RE: INTERNATIONAL TRADEMARK ASSOCIATION COMMENTS ON TRADEMARK LAW REVISION

Dear Director General,

The International Trademark Association (INTA) is pleased to provide comments on the Mongolia’s draft revision of the Trademark Law.

INTA is a not-for-profit global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation.

INTA’s has 7,200 member organizations from 189 countries. INTA members collectively contribute almost US $12 trillion / €8.8 trillion / ¥73 trillion to global GDP annually. The Association's member organizations represent over 31,000 trademark professionals and include brand owners from major corporations as well as small- and medium-sized enterprises, law firms, and nonprofits, including 4 organizations in Mongolia.

Headquartered in New York City, INTA also has offices in Brussels, Santiago, Shanghai, Singapore, and Washington D.C. and representatives in Geneva and New Delhi.

INTA commends the government of Mongolia for moving forward with several beneficial proposals to the current trademark regime. INTA strongly supports amendments that cover:

- Provisions to join the Madrid Protocol; and
- Improve efficiency in trademark office practice.

INTA has also provided comments on provisions for geographical indications. INTA has always advocated for the priority principle (First in Time, First in Right) to apply to conflicts between GIs and trademarks, as enshrined in INTA Board Resolution on Protection of geographical indications and trademarks.¹

¹ https://www.inta.org/Advocacy/Pages/ProtectionofGeographicalIndicationsandTrademarks.aspx
INTA also advocates for any GI registration system to include opposition and cancellation procedures and be consistent with TRIPS and WTO dispute resolution decisions.

The following are detailed comments on the Draft.

**Madrid Protocol**

INTA welcomes the proposed application of the Madrid Protocol to Mongolia and has the following comments in support of this development. INTA wishes to reiterate its view of the benefits that Mongolia could derive from such application, in terms of facilitating local businesses (small and medium-size entities) to reach out to the world market; of enhancing Mongolia’s attractiveness as a place of business; of promoting Mongolia as an innovative economy; and of reinforcing its international image.

As a result, INTA welcomes and is in favor of the amendments to the trademark law to provide for the implementation of an international registration system of trademarks under the Protocol Relating to the International Registration of Marks.

**Trademark Office Practices:**

- **3.1.11.** "well-known mark" means a trademark that has become well-known in the territory of Mongolia in the relevant sector;

INTA supports the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks ("Joint Recommendation") and recommends Mongolia adopt the factors outlined in these provisions.² For detailed information on the Joint Recommendation more information can be found on the WIPO website.³

- **ii) Article 3.1.16** – *This article amends the priority date if the trademark has been filed in one of members of Paris Convention or World Trade Organization.*

This article is in accordance with Paris Convention and is welcomed.

- **Article 5.2.10.** – *This article stipulates the following: Marks that will not be registered as a trademark if it is contrary to the famous expression from the famous protected copyrighted works and its related rights, or contrary to the protected industrial property rights (such as patent, designs, utility model, trademarks).*

INTA recommends clarification on these issues of “famous expressions” and “famous copyrighted works” and “related rights” as it is not clear whether copyrighted works and related rights are protectable as prior rights. It is recommended to clarify that copyrighted work, related rights and other rights are also protectable under this article. For further information on INTA’s views of registrability of a mark, please see section 4.2 of INTA’s Model Law Guidelines, namely subsection 12 regarding prior rights of others.⁴

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² [https://www.inta.org/Advocacy/Pages/WIPOProvisionsfortheProtectionofWell-KnownMarks.aspx](https://www.inta.org/Advocacy/Pages/WIPOProvisionsfortheProtectionofWell-KnownMarks.aspx)


⁴ [http://www.inta.org/Advocacy/Pages/ModelLawsandGuidelines.aspx](http://www.inta.org/Advocacy/Pages/ModelLawsandGuidelines.aspx)
Further, INTA notes that copyright and trademark rights are separate doctrines of law. Please see INTA’s Board Resolution on the issue of copyright protection for trademarked material.\(^5\)

- **Article 8.11** - This article allows that after the publication of trademark (after the date of publication) within three months a third party can issue an opposition.

A three-month period of opposition is in line with international practice and welcomed.

- **Article 34.1.3** – This article stipulates that if the trademark holder did not use the trademark within 5 years then a third party can file for cancellation that mark.

It is welcome to add back the non-use cancellation procedure as it balances the rights of trademark owners, who may easily obtain a trademark through an application process, and the rights of the public and competitors, who may file a simple cancellation request. We recommend including the word “consecutive” for clarity.

**Geographical Indications**

The following are comments on provisions related to GIs.

- **3.1.4.** “geographical indication” means the geographical name of a country, region or locality which identifies a good as originating therein, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;

In order to conform the definition to the TRIPS Agreement 22(1), we would suggest amending the definition as follows “geographical indication” means an indication which identifies any goods as originating in a country, territory, region or locality where a given quality, reputation or other characteristic of such goods is essentially attributable to their geographical origin."

- **15.2.2.** it has become a generic name in the territory of Mongolia to denote goods of a certain kind irrespective of the place of manufacturing thereof.

INTA would suggest, to ensure legal clarity, to add a new sentence: “In determining whether a term is a generic name, reference shall be made to international production standards, such as the Codex Alimentarius, tariff schedules and the volume of production of product bearing the term outside of territory identified by the geographical indication.”

INTA would suggest amending the definition as follows to ensure legal clarity “examination” means the examination of a trademark or a geographical indication by a qualified examiner of the Intellectual Property Office for the purpose of determining whether registration ought to be granted after review of trademarks or geographical indications which have been previously registered and in compliance with the requirements laid down in this law.”

\(^5\) INTA Board Resolution: Copyright Protection for Trademarked Material: https://www.inta.org/Advocacy/Pages/BR20170912_2.aspx
• 15.3.2. It is identical with, or similar to, a geographical indication or a trademark registered in Mongolia in respect of similar goods where its use would result in a likelihood of confusion on the part of consumers;

INTA would suggest amending the provision as follows to ensure legal clarity: “It is identical with, or confusingly similar to, a geographical indication or a trademark which has been registered in Mongolia in respect of similar goods where its use would result in a likelihood of confusion on the part of consumers”;

• 15.3.3. It is identical with, or similar to, a trademark which has become well-known among the public, regardless of the nature of the goods, even if that trademark is not registered, and where the use would result in a likelihood of confusion on the part of consumers, take unfair advantage of, gain profits from, cause damages, or be detrimental to, the repute of the well-known trademark;

INTA would suggest amending the provision as follows to ensure legal clarity: “It is identical with, or confusingly similar to, a trademark which has become well-known among the public, regardless of the nature of the goods, even if that trademark is not registered, and where the use would result in a likelihood of confusion on the part of consumers, take unfair advantage of, gain profits from, cause damages, or be detrimental to, the repute of the well-known trademark”;

• 16.1. An application for the registration of a geographical indication shall be filed with the Intellectual Property Office by a natural or legal person who manufactures goods in the indicated locality where the characteristics of the goods are associated with that locality, and shall contain the following:

INTA would suggest amending the provision as follows to ensure legal clarity: “An application for the registration of a geographical indication shall be filed with the Intellectual Property Office by a natural or legal person who manufactures or produces goods in the indicated locality where the characteristics of the goods are associated with that locality, and shall contain the following”:

• 18.1. Where the decision has been taken to register the geographical indication, the Intellectual Property Office shall record the geographical indication in the State Register of Geographical Indications, issue a certificate and keep the application in the files of geographical indications.

INTA would suggest amending the provision as follows to ensure legal clarity and consistency with the above provisions as amended: “Where the decision has been taken to register the geographical indication and the geographical indication has not been successfully opposed pursuant to Article 18.5, the Intellectual Property Office shall record the geographical indication in the State Register of Geographical Indications, issue a certificate and keep the application in the files of geographical indications”.

• 18.4. A registration of geographical indication shall be valid beginning from the filing date and shall be unlimited in time

INTA would suggest amending the provision as follows to ensure legal clarity: “Subject to Article 28, a registration of geographical indication shall be valid beginning from the registration filing date and shall be unlimited in time valid for a period of 10 years following the filing date and may be renewed by 10-year periods at the request of the owner”. 
• 18.5. The Intellectual Property Office shall effect the publication of names of geographical indications and related bibliographic data

INTA would suggest amending the provision as follows to ensure legal clarity: “Prior to registration of the geographical indication, the Intellectual Property Office shall effect the publication of names of geographical indications and related bibliographic data including any claimed translations or transliterations and any disclaimers entered in the application, so as to provide third-parties the opportunity to object to such registration. Third-parties shall have 5 months to object during this opposition period”.

• 21.4. The right to own the trademark shall lapse on the following grounds:

21.3.1. full transfer to others in compliance with law or by contract;
21.3.2. in case of the death of the owner or if the owner has been declared deceased;
21.3.3. liquidation of the legal entity where there is no transfer;
21.3.4. other grounds laid down in law.

In order to ensure legal clarity, INTA suggests adding a new 21.5: “Nothing in this Article shall prevent the use of terms that are or have become generic names for the products to which they are applied.”

• 24.2. Only the person who has registered a geographical indication shall have the right to use it in his production, provided that the place of permanent residence thereof is the place of manufacturing the goods.

INTA would suggest amending the provision as follows to ensure legal clarity: “Only the persons authorized by the owner of the registered geographical indication shall have the right to use it in his production, provided that the place of permanent residence thereof is the place of manufacturing the goods”.

• 25.1. The period of validity of the registration of a geographical indication shall expire where the relationship between the characteristics of the goods and the geographical environment and inherent human factors no longer exists.

INTA would suggest, to ensure legal clarity, to add at the end of the sentence “…no longer exists and becomes generic pursuant to 15.2.2.”

Anticounterfeiting

Counterfeiting detracts from the value of the brands, undermines the effort placed on research and development, and most importantly, diminishes the trust that consumers have in a brand, when those consumers receive counterfeit products of substandard quality and contain health and safety issues. This illegal business activity not only deprives governments of revenues for vital public services, forces higher burdens on tax payers, dislocates millions of legitimate jobs, it also exposes consumers to dangerous and ineffective products. Furthermore, the prominence of counterfeiting in criminal networks has become part of a larger threat.
Indeed, counterfeiters have established complex networks, similar to the supply chains of legitimate businesses, in order to manufacture and distribute their illicit goods. In February 2017, INTA along with ICC-BASCAP released a new report from Frontier Economics entitled “The Economic Impacts of Counterfeiting and Piracy”, which quantifies the global value of counterfeiting and piracy. The study found that in 2013, the estimated value of counterfeit and pirated goods was a staggering US$ 710-917 billion. The wider economic and social costs were calculated at US$ 717-898 billion, which include fiscal losses, the costs of crime, and displacement of legitimate economic activity. In 2022, the total estimated value of counterfeit and pirated goods is projected to reach an astounding US$ 1.90 - $ 2.81 trillion. The number of jobs lost due to counterfeiting and piracy is expected to reach upwards of 5.4 million jobs in 2022.

Counterfeit Goods in Transit

INTA notes that Mongolia has been cited a transit point for counterfeit goods in recent studies including those conducted by OECD. The report notes the prevalence of transshipment of fake sunglasses, optical products and medical equipment en route to the EU via Mongolia.6

Transit of counterfeit goods undermine the work of law enforcement in Mongolia and exposes consumers in countless countries to harmful counterfeit products. It may also encourage the use of Mongolia as a convenient transit destination by organized crime.

One of the main arguments to allow goods to transit through a country is the fear of stopping generic drugs en route to other countries. However, dangerous trademark infringements that transit through Mongolia include counterfeit medicines that are misbranded to intentionally mislead consumers and often do not contain the proper active ingredients. Clearly defining counterfeits and limiting the transit provisions of counterfeits will mean that generic products like generic medicines, which do not infringe trademark rights, will not be subject to seizure under the trademark laws. Moreover, these provisions are intended to make clear that only the most serious type of infringement, counterfeiting, is the target for customs action. Stopping counterfeit goods in transit takes these sorts of hazardous goods out of the market.

Intellectual Property Rights Coordination Center

The formation of a national IPR coordination center would be strongly recommended. INTA produced a guide7 for government seeking to implement such a body. The goal of the proposed office would be to establish a central coordination unit to fight against counterfeits, piracy, and other intellectual property crimes. Because of counterfeiting’s links to organized crime, money laundering, threats to public safety, etc., many agencies at the national level are looking at this type of crime in isolation without developing the expertise to tackle the complexities of the crime. The IPRC would be a singular unit of coordination between the different industries effected by these crimes, the governmental officials that work to stop it, and the targeted public. The office would also provide coordination between the different governmental offices at the national level and would facilitate coordination between national officials and other jurisdictions globally.


For any questions relating to this submission please contact me or Mr. Seth Hays, Chief Representative, Asia Pacific, at shays@inta.org.

Sincerely,

Etienne Sanz de Acedo
Chief Executive Officer
International Trademark Association