

Trade Mark Protection in Cambodia

Background for the European SMEs

The Association of Southeast Asian Nations (ASEAN) as a group is EU's third largest trading partner after the United States and China. ASEAN countries are at different economic and political development stage, and among them, Cambodia has recently shown steady growth rates, while its economy grew at 7.1% in 2014 and 7% in 2015. The garment sector, together with construction and services, are the main drivers of its economy. Growth is expected to remain strong in 2016, as recovering internal demand and dynamic garment exports offset stagnation in agriculture and softer growth in tourism. Cambodia is an emerging market with a GDP of \$16.4 billion, which has the potential of becoming a trading and logistics hub for the Indonesia region. Its 15.3 million strong population is mainly occupied in the agricultural sector. However, garment industry, construction and tourism are among major industries in Cambodia, with the garment industry accounting for 90% of Cambodia's exports.

EU exports to Cambodia are dominated by machinery and appliances, agricultural products, chemical products and transport equipment while Cambodia's exports to the EU are dominated by garment industry, accounting for 72% of Cambodia's exports.

Legal IP Framework in Cambodia

Cambodia's IP legal framework is still in the early stages of development, and enforcement of IPR remains problematic. Nevertheless, there are procedures in place regarding registration and enforcement of IPR, which are relatively efficient and can be used by anyone who wishes to protect their rights in Cambodia.

Cambodia is also a member of the Paris Convention for the Protection of Industrial Property, which takes precedent over domestic Cambodian regulations in case of conflict between the two. In addition, Cambodia is a member of the WIPO Convention, the Agreement of Trade-Related Aspects of Intellectual Property Rights (TRIPS), and the Convention on Biological Diversity. In 2015, Cambodia also become a party to the Madrid Protocol, which makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated contracting parties.

Trade Marks in Cambodia

Cambodian law protects trade marks, service marks, collective marks and trade names. It defines trade marks as visible signs capable of distinguishing the goods or services of an enterprise. It means that sounds, tastes, smells or other non-visible elements could not be registered as trade marks under Cambodian law. Even though Cambodian law does not mention 3D trade marks, it is still possible to register three dimensional trade marks in Cambodia as long as they meet the requirement of distinctiveness.

Registration of Trade Marks

Even though, Cambodian trade mark law also protects unregistered trade marks, it is still recommended that the SMEs register their trade marks in Cambodia in order to benefit from the stronger protection. It is also advisable to register trade marks as the authorities can ask for the trade mark registration certificate before accepting infringement cases.

Cambodia uses the 'first-to-file' system, meaning that the first person to register the trade mark becomes its lawful owner regardless of the first use. Since 'bad faith' trade mark registrations, whereby an unscrupulous company registers the trade mark of an European SME with the aim of selling the trade mark back to the SME at an inflated price, are common in Cambodia, it is advisable to register the trade mark as early as possible.

Trade mark registration applications should be submitted to the Ministry of Commerce's Department of Intellectual Property (DIP) either in Khmer or in English. The application must include the following:

- A standard application form (provided by DIP)
- Fifteen trade mark specimens;
- A translation/transliteration of non-English marks;
- A list stating the goods or services the trade mark will be used for;
- If priority date is claimed, the application must include this application number, the priority date, and the country of registration. An original certified copy of the priority application and the English translation may also be needed;
- A notarised Power of Attorney if the application is filed by an agent. SMEs should bear in mind that foreign applicants must be represented by an agent in Cambodia.

Cambodia follows the Nice Agreement for classification of goods and services. It should be noted that an applicant may only apply for one mark in one class of goods/services per application. Thus, if the applicant wishes to register the trade mark in several classes, separate applications must be filed for each class.

Trade mark registration costs 410,000 Riels (approximately EUR 95) and the registration will be valid for 10 years. Trade marks can be renewed indefinitely for consecutive ten-year periods, subject to a renewal fee.

It usually takes about six months from the filing date to obtain a Certificate of Trade Mark Registration (provided that the application is correct) and when the Certificate has been issued, the trade mark owner is then obliged to use the trade mark in Cambodia. Six years from this issuance, and from each term of renewal, the trade mark owner must also submit an Affidavit of Use or Non-Use, and pay an official fee. If the affidavit is not submitted, the trade mark registration may be cancelled upon third party's request.

Opposition and Cancellation of Trade Marks

Once the mark is registered, the DIP will publish a reference in the Official Gazette of the Ministry of Commerce, which can be requested from the Ministry free of charge. Opponents have 90 days from the publication to file the notice of opposition, which is then forwarded to the trade mark applicant for counter statement. The DIP then takes the final decision, which cannot be appealed.

Trade marks can also be cancelled after the opposition period has elapsed. Any interested party may request the removal of a mark from the Register on the grounds that up to one month prior to the request, the mark had not been used by the owner, or a licensee, during a continuous five-year period.

Benefiting from the Madrid System

Cambodia joined the Madrid Protocol for the International Registration of Marks in 2015, providing brand owners in Cambodia with potentially faster and cheaper access to international trade mark protection. The Madrid System makes it possible for an applicant to apply for a trade mark in a large number of countries by filing a single international application at a national IP office of a country/region that is party to the system.

Enforcement

If trade marks are infringed in Cambodia, there are three main avenues of enforcement: administrative actions, civil litigation and criminal prosecution. In many cases, however, private mediation via legal professionals is more effective and should be considered as a viable option.

Administrative actions

Administrative proceedings can be initiated at the Department of Intellectual Property Rights (DIPR). In an administrative proceeding, the DIPR conducts one or more hearings and serves as a mediator between the parties. Without having binding power, the DIPR has an excellent track record in convincing infringers to sign undertakings to cease unlawful activities.

Civil litigation

Trade mark owners may sue for monetary damages in Cambodian civil court. It should be noted that only trade mark owners or licensees (under certain conditions) may seek civil remedies for trade mark infringement where such remedies include the power to grant injunctions, awards and monetary damages etc. The court also has the power to order preliminary injunctions or temporary restraining orders to prevent infringement or imminent infringement, or to preserve evidence.

Initiating civil procedure in Cambodian civil court can be time-consuming and expensive due to systematic problems in the Cambodian judiciary.

Criminal prosecution

Trade mark infringement is punishable with fines ranging from 1 million Riels and 20 million Riels (approximately EUR 190 to EUR 3,700) and/or imprisonment for one to five years. The maximum penalty for a repeat offender is the doubling of both the fine and term of imprisonment. Goods that are

imported, sold, offered for sale or held for the purpose of sale in violation of the law shall be confiscated or destroyed, whether or not anyone has been convicted of an offence. In cases where the infringer is a juristic person, the managing director, manager or legal representative may be criminally prosecuted, unless evidence is provided by the defendant that he or she had no knowledge of the infringement.

Using Customs to block counterfeits

As most infringing goods in Cambodia are imported, filing a request to suspend customs clearance and destroy counterfeit goods can be an effective means to enforce trade marks in Cambodia. The customs authority will suspend clearance of the goods for a defined period, which may not be extended for more than 10 working days. Moreover, if the applicant wishes to destroy the counterfeit goods, civil court proceedings must be initiated within ten (10) working days of suspension of the goods because the customs authorities may only destroy counterfeit goods with a court's approval. The customs authority will release the goods if the applicant does not initiate court proceedings.

In order to benefit from customs protection, the trade mark owner needs to file a request to the customs authorities to suspend customs clearance and destroy counterfeit goods. An application for suspension of customs clearance must contain:

- A statement showing prima facie evidence (evidence which supports the claim) of counterfeit;
- A description of the goods;
- Proof of trade mark registration; and
- The applicant's information.

The authorities may also require the applicant to pay a security deposit or provide other assurance for the suspension.

South-East Asia IPR SME Helpdesk team

Please include the attached by-line after the article:

*The **South-East Asia IPR SME Helpdesk** supports small and medium sized enterprises (SMEs) from European Union (EU) member states to protect and enforce their Intellectual Property Rights (IPR) in or relating to South-East Asian countries, through the provision of **free information and services**. The Helpdesk provides jargon-free, first-line, confidential advice on intellectual property and related issues, along with training events, materials and online resources. Individual SMEs and SME intermediaries can submit their IPR queries via email (question@southeastasia-iprhelpdesk.eu) and gain access to a panel of experts, in order to receive **free and confidential first-line advice** within **3 working days**.*

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