

ASPEN PUBLISHERS

SEPTEMBER/OCTOBER 2010

VOLUME 16 NUMBER 5

IP

DEVOTED TO
INTELLECTUAL
PROPERTY
LITIGATION &
ENFORCEMENT

*Edited by the Law Firm of
Grimes & Battersby*

Litigator



Wolters Kluwer
Law & Business



International Litigation—Asia

Nandana Indananda
and Suebsiri Taweepon

Functionality Exception in Thai Patent Law

As part of the product development process, it is common for companies to introduce both functional and nonfunctional aesthetic aspects to serve customers' needs and desires. Functional and nonfunctional aspects of a single product are both eligible for protection under different kinds of intellectual property laws. Patent law clearly protects an innovation that possesses an inventive step, and thus only the product's functional aspect can be protected. Design law, on the other hand, protects features of an article that appeal to the eyes. Therefore, any design primarily influenced by the function of the product is unable to seek legal protection.

Unlike design laws in many countries where the functional aspect of an article is clearly excluded from protection, Thai law does not contain any limitation in this respect. Although the protection of designs has been offered to innovators under the patent law for more than 30 years, the issue regarding the functionality exception had not been brought to the attention of scholars and practitioners until recently. In the past few years, there have been cases filed before the competent Court giving us the opportunity to explore the issue of functionality exception under the provision of law and the interpretation of the law by the Court. This column discusses Thai law on patentability of design and related judgments in order to determine whether the Thai law and Court adopt the functionality exception into the design law system.

Patentability of Design

Under Thai law, both inventions and product designs are protected under the same legislation, the Patent Act B.E. 2522 (1979). To be eligible for legal protection, a design must fall within the meaning of "design" and meet the patentability requirements specified under the Act.

Section 3 of the Thai Patent Act defines a design as any configuration of a product or composition of lines or colors that gives a special character to the product and can serve as a pattern for a product of industry or handicraft. Design patents thus differ from invention patents as the latter deal with technical or functional aspects of a product or process. Although the Act identifies a design as giving a **special character** to a product, it does not specify the special character of design as a patentability requirement. This differentiates Thai law from European law, under which **individual character** is a patentability requirement.

In contrast to US or European law, patentability of a design under the Thai law is subject to only the condition of absolute novelty and industrial application. The Thai law recognizes that a design is new when such design was not widely known or used in Thailand before the filing of the patent application; a design was not disclosed or described in a document or a printed publication in any country before the filing of the patent application; a design was not published under the relevant publication procedure of the law before the filing of the patent application; or any design did not nearly resemble any of the aforesaid designs so as to be an imitation.

Unpatentable Subject Matter and Functionality Exception

Under the Thai Patent Act, Section 58 specifies only two types of unpatentable designs: (1) designs that are contrary to public order or morality; or (2) designs prescribed by a Royal Decree (Royal Decree under this provision has yet been legislated). The law does not overtly identify a design with solely functional features as an unpatentable subject matter.

From what we have explored above, it is notable that the Thai patent law does not have explicit legislation prohibiting products with solely functional features to be applied for design patents under either the patentability requirement or the unpatentable subject matter. Nevertheless, the Thai Court has recognized the concept of functionality exception and resorted to the interpretation of the definition "design" in denying the protection for a design with solely functional features as a design patent.

The Central Intellectual Property and International Trade Court (IP&IT Court) first interpreted the definition of "design" to exclude a design solely dictated by function from registration in *Top Union Co., Ltd. v. Department of Intellectual Property et al.* [Red Case No. Tor Por 50/2548 (2005)]. The design in dispute was a design of top boots with eyelets for tying the boots with a belt that prevents the boots from coming off when in use. From the characteristic of the design of the eyelet (a small tube-like shape attached to the upper part of the boots), it was noted that the boots were designed in this manner for a functional purpose. Therefore, such design did not fall under the definition of "design" under the Patent Act, Section 3.

The IP&IT Court's reliance on interpreting the definition of "design" for the functionality exception had not been affirmed until *Dcon Products Co., Ltd. v. Department of Intellectual Property* [Supreme Court

Judgment 9733/2552], in which the Supreme Court followed the previous decision of the IP&IT Court. Because this case deals with rather complicated matters of facts and law, we will look at this judgment in a more detailed manner to understand how the Supreme Court brought about the ground for its decision and finally reached its conclusion.

Background. The plaintiff developed a pre-stressed concrete plank with a rounded bottom and one with a rounded-rectangle bottom. Designed for use in concrete flooring systems in building construction, the products normally are used by placing a number of planks together side by side and ultimately topping them with concrete to form a finished concrete floor. The plaintiff filed for protection of the plank product designs as design patents in March 2001.

The Department of Intellectual Property (DIP) dismissed the plaintiff's two patent applications in 2004, deeming the two designs as lacking novelty and being considerably similar to prior art. The plaintiff appealed the DIP's decision to the IP&IT Court, which dismissed the plaintiff's case, ruling that the products in question are in fact primarily influenced by their technical function, which is not the true intention of design patent law. The plaintiff then appealed the IP&IT Court's decision to the Supreme Court. Among other arguments, the plaintiff argued in the Appeal that none of the parties in the case raised the ground regarding the functionality of the design, which the IP&IT Court relied on to render its judgment. This issue had not been raised either in the proceeding before the DIP or at the IP&IT Court. Therefore, the plaintiff contended that the judgment was unlawful.

Supreme Court Opinion. The Supreme Court admitted that the functionality was not the issue in dispute but held that the validity of a patent is an issue of law involving public order. The Supreme Court supported its decision on the issue of public order by stating that patent is a type of intellectual property under which the Kingdom of Thailand grants the exclusive right to patentees. By gaining the exclusive right over the products at issue, the plaintiff would have the sole right to pursue civil and/or criminal actions to prevent others from using the design and enforcing its right against anyone who uses similar designs. Thus, it is crucial to consider whether such right should be granted. Otherwise, the public would have limited access to use a product that in fact did not deserve legal protection and might also face prosecution for criminal punishment from the acts against such improper patent protection. As a result, the consideration of whether the products at issue are legally qualified for patent protection significantly involves the public order and the Court, at its discretion, can bring the issue into consideration.

In the factual matter, the Court found that the concavity in the design at the bottom of the plaintiff's concrete plank design was novel because it provided a better result than the prior art. The ability to absorb more weight and provide more strength to the plank as provided by the new rounded and rounded-rectangle bottom designs offered an improvement over common planks with a flat bottom. Nevertheless, the rounded and rounded-rectangle bottom designs were created for the functional purpose of the concrete plank and are not the designs of any form or composition of lines or colors that gives a special appearance to the ornamental

aspect of the product under Section 3 of the Patent Act. The adaptation and improvement of the concrete plank is therefore functional for which a design patent could not be granted. In order to protect these products, the plaintiff should have sought protection as an invention patent, rather than as a design.

Conclusion and Comments

To be patentable under the Act, a design requires only absolute novelty and industrial application without the requirements of originality and nonobviousness of the product. The nonfunctionality also is not explicitly required in the Thai patent law. However, a design patent could be found invalid as a design patent on the ground that the design solely is dictated by the functional purpose. Furthermore, the ground of functionality exception could be raised by the Court any time, even without any arguments on this issue raised by the parties to the case, because the validity of a patent involves the public order.

Nandana Indananda is Of Counsel in the intellectual property group at Tilleke & Gibbins in Bangkok, Thailand. Prior to joining the firm, he served for many years as a judge in various Thai courts, including the Central Tax Court and the Central Intellectual Property and International Trade Court.

Suebsiri Taweepon is an attorney in the intellectual property group at Tilleke & Gibbins. He handles a wide range of matters relating to IP laws, including enforcement, litigation, registration, and anticounterfeiting matters. He has been identified by Asialaw as one of the Leading Lawyers in Asia-Pacific in the area of Intellectual Property in 2008, 2009, and 2010.

Reprinted from *IP Litigator* September/October 2010, Volume 16, Number 5, pages 53-55, with permission from Aspen Publishers, Inc., Wolters Kluwer Law & Business, New York, NY, 1-800-638-8437, www.aspenpublishers.com