

Trademark Disputes with Trade Names: How to Resolve in Cambodia?

Trademark owners have reason to be concerned as they discover an increasing number of their trademarks being infringed upon in increasingly sophisticated ways in Cambodia. Many **Chinese** businesses, despite having registered trademarks, are facing the situation where their trademarks are being used as trade names by companies in Cambodia. When similar names appear in the market, registered trademarks gradually lose their distinctiveness, leading trademark owners to lose market share and potentially collapse after investing significant financial, human, creative, and time resources in marketing efforts.

KENFOX IP & Law Office will delve into the issue of trade name infringement on trademarks in Cambodia, providing in-depth analysis of Cambodian law and strategic approaches to protect trademark owners who discover their trademarks being infringed upon by trade names in Cambodia.

Resolving Trade Name Infringement on Trademarks: Which Mechanisms?

Cambodian law provides several mechanisms for trademark owners to protect their rights when facing [trademark infringement](#) through trade names. Specifically, trademark owners may consider the following options, depending on the severity of the case and the desired outcome.

[i] Trademark Infringement Action at Department of Intellectual Property of Cambodia

This is the primary and potentially most direct solution to protect the rights of trademark owners.

1.1. Authority: The Department of Intellectual Property (DIP) under the Ministry of Commerce of Cambodia.

1.2. Basis: Prior registered trademarks in Cambodia.

1.3. Legal grounds: The Law concerning Marks, Trade Names and Acts of Unfair Competition of the Kingdom of Cambodia. In detail:

Article 2(c): Defines "trade name" as the name or designation that identifies and distinguishes an enterprise.

Article 20: Stipulates that a trade name cannot be used if it's contrary to public order or morality or if it's likely to deceive the public about the nature of the enterprise.

Article 21: Unlawful use: The subsequent use of a trade name by a third party, whether as a trade name or a mark, or any similar name or mark likely to mislead the public, is considered unlawful. This provision offers a direct basis for action against the use of a trade name that is confusingly similar to a prior trademark.

Article 63: This article could be invoked to individuals or companies accountable for attempting to register or maintain a trade name that infringes on a prior trademark. It penalizes false statements made during the registration or other administrative processes related to marks, trade names, and licenses.

Article 64: This article specifically addresses the counterfeiting of registered trademarks, service marks, collective marks, or "trade names". If the trade name is essentially a direct copy of the registered trademark, and it's being used in a way that's likely to deceive the public, Article 64 could potentially be invoked. However, this would depend on the specific facts of the case and how "counterfeiting" is interpreted by the Cambodian courts. Counterfeiting generally implies an exact or near-exact copy with the intent to deceive.

Article 11(b): This article grants the registered trademark owner the right to take legal action against anyone who infringes their mark. This includes using a [similar sign](#) in relation to similar goods or services, leading to potential confusion among the public. If the use of the trade name creates confusion with the registered trademark and affects its distinctiveness or reputation, the trademark owner could potentially initiate court proceedings based on Article 11(b).

1.4. Procedure:

- File a complaint with the DIP.
- The DIP will investigate and may hold hearings.
- If infringement is found, the DIP can order the Cambodian company to cease using the mark.

1.5. Advantages and Disadvantage of Resolving disputes between Trademark and Trade Name at DIP

Resolving disputes at DIP offers several significant advantages for the involved parties. First and foremost, this process is generally less expensive than litigation, leading to considerable cost savings for the parties. Second, the dispute resolution procedures at DIP are relatively simple and expeditious, enabling the parties to resolve disputes efficiently and in a timely manner. Finally, as the specialized agency for intellectual property matters, the DIP has a team of experts well-versed in the law and experienced in handling [trademark and trade name disputes](#), ensuring objectivity and fairness throughout the resolution process. However, this approach also has certain limitations. DIP's authority is restricted; it can only order the infringing party to cease using the trademark and cannot impose more severe penalties such as damages. Moreover, the DIP's decisions are not absolutely binding, as the infringing party has the right to appeal to the court, potentially prolonging the dispute and increasing costs.

2. Filing a lawsuit at a Cambodian Court

2.1. Authority: A Cambodian Court

2.2. Basis: Prior registered trademarks in Cambodia.

The Cambodian company's use of the registered mark in their company name could be considered an act of unfair competition, especially if it causes confusion among consumers.

2.3. Legal grounds:

The above provisions (Article 2(c), 20, 21, 63, 64, 11(b)), and:

Article 65: This article focuses on the act of "imitating" a registered trademark, service mark, collective mark, or "trade name" with the intent to mislead the public. While the primary focus is on imitation, it could potentially be applicable to trade name infringement cases if the trade name closely imitates a prior trademark and causes confusion among consumers.

Article 23: This article defines acts of unfair competition. It could be relevant to a trade name infringing a prior trademark if the use of the trade name falls under any of the following: **(i) Article 23(a)**: Creates confusion with the establishment, goods, or activities of a competitor. If the trade name's use leads consumers to believe there's a connection with the trademark owner's business, this could constitute [unfair competition](#); **(ii) Article 23(b)**: Makes false allegations that discredit the competitor. This is less likely to be directly applicable in a trade name infringement case unless the use of the trade name involves making false claims about the trademark owner; and **(iii) Article 23(c)**: Uses indications or allegations that mislead the public about the nature, origin, or characteristics of goods or services. If the trade name's use misleads consumers about the source or quality of goods or services, this could also be considered unfair competition.

2.4. Procedure:

- File a lawsuit with a relevant competent Cambodian Court.
- The court will hear evidence and arguments from both sides.
- If the court finds unfair competition, it can order the Cambodian company to cease using the mark, pay damages, and potentially publish a corrective notice.

2.5. Advantages and Disadvantage of Resolving disputes between Trademark and Trade Name at a Cambodian Court

Initiating a lawsuit in Cambodian courts is a powerful measure to protect intellectual property rights, especially in cases of serious infringement or when parties fail to reach an agreement through negotiation. A notable advantage of this approach is that the court can impose stringent penalties, such as requiring compensation for damages, destruction of counterfeit goods, or even forcing the infringing party to issue a public apology, thereby deterring infringement and comprehensively safeguarding the rights of trademark owners. Furthermore, court rulings carry a high degree of legal binding force, ensuring effective [enforcement](#). However, this solution also comes with certain limitations. The costs of hiring lawyers and pursuing litigation can be substantial, placing financial strain on trademark owners. Additionally, court proceedings are often lengthy and complex, demanding patience and a significant investment of time. Finally, there's no absolute guarantee of

winning the case, so trademark owners need to carefully consider all factors before deciding to take legal action.

3. Alternative actions: Negotiation and Settlement:

3.1. Authority: None (direct communication between the parties).

3.2. Basis: It may be possible to reach an amicable resolution with the Cambodian company through negotiation.

3.3. Procedure:

- Send a cease-and-desist letter to the Cambodian company.
- Engage in discussions to explore possible solutions, such as a licensing agreement or a change of the company name.

2.5. Advantages and Disadvantage of Resolving disputes between Trademark and Trade Name via a Negotiation

Negotiation offers a practical solution for resolving trade name infringement disputes, providing several tangible benefits. Firstly, it is a quick and cost-effective approach, helping parties avoid the legal expenses and lengthy timelines associated with litigation. Secondly, negotiation allows for flexibility in finding solutions that align with the interests of each party, fostering cooperation and mutual benefit. Lastly, negotiation can help preserve the business relationship between the parties, preventing protracted conflicts that could negatively impact both sides' operations. However, negotiation also has its limitations. There is no guarantee that the parties will reach a final agreement, and if unsuccessful, they may still need to resort to other legal measures. Additionally, any agreement reached is only binding on the participating parties and does not extend to third parties who may be involved in the matter.

Trademark Registration Strategies for Handling Trade Name Conflicts in Cambodia

When registering a trademark, especially in a jurisdiction like Cambodia where trade name and trademark disputes are prevalent, it's crucial to consider potential conflicts with future trade names. This can significantly impact the ability to [protect your brand](#) and effectively handle cases of trade name infringement on trademarks. Trademark owners should consider adopting the following strategy to establish legal tools for addressing trade name infringement:

[i] Broaden the scope of trademark registration: Trademark owners should ensure that their trademarks are registered in all relevant classes of goods and services related to their business activities, even if they are not currently operating in some of those classes. This will help prevent others from registering similar trademarks in those classes and using them for unfair competition.

[ii] Registering under Class 35: This class encompasses services such as advertising, business management, marketing, and other related services. Although company registration and trademark registration are separate processes, proactive brand owners can register their trade name as a trademark under Class 35. This provides an additional layer of protection against potential infringers who might use your trade name as part of their branding efforts.

Final thoughts

[Brand protection](#) is a constant battle, especially in the context of increasingly deep international economic integration. In Cambodia, addressing disputes related to trade names infringing on trademarks requires a profound understanding of intellectual property law and effective enforcement strategies.

There is no one-size-fits-all solution. The choice of the optimal dispute resolution mechanism depends on various factors, including the severity of the case, financial capabilities, the relationship between the parties, and the ultimate goals of the trademark owner.

Regardless of the path you choose, always remember that brand protection is not merely about safeguarding a name or a symbol; it's about protecting the reputation, value, and future of your business.

KENFOX IP & Law Office is committed to partnering with you on your brand protection journey. With our team of experienced professionals and in-depth legal knowledge, we will provide expert advice and comprehensive legal support, assisting you in resolving disputes effectively and achieving the best possible outcomes.

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