

KOREAN PATENT BATTLE IN THAILAND

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The Supreme Court of Thailand recently pronounced its decision to uphold an appeal in a long-running patent battle between two Korean-owned companies in Thailand. The parties to this conflict compete with each other in manufacturing rubber products, such as rubber gloves and boots. The dispute arose because one company attempted to register a famous rubber boot product for use in agriculture to be exclusively owned as a design patent in Thailand. The other company had not filed for protection of the subject product because it had been used in Korea for a long time. The case discussed below will outline the circumstances of this contentious legal battle between two Korean companies in Thailand.

The conflict was ignited when a Korean-owned Thai company, Sinchok Siam Co., Ltd., proceeded with a police criminal raid action to seize a number of latex boot products and manufacturing moulds in early 2004, based on the design patent of a similar latex boot, at the premises of Top Union Co., Ltd., another Korean-owned company in Thailand.

Top Union's latex boot products for use in agriculture were quite famous, with a long queue of orders. After being accused in this criminal patent infringement case, the com-



pany without hesitation filed a civil suit to cancel Sinchok Siam's design patent for the disputed product at the Intellectual Property and International Trade (IP&IT) Court.

Following its plaint, Top Union immediately filed a request to the Court for interim relief to allow Top

Union to continue its business and to order Sinchok Siam not to proceed with any further criminal actions against Top Union while the Court was considering the validity of the design patent in the civil case. The Court granted Top Union's request and ordered Top Union to pay a large deposit to the Court as a guarantee. However, prosecution of the criminal patent case continued in parallel with the civil case.

In May 2005, the Court of First Instance in the civil case ruled the design patent of Sinchok Siam to be invalid because Top Union, the plaintiff, was able to prove to the court that the product in question had been used in Korea for more than 18 years. Although the defendant claimed that registration as a patent had also been filed in Korea for the disputed boot product, the court found that the Korean patent covering the boot product was a utility patent, not a design patent. The Korean patent as claimed provided only partial protection for the rubber loop at the top edge of the rubber boot product, and was hardly adequate to support a claim for a design patent. The utility patent in Korea cannot be claimed to protect the design patent in Thailand as the protection provided by the two patents are completely different, i.e. functional and design. Moreover, Top Union in Korea has been exporting the disputed product to Thailand since 2000. The defendant filed for design patent registration for its latex boot product in June 2001. Thus, the defendant's product was already known and used by the time the application was filed at the Department of Intellectual Property, making it ineligible for design patent protection.

Thereafter, Sinchok Siam lodged an appeal with the Supreme Court

requesting the court to reverse the IP&IT Court decision. The appeal revolved around the claim that their product is innovative and not obvious to other ordinary businesses with the same skill, particularly the part of the rubber loop at the top edge of the boot product.

Meanwhile, witness presentation had just been completed in the parallel criminal case and both parties were awaiting the pronouncement of the court's judgment. After receiving the judgment in the civil case, Top Union, through its counsel, immediately requested the Court of First Instance in the criminal case to hold off on rendering its judgment and to wait for the final decision of the Supreme Court in the civil case concerning the validity of the subject patent.

In May 2007, the Supreme Court affirmed the IP&IT Court's decision for cancellation of Sinchok Siam's design patent. as the design of the latex boot product had already been disclosed in Thailand and a foreign country. The claim for the innovative aspect of the loop part was considered to be irrelevant to the disputed boot design.

Finally, Top Union was successful in its fight to invalidate Sinchok Siam's Thai patent. The court in the criminal patent case therefore has to respect the facts concluded about the invalidity of Sinchok Siam's patent. The design of the latex boot product in dispute ultimately belongs in the public domain. Top Union continues to be one of the most successful manufacturers of quality rubber boot products for use in agriculture in Thailand, and Sinchok Siam cannot claim exclusive rights over similar product designs in Thailand. ♦