

Bird & Bird ATMD

IP Update



Second Update on Newly Enacted Myanmar Trade Mark Laws

April 2019

Newly enacted Myanmar trademark laws provide some clarity on impending laws although the unreleased rules and regulations will likely shed further light on transitional provisions for existing registered mark holders.

*Overall, even though the new laws have not come into force yet, **there is some advantage for mark owners to continue filing or renewing their marks under the current laws** as there appears to be some advantage for existing mark holders to re-file under a transition period under the new system (the full details of which have not been released yet). It also appears that priority during the transition period will be granted to unregistered mark holders who have put their marks to use in the market over registered mark holders who have not put their marks to use. It will remain to be seen what amounts to "use" in this regard in order to assert priority during the transition period.*

Further to our update earlier this year [here](#), the new Myanmar trademark laws ("New Law") have been **enacted** by the Union Parliament on 30 January 2019 as Pyidaungsu Hluttaw Law No. 3 of 2019.

What does this mean for potential/existing trademark owners?

Although enacted, the relevant agencies will still need to craft and issue rules and regulations ("Rules") accompanying the New Law. Aside from this, time will be required to establish the Myanmar IP Office ("MIPO"), the IP Courts and to train the relevant staff for the purposes of facilitating trademark processes as provided under the New Law.

In short, the New Law **has not come into force yet**. Once the above preparation is completed, the President will issue a Presidential Notification to finalise the New Law's effective date. At the moment, this is expected to take around 6 to 12 months.

The New Law has however provided some clarity on some (but not all) issues although the Rules are expected to assist in completing the picture once available.

1. Marks registered under the current system

- Existing mark owners must re-file their trademark applications under Section 93 of the New Law.
- Entitlement to fall within scope of "re-filing":
 - a Existing registered mark owners; or
 - b Right holders who have put their unregistered marks **to use** in the market.
- An applicant intending to re-file under a) above will need to submit **the original stamped Declaration of Ownership** submitted with the Registry of Deeds.
- Regardless of whether a mark has been registered, Section 94 of the New Law appears to provide that applicants who have put their marks to use in the market will enjoy priority over those who have not, when re-filing during the transition period.
- Further details regarding the process and timeframe of the transition period, rights of existing mark holders will be provided for in the Rules.

2. Filing to Registration process and appellate avenues

- Applications will be subject to **examination on formalities and absolute grounds** only.
- If accepted, the Registrar will publish the mark for a 60 day opposition period. If there are no oppositions, a certificate of registration will be issued.
- An opposition can be mounted on either absolute or relative grounds. The Registrar presides over oppositions at first instance and will decide whether such oppositions are validly raised.
- In respect of the Registrar's decision, an appeal can be filed with the Intellectual Property Rights Agency. Dissatisfied parties can further submit an appeal to the IP Court.

3. Competing trademark rights

- The New Law appears to provide that when two or more persons file trademark applications which bear identical/similar marks on the same day, the Registrar may:
 - a either decide who is entitled to file first in time; or
 - b direct that parties are to discuss and decide who should file first in time. If a decision cannot be reached, it appears that there may be guidelines stipulating who should be entitled to file first in time.
- It is uncertain at this point of time how a decision will be made or what the guidelines may provide. This will likely be set out in the Rules.

4. Recordals of assignment and licences

Description	Assignment	Licence
Mark	Unregistered/registered mark permitted	Only registered mark permitted
Who can apply	Applicant or Owner, i.e. the assignor	Owner (Licensors) or Licensees
Documents required	<i>(It is not clear at the moment what documents are required.)</i>	Certified copy of licensed document
Fees payable	Yes	Yes
Mandatory to record with the Registrar	Yes, failing which an assignment may be deemed invalid.	Yes, failing which a licence may be deemed invalid.
Cancellation of the recordal	-	Licensor or Licensee may apply to Registrar to cancel the recorded licence.

5. Invalidation and cancellation

- Invalidation – A mark may be invalidated pursuant to absolute or relative grounds.
- Cancellation – A mark is vulnerable for non-use if it has not been put to use for a period of 3 years from the date of application, or if such use has been suspended for an uninterrupted period of 3 years. Interestingly, the New Law provides some non-exhaustive examples as to what may amount to "use":
 - "Use" in a form differing from the filed mark may be acceptable if the form does not alter the distinctive character of the mark.
 - Affixing the mark to goods or the packaging of goods **in Myanmar** for the purposes of export.

6. Enforcement of IP rights

- Mark owners may commence either criminal or civil action, or both, against infringers, in the IP Court.
- The IP Court may grant the following remedies to a successful mark owner in an infringement action:
 - Injunctions
 - Damages
 - Legal costs
 - Disposal or destruction of infringing goods
 - Impose fines (criminal action)
 - Imprisonment (may be up to 10 years)
- It is noted that the own-name defence is available as a defence to infringement.
- Parallel imports are also permissible but right holders may have an avenue to prohibit third parties from offering for sale the mark owners' goods bearing the marks if the condition of the goods have been changed or impaired.

7. General

- The New Law provides for the ascension of Myanmar to the Madrid Protocol in the future.

Summary – Key takeaways

- It appears that right holders who have put their marks to use in the market would stand to gain priority over existing registered mark holders during the transition period, even if these proprietors had not registered their marks under the current system.
- However, although it is clear that registered mark holders will need to submit the original stamped Declaration of Ownership to support its status as an existing mark holder, it is not clear at the moment the type of evidence that the unregistered mark holders (who have put their mark to use) will have to submit in order to 'jump the queue' ahead of registered mark holders. Some guidance could be gleaned from the examples of acceptable "use" as set out above to rebut a non-use cancellation claim.
- Ultimately there is still some advantage to filing or renewing marks and continuing to publish Cautionary Notices under the current system as it appears some priority rights will be granted to existing mark holders to re-file during the transition period, even if the mark has not been to use in the market.

- **Existing mark holders who have not put their marks to use in Myanmar are recommended to take active steps to do so as soon as possible and compile such evidence of use in relation to the goods/services claimed to pre-empt submission of supporting evidence when re-filing during the transition period.**
- While Myanmar appears to be fairly ambitious in implementing the internationally-aligned New Law which promises safeguards for rights owners, much will likely turn on its application and enforcement, which will in turn determine its effectiveness in protecting brand owners.

We will monitor further developments relating to the New Law and Rules and will update as and when these become available.

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