

## World Trademark Report

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Tilleke & Gibbins International Ltd.

### 'Concurrent use' theory implemented for the first time by IP & IT Court

In *Grotto SpA v Department of Intellectual Property* (Case IP 05/2550, September 25 2007), the Central Intellectual Property and International Trade Court has issued an extremely rare judgment implementing the theory of 'concurrent use' under the Trademark Act in order to allow the registration of the trademark GAS (and design). In 2003 Italian company Grotto SpA filed an application for the registration of the mark GAS (and design) for goods in Class 25 of the Nice Classification (including clothing, shoes, jackets, trousers, jeans and shirts). The registrar rejected the application, stating that the trademark applied for was confusingly similar to the earlier trademark GAS (and triangular design). The earlier mark was owned by an individual, Samphan Sae-Kao, and had been registered since 1987 for goods in Class 25 (including jeans, trousers, denim shirts, t-shirts and canvas shoes). Grotto appealed to the Board of Trademarks. The board upheld the registrar's decision, finding that the mark GAS was identical to the earlier registered mark, even though the designs are different. In addition, both marks covered the same category of goods. Therefore, the board found that there was a likelihood of confusion between the two marks and dismissed the appeal.

Grotto filed a civil suit before the Central Intellectual Property and International Trade Court. Grotto claimed that its trademark GAS (and design) was different from the earlier mark GAS (and triangular design). Furthermore, Grotto argued that both trademarks had been concurrently used in Thailand and that there had been no confusion between the products or the trademarks throughout the period of use. In addition, Grotto claimed that it had been using its mark in good faith and that the mark could thus be registered pursuant to Section 27 of the Trademark Act. During the trial, Grotto submitted:

- several pieces of evidence demonstrating the actual use of the parties' marks;
- the certificates of registration of its mark worldwide;
- evidence relating to the origins of both marks;
- market survey results on Sae-Kao's products and trademark; and
- samples of Sae-Kao's products.

The court ruled in Grotto's favour based on the following grounds:

- The origins of both marks are different;
- Grotto's trademark has been used and is registered worldwide;
- Grotto's products have been sold in Thailand only through its exclusive distributor;
- The quality and prices of Grotto's and Sae-Kao's products are different; and
- Sae-Kao's trademark is not widely used and recognized by Thai consumers.

The court thus found that there was no likelihood of confusion among the public and that the trademark should be registered pursuant to the theory of 'concurrent use'. Consequently, the court annulled the board's decision and ordered that the registrar proceed with the registration of Grotto's trademark.

Although the theory of 'concurrent use' was introduced into Thai law in 1931, this is arguably the first time that the court has implemented this principle to allow the registration of a trademark. This may lead the registrar and the Board of Trademarks to reconsider this issue in the future.

*Nuttaphol Arammuang, Tilleke & Gibbins International Ltd, Bangkok*

