

SUCCESSFUL NON-USE CANCELLATION OF A WELL- ESTABLISHED TRADEMARK

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The cancellation of a trademark based on non-use is relatively rare in Thailand. When the cancellation action is launched against a trademark that has previously been renewed, success is even more uncommon. Yet we recently succeeded in cancelling two trademark registrations which had been valid for more than 20 years. These decisions by the Board of Trademarks demonstrate that such actions can be successful, given the right circumstances.

United Foods Public Co., Ltd., a Thai company, registered the trademark

“KARAMUCHO & its Thai transliteration” (Reg. Nos. TM55563 and TM55564) in 1987 in Classes 29 and 30 for the goods *“potato chips, crispy rice chips, corn flakes and crackers.”* This trademark was never used in Thailand, but it was renewed with the Thai Trademark Office every ten years.

Our client, a Japanese company, wished to use and register the trademarks **“KARAMUCHO”** and **“KARAMUCHO in Japanese characters”** with its products in Thailand, but was unable to do so

because of United Foods’ exclusive right. Therefore, our client decided to file non-use cancellations with the Board of Trademarks to challenge these registrations.

According to Section 63 of the present Thai Trademark Act 1991, any interested person may request that the Board cancel the registration of a trademark if it can be proven that (1) at

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the time of seeking registration, the proprietor had no bona fide intent to use the trademark and that in reality the trademark has never in good faith been used for the registered goods; or (2) it has not in good faith been so used during the three years immediately before the petition to the Board. Section 63 further states that the owner of the registered mark is entitled to raise an effective defense by arguing that special circumstances in trade were the reason for the non-use, rather than an intention not to use the mark.

In considering a cancellation petition, the Board will weigh all of the evidence submitted by both parties in determining whether or not the mark has been used locally. The Board's current practice, however, tends to interpret the notion of "special circumstances" very broadly. Special circumstances may include lack of raw materials, poor market conditions, or inability to find suitable licensees, among other considerations.

This expansive interpretation of special circumstances presents an almost insurmountable obstacle for the vast majority of petitioners, as even a large volume of documentary evidence may be insufficient when it is countered by a special circumstances defense. In cases where a mark has been renewed, the mere act of renewal is often viewed as compelling evidence of the registrant's intent to use the mark. Successful non-use cancellations of renewed marks are therefore extremely rare.

The cancellation actions against "**KARAMUCHO & its Thai transliteration**," however, represent an important development because they demonstrate that even marks that have been renewed may be vulnerable to non-use cancellation. In these cases, the success of the cancellations hinged on the submission of official documents that were obtained from the Thai Food and Drug Administration (FDA). These documents provided tangible evidence that the products under the trademark "**KARAMUCHO & its Thai transliteration**" were not registered with the relevant government authority.

Faced with these authoritative documents, the Board of Trademarks ruled that non-use of the mark had been demonstrated in these cases and ordered that the trademark registrations be cancelled.

These cancellations demonstrate that although the Board of Trademarks is generally hesitant to cancel registered marks based on non-use, the potential exists to challenge the registration of unused marks, even when those marks have been renewed. While this offers some good news to petitioners whose products fall under the purview of a regulatory agency, it may remain difficult for those whose goods do not have to be registered or recorded with any governmental body to attain similar success. A letter from a government office showing that there has not been any recordation or registration of the mark has now been demonstrated to be an effective tool in a non-use cancellation action. The question that remains unanswered is what other types of documents may be deemed sufficiently credible to sway the Board's consideration. ♦