

Trademark Act reacts to refilling and reuse of packaging and containers Thailand - Tilleke & Gibbins

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In a trademark infringement that is endemic in Thailand, genuine containers and packaging bearing the mark of a legitimate trademark owner are refilled with illicit contents and reused by third parties. These are then sold in the marketplace and are intended to deceive the public into believing that the goods are genuine.

Combatting refilled products

Trademark owners often favour taking criminal action for trademark forgery (involving refilling) over civil action. However, pursuing a criminal action is not without its problems as many legal practitioners and academics have publically challenged its efficacy, asserting that forgery of a trademark requires actual production of a fake trademark on fake goods or packaging.

Under these criteria, the use of genuine packaging or containers that bear the mark of a legitimate trademark owner is not considered as forgery of a trademark, even without authorisation. Also, due to the influence of public opinion, enforcement authorities are hesitant to assist trademark owners with criminal enforcement actions against packaging or containers refilled with fake goods under the Trademark Act.

This compounds the difficulties stemming from the infringement, which already tarnishes the reputation of original trademark owners and in some cases poses a grave health hazard to consumers when products for consumption are involved, such as used glass bottles refilled with fake liquor that may be poisonous. Other examples include:

- used plastic bottles refilled with poor-quality lubricant;
- used printer cartridges refilled with toner or ink products which can emit toxic fumes; and
- used bottles of sauce refilled with fake sauce.

As a result, instead of pursuing a criminal action for trademark forgery, trademark owners often tackle refilling through Section 272(1) of the Penal Code, which provides for criminal action against an offender using the name, mark or any wording of another in the carrying out of its trade.

Although criminal enforcement is possible through the Penal Code, the penalty is relatively low – a maximum of one-year imprisonment and/or a fine of up to Bt 2,000 may be imposed on the infringer. Consequently, infringers are unafraid of committing the offence of refilling, particularly as the court will reduce the penalties by half if the infringer pleads guilty. Imprisonment has mostly been suspended.

Penalties

The National Legislative Assembly recently passed a trademark bill which was published in the *Royal Gazette* on April 29 2016. The law will be enacted on July 28 2016 (90 days after publication). Section 109/1 of the amended Trademark Act specifies that a person who reuses packaging or containers bearing another's registered trademarks to mislead the public into believing that the goods are produced by the trademark owner will be liable to imprisonment of up to four years and/or a fine of not more than Bt 400,000.

Interestingly, the penalty for this offence is identical to the penalty for forgery of a trademark in Section 108 of the Trademark Act. This amendment confirms that refilling or reusing genuine packaging or containers with fake goods constitutes trademark infringement under Thai trademark law.

However, for there to be liability under this section, infringers must have intended to mislead the public into believing that the refilled packaging contains goods produced by the trademark owner. If the alleged infringer refills or reuses the packaging with a different product, infringement may not be deemed to have occurred. Therefore, a key factor to prove infringement is demonstrating that an infringer intended to pass off its product as that of another.

Although Thailand's amended trademark law confirms that the unauthorised refilling or reusing of another's packaging or containers with fake goods constitutes infringement (if passing-off intention can be established), it is yet to be seen what methods infringers will use to avoid liability. In any event, the collection of evidence and strategic planning, together with cooperation between trademark owners and their legal counsel, will continue to serve as an effective means of trademark enforcement.

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