



Navigating Patent & Trademark Protection in **ASEAN**

April 2016 | Nishimura & Asahi

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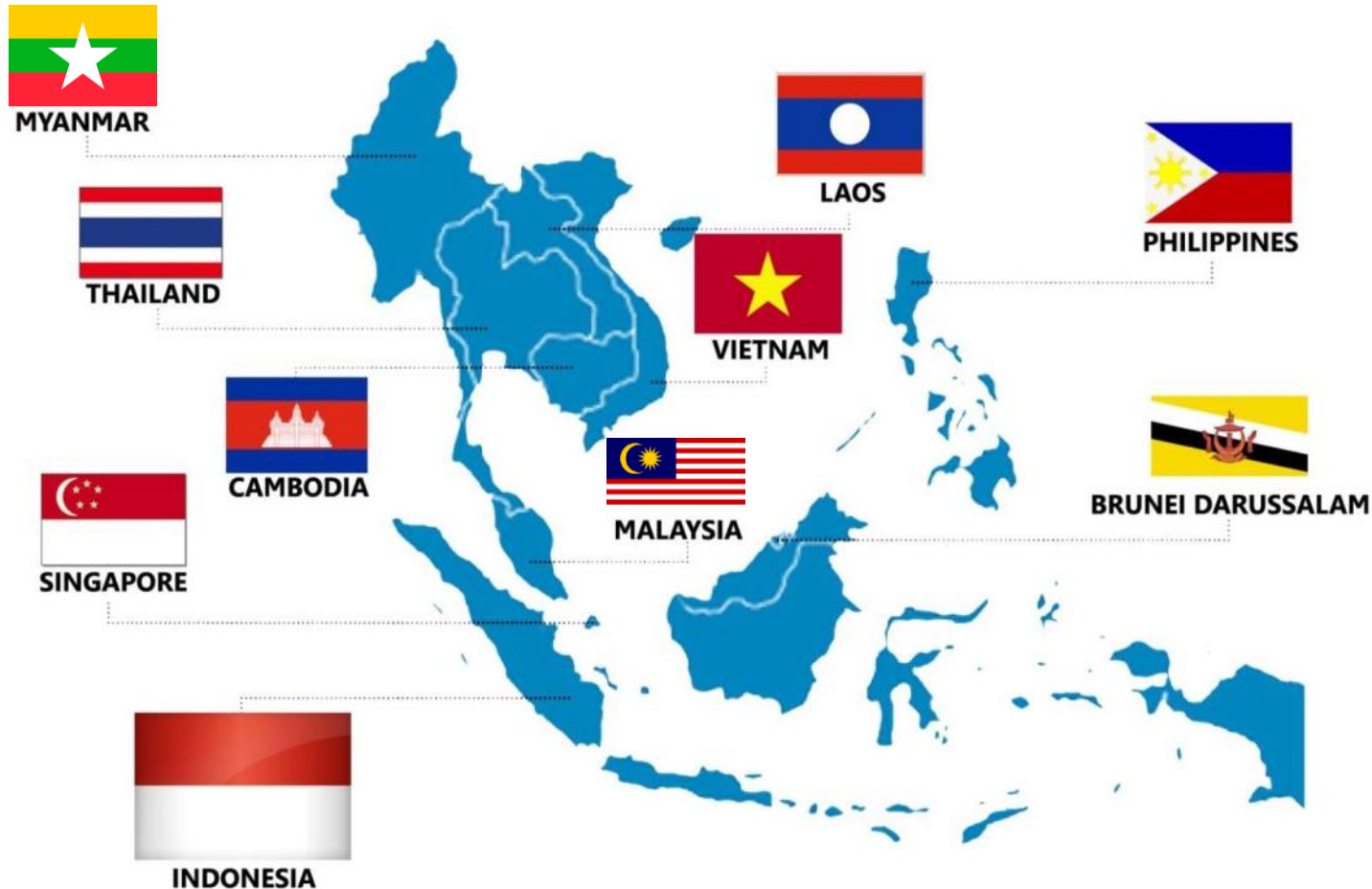
Partner, Baker & McKenzie, Bangkok

Outline

- What is ASEAN?
- Patent Protection in ASEAN
- Trademark Protection in ASEAN
- Conclusion



ASEAN Member Countries



10
Members

ASEAN Market Strength

\$2.6 tr

ASEAN global exports by 2018 (est)

\$273 bn

Trade between Japan & ASEAN (2014)

\$128 bn

Global FDI into ASEAN (2014)

702 m

Cell phone subscribers

620 m

Population across 10 ASEAN nations

KEY FACTS AND FIGURES

WHY ASEAN MATTERS TO US

ASEAN policy to form an Economic Community with free movement of goods, services, labour and capital by 2015



ASEAN FDI inflows
overtook China in

2013

Asean's economy could exceed

US\$4 TRILLION
by **2020** (roughly that of
Germany in 2013)

and nearly

4 times
larger
by **2030**



Home to nearly

10%

of the world's
population

Will rank as

5th LARGEST
ECONOMY BY **2018**

Annual average growth of

5.6% for the
NEXT **5** YEARS

More than double the USA, triple that of the EU

Demographics are positive
and hugely advantageous to
growth – young labour force.



Between

2014 AND **2018**
the region's labour force will expand
BY **1.7%** (adding 28m new workers).

Will be the world's

3rd LARGEST
EXPORTER BY **2018**



ASEAN consumerism
is set to grow

EXPONENTIALLY

BAKER & MCKENZIE

Productivity is creating
a giant middle class.

Middle Class



Middle class households

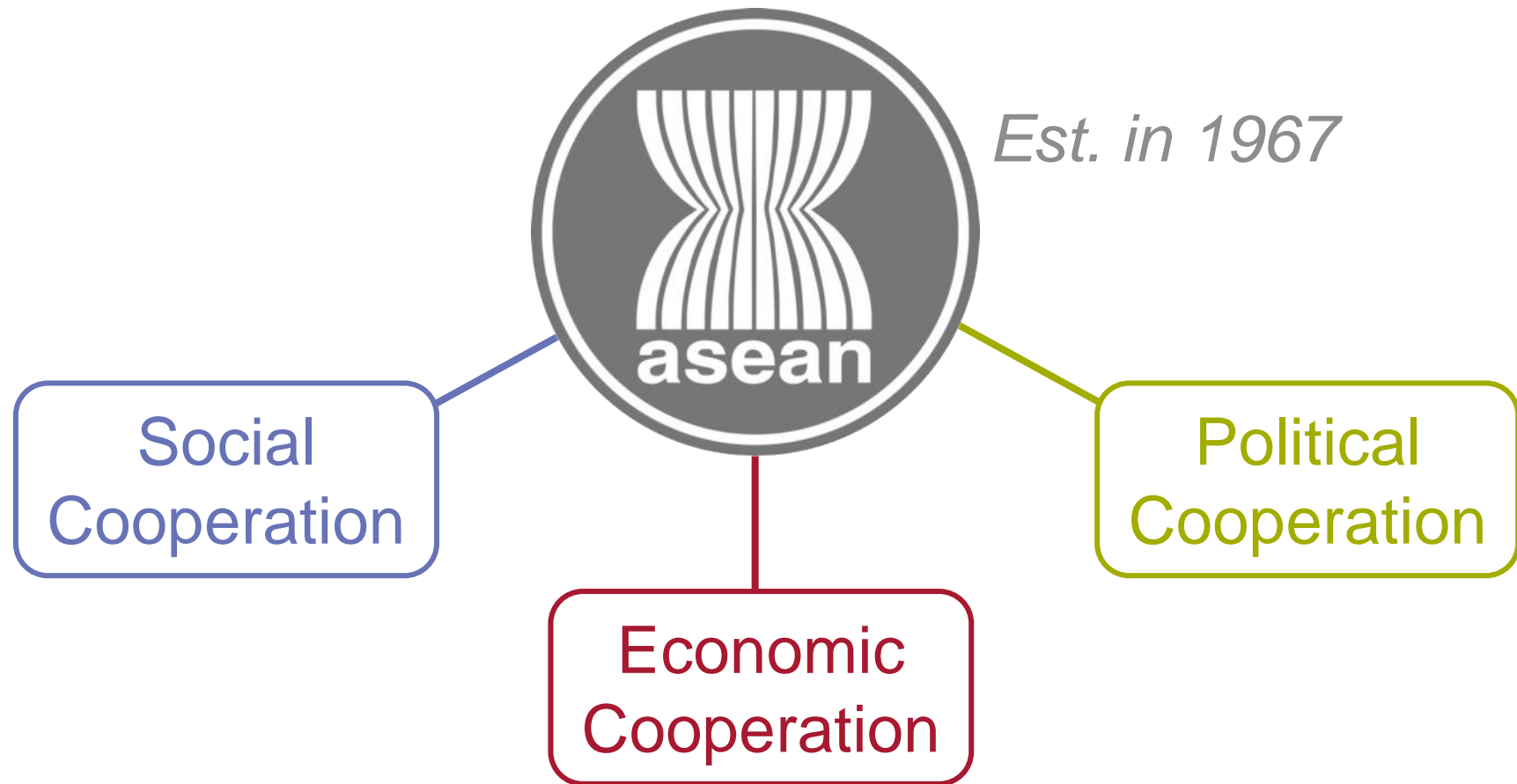
will more
than double BY **2018** TO **80m**

Significant opportunities for

retailers, luxury market, manufacturers,
auto industry, IT industry, healthcare,
financial services and more



What is ASEAN?



Major ASEAN Players

- Indonesia represents almost **40% of the region's economic output** and is a member of the G20, while Myanmar, emerging from decades of isolation, is still a **frontier market** working to build its institutions
- GDP per capita in Singapore is more than **30 times higher** than in Laos and more than **50 times higher** than in Cambodia and Myanmar
- Thailand was the **world's top rice exporter** in 2014
- Port of Singapore was the **world's second-busiest port** in 2014
- A rich source of hydrocarbon resources, **ASEAN produces 2 million barrels of oil per day**

Singapore





Kuala Lumpur

(Malaysia)





Yangon

(Myanmar)



Phnom Penh

(Cambodia)



ASEAN Economic Community (AEC)

**ASEAN
Economic
Community** → **31 Dec 2015**

The formal establishment of the AEC was announced on 22 November 2015 in a landmark declaration and signing ceremony in Malaysia's capital, Kuala Lumpur.

AEC's Core Elements

Single Market & Production Base

Elimination of tariffs and non-tariff barriers among ASEAN members

'Freer' Flow of:

- Goods
- Services
- Investment
- Capital
- Skilled Labor

Competitive Economic Region

Competitive Policy

Consumer

Protection

Intellectual Property Rights (IPRs)

Infrastructure

Development

Taxation

E-commerce

Equitable Economic Development

SME Development Initiatives for ASEAN Integration

Integration into Global Economy

Coherent Approach to External Economic Relations

Enhanced participation in global supply networks

'Freer' Flow of Skilled Labour

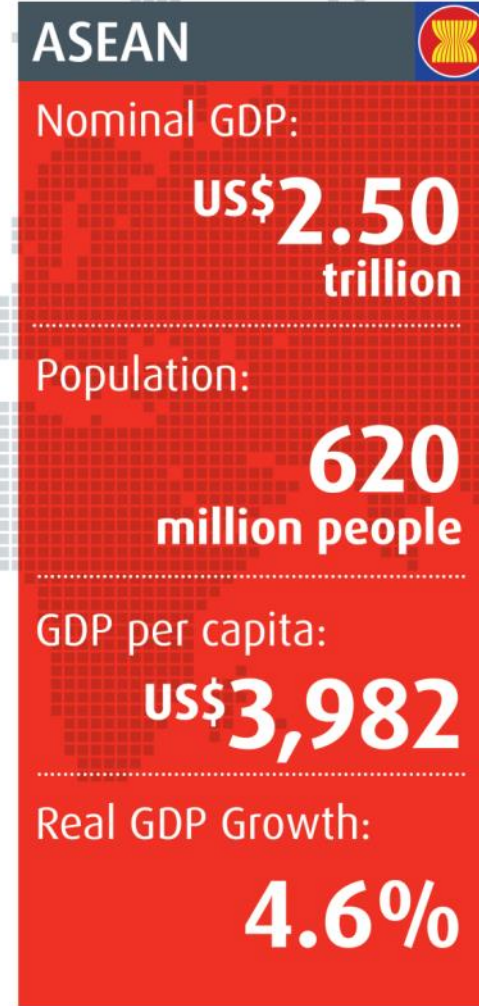
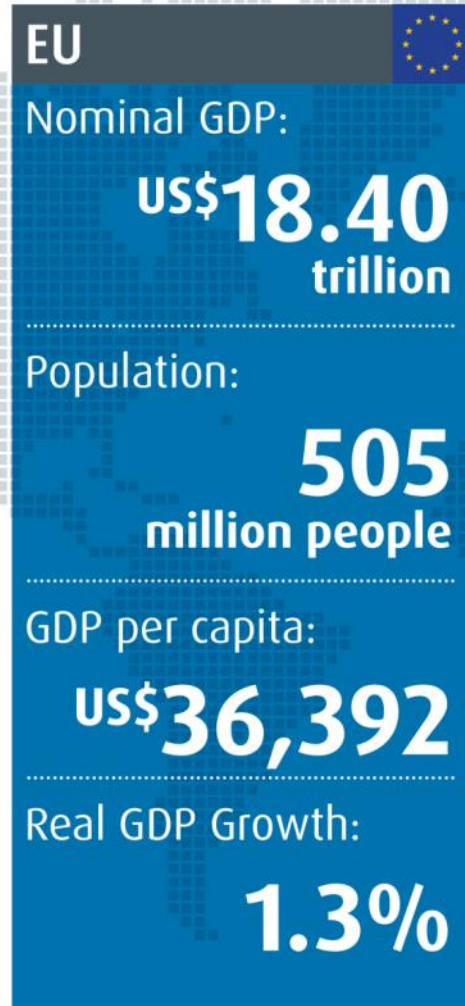
- Greater mobility of qualified service professionals in the region by accepting common standards of some professionals
- There are **mutual recognition agreements (MRAs)** for the following:
 - ✓ Medical practitioners
 - ✓ Dental practitioners
 - ✓ Accountancy services
 - ✓ Engineering services
 - ✓ Nursing services
 - ✓ Architectural services
 - ✓ Surveying qualifications
 - ✓ Tourism professionals

ASEAN Challenges

- High levels of inefficiencies and perceived corruption, particularly in the frontier markets.
- Uneven implementation and lack of regulatory changes.
- Unclear or weak corporate governance standards.
- Poor state of infrastructure.



Comparison to EU



Comparison to EU

European Union (EU)

28 member states (Nov 2015)

Established 1958 with aim of ending frequent wars within Europe

Promotes much deeper integration than ASEAN

Euro (€) as common currency

Supranational government with an elected parliament

EU has a customs union

ASEAN Economic Community (AEC)

10 members states

Established 1967 with aim of cooperation and non-interference

Still in early stages of regional economic integration

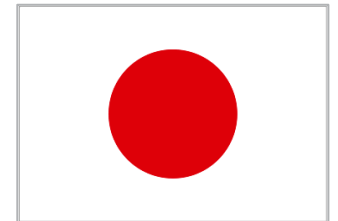
No plan for single currency

No such ASEAN parliament

ASEAN Free Trade Area (AFTA); Common Effective Preferential Tariff (CEPT) scheme

Importance to Japan

- ASEAN countries are increasingly important diplomatic, economic, and security partners for Japan.
- Japan and ASEAN are established economic partners.
- For the past three consecutive years, Japan has been the second biggest foreign investor in ASEAN, surpassed only by the EU.



Importance to Japan

→ The **ASEAN-Japan Comprehensive Economic Partnership (AJCEP)**, signed in April 2008, has opened opportunities to further trade and commercial ties.

Major provisions of AJCEP are as follows:

- Elimination of tariff rates on tariff lines and trade value for goods in the Normal Track
- Rules of Origin (ROO) which allows regional cumulation of inputs
- Dispute settlement mechanism
- Investment and trade in services agreements (currently being negotiated)

Importance to Japan

- Many Japanese corporations expect their trade and investment in ASEAN to increase over the next five years
- Top 4 ASEAN locations for business expansion by Japanese companies:



Indonesia



Philippines



Thailand



Myanmar

ASEAN IPRs Action Plan

Intellectual Property Rights (IPRs) Action Plan

Goal – to transform ASEAN into a competitive region with the use of IP, and by the protection and enforcement of IPRs.

Efforts led by the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC).

With regard to Patents – improvement in the efficiency of the administration, protection, and enforcement of IPRs

- ASEAN Patent Search and Examination Cooperation (ASPEC) – commenced in 2009
- Accession to the Patent Cooperation Treaty (PCT) by end 2015



1 Patent Protection in ASEAN

ASEAN's Impact on Patent Rights

No regional 'ASEAN patent office'

- Must file a patent application in each desired ASEAN country
- No foreseeable plans for an ASEAN patent

No regional 'ASEAN patent law or regulation'

- All ASEAN countries have own patent laws and regulations
- No foreseeable plans for an ASEAN patent law or regulation

No regional recognition of granted patents from ASEAN countries

- All ASEAN countries still have their own policies and discretion in respect to recognition of granted patents
- In practice, ASEAN countries rarely recognize granted patents from other ASEAN countries

Filing of Patent Applications

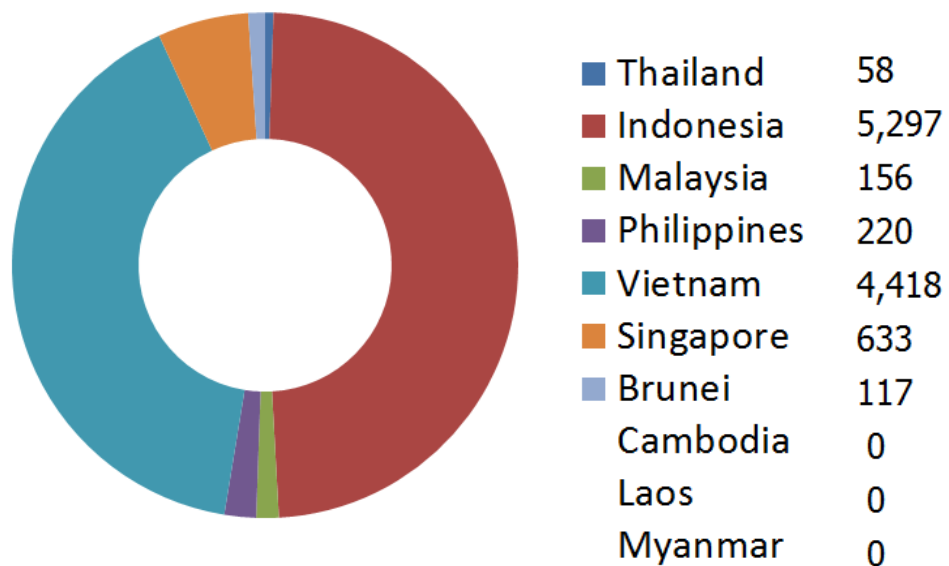
- Patent applications can be filed in most ASEAN countries in two ways:
 - 1. PCT application**
 - 2. National patent application**
- Most patent applications filed in ASEAN countries are in-bound patent applications originating from the U.S., Europe, Japan and China
- Only a small percentage of the total number of patent applications in each ASEAN country are inventions originating from other ASEAN countries

PCT Applications

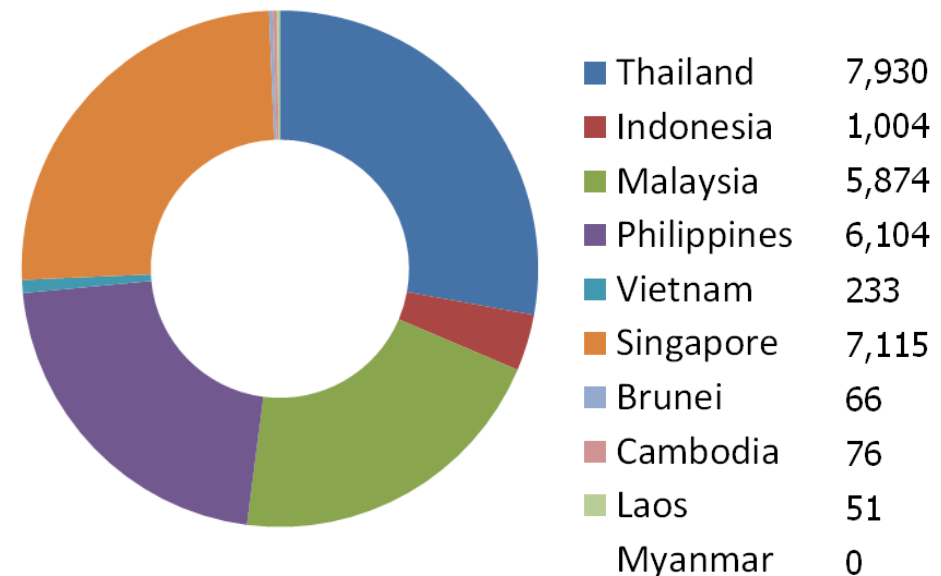
ASEAN Country	PCT Member?
Thailand	✓
Indonesia	✓
Malaysia	✓
Philippines	✓
Singapore	✓
Vietnam	✓
Brunei Darussalam	✓
Cambodia	✗
Laos	✓
Myanmar	✗

Applications Filed (2014)

PCT Applications Filed



National Applications Filed



National Patent Applications

	Invention	
	Patents	Utility Models (i.e. “petty patents” or “utility innovations”)
Thailand	✓	✓
Indonesia	✓	✓
Malaysia	✓	✓
Philippines	✓	✓
Singapore	✓	Under consideration
Vietnam	✓	✓
Brunei Darussalam	✓	✗
Cambodia	✓	✓
Laos	✓	✓
Myanmar	✗	✗

Note on Myanmar

Myanmar currently lacks a law governing patents

- Patent owners may receive some limited protection by filing a Declaration of Ownership of a registered patent and thereafter publish a cautionary notice in a local newspaper.
- Cease-and-Desist letter may be sent in case of infringement.
- Good news – Myanmar government has published a new draft patent law which is expected to be passed next year after the general election.
- The new law aims to fully modernize the patent system including having a registry, conducting substantive examination, allowing for oppositions and protect registered patents.



Patent Filings: Top 3 Fields of Technology

	①	②	③
Thailand	Transportation (7.5%)	Consumer goods (6.8%)	Mechanical engineering (5.3%)
Indonesia	Chemistry (50%)	Mechanical engineering (32%)	Electricity (18%)
Malaysia	Chemistry metallurgy (26%)	Human necessities (19%)	Transportation (16%)
Philippines	Medicines and solar powered devices	-	-
Singapore	Organic fine chemistry (10.8%)	Pharmaceutical (9.2%)	Biotechnology (8.1%)
Vietnam	Pharmaceutical	-	-
Brunei Darussalam	Semiconductors (37%)	Electrical machinery (34%)	Mechanical engineering (6.2%)
Cambodia	Machines	-	-
Laos	Machines and electrical devices	-	-
Myanmar	Not available	Not available	Not available

Filing of Patent Applications

Unique considerations in ASEAN countries

- **Thailand, Vietnam, Cambodia, Laos, Indonesia** – require translation of patent specification into local language.
- **Singapore** – requires applicant to obtain written authorization from the Registrar of Patents before filing or causing to be filed outside Singapore.
- **Vietnam, Indonesia, Philippines, Malaysia, Cambodia** – excess claim fees payable (varies depending on country)

Expediting Prosecution

- Not all ASEAN countries perform own substantive examination
- Most wait for grant of a recognized corresponding foreign patent, such as an U.S. patent, European patent, or Japanese patent

Perform own substantive examination	Wait for issuance of corresponding foreign patent
Malaysia, Singapore, Indonesia, Vietnam, Thailand, Philippines	Laos, Cambodia, Brunei

Note: Myanmar presently has a recordal process, but does not have a formal patent registration system.

Expediting Prosecution

Patent Prosecution Highway (PPH)

- Some ASEAN countries have a formal PPH process in place with other countries

		PPH Agreements with other Patent Offices
Thailand	→	Japan
Indonesia	→	Japan
Malaysia	→	Japan
Philippines	→	Japan, U.S., Korea
Singapore	→	Europe, China, IMPI, and Global PPH (GPPH)
Cambodia, Laos, Brunei, Vietnam	→	None

Note: There is no cost for using PPH in the above countries

Expediting Prosecution

ASEAN Patent Examination Co-operation (ASPEC)

- Established as a framework to encourage expediting of prosecution of patent applications filed in ASEAN countries
- Applicants may file an ASPEC request for its patent application
- Sharing of examination results of corresponding patent applications of ASEAN countries
- No obligation or requirement to follow examination results of other ASEAN countries
- Applicants in Thailand and Singapore have been most active in using ASPEC to date
- No cost for using ASPEC

Expediting Prosecution

ASEAN Patent Examination Co-operation (ASPEC)

- As of July 2015, a total of 65 ASPEC requests have been submitted



Indonesia
1



Vietnam
1



Philippines
3



Malaysia
4



Thailand
10



Singapore
46

Enforcing Patents

Legal System

Common Law	Civil Law
Malaysia, Singapore, Brunei, Myanmar	Indonesia, Philippines*, Thailand, Laos, Cambodia, Vietnam

- No jury system in ASEAN member countries
- Specialized IP courts or dedicated IP panel of judges – **Indonesia, Malaysia and Thailand**

*Primarily civil law, but judicial interpretation forms part of the law of the land

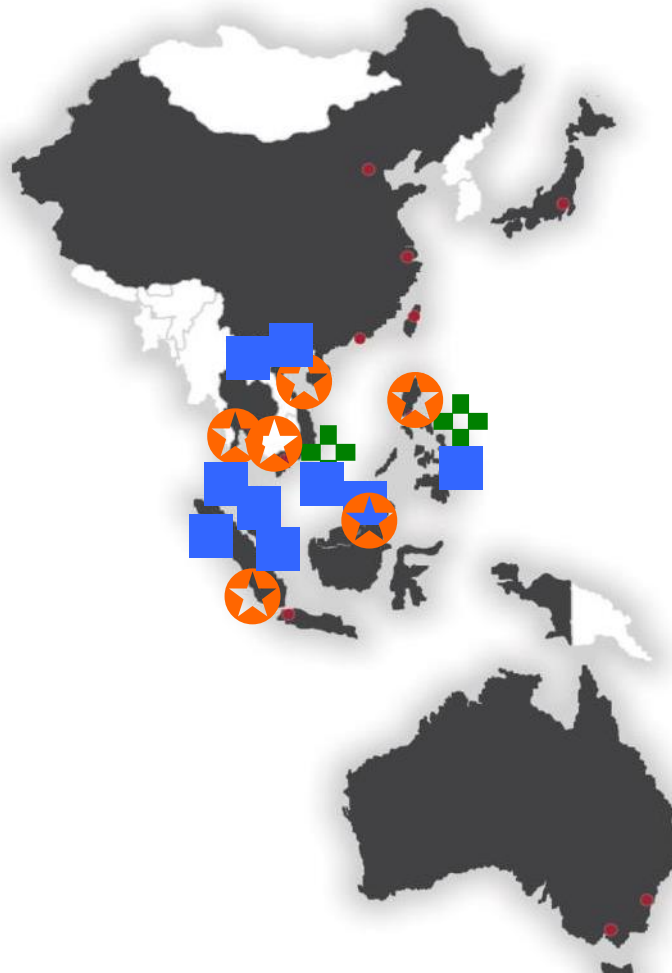
Enforcing Patents

Expertise of courts that hear patent cases

- In some ASEAN member countries – Judges generally do not have technological/scientific training or background.
- Courts rely on testimony or opinions of experts – how expert evidence is presented is very important.
- In some jurisdictions, IP and international trade cases are decided by associate judges, who possess competent knowledge and are experienced in IP and international trade matters.

Enforcing Patents

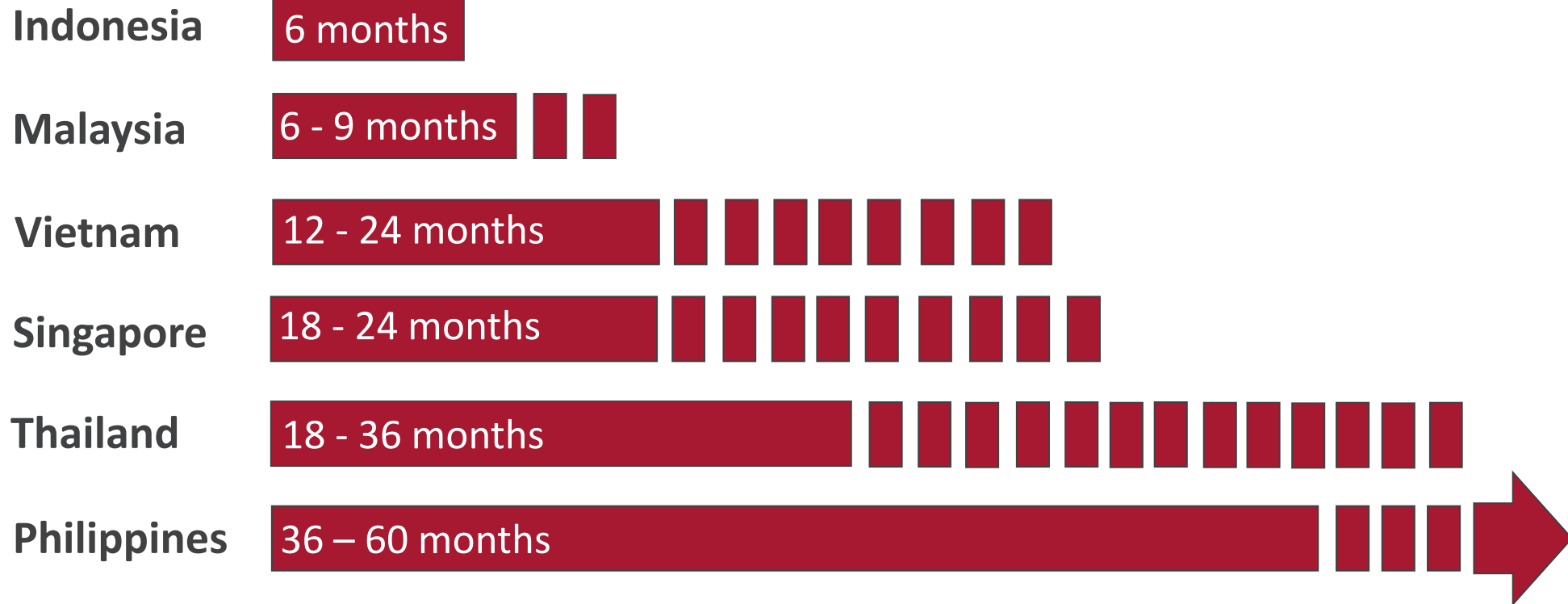
What are your options against patent infringement?



- **Civil action** – available in all ASEAN Member Countries (except Myanmar).
- ★ **Criminal action** – only in **Indonesia, Brunei, Cambodia, Laos and Thailand**. Available in the **Philippines** for repeat infringement.
- ✚ **Administrative proceeding** – available and may be advisable in the **Philippines and Vietnam**.

Enforcing Patents

Duration of Patent Infringement Action



Remedies Available

	Prelim. Injunction	Anton Piller Order (or similar)	Freezing Order	Damages	Other Comments
Indonesia	N/A - can not be obtained			✓	<ul style="list-style-type: none"> ▪ Preliminary Injunction: Implementing regulations were enacted but in practice, still not applicable. ▪ Damages – TRO: Difficult to calculate damages
Malaysia	✓	✓	✓	✓	<ul style="list-style-type: none"> ▪ Other interim orders available
Philippines	✓			✓	<ul style="list-style-type: none"> ▪ Search and seizure (raid); condemnation and destruction of infringing articles ▪ Other provisional remedies available, including preliminary attachment ▪ Administrative penalties such as fines, issuance of a cease and desist order, condemnation of infringing products; forfeiture of infringing paraphernalia; censure, etc.
Thailand	✓	✓	✓	✓	<ul style="list-style-type: none"> ▪ Forfeiture of goods ▪ In crim. cases: fine, imprisonment. ▪ Mareva injunction - difficult to obtain
Vietnam	✓			✓	<ul style="list-style-type: none"> ▪ Seizure ▪ Attachment ▪ sealing/prohibiting change of status or displacing restriction on ownership transfer

Remedies Available (ctd.)

	Prelim. Injunction	Anton Piller Order (or similar)	Freezing Order	Damages	Other Comments
Singapore	✓	✓		✓	<ul style="list-style-type: none"> A court may award damages (or an account of profits), statutory damages, an injunction and disposal of infringing goods.
Brunei	✓			✓	<ul style="list-style-type: none"> Customs seizures
Laos	✓			✓	<ul style="list-style-type: none"> A court order to the effect that the infringer ceases with the infringing acts. A suspension of customs clearance goods. A judgment of infringement. Damages – compensation for infringement and legal fees. The destruction/disposal of infringing goods. The disposal of tools, etc., used to create/commit the infringement.
Cambodia	✓			✓	<ul style="list-style-type: none"> A court may award monetary damages and/or specific relief.

2 Trademark Protection in ASEAN

ASEAN IPRs Action Plan

Intellectual Property Rights (IPRs) Action Plan

With regard to Trademarks – improvement in the efficiency of the administration, protection, and enforcement of trademarks.

- All ASEAN member states agree to accede to the Madrid Protocol
- Harmonization of trademark filing requirements
- *ASEAN Regional Filing Form for Trademarks* recently finalized*
- *ASEAN TMview* – a common online trademark platform aimed at making ASEAN trademark data more easily accessible*

* Not yet implemented



First to File vs. First to Use (ASEAN)

First to File	First to Use
Cambodia	Brunei Darussalam
Indonesia	Malaysia
Lao PDR	Myanmar
Philippines	
Singapore	
Thailand	
Vietnam	

Use Requirements

Country	Requirements
Brunei Darussalam	An application may be filed on the basis of actual use OR intent to use
Cambodia	An Affidavit of Use and proof of ownership are required to be submitted.
Indonesia	Statement of Ownership, stating that the mark applied for is the applicant's property and it's not an imitation of another person's mark, either in its entirety or in principle is required to be submitted.
Lao PDR	No intent to use or actual use is required.
Malaysia	Applications can be filed based on intent to use.
Myanmar	No intent to use or actual use is required.
Philippines	A declaration of Actual Use must be filed within 3 years from the filing date of the application.
Singapore	The Applicant is required to confirm that the trade mark is used by the applicant, with the goods or services stated, or that there is a bona fide intention to do so. The Registry, however, does not, at the time of filing, require any Statutory Declaration to such effect.
Thailand	Applications can be filed based on intent to use.
Vietnam	Intent to use or actual use is not required.

Online Applications

- Applications may be filed online in the following jurisdictions:



Cambodia



Malaysia

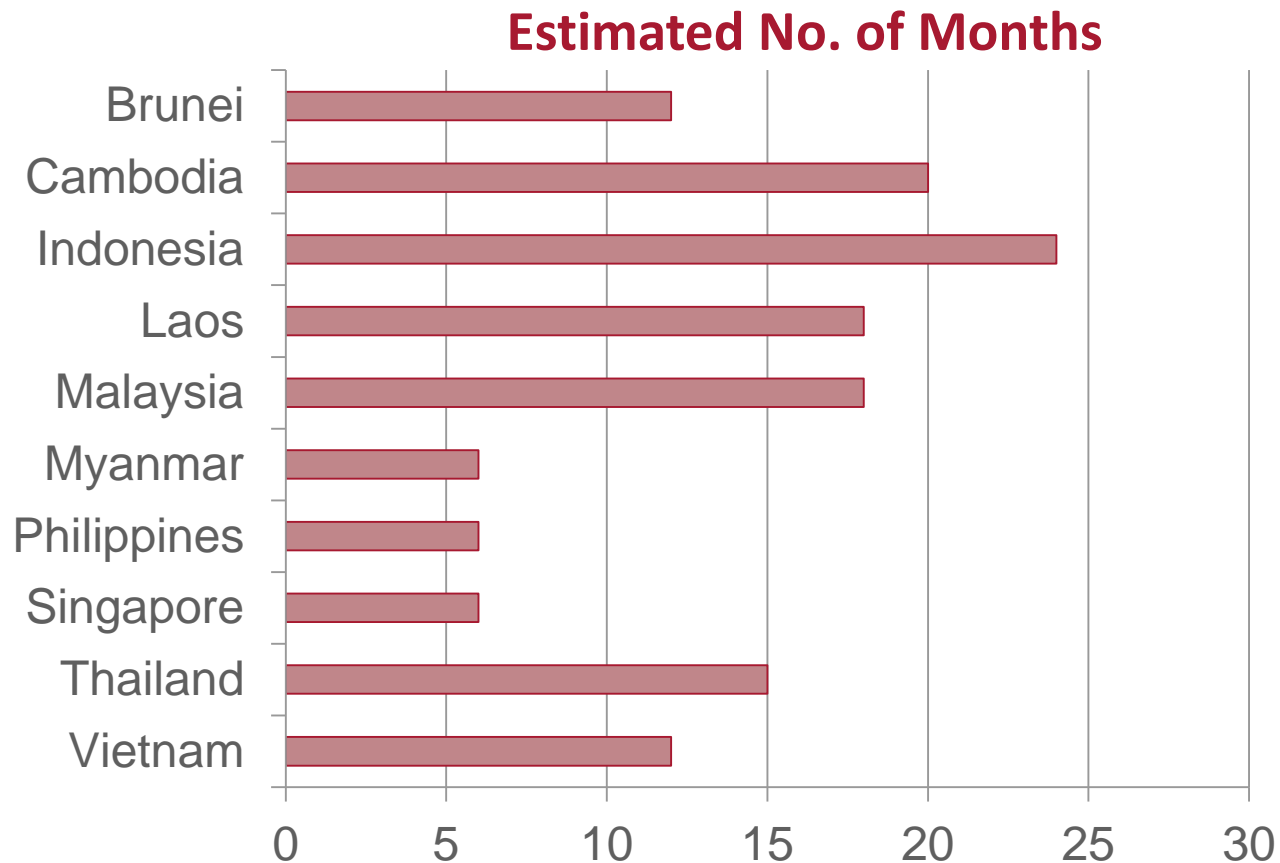


Philippines



Singapore

Registering a Mark: Timeframe



Registration Period

- Initial registration period is 10 years from filing date or registration date.
- Renewable every 10 years.



Update: Accession to the Madrid Protocol

Country	Yes	No	Comments
Brunei Darussalam		✗	
Cambodia		✗	
Indonesia		✗	Likely by the end of 2015.
Lao PDR		✗	
Malaysia		✗	Within the next 12 months
Myanmar		✗	
Philippines	✓		
Singapore	✓		
Thailand		✗	Thailand has committed itself to becoming a member of the Madrid System by end of 2015. However, given recent political events, this most likely will now be delayed.
Vietnam	✓		

Infringement: Remedies & Penalties



Brunei Darussalam

- **Criminal:** Fine of up to approx. USD 3,500
- **Civil:** Compensation for damages and account of profits and seizure of infringing goods.



Cambodia

- **Criminal:** Fine of up to approx. USD 5,000 or imprisonment from 1 to 5 years, or both.
- **Civil:** Provisional measures.

Infringement: Remedies & Penalties



Indonesia

- **Criminal:** Maximum of 5 years imprisonment and/or a fine of approx. USD 73,000 for forgery; USD 58,000 for imitation; and USD 15,000 for trade in such goods.
- **Civil:** Interim relief and injunctions.



Laos

- **Criminal:** Fine of up to 3 times the value of the property, plus consideration of profits. Fines may be doubled for second infringement, with imprisonment of 3 months to 2 years.
- **Civil:** Compensation for losses and expenses; injunctions, seizure and destruction or disposal of goods.

Infringement: Remedies & Penalties



Malaysia

- **Criminal:** Under the Trade Descriptions Act 2011, applying a false trade description (eg. counterfeiting), supplying, offering to supply, or having in possession counterfeit products is subject to a fine of up to approx. USD 1,200 for each item infringed; and imprisonment of up to 3 years.
Penalties increase for second offenses.
- **Civil:** Preliminary remedies (Anton Piller Order, freezing order), final injunction and damages.

Infringement: Remedies & Penalties



Philippines

- **Criminal:** Criminal: Penalty of 2 to 5 years imprisonment, and a fine ranging from approx. USD 1,100 to USD 4,200.
- **Civil:** Injunctive relief and monetary damages.
- **Administrative:** Fine from approx. USD 100 up to USD 3,200, with an additional fine of not more than approx. USD 20 for each day a violation continues to be committed.

Infringement: Remedies & Penalties



Singapore

- **Criminal:** Fine of up to approx. USD 7,000 for each infringing item, and/or a prison term of up to 5 years.
- **Civil:** Preliminary injunction; final injunction; and damages.
 - Maximum limits for statutory damages are approx. USD 71,000 up to USD 700,000 aggregate except where trademark owner is able to prove that actual loss exceeds this amount.

Infringement: Remedies & Penalties



Thailand

- **Criminal:** Criminal: Imprisonment not exceeding 1 year or fine not exceeding approx. USD 11,200, or both.
- **Civil:** Temporary injunctive orders; Permanent injunctions and damages



Vietnam

- **Criminal:** Fines ranging from approx. USD 2,200 to USD 45,000, and/or 3 years to life imprisonment, and even capital punishment.
- **Civil:** Injunctive relief and monetary damages.
- **Administrative:** Fines of up to approx. USD 11,200 for individual infringer, or up to approx. USD 22,500 for infringing entity.

Concluding Remarks

ASEAN – a huge and rapidly growing market

- By 31 December 2015, the 10 ASEAN Economic Community (AEC) members will form a single market and production base.
- Will become the world's ninth largest economy at US\$1.8 trillion.
- Enormous opportunities for all sectors of business.
- Home to 10% of the world's population, ASEAN is a growing hub of consumer demand.
- Patent and trademark protection becoming increasingly important.

ASEAN Trademark Package

One-Stop Service



Allows for the coordinated filing of trademark applications in each of the 10 ASEAN member states.



Cost-effective solution with all instructions and filings coordinated out of one office.



Reduces administration time through a single point of contact.

ASEAN Trademark Package One-Stop Service

With the ASEAN member states Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam heading towards the single ASEAN-wide market under the umbrella of the ASEAN Economic Community (AEC) by 2015, it is expected that a considerable increase in cross-border trade within the region will be seen.

Products and services which are currently only available in one or two member states will soon appear in the markets of the other members. This increase in trade will in turn usher in greater flows of intellectual property across the region, including trademarks, patents and copyrights.

For these reasons it is important that intellectual property rights holders protect their rights in all member states and that is where we can be of assistance. With Baker & McKenzie offices in seven of the ten ASEAN member states, and correspondent firms in the remaining three, we are ideally placed to assist in securing your intellectual property, particularly trademarks.

Protect your Trademarks

The ASEAN offices of Baker & McKenzie are working together to offer a comprehensive ASEAN trademark package allowing the coordinated filing of trademark applications in each of the ASEAN member states as a one-stop service. What is the service and how do you benefit?

- A cost-effective, one-stop service with all instructions and filings coordinated out of one office
- Coordinated by an office in the client's jurisdiction, resulting in speedier communications (For clients in countries where we do not have an office, you can select which of our ASEAN-based offices you wish to use as the coordinating office)
- Reduces administration time through a single point of contact
- Attorney oversight for all applications
- We will continue to prosecute the applications through to registration

Select the contact in your jurisdiction



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