

Lost in Translation: A Balancing Act in Southeast Asia

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Brand owners with trademarks in English or another home country language who have strong business interests in Southeast Asia often wonder whether they should also protect their brands in local languages within targeted markets. One key factor in considering whether to file trademarks in multiple languages is typically cost. That said, sometimes it is better to be safe than sorry, because once your trademark is “localized” and hijacked by a local trader, the costs to recoup what you have “lost in translation” could be higher than had you protected the trademark in the local language in the first place.

Over 600 million people live in the 10 Southeast Asian countries forming ASEAN. Below are some statistics brand owners should be mindful of:

Country	Approximate Population (% of ASEAN)	Official Languages
Indonesia	246 million (40%)	Bahasa Indonesia
Philippines	96 million (16%)	Filipino (Tagalog)
Vietnam	88 million (15%)	Vietnamese
Thailand	66 million (11%)	Thai
Myanmar	52 million (9%)	Burmese
Malaysia	29 million (5%)	Malay, English
Cambodia	14 million (2%)	Khmer
Laos	6 million (1%)	Lao
Singapore	5 million (0.9%)	Chinese, Malay, Tamil, English
Brunei	400, 000 (0.07%)	Malay, English

The portion of the population which understands English varies widely from country to country. English is understood by nearly all people in Singapore and Brunei, by approximately two-thirds of Malaysians and Filipinos, by about one-third of the people of Thailand, by no more than one-tenth of Indonesians, and by at most a few percent of the people of Vietnam, Cambodia, Laos and Myanmar. If you do the math, no more than 20% of consumers across ASEAN understand English.

ASEAN is an emerging market and by 2030 is expected to become the fourth largest market in the world. Clearly, there is a large consumer base within ASEAN, a growing number of whom are well-educated and affluent. Still, a substantial portion of the population continue to live in rural areas where local languages rule. In view of this, one might say that it is not just prudent but crucial for brand owners to file trademarks in certain local languages.

When applying for a trademark that contains foreign words or words that are not in Roman characters, trademark offices in countries like Singapore, Malaysia, Thailand, Indonesia and Vietnam require a translation or transliteration of those words, together with the language to which each word belongs. Except for Indonesia, it is mandatory for a translation and/or transliteration statement to be endorsed into the application filed, essentially so that the examiner can determine whether there exists a prior

conflicting right and whether the intended mark is inherently distinctive, is descriptive, is deceptive or is generic.

With the foregoing in mind, let's consider two case studies surrounding a hypothetical mark "ROSE" in the same five countries.

Case Study 1:

Instructions are received to file a word mark "ROSE" in Class 25 for the goods "Clothing, headwear, footwear". Assuming (i) the Applicant did not conduct a search prior to filing; (ii) the Applicant does not intend to file the mark in local language; and (iii) there exists a similar prior mark registered in local language, how will this mark be treated at the examination stage?

Generally, an examiner from each trademark office will conduct a search in the relevant class and related classes to look for any prior conflicting mark, including trademarks filed or registered in local language.

- *Singapore* – If the Examiner finds a prior registered mark in Chinese in Class 25 for "denim jeans", say "玫瑰 (transliteration: Méiguī)", which means "ROSE", the basis of raising a citation would lie on whether the overall effect of the similarities in the marks and the specification of goods will mislead consumers into believing the proprietor of "ROSE" is economically related to the proprietor of "玫瑰". In this instance, we consider "玫瑰" to be visually and phonetically different from "ROSE", but because the two marks have the same meaning and the goods are similar, the examiner may cite "玫瑰" against "ROSE". Still, all is not lost if the owner of "ROSE" can argue that, despite the conceptual similarity and relatedness of the goods, there is no real danger of confusion amongst consumers.
- *Malaysia* – If the Examiner find a prior registered mark in Bahasa Malaysia, say "Mawar", which means "rose", in Class 25 for "denim jeans" or "Cap Ros", which means "Rose brand", in Class 25 for "shoes", as with Singapore, in raising a citation, the examiner will assess whether the overall effect of the similarities in the marks and the specifications of goods will confuse the average consumer into thinking that the proprietors of "ROSE" and "Mawar" or "Cap Ros" are the same. In this instance, we believe the prior mark "Mawar" is visually and phonetically different from "ROSE", but because it has the same meaning and the goods are similar, the examiner may cite it. The probability of citing "Cap Ros" is even higher because of the close similarity in the marks and the goods. That said, we feel that the chances of overcoming "Mawar" as a citation are higher than "Cap Ros".
- *Thailand* – If the Examiner discovers that there exists a prior mark in Class 25 registered in Thai language which is a transliteration of "ROSE", i.e. it has the same phonetics, then that prior mark would certainly be cited against the mark "ROSE". If, on the other hand, the Examiner finds a prior mark in Class 25 registered in Thai which is merely a translation of "ROSE", i.e. has the same meaning, then that prior mark would not likely be cited against the mark "ROSE". This is because, in Thailand, the visual and phonetic similarity of marks matter more than the conceptual

similarity. Where marks are found to be very similar, it is generally difficult to overcome citation objections through written arguments alone.

- *Vietnam* – If the Examiner finds that there is a prior mark registered in Class 25 in Vietnamese, which has a similar meaning and/or phonetics to the mark “ROSE”, then the Examiner is likely refuse registration of “ROSE” in Class 25. In Vietnam, conceptual similarity is as important as visual and phonetic similarity of the marks.

Given these examination practices, to avoid potential pitfalls, brand owners are recommended to perform a more holistic search prior to filing by broadening the scope of a search to include trademarks in official local languages and in related classes.

Case Study 2:

Company A, an internationally renowned brand, has been selling *clothing, headgear and footwear* under the mark “ROSE” for some years, but never got around to registering its trademark. Over time, “ROSE” becomes well-known internationally and domestically. Discovering this, Company B, a local trader, decides to start selling similar goods under a “localized” brand name that has a similar meaning or phonetics to “ROSE”.

Would Company A have a basis to stop Company B from continuing to sell its goods under its “localized” brand and if so, what would Company A’s chances of success be, assuming (i) Company A does not intend to file its mark “ROSE” in English or in the local language; (ii) consumers are aware of both brands – in English and in the local language; (iii) Company B does not have any intention to register its “localized” brand but plans to continue to sell its goods to local consumers and directly compete with Company A.

- *Singapore, Malaysia and Thailand* – Without a trademark registration, Company A can rely on passing off if it can prove that there has been damage to its reputation and goodwill through the alleged misrepresentation by Company B. It is generally very difficult to prove the three limbs of passing off. In this instance, since the two marks are in different languages, it might be difficult to establish that there has been damage to the goodwill of Company A because of Company B’s actions, unless the two brands are phonetically so similar that this has influenced Company A’s existing and potential customers to shift their attention to Company B’s goods instead.

In Singapore and Malaysia, if Company A believes that its brand “ROSE” has become well known, it may invoke the well-known mark provisions in their respective Trade Marks Acts. However, proving that a mark is well known to a relevant sector of the public is an uphill task with a high burden of proof. Likewise, in Thailand, it is extremely difficult to establish that a trademark is well known to the Thai public without widespread use in Thailand. To prove fame of the mark, a substantial amount of evidence would be required. It would thus appear that Company A’s chances to stop Company B from continuing to sell its goods under its own “localized” brand in Singapore, Malaysia and Thailand would not be very high.

- *Indonesia* – Indonesia follows a first-to-file system rather than first-to-use. So, the Company that first files its brand in Indonesia would be able to stop the other. In this instance, assuming



Company A files for the mark “ROSE” in English before Company B does, and the meaning of “ROSE” is included in the application form, Company A stands a good chance of registering the mark “ROSE”. Once the mark “ROSE” registers, Company A could then file an infringement suit against Company B to stop it from selling its goods to local consumers using the name “ROSE” in Bahasa Indonesia, relying on the grounds of similarity in meaning, bad faith and well-known mark, assuming “ROSE” is proven to be a well-known mark.

- *Vietnam* – While in principle it is possible for Company A to stop Company B by relying on the well-known nature of the mark “ROSE”, in practice, without a trademark registration, the *enforcement* authority is often reluctant to take any action. Thus, the chances of success in stopping Company B from continuing to sell its goods under its own “localized” brand in Vietnam are low.

With the above in mind, practically speaking, should a brand owner consider searching or filing its trademark in the local language, with either the same meaning or same phonetics? Emphatically, yes. In Thailand, for example, filing a trademark with same phonetics in Thai is recommended. There can be several ways Thai consumers pronounce the same word. Therefore, filing a mark in Thai language helps prevent differing pronunciations by different consumers. Moreover, if a mark is registered in English only and is used by any third party in Thai language, this would not constitute trademark infringement as the appearance of the marks differ. The brand owner may take action on grounds of trademark imitation but likelihood of confusion and intent to mislead the public would have to be proved. Therefore, registering a mark in Thai language would certainly make it easier to enforce a brand owner’s rights in the event a local infringer uses a similar mark in Thai.

Food for Thought

With some dozen official languages across Southeast Asia, it is vital for brand owners to protect their trademarks not just in English or Roman characters, but also in selected local languages. Doing so can play a key role in preventing local traders who aim to usurp the goodwill and reputation of a recognized international brand from registering or making infringing use of similar “localized” trademarks.

That said, the right course of action is a balancing act, weighing the overall costs of searching and filing multiple trademarks against the risks of not searching or not registering a mark in local language. A brand owner envisaging entry into the Southeast Asian market and seeking to tap into the broadest possible consumer base in its countries of interest may be wise to strike the balance in favor of a front-end investment in search and filing costs as insurance against far costlier remedial legal actions later. A brand owner who can stretch its budget to accommodate the costs of searching and registering trademarks in relevant local languages, including enlisting the help and guidance of marketing and PR experts, native speakers and local translators, stands the best chance of avoiding its brand getting “lost in translation” at the hands of opportunistic local traders.

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Resume:

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