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Pending New Trademark Law Makes Immediate Trademark Registration in Myanmar Advisable

1. Introduction

In the context of current growing international interest in the reforming economy of Myanmar and the continuing revision of its antiquated regulatory structure, international brands looking to enter this market must face the issue of how to best protect their valuable trademarks.

Complicating the matter, however, is the fact that Myanmar is poised to shift its trademark protections from its existing first-to-use system based on colonial British statutes and case law to a brand-new first-to-file system drafted in cooperation with the World Intellectual Property Organization (WIPO). The change was initially expected to occur in 2013 but is now set for the summer of 2014.

This newsletter will explain in brief what these changes mean for foreign companies and investors and alert clients to what should be done before the shift takes place.

2. Significant benefits for registering trademarks now under existing regime

Under the new Trademark Law any trademarks registered under the old regime will automatically continue to receive protection during a three-year transition period, which begins from the date the new Trademark Law comes into force. While trademark holders should re-register their trademarks under the new Trademark Law as soon as possible after it goes into effect, those trademark

holders who have already registered their marks under the old regime will receive priority under the new system.

Under the system currently in place trademark holders have traditionally availed themselves of protection under Section 18(f) of the Registration Act (Direction 13) by creating a “Declaration of Ownership,” which must be registered with the Office of the Registry of Deeds and Assurances. Once a Declaration of Ownership has been registered it is customary for trademark holders to then publish a “Cautionary Notice” of the mark in a Myanmar newspaper of broad circulation.

Perfecting the above procedure establishes prima facie evidence of ownership of the mark, however, actual use of the mark in trade is still required for protection against infringement. Myanmar’s Constitution grants IP rights and refers explicitly to “[i]ntellectual property such as . . . trademarks,” Myanmar’s Penal Code both defines trademark (Section 478 & 479) and provides penalties against infringement (Section 482), while Myanmar case law offers remedies for civil actions. Indeed, there are several recent cases where Myanmar Courts have provided remedies for major international brands such as Kentucky Fried Chicken (“KFC”), Pizza Hut, HBO, Marriot, and Dr. Scholl’s. Therefore, while better protection is expected under the new law, the current regime is not without remedies for trademark infringement.

3. What happens when the new Trademark Law takes effect?

Trademark holders who have already registered their marks under the old regime will benefit by continuing to receive protection without re-registration during a three-year grace period, which commences from the date the new Trademark Law becomes effective. During this transition period trademark holders with marks registered under the old regime must file an application to register their marks under the new Trademark Law.

The new Trademark Law will establish several institutions including a Myanmar Intellectual Property Office (“MIPO”), a Trademark Registry, and an Intellectual Property Court. Applications to register trademarks under the new Trademark Law must be submitted to MIPO where the Registrar will conduct a preliminary examination. If the



ABOUT US

BNG Legal is a leading Cambodian law firm providing comprehensive legal services to foreign and local clients.

Registered with the Bar Association of the Kingdom of Cambodia, our legal professionals combine international standards with local expertise.

We differentiate ourselves by coupling a deep understanding of the local business environment with international professionalism and integrity.

We facilitate business, investment and trade between Cambodia and the rest of the world through innovative and cost-effective legal services.

Superior knowledge of local protocol, local procedure, and local people is necessary for any business to succeed in Cambodia.

Conducting daily business in Cambodia, BNG Legal is up to date with the newest procedures and requirements, helping clients efficiently and successfully complete any project.

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trademark is not refused on absolute grounds, the trademark holder will receive a "Receipt of Acknowledgement". After further substantive examination by the Registrar, a "Certificate of Registration" will be issued if the criteria of the new Trademark Law are met, otherwise the Registrar will cancel the Receipt. Trademark holders are accorded protection for ten years under the new Trademark Law after which the mark must be renewed.

4. Recommendations

Clients are advised not to delay in registering their trademarks in Myanmar while the old regime is still in effect to receive priority under the new law. There is a great deal of uncertainty as to how the new government institutions such as MIPO and the Trademark Registry will handle registrations when the new Trademark Law comes into effect. Priority status for existing registrants should prove to be a high-ground from which to manage legal risks including the circumvention of potential disputes with conflicting applicants under the new first-to-file system.

For more information on trademarks, intellectual property and general business in Myanmar please contact BNG through Joseph Lovell (joseph@bnglegal.com) or Benjamin Wagner (benjamin@bnglegal.com).

Additions to Our Team

Ms. Chankoulika BO

Legal Advisor

Ms. Chankoulika BO is a Senior Legal Associate with BNG legal. Chankoulika holds a Master of Social law specialized in Labor Law from Lumière Lyon II University, a Pre Master Degree in Private law (Maitrise) a Bachelor Degree of Private Law from Lumière Lyon II University and a Bachelor of Law from the Royal University of Law and Economics. Chankoulika is studying her PhD in area of Public Policy Analysis (Education Case), Flinders University, Australia.

Chankoulika was a legal consultant with BNG Advocates & Solicitors (BNG legal) from 2007 to December 2008. She provided legal advice to clients on labor compliance, inter- country adoption, civil issues (divorce case) and real estate.

Chankoulika is also a chief of legislation office, Department of Legislation, Ministry of Education, Youth and Sport. She is mainly responsible for coordinating the formation of law and regulations concerning education sector, providing legal advice to the Ministry of Education, Youth and Sport and regulatory reform in education sector.

Chankoulika specialized in labor law, real estate

and regulatory reform in public sector.

Chankoulika speaks Khmer, English and French.

Mr. Kiri SAN

Legal Advisor

Mr. Kiri SAN is a Legal Advisor in the Real Estate and Banking and Finance Practice Groups at BNG Legal. Kiri holds a Master of Commercial Law (LLM) from the University of Melbourne, a Master of Public Administration (MPA), a Bachelor of Laws (LLB) from the Royal University of Law and Economics and a Bachelor of Computer Science (BSc) from the Royal University of Phnom Penh.

Prior to joining BNG Legal, Kiri was a Khmer Transcriber at the Extraordinary Chambers in the Courts of Cambodia and IT assistant at the Royal School of Administration. Kiri represented Cambodia in the International Commercial Arbitration Moot Competition in Hong Kong.

Kiri has a particular interest in real estate, banking and finance, corporate law, contracts, and international commercial arbitration.

Kiri speaks Khmer and English.

Law Update

Notification No. 815 (General Department of Taxation) dated 28 March 2014 on Index of Monthly Tax Filing by Soft Copy

All taxpayer who obliged to file monthly tax return has to attach the index of Sale and Purchase Record, Detail schedule on Tax on Salary and Withholding Tax. To reduce the hard copy, all taxpayer can attach the index by soft copy in excel spread sheet with new Tax Identification Number (TIN) (9 digits). Sale and Purchase Record have to record in Khmer Riel currency.

There are 2 types of Invoice, VAT Invoice is used for taxable person and Commercial Invoice is used for nontaxable person. Invoice Serial No. start from No. 1 on 01-January until the end of tax year 31-December.

Prakas No.112 Dated March 28, 2014 on the Modification of Composition of the Garment Factory Technical Inspection Commission

This Prakas modifies the composition of the garment factory technical inspection commission. Below are the duties of the commission:

- Inspect the technical standard and production capacity of the factory in order to compare with the import request of semi-finished product
- Inspect and ensure that the importation investment is processing smoothly and avoid

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any fraud related to certificate of origin

- Research and improve the current instruction

The commission must report to the Minister of Commerce and relevant ministries. In case of necessity, the commission must get approval from the Council of Ministers.

The commission has the right to use the MOC's stamp and create team work if they deem necessary.

Decision No.64 dated 31 March 2014 on the Establishment of the Commission to Prepare a Law Amendment Request and the Revision of any Regulations related to Forest Administration, Fisheries and Natural Protection Zone

This decision establishes a commission to prepare a request for law amendment and revision of other regulations related to forest administration, fisheries and natural protection zone. The commission is chaired by the Minister of Interior and has duties as follows:

- Leading and orienting the policy sector for research study, consultation and preparing the request for law amendment and revision of other regulations related to forest administration, fisheries and natural protection zone by ensuring that all relevant people from both national and sub-national levels are participated;
- Report regularly to the royal government on progress, challenges and proposed resolution related to forest administration, fisheries and natural protection zone.

The commission has the right to use the stamp of the Ministry of Interior.

Letter No. 426 (GDCE) dated 14 March 2014 to Director of Departments, Branches and Offices of Customs and Excise

General Department of Customs and Excise decided to amend the custom procedure as below:

- Post Clearance Audit mechanism at business locations shall only be carried out on any businessperson who has high risk. Risk Management, Audit and Public Relations through the Trust-in-Businessperson and Risk Information System shall create a list of businesspersons who have high legal compliance and are able to conduct self-audit at each scheduled time according to necessity.
- The Department of Customs Regime shall make facilitation with relevant institutions in creating and introducing the Master List Management System in order to speed up the process and coverage of decentralization of power to issue customs permit.
- Point 2 of the Letter No. 05 as in the reference above is related to permitting the delivery

of raw material, semi-finished products or finished products to and from between the factory contracted to do supplementary labor with a relevant factory by just requiring the factory to issue a proper letter (warehouse receipt, delivery order etc certifying the address of both factories, road of delivery, goods description, goods quantity and date) by themselves to accompany the goods, without requiring prior authorization from the customs and excise unit and shall be implemented on garment investors both in and outside special economic zones. The customs and excise officer has the authority to carry out verification unexpectedly on these documents only in necessary case. In particular, the delivery of equipment and machinery as well as production line out of preferential areas shall have prior permission from the General Department of Customs and Excise in accordance with the law.

- For International Port, full process (from custom declaration until release goods from custom) must not exceed 4 working hours if complete document has been made. In case of exceed 4 working hour, shall carry out an initial inspection on those documents. For customs formality inspection at air and land checkpoints, the time frame shall be reduced as much as possible in this same way.
- All relevant customs and excise units shall continue to strengthen the effectiveness of the implementation of professional ethics and behavior and shall ensure the sustainability in providing public service in accordance with the law. Customs and excise units shall appoint their subordinates in a number that is fit for the extent of the actual work to standby and inspect customs formalities on public holidays and days off for official works as well as for any possible mission outside the unit.