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Thai Patent Law: Special Remuneration Rights for Employee Inventors/Creators

In Thailand, the right to apply for a patent for an invention, or a design patent for a product design that has been developed by an employee, vests automatically in the employer, provided that there is no written agreement to the contrary, and:

1. the invention or design is developed during the execution of an employment contract or a contract for a commissioned work; or
2. if the employment contract does not require an employee to exercise any inventive activity but the employee has made the invention using any means, data, or reports that the employment has put at his or her disposal.

Employees' Right to Special Remuneration

To promote inventive activity and to give a fair share to employee inventors/creators, the Thai Patent Act entitles the employee inventor or creator to receive remuneration for his or her work. However, there are slight differences in the right to remuneration for the employees in the two scenarios above.

An employee who develops an invention or design during the execution of a contract for a commissioned work will be entitled to remuneration other than his or her regular salary only if the employer benefits from the invention or design.

It should be noted, however, that for an employee who develops an invention or design outside the scope of the employment contact, the act does not specify that:

1. the employer must benefit from the invention or design for the employee to claim remuneration.
2. the remuneration must be in a form other than the employee's regular salary.

An additional point to consider is that an employee's right to remuneration may not be precluded by the employment agreement. Therefore, if an employment agreement is structured in a way that attempts to prevent this type of remuneration, the relevant provision in that agreement would be deemed invalid.

Procedure for Employees to Claim Remuneration

The Patent Act is the only intellectual property-related legislation that specifically addresses employees' rights to special remuneration if they create inventions for their employers. Under the act and the concerned ministerial regulations, an employee who develops an invention or product design is entitled to apply for special remuneration with the Director General (DG) of the Department of Intel-

lectual Property (DIP), regardless of whether the employer has already provided the employee such special remuneration. The DG has the discretion to set a suitable amount of remuneration for each employee, taking into account the following criteria:

1. employee's salary;
2. nature of the employee's duties;
3. diligence and skill which the employee has devoted to developing the invention or design;
4. diligence and skill which any other person has devoted to developing the invention or design jointly with the employee concerned, and any advice or other assistance contributed by any other employee who is not a joint-inventor or joint-creator;
5. assistance contributed by the company to the development of the invention or design through the provision of property, advice, facilities, preparatory work, or management in acquiring resources or services for the experimentation, development, or implementation of the invention or design;
6. total number of employees who jointly developed the invention or design;
7. importance of the invention; and
8. total benefits derived and expected to be derived from the invention, including any licenses for others to exploit the invention or design and the assignment of the patent to others.

This means that even if an employer has paid an employee special remuneration for an invention, the employee is still entitled to apply for an assessment of his or her entitled special remuneration from the DG of the DIP. Nevertheless, in deciding whether to grant such special remuneration to the employee and the amount of the remuneration, the DG is entitled to (and should) take into consideration any monetary awards that the employer has previously granted the employee before the application for special remuneration was filed.

Best Practices for Employers

As the Patent Act entitles employees to claim special remuneration for their inventions, employers should make sure that they have in place internal procedures setting out how to compensate employees for such special remuneration—not only to comply with the law, but also to promote creativity and innovation among their workforce. At a minimum, a company's internal procedures on special remuneration for employees should address the following issues:

- ▶ employees' right to special remuneration;
- ▶ employees' duties;
- ▶ calculation of special remuneration in different circumstances; and
- ▶ time frame and method for payment of special remuneration.

After internal regulations have been drafted, employers should also consider how to properly implement them. This is because implementation of regulations on employees' right to special remuneration may be deemed as a change to the conditions of employment. The provisions of both Thai labor laws and employee agreements should thus be taken into consideration throughout the process. 🏠