



International Litigation—Asia

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Legal Status of Trademark Coexistence Agreements in Thailand's Trademark System

In order to apply for a trademark registration, the subject mark must not be identical or similar to a prior registered mark to the extent that it may cause confusion among the public as to the owner or origin of the products bearing the trademark. This is a very common principle of trademark law around the world. However, the application of this principle in one country may differ from another in the event that the owner of the prior registered trademark gives consent to the registration of another person's trademark that is similar to his/her own.

Under trademark law, a trademark owner has the exclusive right to use his/her registered mark. In reality, however, other traders may use or intend to use a trademark that is identical with or similar to such a registered mark. In these circumstances, those whom would like to use such a mark may contact the owner of the prior registered trademark to obtain consent, in the form of an agreement, allowing them to use or even to register that similar mark. The purpose of this agreement is to allow the similar trademark to be registered and coexist with the prior registered trademark. It also serves as a guarantee that the use of the similar trademark shall not be deemed as an infringement of the rights of the prior registered trademark owner. This type of agreement often is called a "Trademark

Coexistence Agreement" or "Letter of Consent."

Trademark laws in various countries provide the owners of registered trademarks with the right to grant consent to other persons to register the similar mark with different degrees. These laws can be divided into two groups: (1) trademark law that has a clear provision allowing the trademark owner to consent to or oppose the registration of the similar mark, and (2) trademark law that has no explicit provision of such right.

Under the law that provides a clear provision allowing the owner of a registered trademark to render consent, the trademark right is regarded as a property right and private right. As such, the trademark owner shall have the right to consent to the other person's use or registration of a trademark that is identical with or similar to his/her registered trademark.

An apparent example of this law is the Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trademark. Section 8 of this Regulation constitutes that if the proprietor of a prior registered trademark opposes an application of a similar trademark, the Registrar has the power to reject the application. This provision makes clear that the Registrar can reject an application only when an opposition is filed by the owner of a prior registered trademark. The Registrar by himself cannot raise the ground of similarity of the trademark for which registration is pending to a prior registered trademark to reject the application. Similar principles also exist

in Section 4(5) of the First Directive 89/104/EEC of the Council, of 21 December 1988, to Approximate the Laws of the Member States Relating to Trade Marks and Section 5 (1)-(3) of the Trademark Act 1994 of the United Kingdom.

In countries where the trademark owner's right to consent to the registration of a similar trademark is not explicitly provided, although the concept a private right is accepted, the laws also recognize that the states have the responsibility to protect the public interest by preventing any confusion among the public as to the owner or origin of the goods. Trademark laws in these countries therefore do not provide the absolute right for the registered trademark owners to consent to registration of an identical or similar trademark.

Nevertheless, Courts and Trademark Offices in these countries can bring forth a Trademark Coexistence Agreement or a Letter of Consent for consideration in allowing the registration of a similar trademark. For instance, the US Court of Appeal has ruled in many cases that the Trademark Registrar must give weight to the Letter of Consent and shall not reject the application unless there is a reasonable and substantial ground to believe that confusion as to the owner or origin of the goods shall be caused among the public if the Registrar allows the similar trademark to be registered [*Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank*, 842 F.2d 1270, 6 U.S.P.Q.2d 1305 (Fed. Cir. 1988); *Bongrain International (American) Corp. v. Delice de France Inc.*, 811 F.2d 1479, 1 U.S.P.Q.2d 1775 (Fed. Cir. 1987); and *In re N.A.D. Inc.*, 754 F.2d 996, 224 U.S.P.Q. 969 (Fed. Cir. 1985)]. Consequently, the US Patent and Trademark Office laid down a guideline in the Registrar Manual No. 1207.01 (d)(viii) that, in considering trademark applications, if a Letter of Consent is credible and consists of an unambiguous clause preventing

confusion among the public, the Registrar should not reject the application.

In Thailand, however, Trademark Registrars and the Board of Trademarks do not give much weight to Trademark Coexistence Agreements. There has not been a case yet in which a Trademark Registrar or the Board of Trademarks has allowed a trademark to be registered on the ground that a Trademark Coexistence Agreement or a Letter of Consent was provided. The Registrar rarely brings the Agreement or the Letter into consideration. In parallel, the Board of Trademarks, the appellate body with the authority to review the decision of the Registrar, has occasionally ruled on the issue of the Agreement that it cannot prevent confusion among the public, but these rulings were made without providing any rationale for the decision whatsoever.

It is apparent that Thai trademark law does not provide trademark owners with the absolute right to consent to the registration of an identical or similar trademark. Nonetheless, in accordance with Section 27 of the Trademark Act 1991, there are two events under which a trademark identical or similar to a prior registered trademark of another person can be registered. These events are: (1) honest concurrent use of the trademark by the owner, and (2) the existence of special circumstances. Section 27 paragraph 1

When there is an application for registration of a trademark that is identical or similar to one already registered by a different owner in accordance with Section 13, or when there are applications for registration of trademarks that are identical

or similar to each other under Section 20 in respect of goods of the same or different classes but in the Registrar's opinion are of the same character, and the Registrar deems that the trademark has been honestly and concurrently used by each proprietor, or there are other special circumstances which are deemed proper by the Registrar to allow registration, the Registrar may permit the registration of the same trademark or of nearly identical ones for more than one proprietor, subject to such conditions and limitations as to method and place of use or other conditions and limitations as the Registrar may deem proper to impose.

It is our opinion that the consent given by registered trademark owners allowing an identical or similar trademark to be registered can be regarded as a special circumstance because it is unlikely that confusion among the public will be caused when the owner of the prior registered trademark consents to the registration of a similar trademark owned by another person.

Thus far, the Supreme Court of Thailand has never accepted a Trademark Coexistence Agreement. Only the Supreme Court Judgment No. 1147/2552 describes the standing of the Agreement:

Although the execution of the Trademark Coexistence Agreement and the Letter of Consent between the Plaintiff and the owner of the registered trademark (the cited mark) cannot eradicate the fact regarding the similarity of two trademarks,

the Agreement demonstrates the consent and the acknowledgement of the owner of the senior mark that the Plaintiff's mark can coexist with its trademark.

We opine that the Thai trademark law allows the Trademark Coexistence Agreement to be brought forward for consideration in determining the similarity of trademarks, particularly when the Agreement is comprehensible and able to serve as a guarantee of preventing confusion among the public as to the owner or origin of the goods. The current denial of such Agreements without even considering their content shall position the trademark system of Thailand as an outcast in the world's unified system of trademark law. This could cause impediments to trade that affect the cost of business operators in selecting a trademark. Eventually, customers would bear the burden of high production costs, thus causing a negative effect on the country's economy as a whole.

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