

THE IMPORTANCE OF COPYRIGHT DUE DILIGENCE

Recently, the movie *Eclipse*, taken from the third chapter in *The Twilight Saga* written by Stephanie Meyer, set a blockbuster record for first-day ticket sales on a Wednesday, grossing more than US\$60 million (2 billion baht) overnight. Royalties for a big hit novel such as this can run into the millions of dollars. As such, it would not be an understatement to say that such rights in copyright works are routinely commercialised by way of assignment or licence.

Unlike trademarks or patents where registration is required to obtain full legal protection to help verify ownership, qualified copyright works enjoy protection under the Thai Copyright Act from the moment of creation of the work by the originator and do not require registration. Like most countries, Thailand recognises the creation of a copyright work once an idea is expressed into some tangible medium of expression. Again, as in many countries, no registration procedure is available in Thailand except for a mere recordation. Furthermore, as no document of title is issued to verify the copyright ownership, rights owners are presented with the challenge of how to secure some form of evidence to defend their rights in an ownership dispute or a challenge to a work's originality.

Caution must also be exercised in dealing with the licensing and assignment of the copyrighted works to verify that the licensor or assignor is indeed legitimately entitled to execute certain transactions. The following recent Supreme Court Decision No 5212/2552 concerning copyright in a translation illustrates the need for such due diligence.

The plaintiff in this case, a publisher, claimed that it had been assigned the copyright in translations of four English books into Thai by the translators, who were Thai individuals, as the assignors. During the hearing, it appeared to the Court that the assignors had not yet obtained permission from the copyright owner of the original English books. Hence, the translation was done arbitrarily without the permission of the copyright owner.

The Court ruled the translation was an illegitimate adaptation of another party's copyrighted works and that the assignors' translation and the assignee's publication were ineligible for protection under the Copyright Act. Since the assignors had no legal claim as the owner of the copyright in the translation, the plaintiff as the assignee was likewise unable to exercise the copyright allegation against the defendant, who was a Thai individual. Accordingly, the



plaintiff's petition was dismissed.

If the plaintiff had practised even a basic amount of due diligence before publishing the book or filing the lawsuit, it would likely have discovered that as the translation was made without the permission of the copyright owner originator, it had no prospect of enjoying copyright protection over its publication, and it would likely be liable for copyright infringement liabilities. Furthermore, as the four translations lacked copyright protection, they could be reproduced and distributed freely, since they would be considered to be a work in the public domain. Having published a book without being able to enjoy protection under the copyright law may not cause much damage, but consider the possible impact if the subject of the dispute had not been the Thai translation of those books, but rather a Thai translation of a *Harry Potter* or *Twilight* work. Millions could be lost due to the simple lack of due diligence.

Copyright licensing is another area where one should prepare carefully before reproducing or adapting another party's copyrighted works or entering into a licensing arrangement. Examples of unknowingly infringing Disney or Japanese animated characters or reproducing *Lonely Planet* photos can be seen in Thailand and elsewhere, in some cases even without bad-faith intention. Thus, it is crucial to perform copyright clearance with guidance from intellectual property counsel and appropriately acknowledge the copyright owner before associating or making use of their copyrighted works to ensure that the deal will be legitimately completed.

This is just one example of how the business and legal paradigms in Thailand are increasingly affected by knowledge-based globalisation. Coming regulations and laws will provide more dynamic mechanisms to catch up with such activities in the digital era, and it is crucial for business people and other interested parties to seek informed counsel to gain a full awareness of these changes.

**By Somboon Earterasarn, consultant,
Intellectual Property Department, Tilleke &
Gibbins. Please send comments to Andrew
Stoutley at
andrew.s@tillekeandgibbins.com.**