, once the trade mark owner presents the injunction to the customs.

#### Transitional Provisions

The Draft Trade Mark Law introduces transitional provisions for trade marks that have been 'registered' under the current Myanmar trade mark regime with the office of the Registrar of Deeds and Assurances. Any trade mark registered before the new Trade Mark Law comes into force, will still be protected for three years following the start of the new law. Therefore it is still advisable for European SMEs to register their trademark under Myanmar's current trade mark regime, especially as Myanmar will adopt the first-to-file trade mark registration once the new Trade Mark Law comes into force.

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