

Bird & Bird ATMD & IP Legal Update



*Impending changes in Myanmar's Trade Mark Regime
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Background

Myanmar's new trade mark legislation has been long-in-the waiting and much anticipated by both local and foreign brand owners alike. However, the official implementation of the law has experienced lengthy delays. The latest updates herald its coming into force by 2018, but the exact details are still being finalised. Any further delays are, as such, unsurprising.

Once in place, the new legislation is expected to completely overhaul the trade mark regime in the country. The current practice, whereby brand owners claim protection over their trade marks by the informal system of lodging a Declaration of Ownership with the Registry of Deeds and publishing cautionary notices in newspapers at regular intervals, will be abolished.

Instead, the new laws adopt a substantive trade mark system that is broadly aligned to those implemented in many major jurisdictions in the world.

Salient features of the new system include:

- A formal application procedure, whereby trademarks, service marks, collective marks and certification marks are eligible for registration.
- A substantive registration criteria, incorporating "absolute grounds" and "relative grounds" that the mark in question has to fulfil, before it can secure registration.
- 10-year renewal term.
- Establishing of a trade marks registry which conducts substantive and procedural examination processes.
- Availability of oppositions and cancellation actions.
- Protection of well-known marks and unregistered trade names.
- Specialised IP courts to hear IP disputes.
- Higher penalties for trade mark infringement.

Transition provisions

The new trade mark regime is much welcomed in enabling more robust and structured protection for brand owners. However, the uncertainties in transitioning into the new regime and in navigating under the new system, which is unfamiliar to both the applicants and the local officials, have presented much cause for concern, particularly for brand owners who have grown comfortable to the incumbent practice of re-filing declarations of ownership and cautionary notices, and have over the years, built up the goodwill in their brands and businesses amongst local consumers and are keen to secure statutory protection over their brands.

The teething issues may be further aggravated as a result of the following:

- Under the draft legislation, there appears to be no provisions for transitioning to the new regime, as well as the effect and weight to be attributed to the past certificates of registration, Declarations of Ownership and cautionary notices lodged and published by brand owner. Trade mark owners may potentially have to re-file new applications for their marks.
- This is compounded by the fact that Myanmar seems to be adopting a "first-to-file" regime, so that the first party to the register wins. In typical first to file regimes, little or less weight is placed on prior use by brand owners when resolving conflicting rights, unless in specific exceptions (e.g. filing in bad faith).
- The above considerations are likely to cause "floodgate filings" once the Trade Marks Registry commences operations. It is uncertain whether the officers at the registry would be able to cope with the volume of applications that is lodged, especially in the initial phase.

What can you do in the meantime?

Unfortunately, there is very little clarity and limited information on the exact mechanism and details of implementation in the meantime, even based on feedback from local counsels.

In anticipation of the impending changes, and especially given the uncertainties, good housekeeping of your brands portfolio and strengthening your position under the current regime becomes even more imperative, to put you in the best position to leverage upon any transition provisions that may be implemented under the new regime, or to serve as evidence over the claim of ownership of your brands. We suggest some measures below in anticipation of the new regime.

1. Review your existing Myanmar trade mark portfolio and evaluate which are your key marks, in light of your current and future plans

a) Plugging in the gaps

- In preparation for re-filings under the new regime, to continue to maintain your marks of interest under the present Office of the Registration of Deeds (ORD) regime as it may offer prima facie evidence of your rights.
- Supporting documents, including the certificates of registration under the ORD regime, should be retained and kept in order in case these are helpful in carrying some weight under the new regime. In particular, the new trade mark legislation does provide that copies of declarations filed under the current regime should be submitted to the registrar at the time of filing the formal trade mark applications. It is therefore prudent to retain original copies of such declarations, in case these need to be presented to the registrar.
- Plan ahead and file prospective marks and brands that are likely to enter the market in the next few years.

- To guard against third party infringers and squatters, consider filing transliterations for your key brands in the local language, as this is a commonly used tactic by third parties attempting to pass off established international or foreign brands.

b) Recordal obligations

- Those with existing distributors or licensees in Myanmar should review their governing contracts. It is anticipated that trade mark licences must be formally recorded with the registry, once the new laws come into force.

c) Other housekeeping

- Ensure other housekeeping matters are addressed – e.g. updating any change of address, names or other particulars of the applicant/registrant.

2. Republication of cautionary notices and maintaining records of evidence of use

In anticipation of the availability of non-use cancellation actions under the new regime, whereby marks found to be not in use may be vulnerable to challenge by third parties, it is recommended that you:

- Routinely re-publish your cautionary notices (e.g. at 3-year intervals).
- If use of the mark is already underway, it is good practice to have your evidence of use properly archived.

3. Reassess infringement monitoring and enforcement options in Myanmar, including border control strategies.

Presently, the Myanmar Customs Department (MCD) allows for the recordal of trade mark registrations in Myanmar. Such recordals allow goods which are suspected to be counterfeits to be detained by the MCD, as well as for rights holders to notify the MCD concerning any specific importation of counterfeits.

Notably, there are no requirements to renew such recordals after the filings with the MCD.

Whilst the new regime is likely to stipulate new official border control measures, it would be advisable for those with existing registrations to file such customs recordals with the MCD now, until there is clarity as to what is to be expected under the new regime.

4. Keep a look out

Keep an active look out for all updates on the new laws, and seek appropriate advice to coordinate and prepare all applications and supporting documents as soon as possible in anticipation of such new filing requirements.

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