

Thailand

Contributing firm
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IP infringement has been a problem in Thailand for a number of years. Despite collaboration between the government and the private sector, counterfeiters have demonstrated an ability to adapt and evolve, thus allowing them to withstand these efforts at suppression. Since 2006 each year over 2,000 cases – mainly relating to trademark infringement – have been brought to justice, but still large numbers of counterfeit goods continue to reach the market and are exported to other countries. Infringement activities are frequently related to other crimes, such as illegal immigration, child labour and money laundering. This results in a complex web of interrelated legal, economic and social problems.

Legal framework

In Thailand, both registered and

unregistered trademarks are afforded protection under the law. Generally speaking, both civil and criminal remedies are available for trademark owners whose marks are being infringed. Registered trademarks are mainly protected under the Trademark Act BE 2534 (AD 1991) as amended by the Trademark Act (2) BE 2543 (AD 2000). In addition to legal protection for trademarks registered in Thailand, the Trademark Act also provides protection for well-known marks. Under Thai law, registered trademarks receive considerably broader and stronger protection than unregistered marks, which are protected through various provisions of the Thai Penal Code, and the Civil and Commercial Code. The owner of an unregistered mark cannot commence a legal proceeding under the Trademark Act to prevent the use of, or to recover damages for, infringement of unregistered marks. Only passing off actions under the Civil and Commercial Code, or actions under applicable provisions of the Penal Code are allowed.

Border measures

In addition to pursuing a criminal or civil action against infringers, trademark owners may seek the assistance of Thailand's Customs to stop counterfeit goods at the borders. The owner of a registered trademark has three options in detaining suspect shipments of counterfeit goods.

The first route is through a general recordal or notification to the Department of Intellectual Property (DIP). This is the most formal of the procedures available and it results in long-term cooperation between the DIP, Customs and the brand owner or its legal representative. The trademark owner must file an application directly with the DIP. The application will be submitted to the competent authorities at the DIP, notifying the trademark registrar of the trademark owner's request to prohibit the importation/exportation of the products bearing the counterfeit mark. Then the trademark registrar will officially forward the request and all supporting documents to Customs for its records. Any trademark owner that is not domiciled in Thailand, but

that wishes to apply for protection must have a local representative where it can be contacted by the trademark registrar.

The second route is more of a case-by-case procedure and pre-supposes that the trademark owner has complied with the general recordal or notification to the DIP as described above. This option is available in cases where:

- the trademark owner has specifically identified a counterfeit shipment that it knows is due to arrive in Thailand or be shipped from Thailand; and
- it has grounds to show that the goods are counterfeit.

In this case, the trademark owner may petition Customs to inspect the shipment prior to the release or delivery of the goods. The trademark owner will be required to provide customs officials with specific and detailed information regarding the shipment – for example:

- the name or identity of the vessel suspected of carrying the counterfeit goods;
- the time of arrival in Thailand;
- the place where the goods are to be kept; and
- the name of the importer.

If the customs official finds the petition credible, then an inspection or examination of the suspect counterfeit goods will be conducted in the presence of the applicant.

Since it is often difficult for a trademark owner to provide specific details about the suspected shipment, or the name of the importer or exporter of the counterfeit goods, a short-form recordal procedure before Customs has been developed. This is known as the ‘Customs Watch List’. This form of recordal was created based on cooperation between customs authorities, brand owners and local trademark representatives in an effort to clamp down on piracy and counterfeiting. This short-form recordal represents a convenient alternative to filing the more formal application with the DIP. An expedited application is directly submitted to Customs, including a letter requesting specific cooperation in monitoring and seizure of shipments of specific goods or goods bearing a specific trademark. The letter of request will then be copied to each customs port of entry and exit around Thailand. This short-form recordal typically takes about three to four weeks, while the formal recordal/notification to the DIP takes approximately two to three months.

According to the letter of Customs’

regulations, customs officials have only 24 hours from the date of detention to obtain confirmation that the goods are counterfeit. If the goods are not inspected before the expiry of the 24-hour deadline, the suspected counterfeit items are subject to release to the importer – which is an undesirable result for the trademark owner. However, in practice, Customs may extend the time for the trademark owner or its representative to identify whether the goods are counterfeit, if this is considered reasonable. The application to participate in the Customs Watch List does not require periodic renewals. If a new trademark has been launched, the applicant may simply submit an updated list of existing trademarks at any time.

If the seized goods are confirmed to be counterfeit, the customs official will file a claim against the importer based on importing restricted and prohibited goods, in violation of the Customs Act and the Trademark Act. The Customs Committee has the authority to fine the importer. If the importer does not comply with the Customs Committee’s order, the case will be referred to the Intellectual Property and International Trade (IP & IT) Court. The court has the authority to fine an importer up to four times the value of the seized goods. The fine will then be paid to the state. The importer or exporter will have a criminal record and can face maximum sentences if it reoffends. The seized goods will be kept in custody, to be destroyed later.

Criminal prosecution

Key points

Registered trademarks: Section 44 of the Trademark Act provides that the owner of a registered mark has the exclusive right to its use for the goods in respect of which registration has been granted. Thus, any unauthorized use of a registered trademark in connection with the goods or services for which it has been registered constitutes a trademark infringement actionable by the owner of the mark. Sections 108 to 111 of the Trademark Act criminalize forgery and imitation of registered trademarks, as well as various acts of commercial dealing in forged or imitated marks. In the event that the infringement is committed by a company, which results from an order or action, or lack of an order or action of the directors or management, the directors or managers will also be subject to criminal liability.

Unregistered trademarks: If the mark is not registered in Thailand, or is registered but not in connection with relevant classes

of goods or services that can provide a basis for an action under the Trademark Act, the mark owner may pursue a criminal action under the Penal Code. The code provides several bases for criminal passing off type actions. Section 271 broadly prohibits “fraudulent or deceitful means” in selling goods so as to deceive a buyer as to the source of origin, nature, quality, or quantity of such goods. Section 272 further proscribes the use of a name, figure, artificial mark, or any wording used in connection with the trade or business of another person in order to make the public believe that the goods/services belong to such other person. Furthermore, under Sections 273 to 275, forgery, passing off and various commercial dealings in forged or imitated marks which have been registered anywhere in the world are considered criminal offences.

Preliminary measures

Preliminary measures in criminal actions are limited to raids and seizures of infringing goods. To do this, a formal complaint must be filed with the police. When the police determine that there is sufficient evidence of infringement, they will coordinate their efforts with the IP owner and its legal representative to request a search warrant from the IP & IT Court to search the raid target’s premises and seize the counterfeit goods.

Remedies

Remedies available under criminal prosecution are in the form of fines and imprisonment.

Penalties for infringement of a trademark registered in Thailand can include fines up to Bt400,000 and up to four years’ imprisonment (usually reduced or suspended for first-time offenders).

Penalties for offences under Sections 271 to 275 of the Penal Code include fines up to Bt6,000 and up to three years’ imprisonment.

The infringing products seized will be destroyed after the final judgment.

Civil enforcement

Key points

Registered trademarks: In addition to criminal prosecution under the Trademark Act, the owner of a registered mark may also pursue a civil action against an infringer based on Section 420 of the Civil and Commercial Code. Section 420 is a basic torts provision, which reads “[a] person who, wilfully 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". This section is generally used as a basis for a civil action, which involves infringements of IP rights.

Unregistered trademarks: In the absence of registered rights, a civil passing off or unfair competition claim may be formulated under Sections 420 and 421 of the Civil and Commercial Code. An action for passing off does not strictly depend on use of the trademark, but rather the overall presentation of the products and the intent to represent the products as those of another. However, it should be noted that unregistered rights such as those giving rise to passing off actions receive very thin protection and are based on very onerous evidential requisites. The chance of success in bringing a civil suit is generally low.

In addition, Section 47 of the Consumer Protection Act makes it illegal intentionally to cause the public to be misled about the origin, condition, quality, quantity or other material parts of the goods or services of others or of one's own. However, the Consumer Protection Act does not provide consumers or competing business operators with the right to bring an action directly in court. Rather, a complaint must be brought before the Consumer Protection Board.

Preliminary measures

Available interim reliefs include an *ex parte* order for search and seizure of evidence of infringement, known as an *Anton Piller* order, and a preventive injunction.

An *Anton Piller* order to seize evidence of infringement may be applied for by an IP owner facing the immediate risk that the evidence will be destroyed, damaged or concealed, or will otherwise disappear. The order preserves the evidence for when a civil action is initiated by the IP owner. To support a motion for an *Anton Piller* order, the IP owner must be able to show that the circumstances are urgent (ie, if the other party or the third party involved is notified beforehand, the evidence of infringement will be damaged, lost or destroyed, or will otherwise become difficult to be adduced at a later stage). The court may also require proof of the IP right at stake and proof of infringement sufficient to establish the IP owner's *prima facie* case against the alleged infringer.

While applying for the *Anton Piller* order, the IP owner may simultaneously seek a preventive injunction to stop further infringement. A preventive injunction is available under each of the IP statutes in Thailand, including the Trademark Act. A

preventive injunction under IP legislation can be requested prior to the filing of a statement of claim or the prosecution. An application for a preventive injunction is made on an *ex parte* basis. In sum, the IP owner must provide the court:

- with proof of ownership in the intellectual property and infringement thereof; and
- with reasons sufficient for the court to conclude that the preventive injunction is appropriate.

The court's decision will also depend on the extent of damage that might be incurred by both parties and the difficulty of enforcing the judgment against the alleged infringer.

Unfortunately, in Thailand interim relief is difficult to obtain. *Anton Piller* orders and preventive injunctions are rarely granted. The IP owner tends to face stringent evidential hurdles which would practically prevent it from obtaining immediate relief.

Remedies

In civil proceedings, remedies include permanent injunctions and awards of damages. The ability to obtain such relief will depend on the remedies claimed by the plaintiff in its pleadings and as introduced during trial.

The trademark owner may seek a permanent injunction under Section 116 of the Trademark Act. Damages are generally awarded on an actual basis (ie, the trademark owner would have to prove the actual amount of damages suffered as a direct result of the infringement). It is not possible to recoup lost profits.

Anti-counterfeiting online

Unauthorized internet commerce

Thailand does not have a statute which specifically regulates online activities. IP statutes and principles have generally been applied to prevent infringing activities conducted via the Internet. Unauthorized use of registered marks and various acts of passing off which occur online would be subject to criminal and/or civil liabilities under the current law. However, the virtual nature of the Internet makes it difficult to control online counterfeiting effectively.

Internet security and online investigation strategies

Internet security and online investigation strategies have recently attracted increasing interest among IP owners. As a result, a number of private firms offer services according to the needs of the IP owners,

including various online infringement monitoring programmes.

Preventive measures/strategies

Use of local counsel and investigators

There are several international and local law firms specializing in IP practice in Thailand. There are a few renowned law firms with long-standing experience and well-established credentials, as well as some new entrants to the market. Some law firms provide only a trademark execution service, while others offer a one-stop service, including trademark consultation, litigation and investigation. The number of IP investigation firms is quite small, but there has been continual growth in recent years.

Controlling contractual relationships with third parties

A trademark owner must select business partners and set up a trading relationship carefully. To ensure that the contractual rights of both parties are recognized and enforceable under the law, Section 68 of the Trademark Act requires that a trademark licence agreement must be made in writing and registered with the DIP. In addition, both parties may have to consider the details of the terms and conditions of the agreement as regulated by other related laws, such as:

- the Unfair Contract Term Act;
- the Trade Competition Act;
- the Consumer Protection Act; and
- the Customs Act.

Effective use of technology

The agencies involved in anti-counterfeiting efforts have been adopting more advanced technologies to enhance the abilities of officials to prevent IP infringement in Thailand. The latest technologies have also been implemented, with devices applied to genuine products in all sectors, from fashion and consumer products to the pharmaceutical and automotive industries, in order to indicate authentic articles.

Cooperation with national anti-counterfeiting agencies

The relevant anti-counterfeiting agencies are as follows:

- the DIP (www.ipthailand.org);
- the Central IP & IT Court (www.cipitc.or.th);
- the Royal Thai Police Bureau (www.royalthaipolice.go.th);
- the Customs Department (www.customs.go.th); and
- the Department of Special Investigation (www.dsi.go.th). 



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