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Editorial team:

Wong Jin Nee & Teo
13A-5, Level 13A, Menara Milenium
8, Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

Joanne Kong
Eugene Ee

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The Role of IP in **SUSTAINABILITY**

Joanne Kong

highlights the roles of certain IP rights in driving a sustainable future for brands.

The rising interest in environmental issues in recent years as evidenced by various “go green” campaigns such as those to reduce the use of plastic in the F&B sector or the popularity of environmental documentaries such as David Attenborough’s “A Life on Our Planet” has contributed to the major shift in consumer behaviour. Historically, brands have promised quality of the product, service and experience but consumers these days, especially the younger generation, are

increasingly becoming more interested in the social and environmental behaviour of companies as well as their ethical values.



Research and studies have shown that more and more consumers are willing to pay a higher price to support brands that adopt values which align with their personal values. Fashion companies such as H&M’s Conscious Collection use eco-friendly fabrics to reduce their environmental footprint while technology companies such as Apple have changed their production

processes in a bid to become carbon neutral. To stay relevant, it is therefore important for brands to include sustainability in their business models. This article seeks to cover some IP strategies and their role in sustainability.

PATENTS

When it comes to technology and innovation, including green technology, patents are no doubt at the forefront of IP protection. Available for any new invention which is industrially applicable, patents are important to exploit an invention and can be monetised via assignments and license contracts. In Malaysia, patent protection is available for 20 years. Due to the need for disclosure of the patent claims and specifications however, certain companies may choose to dispense with such registration which may also be costly and keep such methods as trade secrets.

Companies should however also be aware that Article 27(2) of the TRIPS Agreement of which numerous countries are member to, including Malaysia, provides that certain inventions which are necessary to protect public order or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environmental, may be excluded by a member country from patent protection. Aside from commercial considerations and the preference for secrecy, it is therefore always recommended to consult a patent expert in the relevant field of interest on the best strategies to ensure that the protection of such inventions is not compromised.

TRADEMARKS

Aside from functioning as indicators of origin, trademarks may also serve to convey brand values or certain expectations or standards which come along with a product. For example, THE HONEST COMPANY by Jessica Alba aims to stay true to its values of being transparent about its methods of creating safe, effective products while making conscious efforts to promote sustainability. It is also common for brands which place a strong emphasis on their eco-friendly or environmental qualities to use the colour green or include environmental words or symbols in their trademarks such as the textile company Lenzing which is known for its TENCEL range of fabrics which are made of natural components from sustainably harvested trees.



Certification marks and collective marks are also useful to indicate that a product meets certain standards or characteristics. Certification marks may be used by anyone who complies with the standards prescribed by the owner of the mark while collective marks may only be used by particular members of the organisation which owns such marks. In Malaysia, the Penang Green Council registered the PENANG GREEN OFFICE certification mark which is available for use by local organisations which adopt the 5 sustainability principles as determined by the Council. Collective marks recently became registrable in Malaysia with the introduction of the new Trademarks Act 2019 on 27 December 2019 but it appears that the few existing applications are all still pending.



“ If carried out strategically with true authenticity, a brand’s sustainability efforts will help to build better brand image ”

COPYRIGHT

Copyright is arguably the most inexpensive form of IP since it subsists automatically upon creation. While there is no

compulsory registration process in Malaysia, copyright owners may submit a voluntary copyright notification to MyIPO which is prima facie evidence of ownership and evidence of the date of creation of such copyrighted works. It is inevitable that various software and codes will play an instrumental role in the creation of green technology and for such works, copyright will be the most important form of protection.

While it can be expected that green branding will be embraced by most brands as part of their long-term sustainability goals, brands must remember to remain authentic and stand for values that they truly believe in. False marketing tactics to deceive or mislead consumers into believing that such products are more environmentally friendly than they really are would otherwise not only create a culture

of greenwashing but would undermine the value of their IP and in the case of trademarks, potentially expose such marks to invalidation actions.

If carried out strategically with true authenticity, a brand’s sustainability efforts will help to build better brand image, generate consumer loyalty, reduce pressure from environmental regulators and reduce long term production costs.

Joanne is a Senior Associate at Wong Jin Nee & Teo. Her practice predominantly focuses on end-to-end trademark prosecution, media and advertising clearance, and other compliance matters.

THE IMPACT OF COUNTERFEITING ACTIVITIES AND THE ENFORCEMENT STRATEGIES UNDER THE 'NEW NORMAL'



Loo Wai Hoong

shares the recent notable statistics on the impact of counterfeiting activities on the economy and the strategies in keeping counterfeiters at bay.

The year 2020 has come and gone, yet the COVID-19 pandemic still lingers on and does not appear to be relenting anytime soon. While numerous legitimate businesses are scaling down or have even folded, counterfeiting activities have surged exponentially and remain as resilient as the pandemic. Counterfeiters have seized the moment by engaging in brisk sales of counterfeit goods - mainly through online channels - and are expected to continue exploiting vulnerable consumers while raking in large profits as brand owners and authorities tackle the practical challenges in the brand enforcement scene under the 'new normal'.

STATISTICS OF COUNTERFEITING ACTIVITIES AND ANTI-COUNTERFEITING ENFORCEMENT ACTIONS

- It is estimated that smuggling, counterfeiting and related illegal activities deprive the global economy of US\$2.2 trillion annually while the international 'black market' for counterfeit goods account for US\$461 billion.

- In 2018, the trade in counterfeit goods in South East Asia was estimated to be approximately US\$35.9 billion which accounted for almost 10% of the international trade in such goods.

- Online fraud and illicit trade including the online sales of counterfeit goods cost



South East Asia an estimated US\$260 million per year.

- The global counterfeit pharmaceutical trade is estimated to be worth approximately US\$4.5 billion. The Organisation for Economic Co-operation and Development (OECD) revealed that the most frequently counterfeited medication classes are antibiotics (35.4%), male impotence pills (15.6%), painkillers (10.4%) and anti-malaria pills (8.9%).

- In 2020, film piracy increased by 41% in the USA, 43% in the UK and 63% in India.

- In March 2020, Interpol conducted Operation Pangea XIII, a multi-agency enforcement action involving 90 countries to tackle illicit online sale of medicines and medical products which resulted in seizures of 4.4 million products worth US\$14million, 121 arrests and takedowns of more than 2,500 websites, social media accounts, online marketplaces and online advertisements.

The estimated impact of counterfeiting activities on the Malaysian economy are similarly reflected by on-the-ground enforcement actions carried out by the Ministry of Domestic Trade and Consumer Affairs (MDTCA):

- The MDTCA's Putrajaya headquarters conducted 257 cases related to counterfeit goods resulting in seizures worth approximately RM4.5 million (US\$1.11 million) between early 2020 until October last year.

- Between the start of 2020 to early December last year, the MDTCA's Kuala Lumpur branch had conducted 45 cases under the new Trademarks Act 2019 which saw seizures of goods worth approximately RM4.8 million (US\$1.18 million) which included concurrent raid actions attended by

Wong Jin Nee & Teo against two related premises where 36,722 units of counterfeit eyewear and caps bearing various renowned brands estimated to be worth RM1.5 million (more than US\$370,000) were confiscated.

- Throughout the various phases of the Movement Control Order (MCO) imposed last year, it is estimated that Malaysia was deprived of about RM1 billion (US\$246 million) in unpaid taxes which is often the by-product of smuggling, counterfeiting and other related illicit activities.

BRAND ENFORCEMENT MEASURES

Under the 'new normal' in Malaysia which involves physical distancing measures, the imposition of travel restrictions and migration of businesses to online marketplaces, brand owners and enforcement authorities are now faced with novel challenges in their brand enforcement initiatives. The following are some dynamic approaches that brand owners may consider adopting in thwarting the counterfeit trade under the 'new normal':

Employ Product Authentication Features and Educate Consumers

- Implement robust authentication features such as scannable unique QR codes which can be verified instantly online or via an app.
- Publish general details of verified supply chains and genuine products such as lists of authorised dealers/sellers and product price points to increase awareness.

Clean Up the Online Marketplaces & Lodge Take-down Requests

- Conduct online sweeps on e-commerce platforms and websites to search and identify infringing listings which advertise or offer counterfeit products for sale.
- Lodge takedown requests with e-commerce platforms to request for the removal or “takedowns” of infringing sellers’ accounts, listings, trademarks, product images and copyrighted materials.
- Issue Cease and Desist letters to e-commerce platforms to request for the removal of infringing listings and materials.

Engage Law Enforcement Authorities and E-commerce Platforms

- Engage law enforcement authorities and e-commerce platforms as a joint initiative between the government and the industry on best methods and practices to tackle online counterfeit goods.
- Conduct capacity training with law enforcement authorities to foster collaboration and share product knowledge to enable proactive enforcement actions by the authorities.

Conduct Investigations, Raid Actions, Issue Cease & Desist Letters and/or Commence Civil Suits

- Conduct test purchases and/or investigations to identify infringers.
- Conduct raid actions at identified infringers’ physical premises and seize counterfeit goods.
- Issue Cease and Desist letters to identified infringers.
- Commence civil suits for trademark/copyright infringement and/or passing off against identified infringers.

CONCLUSION

The impact of counterfeiting activities on the economy and businesses’ revenues are substantial and highly detrimental. As counterfeiters constantly ‘re-invent’ themselves and offer increasingly new varieties of counterfeit products, brand owners should likewise embrace the ‘new normal’ in the enforcement sphere and implement new approaches or strategies as outlined above to stop or at least slow down the counterfeiters in their tracks.

For more information on how to formulate and implement tailored enforcement strategies for your brand and business, kindly reach out to us at Wong Jin Nee & Teo.

Wai Hoong is a Senior Associate at Wong Jin Nee & Teo. He develops and implements online and offline brand enforcement and anti-counterfeiting programs for multinational clients across various industries.



Joyce Tan

discusses the changes brought about by Myanmar's new Trademark Law 2019 and the strategies that trademark owners may explore during the transition period.

TRADEMARK PROTECTION IN MYANMAR UNDER THE NEW TRADEMARK REGIME

The Myanmar Trademark Law 2019 (“MTL 2019”) was passed by the Parliament of Myanmar on 30 January 2019, establishing a formal framework for a comprehensive trademark registration system which adheres to international standards. The new legislation will completely overhaul Myanmar’s trademark regime and will replace its old system which required brand owners to file a Declaration of Trademark Ownership (“DTO”) with the Office of Registration of Deeds and publish a Cautionary Notice in a local paper. Under the new registration system pursuant to the MTL 2019, trademarks will be formally registered with the Myanmar Intellectual Property Office (“MIPO”). Once the new MTL 2019 comes into force, the existing DTOs and Cautionary Notices under the old registration system will no longer be valid. While it is still not known when the MTL 2019 will come into force, a “Soft Opening” period for limited trademark filings had commenced on 1 October 2020.

OVERVIEW OF THE REGISTRATION PROCESS UNDER THE MTL 2019

Similar to China, the new MTL 2019 is based on the “first-to-file” principle and introduces a formal application procedure through online filing whereby trademarks, service marks, collective marks, and certification marks will be eligible for registration. Unlike the old registration system which had no substantive examination, the new registration system will implement a registration criteria whereby MIPO will conduct formalities and substantive examinations based on “absolute grounds” and “relative grounds”. The MTL 2019 also introduces multi-class applications

whereby applicants can apply for a trademark covering several classes in one application. Once registered, the trademark will be valid for a period of 10 years from the filing date, renewable every 10 years.

The new trademark registration system under the MTL 2019 will be implemented in two phases:

- 1 “Soft Opening” period which commenced on 1 October 2020; and
- 2 “Grand Opening” (date yet to be announced).

1ST PHASE LAUNCH OF “SOFT OPENING” PERIOD

Prior to the official implementation of the new trademark registration system under the MTL 2019, MIPO has launched a “Soft Opening” period giving priority to (a) existing trademark owners;

and (b) users of unregistered trademarks in Myanmar to file their trademarks under the new system. There is no automatic conversion or re-registration of marks which have been recorded under the old registration system. In the event existing trademark owners wish to maintain protection of their trademarks, they are given the opportunity to re-file their trademarks during the “Soft Opening” period before others may do so after the “Grand Opening”.

All applications filed during the “Soft Opening” period will have the same filing date i.e., the date of the “Grand Opening”. The “Soft Opening” period is expected to run tentatively for at least 6 months or longer, the exact closing date of which has yet to be announced.

Aside from the 2 categories of priority exclusions above, new applications will not be accepted under the new trademark registration system during the “Soft Opening” period, and will



only be possible during the “Grand Opening” period. However, since the filing of DTOs and Cautionary Notices under the old registration system is still available for now and presumably up till the end of the “Soft Opening” period, a brand owner may still opt for registration under the old system to qualify for re-filing under the new system.

2ND PHASE “GRAND OPENING” PERIOD

This phase will begin after the end of the “Soft Opening” period and will allow any interested party to file a trademark application at MIPO on a first-to-file principle.

“
There is no automatic conversion or re-registration of marks which have been recorded under the old registration system
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WHAT SHOULD YOU DO NOW?

It is essential for trademark owners with existing registrations of their marks under the old registration system to re-file their trademarks immediately during the “Soft Opening” period in order to maintain the protection of their trademarks under the new law. If a trademark owner does not take advantage of the “Soft Opening” period and fails to re-file its trademark during this period, the trademark owner will lose out on getting an early filing date, and the relevant trademark will be available for registration by third parties when the “Grand Opening” period begins.

For parties that do not have any existing registration for their mark under the old registration system, it may be prudent to take immediate steps to register their trademark under the old registration system of filing a DTO and publishing a Cautionary Notice, and then re-file such mark under the new registration system during the “Soft Opening” period to ensure that the trademark carries an earlier filing date over those which are filed after the commencement of the “Grand Opening” period.

Joyce is an Associate at Wong Jin Nee & Teo. She is focused on trademark prosecution matters and has vast experience in worldwide trademark coordination.