

MARCH 2010 Thailand: Company name disputes increase

01 Mar 2010

In China, people call them "unauthorised business enterprise name registrations". In Hong Kong, they are referred to as shadow companies. After concerted efforts by individual trade mark owners as well as trade associations, IP lawyers in both jurisdictions have taken swift and successful action against unscrupulous businesses using the well-known trade marks of others when registering their businesses, often for the purpose of conducting trade in illegitimate goods and services. In February 2010, the Hong Kong Government was set to begin debating a bill to amend the Hong Kong Companies Ordinance in order to empower the Companies Registry to strike off these shadow companies. If passed, this legislation should prove advantageous for legitimate business owners seeking to protect their trade names and trade marks from unscrupulous use.

After being chased out of China and Hong Kong, Southeast Asia is seeing a marked increase in the number of such trade name registrations and, as was the case in China and Hong Kong, there seems little the company registration departments can proactively do to counter such unauthorised registrations until legislation is passed to empower officials to reject applications for business names using the trade marks or trade names of others.

In Thailand, complainants seeking relief look to Section 18 of the Civil and Commercial Code, which provides that the injured party can apply to the court for an injunction to end unauthorised use of a trade name.

As in other jurisdictions, trade name disputes normally begin with sending the infringer a cease-and-desist letter demanding that they change their company's name registration to a name not confusingly similar to the disputed trade mark or company name. However, before sending this letter, an investigation to learn of the scope of business activity is recommended to strengthen arguments and secure good evidence should the cease-and-desist letter be ignored. If the infringer does not cooperate after receiving the cease-and-desist letter, legal proceedings can be commenced against the infringer by filing a civil suit against them.

The Thai Supreme Court's 24 November 2009 decision in *Mr Narinder Singh Suriyaammaritr and Narry Limited Partnership v Narry Tailors Co, Ltd et al* (Supreme Court Case 4583/2552) applied Section 18 of the Civil and Commercial Code to protect the plaintiffs' right over their trade name Narry over a Krabi Province competitor also in the tailoring and fashion trade. Other recent cases include successful decisions in favour of Universal City Studios (against Universal Pictures Thailand) and Zegna trade mark owner Consitex S.A. (against Zegna Collection).

We normally advise clients to monitor the database of the Thai Department of Business Development, Ministry of Commerce, for suspicious trade name registrations (both in English and Thai) while at the same time continuing to lobby the government to amend current legislation to authorise company registration officials to monitor and reject suspicious trade name applications.



*Kittiphan
Khattiwiriyaphinyo*

Tilleke & Gibbins International Ltd

Supalai Grand Tower, 26th Floor
1011 Rama 3 Road, Chongnonsi, Yannawa
Bangkok 10120, Thailand

Tel: +66 2653 5555

Fax: +66 2653 5678

bangkok@tillekeandgibbins.com

www.tillekeandgibbins.com