

SOUTH-EAST ASIA IPR SME HELPDESK







For free, confidential, business-focused IP advice within three working days E-mail: question@southeastasia-iprhelpdesk.eu

Guide to Trade Mark protection in South-East Asia





- Your Trade Mark and its Importance in South-East Asia
- Is there any International or Regional Trade Mark Registration System within the South-East Asia Region?
- What you Need to Know about the Madrid
 Protocol
- 4 Trade Mark Applications The Process
- 5 Trade Mark Searches Prior to Filing
- Goods and Services Classification
- Registering your Trade Marks in Local Languages
- What Should I Register First The Product Name or the Logo?
- Trade Mark Infringement and Enforcement
- Take-Away Messages
- 11 SME Trade Mark Case Studies

1. Your Trade Mark and its Importance in South-East Asia

Given the increasing prominence and attractiveness of the South-East Asian market, trade mark owners should give these countries serious consideration, even if they do not have immediate plans to expand into the region. A rapid rise in disposable income has signalled a shift: local businesses in South-East Asia are now steadily increasing their product mix in order to meet the growing demands of a rising middle class. It is increasingly common for local businesses to look outside South-East Asia for 'inspiration', a trend that could easily lead to products branded and/or developed in other markets being imitated. Many trade mark owners are confronted with this harsh reality too late: only when their branding has been already copied by or registered to local parties.

Generally speaking, a trade mark is a sign to distinguish goods and services of one undertaking from others in the market, one over which the owner has an exclusive right. Trade marks are words, names, phrases, symbols, designs, images, distinctive features or a combination of these elements that can be represented graphically. At the time of writing, trade marks consisting of the shape of goods or their packaging in three-dimensional form can be registered in all South-East Asian countries except Myanmar. With recent changes and amendments to intellectual property (IP) laws, other non-traditional marks, such as sound and scent, were adopted for registration in <u>Singapore</u>, <u>Brunei</u> and <u>Malaysia</u> (in the last one the law will take effect by the end of 2019), while <u>Indonesia</u> and <u>Thailand</u> now accept sound trade marks for registration.

Trade marks are an essential part of the identity of goods and services. They help deliver brand recognition, i.e. they distinguish your company from the competition. They also help to build trust, and goodwill for your company's reputation, as well as playing an important role in marketing and advertising. A trade mark can be an important asset with significant monetary value for your company.

Trade mark regimes in South-East Asia are generally understood to adopt the 'first-to-file' system, which means that the first person to file a trade mark application in a particular South-East Asian country will own that right in the country once the registration is granted. Thus, if protection is not applied for promptly, others may do so first and benefit from the trade mark creator's investments and reputation.

Registration is required to protect trade marks in South-East Asia. Certain South-East Asian countries, such as Singapore, grant some protection to *unregistered* trade marks based on laws guarding IP rights from 'passing off' (i.e. someone misrepresenting their goods or services as being affiliated with your brand, even if your trade mark is not registered but has built up a certain reputation and goodwill) or unfair competition. However, in contrast to the well-defined rights of a registered trade mark, several factors need to be established for a case of passing off, one of which is proof that goodwill has been acquired by the unregistered trade mark. In addition, a local judge may prefer to recognise the establishment of trade identity protection through national registration. Therefore, primary protection should still be through trade mark registration.

Country-by-country trade mark information

Brunei

- The Trade Marks Act Order in 2017, amending the Trade Marks Act, 2000, made some major changes on the recognition of non-traditional marks and how they can be registered. For example, the word 'visually' was deleted from the definition of trade marks, thereby enabling certain non-traditional marks, like sounds and smells, to be accepted for registration in Brunei.
- If a trade mark is represented by characters other than those found in the English alphabet, for instance Chinese or Japanese characters or Arabic letters, translations and transliterations must be provided. The registrar will not register trade marks deemed to be simply descriptive. Any trade mark considered well-known under the Paris Convention, and belonging to a resident of a Paris Convention country, a person domiciled or a person having a real and effective industrial or commercial establishment in a convention country, may be protected whether or not that person carries out any business or has any goodwill in Brunei. Brunei follows the International Classification of Goods and Services outlined in the Nice Agreement.

For more information, please see our helpful *IP Country Factsheet on Brunei*, available for download from our website.

Cambodia

- Cambodia's Trade Mark Law was adopted in 2002, and was followed by a sub-decree on its implementation in 2006.
- Despite legislative shortcomings and enforcement difficulties, the Trade Mark Law provides effective procedures for the registration of trade marks. Straightforward trade mark applications typically take 9-10 months. Trade marks should be registered, as this strengthens rights and simplifies enforcement.

- Trade mark protection may be granted for words and symbols that are visually capable of distinguishing the goods or services of an enterprise. The Trade Mark Law also allows for the registration of collective marks, trade names, and geographical indications. Additionally (though this is not addressed by the Trade Mark Law), three-dimensional trade marks may also be registered (providing that they meet the requirements regarding distinctiveness).
- Cambodia applies the first-to-file principle to trade marks.
 This differs from some European countries where the first person or company to use a trade mark is granted the rights to it.

For more information, please see our helpful *IP Country Factsheet on Cambodia*, available for download from our website.

Indonesia

- The new trade mark law, the 'Law on Marks and Geographical Indications', which came into effect on 26 November 2016, has introduced a number of significant changes to the old law. The new law introduces provisions on non-traditional marks including three-dimensional trade marks, sound marks, and holograms, and also introduces provisions inspired by the Madrid Protocol (see below) allowing Indonesia to become party to the international system of registration.
- The Indonesian trade mark system is generally understood to adopt the first-to-file principle. It is especially important to register your trade mark in Indonesia because trade mark piracy due to 'bad-faith' registration is a serious problem. Bad-faith registrations exist where a third party (not the legitimate owner of the mark) registers the mark first, thereby preventing the legitimate owner from registering it.
- Indonesian trade mark law provides protection for well-known unregistered trade marks, against badfaith attempts to apply for registration. Indonesian law stipulates that an application should be rejected if it is similar, in whole or in principle, to a well-known trade mark. The law, however, does not specify what may be considered as 'well known'; the determination thereof will depend on the examiner-in-charge and, ultimately, the judge handling each case (if the matter is subject to court proceedings).

For more information, please see our helpful *IP Country Factsheet on Indonesia*, available for download from our website.



Laos

- According to the New IP Law, dated 15 November 2017, Trade mark protection may be granted for any sign, or combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings. In short, the sign or combination of signs must have a distinctive character.
- Lao became a member of the Madrid Protocol in December 2015, and it entered into force in March 2016.
- Lao applies the first-to-file principle for trade marks.
 Moreover, the same priority requirements apply to trade
 mark applications. Once registered, however, the trade
 mark must be used in Lao for the registration to be
 maintained. Rights to a trade mark can be lost through
 inaction from the trade mark's owner. These rights can
 also be lost unintentionally by SMEs if a continuous period
 of non-use exceeds five years the period required to
 demonstrate the abandonment of a trade mark in Lao.

For more information, please see our helpful *IP Country Factsheet on Lao*, available for download from our website.

Malaysia

- A trade mark may be a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination of these. Trade marks registered in black and white or grayscale are construed broadly to protect the mark both as it is registered and in other colour combinations.
- In Malaysia, under the Bill of the Trademarks Act 2019, the possibility of registration has been expanded to include non-traditional marks such as colours, sounds, scents, holograms, positioning, the shape of goods or their packaging, sequences of motion or any combination thereof.
- · All trade marks must meet registration requirements.

For more information, please see our helpful *IP Country Factsheet on Malaysia*, available for download from our website

Myanmar

- On 30 January 2019, an initial, long-awaited Myanmar Trademark Law was signed into law, finally establishing a legal framework for trade mark registration for both foreign and domestic trade mark owners. Although the law has been officially approved and signed, it has not yet been put into effect. The government must first set up the necessary administrative bodies and prepare enabling legislation to support the new system.
- When the new system is implemented, the registration process will be in line with international trade mark registration standards.
- However, at the time of writing (August 2019), the law is still not came into force therefore the previous practice, developed when there was no law, is still in use. The person purporting to be the trade mark owner may make a Declaration of Ownership and register it with the office of the Registrar of Deeds and Assurances in Yangon or Mandalay under the Registration Act. Once the

declaration is registered, it is customary and advisable to publish a Cautionary Notice in the daily English-language newspaper warning people not to infringe on that trade mark

However, as with common law trade mark systems in other jurisdictions, a Myanmar trade mark needs to have established a reputation or 'use' in Myanmar in order to be enforceable. SMEs should be aware that they must actually use the trade mark within the territory. Registering a Declaration of Ownership and publishing a Cautionary Notice do not automatically give the owner of a trade mark the necessary 'use' in Myanmar or grant rights to it.

For more information, please see our helpful *IP Country Factsheet to Myanmar*, available for download from our website.

Singapore

- In Singapore, non-conventional trade marks such as threedimensional signs (shapes), holograms, sounds, scents and moving marks can also be registered.
- The law provides a number of circumstances under which a trade mark is not eligible for protection (see the <u>IP Country</u> <u>Factsheet to Singapore</u>).
- Registered trade marks enjoy additional statutory protection under the Trade Marks Act and the registered proprietor has certain courses of action available to them in the event of any infringement. In the absence of registration, a trade mark may still be protected through common law restrictions on 'passing off'. However, as mentioned earlier, protection based on this system may be especially difficult to obtain, as it requires the owner to establish the goodwill and reputation enjoyed by the particular trade mark.

For more information, please see our helpful *IP Country Factsheet* on *Singapore*, available for download from our website.

Thailand

- In Thailand three-dimensional signs (shapes) can be registered as trade marks.
- The Trade Mark Amendment Act B.E. 2559 came into force in Thailand on 28 July 2016. Under this amendment, it is possible to file multi-class applications. Protection may also be obtained for sound marks. Sounds may be considered distinctive, and registered if they do not make any direct reference to the characteristics or qualities of the goods/services, do not represent the natural sound of the goods/services, or do not occur from the normal functioning of the goods.
- Because Thailand is party to the Paris Convention, Thai trade marks enjoy a 'right of priority' if the same filing has already been made in any other Convention country within a six month period.

For more information, please see our helpful *IP Country* Factsheet to Thailand, available for download from our website.

The Philippines

- Colour, or combinations of colours alone, cannot be registered, unless defined by a given form. Threedimensional marks and collective marks can be registered. Certification marks, associated marks or series of marks cannot be registered in the Philippines. The Madrid Protocol entered into force in the Philippines on 25 July 2012. The Philippines, being a member of the Paris Convention, extends the benefits of the Philippines IP Code to foreign nationals. This includes protections such as refusals, or cancellations of registrations, for trade marks constituting reproductions, imitations or translations of well-known trade marks in other Convention countries.
- The IP Code lists certain trade marks that cannot be registered.
- The Philippines follows the first-to-file rule. Therefore, identical applications may be refused due to prior applications/registrations.

For more information, please see our helpful *IP Country Factsheet* on the *Philippines*, available for download from our website.

Vietnam

- Trade marks are eligible for protection under Vietnamese law provided that they are visible signs in the form of letters, words, drawings or images (including holograms), or a combination of these, represented in one or more colours.
- In Vietnam three-dimensional signs (shapes) can be registered as trade marks, but trade marks based on sound and scent are not recognised.
- The law also provides a number of circumstances under which a trade mark is not eligible for protection.
- Vietnam is an official member of the Madrid Protocol and party to the Paris Convention.

For more information, please see our helpful *IP Country Factsheet on Vietnam*, available for download from our website.

2. Is there any International or Regional Trade Mark Registration System within the South-East Asia Region?

In order to be protected, trade marks should be filed and registered in each South-East Asian country that you intend to do business in. With the only exception of Myanmar the 10 ASEAN countries are Member of the Madrid protocol (an international system of registration administered by the International Bureau of the World Intellectual Property Organisation, the WIPO). Under this treaty, it is possible to file a single application in order to seek trade mark protection in multiple member countries.

With the accession of Malaysia at the end of 2019, Myanmar remains the only ASEAN country not part of the Madrid protocol. They are not expected to join any time soon.

3. What you Need to Know about the Madrid Protocol

The Madrid Protocol for the International Registration of Marks is a treaty administered by the WIPO's International Bureau in Geneva. It has been in operation since April 1996 and has been ratified by many countries around the world. The Madrid Protocol offers trade mark owners the possibility to apply for trade mark protection simultaneously in several countries by simply filing one application in one language according to a clear set of feesthrough their own national trade mark office. An internationally registered mark is equivalent to a trade mark application directly submitted in each of the countries designated by the applicant. If the trade mark office of a designated country does not refuse protection within a specified period, protection is the same as if it had been registered directly with that local office. Furthermore, it is possible to record subsequent changes or to renew the registration through a single procedural step.

This system can save costs as it eliminates the need to use local agents to file applications in each country. However, you will still need a local agent to deal with the application if the trade mark office of a designated country issues an objection.

Under the Madrid Protocol, it is important to maintain the registration in the country of origin for five years, because the life of the overseas registration depends on it remaining unchallenged for this period of time. Under this system, international registration ceases to exist if, within five years of the date of the international registration, the basic application or the registration in the country of origin no longer enjoys legal protection because it has been withdrawn, has lapsed, has been renounced, or has been the subject of a final decision of rejection, revocation, cancellation or invalidation. This system of dependence is absolute. Therefore, undertake a thorough trade mark search to see if there is any risk of a third party challenge of the basic application or registration before embarking on an international application.

For more information about the Madrid system, fees and applications, and registration procedures, please read the Guide to the International Registration of Marks under the Madrid Agreement and the Madrid Protocol, available on WIPO website.

For information relating to IP protection for specific countries, please refer to our helpful and easy-to-use South-East Asia IPR SME Helpdesk IP country Factsheets for *Brunei*, *Cambodia*, *Indonesia*, *Lao*, *Myanmar*, *Malaysia*, *the Philippines*, *Singapore*, *Thailand* and *Vietnam*.

Still have a question about IP in South-East Asia?

Call our Hotline number at +84 28 3825 8116 or email us at *question@southeastasia-iprhelpdesk.eu* and the Helpdesk will answer your question within three working days.

4. Trade Mark Applications — The Process

Trade marks can be registered in a relatively short period of time in most ASEAN countries (such as Brunei, Cambodia, Lao, Vietnam, Myanmar, Singapore, Thailand and the Philippines) — about one to two years. In countries such as Indonesia, the process can take as long as two to three years for an application that does not encounter any objections.

Most South-East Asia Trade Mark Offices require a local attorney for the submission of an application. Please refer to the individual country factsheets for detailed information on the filing procedure. The following is a broad outline of some of the filing requirements/procedures.

STEPS COMMENTS The Registry of Trade Marks will conduct a formality check upon receipt of the application and applicable fees. This entails checking whether Formality the application meets minimum filing examination requirements, such as whether or not the goods/services have been properly categorised, if the trade mark has been clearly represented, the name and address of the applicant, etc. This procedure may take between 9 and 18 months. If an objection is raised, the applicant will be given a certain period of time to respond with Substantive an argument or alternative proposal, examination such as narrowing down the specified goods/services. The given time to respond varies from one country to another, usually 30 days or 90 days is given and extensions may be available. A third party wishing to oppose the registration of a trade mark should file their objection within the stipulated **Publication for** period (opposition period) for the third parties specific country. The opposition period to oppose may be 30 days (the Philippines), two the registration months (Singapore and Malaysia) or three months (Brunei) from the date of publication. The authorities require the certificate of registration before they will Registration/ enforce rights against any trade Issuance mark infringements. A trade mark of certificate registration usually lasts for a 10 years and is renewable for successive 10-year periods indefinitely.

An examination of the application is usually required to determine whether the trade mark is acceptable. It might be rejected for a number of reasons, including a lack of description or distinctiveness, or if the mark is deceptive in nature.

A mark is distinctive if it can fulfil its essential function — to identify the origin of the marked goods or services to the consumer by enabling them, without any possibility of confusion, to distinguish the goods or services from those with a different origin. Non-distinctive marks refer to simple geometrical devices (such as rectangles, circles, etc.), simple words that are so frequently used that they have lost any capacity to distinguish separate goods and services (such as 'extra', 'mini', 'ultra'), or symbols such as '@', etc.

Descriptive marks are those that limit themselves to conveying information about the goods and services in question (such as the word 'fresh' for fruits and vegetables or 'speedy' for vehicles, an expression such as 'one litre' for drinks, etc.). Deceptive marks are those that deceive the public, for instance, in terms of the nature, quality or geographical origin of the goods or services (e.g. 'leather wonder' for shoes made of synthetic materials, or 'sugar free' for beverages containing sugars).



If the examiner objects to the application during the examination process, applicants are typically given a fixed period of time to respond with arguments or proposals in order to overcome the objections, such as narrowing down the goods'/services' specifications. Extensions of time may be available, depending on the country in question.

The publication period following the examination of a trade mark application gives an opportunity for any interested third parties to oppose the registration (for example, trade mark owners that consider the trade mark being applied for to be similar to their own, or parties that want to challenge the registration for being made in bad faith). If no oppositions are filed against the application within the aforementioned period, the trade mark will proceed to registration.

In Myanmar, until the new law on trade marks is implemented (see page 5), a trade mark application does not undergo the substantive examination described above. Most applications will simply proceed to registration. After a trade mark is registered, a Cautionary Notice is published in a local English-language newspaper. Although this is not an official requirement, in practice it is done to give public notice of the registration and the opportunity to challenge the trade mark.

Please refer to the following table for a comparative overview of estimated fees and registration times in the 10 ASEAN countries

COUNTRIES	LANGUAGES	ESTIMATION REGISTRATION FEES (in EUR — as of May 2019)*	AVERAGE REGISTRATION TIMES
BRUNEI DARUSSALAM	English	USD 150 (EUR 135)	15–18 months
CAMBODIA	Khmer or English	KHR 420 000 (EUR 92)	9–12 months
INDONESIA	Bahasa Indonesia	IDR 2 000 000 (EUR 128)	24–36 months
LAO PDR	Lao or English	LAK 1 120 000 (EUR 116)	12–15 months
MALAYSIA	Bahasa Malaysia or English	MYR 1 020 (EUR 222)	12–24 months
MYANMAR	Burmese and English	No official fee for the moment	2–4 months
SINGAPORE	English	SGD 341 (EUR 223)	6–9 months
THAILAND	Thai	THB 1 000 (EUR 29)	18–24 months
THE PHILIPPINES	English or Filipino	- Small entity (less or equal PHP 100 ml (EUR 1,8 mil): PHP 1,770 (EUR 31) - Big entity (more than PHP 100 ml (EUR 1,8 mil): PHP 3 792 (EUR 66)	12–24 months
VIETNAM	Vietnamese	VND 1 360 000 (EUR 54)	15–18 months

^{*} The costs provided in the table are the official fees only for the registration of one trade mark in a single class in a smoothly proceeding case (no objections and/or rejections). For agent costs, please contact a local lawyer. More costs can occur, for example for publication.



5. Trade Mark Searches Prior to Filing

It is advisable to instruct local attorneys to conduct preliminary searches if you intend to launch the trade mark before it is accepted for registration.

A product launch might be blocked because of a previously unknown, conflicting trade mark registration. It is important to find out if this will an issue as early as possible. A prefiling trade mark search avoids this problem and helps you to re-consider your choice or make adjustments if necessary, for example adding additional elements to further distinguish your trade marks from those already registered. It would be a wasted investment if you were prevented from using your chosen trade mark because some months down the line a conflicting registration was discovered. This would preclude the use of your intended mark in the country due to the risk of trade mark infringement. Knowing your position in advance helps you to better avoid conflicts and the loss of investment.

As different countries have different considerations and practices in, for example, determining similarities between the trade marks applied for and the opposing ones, it is also advisable to contact a local agent.

Some South-East Asia trade mark registries provide online searches. It is however still advisable to engage a local agent to undertake pre-filing searches as the online facilities in question may not be complete. The best use for this kind of database is to run a search for potentially conflictual trade marks and then develop a range of alternatives to present to a local agent for further advice. The agent should also have the experience to tell you about which established marks might be problematic for your proposed application. Additionally, it is advisable to engage a local agent to make the final selection for filing.

In addition to searching the individual online databases of trade mark registries, it is now possible to conduct simultaneous pre-filing searches for multiple countries via aggregate search portals such as the ASEAN TMview http://www.asean-tmview.org/tmview/welcome, the EUIPO TMview https://www.tmdn.org/tmview/welcome and the WIPO's Global Brand Database https://www.wipo.int/branddb/en/.

COUNTRY	WEB LINK	
BRUNEI DARUSSALAM	http://www.bruipo.gov.bn/SitePages/search- portal.aspx Language: English	
CAMBODIA	http://www.cambodiaip.gov.kh/SearchMark. aspx Languages: English and Khmer	
INDONESIA	http://e-statushki.dgip.go.id/ Languages: bahasa Indonesia and English	
LAO PDR	Search not available directly from the registry	
MALAYSIA	https://iponlineext.myipo.gov.my/SPHI/Extra/ IP/TM/Obe.aspx?sid=637026118052833457 Language: English	
MYANMAR	Not available	
SINGAPORE	https://www.ip2.sg/RPS/WP/CM/ SearchSimpleP.aspx?SearchCategory=TM	
THAILAND	http://tmsearch.ipthailand.go.th/ Language: Thai	
THE PHILIPPINES	https://www3.wipo.int/branddb/ph/en/	
VIETNAM	http://iplib.noip.gov.vn/ Languages: Vietnamese and English	



6. Goods and Services Classification

In order to make the application process manageable, a classification of goods and services is necessary. The Nice Classification (NCL) established by the Nice Agreement (1957) is an international classification of goods and services applied to the registration of trade marks. It is the system used to classify goods and services for trade mark applications in South-East Asia. There are 45 classes: for example, computers and electronic goods are classified under Class 9; mineral water, juices and soda are classified under Class 32; clothing, headgear and footwear come under Class 25. See www.wipo.int/classifications/nice/en.

Generally, a trade mark application needs to specify the goods for which protection is required. For example, Levi's is typically protected for clothing, in particular jeans, and is unlikely to cover poultry products, so its trade mark registration would fall under Class 25.

Some countries require separate trade mark applications to be filed for separate classes of goods and services: for example, it is not be possible to specify motor vehicles (Class 12) and whiskey (Class 33) in a single application incurring only one set of fees. However, other countries accept 'multiclass' applications. This means that a single application can be filed to cover more than one class of goods or services. These applications are more convenient as they only need a single set of application forms, and costs are also saved as a result. However, multi-class applications can be slow as registration can only be obtained after all the elected classes have being processed for possible objections. You should consult a local agent on whether or not your case is suited to a multi-class application. This can usually be ascertained by the result of a trade mark search.

Of the 10 South-East Asia counties only, Myanmar does not offer multi class application and it is not included in the new law either. In Malaysia the multiclass application will be available from the beginning of 2020.



7. Registering your Trade Marks in Local Languages

As the registration of a trade mark in original Roman characters does not automatically protect it against the use or registration of the same or similar trade marks written in different alphabet used in particular countries of South-East Asia, such as Tamil, Thai, Lao, Burmese or Khmer, it is highly advisable to additionally register a version of your trade mark in the local language. Furthermore, if there is no existing name for your brand in a local language, it is very likely that one will be adopted by local consumers either by way of translation or by transliteration. The adopted name will not necessarily have the right connotations or create the image that you wish to convey; registering the name in the local alphabet that you choose will help to obviate this problem.



Choosing a trade mark equivalent in a local alphabet is particularly important, not only because of the meaning: the sound, tone and look of local characters chosen for a trade mark name can affect the brand's reputation.

Local alphabet have unique characteristics, therefore your equivalent trade mark should be carefully developed with the help and guidance of trade mark, marketing and IPR experts, as well as native speakers and translators.

There are three ways to choose a trade mark name in local languages.

Creation of a literal translation

A literal translation works when the trade mark has a specific meaning. The disadvantage of this method is that it will sound different from the original.

Creation of a phonetic translation

A phonetic translation involves creating a local character name that sounds like your original trade mark. This method is preferable when the trade mark already has a reputation amongst consumers that speak the local language.

Combination of a literal and phonetic translation

The best trade marks translated are those that sound the same as the original ones, make reference to the defining characteristics of the brand and have a positive meaning in the culture of the country of interest.

8. What Should I Register First — The Product Name or the Logo?

As a general rule of thumb, the trade name should be protected first. You should protect the part of your branding that can be spread by word of mouth rather than a graphic symbol or logo that cannot be verbally articulated.

It is possible to register both at the same time, this is called a composite mark. However, this is not ideal: separate registrations reduce the risk of objections, as the application for a composite mark can be rejected if, for instance, the logo bears a similarity to a registered mark even if there are no objections to the name.

A composite mark can also lead to problems in case of infringements. In fact, should there be an infringement where only the name is taken by another party, the infringing party may have an arguable defence — strictly speaking, the registration comprises of two elements (word and logo) whereas the other party has only taken one element of the registration (the word). The usual test for trade mark infringement is whether there is similarity when the trade marks are compared as WHOLE entities. The infringer's use of the trade name might not necessarily be seen to impinge on your composite mark as it is actually registered. In practice, courts may take a robust attitude and rule against the infringer, however this is not necessarily certain and composite marks should therefore be avoided.

Another option worth considering is protecting your logo under copyright law, which generally does not need registration. When designing your logo, it is important to avoid any doubt specifying in your contract with the logo designer that you own the copyright. There have been many cases where, by failing to procure this rather simple paperwork, the company that uses the logo as a trade mark doesn't have the necessary documents to enforce their IP rights.

The option of using copyright law to protect a logo, whilst being a useful fall back, has to be verified on a case by case base and further professional advice may be needed.



9. Trade Mark Infringement and Enforcement

In the case where a trade mark is being infringed upon, there are four main avenues of enforcement that can be considered: criminal prosecution, administrative action, civil litigation and customs seizures.

Criminal raids are possible with the police or other administrative departments. In most South-East Asian countries, police or administrative raids are the quickest way to end the infringement. Response times vary between countries and can range from one week to three months. Longer periods can be due to bureaucratic steps, such as the verification of trade mark registrations, the examination of suspected counterfeits and even legal opinions from the local IP office.

For practical reasons, before any action is taken, it is important to first establish whether the infringer has any association with any person of influence that could undo or disrupt the raid

Civil litigation is in theory more suited to addressing large scale infringements. However, very few cases are brought to court this way, and civil litigation is seldom the preferred option when dealing with trade mark infringements. Trade mark owners usually rely on criminal raids to stop the infringement, and then negotiate for civil settlements in return for not proceeding further with the case. Civil litigation is likely to be more expensive than carrying out criminal raids, so raids seem to be more effective in bringing the infringement to a quick end. Also, it is usually easier to secure compliance through government enforcement agencies than through the service of a court order. 'Cease and desist' letters can be effective to some degree against infringers operating out of a permanent address when the business is retail in nature.

Warning letters work best where compliance monitoring is possible. Suitable businesses are those that rely on walk-in customers rather than B2B businesses that may deal only with known business associates and are closed to, or wary of, new approaches.

Border control is another option in cases where the infringing goods are believed to be imported and exported. Border control through customs detention is possible if the customs authorities in question have adequate recording systems. Countries that have such systems are Myanmar, Thailand, Vietnam and the Philippines. These systems allow trade mark owners to record their trade marks with customs so that they can be on the lookout for possible infringements. The trade mark owner, or their attorney, will be contacted to examine the detained goods and to confirm whether they are counterfeits for permanent seizure. In Brunei, no such recording system exists, however trade mark owners may give written notice to the Controller of Customs requesting him to detain any infringing goods that may come under customs' control. However, this notice is only enforced for a period of five years.

To learn more about country-by-country enforcement options, please refer to our helpful and easy-to-use South-East Asia IPR SME Helpdesk IP country factsheets which you can download *here*.



10. Take away messages

- Trade mark regimes in South-East Asia are generally
 understood to adopt the first-to-file system, which
 means that the first person to file a trade mark
 application in a particular South-East Asia country will
 own that right in that country once the registration is
 granted. Thus, if you do not apply for protection on
 time, others may do so first and benefit from your
 investments and reputation therefore, take steps
 to register your trade mark as soon as possible.
- Seek the advice of a local lawyer or trade mark agent to ensure adequate protection in relevant classes.
- Register broadly in South-East Asian countries of interest — do not just consider the immediate class in which the product to be sold, but review whether the same trade mark could be used for related items or/and services such as packaging, advertising or merchandising.
- The registration of a trade mark in Roman characters
 does not automatically protect it against the use
 or registration of the same or a similar trade mark
 written in other languages or alphabets of the SouthEast Asia region (such as Thai or Lao). Consider
 registering key trade marks in all relevant alphabets
 to pre-empt unwanted registrations and to prepare
 the way for sales at a future date. Consider the
 relevant translation of your trade mark carefully,
 and enlist the help of native speakers and marketing
 experts.
- It is advisable to instruct local attorneys to conduct searches if you intend to launch a product before its mark is accepted for registration. A product launch might be blocked because of a previously unknown, conflicting trade mark registration. It is important to find out if this will be an issue as early as possible. A pre-filing trade mark search avoids this problem and helps you to re-consider your choice if necessary.

11. SME Trade Mark Case Studies

Case Study 1

Background

A European electronics producer with an internationally recognised brand for personal computers (BHT) was interested in setting up its business in South-East Asia. On carrying out an initial research into one of the South-East Asian markets, the producer soon discovered that a prior registration for his brand existed in that market, having been submitted by a local party five years before. The local registration covered stereo systems and electronic radios. The European company was advised by a local attorney that the trade mark registration by the local party would effectively block any application put forward by the European company.

Action taken

The European company applied for trade mark registration and simultaneously began an investigation into the activities of the local party. It was discovered that the local party had not actually been using the registered mark. The European company therefore initiated a cancellation procedure of this registration in a local court owing to a lack of the use of the mark.

Outcome

The process of cancelling the earlier mark was expensive as a market survey was required and the local party defended the cancellation vigorously. An appeal was subsequently submitted to a higher court despite the fact that the European company had already succeeded in the initial hearing.

IP lessons:

- Trade mark regimes in South-East Asia operate under the first-to-file system, which means that the first person/ company to file a trade mark application in a South-East Asian country will own the rights once the registration is granted. EU SMEs should consider filing their trade marks as early as possible to avoid bad-faith registrations by copycats.
- Claiming the trade mark back is very expensive and it requires a lot of time and effort. Meanwhile, claims are not guaranteed to be successful.
- Seek the advice of a lawyer with local expertise and carry out an investigation before taking any steps towards resolving trade mark disputes.
- Once you obtain trade mark protection, use it for the classes in which you received protection otherwise you will face the risk of cancellation due to lack of use.

Case Study 2

Background

An up-and-coming European fashion boutique chain was approached by a local business to open an outlet in an ASEAN country. The local company requested an exclusive five-year dealership agreement with the European boutique chain.

The license was granted exclusively for the use of the trade mark amyclick with the European boutique's logo. In addition, the local outlet committed itself to exclusively selling the amyclick branded clothing, which was to be supplied by the European company only. The local outlet agreed that no other brands would be sold in their store.

Despite the original agreement, the local ASEAN-based outlet began to introduce non-amyclick branded clothing into their store and failed to meet the minimum order requirements previously agreed with the European company. The relationship quickly started to deteriorate.

The local company applied to register the amyclick trade mark under its own name using a Class 35 registration for retail services in an ASEAN country. The European company had registered the amyclick trade mark under Class 25 for clothing products in the ASEAN country, but unfortunately they did not register under Class 35 for retail services.

The local outlet European company tried to terminate the original agreement but was advised that a court order would be required to effectively terminate the agreement. In the meantime, the European boutique chain was forbidden from signing any new licensees despite the complete breakdown of its relationship with its local partner.

Action taken

The European boutique chain commenced litigation proceedings in a local court to terminate the agreement and to cancel the trade mark registration in question. While the litigation was ongoing, they approached the local party in order to negotiate an amicable settlement. They reached this decision based on advice that the outcome of litigation proceedings was uncertain and likely to be drawn out.

Outcome

Since the worst-case scenario for the European company was that the local company would be entitled to use their trade mark by virtue of its registration under Class 35, they decided to settle the dispute in an amicable way.

IP lessons:

- When SMEs enter into contract with a partner/distributor, an IP clause should be always included. The IP clause is crucial for protecting SMEs from the possibilities of IPR infringement in South-East Asia.
- When registering a trade mark, the company should not only register for the products that they produce, but also for the services concerned, as produce cannot be sold without service channels (e.g. retail and wholesale service).
- Claiming the trade mark back is very expensive and it requires a lot of time and effort. Meanwhile, claims are not guaranteed to be successful.

See more SME case studies in the <u>Case Studies</u> section of the South-East Asia IPR SME Helpdesk website.

12. Related links and Additional Information

- Visit the South-East Asia IPR SME Helpdesk website for further relevant information, such as how to deal with business partners in the South-East Asia region, http://www.southeastasia-iprhelpdesk.eu.
- Visit the Helpdesk blog http://www.yourlPinsider.eu for related articles on IP in South-East Asia and China.
- ASEAN TMview, http://www.asean-tmview.org/tmview/welcome.
- World Intellectual Property Organisation (WIPO): <u>http://www.wipo.int.</u>
- Nice Classification: www.wipo.int/classifications/nice/en.
- Madrid Protocol: http://www.wipo.int/madrid/en/quide/



Free South-East Asia IP advice for European SMEs

For more information and to discuss how we can work together, please contact us:

Tel: +84 28 3825 8116 | Tel: +32 2 663 30 51 Email: question@southeastasia-iprhelpdesk.eu

Online: www.ipr-hub.eu

> If you have a question about protecting intellectual property in any South-East Asia country, please contact our free confidential helpline at:

question@southeastasia-iprhelpdesk.eu

Download guide:



A initiative of the European Commission



Project implemented by:







© European Union, 2020.

Reuse is authorised provided the source is acknowledged.

The reuse policy of European Commission documents is regulated by Decision 2011/833/EU OJ L 330, 14.12.2011, p.39.

Guide developed in 2013 in collaboration with: Rouse & Co. International
Guide last updated in December 2019: Senior IP Quality Control Advisor of the SEA IPR SME Helpdesk, Ester Olivas Cáceres The contents of this publication do not necessarily reflect the position or opinion of the European Commission. The services of the South-East Asia IPR SME Helpdesk are not of a legal or advisory nature and no responsibility is accepted for the results of any actions made on the basis of its services. Before taking specific actions in relation to IPR protection or enforcement all customers are advised to seek independent advice.



Publications Office of the European Union

Luxembourg: Publications Office of the European Union, 2020Print ISBN 978-92-9202-793-3 doi:10.2826/729039 EA-02-20-035-EN-C
PDF ISBN 978-92-9202-792-6 doi:10.2826/413400 EA-02-20-035-EN-N