

THAILAND

Record damages awarded in trade mark case

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// **B**orn in Canada, Living in London, Made in Italy” is the brand motto of Dsquared2, the famous international fashion brand originally created by Dean and Dan Caten, twin brothers from Canada who have used the series of trade marks D2, Dsquared, D2 Dsquared2, and Dsquared2 since 1994.

The trade marks were filed in many countries under the name Belmont Brands, and they were subsequently assigned to Dsquared2 TM SA. In Thailand, however, Dsquared2 discovered that its trade marks had already been registered by a Thai company that is also in the fashion industry.

Not only were the trade marks already registered under the name of the local Thai company and its directors, but the Thai company had also opened shops in several major shopping malls in Bangkok under the infringing name, Dsquared2.

In order to reclaim their rights to their brand, Belmont Brands Ltd, the plaintiff, and Dsquared2 TM SA, the co-plaintiff and assignee of the trade marks from the plaintiff, brought a civil litigation case against the Thai company and its two directors. The case was filed at the Intellectual Property and International Trade Court (IP&IT Court) in April 2010.

The plaintiff requested the court to order the cancellation of all trade mark applications and registrations of the first defendant that are similar to the plaintiff’s series of trade marks, namely D2, D2 Dsquared, Dsquared2 and Dsquared. The plaintiff also requested the court to order the defendants to cease all use of the trade name Dsquared2 as the name of their stores and jointly pay the compensation to the plaintiff.

In February 2011, the IP&IT Court pronounced its judgment naming the plaintiff as the original owner of the trade mark Dsquared2, reasoning that the plaintiff had a better right than the defendants to the disputed trade marks for the goods in classes 3, 9, 14, 16, 18, 20, 24, 25, 26 and 35. The defendants were found to have passed off their products as the plaintiff’s for the purpose of confusing or misleading the public into believing that their products belonged to the plaintiff.

The IP&IT Court ordered that the defendants be prohibited from: (1) imitating the plaintiff’s trade marks and products; and (2) using Dsquared2 as their trade name and the name of their stores. The Court subsequently cancelled the first defendant’s 17 registered trade marks as well as its one pending trade mark application. The Court also ordered the defendants to compensate the plaintiff in the amount of B100,000 (\$2,850) a month, calculated from the date the plaintiff filed the complaint until the defendants withdrew their registered trade marks, or the date the defendants ceased infringing on the plaintiff’s trade marks.

The defendants appealed the IP&IT Court’s decision to the Supreme Court in April 2011. In February 2016, the Supreme Court announced its judgment affirming the IP&IT Court’s judgment and amending only one issue – the defendants must pay compensation to the plaintiff in the amount of B100,000 a month from the date the plaintiff filed the complaint until the defendants cease infringing the plaintiff’s trade marks and products and cease using Dsquared2 as their trade name and the name of their shops. The total compensation amounted to about B6 million to B7 million, which is believed to be the highest amount of compensation that defendants have ever been ordered to pay the plaintiff in a trade mark litigation case based on passing off.

This will serve as a landmark case for international companies looking to operate a business in Thailand that fall victim to their trade marks and trade names being stolen by a local company. This case demonstrates that Thai trade mark law provides effective means for original trade mark owners to prove their better right over their marks. The amount of compensation granted by the Court is

also improving as the Court increasingly recognises the value of intellectual property and the damage that arises from infringement.

It is significant, however, that it took the legitimate owners of the mark nearly a decade to reach a resolution affirming their better right to the mark. This is an area where the Thai system could benefit from further improvement. In any event, trade mark owners are encouraged to seek protection for their trade marks as soon as possible, as it will save them unnecessary stress, time and costly legal disputes revolving around the legitimate owner of a mark.