

PROTECTING

YOUR INTELLECTUAL PROPERTY IN THAILAND



BASIC STEPS TO PROTECT YOUR INTELLECTUAL PROPERTY IN THAILAND

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ABOUT THIS GUIDE

This guide is intended for business owners, executives, and intellectual property (IP) enthusiasts. The guide provides information about intellectual property (IP) in Thailand and offers strategies for protecting and maximizing IP assets. Also included in this guide are recommended business practices and procedures to help protect such IP assets from counterfeiting and piracy.

This guide is divided into three sections.

The first section provides a general overview of practical business tips for identifying IP assets and building contractual protection of these assets.

The second section explains and addresses protection of the following IP assets: trademarks, patents, copyrights, trade secrets, domain names, and geographical indications. Information about pertinent laws, regulations, and suggested practices are also included in this section.

The third section presents IP enforcement issues and information about available remedies in Thailand in cases of IP infringement. It includes information about enforcement agencies and strategies to effectively combat IP violations.

ABOUT THE EUROPEAN ASEAN BUSINESS CENTRE IN THAILAND (EABC)

The European ASEAN Business Centre in Thailand (EABC) is a newly established platform representing the interests of the European business community in Thailand. Our main objective is to contribute to the improvement of the trade and investment climate for European companies in Thailand and to increase trade, investment and the establishment of European companies and businesses in Thailand. Through its constructive engagement with the Thai authorities and counterparts, EABC strives to work towards achieving a greatly strengthened Thai economy with sustainable competitiveness. EABC supports trade advocacy by playing an important role as an independent voice of European business vis-à-vis Thai authorities. It also acts as a focal point for market information for European companies both in Thailand and Europe, facilitating their market access.

WHO WE ARE

EABC was established as a consortium with sixteen business organisations and chambers of commerce, both in Thailand and Europe¹, with a combined membership base of EABC and our Consortium partners of approximately 2,000 companies in Thailand. EABC is part of a strategy of the European Union to support the internationalisation of European SMEs and other European enterprises by enhancing market access; in particular to emerging and fast growing markets such as Thailand and the other members of ASEAN. With strong support from the European Union, as well as our partners, and extensive networks both in Thailand and Europe, EABC serves as the platform for business to interact with authorities and counterparts in Thailand in order to improve European trade and investment into Thailand, and to promote Thailand and ASEAN as potential markets for European companies.

EABC provides a unified voice for European businesses in Thailand. Eight Advocacy Working Groups are actively functioning to facilitate constructive dialogue among interested European businesses. These economy-wide as well as sectoral Advocacy Working Groups are: Automotive, Food & Beverages, Healthcare & Pharmaceutical, Cross Sectoral Issues, Information & Communication Technology (ICT), Intellectual Property Rights (IPR), Insurance and Transport & Logistics. These Working Groups are chaired by representatives of prominent European enterprises from their respective sectors, such as BMW, DHL, Diageo Moët Hennessy, GlaxoSmithKline and Standard Chartered Bank. For further information about us, please visit www.eabc-thailand.eu

¹ EABC partners and associates: German-Thai Chamber of Commerce; Advantage Austria; British Chamber of Commerce Thailand; Belgian-Luxemburg-Thai Chamber of Commerce; Danish-Thai Chamber of Commerce; DIGITALEUROPE; EURATEX; EUROCHAMBRES; Franco-Thai Chamber of Commerce; Irish-Thai Chamber of Commerce; Netherlands-Thai Chamber of Commerce; Swiss-Thai Chamber of Commerce; Thai-Finnish Chamber of Commerce; Thai-Italian Chamber of Commerce; Thai-Norwegian Chamber of Commerce; and Thai-Swedish Chamber of Commerce

OUR MISSION

In the spirit of partnership and cooperation, EABC aims to enhance economic conditions to facilitate European companies operating in Thailand and those who wish to establish their presence in both Thailand and, further afield, in ASEAN. Our main activities include carrying out policy and advocacy work, providing support to European businesses with trade-related information and organising key events to foster opportunities for European businesses in Thailand.

EABC is committed to working closely with European businesses, the Royal Thai Government, EU Member States Embassies, EU institutions and chambers of commerce as well as counterparts in Thailand, in ASEAN, and in Europe. We strive towards the establishment of an enabling, results-oriented dialogue to foster closer economic relations between Thailand and Europe, especially on key trade and investment matters.

ABOUT THE AUTHOR



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THE PURPOSE OF INTELLECTUAL PROPERTY

Intellectual property rights do more than serve their owners' interests. Intellectual property systems, laws, and regulations are designed to benefit society while protecting both creators and users. Intellectual property laws must strike the right balance between owners' rights and the public interest, spur innovation, enrich public knowledge, promote technical advances, and maintain fair competition.

WHAT DOES IP HAVE TO DO WITH BUSINESS?

In today's knowledge-driven world, proper use and protection of intellectual property (IP) assets is the key to success for businesses, both large and small.

Business owners rely on ideas, know-how, and innovations to create and improve products and services that distinguish them from their competitors. Key business ideas are often represented in tangible products or less tangible, though no less valuable, services. The ideas, creations, and innovations that represent many of the unique products and services are themselves key business assets.

The law recognizes certain types of IP assets and affords their owners intellectual property rights (IPRs) such as for example trademarks, patents, designs, copyrights, trade secrets, domain names, and geographical indications. This guide details what types of IPRs can be protected in Thailand and how business owners can effectively protect their IP assets.

HOW IPRs HELP PROTECT AND GROW BUSINESSES?

In addition to providing basic protection to businesses, IPRs can also help to grow businesses. IPRs cannot only help businesses to prevent imitators from copying their innovations or brand name but can also help them to gain revenue through licensing, franchising, and other IP transactions.

Analyses of commercial and technological information available from patent, trademark, and design databases provide businesses with competitive intelligence. Doing so can save significant research, development, and marketing time and resources. IPRs can also serve as financing collateral or infringement defence.

HOW CAN I PROTECT MY IP RIGHTS?

There are generally three complementary means of protecting IPRs.

- By keeping valuable IP assets, such as trade secrets or know-how, strictly confidential;
- By registering industrial property rights such as trademarks, patents and designs;
- Through the use of IP-related agreements (such as non-disclosure agreements, technology transfer agreements, franchising and licensing agreements etc.) and IP provisions in commercial agreements.

Generally, businesses do not opt for only one type of protection. Each type of protection serves a particular function and a combination of different types of protection can provide unique sets of protections. Businesses with more than one type of protection tend to have more overall protection of their IP rights. For instance, the Coca-Cola Company has chosen to keep strictly confidential (as a trade secret) the recipe of its famous drink. It also maintains a very high level of protection of its trademarks and product designs (such as the shape of new bottles) by means of registration and enforcement of its IPRs. It commercially exploits these IP assets through license agreements (for example with local manufacturers, distributors, and others).

GENERAL OVERVIEW OF THAI IP LAW

Generally, Thai laws comply with international intellectual property standards as established by TRIPS, the World Trade Organization's Trade Related Aspects of Intellectual Property Agreement². Additionally, Thailand is also a party to other key IP conventions³ aimed at creating an equal, standardised IP protection system throughout the world.

The local desire to protect IPRs and promote Thailand to businesses with IP interests has led, over time, to the passage of Thai IP laws that cover the following IP areas:

- Trademarks⁴
- Patents⁵
- Copyright⁶;
- Trade Secrets⁷
- Geographical Indications⁸
- Plant Variety Protection⁹
- Layout-Designs of Integrated Circuits¹⁰
- Optical Disk Production¹¹

Thai IP laws are regularly amended, completed by Ministerial Regulations and Memorandum of Understandings for example between IPR holders and governmental agencies.

The Department of Intellectual Property (DIP)¹² under the Ministry of Commerce (MOC) is the key actor for the promotion and protection of intellectual property in Thailand. The DIP serves as a central registration office and hosts the Trademark Office, the Copyright Office and the Patent Office. In addition, a specialised court, the Central Intellectual Property and International Trade Court (CIPITC) was established in 1997 for the adjudication of both civil and criminal IP cases in Thailand. The Court handles over 6,000¹³ intellectual property cases per year and is extensively used by IPR holders for trademark and copyright infringement matters.

2 TRIPS Agreement is Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization (WTO), signed in Marrakesh, Morocco on 15 April 1994

3 International agreements to which Thailand is a member include: the Berne Convention for the Protection of Literary and Artistic works (since 1931); the Trade Related Aspects of Intellectual Property (TRIPS) (since 1995); the Convention Establishing the World Intellectual Property Organization (since 1989); the Paris Convention for the Protection of Industrial Property (since 2008); and the Patent Cooperation Treaty (since 2009).

4 Trademark Act (1991) as amended by Act no. 2 (2000);

5 Patent Act (1979) as last amended by Act no. 3 (1999)

6 Copyright Act (1994);

7 Trade Secrets Act (2002);

8 Protection of Geographical Indications Act (2003)

9 Plant Variety Protection Act (1999);

10 Protection of Layout-Designs of Integrated Circuits Act (2000);

11 Optical Disk Production Act (2005).

12 <http://www.ipthailand.go.th>

13 The figure represents total cases combining both civil and criminal cases relevant to intellectual property right, as collected in 2010.

A. PRACTICAL BUSINESS: FIRST STEPS TO IP PROTECTION

1. IDENTIFY YOUR IP ASSETS

Businesses - in particular small and medium size businesses - are often surprised when they find out how much IP they own or use without realising it.

IP includes more than just technology-related inventions, such as new products or processes, technical know-how or expertise. It also includes trademarks, designs, works of authorship and artistic expression that can differentiate a business from its competitors and that symbolize its reputation and goodwill. Many businesses realize too late the importance that IP could have played in their development and often; their lack of anticipation of their protection needs is more to blame than the loopholes in a local IP protection system. This is particularly noticeable for local businesses in developing countries where awareness about IP protection remains low.

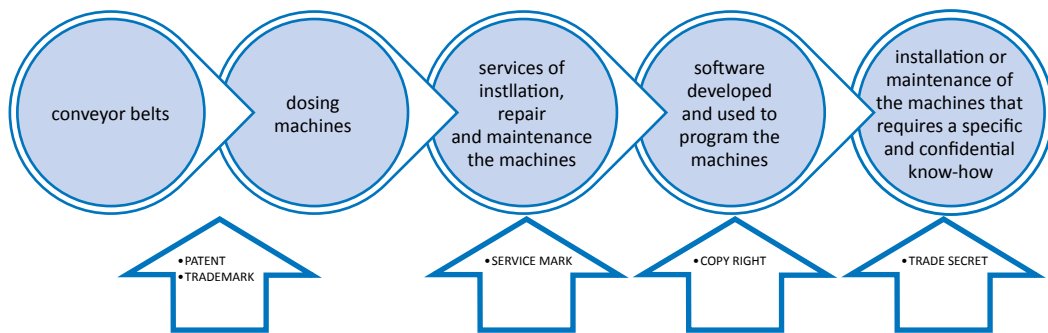
Identifying IP assets is the first step to IP protection and can be more difficult than it seems in particular due to the intangible nature of intellectual property.

There are four principal types of intellectual property:

- 1) Patents, which protect new and non-obvious inventions, principally new products or new processes
- 2) Trademarks, which are used to identify and distinguish the product or services of one company from those of its competitors
- 3) Copyrights, which cover creative works of expression, such as literary, software, photography, music, artwork and architectural works
- 4) Trade secrets, which are never registered, as registration would reveal the secret, thereby destroying it.

It is very frequent for a single company to be confronted with these four types of intellectual property. If we take for example a company providing automation of production processes in the areas of foodstuffs and pharmaceuticals, which produces and installs machines and systems for storing, discharging, conveying, dosing and weighing bulk goods. Typically such a company would need to assess whether its products or processes can be protected under patent applications, whether it should or should not protect its trademark(s) for the products, service mark(s), copyright and its trade secrets.

The graph below illustrates the production cycle of a company providing automation of production processes in the areas of foodstuffs and pharmaceuticals and the relation each process has with IP:



2. LIST YOUR OBJECTIVES(S) AND PRIORITISE

Once IP assets have been identified, the next step is to prioritise the importance of each asset. Assets that generate or are likely to generate the most revenue or draw the most exposure should be given the highest priority. On the other hand, lesser-known or less profitable assets can be afforded lower priority.

In the example above of a company providing automation of production processes in the areas of foodstuffs and pharmaceuticals it is likely that patents will play a high importance in particular if technical solutions provided by the company are new and inventive.

It is important as well to evaluate the expected life-span of IP assets when determining what priority to assign to them. Assets that are expected to have a long life (such as industrial machines or equipment in the example above) shall be given priority. In contrast, the print materials for a one-time promotion are likely not worthy of protection since the legal process to obtain protection may take longer than the offering itself.

A business's objectives should also be taken into consideration when considering an IP protection or IP strategy. There are three main situations:

- A defensive strategy, where the purpose of the IP owner is primarily to obtain exclusive rights and enforce these rights in case of infringement;
- An offensive strategy, where the purpose of the IP owner is primarily to gain a significant competitive advantage over identified competitors. For example, the IP owner will attempt to build an IP protection that will restrict the freedom to operate of its competitors; and
- Commercialisation of IP assets, where the purpose of the IP owner is primarily to sell, license or franchise its IP assets. More information on how to commercialise IP asset could be found in the EABC Guidebook entitled *"Basic Steps to Commercialise your Intellectual Property in Thailand"*, 2013.

Evidently, a mix of the abovementioned strategies, tailored to the protection needs and business goals of each individual business is the most frequent situation. A sound IP strategy shall support the business goals and objectives of the company and provide a return on investment and/or a strategic advantage.

3. CHECK THE ENVIRONMENT

The economic benefit of IP cannot be obtained unless a business has ownership over the IP available to it. Therefore, the third step is to assess what the rights of your business are in relation to each item of intellectual property identified.

Practical questions to be answered at this stage are the following:

- Whether you own the IP and if you do not own it whether you are free to use it. This usually requires prior art searches or freedom to operate studies (for technical inventions), trademark availability searches (to check whether a name is available), legal audits or due diligence in order to ensure that the IP created by your company is duly assigned to your company;
- Whether adequate steps have been taken to protect your IP and confidential information in relation to your employees, contractors, clients and competitors; and
- Whether there are any restrictions affecting your ability to use the IP. This typically occurs when there are legal constraints for protecting, using or enforcing your IP or in cases of joint ownership.

Specialised IP attorneys are often good partners at this stage to avoid wasting resources and to design an IP strategy that would match business objectives.

4. BUILD CONTRACTUAL PROTECTION

For the majority of businesses, the protection of IP rights begins in the private domain, within the business itself. Business owners can protect IP assets, mitigate potential losses, and avoid legal problems by adequately and properly protecting IP rights through a wide range of agreements and contractual provisions.

Prior or in parallel to any IP registration strategy, it is recommended to ensure that IP assets are well secured within the business itself. Employment agreements, confidentiality or non-disclosure agreements, and technology transfer agreements are particularly relevant to any type of business.

4.1. Employment Agreements

All businesses have employees and all employment agreements should include appropriate IP protection clauses. Including IP protection clauses at this stage costs nothing and ensures that creations made by employees are duly assigned to the employer and/or that even if employees learn of information they shouldn't, they are contractually bound to maintain confidentiality and to protect the business's IP interests.

IP protection clauses in employment agreements can be drafted to protect practically all types of IP rights. The right IP protection clause can help protect IP rights in various kinds of industries ranging from high tech companies developing at great cost new products or processes, to service companies simply wanting to protect their service brand and goodwill.

For IP-intensive fields such as the pharmaceutical industry, IT or biotechnology, the need for IP protection clauses in employment agreements is even more pronounced. For example, a pharmaceutical company developing new drugs and employing researchers would need strong IP provisions clauses with these researchers to ensure that confidential research information, information related to new products (such as new drugs or active pharmaceutical ingredients) or processes (such as manufacturing processes) is kept confidential and assigned to the employer. IP protection clauses for IP-intensive employment agreements may further include grant-back provisions to ensure that if an employee resigns from the firm and files shortly after a patent application on a new drug developed during the time of his or her employment, such inventions belong to the previous employer.

Non-compete provisions can also complete employment agreements, to the extent permitted by law. These non-compete provisions however should be carefully drafted in order to be enforceable in Thailand. In particular the non-compete provisions after an employee resigns from a company should be reasonable so as to allow the employee to find new employment.

4.2. Confidentiality/Non-Disclosure Agreements

Confidentiality agreements are legally binding agreements between a discloser, and a (or several) recipient(s) of confidential information. Confidentiality agreements deal with the terms upon which “confidential” information is disclosed namely, the use for a permitted purpose and the duration of obligations of confidentiality.

Confidentiality agreements may be known by other names, such as non-disclosure agreements, confidentiality deeds, mutual disclosure agreements, secrecy agreement etc. and are particularly useful when exploring new business opportunities, prospecting, and developing relationships with new partners.

Confidential information is information that is not in the public domain.

It usually includes but is not restricted to:

- intellectual property assets (copyright, software, trademarks, product designs, inventions, trade secrets, patents) not in the public domain;
- information that relates to technology (for example regarding the composition of a product, a new invention or a process) and know-how;
- business, marketing and financial information and strategies (including for example customer data, reports, analysis, compilations, estimates, projections, forecasts, interpretations, records, charts, diagrams, studies, results, specifications, assets, operations, financial condition, marketing, planning and pricing policy, sponsors, employees, contracts, strategic relationships, and other proprietary information).

Companies are usually well aware of the value of their confidential information and restrict access to such information through various physical protection means (restricted areas, guards, digital protection, encryption of data etc.). However they sometimes underestimate the risks of disclosing information to third parties in particular prospective business partners. Foreign companies investing in Thailand or looking for business partners in Thailand are especially exposed to such risk.

There are several reasons why confidential information needs to be protected:

- it has a special and unique value;
- it is critical to preserve the patentability of new intellectual property. For example, confidential information may relate to patentable subject matter and may be intended to be the subject of a patent application. As a patent can only be granted over patentable subject matter that is novel, this means that it must not be in the public domain. If confidential information was disclosed without a confidentiality agreement, the disclosure would put it into the public domain, and as a result, adversely affect its novelty, and put at risk the success of the patent application. However if confidential information was disclosed with a confidentiality agreement, its owner may under certain conditions, apply for a patent and of course seek compensation for breach of confidentiality.
- some confidential information may be intended not to be included in a patent application but kept as a trade secret, for example.

Businesses will usually enter into confidentiality agreements with:

- their employees, to ensure that confidential information exchanged within the company remains strictly confidential and that employees cannot take such confidential information into the public domain. Confidentiality provisions may be included in employment agreements or specific confidentiality agreements can be used. It is important to note that employees can be individually responsible and accountable for breaching confidentiality, whether intentionally if they disclose such confidential information to a competitor, or accidentally if they disclose information that is proprietary to their employer and considered confidential by mistake or negligence;
- their contractors, business partners -whether prospective or not -, in particular when an outside party is required to prototype, manufacture, install or even sell products or services incorporating confidential information. In such cases, a confidentiality agreement will state that the recipient can only use the confidential information for a specific purpose and for a limited duration.
- their clients, in particular when clients are bound by specific licenses or terms of use for a process, product or service.

Confidentiality agreements or confidential provisions in any kind of agreement should be precise enough to be enforceable. Often the definition of what constitutes confidential information is not precise enough to determine what is confidential and what is not, which potentially is a cause for the agreement to be considered void. Whenever there is a precise type of confidential information to be protected (for example the source code of a computer program, the composition of a pharmaceutical compound or a confidential list of clients), it is recommended that the agreement specifically mentions that such type of information is “confidential”.

It is also recommended to stamp as “confidential” (in English and Thai language) any information made available to avoid such information being treated as non-confidential. It is also advisable to provide a translation in Thai of the agreement when dealing with companies in Thailand, as it is important that both parties clearly understand the scope of the agreement.

4.3. Technology Transfer/ IP Agreements

Technology transfer agreements/IP Agreements in this guide include a wide range of agreements including material transfer agreements, IP license or assignment agreements, IP strategic or joint-venture agreements such as co-development agreements or co-marketing agreements.

The main purposes of technology transfer/IP agreements is to clearly establish who should own the intellectual property and, where applicable, put a price on intangible assets (purchase price in case of assignment, license fees or royalties for license or franchise agreement) or evaluate the contribution of each party in terms of IP (for strategic alliances, joint ventures, co-research and co-development agreements).

These agreements of course presuppose that IP assets have been clearly identified and evaluated. Noting the importance of the valuation and commercialisation of IP assets, we kindly refer the reader to the EABC guide on *Basic Steps to Commercialise your Intellectual Property in Thailand*, 2013 for a complementary overview of valuation techniques and IP commercialisation tools and agreements.

Below is a short overview of the role and main purpose of technology transfer/IP agreements provided to remind the reader that IP protection and IP strategy is not just a matter of registering and enforcing IP rights but also and very importantly getting the right agreement(s) in place.

There are many types of agreements that deal specifically with IP assets:

TYPE OF AGREEMENT	MAIN PURPOSE	PRACTICAL TIPS
IP Assignment Agreement	To transfer IP ownership from one person to another (whether these assets include registered intellectual property rights or unregistered IP assets such as trade secrets or patentable subject matters)	As this is a permanent divestment of ownership, both parties shall agree on a selling/purchase price. In case of registered rights, an assignment agreement (or Deed of Assignment) shall be filed at the Department of Intellectual Property to record assignment of IP ownership.
IP License Agreement	To allow one or several person(s) to use, exploit the intellectual property (trademarks, copyright, patents, design etc.) of the licensor.	As this is a temporary right granted to use IP assets/rights of a licensor, a license agreement shall very precisely indicate the scope of the license (use, territory, terms, license fees, duration, ownership of new intellectual property, warranty, termination clauses, confidentiality etc.). It is recommended to record such agreement at the Department of Intellectual Property and if necessary inform Customs about the identity of authorised licensees.

TYPE OF AGREEMENT	MAIN PURPOSE	PRACTICAL TIPS
IP Franchise Agreement	To allow one or several person(s) to use the intellectual property of the franchisor.	A franchise agreement will usually detail with more specifications the terms under which the contracting party may use the intellectual property, know-how etc. of the franchisor. Recommendations are similar to those of an IP license agreement.
Material/Technology Transfer	To allow one or several recipients to use for a permitted purpose a material or specific technology.	Such agreements will deal with permitted use of material/technology and of course ownership. Clauses regarding ownership of new intellectual property resulting from the creation of intellectual property by the recipient using the material/technology shall be carefully examined.
Strategic alliances	A strategic alliance is a relationship where two (or more) parties contribute their different but complementary resources and capabilities to achieve a common objective. This includes joint research and development, joint manufacturing, joint venture, joint promotion and marketing agreements etc.	A strategic alliance is an active and sophisticated relationship, which may involve licenses, cross-licenses, co-ownership, specific rights (manufacturing rights, marketing rights) and where payments or contributions of the parties are clearly identified and usually occur as per milestone developments. Clauses regarding ownership of new intellectual property resulting from the alliance are usually required. It is essential for owners of such agreements to consult with specialised IP attorneys. Indeed, Thailand's legal framework does not allow all types of contractual provisions in particular if these provisions restrict fair competition or fair business practices.

4.4. Business Agreements

In addition to IP specific agreements such as license, franchise and technology agreements, IP provisions are strongly recommended in almost any types of commercial or business agreements.

Whether you intend to enter into a manufacturing, distribution or sale agreements it is recommended to make sure that these agreements contain IP clauses which establish IP ownership, terms of use of intellectual property, confidentiality regarding IP assets, possibility to subcontract/license IP assets, indemnity for IP violations and if applicable liability for use of licensed technology etc.

Difficulties often arise when for example two companies have done business together without any formal agreement or without any IP provisions in their commercial agreement.

The following situations are practical examples of frequent cases occurring in Thailand where IP ownership is sometimes difficult to establish.

- manufacturing/ distributing products through a local company without any agreement; A mistake of foreign companies doing business in Thailand is to forget to register their brands or to let their local manufacturer/distributor register these brands (or create new brands suitable for the local market such as a brand in Thai language) without any agreement indicating which party will own the trademark rights. There is a risk that after many years of a local manufacturer/distributor using and promoting such brands (and sometimes even registering such brands under its own name), it claims ownership of such brands in Thailand. Because there is no agreement this sometimes creates diverging interpretations about who should own the right. The same type of situation occurs when trade secrets have been communicated without proper confidentiality agreements. It becomes extremely hard to claim ownership of these trade secrets and prevent the other party from continuing to use them.
- hiring services of a company to develop a product or service which contains IP rights; In another well-known situation, company A will ask company B to develop new software. Company B will provide a version of the software to company A but then decide to either use the software for its own purposes or to sell/license it to other companies (including possibly competitors of company A). Unless clearly established between the parties it may be possible for company B to claim some copyright on the product (in this case the software).

PRACTICAL TIPS

- Start by identifying your IP assets;
- Prioritise your protection needs;
- Establish a clear IP protection strategy and budget to match your business objectives;
- Check the environment to ensure you can freely use your intellectual property;
- Ensure that you control the disclosure and ownership of your IP assets through contractual protection.

B. REGISTRATION AND PROTECTION OF IP RIGHTS IN THAILAND

The following section is meant to help business owners identify their intellectual property rights and provide information on how such IP rights are protected in Thailand. The different IP rights presented below include trademarks, patents, copyright, trade secrets, domain names, and geographical indications.

1. TRADEMARKS

A mark is a sign or a combination of signs that distinguishes and identifies an enterprise's goods or services from its competitor.

The mark may include words, letters, numerals, images, shapes, colours, or combinations of various elements. Strictly speaking, a mark used in connection with products is referred to as a "trademark" (™) and a mark used in connection with services is referred to as a "service mark" (SM). Note that in the present guide we will use the word "trademark" to refer to all kinds of marks (therefore including both trademarks and service marks as well as certification marks and collective marks used by associations).

Because branding and marketing are highly valued tools and assets, marks are usually one of the first assets brand owners protect.

QUICK TIPS	
BENEFITS OF A REGISTERED MARK	TIPS FOR TRADEMARK OWNERS/APPLICANTS
<ul style="list-style-type: none"> • Exclusive rights for the owner to use and exploit (including through assignment and licensing) the registered mark. • Enforceability of trademark rights. • Protection against the registration of similar or identical trademarks (trademark registrar rejects applications for marks that are identical or similar to a registered mark). • Use of the ® sign next to registered trademark. • Increases business value and protects business reputation. • Promotes and protects brand identity through unique, registered trademarks. 	<ul style="list-style-type: none"> • Opt for distinctive, rather than descriptive or suggestive trademarks to increase chances of registration. • Check databases for trademark availability prior to filing an application. • Clearly identify all products and services to be associated with the trademark. • Monitor published trademark applications to oppose similar trademarks. • Use your mark at least once every three years to avoid risk of cancellation. • Renew your mark every 10 years.

1.1. Eligible Marks

The simplest way to protect a trademark in Thailand is to register it with the Thai Department of Intellectual property (DIP). Registration of a trademark identifies the legal owner and helps prevent others from using the same trademark. Trademarks must meet three requirements in order to be eligible for registration. The trademark must be distinctive, not prohibited by law, and be available.

Distinctiveness: Distinctive Characteristics and Distinction through Use

There are two means for trademarks to be deemed distinctive in Thailand being the mark's distinctive character or the mark's distinctiveness acquired through usage.

Thailand accepts the registration of marks with distinctive elements of one or more of the following: words, letters, numerals, images, shapes, and colours. Many famous brands are actually registered trademarks because of the mark's distinctive qualities. Below are some examples of famous trademarks and their distinctive characteristics.¹⁴



NBC logo: its distinctive characteristics include the peacock image and the distinctive use of different colours in the peacock's feather arrangement.



7-Eleven logo: one of its distinctive characteristics is the stylised numeral seven.

The Kodak logo is the word 'Kodak' in a bold, red, sans-serif font.

Kodak logo: its distinctive characteristic is that the word "Kodak" is an invented word.

The Giorgio Armani logo is the name 'GIORGIO ARMANI' in a black, serif font.

Giorgio Armani logo: its distinctive characteristic is the graphic representation of the name.¹⁵

¹⁴ Brands reproduced below are the exclusive property of their owners and are only provided as samples for educational purposes.

¹⁵ Trademark owners must have a person's permission to use a person's name as their trademark.



Greyhound logo: its distinctive characteristic is the graphic representation of the name and the greyhound dog. Although a known word, “greyhound” can be trademarked in this case because the name is not descriptive of goods, services, or geographical origin.

Paul Smith: its distinctive characteristic is that it is a person’s signature.¹⁶



Uncle Ben: one of its distinctive characteristics is that the trademark includes an image of a person.¹⁷



Giorgio Armani: its distinctive characteristic is that the logo is an invented device.

Certain marks that do not have distinctive characteristics may be accepted for registration if their usage is widespread and known enough such that the mark has acquired distinctiveness through usage. An example is the restaurant chain and green tea brand “OISHI”. Because the name “Oishi” means “delicious” in Japanese, the name, as a brand would normally not receive IP protection for food products and services. However, years of intensive use in the local market have made the brand distinctive enough to receive IP protection. For Thai authorities to recognise a mark as distinctive by virtue of usage, the applicant must provide significant evidence of use of the trademark, such as copies of advertisements, invoices, and catalogues.

¹⁶ Trademark owners must have permission to use a person’s signature as their trademark.

¹⁷ Trademark owners must have permission to use a person’s image as their trademark.

Not Prohibited By Law

In Thailand, certain types of marks are explicitly prohibited by law¹⁸. Prohibited marks include marks that are contrary to public order, morality, or public policy; royal or official arms; crests or flags; royal styles; names or representations of members of the royal family; and any mark that is identical or confusingly similar to a well-known mark.

Not Identical or Similar To A Registered Mark

Marks that are identical or confusingly similar to a registered or well-known mark are not eligible for registration in Thailand. The purpose of the prohibition is two-fold: to protect the IP rights of the original mark's owner and to protect consumers.

It is prudent that trademark applicants perform searches of identical and similar marks (including Thai phonetic transcriptions of foreign-language marks) or devices (logos) prior to applying for registration of a mark in Thailand. Checking further the availability of translations in Thai and checking the availability of a mark against corporate names and domain names registered in Thailand can also help determining the registrability of a mark. Since the examination of trademark applications by the Thai trademark office takes nine to twelve months, it is highly recommended for applicants to perform these checks before applying for protection.

1.2. Trademark Registration Process

Filing of the Trademark Application

Trademark applicants may apply for the registration of a trademark before the Department of Intellectual Property (DIP). A trademark application must include specific information about the products or services it relates to and must specify whether the mark is already in use or not. The applicant shall pay official application and registration fees¹⁹ of 500 THB and 300 THB per goods or services respectively to the DIP.

It is important to note that Thailand is not yet a signatory to the Madrid Protocol. Therefore, Thailand cannot be designated under the international trademark system (also called Madrid System) to which European companies are more familiar with. The filing of a Thai trademark application can only be made before the Thai Department of Intellectual Property by or through a local resident (for example, an appointed local agent). There is also no regional system available in Asia for trademark protection comparable to the Community Trademark system in Europe.

Products or Services Description

The Thai Department of Intellectual Property does not accept broad descriptions of products or services in trademark applications. Product categories such as "clothing" or "cosmetics" are for example not accepted and the applicant must indicate precisely what type of clothing (shirts, trousers etc.) or cosmetics (lipstick, face creams etc.) are concerned.

¹⁸ See Trademark Act and corresponding ministerial regulations.

¹⁹ Other fees relevant to the registration of trademark could also incur, subject to the ministerial regulation no. 3 B.E. 2540 corresponding to the Trademark Act B.E. 2534.

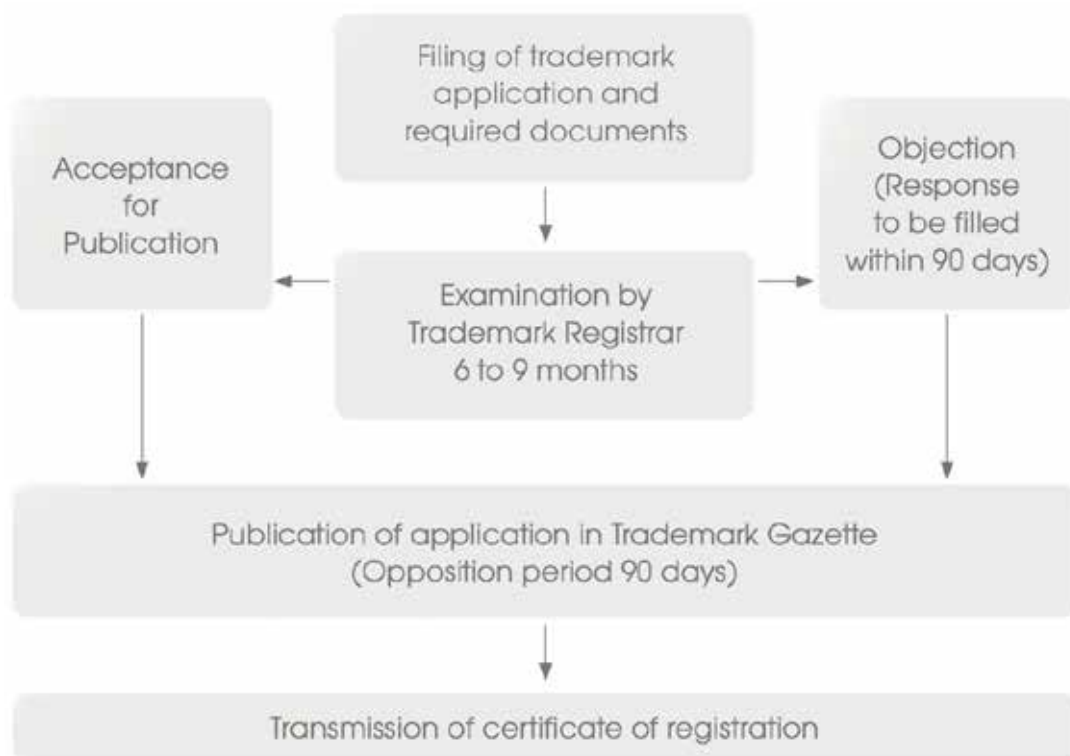
Objections from the Registrar regarding product and service descriptions are very common in Thailand. It is best to avoid such objections by examining and addressing possible bases of objections prior to filing the application.²⁰

Multiple Applications

The number of trademark applications needed to protect a trademark depends on the scope of protection sought. If one trademark is used for products or services falling in different classes of the International Classification of Products and Services (also called the Nice Classification), then several applications must be filed. Thailand does not allow multiple-class single applications.

The Registration Process

The average time frame for completing the registration process of a Thai trademark application is nine months. There are four main procedural stages for registration of a trademark application in Thailand: filing, examination, publication and registration.



Procedure for trademark registration in Thailand

²⁰ An IP professional can help applicants determine appropriate products and services descriptions before filing a trademark application.

As indicated in the chart above, a trademark application may be challenged in two ways: the Registrar may object to the trademark application or a third party may file an opposition to the application during the 90 days period after the application's publication. If there is no objection and no opposition the trademark application will proceed to registration and the applicant will be required to pay registration fees.

Cancellation Actions

After registration has been granted, trademarks are subject to cancellation only under specific conditions such as in cases of non-use for three consecutive years, bad faith applications or better right of petitioner filing a cancellation action²¹. Cancellations of registered marks for non-use are rare. Cancellation petitions are usually dismissed if the trademark owner can prove that non-use was due to special circumstances in the trade. However, trademark owners are strongly advised to use the exact trademark for which they have obtained protection and to always apply for a new trademark application in case they change their mark (such as change of a logo for example).

Length of Protection and Renewal

Once registered, a mark is protected for ten years and must be renewed every ten years.

1.3. Trademark Rights

Exclusive Right to Use the Mark

A registered trademark provides its owner with exclusive rights to use the mark. In addition, a registered mark provides additional benefits such as preventing trademark squatting, providing evidence of ownership, facilitating licensing and assignment, enhancing share value and offering significantly better enforcement options as we will see later on in Part C.

Preventing Trademark Squatting

Trademark squatting occurs when a person who does not rightfully own a trademark, registers the mark prior to its legitimate owner in a given country.

In Thailand trademark squatting represents a significant threat to trademark owners. Challenging a registered mark is rather difficult especially after the mark has been accepted. In some cases the only alternative for brand owners is to negotiate with squatters a brand license or an assignment.

Providing Evidence of ownership

A registered trademark can help establishing ownership when a dispute arises. The owner of a registered mark can rely on the date of filing of its registered mark to claim seniority, for example, or better rights (in Thailand and even possibly abroad).

²¹ Such an action is only available within five years from the date of the registrar's order to register a trademark.

Licensing

One of the most effective ways of exploiting a registered mark is the grant of (a) license(s), which means that the trademark owner allows someone to use the mark.

License agreements usually determine the rights of the Licensee, payment conditions (usually royalties) and term.

It is important to note that in case the trademark owner/licensor would like to authorize his or her licensee to pursue claims against infringers on his behalf, the license agreement shall be duly recorded with the Department of Intellectual Property. Foreign companies wishing to authorise their local licensee to act on their behalf must therefore register their license agreements with DIP.

Assignments

A trademark application can be transferred to or inherited by other persons whether it is a registered or a pending application. The Trademark Act specifically requests assignments to be in writing and recorded with the Trademark Registrar. A deed of assignment specifically indicating which trademark application(s) shall be assigned, must be signed by the assignee and the assignor.

2. PATENTS

Foreign investors doing business in developing countries such as Thailand most often bring in new proprietary technologies they wish to protect in order to:

- maintain their competitive advantage and;
- obtain a return on their investment, in particular their research and development investments.

Patent rights serve these purposes by protecting an innovation for a limited time in exchange of its disclosure. The word “patent” originates from the Latin *patere*, which means “to lay open” (i.e., to make available for public inspection). Therefore a patent consists of a set of exclusive rights granted by a state to an inventor/assignee for a limited period of time, in exchange for the public disclosure of the invention.

Typically, a patent application must include a description of the invention and one or more claims that define the invention. These claims must meet relevant patentability requirements, such as novelty and non-obviousness in case of patents for invention.

QUICK TIPS	
BENEFITS OF A GRANTED PATENT	TIPS FOR PATENT OWNERS/APPLICANTS
<ul style="list-style-type: none"> • Exclusive rights for the patentee to prevent others from making, using, selling, or distributing the patented invention or design without permission. • Enforceability of granted patent. • Increases business value. 	<ul style="list-style-type: none"> • Identify patentable subject matter and evaluate need for patent protection. • Maintain secrecy including through confidentiality agreements in case disclosure is necessary before filing the patent application. • Remember that as Thailand operates an “absolute novelty” and “first to file” patent system, your new invention should be kept as confidential as possible until a patent application date has been obtained. • Check patent databases for prior art and monitor your competitors’ activity. • Check patentability of your invention with a local patent agent/attorney. • Provide Thai patent Examiner with copies of overseas search reports or grant of corresponding patent application in order to speed up registration in Thailand.

2.1. Eligible Patents

Types of Patents

The Thai Patent Act provides protection for three types of patents.

The first step is therefore to identify which type(s) of patent may be available to protect the invention.

The three patent types available in Thailand are as follows:

Patent type	Example of invention protected	Protection period
Patent for Invention	New product or process, improvement for example in the following fields: machinery, tools, chemicals, biotechnology, etc.	20 years (non-renewable)
Petty Patent	New invention which would qualify for an invention patent except that it has no strong, technical innovative step.	10 years (non-renewable)
Design Patent	Ornamental aspects or aesthetics of an article including features pertaining to the shape, configuration or pattern.	10 years (non-renewable)

Requirements for A Patent to be Accepted for Registration

Because a patent provides the patentee with a monopoly to manufacture, sell and use the invention, the requirements to obtain patent protection are quite high especially for patents for inventions.

Invention Patents	Design and Petty Patents
1) the invention must be new	1) the invention must be new
2) the invention must be capable of industrial application	2) the invention must be capable of industrial application
3) the invention must be non-obvious (i.e. must be an innovative step)	

The second step is therefore to identify whether the invention can be protected, namely:

- Is the invention new?
- Is the invention capable of industrial application?
- Does the invention involve an innovative step (for invention patents)?

Novelty

The novelty requirement is the first essential requirement for a patent to be granted in Thailand. Thai law specifies that an invention is not new if it forms part of the state of the art. The state of art includes any of the following inventions:

- an invention which was widely known or used by others in the country before the date of application for the patent;
- an invention the subject matter of which was described in a document or printed publication disclosed to the public in Thailand or in a foreign country before the date of application for the patent (for example in a scientific magazine or thesis);
- an invention for which a patent was granted in Thailand or overseas;
- an invention for which a patent was applied in a foreign country more than eighteen months before the date of application for the patent;
- an invention for which a patent was applied in this or a foreign country and the application was published before the date of the application.

It should be noted that in evaluating whether an invention is new, the Patent Examiner will not only consider inventions already granted protection in Thailand but will perform a novelty check in international patent databases and check patents granted overseas. More and more frequently the Examiner will also conduct searches in non-patent literature (publications, studies and information available online).

Patent applicants shall therefore be aware that patent applications shall be filed before disclosure of the invention and that the first party to file a patent application has exclusive rights to the invention.

Industrial application

The requirement of industrial application is usually easy to meet as Thai Patent Examiners have a broad interpretation in this regard. Any invention is deemed capable of industrial application if it can be made or used in any kind of industry, including handicrafts, agriculture and commerce. However inventions with a merely academic or theoretical application would not qualify under this requirement.

Inventive step for invention patents

One of the most difficult and subjective tasks is to assess the inventive step of an invention.

Thai law simply states that an invention shall be taken to involve an inventive step if “it is not obvious to a person ordinary skilled in the art”.²²

The Manual of Patent and Petty Patent Applications Examination further specifies that an invention must provide an advantage or improvement resulting from at least one of the following: (i) effect of design/form; (ii) task; (iii) selection; (iv) requirement of a problem and solution; (v) effort; (vi) non-simplification; (vii) concentration of developmental steps; (viii) economic success; (ix) scientific technical research; (x) progressive; (xi) achievements by the invention; (xii) non-exchangeable compounds; and (xiii) surprising results.

This Manual further indicates that Thai Patent Examiners shall consult search report(s) issued in corresponding applications. As in most cases invention patents filed in Thailand have been filed in other countries (for example, USA, Europe, Japan, China) it is very frequent for Thai Patent Examiners to rely on foreign search reports and/or grant of corresponding patent applications overseas during the examination of a Thai patent application.

Exclusion from patentability

It shall be noted that the following inventions are not eligible for patent protection in Thailand:

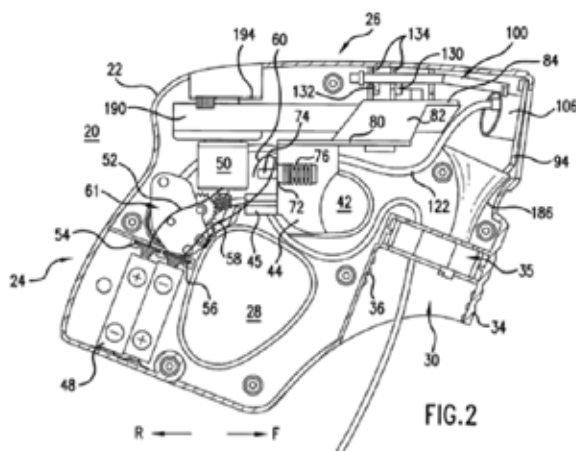
- Microorganisms which would be found in nature or any substances extracted from animals or plants;
- Scientific or mathematical rules and theories;
- Computer programs (which are protected under copyright);
- Processes of diagnosis, treatment, or remedy used in curing human or animal diseases;
- Inventions which are contrary to public order or morality, public health, or welfare.

2.2. Patent Registration Process

There are different processes for obtaining registration of patents for invention, petty patents and design patents. As this information is widely available on the Internet and the website of Department of Intellectual Property²³ we will only provide a short overview.

²² Section 7, Patent Act B.E. 2522

²³ <http://www.ipthailand.go.th/ipthailand/index.php?lang=en>



Example of patent application drawing for a “bubble generating assembly”²⁴

Patents for invention can be filed in Thailand through two systems:

- a national application (first filing in Thailand or within 12 months of a priority application filed in another country); or
- an application under the Patent Cooperation Treaty (“PCT”) system²⁵ which makes it possible:
 - (i) to seek patent protection for an invention in Thailand and simultaneously in each of a large number of PCT Contracting States²⁶ by filing an “international patent application” before the Thai Department of Intellectual Property or before the International Bureau of the World Intellectual Property Organization.; or
 - (ii) to seek patent protection in Thailand for an invention already filed under an international patent application filed in another PCT Contracting State or before the International Bureau of the World Intellectual Property Organization (the so called “National Phase”²⁷).

Whether the patent application is filed under the national or international system, the application is first required to include a detailed description of the invention to enable persons skilled in the art to understand and create such an invention. Such a description shall also include a description of the best mode to perform the invention, something that is not always required in other countries. The application shall then contain an abstract, a title, drawings to support the description (if applicable) and claims.

The claims must be clear and concise so as to clearly identify the exclusive rights of the patentee over the invention.

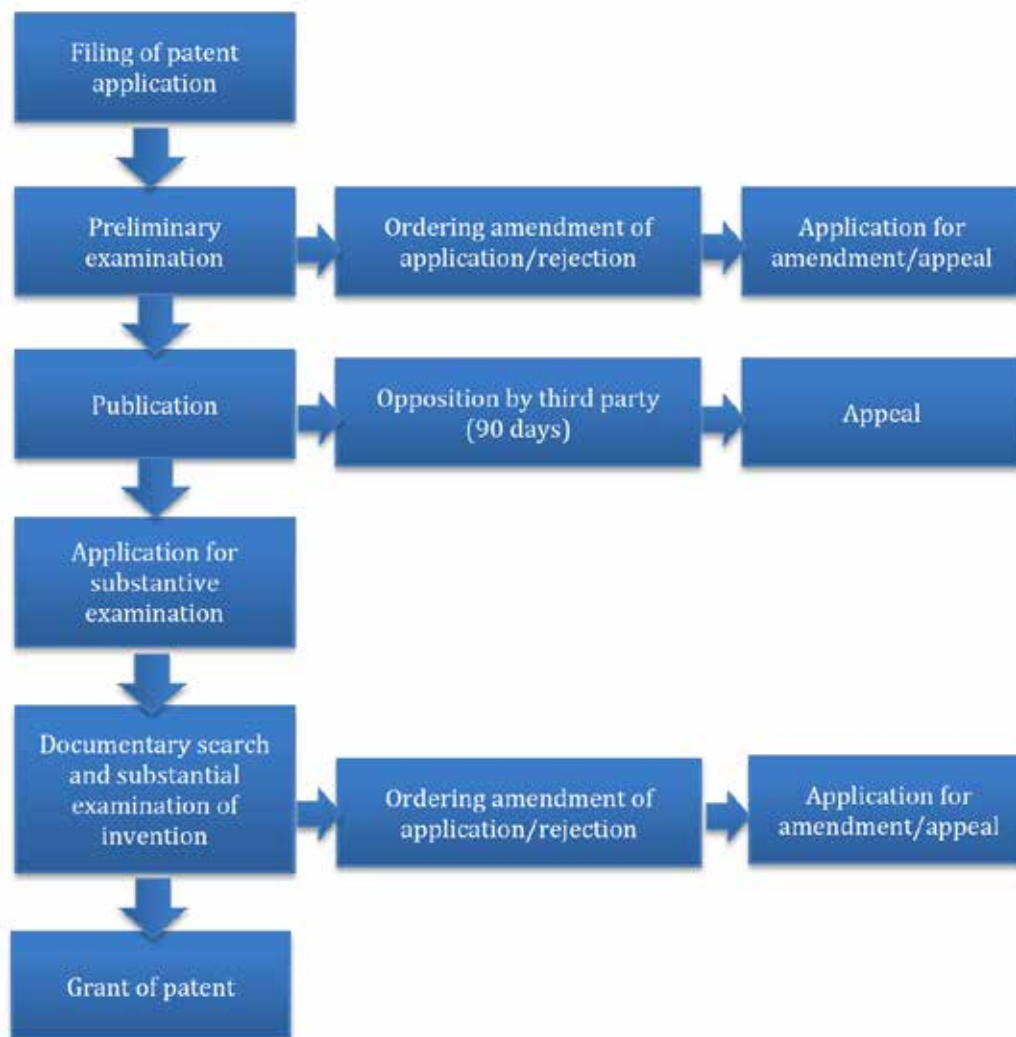
²⁴ Drawing extracted from US patent US 7,181,665 for illustration purposes only.

²⁵ Thailand is since 2009 a Contracting State to the Patent Cooperation Treaty (PCT).

²⁶ There are currently 146 Contracting States to the Patent Cooperation Treaty (<http://www.wipo.int/pct/en/>)

²⁷ Thailand national phase of an international patent application cannot exceed 30 months after the filing date of the priority patent application (i.e. the date when the first patent application corresponding to the invention has been filed).

Note that all of this information must be submitted in Thai language before the Department of Intellectual Property, therefore quality of translation in Thai of the overseas corresponding application (if any) is crucial. We hereby provide a simplified overview of the national patent registration procedure for patents for inventions in Thailand.



Patents for invention registration procedure (national application - simplified)

The duration of examination for invention patent applications is one of the biggest obstacles for patent applicants in Thailand. It is frequent for applications for patent for invention especially for those applications with no corresponding foreign application to be examined in a timeframe of about 10 years. This delay is due to the backlog of patent applications currently waiting for examination in Thailand. The patent pendency is one area of major concern in Thailand and although it shall not discourage patentees to file applications in Thailand it must be taken into account in view of enforcement considerations. Indeed only granted patent applications can be enforced.

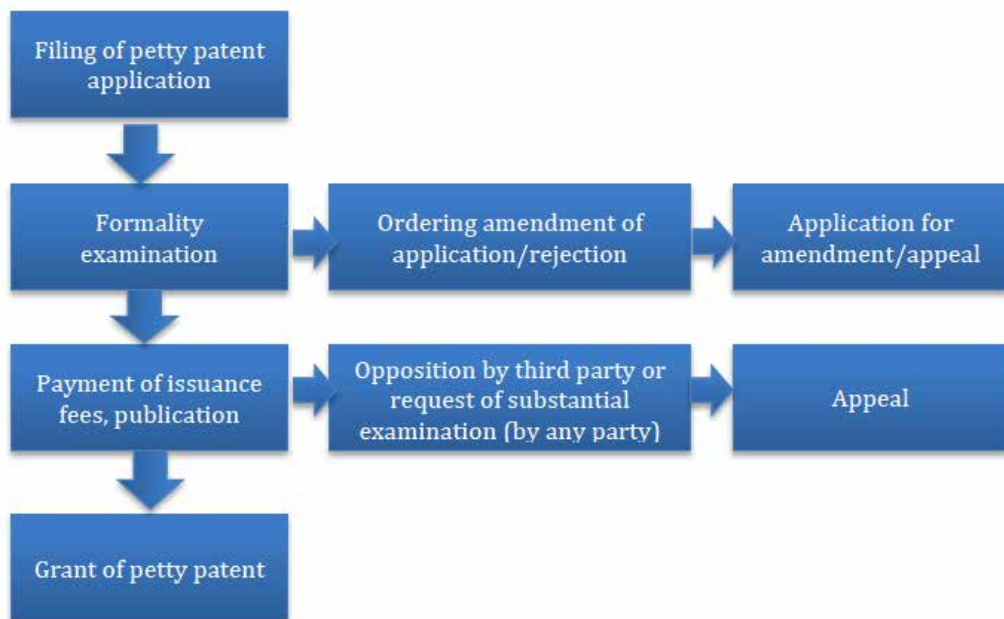
Petty Patents

Petty Patents (also called utility models in other countries) offer a good alternative to patents for invention. They provide shorter protection period for inventions which are new, capable of industrial application but which do not possess a strong inventive character.

Petty patents are popular in Thailand especially among Thai companies and/or for companies which do not require a protection exceeding 10 years.

Petty patents are usually granted within one year and a half from date of filing as patent examiners only perform a formality check. A request for a substantive examination is not required.

We hereby provide a simplified overview of the national patent registration procedure for petty patents in Thailand.



Petty patents registration procedure (simplified)

Design Patents

Design patents are very popular in Thailand both among foreign and Thai applicants. The purpose of a design patent is to protect the ornamental aspects or aesthetics of an article including features pertaining to the shape, configuration or pattern.

In accordance with Thai Law, one design application must only contain one design. Therefore, if you wish to file more than one embodiment of the design, it is imperative to file a separate design application for each embodiment.

It is important to submit several views of the design to be protected such as: front view, back view, right view, left view, bottom view, top view and perspective view.

These views can be either drawings or pictures of the product.

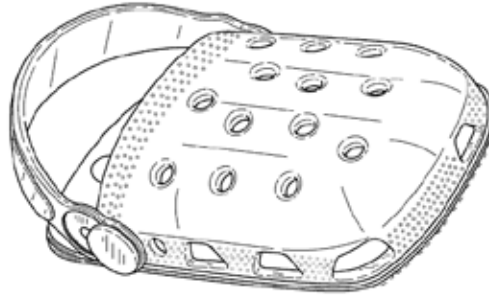


FIG.7

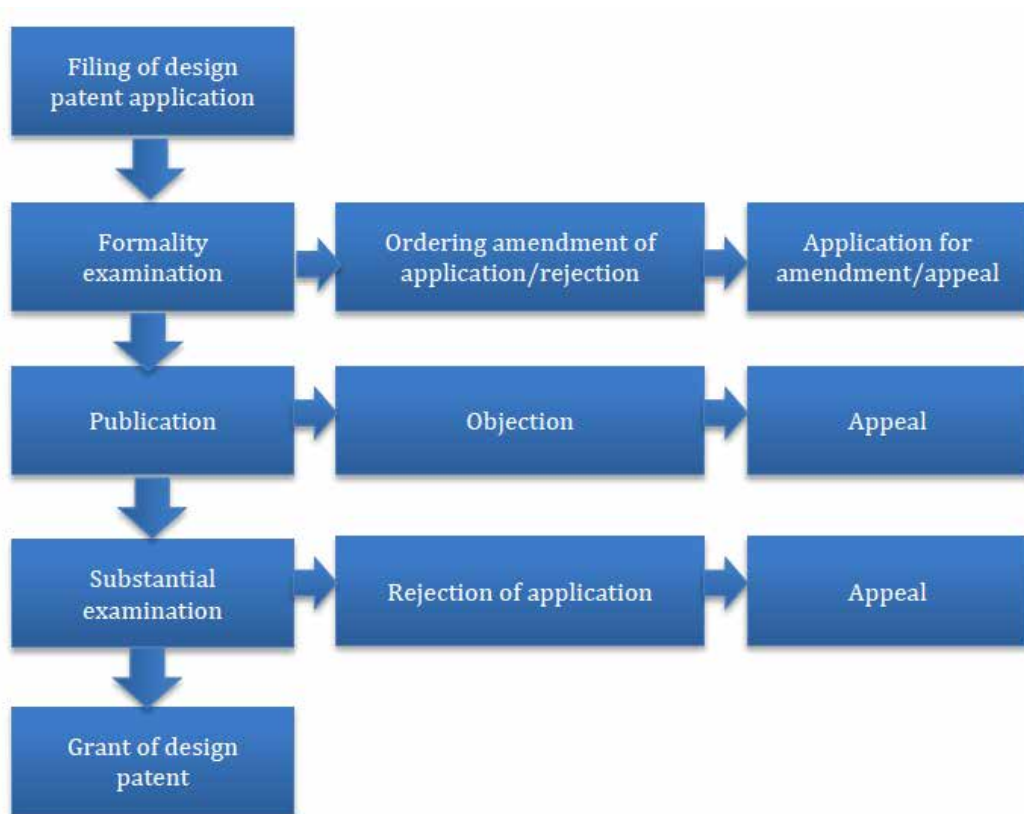
The design of Crocs® shoes applied to mobile phone case²⁸



The actual product

We hereby provide a simplified overview of the national patent registration procedure for design patents in Thailand.

²⁸ Example of design patent drawing from US design patent application USD 600,907 S (for illustration purposes only).



Design patents registration procedure (simplified)

Design patents provide protection for up to 10 years.

2.3. Patent Rights

Exclusive Rights

A patentee has exclusive rights to produce, use, sell, and have in possession for sale, offer for sale or import the patented product.

In case the patent relates to a process, the patentee has the exclusive rights to use the patented process, to produce, sell, have in possession for sale, offer for sale or import the product produced by the patented process.

In addition, a registered patent provides additional benefits such as providing evidence of ownership, facilitating licensing and assignment, enhancing share value and offering enforcement options as described in Part C.

Providing Evidence of ownership

A registered patent can help establishing ownership when a dispute arises. As the patent system in Thailand relies on a “first to file” principle, the owner of a registered patent can rely on the date of filing of its registered patent to claim a better right or file an invalidity action.

Licensing

One of the most effective ways of exploiting a registered patent is the grant of (a) license(s), which means that the patent owner allows someone to use the patented product, process or design.

License agreements usually determine the rights of the Licensee, payment conditions (usually royalties) and term.

Assignments

A patent application can be transferred to or inherited by other persons whether it is a registered or a pending application. A deed of assignment specifically indicating which patent application(s) shall be assigned, must be signed by the assignee and the assignor and recorded with the Department of Intellectual Property.

3. COPYRIGHT

A copyright is an intellectual property right that grants ownership rights to creators of original works of physical expressions of ideas (for example: literary works, audio-visual works, software, sculptures, pictures, works of architecture, works of applied art etc.).

Copyright grants authors, artists and other creators a moral right as well as the exclusive right to use, publish, and commercialise their work.

QUICK TIPS	
BENEFITS OF A RECORDED COPYRIGHT	TIPS FOR COPYRIGHT OWNERS
<ul style="list-style-type: none">• Gives authors an exclusive right to use, publish and commercialise their works.• Helps the author to establish a record date, which can be opposed to third parties.• Offers protection against competing claims to a work's ownership and use.• Registration of a copyright also makes it easier to enforce rights by way of pursuing civil and criminal penalties against an infringer.	<ul style="list-style-type: none">• Record copyright applications for your artistic creations and software.• Make sure that creations of your employees and/or creations realised by third parties for your account are properly assigned to you.• Include copyright notices on your products/packaging/websites etc.• Enforce your rights to avoid your copyright appearing as being in the public domain.

It is notable that Thailand is a party to the Berne Convention for the protection of literary and artistic works. Therefore, Thailand affords protection to foreign works and these foreign works automatically enjoy copyright protection similar to that of domestic works.

3.1. Expressions Eligible For Copyright Protection

Many people wrongly believe that copyright protects ideas. It is the expression of the idea and not the idea itself that is protected. In other words, a copyright protects the form of expression rather than the subject matter of the work and a concrete 'version' is always necessary.

Copyright does not protect ideas or procedures, processes or systems or methods of use or operation or concept, principles, discoveries or scientific or mathematical theories.

Apart from this restriction, copyright protection extends to a wide range of physical expressions of ideas including the following:

- Literary works (advertisements, books, magazines, newspapers, website content etc.);
- Computer software;
- Musical works;
- Dramatic works (choreography, dancing, acting etc.);
- Artistic works (such as works of painting and drawing, sculptures, lithography, works of architecture, photographic works, illustrations, other forms of applied arts);
- Audio-visual works;
- Cinematographic works;
- Audio recordings;
- Broadcast works.

3.2. Copyright Recordation Process

Copyright bestows rights on the creator of a work. Therefore an application of copyright recordation includes considerations regarding the applicant's ownership of the material to be copyrighted and whether or not the material was previously published.

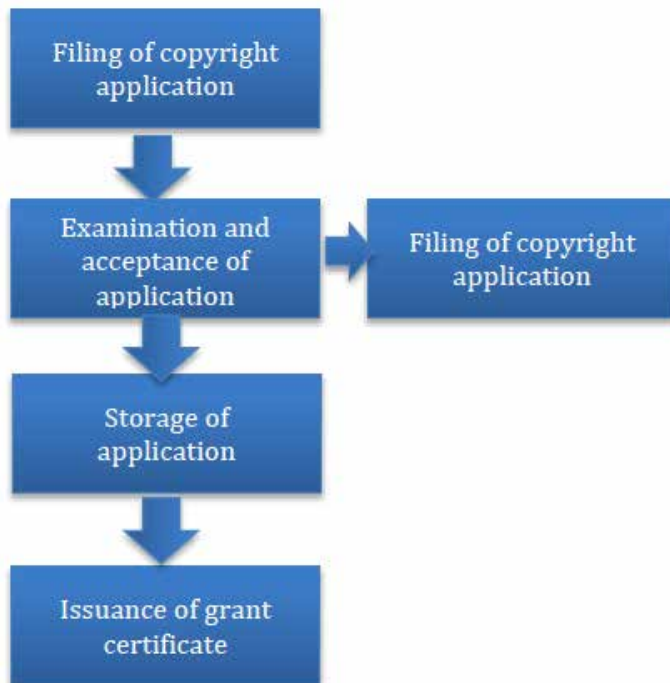
Only copyright owners may apply for copyright recordation. Although most copyright owners are the creators of the work, in other cases persons other than the creator may be the rightful copyright owner(s). Employers, for instance, are often the copyright owner of works created by employees at the employer's direction unless an agreement between the employer and employee provides otherwise. Other cases in which copyright owners are not the creators of the work include assigned copyrights and inherited copyrights. As an example, copyright applications for software are usually filed by companies rather than individual creators/authors (which are usually employees of such companies).

Recordation of copyright serves to establish a legally recognised basis of ownership to a created work. Recorded copyrights provide protection against competing claims to a work's ownership and use.

Information needed for a copyright recordation application includes the following:

- A brief description of the type and content copyright work
- Title of copyright work
- Name, address and nationality of applicant
- Name, address, nationality and date of birth of author
- Information about acquisition of copyright work, if applicable, as well as country where the copyright work was created
- Date of the work's creation and date of the work's publication in case of published works
- Information about recordation and registrations of the work in foreign countries
- Permission to publish the copyright.

The copyright recordation process in Thailand involves filing the application, examination, acceptance of the application, electronic storage of the application, and the issuance of a certificate of recordation. The process typically takes two to four months to complete.



Recordation procedure for copyright in Thailand (simplified)

3.3. Rights Conferred by Copyright

Exclusive Rights

Copyright gives its creator various exclusive rights to control the economic use of his or her work.

Among these rights we can distinguish the exclusive rights to:

- Reproduce a work in copies (e.g. printing of a book, reproduction of a movie on a DVD etc.);
- Distribute copies of a work to the public;
- Rent copies of a work;
- Translate or adapt works without authorisation;
- Hold (a) public performance(s) and communicate a work to the public.

It is interesting to note that fair use is widely interpreted in Thailand. Reproductions/copies of copyrighted work as long as they are not for profit do not usually constitute infringement in Thailand.

Copyright also provides moral rights, which protect the author's integrity and reputation.

Advantages of Recorded Copyright

Rights conferred to copyright owners are identical whether or not the copyright has been recorded. However recordation offers a strategic advantage and is strongly advised to establish proof of ownership or even date of creation or publication (information that is useful in cases of claims of concurrent independent creation). Recordation of a copyright also makes it easier to enforce rights by way of pursuing financial and criminal penalties against an infringer. The owner of a recorded copyright does not have to evidence against its right. The infringer must prove that it has a better right or that the copyright owner is not the lawful owner of such copyright. In other words, the burden of proof lies on the infringer and there is a presumption that the owner of a recorded copyright is indeed the owner of such right.

Length of Protection

The rights and protections granted in copyright depends on whether the copyright owner is an individual or a juristic entity and whether the work was previously published.

Unpublished works belonging to individuals are provided copyright protection for the duration of the owner's life and 50 years after the owner's death. If the work is jointly owned by several authors, copyright protection is granted for the lifetime and subsequent 50 year after the death of the last surviving joint author.

Published works belonging to individuals are granted copyright protection for 50 years from the work's first publication date.

Unpublished works belonging to juristic entities are granted copyright protection for 50 years from the date of the work's creation.

Published works belonging to juristic entities are granted copyright protection for 50 years from the work's first publication date.

An exception to the overall 50 year protection rule is copyright protection of applied arts. Applied arts are protected for a period of 25 years from the date of creation or publication, whichever is later.

Assignments and Licenses

In addition to direct commercial use of copyrighted works, owners of copyrights may also assign or license their work.

Assignments are permanent transfers of ownership and should not be confused with copyright licensing. It is in the interest of all parties to treat a copyright assignment transaction as a sale and purchase agreement. The parties should pay careful attention to the negotiations and drafting of the assignment agreement. For assignments to be recognised in Thailand, the assignment must be registered with the DIP.

Copyright licensing allows the licensor (the copyright owner) to give permission to a licensee (the receiver of the rights) to temporarily use, reproduce, or otherwise commercialise the copyrighted material.

One example of international successful copyright licensing originating from Thailand is the Elephant Parade^{®29}.



Alldressedup³⁰



Hellaphunt³¹

Elephant Parade concept is a unique combination of art, business and charity. Elephant replicas are painted by local and renowned international artists, exhibited in well-known cities and auctioned for charity. In this example, both the shape and decoration of each elephant sculpture is protected and Elephant Parade Company has successfully licensed the sale of hundreds of replicas as well as various merchandising items reproducing the famous elephants.

29 Elephant Parade is the world's largest open air art exhibition of decorated elephant statues that seeks to attract public awareness and support for Asian elephant conservation.

30 Copyright Elephant Parade 2010/2011- painted by Tina Tan-Leo

31 Copyright Elephant Parade 2010/2011- painted by Ricky Gervais

In some ways, the licensing of copyrights can be more complicated than mere assignment, or transfer, of a copyright. For many, it is helpful to approach copyright licensing agreements as lease agreements -- the property being leased is the intellectual property of the created work, the rights to use the property are akin to usage of other leased properties. It is crucial that a copyright licensing agreement, and licensing agreements in general, include information about the exclusivity of the license, the duration of the license, and uses of the intellectual property being licensed.

Licensing agreements can be exclusive or non-exclusive. Exclusive license agreements give exclusive rights to the licensee – whether for scope, context, territory, market, or time – and prevent the licensor from licensing the same rights to other parties for the duration of the agreement. This concept can be seen in marketplace advertisements of “sole distributor” or “exclusive distributor” of several luxury goods in Thailand. Non-exclusive licenses are the opposite of exclusive licenses – the licensor may grant rights to several licensees, some of which may overlap, simultaneously in the same territory or at the same time. Although Thailand does not require that copyright licenses be recorded at the DIP, such recordation is generally considered sound business practice and is recommended in particular when a local licensee is authorised by a licensor to pursue infringers.

4. TRADE SECRETS

Trade secrets are increasingly important to a wide range of industries. They are usually used by an enterprise to obtain an advantage over competitors within the same industry or profession.

In some jurisdictions such secrets are referred to as “confidential information”, while in others they are a subset or example of confidential information. An example of this is the formula or recipe of a product e.g. Coca Cola, which has been protected for decades and has never been disclosed.

In Thailand, trade secrets are protected under the Trade Secrets Act (2002), which provides protection against misappropriation of confidential information such as formulas, programs, practices, processes, designs, instruments, patterns, or compilations of information.

Although protection granted to trade secrets in Thailand does not require registration, it is important to note that for a company trade secret to be eligible for legal protection in Thailand several conditions must be met.

4.1. Eligible Trade Secrets

There are three conditions for a trade secret to be eligible for legal protection in Thailand:

- the information must not be publicly known or must not be yet accessible by persons who are normally connected with the information;
- the information must possess a commercial value derived from its secrecy; and
- the controller of the information must have taken appropriate measures to maintain the secrecy.

As a result, it is imperative that trade secret owners have taken appropriate measures to maintain the secrecy. These appropriate measures include for example non-disclosure and non-use clauses in all agreements governing the use of such trade secrets. Such agreements may take the form of, but are not limited to, confidentiality agreements, non-disclosure agreements, employment agreements, manufacturing agreements, etc. Confidentiality provisions must carefully and precisely describe confidential information. Descriptions that are too vague or too general may not be enforceable.

In addition, physical protection measures should be put in place (restricted areas, closed distribution lists for certain type of information, computer access, safes etc.). In case of violation of confidentiality it will be necessary for the trade secret owner to prove that the information was carefully classified as confidential and maintained as such, and that disclosure was unauthorised or due to misappropriation.

When there is a high risk that confidentiality might be breached or that the confidential information (for example, a formula or process) might be reverse-engineered, trade secret owners will usually consider filing a patent application to protect their exclusivity. However a patent application will require the disclosure of the secret and offers a limited protection of 20 years.

It is therefore prudent for trade secret owners to consider all options on a case-by-case basis before opting for a particular protection strategy.

4.2. Trade Secrets Rights

Exclusive rights

Trade secrets owners are exclusively entitled to disclose, deprive of, or use the trade secrets, or license someone else to disclose, deprive of, or use the trade secrets. Trade secrets owners can also stipulate any terms and conditions for the maintenance of the secrecy.

Remedies For Trade Secrets Infringement

Disclosure, deprivation, or use of a trade secret without the consent of the owner in a manner contrary to honest trade practices is considered an infringement under the law.

Where there is clear evidence that a trade secret infringement has been committed or is imminent, the affected or imminently to be affected owner of a trade secret can:

- 1) petition to the court for an interim injunction; or
- 2) file an action in the court for a permanent injunction in order to permanently stop the infringement and claim damages from the wrongdoer.

In addition to civil remedies, criminal penalties are also available under Thailand's Trade Secret Act with criminal penalties up to one year in prison and/or a fine of up to 200,000 Baht (6,600 USD). In case a confidentiality agreement/confidentiality exists between trade secret owner and the discloser, it is also possible to enforce such agreement.

Examples of trade secret violations in Thailand usually involve disclosure of information by an employee to a competitor or the use of such information by a former employee after leaving the company. It is therefore crucial that employment agreements contain relevant confidentiality provisions tailored to specific job descriptions (in particular in cases where an employee has access to very confidential information).

QUICK TIPS

- Carefully consider whether patent protection is not preferable to trade secret protection.
- Always maintain secrecy of a trade secret by means of confidentiality agreements and confidentiality provisions in various types of agreements.
- Set up a clear policy within the company to avoid disclosure.
- Mark as confidential all documents, which should not be disclosed outside the company.

5. DOMAIN NAMES

In the globalised internet age, domain names have become the main marketing and business development tool for virtually all types of enterprises. A domain name connects internet users to an enterprise's website. It allows customers and partners alike to learn about an enterprise's products and services.

QUICK TIPS

BENEFITS OF A THAI DOMAIN NAME	TIPS FOR DOMAIN NAME PROTECTION
<ul style="list-style-type: none">• A registered Thai domain name can help your business to grow locally.• A registered Thai domain name will prevent others from using your company name and/or products/services names as their website name.	<ul style="list-style-type: none">• Check availability of domain name (as .com, .asia etc.) prior to reserving a .co.th.• Choose a domain name, which contains your company name and/or your trademark/service mark.• Monitor similar domain names and protect your domain name in case of confusion/cybersquatting etc.• Make sure to register your name in social networks as well (Facebook ®, Twitter ®, LinkedIn ®, etc.).

5.1. Selecting a Domain Name

Selecting a suitable domain name that correctly communicates an enterprise's identity allows the enterprise to successfully present itself to the online world. As a result, the selection and protection of a business's domain name can have real impact on the business's success - both online and in the real world.

Domain name strategies are strategies considered by businesses when selecting a domain name. In brief, good domain name strategies usually involve: the selection of a name relevant to the business, exploration of how domain name registrations can protect a company and the company's intellectual property, consideration of how to direct online traffic to the site, and consideration of the domain name and site from potential users' perspective.

The selection of a domain name should include considerations of relevant strategies designed to protect the company's rights, public image, and interests. If a company holds certain copyrights, trademarks, or other registered marks of commercial value; the domain name should reflect any such core business identity and intellectual property rights. Additionally, domain name selection should incorporate any domain name or online presence strategy used by the company.

Intellectual property rights owners often forget to check availability and secure domain name registration for their company name(s) and their marks. This also applies to social network identities such as Facebook®, Twitter®, LinkedIn®, etc which play a growing role in how your company is perceived.

5.2. Domain Names Registration Process

The country code top-level domain name, or ccTLD, for Thailand is “.th”. The ccTLD is popularly used by multinational companies with offices in Thailand and by companies that wish to communicate their presence and commitment to consumers and partners in Thailand.

Types of Domain Names

Different types of second level domains used with the “.th” ccTLD indicate the type of enterprise based in Thailand. The different types of second level domains used with the Thai ccTLD of “.th” include the following:

- “.co.th” for juristic persons, such as companies and partnerships, registered in Thailand;
- “.ac.th” for academic institutions in Thailand;
- “.or.th” for non-profit organisations and foundations in Thailand; and
- “.in.th” for individuals or organisations in Thailand.

Eligible Domain Names

A domain name is eligible for registration in Thailand if the name is not contrary to public order, not contrary to good morals, and is not otherwise prohibited by law.

Registration Process

The registration and maintenance of all “.th” TLD domain names in Thailand is done by a company called “THNIC” (www.thnic.co.th).

Focusing on .co.th domain names, there are two ways to register such domain names:

- by basing the registration on a company's name; or
- by basing the registration on marks owned by a company.

The requirements and limitations of registering a “.co.th” domain name based on a company name are as follows:

- The domain name must be the same as the company name or an abbreviation of the company name.
- A company name can be used to register only one “.co.th” domain name.
- The company must either be registered in Thailand or have a local representative office in Thailand.

The requirements and limitations of registering a “.co.th” domain name based on a trademark or service mark are as follows:

- The domain name must be identical to the trademark or service mark (it cannot be abbreviated or extended);
- A company may register as many trademarks or services marks with as many “.co.th” domain names as it owns trademarks or service marks.
- The trademark or service mark must be registered in Thailand or abroad.
- If the trademark was registered in Thailand, the trademark registration issued by the Department of Intellectual Property is required.
- If the trademark was registered outside of Thailand, the following are required:
 - ✓ A certificate of trademark registration (original and an English translation, if the original is not in English);
 - ✓ Registration document of the Thai company acting as the representative office;
 - ✓ A letter from the non-Thai owner of the trademark stating (a) that the Thai company is a designated representative company and that (b) the Thai company is given permission to use the trademark owner’s trademark in their domain name.

6. GEOGRAPHICAL INDICATIONS

Geographical indications are indications, which identify a good as originating in a territory where a given characteristic of the good is essentially attributable to its geographic origin. Products with a geographical indication (GI) have specific characteristics, which are closely linked to their place of origin and indicate a high level of quality. So, for instance, sparkling wine must come from the Champagne region of France in order to be called “Champagne”, otherwise it may only be referred to as sparkling wine.

Thailand is one of the pioneer countries in Asia regarding the protection of geographical indication and Thai law recognises both local (such as Phetchabun sweet tamarind) and foreign geographical indications (Pisco, Champagne etc.)³². In addition, the Department of Intellectual Property and the Department of Export Promotion regularly promote Thai geographical indications locally and internationally.

6.1. Eligible Geographical indications

To be accepted for registration in Thailand, a geographical indication should not have one or more of the following features:

- being a generic name for foods with which the geographical indication applies (for example “Cheddar”);
- contravening the public order, morality or public policy.

It is important to note as well that for foreign geographical indications to be recognised in Thailand, there must be explicit evidence that such geographical indication is protected in the home country and that it has been used continuously until the date of application in Thailand.

³² Act on Protection of Geographical Indications (2003)

6.2. Procedure for Registration of Geographical Indications

Applications for geographical indications shall be submitted with the Department of Intellectual Property where they are examined for the following:

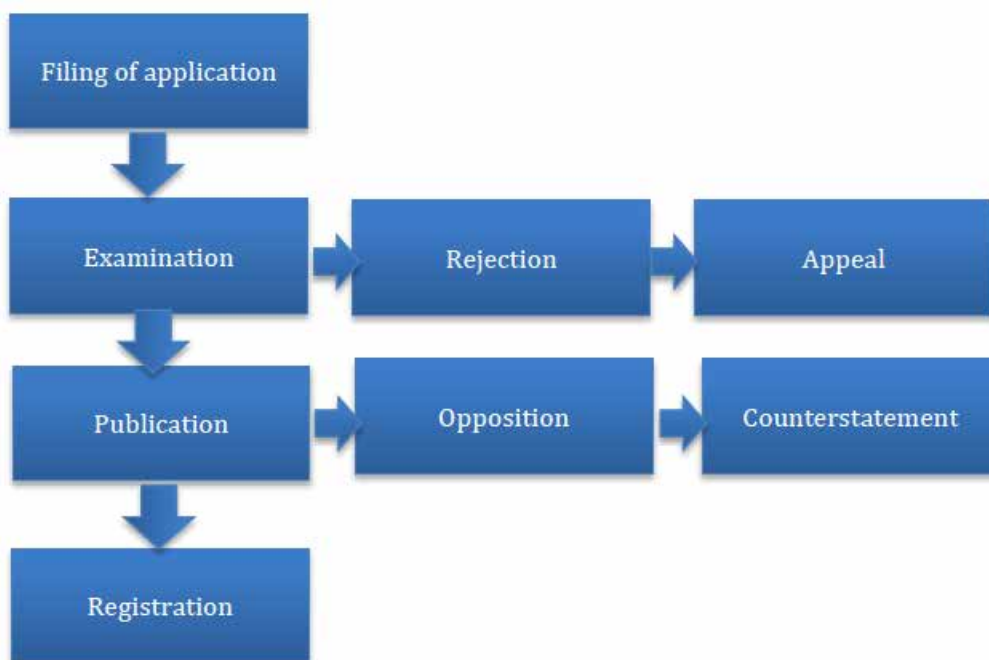
1. Registrability;
2. Eligibility of applicant to apply;
3. Other formalities including the specification of the goods, information about quality, reputation or other relevant characteristics of the goods, relationship between the goods specified in the application and their geographical origin.



A relevant example here is the geographical indication “champagne” which consist of a sparkling wine exclusively produced from grapes (mainly Pinot Noir, Chardonnay and Pinot Meunier) grown in the region of Champagne in France and following rules that demand secondary fermentation of the wine in the bottle to create carbonation. The example of champagne illustrates that geographical indication occurs when two key components or factors coexist. The first factor is the natural environment of the area (the region of champagne) and the second component is the human factor (selection of grapes and designated plots and controlled production method). These factors together contribute to the special features or qualities of the product. Given these two key components, the right to geographical indication belongs to the local community or the local people who produce the goods (i.e. the association of champagne producers)

Only governments, natural persons, groups of natural persons or groups of consumers can file an application for geographical application. There is no need for renewal of a registered trademark application.

The procedure for registering geographical indications in Thailand is reproduced below:



Procedure for geographical indication registration (simplified)

6.3. Rights conferred by Geographical Indications

A registered geographical indication is a powerful right, which benefits a group of companies, a region or a state. The dispute between Peru and Chile regarding the geographical indication Pisco, with both countries claiming that Pisco is a geographical indication of their respective countries, is a good example of how important geographical indications can be.

A registered geographical indication allows its owner to exclusively use it and to enforce its rights in case of unlawful use.

Unlawful use of a geographical indication include for example:

- the use of a geographical indication misrepresenting or misleading that goods not emanating from the geographical origin stated in the application come from that geographical origin.
- the use of a geographical indication in any manner causing confusion as to the geographical origin or quality, reputation or characteristics of the goods to cause damage to other traders.
- the use of a geographical indication on specific goods not emanating from the geographical origin stated in the application even where the true geographical origin is indicated or even where any word is used or act done to indicate the true geographical origin of the goods.

Geographical indication owners can prevent the use of their geographical indications as trademarks even for dissimilar products (e.g. Champagne used for perfumes). In addition, indication of the true geographical origin of goods shall include use of such words as “kind”, “type”, “style” or the like. As an example, a sparkling wine not originating from Champagne cannot be legally sold in Thailand if it contains the words “type of champagne” or “Champagne style”. Infringers may be punished up to a fine of 200,000 THB (6,600 USD).

C. ENFORCEMENT OF IPR IN THAILAND

Even though Thai laws provide adequate protection for intellectual property rights, counterfeiting in Thailand continues to persist and remain a challenge for many IP right holders.

Commonly counterfeited goods include a wide range of products ranging from apparel goods, CDs, DVDs, computer software, watches, mobile phones, electrical appliances, electronic equipment, spare parts, cosmetics, pharmaceutical and food products and many other consumer products either produced in Thailand or imported from overseas, increasingly from China and neighbouring countries.

IP rights holders often point out Thailand's lenient legislation and sentencing practices which tend to undermine some recent positive developments such as the establishment in 1997 of a specialised court, the Central Intellectual Property and International Trade Court (CIPITC) or the implementation of various Memorandums of Understanding between enforcement agencies and IP rights holders.

This section aims to provide an overview of remedies available in case of IP infringement (criminal prosecution, civil enforcement, border measures, anti-counterfeiting online) as well as preventive measures and strategic recommendations to IP rights holders.

1. CRIMINAL PROSECUTION

Criminal prosecution is by far the most popular type of action used by IP rights holders to enforce their IP rights in Thailand, especially trademark and copyright owners. As an example, in 2011 alone, 4,000 cases of trademark infringement were handled by the Central Intellectual Property and International Trade Court.

The preferred course of action in case of infringement is a criminal action involving a police raid and subsequent criminal prosecution before the Central Intellectual Property and International Trade Court. Such action can be initiated after the IP rights holder (or its representative) files a complaint with the relevant police force.

There are several enforcement bodies in Thailand:

- the Department of Special Investigation, which was established in October 2002;
- the Economic Crime Investigation Division, a specialised police unit widely used by trademark owners;
- the Metropolitan Police Bureau;
- the Provincial Police Bureau;
- the Food and Drug Administration.

QUICK TIPS	
BENEFITS OF CRIMINAL PROSECUTION	SHORTCOMINGS OF CRIMINAL PROSECUTION
<ul style="list-style-type: none"> • Quicker, cheaper option than a civil suit in most cases; • Helps to secure evidence of infringement for preparing a civil action. 	<ul style="list-style-type: none"> • Evidence of infringement must be prepared and submitted when filing complaint and in order to obtain search/arrest warrant; • Reported cases of corruption of enforcement officers; • Lack of training of some enforcement authorities; • Leniency (small fines up to a maximum fixed amount as per the law) and lack of deterrence is often pointed out; • Difficulty to catch “influential targets” or even raid some areas well-known for selling counterfeit products, including markets and shopping malls in Bangkok; • Landlord liability is lacking.

1.1. Trademark Infringement

Trademark infringement occurs frequently in Thailand and is not specific to a particular type of industry. Brands of pharmaceutical, chemical, cosmetic, food, electronic and luxury products, machines, spare parts, toys, furniture and even services (hospitality, transport, travel, financial services, insurance etc.) to cite a few examples are frequently copied. Trademark infringement causes economic losses to legitimate trademark owners, impacts their brands’ reputation and poses health risks to consumers as fake products are usually produced without safety standards.

It is essential for trademark owners to register their brands and maintain active protection of their brand. A trademark protection strategy is strongly advised before the launch of any new brand and preferably before entering the Thai market. This is particularly true in the case of Thailand where the process for registration of a trademark usually takes around one year. Brand registration, anticipation of possible infringement and anticipation of costs eventually associated with enforcement actions and/or loss of sales do not suffice to solve the problem of counterfeiting but do a lot to prevent major catastrophic scenarios.

It is also important to differentiate between the text of the law and the reality of enforcement situations. In case of trademark infringement it is worth noting that the law says that trademark owners can enforce both unregistered trademarks and registered trademarks in Thailand. However this should not be interpreted as an indication that brand registration is not necessary. Registered marks receive a considerably broader protection than unregistered marks. Registered marks benefit from the protection of the provisions contained in the Trademark Act while unregistered marks are protected through provisions of the Thai Penal Code and the Civil and Commercial Code. Infringers of a trademark registered in Thailand may be liable to imprisonment of up to four years and/or a fine of up to 400,000 THB, while infringers of an unregistered trademark may be liable to imprisonment of up to three years and/or a fine of up to 6,000 THB.

Moreover registration also allows the possibility of preventive measures to prevent the use of a counterfeit mark by an infringer.

A key message to readers is that it is always preferable to register mark(s) prior to any enforcement action.

1.2. Patent Infringement

It would be redundant to our previous paragraph to list industries, which are confronted with patent infringement in Thailand. However, there is a significant difference between patent and trademark protection. While trademark owners can apply for a trademark protection at any time, patent owners can only file patents for new inventions and there is no such thing as unregistered patent protection.

In other words, in situations where companies have not filed a patent application in Thailand or when an invention has already been disclosed, no enforcement for patent infringement is possible. This may sound obvious to companies well informed about patent laws but it is frequent that IP law firms receive clients, including foreign companies who have already disclosed their invention (through product sale, exhibition at an international fair etc.) before realising that they have not filed a patent application or that it is too late for them to extend their patent protection to Thailand. Even multinational companies with patent protection in Europe or USA sometimes realise too late that they have omitted to protect their patent rights in Thailand.

In case of patent infringement, registered patent owners can rely on the provisions of the Thai Patent Act, which sets out penalties for infringement of patents for inventions (up to two years imprisonment and/or a fine not exceeding 400,000 THB) and petty patents/design patents (up to one year imprisonment and/or a fine not exceeding 200,000 THB). Criminal cases of patent infringement are however rare in Thailand in particular for patents for invention. This is due to several factors. First, the timeframe to obtain patent registration in Thailand, as already pointed out, can exceed 10 years, a situation which considerably affects the rights of the patentee. Due to the rapid development of technology and short lifetime of consumer products, an invention which is 10 years old may already be outdated or may have been replaced by a more efficient or innovative product or process. Then, civil suits are more adapted to patent enforcement where the goal of the patentee will be to collect licenses or receive compensation for patent infringement. Out-of-court settlements and mediation are also very frequent since both parties usually have an interest in avoiding disclosure of their dispute settlements.

1.3. Copyright Infringement

Core copyright industries are those predominantly involved in the creation, manufacture, production, broadcast and distribution and sale of copyrighted works and activities³³. These industries include: press and literature, music, motion picture and video, radio and television, photography, software and databases, visual and graphic arts, advertising services and copyright collecting societies. However virtually every type of industry may claim some copyright protection: literary content on product notices, advertising, website content, databases, proprietary software, pictures, films, books etc.

³³ Watcharas Leelawath, Danupon Ariyasajjakorn, Poonsri Sakhornrad, *The Economic Contribution of Copyright-Based Industries in Thailand*, http://www.wipo.int/copyright/en/performance/pdf/econ_contribution_cr_th.pdf

Copyright piracy in Thailand is a longstanding problem. It is one of the main reasons for Thailand being listed on the Priority Watch List of the United States Trade Representative³⁴. CD/DVDs, and software piracy in Thailand costs hundreds of millions of dollars to the copyright industry and despite a few positive signals, legislative changes and stronger commitment of enforcement authorities are repeatedly called for by the copyright industry. Legislative amendments to the Copyright Act such as amendments to tackle online piracy, Internet Service Provider liability, piracy of cable and satellite signals etc. remain to be adopted. Currently, in case of copyright infringement, the Copyright Act provides that if the offence is committed with a commercial purpose, the offender shall be subject to imprisonment for a term of between six months and four years and/or a fine of 100,000 THB to 800,000 THB.

The following table illustrates the various penalties under Thai Copyright law. As you can see, there is no criminal liability in case of reproduction, adaptation or communication of copyright work when there is no commercial intent of the infringer:

METHOD OF INFRINGEMENT	INTENT	FINANCIAL LIABILITY	CRIMINAL LIABILITY
Reproduction, adaptation, or communication of copyrighted work	Non-commercial	20,000-200,000 THB	none
Reproduction, adaptation, or communication of copyrighted work	Commercial	100,000-800,000 THB	Six months to four years
Importation, distribution, sale, or communication to the public ³⁵	Non-commercial	1,000-10,000 THB	none
Importation, distribution, sale, or communication to the public ³⁶	Commercial	50,000-400,000 THB	Three months to two years

Although fines foreseen in the law seem to be quite significant, final fines applied by CIPITC are usually in the lower end of the range and considered as not being dissuasive enough even when the infringement was intentionally committed for a commercial purpose. In addition, real culprits of organised crime are rarely found and arrested. Out of the 3,000 copyright infringement cases handled every year by the CIPITC very few present a significant penalty.

³⁴ Ambassador Ronald Kirk, 2012 Special 301 Report, Office of the United States Trade Representative.

³⁵ The liabilities apply if the infringer knew or should have known that the works being imported, distributed, sold, or communicated were copyrighted works.

³⁶ The liabilities apply if the infringer knew or should have known that the works being imported, distributed, sold, or communicated were copyrighted works.

On the positive side, large seizures of counterfeit copyright products (such as DVDs) occur more and more regularly in Thailand (especially due to the increased efficiency of Thai customs). Various memorandums of understanding have also been signed between enforcement authorities and have strengthened their cooperation and the overall efficiency of enforcement actions in Thailand.

To illustrate situations of how companies deal with IP infringement in Thailand, we provide below two examples of case studies:

- a case study related to end-user software infringement;
- a case study related to perfumes.

Case study 1: end-user software infringement

The software industry is one of the many industries directly suffering from copyright infringement. Cracked software is widely available for purchase in IT malls in Bangkok (such as Panthip Plaza, Fortune Tower etc.) and other major cities. Even stores selling new computers sometimes propose to install, sometimes free of charge, unlicensed software for their clients. In the recent years, software companies have increasingly filed complaints against stores selling counterfeit software but also against end-users of unlicensed software. In cases of an end-user of unlicensed software, it is highly recommended for the copyright owner to record its copyright prior to taking any action. Software can be protected in Thailand under copyright by submitting parts of the source code and a summary description of the features of the software. Software recorded abroad (such as software recorded in the USA) is fully recognized in Thailand as well³⁷. Then the copyright owner must file a complaint (usually with the Economic Police) and provide evidence of copyright infringement of its software. If the evidence provided is sufficient, the court will allow a raid to be conducted at the infringer's premises. Usually parties will then settle out of court or in case no agreement is found between the parties, the copyright owner may pursue the infringer in front of the CIPITC.

CASE STUDY 1

Enforcing copyright in Thailand: A Major European Software Company

In 2010, a major European software company ('ESC') received information that a company in the supply chain of the auto industry was using unlicensed ESC software. The services of a law firm with experience in software license enforcement were engaged. After an investigation a criminal complaint was filed with the Economic Crime Investigation Division of the Royal Thai Police. Immediately prior to the raid, the attempt to obtain a search warrant from the court of the province in which the target company was located failed. The court explained, erroneously, that it did not have the authority to issue search warrants in such cases. A search warrant was obtained four days later (a weekend having intervened) from the CIPITC located in Bangkok, and a successful raid conducted. Eight computers were found with unlicensed ESC software installed, such software being used for commercial purposes. Settlement negotiations ensued and after five months an agreement was reached. The settlement agreement included the legalisation by the company of its unlicensed installed base, the deletion from its computers of all unlicensed ESC software, the right to announced audits for a period of five years, and remedies to ESC if the company breaches any terms of the settlement.

³⁷ Thailand is a party to the Berne Convention for the Protection of Literary and Artistic Works.

Case study 2: Can perfumes be protected?

There is growing concern from cosmetic companies, in particular perfume companies about the infringement of fragrances. In Thailand, smell marks are not yet protected in the Thai Trademark Act and even in the event where smells would be accepted for registration, it is uncertain whether fragrances (perfumes) would be granted protection³⁸. Copyright law also does not protect fragrances³⁹. Perfume companies have only been able to enforce their trademarks (in case of trademark infringement or passing-off) or eventually their designs (in case they had protected the shape of the perfume bottle by a design patent application). In situations where counterfeiters do not reproduce the mark on the fake perfume container or the shape of the bottle, but have created a perfume which resembles/imitates the original perfume, there seems to be no possibility to enforce any IP right.

In addition, refilling of original bottles/containers with fake content is also not deemed a trademark infringement (as the trademark has not been reproduced and/or forged). Such situations cause serious concerns to a wide range of industries (beverages, in particular alcohol companies, cosmetic companies etc.) and clarification of the law is needed.

CASE STUDY 2

Enforcing copyright in Thailand: Fighting copies and fake, a true Sisyphean task!

Our company specialises in developing celebrity perfumes from France adapted to local purchasing power and sold at local prices (199 THB – 6 USD). We now count over five local celebrity perfumes that are retailed in all segments of the trade including very popular 7/11 convenience stores. Those products are manufactured locally but incorporate imported genuine fragrances developed by professionals under long term licenses with top South East Asian (SEA) celebrities. Marketing to the SEA middle class is easy as the celebrities enjoy huge public awareness and are social network leaders, often with several million fans and followers.

Today a major threat to us and our major competition are small street vendors with fakes and copies, often of very poor quality. A few years back, copiers would target well-known imported luxury brands, not anymore. Interest shifted to local brands with great brand awareness thanks to the local celebrities. They are thousands of these small street vendors, making it very hard to fight them.

They are not registered entities, do not pay welfare or space rental, and are therefore very hard to challenge from a legal perspective. They are mushrooming all over the country, armed with local Thai production, R&D, employment and foremost, image. More problematic and dangerous is the risk taken by consumers on goods that are not FDA approved and tricked local consumers can end up with burns or otherwise damaged skin caused by hazardous fakes. As a start-up and still an SME, we can hardly find the time or the budget to fight those giant factories and can only hope that one day, the government will take this issue seriously and help us find a solution to this cancer.

That day, the image of SEA in general and Thailand in particular will change for the better and worldwide popular artists like Lady Gaga will not only come to Thailand for its fake watches...

Frederick Besson, Bel Perfumes

³⁸ In Europe, perfume companies have failed to obtain protection of fragrances under trademark laws.

³⁹ In France, recent case law has extended copyright protection to fragrances.

2. CIVIL ENFORCEMENT

In addition to criminal remedies, IP rights holders owners may rely on the provisions of the Civil and Commercial Code which provides that “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”.

There are few civil actions related to IP infringement in Thailand. While CIPITC handles 7,000 cases every year on average, fewer than 300 of these cases are civil cases.

This figure can be explained by the fact that civil cases are usually more costly and lengthy for the plaintiff, require a very high burden of proof and that ultimately the assets of the defendants (i.e. IP infringers) are difficult to assess or to seize. Rights holders shall carefully consider the need for civil enforcement and be prepared to show strong evidence to delimitate the scope of the infringement and to allow the CIPITC to evaluate the damages.

On the positive side, civil actions can be useful in many ways:

First, for obtaining a permanent injunction against the offender and to claim damages. In the case of copyright infringement for example, the CIPITC may order appropriate damages for the rights holder by taking into consideration the gravity of the damage and by including lost profits and expenses incurred in enforcing the IP rights.

Then, for obtaining preliminary injunctions. The IP system in Thailand provides for a preventive injunction system in order to preserve relevant evidence in relation to the alleged infringement. These preliminary injunctions can be extremely helpful to add pressure on the defendant.

QUICK TIPS	
BENEFITS OF CIVIL ENFORCEMENT	SHORTCOMINGS OF CIVIL ENFORCEMENT
<ul style="list-style-type: none">• Possibility to obtain permanent injunction and monetary compensation for damages caused by the infringement.• Possibility to request preliminary injunction.	<ul style="list-style-type: none">• Usually more lengthy and costly procedure than criminal enforcement.• Need to provide strong evidence of infringement and commercial prejudice.• Difficult to enforce the Court’s decision when the defendant does not have assets or declares its activity bankrupt.

3. BORDER MEASURES

In addition to pursuing a criminal or civil action against infringers, IP rights holders can also rely on the provisions of the Thai Customs Act to prevent the import or export of IP-infringing products.

Border measures may only be used against counterfeited trademark and pirated copyright products. It remains unclear whether the Customs Act provides protection for patent-infringing products but it is expected that the Customs Act will be revised shortly to clarify this issue. In practice, the majority of customs seizures of IP-infringing products are of trademark-infringing products.

QUICK TIPS	
BENEFITS OF BORDER MEASURES	TIPS FOR BORDER MEASURES
<ul style="list-style-type: none">• Quick, simple and cost-effective• Allows seizure of large shipments of counterfeit items before they reach the local or export markets• Efficient for seizing trademark infringing products	<ul style="list-style-type: none">• File a notification with Department of Intellectual Property in order to make sure that Customs officials can contact you/ your representative in case of suspected shipment• Make sure to inspect the detained goods within 24 hours• Provide training for customs officers so that they can identify counterfeit products and make sure to update them on your new products and/or IP rights.

Trademark owners have different options to request the assistance of Thailand's Customs in detaining suspect shipments of counterfeit goods:

Option 1: Trademark owners can first notify the trademark registrar at the Department of Intellectual Property of their request to prohibit the importation/exportation of the products bearing a counterfeit mark. The Department of Intellectual Property will then officially forward such request and all supporting documents to Customs. Customs will have the possibility to inform the trademark owners or their representative of any suspected shipment and ask them to inspect the products in order to confirm whether these are counterfeits. 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.

If the seized goods are confirmed to be counterfeit, customs officials will file a claim against the importer based on importing prohibited goods and have the authority to fine the importer. Generally, the fine is two-and-a-half times the market value of the goods as determined by Customs, had the goods been released. If the importer does not comply with the Customs Committee's order, the case will be referred to the CIPITC. The court has the authority to fine an importer up to four times the value of the seized goods. The seized goods are generally destroyed.

Option 2: Trademark owners can also, after having notified the trademark registrar at the Department of Intellectual Property, file a petition to ask Customs to detain a suspected shipment they may have identified. In such a case, trademark owners need to provide detailed information regarding the

suspected shipment known to arrive in Thailand or shipped from Thailand. They will be required to provide customs officials with specific and detailed information regarding the shipment such as 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.

Rights holders are generally satisfied with the work carried out by Customs officials and it is highly recommended for any company concerned about import or export of counterfeit products into/from Thailand to work closely with Customs.

Some companies have also obtained very positive results by organising training sessions for Customs officers and circulating notices/information on how to detect fake products.

4. ANTI-COUNTERFEITING ONLINE

Online shopping is quickly increasing in Thailand in particular among young, urban customers seeking to purchase a wide range of products ranging from clothing, electronics, movies or cosmetic products – and so is the online sale of counterfeit products.

Online piracy is the quickly becoming attractive for IP infringers, less likely to be caught. In addition, although intellectual property laws sanction the sale of counterfeit products, they do not specifically sanction the sale of counterfeit products online. There are no specific procedures or penalties detailed in current intellectual property laws in relation to online piracy.

IP rights owners have so far only been able to take action against online piracy by traditional means, namely sending cease and desist letters to domain name holders or, after investigation, conducting raids against storage facilities, warehouses linked to individuals/companies identified as proposing infringing products online. The outcome of these actions is highly unpredictable and can prove costly to IP rights holders if investigation does not allow finding large quantities of counterfeit products. Then, monitoring online piracy in Thailand is not as easy as it seems. Most online counterfeiting websites are in Thai while online piracy detection software usually uses roman characters. Trademark owners need to turn to local Thai counsel and investigators to monitor the Internet for trademark infringement. A few local companies have seen an opportunity and proposed local monitoring programs.

Intellectual property rights holders can also try to rely on the provisions of the Computer Crime Act of 2007 which allows competent officials to obtain computer data and to inspect or access a computer system, computer data, computer traffic data or computer data storage equipment. It also allows for the seizure of a suspect computer system. The Computer Crime Act includes however no specific provisions dealing with online trademark infringement and there are contradictory views as to whether the offence of inputting forged computer data into the system in a manner likely to cause injury to another person⁴⁰ covers online trademark infringement. A new approach involving the Ministry of Information and Communication Technology consisting of filing a request to shut down websites that offer fake goods for sale is being discussed⁴¹ and it remains to be seen whether such an approach allows for a clamp down on online piracy. IP rights holders are strongly advised to join forces and raise the issue of online piracy to relevant authorities so that amendments to existing laws can be implemented.

⁴⁰ Section 14 of the Act.

⁴¹ *Using the Computer Crimes Act to Combat Online Piracy* by Nuttaphol Arammuang and Wiramrudee Mokkhavesa, August 22, 2012, Tilleke&Gibbins International.

CONCLUSION: PREVENTIVE MEASURES, STRATEGIES AND KEY RECOMMENDATIONS

Availability check and prior registration

Prior check of availability and registration of intellectual property rights in Thailand is strongly recommended. There is simply no better investment or preventive measure than obtaining registration of a trademark, patent, design or even copyright in case you want to protect your intellectual property assets. Registered rights give you the option to enforce your rights, while unregistered rights usually do not, or at a much higher cost.

Trademark availability searches and prior art searches should not be overlooked as they can greatly help you to determine your strategy, freedom to operate and of course monitor your competitors. To give an example, trademark squatters but also counterfeiters monitor trademark databases to see which trademarks have not been registered or renewed. Competitors of your company will also look for products and/or designs or processes, which you may not have patented in order to use your technology or creativity. One example is generic drug companies, which regularly check whether pharmaceutical companies have filed patents for all their products.

Most of these preventive measures (availability check, registration) do not require a significant investment and budget considerations should not deter companies to protect at least some of their assets. There are no official fees for copyright recordation in Thailand and fees – including lawyers' fees – for filing a trademark application or a design patent are manageable even for start-up companies or individual inventors. Patents for invention can be more costly but then represent an investment that should offer a return in the medium or long term.

Adopt protection and enforcement strategies

Seeking the services of local counsel who have experience in dealing with intellectual property protection and who have good contacts with various government agencies is recommended. Protection and anti-counterfeiting strategies need to be tailored, pro-active and realistic to meet the business needs and goals of IP rights holders. Local counsel should be able to provide legal opinions, recommendations, vulnerability audits, freedom to operate studies or litigation strategies, which would allow IP rights holders to make informed decisions. Strategies in particular should not be designed without a clear understanding of how far Thai laws can be interpreted and practically enforced.

Build awareness

Building awareness and growing an IP culture within the company is also essential. The role of local distributors and licensees in monitoring the local market, the implementation and control of confidentiality within the company or the record of inventions and new designs are practical examples of what companies can do to stress the importance of IP for their business activity.

Communication is also essential. Copyright notices, trademark notifications, conferences, organising training such as training of enforcement authorities and participation to IP seminars are just a few examples of what companies can do to communicate their IP assets and build awareness. Annual training and workshops for customs and police officers are powerful tools in creating awareness of how to differentiate counterfeit goods from genuine goods and in keeping the authorities aware of your IP issues. These programmes also help to educate the authorities about the damage that counterfeiting causes to the national image and international trade.

Join forces

Rights holders should consider joining forces and seek the support of professional organisations, trade associations or chambers of commerce. Not only can participation in IP working groups, such as the recently created EABC IPR Working Group, help companies to learn about best practices, they also offer the possibility for these companies to directly address their issues to the relevant authorities and/or comment on proposed pieces of legislation. In some cases, joint enforcement actions can also help to reduce costs for individual brand or copyright owners.

Consult local counsel and/or investigation firms

There are several international and local law firms specialising 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.

Cooperate with national anti-counterfeiting agencies

Rights holders should cooperate proactively with all national anti-counterfeiting agencies. Good working relationships can only result in increased efficiency in the fight against counterfeiters. Close relationships with enforcement authorities such as the police and Customs are crucial. IP law firms or investigation agencies acting on behalf of their clients and rights holders themselves are welcome to provide training to enforcement authorities. Providing Customs with booklets or CDs allowing them to distinguish legitimate products from counterfeit goods has proved effective. A final tool is the signature of memoranda of understanding such as the 2006 memorandum signed between the Department of Intellectual Property, enforcement agencies, private rights holders, law firms, investigation firms and department stores. The aim of this memorandum was to target notorious areas for action to suppress the sale of counterfeit products. For example, the memorandum provides that if a retailer has been raided twice, the landlord must evict the tenant.

Make use of technology to help to identify fake products

Whenever possible, companies should look for technologies, marking systems or devices, which can be applied to genuine products or packaging to help consumers or enforcement authorities to recognise authentic articles. This is particularly important for products, which have a direct impact on consumers' health (such as medicines). Bar codes, holograms, seals, micro-letters, chips, anti-refilling systems, tamper-proof boxes etc. can be useful to protect original products from being copied and allow consumers to differentiate real from fake products.

Know when to adapt, stay persistent

Our final recommendation is to be flexible yet persistent. Intellectual property protection strategies need to be re-examined periodically and adapted to business strategies and/or the environment. A good protection strategy goes step by step. Once you have a goal set, stay focused and always show strong commitment to protecting your intellectual property.

PROTECTING YOUR INTELLECTUAL PROPERTY IN THAILAND



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