

IP&IT COURT DECISIONS ON THE LIMITS OF BOARD OF TRADEMARKS' AUTHORITY

by Rungroj Kobkitwattanakul

The issue of the authority and duty of the Board of Trademarks (the Board) has been widely discussed within the Thai legal profession. At the heart of this discussion is the fact that the Board often uses its discretion to render decisions based on grounds and facts that were neither raised in the Registrar's original order nor contested by the appellant. In Thailand, the Supreme Court's decision would normally be cited to resolve this type of legal issue; unfortunately, there are no precedent Supreme Court cases to be cited for this issue. However, the IP&IT Court (the Court) has recently rendered two relevant decisions as briefed below.

IP&IT Court's Decision No. IP.92/2550

In the case, the plaintiff applied for registration of the mark “ยามเช้า” (transliterated as “YAM CHAO”), and the third defendant exercised his rights according to Section 35 of the Trademark Act by lodging an opposition claiming that he had a better right to the mark “YAM CHAO” than the plaintiff. The Registrar

rendered the order that the plaintiff had the better right to the mark “YAM CHAO” than the third defendant, and this order was appealed by the third defendant.

According to Section 96(1) of the Trademark Act, the Board has the authority and duty to decide an appeal, order, or decision of the Registrar under the Trademark Act, which means that the Board must decide the issue that the appellant raised against the Registrar's order only. The Board has no authority to decide an issue that the Registrar did not order, nor does the Board have the authority to decide an issue that the Registrar ordered but which was not challenged by the appellant.

Therefore, in this case, the Board had the authority to consider only whether the plaintiff had the better right to the mark “YAM CHAO” than the third defendant. Instead of focusing on this issue, however, the Board decided that the plaintiff had previously been a director of the third defendant's company and applied to register the mark “YAM CHAO” in bad faith to imitate the third defendant's trademark. Since this



*Rungroj Kobkitwattanakul, Attorney-at-Law
Intellectual Property*

act was contrary to public policy, the Board found that the mark “YAM CHAO” was prohibited for registration according to Section 8(9) of the Trademark Act. The Court ruled that this decision was not related to the issue decided by the Registrar, and the Board did not have the authority to make such a decision. Thus, the Board's decision was overturned.

IP&IT Court's Decision No. IP.162/2550

The issue to be considered by the Court in this case was whether the Board had the authority to adjudicate that the plaintiff's trademark was non-distinctive for registration, as the non-distinctiveness issue was not raised by the Registrar (the Registrar rejected the plaintiff's trademark on similarity grounds). The Court stated that the second paragraph of Section 101 of the Trademark Act stipulates that the procedure

IP&IT COURT DECISIONS *(from page 2)*

for deciding appeals and petitions for cancellation of trademarks under the first paragraph shall be as prescribed by the Board.

The Board accordingly issued “The Board of Trademarks’ Regulation on the Procedure for Deciding Appeals and Petitions for Cancellation of Trademarks B.E.2545” (the Regulation). Number 18 of the said Regulation prescribes that the Board has the authority to review the Registrar’s order, both in factual and legal issues, and can review and render the decision based on other reasons apart from the ones appearing in the Registrar’s order.

In this case, the plaintiff filed the appeal only on the ground that the plaintiff had a better right to the applied trademark “POWER-D”, but the Board withdrew the Registrar’s rejection on similarity grounds by reasoning that the plaintiff’s trademark

was non-distinctive for registration. Although this issue was not raised by the Registrar, the Court held that the Board’s decision was duly rendered in accordance with the authority provided in the Regulation. Therefore, the Board’s rejection of the plaintiff’s trademark on non-distinctiveness grounds, rather than similarity grounds as per the Registrar’s order, was duly made and there was no reason for the Court to cancel the Board’s decision.

Discussion

Both decisions by the IP&IT Court are legally correct, but they were decided using different legal bases. The key question is which legal basis is the most correct according to the law. When this issue is raised, one side will claim that the Board has full authority to review and revise the Registrar’s order and can render the decision based on whatever reasons it

chooses, regardless of the content of the Registrar’s order, based on the authority granted by the Regulation that was issued according to the Trademark Act. Meanwhile, the other side will rebut that although the Trademark Act allows the Board to prescribe the procedure for deciding appeals and petitions for cancellation of trademarks, the procedure must not be contrary to or expand its authority and duties beyond the scope of deciding appeals, orders, or decisions of the Registrar under the Trademark Act as provided in Section 96(1), which should prevail over the content of the Regulation. Although the cited decisions cannot provide a definite answer to this issue, these decisions represent developments that seem likely to be finalized by a Supreme Court decision in the future. ♦