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## THAI BRANDS SHINE IN THE INTERNATIONAL MARKET

As an export-oriented country, Thailand relies on investment and growth in relation to these exports. Last year, even in the midst of the global financial crisis, the value of Thailand's total exports amounted to USD 150 billion, which accounted for nearly 40 percent of the nation's GDP. Historically, Thailand has been an original equipment manufacturer for international brand owners, but in recent years Thai companies have been building up their own brands and increasing awareness of Thai brands worldwide.

Over the years, several Thai brands have moved more prominently into overseas markets. Despite being at an early stage, these innovators have already built on the areas in which Thailand has a competitive advantage like the beverage industry, textile and garment industry, and footwear industry. As these brands become world players in their respective fields, it becomes all the more important that they formulate well-crafted IP strategies. This article will provide an overview of some leading Thai brands that have established an international presence, as these profiles provide a context for considering the IP strategies that can be employed by other Thai brand owners as they move into the global market.

### SINGHA Beer



It is not an overstatement to say that SINGHA Beer is now the number-one brand of Thai beer in terms of both sales revenue in its segment and brand recognition. SINGHA Beer has been in production in Thailand for more than 75 years and is now officially distributed in more than 30 countries across the globe.

The brand SINGHA and its Lion Device are generally considered well-known trademarks in Thailand, and the trademarks are protected in more than 50 countries worldwide.

A clear result of its international well-known status is SINGHA Beer's recognition as one of the top Asian brands in a survey conducted by [www.brandingasia.com](http://www.brandingasia.com). Despite very stringent rules and regulations on the sales and promotion of alcoholic drinks in Thailand, SINGHA Beer was ranked in thirteenth position in the table.

As SINGHA Beer pushes forward with its internationalization, the brand recently made news with its signing of sponsorship contracts with leading Barclays Premier League football clubs Manchester United and Chelsea, according to media reports in July and August 2010. Mr. Piti Bhirom Bhakdi, an executive of Singha Corporation, told reporters that the sponsorship contracts, including

media advertising and exclusive distribution of SINGHA Beer in the stadiums, would allow the company to generate sales of at least five million liters per year in the United Kingdom. Singha Corporation's mission statement indicates that its objective is to become a top-three player in the beer industry in Asia within the next three to five years.

### Top 15 Asian Brands by Recognition

1. Sony
2. Cathay Pacific Airways
3. Hello Kitty
4. Shangri-La
5. Singapore Airlines
6. San Miguel
7. Banyan Tree Hotels & Resorts
8. Creative Technologies
9. Mitsubishi
10. Wipro
11. Lee Kum Kee
12. Red Bull
13. **SINGHA Beer**
14. National Panasonic
15. Tata Corporation

Source: [www.brandingasia.com](http://www.brandingasia.com)

### Jaspal Group

Founded in 1947, Jaspal Group is a leading fashion retail company engaging in designing, manufacturing, and marketing of several leading clothing and accessories brands, including its flagship brands JASPAL, CPS CHAPS, CC Double O, and LYN, as well as licensing of international brands to sell in Thailand.

Its internationalization started by venturing into Malaysia and the Philippines in 2007, followed by most of the countries in Southeast Asia. The Group currently has more than 100 stores and outlets in Thailand and overseas. The Group's mission is to become a global brand in the fashion industry, and to attain this goal, the Group welcomes internationally famous models to be brand ambassadors. Past international ambassadors include Kate Moss and Gisele Bundchen.

The Group's trademarks are currently protected in more than 40 countries, and it is eyeing further expansion into other markets with its diversified brand portfolio.



*Pictured above is a retail store for CC Double O, one of Jaspal Group's leading brands.*

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**SAPPE Drinks**

Growing health-conscious trends among consumers in both domestic and international markets has helped to boost the success of SAPPE Drinks of Sapanan General Food Co., Ltd.

Starting off as a small entrepreneur in 2001, Sapanan was able to penetrate the new segment of “functional” drinks in the beverage market. Functional drinks are beverages which provide various benefits to consumers, such as beauty, digestive relief, brain stimulation, or detoxification. By effectively communicating these benefits to consumers, its Sappe Beauti Drink has rapidly increased its share of the functional-drinks market in Thailand, and now Sapanan is expanding its success to global markets with its diversified brands including Mogu Mogu and Sappe Aloe Vera.

Thanks to its excellent R&D team, which is one of the company’s strengths, Sapanan recently shined at Anuga, the world’s leading food exhibition held last year in Cologne, Germany. Sapanan was one of the winners of trendy and tasty drinks awards at the exhibition, including the Taste 09 Award.

**IP strategies for successful Thai brands**

As Thai companies grow in these foreign markets, they face many of the same types of challenges that foreign companies frequently encounter in Asia. This includes the existence of look-alike brands seeking to trade on the goodwill created by the trademark owner. Consider the possible impact if SINHA Beer or SINGHAA Beer were sold in the same markets, or consider the following labels:



These labels (referring to a case in Israel) illustrate a situation that could be faced by most well-known brand owners—the possible dilution of distinctiveness and well-known status by having many followers in the market with similar trade dress trying to reap on the profits and goodwill of the well-known marks.

In order to avoid this outcome, Thai companies have to put in place proactive strategies to establish their rights and sustain the goodwill of their brands. The success of SINGHA Beer, Jaspal Group, and SAPPE

**Top Destinations for Thai Exports (2009)**

1. United States
2. China
3. Japan
4. Hong Kong
5. Australia
6. Malaysia
7. Singapore
8. Vietnam
9. Indonesia
10. United Kingdom

Source: [www.depthai.go.th](http://www.depthai.go.th)

Drinks shows that achieving successful branding and well-known trademark status starts at the very beginning, by obtaining solid trademark protection which then forms the legal basis on which the brand can be built. Not only must the company establish trademark protection in each country, but it must also exploit those rights through licensing and by taking preventative measures against imitative third party trademark applications. It is necessary for brand owners to constantly review their trademark portfolios to make sure they are aligned with current usage of the trademarks.

From the registration perspective, owners of well-known brands should conduct a watch service of identical and potential confusingly similar trademark applications published in each country’s *Trademark Gazette* on a worldwide basis. This step is crucial to enable the trademark owner to file oppositions against contentious applications in a timely manner. The costs for challenging this third party activity at this early stage are much lower than the costs for initiating a cancellation action once the contentious marks eventually mature to registration.

Although coexistence of similar trademarks may not always cause public confusion, the potential dilution caused by the registration and use of similar trademarks and the subsequent detriment to brand values and distinctiveness requires vigilance on the brand owner’s part. Denying third parties the chance to free ride on the reputation of the trademark is just one of the advantages given to the trademark owner to enable it to keep control of its brand.

An important aspect of brand management is to prevent counterfeits entering the market. A simple way to do so is to utilize Customs border measures against such infringements. The trademark owner deposits its copies of the certificates of trademark registration or other related intellectual property rights (such as patent) with the relevant Customs authorities in each country. Whenever a suspicious shipment is being imported or exported, the Customs officer will notify the IP owner or its agent to verify the shipment. This serves as a method of controlling the import-export and transshipment of the infringing goods. This system can work both at the the outbound port and at the destination port in foreign countries where similar systems are available.

In addition to these border measures, Thai IP owners also need to be cognizant of best practices when commercializing brands abroad. Internationalization brings challenges in terms of IP clauses in distributorship, franchising, and licensing agreements, alternative dispute resolution mechanisms in contracts, quality control of products in the case of licensing, necessity to record license agreements, and many more.

It is crucial for Thai IP owners to craft comprehensive IP strategies when expanding abroad. By investing in IP rights protections and taking appropriate legal measures against infringement, Thai IP owners can ensure that they will sustain the goodwill, reputation, and value of their trademarks while pursuing growth in new markets. 🐜