

Comments by the International Trademark Association

on the

Myanmar Draft Trademark Law

Chapter I Title, Commencement and Definitions

Section 2 (a) Definition of “Mark”

- The definition reflects the most advanced and flexible trademark legislation as it uses a broad definition to include “signs capable of distinguishing the goods and services” and is consistent with TRIPS Article 15(1) and the INTA Model Law Guidelines.
- The expression “shape of a product” should be explicitly mentioned in the definition of a mark.

Section 2 (e) Definition of “Certification Mark”

- The definition should clarify that geographical certification marks have a special status in that they can be registered without a showing of distinctiveness of the geographical term since geographical terms are in and of themselves geographically descriptive.

Section 2 (g) Definition of “Well-known Mark”

- INTA suggests that the definition address whether or not the trademark is registered and that a “Well-known Mark” can be (a) any registered trademark that is well known in Myanmar or (b) any unregistered trademark that is well known in Myanmar. While this is implied in Chapter XX Section 84, we believe that it should be clarified in the definition. The definition, or in a new section on the protection of well-known marks, should specify the criteria necessary for a finding that a trademark is a well-known trademark. INTA’s Model Trademark Law Guidelines, which are based on the WIPO Joint Recommendation on Provisions Concerning the Protection of Well-known Marks, advises that the following non-exhaustive list of factors be considered:
 - the degree of knowledge or recognition of the mark in the relevant sector of the public;
 - the duration, extent and geographical area of any use of the mark;
 - the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
 - the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
 - the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent authorities;
 - the value associated with the mark.
- The above factors should not be treated as pre-conditions for reaching the determination of well-known mark. Rather, the determination in each case will depend upon the particular circumstances of that case.

Section 2 (l) Definition of “Owner of registered mark”

- The definition indicates the owner of a “trade name” is included within the definition of a registered mark even though the trade name is not registered as a trademark within the Law. Because many trade names do not act as trademarks, the definition should be modified to indicate that “trade names acting as trademarks” should be included within the definition of a registered mark. However, even then, it does not seem consistent with the Law for unregistered trade names to achieve the status of “registered mark” when other unregistered trademarks are not considered a “registered mark” under the Law.

Additional Definitions

- INTA suggests including the definition of “Counterfeit Trademark Goods.” The definition of “counterfeit trademark” which is presently contained in a footnote to Article 51 of the TRIPs Agreement provides that:
 - “Counterfeit Trademark Goods” shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation.”

Chapter II Objectives

Section 3 (c)

- This provision indicates an objective of the Law is to take effective action on infringement of the rights in marks, trade names and well-known marks. However, as regards trade names, we believe the Law should be limited to trade names that act as trademarks.

Chapter V Non-registrable Marks

Section 8 (a) – Lack of distinctiveness of a mark

- The term “distinctiveness” is not defined. A definition or criterion for “distinctiveness” or “lack of distinctiveness” should be added. Since generic marks are already covered in Section 8 (b), this provision should refer to descriptive marks for which no provision appears in the Draft Law. We suggest that the provision follow INTA Model Trademark Law Guidelines and be revised to read: “lack of distinctiveness of a mark is a mark that may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origins or time of production of the goods or rendering of the service, or other characteristics of the goods or service.”

Section 8 (b) – Generic marks

- The current wording of this section is vague. We suggest that it be revised to read: “incapable of distinguishing itself from terms that are customary or usual to designate the goods or services in their plain ordinary meaning.”

Section 8 (c) Likelihood of confusion

- We are of the view that “likelihood of confusion” should not be required with respect to identical marks for identical goods and services, which accords with sections found later in the Draft Law.
- We also note that this section includes the concept of “dilution,” i.e. “not the same goods or services.” Dilution usually applies to well-known marks and does not require “likelihood of confusion.” Consideration should be given to providing a new section specifically on the protection of well-known mark protection from dilution.

Section 8 (d) Shape and trade dress

- This section creates a situation where shapes and trade dress are treated differently in terms of registrability from other signs. INTA suggests deleting Section (d) and adding shape and trade dress in Section 8 (c) addressing rejection based upon a “likelihood of confusion” as with other trademarks.
- However, if the section is to address “functionality,” we suggest that the provision be revised to read as:
 - A sign shall not be registered as a trademark if it consists exclusively of:
 - The shape which results from the nature of the goods themselves; or
 - The shape of goods which is necessary to obtain a technical result.

Section 8 (g) Plant Variety

- We are of the view that a plant variety name registered outside of Myanmar should not create an obstacle to its registration as a trademark in Myanmar. As far as name of plant varieties registered in Myanmar, their non-registrability as marks should be limited to plants or herbal medicines, etc.

Section 8 (h) Personality Rights

- INTA believes that this provision is vague. Other jurisdictions might serve as a model, such as the U.S. federal statute that has two analogous provisions, 15 USC Section 1052(a) which precludes registrations of marks that “may disparage or falsely suggest a connection with persons, living or dead, . . . or bring them into contempt, or disrepute . . .” and Section 1052(c) which precludes registration of a mark that “consists of or comprises a name, portrait, or signature identifying a particular individual except by his written consent . . .”

Section 8 (i) Other Related Rights

- Since the scope of infringement of copyright and other industrial property rights differs from trademarks, clarification is needed in this section. INTA suggests that given the different enforcement regimes, it is not possible for a mark to infringe a copyright, patent or industrial design, and recommends that this provision be deleted.

Section 8 (l) Geographical Indications

- We recommend including a new paragraph stating that conflicts between trademarks and geographical indications should be based on the priority principle (first in time, first in right) which is fundamental to intellectual property law.

Section 8 (m) Bad Faith

- This section indicates that marks filed in “bad faith” are not registrable. We suggest establishing factors to presume bad-faith registration such as previous bad-faith registrations, copying of distinctive fonts/trade dress, and lack of evidence of intent to use a mark; providing for constructive knowledge of petitioner’s rights and; reducing the need to show a mark’s influence/reputation when bad-faith evidence is strong.

Chapter VI Registration of Marks

Section 10 (c) (12) Registrations requirements for non-visual marks

- There appears to be a typo regarding the words “geographical reproduction” and this should be “graphical reproduction.” INTA suggests in accordance with its Model Law that for marks that are not visually perceptible (such as smell or sound), the record of the mark deposited at the registry should be visually perceptible, such as through a written depiction, description or diagram of the mark, or otherwise be perceived by visual means.

Section 13 Priority date for conflicting applications

- We are concerned how to reconcile a system based on “first-to-file” with the current practice which relies on “first-to-use.” See comments to Section 61 on Transitional Provisions.

Section 15 Opposition

- Our main concern is the absence of any provision determining and describing the actual grounds of opposition and the requirements for asserting those claims. It is suggested that this law list or otherwise reference the grounds of opposition, along with the potential evidentiary requirements in support of each ground.
- In particular, it is recommended that bad faith be included as a ground for opposition. Designations as to what constitutes bad faith are also recommended (see comment for Section 8 (m)).
- Dilution should also be designated as a ground of opposition. INTA Board Resolution on Dilution states, “...to whatever extent dilution protection is accorded in a jurisdiction, dilution of a ... well-

known trademark in that jurisdiction should be a ground for opposing a trademark application or canceling a trademark registration.”

- Likewise, the Draft Law does not contain provisions on extensions of time. INTA believes that jurisdictions should offer some form of extension, deferment and/or suspension prior to or during opposition proceedings, which is limited in both time and scope as appropriate and reasonable for the purpose of allowing the parties to explore potential settlement of the opposition.
- We encourage the inclusion of express language to the effect that the opposition should not be decided by the same individuals who were charged with the prosecution and allowance of the application. This will create a system whereby the determinations of initial examiners are reviewed in an independent manner.

Section 21 (b) Relative examination

- This Section discusses searching registered marks in “Member States.” It is our understanding that there will be one Myanmar Trademark Office and thus INTA suggests this clause refer to searching for registered trademarks within the Myanmar Trademark Office.

Chapter VII Geographical Indication

Section 25 Origin

- Geographical indications should afford protection to goods that can be identified as originating or manufactured in the territory of a country or a region or locality in that territory where a given quality reputation or other characteristic of such goods is essentially attributable to its geographical conditions.

Section 26 (c) Grounds for rejection

- A prior trademark registration should be one of the reasons for rejection of a GI application in addition to bad faith, well-known mark protection, or unfair competition in Section 8. INTA supports a system of “first in time, first in right” and suggests adding “prior trademark registration” as a ground for rejection.
- Furthermore, we recommend that other subsections of Section 8 should also apply to refusal of GIs, for instance, 8(b) for genericness or 8(e) for deceptive use.

Section 27 Rights of Geographical Indication Holder

Section 27 does not appear to give the GI right holder the ability to prevent the subsequent registration of its GI as part of a trademark.

Section 27 (a) Term of Registration

- We further recommend adding a provision on the validity period of geographical indication either in the form of a 10 year period (see Law of Malaysia on Geographical Indication) or unlimited protection as long as the geographical indication remains valid in the country of origin (see Law of Thailand on Geographical Indication).

Section 28 *Sui Generis* System for GI Registration

- This section provides for a *sui generis* registration system for GIs, whereas another and perhaps more efficient approach is to protect GIs as certification marks. *Sui generis* rights can create problems since they can be adverse to trademark rights yet are not subject to the same trademark vs. trademark conflict resolution mechanisms. See comment on Section 8(l).

Chapter VIII Trade Name

Section 29

- INTA recommends that additional provisions regarding trade names be included, particularly addressing:
 - the removal, modification, and/or amendment of an infringing and/or diluting trade name;
 - empowering and requiring trade name and other business identifier registrars to comply with court orders requiring such actions;
 - penalties imposed for the intentional infringement of a trademark by the holder of a business identifier, particularly for activities that support, enable, or encourage counterfeiting activities; and
 - determination of priority of rights among trademarks and trade names.
- This section indicates the Applicant for a trade name shall provide evidence of use of the trade name. This will prevent entities from reserving trade names they intend to use before actual use begins.

Chapter XI Rights of Registered Mark

Section 38

- This section should indicate explicitly the exclusive rights granted to the owner of a registered trademark, for example, the right to use, manufacture, etc.

Section 39 Exclusive rights prohibit use

- This section seems to conflict with other sections of the Draft Law (see comment on Section 8 (c)). We prefer the situation as outlined in Section 39 – that the trademark owner has the right to prohibit the use of identical marks on identical goods or services and that a likelihood of confusion is presumed under these circumstances.
- INTA suggests the phrase “likelihood of confusion” be used in this section as opposed to just “confusion” as is currently contained in the draft. A “likelihood of confusion” is the internationally accepted standard for determining trademark infringement as it permits the trademark owner to enforce its rights without requiring that consumer be already confused.
- The rights under this section should be available only to the owner of a “registered” mark. The word “registered” should be added before the word “mark” in line 2.

Section 40 (c) Accessories or spare parts

- This section could exempt bad faith users from infringement by reproducing well-known automobile companies' marks simply by adding the words "USE FOR" to the brand name and therefore INTA suggests that this section be deleted or account for bad faith use.

Section 40 (d) Public health provisions

- This clause limits the use of marks for goods deemed "prejudicial to health." Trademarks function to distinguish the origin of goods, prevent consumer confusion and foster fair competition. Trademarks are not related to public health and this provision should be removed from the law. This provision can be interpreted broadly and will create uncertainty in what is otherwise a very well-settled area of law.
- This clause also refers to "generic pharmaceutical products and medical devices." The issues raised by such "generics" are a matter of patent law and have no relationship to trademark law and should be removed from the draft trademark law.
- If the Minister of Health is granted powers to limit trademark use, INTA recommends that the Myanmar IP Office be consulted before any issuing measures come into effect. The words "after consultation with the Responsible Ministry or the MIPO" should be added after the words "Minister of Health."

Section 41 Exhaustion

- This section adopts the principle of international exhaustion of rights. INTA supports national exhaustion in relation to parallel imports and recommends that the section be revised to allow a trademark owner to prevent the unauthorized importation of goods bearing its trademark that were put on the market outside the country.

Section 42 Material Difference

- This section does not relate to materially different goods per se. It only prevents the importation of goods which have been altered after their initial sale. INTA recommends that if parallel imports are to be allowed under international exhaustion (*i.e.*, Section 41 remains unchanged), then goods that are materially different from those put on the market in that country by the trademark owner should be excluded. Those differences could be in relation to, for example, formulation, fragrance, color, calories, lot code removal, size, fill volume, packaging, language, guarantees, labeling or instructions.
- Accordingly, Section 42 could read: "Notwithstanding anything contained in Section 41, the owner of the registered mark may, when the goods are materially different from those put on the national market by the owner himself or by a third party with his consent, or when the condition of the goods has been changed or impaired after they have been put on the national or international market, prohibit the sale of the said goods in conformity with the existing law."

Chapter XIII. License of Registered Trademark

Section 47 License recordal requirement

- This Section makes the recordal of trademark licenses mandatory. INTA recommends optional or no license recording due to the heavy burden this system places on trademark owners with little or no benefit to the parties or the registration authority. In addition to increasing the cost of doing business, which results in higher prices for consumers, a failure to comply with the requirements of mandatory license recordal can result in the loss of trademark rights – a penalty far disproportionate to the infraction. The trademark law should help secure the rights of the trademark owner, and its assignees, and not create unnecessary risk and liability.
 - Other means are available to address the mandatory license recordal system's objectives, which are to protect against agreements that would otherwise violate the law, allow consumers to identify licensees and to control for quality. For example, other governmental bodies monitor against agreements that might violate laws, such as anti-monopoly laws. Also, consumers in practice are unlikely to be aware of, much less use, the registry to discover a licensor-licensee relationship. Moreover, the agreement between the parties, who are in the best position to monitor their transaction, will address the vital issues of quality and liability.
 - Many countries have recognized these concerns and the international trend is moving towards elimination of mandatory license recordal.
 - We recommend that articles 17, 18 and 19 of the WIPO Singapore Treaty on the Law of Trademarks be considered in relation to the request and effect of trademark license recordal.

Chapter XIV Invalidation and Cancellation of Registration of Marks

Section 51 Party to a cancellation proceeding

- We recommend limiting the right to apply for a cancellation action to “interested party” only and not the overly broad “public.”
- This section provides for cancellation if there has been a breach of sections 8, 26 & 27. However, these grounds for action are somewhat limited. It might be helpful to have clearer and specific provisions for invalidation & cancellation action on grounds of bad faith, dilution or relying on rights to well known mark status.

Section 53 (c) Grounds for cancellation – non-use

- Non-use of a mark for a period of three years at any time during the term of registration should be a ground for cancellation, not only from “the date of registration,” as this Section currently provides. We suggest that the provision be revised to read: “failure to use the mark for a consecutive three–year period during the term of its registration without sufficient fact.”
- INTA further recommends the addition of a “savings” provision against cancellation, where non-use of a certain good or service is only as a result of circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark in the relevant jurisdiction.

Chapter XV Appeal

Sections 57 – 59 Appeals process

- Any decision of the Registrar can be appealed in three steps - to the Director General, the Minister, and then the Supreme Court. The three-step appeal process may lead to a delay in the trademark registration process, especially at the Minister and the Supreme Court levels. We suggest that for issues such as registrability of marks, including oppositions and cancellations, a Trademark Board of Appeals, comprised of members with specialized knowledge of trademark laws, be established to assist or replace the Minister. Thereafter, appeal can be made to the Intellectual Property Court (Section 2(r)) whose decision shall be final with respect to registration matters.

Chapter XVI Transitional Provisions

Section 61 Registrar's duties during transition period

- INTA is concerned that this section does not consider or reconcile "prior filing" with the current system and court practice based on "prior use."
- This Chapter does not mention the rights provided to the owner of a "temporary certificate of a registered mark", other than when he is the owner of a registered mark under the Registration Act (Section 62).

Chapter XVII Protection on Rights of the Registered Mark, Trade Name and Well-Known Mark by the Customs

Section 63 Grounds for customs suspension or detention order

- We suggest that the "detailed points" a rights holder is to present to Customs regarding suspect goods be enumerated in this provision so as to clearly set forth what particulars are needed by the Customs to issue a suspension or detention order.

Section 64 (a) (ii) Customs suspension and detention procedure

- For clarity, we suggest that the provision be revised to read: "If after examination of the alleged infringing shipment, valid grounds exist to determine that the rights of the owner of the registered mark has been infringed, it may issue a suspension order or detention order against the shipment for the importer or exporter or consignee not to import, export or transit said goods, with the approval of the Director General of the Customs Department and after causing the applicant to deposit prescribed surety or enter into sufficient bond for the surety."

Section 64 (b) Customs suspension and detention procedure

- For clarity, we suggest that the section correct the reference from "copyright infringement" to "trademark infringement." We also suggest that reference to "importer or exporter" of a shipment of infringing goods, also include "consignee."

- INTA suggests that provisions be added for a system of Customs recordal of trademarks, for an alert list of known exporters or importers of infringing goods, and for random checks. These provisions may be added as Sections 64 (d) to (f) and may read as follows:
 - Section 64 (d) - shall maintain and keep a registry where details of registered trademarks may be filed, and where detailed description of the goods are recorded to make them readily identifiable;
 - Section 64 (e) – shall establish an alert list of persons who are known or suspected to be involved in the infringement of marks or in the export or import of infringing goods, and shall, upon written request by the right holder, place under alert orders shipments known or suspected to be infringing, with the approval of the Director General of the Customs Department and after causing the applicant to deposit prescribed surety or enter into sufficient bond for the surety.
 - Section 64 (f) – shall conduct random checks on all imports to determine whether the goods match the description in the shipping documentation and are not otherwise infringing.

Section 69 Small consignments and traveler's goods

- The rise of e-commerce has made postal and express shipments the main mode of transporting counterfeit goods, and infringers have used small consignments as the means for bringing in counterfeit goods. We do not recommend the exclusion of small quantities of traveler's goods or small consignments from the provisions of this Section.

Chapter XVIII Remedies that may be Passed by the Intellectual Property Court for the Infringement of Rights of the Registered Mark

General Comments:

- In ex parte hearings, the IP Court should hear the applicant's arguments.
- *Stronger Criminal Sanctions:* As per the INTA Model Law Guidelines, there should be provisions for both imprisonment and fines to be imposed as criminal sanctions for knowing or willful trademark counterfeiting. In order to increase the deterrent impact of fines, calculation methods need to be developed that lead to fines against counterfeiters commensurate to the harms caused by them. Therefore, we recommend a higher maximum jail sentence for counterfeiting offences in a sliding scale to correlate with the amounts of counterfeit goods seized. We also would recommend provisions for stronger criminal sanctions and civil and administrative measures for repeat offenders.
- *Statutory Damages:* There should be provisions giving courts the power to award significant statutory (or "pre-established") damages against counterfeiters in recognition of situations where it is difficult for the trademark owners to prove their measurable monetary loss or damage.

Section 75 Damages and fines calculation

- The payments of fines and damages have different objectives: deter further offences vs. compensation. We see little fairness for the injured party who has suffered damages to reduce its amount of financial compensation by the amount of fines paid by the infringer to possibly the IP Court or relevant Ministry.
- Most ASEAN countries' legislation provide for maximum punishments. Minimum punishments should also be explored as a way to ensure than a minimum level of deterrent fines is imposed against counterfeiters, especially repeat offenders.
- Most ASEAN countries' legislations have set fines and imprisonments according to the activity of the counterfeiter, distributor, or manufacturer. Vietnam is a good example of how to categorize infringements and impose appropriate penalties. What matters under the Vietnamese Criminal Code is not the profile or activity of the counterfeiter but whether the counterfeit goods are dangerous or not.
- The level of fines levied on a legal entity should also be higher than on a natural person.
- The Draft Law should also address recidivism.

Section 78 (c)

- We recommend including "exporting" under 78 (c) so that it reads: "selling, distributing, exporting or importing goods using a forged mark for commercial purpose."

Other Considerations

Trademarks and the Internet

- The expansion of commerce on the Internet has made protection of trademark rights an important priority. INTA strongly urges the Republic of the Union of Myanmar to include in its Trademark Law, provisions addressing trademarks on the Internet, so as to ensure that trademarks receive the same protection on the Internet as they do in the brick-and-mortar world to enable consumers to make safe, reliable and informed choices about the products and services they seek.