

Protection of Fashion Designs in Thailand

The Thai government wants to turn Bangkok into the fashion capital of Asia by 2012, but has yet to deal with legal-protection issues. Possible sources of protection include design patent, copyright and passing off, but all contain ambiguities and there are no explicit safeguards for fashion designs. Designers face tough decisions when deciding whether to do business in Thailand.



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do is photograph the clothes and send the pictures to a garment factory where mass production of exact copies can begin almost immediately. Thus, if Thailand is interested in attracting high-profile designers in order to compete with other fashion hubs and at the same time developing successful domestic brands, protection of fashion designs needs to be addressed. It is commonly known that Thailand has been struggling with intellectual property enforcement problems even in the areas in which the law provides explicit protection. In the case of fashion designs, the ambiguous scope and degree of protection may further discourage famous apparel brands from sending new trends to Bangkok. This would undoubtedly affect the city's ability to compete with other fashion centres.

While Thailand remains notorious for copying of fashion designs in numerous channels, a number of other countries also essentially deny practical judicial protection for fashion works.

A few years ago, the Thai government announced an initiative to turn Bangkok into one of the world's fashion centres by 2012. The government declared that it was prepared to invest as much as Bt3.74 billion (US\$123.2 million) in this "Fashion Capital of Asia" project and expected to see an increase in annual exports by Bt120 billion (US\$3.95 billion) within five years. Not only would Bangkok develop a reputation as a place to send fashion trends and culture, but in a few years as many as 500 domestic brands were expected to come into the market. The government expected that ultimately Bangkok would become a trendsetter in fashion design, which would create enormous value for the garment industry in Thailand. While this initiative covered a broad range of undertakings by the government to boost the fashion industry, issues concerning legal protection for fashion designs have yet to be dealt with. Thus far, neither the legislature nor the judiciary has ever specifically addressed whether fashion works may be protected in this country.

At first glance, it appears that several avenues are available through which fashion designers may seek legal protection for their designs in Thailand. These range from protection under intellectual property law to protection under a general tort provision against unfair competition and passing off. Nevertheless, none of these statutes explicitly safeguards fashion designs against copying, commonly known as "knock-offs". While fashion designers spend months creating new designs, all that imitators have to

do is photograph the clothes and send the pictures to a garment factory where mass production of exact copies can begin almost immediately. In the United States, copyright protection does not cover design features of wearable apparel, which is regarded as a "useful article." Under the US *Copyright Act*, design elements of a useful article are protected only when they are separable and independent from the functional aspects of the article. This notion of separability can be either from a physical or conceptual aspect. Precedent suggests that fashion designs are neither physically nor conceptually separable from the apparel in which they are incorporated, and therefore are not qualified for copyright protection.

On the other hand, a number of countries have adopted laws or regulations specifically safeguarding designs, including fashion designs, against unauthorized copying. In many jurisdictions,

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protection is available for both registered and unregistered rights. European countries, especially France and Italy, traditionally offer strong protection to fashion designs because they are regarded as being primarily artistic, rather than functional as is the case in the United States. The European Community itself has adopted a directive harmonizing national design laws of the member states. Under Directive 98/71/EC, a design, including a fashion design, which qualifies as a Community design receives automatic protection in all member states irrespective of registration. If a Community design is registered, the proprietor of the design has an exclusive right to prevent infringement across the European Community for up to 25 years (an initial term of five years and renewal terms of up to 20 years). As for unregistered Community designs, protection ensues automatically and continues for a limited period of three years. Renewal is not available for unregistered designs.

In Thailand, there is no specific legislation governing fashion design protection. Various intellectual property statutes could possibly be relied upon to secure exclusive rights to fashion designs, including design patent, trademark and copyright provisions. In addition, unfair competition and passing off claims against imitators may be formulated based on a general tort provision of the *Civil and Commercial Code*.

Design patent

Although in theory obtaining design patents seems an appropriate means to safeguard fashion designs, in reality it is not. In Thailand, patents for designs are available with a 10-year period of protection. However, legal and practical impediments exist which render design patents unsuitable for protecting fashion designs. First, it is debatable whether design patents may be granted for fashion designs. Section 56 of the *Thailand Patent Act* (as amended) provides that a patent may be granted “for a *new design for industry, including handicraft*” (author’s italics). While the statutory language suggests that protection is intended for product designs, Section 56 may be read broadly to extend protection to fashion designs as well. It is doubtful whether the Registrar (the Department of Intellectual Property) and courts would allow the broad reading of the statute or limit protection to designs of products of industry and

handicrafts. In addition, a fashion design must be “new” in order to be patentable. A design is deemed new if it is not widely known or used or described in a published patent application in Thailand, has never been disclosed in a document or printed publication anywhere in the world, and does not present substantial similarity to existing designs as to constitute an imitation.

Besides the aforementioned legal hurdles, at least two practical considerations render design patents unsuitable for protecting fashion works. First, the process of obtaining design patents simply takes too long to provide meaningful protection for most fashion designs. While it takes approximately one to two years for the Registrar to examine and grant a design patent, the life span of most fashion designs is only three to six months. Designers who file for a design patent which is later granted would not be able to obtain an injunction to prevent sales of infringing goods while the design is in style. An infringement action could only be brought retroactively, after much revenue has been lost. Damages awards in Thailand tend to be small and often inadequate to compensate for revenue lost due to vast copying because the courts generally grant only actual damages which a plaintiff can prove. Moreover, given the ease with which assets can be hidden in Thailand, collection of judgements for damages awards may prove rather difficult.

Trademark

Another possible source of protection for fashion designs is trademark protection. The *Thailand Trademark Act* (as amended) defines a trademark as a mark used, or proposed to be used on or in connection with goods for the purpose of indicating that they are goods of the proprietor of such trademark which are different from goods bearing the trademark of others. The Act further defines a “mark” to include any shape or three-dimensional object. Therefore, in theory, fashion designs may be protected under trademark law as a form of trade dress. In order to qualify for protection, a design – i.e. a three-dimensional mark – (i) must be distinctive or have acquired secondary meaning; (ii) must not be identical or similar to a trademark registered by a third party; and (iii) must not amount to a mark which is barred under the Trademark Act by reason of public policy. Under the act, upon registration of a mark in Thailand, the proprietor of the mark has exclusive rights to its use for the goods in respect of which the registration has been granted. Actions such as forgery of a registered mark, imitation of a registered mark in order to mislead the public into believing that the imitation mark is that of the registered proprietor, and importation into Thailand, selling, offering or possessing for sale products bearing a forged or imitated mark constitute criminal infringement.

Although the Trademark Act provides a basis for protection of fashion designs as three-dimensional marks, no registration of a

three-dimensional trademark has actually been granted which could offer precedent for registration of fashion designs. Since 2000, when the Trademark Act was amended to comply with Article 15 of TRIPS and the definition of "mark" was broadened to include three-dimensional shapes, there has been an apparent reluctance on the part of the Registrar to grant such applications for registration. Thus far, three-dimensional trademark applications have been routinely rejected as descriptive of the goods. Unfortunately, there has been no decided case law interpreting exactly what type of three-dimensional shapes should qualify for protection under the Trademark Act.

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Copyright

Unlike patent and trademark protection, protection under copyright law is automatic. If fashion works are deemed copyrightable, such protection would fulfil the need of designers facing loss of sales revenue due to low-priced knock-offs. However, there has been an ongoing debate among Thai jurists and practitioners as to the limits of application of copyright law with regard to designs.

Artistic works are among the various types of works expressly protected by the *Copyright Act*. The act states that "artistic works" include works of applied arts, which is defined as any one or more of the various categories of artistic work used for other purposes

apart from the appreciation of the inherent value thereof, such as that used for utility, decorating material or equipment, or for commercial purposes. The period of protection for works that are considered applied arts, however, is reduced to 25 years. The act further provides that a work may be categorized as an artistic work whether or not the work has artistic value. Accordingly, fashion designs fall squarely within this definition and could be protected as works of applied arts. The production and sale of knock-offs would violate various exclusive rights granted under the *Copyright Act*, such as rights of reproduction, adaptation and dissemination to the public. Various acts of selling, keeping in possession for sale, offering for sale, renting or offering for rent, importing or making



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- Lead counsel for Pfizer, AstraZeneca, Novartis, Bristol Myers Squibb, GSK, Sanofi-Aventis, Abbott Laboratories, and Merck & Co., among others, in planning and execution of a defensive strategy to respond to the Royal Thai Government's Ministry of Public Health policy of imposing compulsory licenses on patented medications. Developed and implemented enforcement of invention and process patents for several blockbuster drugs against manufacturers and distributors of infringing copy drug products.
- Represent the Business Software Alliance and other software developers such as Microsoft, Adobe and Autodesk Inc. to conduct "end-user" and retail raids and vigorous enforcement actions against manufacturers, retailers and end-users of pirate unlicensed software. From 2003-2007, T&G secured more than US\$4.6 million in fines, legalizations, and settlements for copyright owners as a result of raids and prosecutions of retail and institutional pirates, including a record US\$450,000 settlement for one well-known software developer.
- T&G organized more than ten Product Identification training sessions during the year 2006 for government officials both in Bangkok and in other regions of Thailand. In 2007, T&G continues to organize training sessions for officers at Customs ports and also in major events, such as Project SILK – Strengthening EU-Thai Fight Against Counterfeiting seminar.



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an order for importation into Thailand of the protected work without permission of the copyright owner constitute copyright infringement which gives rise to civil and/or criminal liability.

Notwithstanding this, there has been an active debate in Thai jurisprudence as to whether copyright statute may be relied upon in securing and enforcing rights to unregistered designs. In the mid-90s the Thai Supreme (*Dika*) Court issued a landmark decision in a case by DTC Industry Co. Ltd. against Thai Ballpen Industry Co. Ltd. The case concerned unauthorized copying of the external design and other design features of various models of ballpoint pens. One of the issues upon which the case turned was whether the design of the pens could be protected under the Copyright Act as a "work of applied art." At first instance it was held that copyright did subsist and unauthorized production of pens imitating the design by Thai Ballpen Industry amounted to an infringement of DTC's rights. The Court of Appeal overturned the decision of the Court of First Instance, finding that the pen designs did not qualify as artistic works. The plaintiffs then appealed to the Supreme Court which held that DTC's activities in designing the pens were creative in respect of the shape and moulds of the pens and accordingly copyright subsisted. While Thailand is a civil law country and courts are not bound by precedents, a Supreme Court landmark decision such as the DTC case is significant. Liberal members of the Thai judiciary cite this case as authority for the proposition that copyright theory is viable to protect unregistered designs. On the other hand, conservative jurists attempt to limit the case to its facts. In light of this ongoing debate in respect of the limits of copyright law as applied to unregistered designs in general, it is doubtful whether designers can effectively rely on copyright protection in attempting to combat unauthorized copying of their unregistered fashion designs.

Unfair competition and passing off

Despite a lack of specific legislation governing unfair competition and/or passing off, these types of claims may be formulated under Section 420 of the *Civil and Commercial Code*. Section 420 is a basic torts provision in Thai law, and it has been drafted and interpreted very broadly. It provides that "[a] person who, willfully or negligently, unlawfully injures the life, body, health, liberty, property, or any right of another person, is said to commit a wrongful act and is bound to make compensation therefore." To pursue a claim under Section 420, a designer-plaintiff would have to establish that he or she has legal rights in the designs and that the copyist's actions are unlawful and calculated with a view to harming the rights of the designer-plaintiff.

Although unfair competition and/or passing off claims may be brought under this provision, and in spite of the Thai courts' broad construction of Section 420, the use of this provision to enforce rights to fashion designs is not particularly well-developed. Moreover, it should be noted that unregistered rights usually receive very thin protection in Thailand and are based on very onerous evidential requisites.

Conclusion

In sum, there is no guarantee that fashion designs will be protected against copying in Thailand. All applicable statutes contain some ambiguity and/or inefficiency for one reason or another. There is no established system of design registration as in many developed jurisdictions. Thailand could consider adopting such a system in order to clear up the uncertainties in this area and provide a boost to the fashion industry.

Regardless of the worldwide trend towards enhanced protection for fashion designs, many countries that are considered fashion leaders remain averse to protection of fashion works. The US, for instance, continues to deny protection for fashion designs despite considerable pressure from various interest groups. Thus, if Thailand decides that granting fashion design protection does not serve the interest of the country as a whole, this should be clearly pronounced by the legislature or courts in order to allow domestic and foreign designers to make an informed decision about whether to engage in business in Thailand and how they may otherwise protect themselves against copying.

About the authors

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