

## RONG BEER GERMAN TAWANDANG: UNIQUE RESTAURANT AND ITS NEWLY CREATED MARK

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When acquiring an existing business, the purchase is not limited to the land, the office accessories, or the client base. In addition to these material elements of a business, the brand, trade name, and trademark/service mark are all significant components of the acquisition which must be considered. The successful case described below deals with a dispute over the trade name of a famous restaurant in Thailand.

A restaurant business had been sold together with the name of the restaurant, "Tawandang-Sard-Saeng-Deun". After several years, however, the former owner attempted to reassert its rights to the trade name, claiming that the name of the restaurant had not been sold at the time the ownership was transferred. The Intellectual Property and International Trade (IP&IT) Court recently announced its judgment on the case, which wisely analyzed the facts about the well-known status of the newly created mark of the new owner and the good faith of the new owner in using and adopting the name, which led to the creation of a new mark ultimately considered to be different from the old one.

The Plaintiffs in the case filed a cancellation action with the IP&IT Court against the trade name, trademark, and service mark "Rong Beer German Tawandang & Device (Tawandang German Brewery)" of the Defendants (a company and its directors), claiming that the Plaintiffs

are the original owners of the word "Tawandang" (meaning red sun in Thai). Based on the testimony presented by the Plaintiffs and the Defendants, the Court found that the Plaintiffs have used the word "Tawandang" in conjunction with different words and devices with eight restaurants surrounding Bangkok. In 1997, the Plaintiffs sold some of its restaurants to the Defendant. During the sale of the restaurants, there was no written statement about the assignment of the name of the restaurants.



The Defendants claimed that they had the right to use the disputed name, particularly the word "Tawandang", as the name of their restaurant. In addition, the Defendants created a new mark "Rong Beer German Tawandang & Device" in 1999 to be used with a unique new restaurant featuring a brewery machine to produce draft beer inside the large restaurant. Since its inception, the Defendants' new restaurant has achieved wide recognition among the Thai public as one of the



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most popular beer restaurants in Bangkok. Three years after the Plaintiffs sold their restaurants to the Defendants, the Plaintiffs filed various trademarks comprising the word "Tawandang" and various devices.

The Court held that the Plaintiffs obviously allowed the Defendants to use the trade name "Tawandang" for three years. Although the Plaintiffs registered various trademarks comprising such word, the registration did not take place until three years after selling the restaurants. The foregoing facts are not sufficient for the Plaintiffs to have exclusive right over the word "Tawandang" and hence the Defendants cannot be prevented from using and registering the disputed mark. The Defendants' trademark and service mark are considered to be different from the Plaintiffs' various trademarks and service marks.

The Court was of the opinion that both parties may, separately, exercise the rights to their marks. The Plaintiffs have neither better right over the disputed trade name, trademark, and service mark, nor are they entitled to file a lawsuit to cancel the disputed trademark and service mark. The Court dismissed the Plaintiffs' case.

This IP&IT Court decision demonstrates the need to protect a trademark owner who has acted in good faith and has created a widely recognized mark. ❖