

# Enforcing protection

*Trademark owners have options, including full criminal action*

In our last article, we discussed some of the issues related to registration of trademarks in Thailand. This article will discuss enforcement issues regarding trademarks.

To enforce one's rights in Thailand, there are essentially two alternatives to take legal action against an infringer — a criminal action and/or a civil action.

The most cost-effective remedy available to the owner of a trademark that is registered in Thailand is Section 44 of the Trademark Act, which provides that when a trademark is registered, the person registered as the proprietor of that trademark shall have the exclusive right to its use for the goods in respect of which registration has been granted.

Penalties for forgery of a registered trademark in Thailand can include fines of up to 400,000 baht and prison sentences of up to four years (usually reduced or suspended for first-time offenders). A trademark owner may bring criminal charges against an infringer by either submitting a complaint directly to the court or, more commonly, lodging a complaint with police authorities. Penalties for imitation of a mark registered in Thailand are similar but less severe. The key point to remember is that the mark must be registered in Thailand in order to have the full range of protection provided in the Trademark Act.

Significantly, unlike the Copyright Act which (for the time being) provides for allocation of fines imposed against copyright infringers, all fines imposed under a criminal trademark action revert to the government. A crime involving trademark infringement is considered a crime against the state by the Thai government, while copyright infringement is considered to be a crime of a more personal nature against an "aggrieved party".

Moreover, a trademark owner may not "settle" with the offender after a complaint is filed and a raid undertaken. The action must be pursued by the responsible Public Prosecutor to judgment. Accordingly, in a clear-cut case of infringement involving an established Thai business with assets and responsible managing directors (as opposed to a blatant counterfeiting operation), one might consider first reaching out to the

## Corporate Counsellor

TILLEKE & GIBBINS

infringer with a "cease and desist" or "request for co-operation" letter in order to achieve any objective short of full criminal prosecution.

In addition to Section 44 of the Trademark Act, civil action for "passing off" may be taken pursuant to Section 420 of the CCC which states that a person who, willfully or negligently, unlawfully injures the life, body, health, liberty, property or any right of another person, is said to commit a wrongful act and is bound to make compensation therefor".

Therefore, under Thai commercial law, a trademark owner is entitled to take civil action against an infringer for use of its mark without authorisation. In a civil suit, an owner could request a permanent injunction against the offender and/or recover any actual proven damages. However, in practice, most trademark owners prefer to proceed under criminal law because of the uncertainty of outcome, costs, delays and difficulty in collection of judgment assets associated with civil litigation against infringers in Thailand.

In most of the criminal cases filed with the International Property and International Trade (IP&IT) Court, accused offenders plead guilty in the hope of avoiding prison sentences and securing lower fines. Recidivism is punished more harshly and second- or third-time offenders may actually spend a substantial amount of time in jail.

Worth noting is that there is no dedicated statute specifically promulgating unfair competition laws other than general proscriptions in the Thai Penal Code "Offences Relating to Trade". As a general matter, trade dress protection doctrines are also not recognised under Thai law.

**IP infringement suppression efforts.** Traditionally, trademark owners have directed their efforts to investigations to identify manufacturers or exporters/importers of counterfeit products or com-

ponents, as well as street hawkers and retail sale operators and their suppliers. Police raids were arranged, with the offending goods being seized for later disposal.

These efforts by many IP owners over the last decade have had some measurable impact on the production, trade and export of a wide variety of pirate and counterfeit products. However, there is a great deal of room for improvement.

Given the perceived dissatisfaction with the results obtained via traditional enforcement mechanisms based strictly on IP law, new strategies based on existing Thai tax and commercial laws should also be considered when formulating a game plan to target infringers. To accomplish measurable results, trademark owners, their licensees, agents, distributors, dealers, lawyers and investigators should operate in close and long-term co-ordination with one another to protect the rights and value conferred by trademark protection.

If an IP owner becomes aware of a shipment of phony goods, he/she should inform the Customs Department to seize the counterfeit products. Customs officials have the authority to board vessels, open containers and seize offending goods. The trademark owner or representative must be present and should be prepared to be responsible for all expenses incurred should the goods found actually turn out as genuine. Customs officials will on request dispose of or destroy the seized goods.

The legitimate concerns of IPR holders are well known to the Thai government. Accordingly, there have been clear advances in Thailand toward compliance with TRIPs. However, much work remains to ensure adequate and reliable protection for the valuable IPR of companies with business objectives in Thailand. Moreover, in order to maintain the momentum, there must be appropriate respect for Thai cultural values and sensibilities as calls for progress and reform are brought to the Thai government for consideration.

◆ *Written by Vipa Chuenjaiapanich of Tilleke & Gibbins International, [www.tillekeandgibbins.com](http://www.tillekeandgibbins.com)*