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Anti-counterfeiting 2019

Thailand

Tilleke & Gibbins

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A Global Guide



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Legal framework

To bring actions against trademark infringement in Thailand, rights holders can rely on the following:

- Thai legislation;
 - the Patent Act BE 2522 (1979) (as amended in 1992 and 1999);
 - the Trademark Act BE 2534 (1991) (as amended in 2000 and 2016);
 - the Copyright Act BE 2537 (1994) (as amended (Nos 2 and 3) in 2015);
 - the Penal Code BE 2499 (1956);
 - the Civil and Commercial Code;
 - the Customs Act BE 2560 (2017);
 - the Export and Import Act BE 2522 (1979); and
 - the Computer Crime Act BE 2560 (2017); and
- international treaties:
 - the Berne Convention;
 - the Paris Convention;
 - the Patent Cooperation Treaty;
 - the World Intellectual Property Organisation;
 - the World Trade Organisation; and
 - the Madrid Protocol.

Border measures

Customs plays a pivotal role in intercepting incoming shipments of counterfeit and pirated goods *en route* to the Thai market. A special feature of the Customs Act BE 2560 (2017) gives customs officials the authority to intervene *ex officio* to detain and seize suspicious counterfeit and pirated goods. This applies to all goods, regardless of whether they are imported or exported, and also extends to goods in transit through Thailand to or from other countries. These relatively new seizure powers broaden the scope of protection at the country's borders and are extremely beneficial to brand owners.

Brand owners can also rely on the Export and Import Act BE 2522 (1979) and Notification of the Ministry of Commerce Governing Exportation and Importation of Goods BE 2530 (1987) to stop and seize infringing goods bearing Thai or foreign registered trademarks entering or leaving the country. According to these laws, a trademark owner can file a customs recordation with the Thai Department of Intellectual Property (DIP) to request customs officials to continually monitor suspect goods.

If a rights holder wishes to proceed with customs recordation, it must file an application with the DIP officer and submit the following information:

- the name and address of the trademark owner or representative in Thailand;
- power of attorney executed by the owner or representative;
- the names of all authorised local manufacturers or distributors (to prevent accidental seizures of legitimate shipments);
- trademark registrations, product descriptions and product identification; and
- a letter of consent to bear liability for any damages that may arise due to seizure action.

Seizure procedure

After receiving a recordation document from the DIP, Customs will upload the information into its database, which is available at all ports in the country. This process ensures that officers will remain aware and vigilant in monitoring possible counterfeit and pirated products. To help protect their IP rights from illicit products crossing Thai borders, trademark owners can also rely on an important agreement between the public and private sectors – the Memorandum of Understanding (MOU) on the Cooperation of the Relevant Government Agencies and the Private Sector to Prevent and Suppress the Smuggling of Infringing Products. Signed on 12 September 2003, this MOU provides streamlined steps to prevent counterfeit products from entering, transiting through and leaving Thailand.

If a customs officer finds suspected counterfeit goods while monitoring the border, those goods may be seized temporarily. Upon seizure, a request letter will be sent to the IP owner or its representative, asking it to inspect the detained products.

According to the MOU, after receiving news of the temporary seizure, the IP owner or representative has the right to file a statement in order to detain the suspected goods at the port within 10 days. Within this 10-day detention period, the IP owner or representative must provide confirmation to the responsible customs officer as to whether the goods are genuine or counterfeit. Failure

to do so will result in the release of the detained products.

If the goods are deemed to be counterfeit, Customs will file a claim against the importer, exporter or transit party for transporting restricted or prohibited goods, which may be deemed a violation of the Customs Act, the Export and Import Act and/or the Trademark Act. In order to proceed, the IP owner or representative must submit documentation that proves it is the rightful owner of the trademark. The penalties laid out under the Customs Act include a fine of up to Bt500,000 (approximately \$15,650), up to 10 years' imprisonment or both. The seized goods will be kept in custody until they are destroyed.

If the IP owner or its representative initially confirms that the goods are genuine, or if the customs officer is not contacted within the allotted timeframe, the goods will be released to the importer, exporter or transit party.

Criminal prosecution

In Thailand, criminal prosecution is available for owners of registered and unregistered trademarks, as the law provides protection for both types of mark. However, a registered mark receives much broader and stronger protection than an unregistered mark because the Trademark Act BE 2534 (1991) (as amended in 2000 and 2016) provides that the owner of a registered mark has the exclusive right to its use for the goods or services for which registration has been granted.

Private criminal action

When faced with infringement in Thailand, a trademark owner may bring criminal charges against an infringer by submitting a complaint directly to the Intellectual Property and International Trade (IP&IT) Court. This is called a 'private criminal action'.

After a private criminal action complaint has been filed, the IP&IT Court will consider whether the trademark owner has a *prima facie* case. The trademark owner must attend a preliminary hearing to present evidence that demonstrates to the court that there is a *prima facie* case against the infringer. If the court finds that an act of infringement may have been committed, it will accept the case for further trial.



Evidence accompanying complaints typically includes investigation results or samples of counterfeit products. If the evidence is found to be sufficient, a raid will be approved and initiated

Public criminal action

A trademark owner can also file a complaint with the police or the Department of Special Investigation (DSI). This type of complaint is known as a 'public criminal action'. Such action usually begins with an investigation of the location of the counterfeit products and is followed by raid actions against the manufacturers or retailers.

In order to conduct a raid, a criminal complaint must first be filed. The police or DSI will then consider the matter according to the evidence provided by the trademark owner. Evidence accompanying complaints typically includes investigation results or samples of counterfeit products. If the evidence is found to be sufficient, a raid will be approved and initiated.

After a raid is complete, the police or DSI will investigate the case and the results of the raid. The case will then be forwarded to the public prosecutor for further consideration. If the public prosecutor finds that the evidence is sufficient and agrees to prosecute the infringer, a criminal complaint will be filed with the IP&IT Court. Unlike a private criminal action, it is not compulsory for the court to consider whether a trademark owner has a *prima facie* case. The court will consider the matter and render judgment.

An IP&IT Court judgment can be appealed to the Court of Appeal for Specialised Cases. For criminal cases, a party which disagrees with a judgment from the Court of Appeal for Specialised Cases may appeal further to the Supreme Court, provided that the appeal is grounded on legal issues. For factual issues, the right to appeal depends on the severity of the punishment of the lower court's judgment.

Remedies

The remedies available under criminal prosecution come in the form of fines and imprisonment. Additionally, any infringing products that are found will be destroyed after final judgment.

Penalties for forgery or selling or offering for sale products bearing a forged trademark include fines of up to Bt400,000 (approximately \$13,000), up to four years' imprisonment or both.

Imitating a registered trademark or selling or offering for sale products bearing an imitation of a trademark in order to mislead the public into believing that the imitation mark belongs to the registered owner can result in fines of up to Bt200,000 (\$6,500), up to two years' imprisonment or both.

Penalties for reusing packaging or containers bearing another party's registered trademark in order to mislead the public into believing that the products are produced by the trademark owner include fines of up to Bt400,000 (approximately \$13,000), up to four years' imprisonment or both.

Under the Penal Code, any party that uses a name, figure or artificial mark on products, packaging, coverings or advertisements to make the public believe that they are the products or trade of the trademark owner is subject to fines of up to Bt20,000 (approximately \$650), up to one year's imprisonment or both.

Although there are specific penalties set out in the Penal Code, the court typically renders judgment with reduced or suspended penalties for first-time offenders.

Civil enforcement

Apart from criminal proceedings under the Trademark Act, rights holders may also pursue

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Ninpim Nawavatcharin is an attorney at law in Tilleke & Gibbins's IP group in Bangkok. Her practice covers both contentious and non-contentious matters, ranging from conducting infringement analysis and enforcement against counterfeit goods and lookalikes to handling trademark proceedings before the Thailand Board of Trademarks and the Central Intellectual Property and International Trade Court, as well as providing trademark counselling to domestic and international companies across a range of industries. Ms Nawavatcharin graduated with a law degree (second-class honours) from Thammasat University and is a member of the Thai Bar Association and the Lawyers Council of Thailand.

civil litigation against counterfeiters through the IP&IT Court, which has jurisdiction to hear actions brought for counterfeit claims in Thailand. These civil actions may be based on the offence of passing off (which is recognised in the Trademark Act) or other trademark infringement actions that are possible under the Trademark Act, together with wrongful acts under the Civil and Commercial Code. A complainant is not required to issue a cease and desist letter to the counterfeiter before

initiating civil proceedings. However, it is advisable to do so, as this serves as crucial evidence for subsequent litigation to prove that the infringer received claims about their infringing action and that the owner's IP rights were clearly stated. Infringers will often declare that they had not intended to infringe the IP owner's rights as they had no knowledge of such IP protection. Issuing a cease and desist letter before litigation will assist in fighting such claims.



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When proceeding with civil enforcement, there are three types of action available for rights holders:

- requesting preliminary injunction proceedings;
- requesting an Anton Piller order; and
- proceeding on the merits leading to definitive measures.

Preliminary injunction

Preliminary injunctions can be requested before filing a statement of claim (ie, a

complaint) or after a claim has already commenced. This useful action will provide provisional measures to stop blatant infringement in cases that require urgent relief. The IP&IT Court's decision on the issuance of a preliminary injunction will depend largely on the nature and extent of damages that both parties may incur if the injunction is granted, as well as the difficulty of enforcing the judgment against the alleged infringer. However, after the IP&IT Court has granted a preliminary injunction to the plaintiff, the alleged infringer can still file an opposition application to the court requesting the revocation of the injunctive relief by asserting that there are no reasonable grounds for issuing the preliminary injunction.

Anton Piller order

Under Sections 28 and 29 of the IP&IT Court Proceedings Act 1996, a civil litigant seeking an Anton Piller order can request the infringer to deliver the alleged counterfeit goods for preservation pending determination of the lawsuit. To support a motion for an Anton Piller order, the complainant must be able to show that an emergency situation exists in which, if the other party or any third party involved is notified beforehand, the evidence of infringement will be damaged, lost or destroyed, or will otherwise become difficult to be adduced at a later stage.

Court proceedings

The normal process of prosecuting civil litigation with the IP&IT Court as the court of first instance generally takes 12 to 18 months, depending on the number of cases on the court's docket. The court's judgment is subject to appeal to the respective Court of Appeal for Specialised Cases, meaning that any party that is not satisfied with the outcome is entitled to file an appeal petition upon conclusion of the civil case. Under the amended Civil Procedure Code 2015, if a party disagrees with a rendered decision at the appeal stage, the right of second appeal to the Supreme Court is restricted. This is because the primary means to petition the Supreme Court for review is to request a writ of *certiorari* to hear the case. In this situation, the petition must prove to the court that a controversial topic in the case falls under the



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category of important issues, as prescribed in the Civil Procedure Code. The Supreme Court is often reluctant to grant a writ of *certiorari* as it usually decides that the controversial issue is not important enough to be reconsidered. In such cases, the previous order will be deemed final, meaning that the petitioner is deprived of the right to appeal.

Remedies

Bringing a civil action in Thailand poses significant challenges for the rights holder, specifically in regard to any damage remedies, as the Thai courts are meticulous when assessing whether to award damages to an injured party. The remedies available to civil litigants include recovery of actual proven damages and permanent injunctions. Recent trends have shown that plaintiffs have been receiving higher awards for damages as requested in the complaint than previously.

In situations where the court finds that there has been imminent, continuous infringement occurring until the date of filing of the complaint, the rights holder is entitled to request a permanent injunction to prevent the defendant from engaging in infringing activities (eg, producing or selling the infringing product) in future.

Anti-counterfeiting online

Thailand has been ranked as one of the top 10 countries for time spent on the Internet; activity is especially high on social media. Therefore, online infringement in the country has been increasing on a daily basis and IP owners face challenges in this sector. The Thai government has taken notice of the

infringement trend and has attempted to address the growing issue by amending two important pieces of legislation: the Copyright Act BE 2537 (1994) (as amended (Nos 2 and 3) in 2015) and the Computer Crime Act BE 2560 (2017) (No 2).

Copyright Act

Section 32/3 of the amended Copyright Act (No 2) provides copyright owners with a tool to tackle online infringement. This tool allows for preliminary injunctions that remove copyright-infringing works from the Internet, while at the same time providing an exemption from liability for internet service providers (ISPs).

Under Section 32/3, the copyright owner must file a motion with the court requesting an injunction order against the infringing material. The motion must clearly state:

- any information regarding the ISP, the infringement claims and details of the investigation process that will lead to the finding of the infringement; and
- evidence thereof, including potential damages and other relevant factors.

If all the required information is provided, the court may order the ISP to remove the copyright-infringing content if it deems this necessary. Afterwards, the copyright owner must initiate legal action against the actual infringer within a specified period determined by the court.

Computer Crime Act

The Computer Crime Act provides trademark owners with a permanent injunction for dealing with online infringement.

Section 20(3) of the act states that a competent official may, with approval from the Ministry of Digital Economy and Society (MDES), file a motion with evidence to the court to request an order blocking the dissemination of computer data which constitutes a criminal offence under IP law or deleting such data. Under the Computer Crime Act, the MDES and its officials hold the primary authority related to these provisions.

A trademark owner may provide an assigned MDES official with the URL of an alleged infringing website for investigation and collection of evidence for further consideration by the minister. Once the minister approves, the official will then file a motion with the court requesting that the website be blocked or its content be deleted.

In the case of urgency and necessity, the official may file a motion with the court before receiving approval from the MDES. However, the official must expeditiously report the filing of the petition to the minister after the motion has been filed.

Once the request has been granted by the court, the official may either block the dissemination or delete the computer data by themselves or order the ISP to do so. The rules, timeline and methods for blocking the dissemination or for deletion of the computer data are regulated by the minister's notification, unless the court orders otherwise.

Preventive measures/strategies

To intercept the influx of counterfeit goods into the Thai marketplace, one of the most effective preventive measures for anti-counterfeiting is for the rights holder to record its trademark rights so that Customs can closely monitor any suspected illicit goods. To assist with improving border control measures for their products, IP owners can conduct product-identification training for customs officials and other relevant IP enforcement officers. These educational sessions convey important information to the authorities on how to differentiate

between genuine and counterfeit goods. In doing so, they can easily and timely identify whether the suspected goods are counterfeit. Moreover, these training sessions help to establish strong relationships and ensure that the responsible government authorities know who to contact when they encounter suspicious goods in the market or at the ports. Ultimately, such efforts work to ensure that the rights holder is informed quickly of possible infringement actions.

IP infringement is increasingly shifting from physical locations to digital or online venues. Internet users can easily offer counterfeit products for sale through social media or social networks, or upload pirated movies to websites with increased privacy. To tackle online infringement, anti-counterfeiting strategies must be carefully planned, prepared and executed. Online suppression actions for rights holders to consider include:

- online and physical market surveys;
- in-depth investigations;
- collaboration with government authorities on raid actions; and
- online monitoring programmes.

A solid partnership and continuous contact with enforcement authorities is also important to succeeding in the war against counterfeiters. **WTR**

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