



Darani Vachanavuttivong
Co-Managing Partner
Managing Director, Intellectual Property
darani.v@tilleke.com

Thailand's Accession to the Madrid System: Possible in 2014

After a seven-year wait, it seems that Thailand's accession to the Madrid System will indeed be possible by 2014. The responsible committees have made great progress on the proposed amendments to the Trademark Act, having completed the draft amendments in relation to the Madrid system in June 2012. The proposed amendments will now be forwarded to the Council of State for review. They will then go forward to the Cabinet, the Parliament, and the Senate for approval. This process will most likely take approximately one year, after which Thailand will be ready to become a member of the Madrid Protocol by 2014, as planned.

First Set of Proposed Amendments

There are two sets of proposed amendments to the Trademark Act. The first proposed amendment, which was submitted to the consideration of the Council of State in 2009, passed the first reading of the Parliament in the last quarter of 2011, and is now in the second reading stage. Some of the significant proposed amendments of the first set are listed below.

Smells and sounds. The definition of a "mark" (Section 4 of the Trademark Act) 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. Also, smells and sounds must not be descriptive of the applied goods, and any registrable smells must not be the result of the functioning of the applied goods.

Secondary meanings. Marks that would otherwise be unregistrable due to their lack of distinctiveness can be accepted for registration provided they have developed a secondary meaning (Section 7(3)).

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

Oppositions and responses to official actions. The time period allowed for responses to official actions and appeal petitions against orders from the Registrar will be reduced from 90 days to 60 days. Along with this, the publication period for opposition purposes and the period to file counterstatements to oppositions will also be reduced accordingly. However, the time period allowed for registration fee payment will be increased from 30 days to 60 days. Additionally, responses to official actions regarding trademark assignment must be completed within 60 days, after which the application for assignment will be deemed abandoned.

License agreements. In the absence of any provision in the trademark license agreement to the contrary, a 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 periods. After the expiry date, there will

be a grace period of six months for renewal of registration of a mark. A surcharge of 20 percent of the government renewal fee must also be paid by the end of the grace period.

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

Second Set of Proposed Amendments

The main objective of the second amendments to the Trademark Act is to allow Thailand to become a member of the Madrid Protocol and to implement the Madrid system procedures and requirements. Some of the highlighted additional proposed amendments are as follows.

International conventions. Section 11 of the Trademark Act will be amended to allow Thailand to accede to the Madrid Protocol and to accept trademark applications under other international conventions, protocols, or agreements of which Thailand is a member.

Registration of associated marks. During the first phase amendments, there was a proposal to cancel the requirement to register associated marks, but the proposal was not approved. This issue is being reexamined in the second set of amendments.

Partial assignment. Because it will no longer be necessary to register associated marks, partial assignment will be allowed.

Madrid Protocol. A new chapter will be added to the Trademark Act to allow trademark registration under the Madrid Protocol. Under this Chapter, Thailand will implement an 18-month rule for examining international trademark registration under Madrid Protocol and will introduce central attack for such registrations.

Refilling. Refilling of genuine packages will be listed as an offense under Section 110.

Refilling

In combatting counterfeit goods, one of the key challenges for brand owners in Thailand is the issue of refilling—that is, the process by which infringers will use genuine packaging or containers but fill them with their own products to mislead consumers about the origin of the goods. To address this concern, a provision regarding refilling has been re-proposed in the second amendment after it was removed from the first version. This provision will permit trademark owners to take action under the Trademark Act against infringers who rely on refilling to deceive consumers.

The draft wording of the proposed provision is as follows:

“ Any person who uses any packaging or container bearing a trademark, certification mark, or collective mark belonging to a third party which has been registered in Thailand, with their goods or others' goods, in order to cause the public to believe that the goods are those of the owner of the trademark or collective mark, or that the goods are under a license to use the certification mark, shall be liable to imprisonment for a term not exceeding four years, or a fine not exceeding THB 400,000, or both. ”

Progress for IP Owners

The pending amendments to the Trademark Act represent important steps forward for brand owners in Thailand. Many of the proposed changes introduce greater flexibility into the trademark regime, while the refilling provision will tighten up a key area that needs greater protection. Most importantly, Thailand's upcoming entry into the Madrid system will benefit IP owners by providing new opportunities both for international companies entering the local market and for Thai brands expanding internationally. 🏠