

# Protection for well-known marks in Myanmar

Hopes are high that the long-awaited Trademark Act may finally come into force in Myanmar this year. Until then, foreign rights holders looking to do business there have various options for protecting their marks

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**Myanmar still has** no Trademark Act – a law was expected to come into effect in 2013, but was then postponed with as yet no firm date as to when it will be enacted. Despite this, many rights holders have already taken steps to protect their trademarks under Myanmar's existing system by recording their marks with the Office of the Registry of Deeds and Assurances (RDA) under the Registration Act.

In fact, over half of the companies on Interbrand's Top 20 Best Global Brands 2014 – including Google, Apple, Coca-Cola, Samsung, Toyota, Intel, Hewlett Packard and Honda – have registered their marks under the current system. This article discusses the current practice of securing trademark protection in Myanmar, as well as the changes proposed by the new Trademark Act.

## Current system

Myanmar's current interim system of protection allows a rights holder to protect a trademark by filing an application to record a declaration of ownership. Once this is recorded, the corresponding mark will be protected for three years from the registration date. Following the recordation of the declaration of ownership, a cautionary notice should be published in a local newspaper or periodical, to notify the public of the mark's ownership and to warn against passing off or infringement.

## Protection for well-known marks

A rights holder must invest a significant amount of time and money creating an image, promoting and advertising it, building trust and then demonstrating the quality of its products before the public is likely to recognise the mark as well known. However, under the current system, identical or similar trademarks can be

registered concurrently by more than one party, as there is no trademark law and thus no official trademark search facility or database, no examination process for similar trademarks and no opposition or cancellation processes against trademark applications prior to their registration.

Rights holders – particularly holders of well-known marks – must preserve and protect their trademark rights using Myanmar's current practice and laws. If they do not, they risk their marks being taken over and distributed by an infringer or another party without their authorisation, or a confusingly similar mark being applied to poor-quality goods or services, resulting in reputational damage.

As mentioned above, rights holders – particularly owners of well-known marks – can obtain protection for their trademarks by recording a declaration of ownership and publishing a cautionary notice in a local newspaper or periodical. Further, if the mark is subsequently infringed, the rights holder can launch a civil action for trademark infringement under Section 54 of the Specific Relief Act, to obtain a permanent injunction. In addition, it may claim damages caused by such infringement. In civil prosecutions, demonstrating actual commercial use of a mark in Myanmar is crucial, in order to prove which party has the better rights over a mark – Myanmar courts place significant weight on use when determining ownership of a mark. The relevant date in such cases is the registration date of the declaration of ownership and the date on which the mark was first used in Myanmar.

## Global brands come knocking

Apple is the top-ranked brand in the Best Global Brands 2014 rankings (<http://bestglobalbrands.com/2014/ranking/>) and it already has an official authorised dealer and reseller of Apple laptops, desktop computers and iPhones in Myanmar, which is responsible for expanding the tech giant's business and addressing customer requirements. Coca-Cola has also generated a lasting positive impact in Myanmar by manufacturing, distributing, selling and hiring through its local business there. Samsung has launched an electronic equipment business, mobile phone reseller and shop in the country; while other leading global brands – such as Mercedes Benz, BMW and Toyota – have all opened showrooms with local partners in Myanmar.

Under the current system, it is possible for one or more parties to register identical or similar trademarks in

Myanmar concurrently, as previously mentioned. This is the case even for well-known marks. Therefore, identical trademarks should be recorded and a cautionary notice published to show that they are protected in Myanmar.

### Published cautionary notices showing registered marks

Recently, a number of local shops have been using names and well-known marks as their shop or business names. This may be because the well-known (often foreign) mark is unknown to them. Additionally, under the current system, they may be within their rights to use the well-known marks, provided that they have recorded a declaration of ownership with the RDA. In such cases rights holders can do nothing to prevent such infringement, unless they have already taken steps to protect their marks in line with the current practice.

A legitimate rights holder seeking legal recourse against an alleged infringer which has acted in bad faith may:

- send a cease and desist letter ordering that the infringement stop;
- request a cancellation action against the infringed registered trademark; or
- request a temporary injunction from the courts and initiate a lawsuit.

The rights holder must demonstrate actual use of the mark to prove that it is the legitimate owner and has a stronger right to the mark in Myanmar. Such use might include the sale and distribution of products or services bearing the mark, either on its own or via a distributor. However, this may prove difficult, since the legitimate rights holder may be unable to provide evidence claiming a stronger right than the alleged infringer for products that are unrelated to its business.

Further, foreigners and foreign companies are not allowed to operate trading and retailing businesses in Myanmar. For this reason, rights holders face limitations on their capacity to sell and distribute products, because they are required to find a local distributor or business partner to trade, sell or import their products in Myanmar.

### Draft Trademark Act

As mentioned earlier, the new Trademark Act was expected to come into effect in 2014. It is now hoped that the new Trademark Act will come into effect later this year, so that the mechanisms of trademark protection and solutions to a number of problems that have arisen out of the current practice will be provided for. Such issues include:

- how to authenticate a trademark right under the new Trademark Act, which has arisen from the current practice of recording declarations of trademark registration;
- how examinations will be conducted to identify the rights between two or more trademark owners that have recorded the same trademark with the RDA;
- remedies for foreign rights holders trying to retrieve their IP rights from a domestic user which obtained a senior right under the current practice; and
- supporting evidence for legitimate rights holders in proving their stronger right over a disputed mark. This applies not only to actual use of a disputed

trademark in Myanmar, but also to use of the mark in other countries, which should be considered in both stronger right and unfair competition disputes.

Since Myanmar opened its doors to the international community in 2011, many companies have looked to expand their business into the country. With new and exciting ventures being set up in Myanmar, there is tremendous potential and a need for a robust IP regime. As many leading global companies continue to invest and expand their businesses in Myanmar, the draft Trademark Act is expected to be the first IP law to be implemented in the country. While it has been debated extensively and has undergone several significant amendments, after 10 years it still has not been passed.

It is hoped that the new Trademark Act will be implemented this year to protect long-term business investments in Myanmar. It is vital that IP protection be considered not only at the start of a business, but over its entire lifecycle. Currently, rights holders face problems when it comes to enforcing their IP rights – for example, in cases of distributorship. It is not uncommon for disputes to arise between rights holders and local distributors after the foreign rights holder has successfully built its brand in Myanmar. The local distributor then creates its own brand, imitating the main features of the original, and registers the new imitating brand, which would certainly affect a legitimate rights holder's business in Myanmar. These are serious considerations for prospective businesses looking to enter the Myanmar market, but wanting to protect their valuable intellectual property.



## Rights holders face limitations on their capacity to distribute products because they are required to find a local distributor for their products in Myanmar

### Further progress

While waiting for the new Trademark Act to come into effect, it is expected that a Myanmar Department of Intellectual Property will be established – probably in Nay Pyi Taw – as well as offices where IP applications can be submitted, most likely in Yangon, Mandalay and in other large cities. Regulations, announcements and publications are likely to be drafted in accordance with the Trademark Act in order to implement a trademark examination system, procedures and formal documenting requirements. In addition, careful attention will need to be paid to the issue of transitioning marks that have already been registered with the RDA to the new registration system under the Trademark Act. **WTR**



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