

Mrs. Pajchima Tanasanti
Director General of the Department of Intellectual Property
Department of Intellectual Property, Ministry of Commerce
44/100 Nonthaburi 1 Road, Bangkasor Sub-district,
Muang District, Bangkok 11000

August 17, 2012

Re: Revision of Thailand Trademark Law

Dear Mrs. Tanasanti,

On behalf of the International Trademark Association (INTA), I would like to express support for measures in Thailand's revised Trademark Act that would strengthen the current trademark laws and promote efforts against counterfeiting.

INTA is a not-for-profit membership association of more than 5,900 trademark owners and professionals firms from more than 190 countries. We have 245 members firms in Southeast Asia with 20 members in Thailand. The association was founded in 1878 and is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trademarks and the development of trademark law, and they rely on INTA to represent those interests with national governments and international organizations. INTA's diverse membership includes multinational corporations and other business enterprises of all sizes, intellectual property and general practice law firms, trademark agent firms, service firms, trademark consultants, and academic institutions.

In this highly competitive global market, trademark owners are constantly looking for new and innovative ways to distinguish their brands from others through the creation of new types of marks and ways to enforce them. This constant evolution has resulted in many countries revising their trademark statutes so that they provide as broad a scope of protection as possible. For this reason, as discussed below, INTA recommends changes to the draft bill in the following areas that will strengthen trademark protection and combat counterfeiting:

1. Landlord Liability Measures
2. Change to the Definition of Infringement
3. Trademark Office Practice
4. Protection of Non-traditional Marks
5. Elimination of Mandatory License Recordal System

I. Landlord Liability Measures

Counterfeiting is a crime. It harms economies, and threatens the health and safety of the public. Recent reports estimate that the global impact of counterfeit (and pirated) goods is as much as \$650 billion (20 trillion Thailand Baht). Measures that disrupt the counterfeiting activities of vendors selling fakes are an effective way of combating counterfeiting. INTA believes that landlords should not be facilitating or allowing illegal activities on their premises. Therefore, those who have knowledge that their tenants, other temporary occupants or stall holders deal in counterfeits and who take insufficient action in response should be held contributorily or vicariously liable for counterfeiting.

Countries such as China, the United States and United Kingdom have successfully used such measures to address counterfeiting. INTA's Board Resolution (attached) outlines our recommendations on this issue and goes into further detail on relevant cases. Based on our Resolution, we believe the Thai government should:

- Ensure through new laws, regulations, administrative guidelines and judicial determinations, as appropriate, that landlords are held liable where, after being put on notice of counterfeiting or other trademark violations occurring on their premises, such landlords fail to investigate the matter and, upon confirming the facts, take appropriate action to deter the tenants engaged in such activities which may include terminating the leases of such tenants or otherwise removing them from the premises;
- Require landlords of tenants that have previously been found liable for counterfeiting or other trademark violations to take reasonable steps to prevent or otherwise control future violations on their premises, e.g., through regular searches of leased premises/stalls, the adoption of new lease contracts explicitly banning dealings in offending goods, and the imposition of bans on tenant dealings in particular brands;
- Clarify the conditions under which a landlord may be held criminally and civilly liable under the theories of contributory liability, aiding and abetting and vicarious liability; Treat as proceeds of crime (i.e., money laundering), the income derived by landlords who knowingly rent or lease premises to tenants that deal in counterfeit goods from such leased premises; and
- Establish rules requiring that all those who rent their premises/property to others, whether as landlords or licensors, so that those tenants/licensees may sell goods to the public, obtain from their tenants/licensees and retain records as to their identities and addresses, including vehicle identification if vehicles are brought onto the premises, with failure to do the same leading to possible criminal sanctions and/or financial penalties.

Recommendation: INTA recommends that landlords, who have knowledge of counterfeiting activities, should be held vicariously liable for the illegal activities of their tenants.

II. Change to the Definition of Infringement

Currently, an infringement only occurs when a person, without authorization from the trademark owner, physically applies a trademark to a good or service. As it stands, this does not prevent counterfeiters from refilling genuine packaging with unauthorized products, such as refilling genuine perfume bottles with counterfeit perfume.

Recommendation: INTA suggests the trademark law be amended to include the unauthorized use of a genuine trademark with unauthorized products.

III. Trademark Office Practice

INTA strongly supports certain provisions in the draft Thailand Trademark Law Revision affecting trademark office practice.

Recommendation: INTA welcomes the adoption of multi-class applications, the inclusion of grace periods for renewal, and the abolishment of the association requirement for identical/similar marks owned by the same company, as important improvements to trademark office practices.

IV. Protection of Non-traditional Marks

INTA supports provisions in the proposed Thailand Trademark Law Revision that expand the definition of trademarks to include non-visual sound and scent marks, which will place Thailand in line with international best practice.

Recommendation: INTA strongly encourages the trademark law to embrace other non-traditional marks such as single color marks (in addition to the current registerable combination of color marks) and touch marks.

In addition, INTA believes that the level of distinctiveness currently required by the Department of Intellectual Property (DIP) for three-dimensional marks is too high. In the past, DIP has disallowed many types of packaging, bottles and containers due to the claim that they lack distinctiveness.

Recommendation: INTA also proposes that the DIP allow distinctive, non-functional packaging to be registered.

V. Elimination of Mandatory License Recordal System

INTA recommends the elimination of mandatory license recording in Thailand due to the heavy burden this system places on trademark owners. In addition to increasing the cost of doing business, which results in higher prices for consumers, a failure to comply with the requirements

of mandatory license recordal can result in the loss of trademark rights – a penalty far disproportionate to the infraction.

Other means are available to address the mandatory license recordal system’s objectives, which are to protect against agreements that would otherwise violate the law, allow consumers to identify licensees and to control for quality. For example, other governmental bodies monitor against agreements that might violate laws, such as anti-monopoly laws. Also, consumers in practice are unlikely to be aware of, much less use, the registry to discover a licensor-licensee relationship. Moreover, the agreement between the parties, who are in the best position to monitor their transaction, will address the vital issues of quality and liability.

INTA is extremely concerned when a license agreement, and its associated trademark rights, is nullified due to a failure to comply with the administrative requirements of license recordal. The trademark law should help secure the rights of the trademark owner, and its assignees, and not create unnecessary risk and liability.

Many countries have recognized these concerns and the international trend is moving towards elimination of mandatory license recording. For example, Canada, Brazil and the Benelux region previously had mandatory license recordal systems and have eliminated them.

Recommendation: INTA recommends the elimination of the mandatory license recordal system from the trademark law revisions in the interests of economic efficiency and fairness in intellectual property rights.

We hope you will find our comments useful in your efforts to revise the Thailand Trademark Act. Should you have any questions, please do not hesitate to contact Kowit Somwaiya (kowitz.somwaiya@lawplusltd.com; +662 636 0662), Candice Li, External Relations Manager for Anticounterfeiting, or Seth Hays, External Relations Manager for Asia-Pacific (shays@inta.org; +1(212)642-1715). We would be happy to further discuss our comments. Thank you for your consideration and attention.

Sincerely yours,



Gregg Marrazzo
President