

WATCH OUT - YOUR FAMOUS MARK COULD BE REJECTED!

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Trademark owners are frequently surprised by a particular approach used by the Board of Trademarks which has now become entrenched in its practice. Over the past several years, the Board has maintained its decision-making trend regarding marks which consist of a distinctive word or well-known housemark combined with other descriptive or non-distinctive words, in which the Trademark Registrar initially required the disclaimer of such descriptive/non-distinctive words. The applicants of such trademarks, who disagreed with the disclaimer requirement and appealed the disclaimer requirement with the Board of Trademarks, usually ended up losing their mark as a whole. This is because the Board not only rejects the contested disclaimer requirement; its decision extends to rejecting the mark in its entirety without mentioning the remaining distinctive word/housemark incorporated in the mark.

This practice can best be illustrated through the use of examples. In a recent case, the Registrar required the disclaimer of the word “GLIDELOCK” in the mark “ROLEX GLIDELOCK”. Rolex S.A., the applicant for this mark, appealed the disclaimer instruction to the Board of Trademarks. In rendering a decision, the Board did not limit its consideration to the issue of whether or not a disclaimer was appropriate. Instead, the Board deemed that the mark as a whole was non-distinctive, without regard to the inclusion of the famous housemark “ROLEX”. Similarly, in an appeal of the Registrar’s disclaimer for the words “EXPRESS SAVER”, the mark “UPS EXPRESS SAVER” as a whole was rejected by the Board, which ignored the famous brand “UPS” that formed part of the mark.

Indeed, it has become common for the Board to exercise its discretion beyond the subject matter at issue in an appeal on

matters such as confusing similarity between two marks, the applicant’s disagreement with trademark association, appealing the Registrar’s decision on an opposition with the Board, etc. Instead of limiting its focus to the matter at issue, particularly in an opposition proceeding where most of the arguments concerning the trademark rights are presented in the appeal petition, the Board has gone over other issues and rendered its decision by rejecting registration of the mark on the basis that that particular mark is descriptive.

However, even when a mark is found to be descriptive and non-registrable, on most occasions, the Board issues a notification allowing the submission of additional

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evidence to justify its arguable finding. Notwithstanding this allowance for filing additional evidence, successful cases in which the additional evidence or explanations have actually swayed the Board's consideration appear to be almost nonexistent. The cases conclude with the Board finally issuing its decision denying the registration of the mark on the basis that "the evidence submitted is inadequate to prove that the mark has been widely used and recognized in Thailand."

Given the ongoing situation, trademark owners are therefore strongly encouraged to agree to accept the disclaimer requested by the Registrar at the registration stage to avoid the possible rejection of the whole mark, rather than seeking to overcome the disclaimer requirement by filing an appeal petition with the Board of Trademarks. Those who have opted to contest the

disclaimer requirement by filing an appeal petition with the Board and lost the mark in its entirety have stopped short of filing a civil suit with the Central Intellectual Property and International Trade Court to overturn the Board's decision. This is because the majority of trademark owners are quite concerned with the high costs involved in a court action and the time frame, which would take about one-and-a-half to two years before they receive the Court's judgment, before facing the further possibility of an appeal to the Supreme Court. Therefore, the costs and time involved in a court case act as a significant disincentive to the idea of filing a civil action since filing a new application and accepting the disclaimer requirement at the Registrar's stage is much more cost-effective and less time-consuming. It is difficult to blame these trademark owners for their preference, since filing a new

application is easier and a more straightforward process. Given the absence of civil suits, however, the trend of potential court judgments in relation to the Board's ill-grounded decision has never been established.

Unless the Board of Trademarks alters this current practice and decides to concentrate just on the disputed issues, trademark owners must be prepared for the eventuality that appeal petitions on specific issues could result in the undesirable outcome of the rejection of their mark as a whole. Trademark owners need to take note of this idiosyncrasy in the Thai trademark registration process when considering the possibility of filing appeal petitions. Armed with the knowledge of this practice, trademark owners can decide on the course of action that would be in their best interest if their trademark applications are faced with the aforesaid circumstances. ♦