

Informed Counsel

Analysis of Recent Legal Developments in Thailand and Vietnam



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Welcome to Informed Counsel

Over the years, we at Tilleke & Gibbins have received a great deal of positive feedback on our quarterly and biannual newsletters, *Thailand: IP Developments* and *Thailand: Legal Developments*. As we mark the 120th anniversary of our founding in 2010, we are proud to introduce our clients and friends to *Informed Counsel*, a new firmwide newsletter that we will be publishing quarterly in place of our previous newsletters. By providing coverage of the legal landscape in both Thailand and Vietnam, we hope that *Informed Counsel* will offer all of the analysis and insight that you have come to expect from Tilleke & Gibbins publications, presented in a package that will be more attractive and accessible. We intend to supplement this content with periodic e-mail alerts to ensure that you are receiving the very latest information on Thai and Vietnamese legal developments. We welcome your feedback on this first edition of the publication. Please send any comments or questions you may have to informed.counsel@tillekeandgibbins.com. I sincerely hope that you enjoy reading this and future issues.

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AMENDMENT OF THAI INTELLECTUAL PROPERTY LAWS

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Since 2003, Thailand has been engaged in amending its key intellectual property laws—the Trademark Act, the Patent Act, and the Copyright Act. The amendments are intended to provide protection for new types of marks, make the registration process less time-consuming, and clarify some contentious issues such as copyright fees, copyright fee collection agencies, and penalties for copyright offenses. The progress of the amendments is explored below.

Trademark Act

The movement to amend the Trademark Act has had the most success. The draft amendment of the Trademark Act was completed in 2006, passed the consideration of the Council of State in 2009, and is now being considered by the Cabinet. Some of the significant proposed amendments are listed below:

Smells and sounds. The definition of “mark” (Section 4) will be amended to include “smells” and “sounds.”

Distinctive marks. Distinctive marks under Section 7 (2) will include shapes or three-dimensional objects which are not the natural shapes of the applied goods, are not functionally necessary, and do not add value to the goods. Smells and sounds must not be descriptive of the applied goods. In addition, registrable smells must not be the result of functioning of the applied goods.

Multiple-class applications. Multiple-class applications will be allowed.

Responses to official actions. The allowed period for responses to official actions and appeal petitions against orders from the Registrar will be reduced from 90 days to 60 days, as will the publication period for opposition purposes and the period to file counterstatements to oppositions. However, the allowed period for registration fee payment will be increased from 30 days to 60 days. Responses to official actions regarding the assignments of marks must be completed within 60 days; otherwise, the application for assignment will be deemed abandoned.

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License agreements. In the absence of any provision in the trademark license agreement to the contrary, the license agreement will not be terminated as a result of the transfer or inheritance of the right of the mark for which the license agreement is made.

Expiry grace period. After the expiry date, there will be a grace period of 210 days for renewal of registration of a mark. A surcharge of 20 percent of the government renewal fee must be paid by the end of the grace period.

Government fees. The government fees for some transactions may be increased.

Patent Act

The draft proposed amendment to the Patent Act was submitted to the Council of State in 2006 but was returned to the Department of Intellectual Property (DIP) for review and study in 2009. The proposed amendments to the Patent Act are still under consideration by the DIP.

On November 25, 2009, the DIP gathered together a focus group consisting of many associations and representatives of parties concerned with pharmaceutical matters, including law firms, the Food and Drug Administration, the Government Pharmaceutical Organization, officials from the Thai courts, and public prosecutors, to comment on the proposed amendment. The DIP has appointed representation from government organizations and concerned associations to the Law Development Committee, which is tasked with reviewing and commenting on the proposal.

The DIP expects the amendment to the Patent Act to be completed by the end of March 2010. The proposed amendments would result in the following changes to current practice:

Novelty criteria. The amendment would clarify the novelty criteria as to whether the priority date or the national filing date is superior, in the event that a patent application filed in Thailand claims its priority date from a foreign application registered before the Thai application date.

Examination procedures. The revised Patent Act would reduce the time period to request substantive examination from five years from the publication date to three years from the publication date; change from a pre-grant opposition system to a post-grant opposition system for patent registration in order to shorten time-consuming registration procedures; and require a petty patentee to request substantive examination of his or her petty patent before taking legal action against a third party in a patent infringement case.

Compulsory licensing. Under the Act, additional clarifications would be provided in regard to compulsory licensing.

International treaty provisions. The revisions to the Patent Act will introduce both TRIPS Article 31(K) regarding anticompetition practices and Paragraph 6 of the Doha Declaration.

Design patents. The amendment would allow for the protection of "partial designs," while at the same time improving design patent examination procedures, possibly including elimination of the novelty examination in order to reduce the examination period.

Copyright Act

The draft amendment to the Copyright Act passed the consideration of the Council of State in 2007. However, the draft was then divided into two parts. The first part, now under the consideration of the Cabinet, consists of the amendments in relation to copyright offenses, penalties for copyright infringement, and exemptions from copyright infringement for disabled people. The other part is an amendment in relation to copyright fees and copyright fee collection agencies, which was returned by the Cabinet to the DIP for review and reconsideration. The amendments to the Copyright Act are likely to be the last completed of all the legislation because the subject of the copyright fee collection

agencies has proven to be a serious enough quandary that a win-win solution continues to elude the concerned parties, who have numerous conflicting interests.

The following is a summary of the proposed amendments in relation to copyright infringement offenses and penalties:

Exemptions. The draft amendment would exempt from copyright infringement reproduction or adaptation of works for the benefit of people with visual, auditory, intellectual, or other kinds of disabilities as described in the Royal Decree, provided they are without commercial purpose. The characteristics of the disabled people who would receive this benefit are in accordance with Ministry Regulations.

Compoundable offenses. The Act would establish the following copyright infringements as compoundable offenses, in other words offenses for which an out-of-court settlement between a copyright owner and an infringer in return for an agreement not to prosecute is available:

(1) Reproduction or adaptation without permission of copyrighted works, copyrighted audio-visual works, cinematographic works, sound recordings, or computer programs.

(2) Dissemination to the public without permission of copyrighted works, copyrighted audio-visual works, cinematographic works, sound recordings, or computer programs.

(3) Rental without permission of the original or a copy of copyrighted audio-visual works, cinematographic works, sound recordings, or computer programs.

(4) Making without permission a copy of cinematographic works, audio-visual works, sound recordings, or sound or video broadcasting works, whether wholly or in part; rebroadcasting without permission sound and video works, whether wholly or in part; and presenting for public viewing and listening copyrighted sound and video broadcasting works for a fee or for other commercial benefits without permission.

(5) Selling, possessing for sale, offering for sale, renting, offering for rent, selling by hire-purchase or offering for hire-purchase; distributing in such a manner as to be prejudicial to the rights of the copyright owner; or importing or making an order for importation into Thailand infringing copyrighted works.

The penalty for these compoundable offenses would be increased from THB 200,000 to THB 400,000 in Section 69 as mentioned in (1), (2), and (4) and from THB 100,000 to THB 300,000 in Section 70 as mentioned in (3) and (5).

Non-compoundable offenses. The proposed Act would establish as non-compoundable offenses the infringement mentioned above in (1) to (5) if it is carried out for commercial purposes or for doing business or if it involves, engages, or assists with the creation of a business. Such activities would also be non-compoundable offenses if they are intended to be disseminated to the public for commercial purposes by any means or doing business in relation to dissemination to the public or involvement, engagement, or assistance with dissemination services business. As non-compoundable offenses, the infringement of the performer's rights mentioned in (1), (2), or (4) would result in a penalty of imprisonment for six months to four years or a fine of THB 100,000 to THB 1,600,000, or both, while the penalty for (3) and (5) would be imprisonment of three months to two years or a fine of THB 50,000 to THB 1,200,000 or both.

Additional amendments

In an attempt to cope with the ongoing problems caused by counterfeiting and piracy, Deputy Minister of Commerce Alongkorn Pollabut has pushed forward amendments of the Trademark Act and the Copyright Act making a landlord's rental of commercial spaces where the sale of counterfeit and pirated products takes place a punishable offense, as well as the provision of such services by Internet Service Providers. Tilleke & Gibbins reported this news in a recent issue of *Thailand: IP Developments*. The proposed amendments are in the process of being submitted to the Cabinet.