

**PROBLEMS OF THE USE OF REGISTERED TRADEMARK IN THE
CASE OF FAIR USE**

Miss Nantarat Munsrijan

An Independent Research Paper Submitted in Partial Fulfillment of the Requirements for the
Degree of Master of Business Law (International) Program

Department of International Law

Faculty of Law Chulalongkorn University

Academic Year 2022

Copyright of Chulalongkorn University

ปัญหาการใช้เครื่องหมายการค้าจดทะเบียนในกรณีการใช้งานโดยชอบธรรม

น.ส.นันทรัตน์ มั่นศรีจันทร์

การศึกษาวิจัยอิสระนี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาตรี

ศาสตร์มหาบัณฑิต

สาขาวิชากฎหมายธุรกิจ ไม่สังกัดภาควิชา/เทียบเท่า

คณะนิติศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2565

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

648 40021 34: MAJOR BUSINESS LAW

Keywords: use; fair; trademarks; fair use; doctrine; Thailand

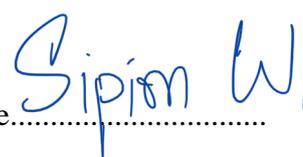
Nantarat Munsrijan: Problems of The Use of Registered Trademark in The Case of Fair Use.

Advisors: Assistant Prof. Dr. Sipim Wiwatwattana

Faculty Law

Student's Signature.....

Field of Study: Business Law

Advisor's Signature.....

Academic Year 2022

ABSTRACT

According to Section 44 of the Trademark Act B.E. 2534, once the trademark has been registered, the trademark owner will have the exclusive right to authorize or prohibit others from using the mark. For this reason, if a person uses a trademark that is same to or similar to that registered trademark on registered goods of that class without permission from the registered trademark owner under the law and causes damage to the trademark owner who is the registrant, it would be considered an infringement of the right to use the trademark under this Section 44.

However, in Thailand determines exceptions to the protection of trademark rights in cases where the trademark is a name, surname, company name, office name in good faith. According to Section 47, exceptions to the protection of trademark rights, it occurs when a person uses the mark's name as a first name, last name, or any bona fide description of the character or quality of goods because it is not being used as a trademark. Therefore, the trademark owner has no exclusive right to prohibit others from using their registered trademark.

Nonetheless, this exception to Section 47 is rarely applied in Thai law, as it is extremely difficult to find information, especially examples of Supreme Court decisions, when researching Section 47 exemptions. The ambiguous laws or regulations, including the exception for the use of registered trademarks, may cause confusion to trademark users in Thailand about how to use a trademark for fair use or for "descriptive use" in accordance with Section 47, and the seller is also unaware of the scope or conditions for using this exception under Section 47. Due to the fact that there are some instances that trademark user simply uses or need to use the registered trademark for sale or advertising to describe its origin or source of goods. In addition, the trademark user of the trademark does not intend to deceive consumers or the public regarding the origin of the product, nor does he or she intend to sell counterfeit or imitation products, but rather to explain the genuine origin or quality of the product in order to promote the user's trademark product.

The study of trademark law in Thailand reveals that trademark infringement in Thailand involves strict and absolute protection for trademark owners, but no clear protection or exemption laws encourage users of trademarks in the event of fair use. From this study of foreign Trademark Laws, the United States and South Korean Trademark Laws have provisions to protect trademark users from the use of registered trademarks, which is recognized as the

exemption concept of trademark owners' exclusive rights. In other words, a trademark user that is identical or similar to a registered trademark, for which the owner has registered the trademark, may be used without concern for trademark infringement if the trademark is used in accordance with fair use.

The study of trademark law in the United States and South Korea revealed that Thailand's trademark laws have unclear legislation or guidelines that clearly set criteria for determining conditions or scopes for the use of registered trademarks in terms of fair use. So, the author proposes a guideline for determining the conditions or scopes of the use of a registered trademark in cases of fair use by providing both the legal establishment of additional amendments for trademark fair use in the Thai Trademark Act and the scope and conditions of fair use of trademark rules.

บทคัดย่อ

ตามมาตรา 44 แห่งพระราชบัญญัติเครื่องหมายการค้า พ.ศ. เจ้าของเครื่องหมายการค้าจะมีสิทธิแต่เพียงผู้เดียวในการอนุญาตหรือห้ามมิให้ผู้อื่นใช้เครื่องหมายนั้น ด้วยเหตุนี้หากผู้ใดใช้เครื่องหมายการค้าที่เหมือนหรือคล้ายกับเครื่องหมายการค้าที่จดทะเบียนแล้วกับสินค้าจดทะเบียนประเภทนั้นโดยมิได้รับอนุญาตจากเจ้าของเครื่องหมายการค้าที่ได้จดทะเบียนไว้ตามกฎหมายแล้วก่อให้เกิดความเสียหายแก่เจ้าของเครื่องหมายการค้าซึ่งเป็นผู้จดทะเบียนยอม ให้ถือเป็นการละเมิดสิทธิในการใช้เครื่องหมายการค้าตามมาตรา 44 นี้

อย่างไรก็ตามในประเทศไทยได้กำหนดข้อยกเว้นการคุ้มครองสิทธิในเครื่องหมายการค้าในกรณีที่เครื่องหมายการค้าเป็นชื่อ นามสกุล ชื่อบริษัท ชื่อสำนักงานโดยสุจริต ตามมาตรา 47 แห่งพระราชบัญญัติเครื่องหมายการค้า พ.ศ. 2534 เป็นข้อยกเว้นในการคุ้มครองสิทธิในเครื่องหมายการค้าที่เกิดขึ้นเมื่อบุคคลใช้ชื่อเครื่องหมายเป็นชื่อ นามสกุล หรือคำอธิบายโดยสุจริตเกี่ยวกับลักษณะหรือคุณภาพของสินค้า เนื่องจากมิได้ใช้เป็น เครื่องหมายการค้า ดังนั้นเจ้าของเครื่องหมายการค้าจึงไม่มีสิทธิแต่เพียงผู้เดียวในการห้ามผู้อื่นใช้เครื่องหมายการค้าที่จดทะเบียนแล้วของตนตามข้อยกเว้นนี้

อย่างไรก็ตาม เมื่อศึกษาข้อยกเว้นของมาตรา 47 แล้วนั้นพบว่า ข้อยกเว้นตามมาตรา 47 นี้ถูกนำมาปรับใช้ในกฎหมายไทยค่อนข้างน้อย เนื่องจากการยากที่จะหาข้อมูลเพิ่มเติมหรือโดยเฉพาะตัวอย่างคำพิพากษาของศาลฎีกา ดังนั้น กฎหมายหรือข้อบังคับที่คลุมเครือ รวมถึงข้อยกเว้นสำหรับการใช้เครื่องหมายการค้าจดทะเบียน อาจทำให้ผู้ใช้เครื่องหมายการค้าในประเทศไทยเกิดความสับสนว่าจะใช้เครื่องหมายการค้าเพื่อการใช้งานโดยชอบธรรมหรือเพื่อ "การใช้เชิงพรรณนา" ตามมาตรา 47 ได้อย่างไรและรวมถึงไปผู้ขายก็มีทราบขอบเขตหรือเงื่อนไขในการใช้ข้อยกเว้นนี้ตามมาตรา 47 ที่แน่ชัดได้ เนื่องจากมีบางกรณีที่ผู้ใช้เครื่องหมายการค้าใช้หรือจำเป็นต้องใช้เครื่องหมายการค้าจดทะเบียนเพื่อการขายหรือโฆษณาเพื่ออธิบายที่มาหรือแหล่งที่มาของสินค้า นอกจากนี้ผู้ใช้เครื่องหมายการค้าดังกล่าวไม่ได้มีเจตนาที่จะหลอกลวงผู้บริโภคหรือประชาชนทั่วไปเกี่ยวกับที่มาของสินค้า และ มิได้มีเจตนาที่จะขายสินค้าปลอมหรือลอกเลียนแบบ แต่ต้องการอธิบายถึงแหล่งกำเนิดที่แท้จริงหรือคุณภาพของสินค้า เพียงเพื่อส่งเสริมผลิตภัณฑ์เครื่องหมายการค้าของผู้ใช้เครื่องหมายการค้านั้น

การศึกษากฎหมายเครื่องหมายการค้าในประเทศไทยพบว่าการละเมิดเครื่องหมายการค้าในประเทศไทยเกี่ยวข้องกับคุ้มครองเจ้าของเครื่องหมายการค้าอย่างเคร่งครัดและเด็ดขาด แต่ไม่มีกฎหมายคุ้มครอง

หรือข้อยกเว้นที่ชัดเจนที่สนับสนุนผู้ใช้เครื่องหมายการค้าในกรณีของการใช้งานโดยชอบธรรม นอกจากนี้จากการศึกษากฎหมายเครื่องหมายการค้าต่างประเทศของกฎหมายเครื่องหมายการค้าของสหรัฐอเมริกาและเกาหลีใต้มีบทบัญญัติคุ้มครองผู้ใช้เครื่องหมายการค้าจากการใช้เครื่องหมายการค้าจดทะเบียน ซึ่งถือว่าเป็นแนวคิดการยกเว้นสิทธิแต่เพียงผู้เดียวของเจ้าของเครื่องหมายการค้า กล่าวอีกนัยหนึ่ง คือ ผู้ใช้เครื่องหมายการค้าที่เหมือนหรือ คล้ายกับเครื่องหมายการค้าที่จดทะเบียนซึ่งเจ้าของได้จดทะเบียนเครื่องหมายการค้าแล้ว อาจถูกนำไปใช้โดยไม่ต้องกังวลเรื่องการละเมิดเครื่องหมายการค้า หากมีการใช้เครื่องหมายการค้าตามการใช้งานโดยชอบธรรม

จากการศึกษากฎหมายเครื่องหมายการค้าในประเทศสหรัฐอเมริกาและเกาหลีใต้พบว่ากฎหมายเครื่องหมายการค้าของไทยมีกฎหมายหรือแนวปฏิบัติที่ไม่ชัดเจนซึ่งมิได้กำหนดหลักเกณฑ์ในการกำหนดเงื่อนไขหรือขอบเขตการใช้เครื่องหมายการค้าจดทะเบียนไว้อย่างชัดเจนในแง่ของการใช้งานโดยชอบธรรม ผู้เขียนจึงเสนอแนวทางในการกำหนดเงื่อนไขหรือขอบเขตของการใช้เครื่องหมายการค้าจดทะเบียนในกรณีของการใช้งานโดยชอบธรรม (Fair Use) โดยเสนอทั้งการจัดตั้งกฎหมายฉบับแก้ไขเพิ่มเติมสำหรับการใช้เครื่องหมายการค้าโดยชอบในพระราชบัญญัติเครื่องหมายการค้าไทยและ ขอบเขตและ เงื่อนไขของการใช้เครื่องหมายการค้าโดยชอบธรรม

Acknowledgements

I would like to express my sincere gratitude and appreciation to all those who gave me the possibility to complete my paper. I have taken efforts of researching in this paper. I am grateful to be at Chulalongkorn University. It was my dream to enroll and study at Chulalongkorn University. It's been an invaluable experience to be a part of the program because I have a great passion for studying international business law; therefore, I'd like to express my gratitude to the faculty for accepting me as a Chulalongkorn student.

First, I sincerely thank my advisors Prof. Dr. Sipim Wiwatwattana for helping stimulate suggestions and warm encouragement. She was so caring and attentive in teaching that I could truly understand. I also want to extend to other research committee members, Lect. Dr. Piti Eiamchamroonlarp, Lect. Dr. Tidarat Sinlapapiromsuk and Lect. Dr. Pawat Satayanurug. Additionally, I received considerable assistance from other law faculty members, including Sirithida Ngeanthong and Phuriphong Jittieng. A heartfelt thank you to them.

I would like to extend my gratitude to my friends and classmates for their compassion and friendship as well as their encouragement and support, which aided me in completing my paper. Thanks to them for constantly cheering me up.

Additionally, I am appreciative to my family, who have been a continual source of love and support. In particular, my mom, who always believed in me and gave me advice on everything, has been both a friend and a mother role.

Table of Contents

Chapter 1	1
Introduction	1
1.1 Background of research	1
1.2 Objectives of the study	4
1.3 Scopes of the study	4
1.4 Hypothesis of the Research	5
1.5 Benefits of the study	5
Chapter 2	6
Introduction to Trademarks and Trademark Protection	6
2.1 General chapter of Trademarks	6
2.1.1 History of Trademarks	6
2.1.1.1. General history of trademarks	6
2.1.1.2. General history of trademarks in Thailand	9
2.1.2. Definition of Trademark	11
2.1.2.1. Characteristics of the trademark.....	12
2.1.2.2. Use or will be used as a means or in connection with the product.....	13
2.1.3. Functions of trademarks	14
2.1.3.1. A role to identify the product's origin.	14
2.1.3.2 A role in determining the differences between products	14
2.1.3.3 A role to ensure quality of the product	14
2.1.3.4 A role to advertise a product	15
2.1.4 Acquiring Trademark Rights	15
2.1.4.1. Acquiring trademark rights by registration.....	15
2.1.4.2. Acquiring rights through the use of trademarks	16

2.2 Protection of Trademark Rights	17
2.2.1 Rights of the trademark owner	17
2.2.1.1 Exclusive rights	17
2.2.1.2 Authorization right to utilize a trademark	19
2.2.1.3 Transfer of rights and inheritance	19
2.2.2 Trademark infringement	20
2.2.3 Period of Trademark Protection	26
2.2.4 Exceptions restricting trademark owners' rights	26
Chapter 3	35
Protection of Rights and Exceptions for the Use of Trademarks Abroad	35
3.1 Protection and exclusion of trademarks in the United States	36
3.1.1 General background of trademark in the United States	37
3.1.2 Fair use	39
3.1.2.1 Descriptive or Classic Fair Use	42
3.1.2.2 Normative Fair Use.....	44
3.1.3 Joint use of trademark	46
3.2 Protection and exclusion of trademarks in South Korea	48
3.2.1 General background of the South Korean trademark system	48
3.2.2 Fair use	50
3.3 Conclusion	52
Chapter 4	55
An analysis of the guidelines for the establishment of rules for trademark fair use in Thailand	55
4.1 Fair use of trademarks that are identical or similar to registered trademarks in Thailand	55
4.2 Benefit of trademark fair use rules	58
4.3 Purpose trademark fair use guideline	60

4.3.1 Establish law for trademark fair use	61
4.3.2 Defines the scope and conditions of fair use of trademark rules	63
Chapter 5	71
Conclusion and Recommendation	71
5.1 Conclusion	71
5.2 Recommendation	73

Chapter 1

Introduction

1.1 Background of research

Humans currently trade and exchange goods and services on a regular basis. If the product or service is popular, people will begin substituting marks or symbols for the product or service in order to distinguish or differentiate their goods or services from those of other suppliers. Additionally, it helps boost the likelihood that consumers will purchase the product or utilize the service again. Consequently, trademarks are crucial in business, as they can reflect the quality of goods and services. It also has economic value and belongs to the trademark owner because it is a legal asset with economic value that can be used to secure a contract or pay off debt. This is extremely advantageous in business, as entrepreneurs may utilize their assets to operate their businesses. Therefore, the owner of the trademark is required to register the trademark in order to have the exclusive right to use that trademark.

Once the trademark has been registered, the trademark owner will have the exclusive right to authorize or prohibit others from using the mark.¹ When a trademark is widely recognized, frequently utilized, and customers have a strong association with it. As a result, this may result in the trademark being reproduced or used without authorization, which would constitute trademark infringement. For example, if someone uses the registered trademark with intentions or special intentions may be prosecuted and is a criminal violation punishable by both imprisonment and monetary fine.² However, there will be instances in which the trademark user does not intend to infringe or defame the registered trademark, but it is required to use the trademark for the sale of products and services, including advertising in which the trademark is placed on the goods and services. For instance, if a trademark user directly purchases a product from a trademark owner and desires to sell the trademarked goods to merchants or consumers by advertising on online platforms, he or she should have the right to do so because he or she is the owner of the goods and it is the original, not a counterfeit or copy

¹ TRADEMARK ACT B.E. 2534. Section 44

² Department of Intellectual Property, *Intellectual Property for Entrepreneurs (Trademark)*, https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf

of the trademarked goods. For instance, if John purchases a brand-new watch from a "Rolex" store, which is a trademarked product, he may desire to sell it on Facebook by promoting the selling post consisting of the trademark, "Rolex," using it as a fair use by describing the watch product as authentic. Moreover, he has ownership of the watch. However, Facebook prohibits promoting the post by its community policy, which is policy on infringement from third parties.³ According to Facebook, the ads may be rejected if holders of intellectual property rights report them or if there are signs that they violate the rights of a third party. In addition, it's possible that Facebook may not know for sure if such ad violates the rights of others or not, but it will still reject it even if no infringements of intellectual property rights have been reported by corrupt rights holders.⁴ Therefore, the issue is that it is unfair to John, including whether or not it constitutes trademark infringement. Another example of blocking advertisements for trademarked products is the TikTok policy, which states that content that violates on the intellectual property of others is not permitted on the platform and will be removed as soon as the company aware about it.⁵

Moreover, Shopee also has a guideline about products that infringe on intellectual property, which states that intellectual property infringement includes trademark infringement on goods displayed for sale, including those that bear trademarks, and the selling of such goods without permission.⁶ Consequently, if Shopee deems that a product violates the Shopee listing rules, the system will suspend or delete the product, the store will receive a bad conduct score, and the merchant will lose the privilege to sell or be in a temporary or permanent suspension of their merchant account.⁷ These example demonstrate the limitation and disadvantage to the seller who is willing to sell their product in trademark fair use and good faith by describing the product with trademarks, and it denies them the opportunity to sell and advertise their products

³ "Third-Party Infringement." Transparency Center.

<https://transparency.fb.com/th-th/policies/ad-standards/intellectual-property-infringement/third-party-infringement/>.

Advertisements may not include content that violates the intellectual property rights of a third party, including copyrights, trademarks, and other legal rights. This includes, but is not limited to, the advertising or sale of counterfeit goods, such as those that imitate the trademark (name or logo) or unique characteristics of another company's product in order to impersonate the genuine product.

⁴ "Third-Party Infringement." Transparency Center.

<https://transparency.fb.com/th-th/policies/ad-standards/intellectual-property-infringement/third-party-infringement/>.

⁵ TikTok. "Community Guidelines." *Community Guidelines*, www.tiktok.com/community-guidelines?lang=th&fbclid=IwAR0IECXoVHHdG4YjUPsV58CmjYSqjl7FLtVpXu0oP0i3aq0vwdFEhQAFZfi#43.

⁶ "Seller Education Hub." *Seller Education Hub*, seller.shopee.co.th/edu/article/1596.

⁷ "Seller Education Hub." *Seller Education Hub*, seller.shopee.co.th/edu/article/1596.

online, which should be feasible in selling and advertising and not infringe on trademarks because they do not use them to deceive or confuse consumers, including not selling or advertising fake or imitation products.

As mentioned above, nowadays, online commerce is crucial and plays a significant role in our lives, both for purchasing and selling. Although the COVID-19 epidemic makes it the golden age of online commerce, since most people avoid traveling outside the home to reduce their risk of being exposed to germs and also because online purchasing has supporting components that make shopping more convenient, such as e-Payment systems.⁸ In today's saturated internet market, a well-thought-out marketing plan and strategy are necessities for any firm intending to make a profit selling things online and maintain a foothold over the long run. In addition to general e-commerce sites, there are specialized online marketplaces as well such as e-commerce platforms and social media.⁹ Therefore, online advertising on a variety of platforms is essential if seller wants to increase product sales and brand awareness.

However, Thai trademark law currently covers only the exemption on the use of registered trademarks in the cases of name, surname, company name, and office name that are sufficiently stipulated by law in good faith, as specified in Section 47.¹⁰ According to Section 47¹¹, exceptions to the protection of trademark rights, which states that “no registration under this Act shall interfere with any bona fide use by a person of his own personal name or surname or the name of his place of business or that of any of his predecessors in business or the use by any person of any bona fide description of the character or quality of his goods”, such use shall be considered a good faith use of the trademark. It occurs when a person uses the mark's name as a first name, last name, or other person of any bona fide description of the character or quality of his goods because it is not being used as a trademark.¹² Therefore, the trademark owner has no exclusive right to prohibit others from using their registered trademark. Consequently, when there are no clear, all-encompassing rules or provisions or exemptions

⁸ Department of Business Development. *Covid-19, the Golden Era of Online Sales... Commerce Recommends Merchants - Online Sellers*. 44. Vol. 44. Press Release 2564. Department of Business Development, 2021.

⁹ Department of Business Development. *Covid-19, the Golden Era of Online Sales... Commerce Recommends Merchants - Online Sellers*, Vol. 44, 2021.

¹⁰ TRADEMARK ACT B.E. 2534. Section 47.

¹¹ TRADEMARK ACT B.E. 2534. Section 47.

¹² Intellectual Property Office of Prince of Songkhla University, *Infringement of intellectual property works*, https://acds.sci.psu.ac.th/images/file/Activity/3-IP%20Training_28-8-62.pdf.

regarding how to use trademarks that are similar to or the same as registered trademarks, this includes the case of a bona fide user of a registered trademark in a commercial, profit-making, or commercial use in good faith as a trademark to identify the source and origin of the product. In such circumstances, it becomes unfair and unclear to trademark owners and those who use trademarks that are similar or identical to registered trademarks in good faith and fair use. Furthermore, it is also a limitation of the trademark user that he or she does not intend to infringe or defame, but must use the trademark in the sale of goods and services, including product advertising, putting the trademark user at a disadvantage. Hence, in order to maintain justice and clarity between trademark owners and trademark users, it has become necessary to examine the provisions of the legislation and establish guidelines for the protection of registered trademark usage between trademark owners and trademark users.

1.2 Objectives of the study

1) To study the principle of protection regarding exclusive rights of the trademark owner and exceptions under Thai law.

2) To study the nature and concept of trademark fair use between trademark owners and trademark users in South Korea and the United States, such as terms of sharing, the scope of application for mutual benefit, and problems that may arise when the specified conditions are not met. This includes the terms of indemnification in the event of a dispute.

3) To propose law for setting fair rules on the protection of trademark use between trademark owners and trademark users.

1.3 Scopes of the study

1) Study the laws relating to trademarks in Thailand, South Korea and the United States on the rights of trademark owners and trademark users.

2) Studying the legitimate use of trademarks of trademark users in the United States and South Korea with an emphasis on terms of use, scope of application for mutual benefit and problems that may arise when the specified conditions are not met. Including the terms of

indemnification in the event of a dispute as a guideline for analysis and comparison, leading to conclusions and recommendations for Thailand.

3) Study the court's decisions in trademark-related disputes in Thailand and the United States.

1.4 Hypothesis of the Research

Since there is no Thai provision or principle that provides specified exceptions for the fair use of trademarks that are similar to registered trademarks, it is unfair and uncertain for the trademark owner and users. Therefore, Thailand should alter or establish clear and consistent regulations or guidelines on exempting the use of trademarks that are similar to registered trademarks.

1.5 Benefits of the study

1) It can be developed as a model for contractual requirements between the trademark owner and the trademark user.

2) It can be turned into rules or laws that protect trademark owners and people who use trademarks to make sure that everything is fair and meets standards.

Chapter 2

Introduction to Trademarks and Trademark Protection

This chapter examines the broad content of trademarks in order to understand their origin, meaning, functions, and acquisition of trademark rights. It contains a comprehensive summary of trademarks, concepts, protections, scope, and exclusions.

2.1 General chapter of Trademarks

2.1.1 History of Trademarks

When humans gather together as a civilization and engage in commercial activity, trademarks emerge. There was an exchange of commodities until a symbol was applied to the product or service, which eventually became a trademark. This thesis will explore the history of trademarks in two parts: the history of foreign trademarks and the origin of the mark trade in Thailand, as will be described in this chapter.

2.1.1.1. General history of trademarks

Despite the lack of evidence to corroborate the history of trademarks, it is assumed that the trademark has been in use since ancient Egyptian times. Numerous artifacts from that era, such as butter jars, oil lamps, medicine cylinders, etc., found during excavations appear to have the manufacturer's name on it.¹³ During the Stone Age, around 5000 B.C., anthropologists discovered that the markings on the pots were assumed to be used for property ownership rather than for commercial purposes, and they discovered that in Egypt they were found on the pots and the blister that was buried in the tomb of an Egyptian king around 3200 B.C. by using a mark to identify the maker of that item. During the Roman Empire, approximately 500 B.C., Latin inscriptions identified the signs of a person who manufactured cheese or a wine decanter. Particularly, almost 6,000 Roman cauldrons contain a distinct and unique mark, demonstrating that the trademark is utilized to identify the product's provenance.

¹³ Intellectual Property Association of Thailand, *Trademark General Knowledge - History of Trademarks*

In addition, it was discovered that the bottom of Chinese pottery frequently bears a mark indicating the year of production, the dynasty, the potter's name, and the city where the item was made.¹⁴

In the Middle Ages or the Dark Ages prior to the Industrial Revolution, about the 5th to 15th century A.D., the mark was frequently used on commodities in Western Europe applied to a broad variety of items, including armor, textiles, sharp tools, and metal pots. The objects are utilized as evidence of lost property or as evidence of a counterfeit product.

When trading began to transition from one-on-one trading between buyer and seller, which did not require labeling or display on the goods, or trade between a bigger number of people with a few types of products and a few sellers, it became a multi-product market with a great number of sellers, especially when numerous merchants offer the same item.¹⁵ As a result, the quality of each product is compared; therefore, it is vital to devise a method for the customer to identify their goods. The concept of creating a symbol or mark for use with the goods was conceived. In the beginning stages, many animals and symbols were employed as symbols, and eventually the usage of trademarks became extremely common to the present day.¹⁶

Initially, human beings learned to trade goods with each other until they came into contact with each other. Subsequently, it was broadened to cover the exchange of goods amongst members of the same group. Therefore, it was unnecessary to indicate the origin of a product during this era, as buyers and sellers were well-known and able to distinguish the origin of a product. When there are more people trading with each other, there are more manufacturers. Consumers started to evaluate the product quality of each supplier.¹⁷ Therefore, entrepreneurs began to consider how to make it easier for consumers to remember their products or services by designing symbols to represent them. For instance, an entrepreneur places an animal image next to the goods to serve as a mark. Later, business owners began to utilize various symbols, such as words and images, as trademarks until they gained popularity. This enables the purchaser to identify the origin of the product and its quality by distinguishing

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARK WHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, Page 7. THAMMASAT UNIVERSITY, 2018.

it from the trademark.¹⁸ In addition, the trademark is utilized in product commercials to help people recognize the goods based on the trademark's image, thereby transforming it into a marketing mark. This era in Europe marked the beginning of the creation of trademarks for commodities, since the first trademarks were registered in the 15th century, containing the fundamental premise that the state protects the public from fraud.¹⁹

During the Industrial Revolution of the late 17th century, as manufacturing of products increased, the use of trademarks on products became ubiquitous and a significant component in the international trade of the contemporary world. The purpose of trademarks is to distinguish products of the same sort by identifying their origin. This allows users to select the desired manufacturer's items based on the trademark affixed to the product. In the United States, the symbol first appeared on animal stamps.²⁰

In the modern era, beginning in the middle of the nineteenth century, governments began to implement industrial property protection legislation. On account of the use of trademarks, it is prevalent equally in developed and underdeveloped countries. In consequence, following the strengthening of the global economic system, trademarks were used to identify the origin of items for consumers to purchase as required, such as the founding of the World Intellectual Property Organization (WIPO). WIPO is one of the specialized organizations of the United Nations. It was established in 1967 to promote creative endeavors and preserve intellectual property all over the world. In 1883, the Paris Convention for the Protection of Industrial Property was created by WIPO on Intellectual Property Rights of Industrial Property.

The World Trade Organization is another significant organization in the creation of trademark regulations and definitions. The World Trade Institution (WTO) was created on January 1, 1995 as a United Nations-affiliated intergovernmental organization responsible for international trade agreements. It is a forum for negotiating, reaching consensus, and resolving disputes on the terms and conditions of trade and services among member states. The World Trade Organization will manage the three sub-agreements, one of which is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which requires member states

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Intellectual Property Association of Thailand. Trademark General Knowledge - History of Trademarks.

to implement the agreement through legislation or alter their laws to be consistent under the agreement.²¹

In the 20th century, building a brand for a product or service is something that business owners must pay special attention to, since the brand contributes to a favorable corporate perception of the product. If the firm is successful in improving its brand, it will be more complimentary.²² Developing an identity for branded products is brand identity, which has the benefit of enabling consumers to identify products and to recognize them by sight (visual impression). Customers' understanding and familiarity are essential to brand identification. The manufactured product or service must have a distinguishing feature that the buyer will notice and remember.²³ Symbols are frequently used by businesses to aid customers in remembering their products. A brand is an easily-remembered marketing mark that can also be registered in order to preserve trademark rights. Thus, trademarks represent ownership of a product (a Proprietary Mark) and designate the origin of a product (a Regulatory Production Mark) and play a crucial function in commerce. Trademarks also prevent consumers from being misled about product quality and allow manufacturers to compete in trade. There are two symbols of a trademark which are labeled with "™" indicating an unregistered trademark, and "®" meaning a registered trademark.

2.1.1.2. General history of trademarks in Thailand

In the past, Thailand was mostly an agricultural nation. People have had a profession in agriculture for a long time, so there is no concrete evidence as to when trademarks play a part.²⁴ However, it is considered that when dealing with foreign nations and having foreigners come to invest in commerce increased in the country, foreigners brought the trademarks that exist in their own country to use with the items which they purchase and sell. When the market scenario began to shift, Thais began to see the necessity to use more trademarks, and as the commerce grew, so did the usage of trademarks. Accordingly, the government at the time recognized the necessity for trademark protection and began to take action on it.

²¹ United Nations Conference on Trade and Development, *Training Module on the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*, https://unctad.org/system/files/official-document/ditctncd20083_en.pdf

²² Chittima Chantharaphon, and Yada Sriwithurn. *Smartphone Brand Image from China Affecting to Decision Buying of Bachelor Degree Students in the Bangkok Area*. Rajamangala University of Technology Rattanakosin, 2018.

²³ Ibid.

²⁴ Intellectual Property Association of Thailand. *Trademark General Knowledge - History of Trademarks*.

Under the Ayutthaya period, Thailand began trading with foreign nations via Portugal, Commerce with foreign nations grew increasingly lucrative. During the reign of King Narai the Great in the 17th century, commercial and diplomatic relations were established with China, Japan, Iran, England, and the Netherlands, among others. Agricultural items, chinaware, and forest products such as ivory, animal skins, and spices were exported at the time. It is believed that trademarks would have been attached to the imported products.²⁵

Later, at the end of King Rama V's reign, trademarks began to play a vital role, and trademark protection was required. On June 1, 1908, King Chulalongkorn enacted R.E. 127, a penal statute, which is Thailand's first legal code. This legislation also defines trademark-related commerce offenses, and Thailand has used it for 49 years before it was abolished in 1957. Consequently, this legislation is considered as a model of The Criminal Code, which has been in effect from January 1, 1957 and has applied it instead to the present day and has specified the trademark section in Sections 272–275.²⁶

Additionally, during the reign of King Rama 5, a trademark legislation was enacted. The first edition in Thailand is titled "Law on Trademarks and Trade Name" B.E. 2457, also known as The Brand Trademark Characteristics Act, B.E. 2457, which is regarded as the first trademark law in Thailand with provisions relating to trademark registration. Nevertheless, this law is neither widely used nor very effective. There was only one instance in which foreign countries requested that the Thai government protect foreign trademarks and restrict the usage of attached trademarks or labels on their products. Foreign governments have pushed the Thai government to incorporate trademark protection with the majority of other items in their treaties if the product is not created by the trademark owner or has affixed authentic labeling.²⁷

In 1931, during the reign of King Rama VII, Thailand also experienced considerable growth in internal trade and Thailand became a member of the Berne Convention on the protection of literature and art. Therefore, His Majesty King Prajadhipok enacted the Trademark Act B.E. 2474 to bring Thai domestic laws into compliance with the Convention

²⁵ Department of Intellectual Property, 99 years Thai Trademarks, First Edition (Bangkok: Department of Intellectual Property, 2013), page 9.

²⁶ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARK WHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, Page 10-11. THAMMASAT UNIVERSITY, 2018.

²⁷ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARK WHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, Page 11. THAMMASAT UNIVERSITY, 2018.

by adopting the Act British trademark that issued in 1905 and abolishing the Brand Trademark Characteristics Act B.E. 2457. However, this Act only protects trademarks and no other forms of marks, such as service marks and certification marks, and does not constitute trademark infringement as a criminal offense in this act. The Criminal Law and the Criminal Code, which specify trade-related offenses, form the basis of criminal protection. This law has been revised twice, the first revision was Trademark Act Amendment (No. 2) B.E. 2476, and the second was Amendment under Trademark Act Amendment (No. 3) B.E. 2504.²⁸ This law was published in the Government Gazette on November 15, 1991 and became effective on February 13, 1992. It contains provisions to protect service trademarks and certification marks, as well as licensing agreements for trademark and service marking, and stipulates the trademark infringement as a criminal offense in this act as well. Simultaneously, trade offenses involving counterfeiting and imitation of trademarks, including the sale of trademarked products bearing such trademarks, have not been removed from the penal code.²⁹

2.1.2. Definition of Trademark

The World Intellectual Property Organization has defined a trademark's meaning in the WIPO Intellectual Property Handbook,³⁰ which defines a trademark as a symbol that allows a product to be distinguished between the manufacturer using that symbol and other manufacturers. In Thailand, the Trademark Act B.E. 2534, Section 4, Paragraph 2³¹, stipulates that "trademark means a mark used or proposed to be used on or in connection with goods to distinguish the goods with which the trademark of the owner of such trademark is used from goods under another person's trademark."

In compliance with the Trademark Act B.E. 2534 as amended by the Trademark Act (No. 2) B.E. 2543, the act protects four categories of marks: trade mark, service mark, certification mark, and collective mark. Firstly, A trade mark is a mark that is applied to products to distinguish that the products used are different from other trademarks, such as

²⁸ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARK WHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, Page 11-12. THAMMASAT UNIVERSITY, 2018.

²⁹ Wat Tingsmit, *Explanation of Trademark Laws*, First Edition (Bangkok: Nititham Publishing House, 2002, P.2.

³⁰ World Intellectual property Organization, WIPO Intellectual Property Handbook, Retrieved October 2, 2016, www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf, p.68.

³¹ Section 4, Paragraph 2, Trademark Act B.E. 2534.

Breeze, Mama, Red Bull, etc. A service mark is a mark used in conjunction with a service to distinguish it from another service using the same mark, such as an airline, bank, hotel, etc. A certification mark is a mark that the owner of the certification mark utilizes to certify the quality of other people's products and services. It can be used to certify the origin, component, method of production, quality, or characteristic of any product or to certify the condition, quality type, or any other feature of the service, such as Shell Chuan Chim, Mae Choi Nang Ram, Halal, etc. Finally, A collective mark is a trademark or service mark used by members of individual associations or any other public or private organization, such as the Elephant mark of The Siam Cement Company Limited. So, considering the definition of a trademark, it is clear that any mark that is to be considered a trademark must possess the aforementioned characteristics.

2.1.2.1. Characteristics of the trademark

A mark or thing that can be regarded as a trademark must comply with Section 4 Paragraph 2 of the Trademark Act, B.E. 2534.

According to Section 4, Paragraph 2, of the Trademark Act B.E. 2534, a mark is defined as means a photograph, drawing, device, brand, name, word, letter, manual, signature, combinations of colors, shape or configuration of an object or any one or combination thereof but does not include product designs under the law on patents. Examples of sound marks include the music before entering the Three-Dimensional news show on Channel Three, the music of Wall's ice cream truck, and the roar of a lion before the start of the film. A trademark, service mark, certification mark, and collective mark which can be registered must consist of the characteristics under Section 6 of the Trademark Act, B.E. 2534 and amended as follows:

1) A distinctive trademark

Under Section 7 Paragraph 1, the term "distinctive trademark" refers to a mark that possesses a quality that allows consumers to recognize and comprehend that products bearing the mark are distinct from those using other marks.³² There are two types of trademark distinctive characteristics: self-identifying characteristics and distinctive characteristics that result from use. Initially, trademark distinctive characteristics that are self-identifying characteristics consist of eleven types of characteristics under Section 7 Paragraph 2 (1) - (11).

³² Department of Intellectual Property, Intellectual property for entrepreneurs (Trademark), https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf.

Moreover, under Section 7 paragraph 3, the definition of distinctive characteristics that result from using is a mark that does not have a distinctive characteristic under Section 7 paragraph two (1) to (11) are sold or widely advertised according to the following criteria: sold or advertise in Thailand, which Thai people know; widely sold or advertise in Thailand only product is distinctive for that product; have a proof of sale or advertisement.

2) A trademark that are not prohibited by law.

Under Section 8³³, a mark that is prohibited from being registered, such as trademarks that are identical or similar to state arms or crests or national flags of Thailand or royal names or representations of the King, etc.

3) A trademark that does not same or similar to a trademark that other people have already registered.

A trademark that is not the same or similar to a trademark that other people have already registered.³⁴

Nevertheless, it is clear that the mark does not contain product designs because the law seeks to protect product designs through patent law.

2.1.2.2. Use or will be used as a means or in connection with the product

When a mark fulfills the requirements of clause 2.1.2.1, it must also be used or will be used as a mark or in connection with a product by the owner of the mark to demonstrate to the public that the mark is used or intended to be used and intends to use the mark that they claim ownership. As a result, it is apparent that the law specifies that it must be used or will be utilized in regard to the mentioned goods. The meaning of "goods" is more limited than that of "assets" because every product is an asset, but not every asset is a product. Consequently, if an asset is not a product, it does not meet the requirements of the two components. In addition, it must be determined whether the mark is directly related to the product or not, as even though it is a trade mark, it is not directly related to the product and hence does not qualify for this character.

³³ Section 8, Trademark Act B.E. 2534.

³⁴ Maneerut Tongmag, *Knowledge of Trademarks and Trademark License Agreements*. 23 Dec. 2020.

2.1.3. Functions of trademarks

2.1.3.1. A role to identify the product's origin.

The origin of a product can be indicated by a trademark to demonstrate that the product in use belongs to the trademark owner. Because a trademark differentiates one merchant's goods from those of another, this can prevent misunderstanding with other people's trademarks and products.³⁵ As is evident from the trademark laws of several countries, including the Trademark Act B.E. 2534, Section 4, defines a trademark as the mark used or to be used on or in relation to a product to distinguish the mark of the trademark owner from goods that utilize the mark of another trademark owner. In addition, Section 13 (2) of this Act also provides support for this principle, since if the registrar considers that the applied-for trademark registration is similar to the trademark of another person that has already registered, it may cause confusion among the public or misunderstanding of the ownership of the goods or the origin of the goods. It is unlawful for the registrar to accept the trademark registration.

2.1.3.2 A role in determining the differences between products

A trademark indicates that products showing one trademark are distinct from those using another trademark. This enables consumers to remember which brand their desired products fall under and then select to purchase products under that trademark again in the future.³⁶ Consequently, it emphasizes the significance of trademarks in distinguishing products without deceiving consumers about the origin of the product.

2.1.3.3 A role to ensure quality of the product

A trademark indicates the quality of the product to which it is attached, as the trademark can identify the consumer from whose dealer the products on the market originated.³⁷ The quality assurance role of a trademark does not ensure that goods under one trademark are superior to goods under other trademarks; rather, it symbolizes the assumed quality of goods based on the goodwill and reputation of that trademark.

³⁵ Department of Intellectual Property, *Intellectual property for entrepreneurs (Trademark)*, https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf.

³⁶ Thai TradeMark, *Functions of trademarks – Thai TradeMark*, 14 May 2013, thai-trademark.com/?p=596.

³⁷ Ibid.

2.1.3.4 A role to advertise a product

Trademarks will aid in effective product advertising by helping consumers to learn about the product quickly and encourage them to purchase it. Consequently, this role can be referred to as the role of promoting the sale.³⁸ Due to the fact that it is currently a consumer society and trade practices have changed, whether as a consequence of advertising, production methods, distribution and trading of goods, or the number of purchases to be made, there has been a significant shift in the quantity of items purchased.³⁹ Furthermore, there are beliefs that the trademark no longer serves as an indication of the product's ownership or provenance. Instead, it serves to generate and maintain a purchase in every occasion or situation.

2.1.4 Acquiring Trademark Rights

With regard to the provisions and legal rules governing the protection of various trademarks used in the commerce of various nations, there are two types of trademark rights acquisition:

2.1.4.1. Acquiring trademark rights by registration

Acquiring trademark rights by registration occurs when a person obtains trademark rights by registering his trademark with a government body. Once the trademark has been registered, the trademark owner has the exclusive right to use his trademark.⁴⁰ According to the legislation certifying the rights, if a person misuses a trademark belonging to a trademark owner, this will be regarded as an infringement of the trademark owner's rights. In the vast majority of nations, trademark protection must be registered in form in compliance with the laws.

In the following instances, the owner of a registered trademark is better protected than if the trademark were not registered as follows:

First of all, registration is the preliminary presumption of ownership under the trademark registration certificate.

³⁸ Thatchai Supaphonsiri, *Explanation of trademark law: along with the Trademark Act B.E. 2534*. Bangkok: Nititham, 1993.

³⁹ Ibid.

⁴⁰ Pratuang Srirodang, *Trademark Rights*, Rungruengtham Printing House, 1989.

Second, the trademark owner is protected from the date of registration, even though the mark has not yet been used.

Third, trademarks can be transferred without including the transferor's business reputation or goodwill.

Lastly, registered trademark rights are considered an asset and are utilized as such by trademark owners for the development of their businesses.

2.1.4.2. Acquiring rights through the use of trademarks

The acquisition of trademark rights through this use occurs when a person applies his trademark to his or her goods before another person.⁴¹ Therefore, the first user of a trademark has superior rights to all other users of the same or similar trademarks in later. In the United States and the United Kingdom, there are regulations that grant users of unregistered trademarks the condition that they are actually used and that they can prove the reputation of the product that creates goodwill to the owner of that trademark.⁴²

However, protection for unregistered trademarks is only an alternative aimed at preventing consumer deception on the basis of the product's origin. This is due to the fact that, in general, the laws of every country target protecting the rights of registered trademark owners.

In Thailand, Section 46, paragraph 2 of the Trademark Act B.E. 2534⁴³ grants trademark owners the right to use their trademarks on market-sold goods. Even if the trademark is not registered under the law, the unregistered trademark owner has the right to file a lawsuit against anyone who swindles others by representing the product as his or her merchandise.

In addition, actual users of the trademark may have the right to register a trademark. Under Section 27 of the Trademark Act, B.E. 2534 formulates that in the case of any person who uses his trademark in good faith and later applies his trademark for registration under the law but his trademark is the same or similar to the trademark of another person that has already been registered or his trademark is the same or similar to the trademark of another person applying for registration for goods of the same or different class that the Registrar deems to be

⁴¹ Ibid.

⁴² Thai TradeMark, *Functions of trademarks – Thai TradeMark*, 14 May 2013, thai-trademark.com/?p=596.

⁴³ Section 46 paragraph 2, This section does not affect the rights of the trademark owner.

of the same characteristic; he registrar may deem it appropriate and may register. Nonetheless, subject to the conditions and restrictions on use and area of use of the trademark, as well as any other rules and restrictions deemed acceptable by the Registrar.⁴⁴

2.2 Protection of Trademark Rights

2.2.1 Rights of the trademark owner

2.2.1.1 Exclusive rights

Exclusive right is a right reserved solely for a specific individual or group, typically a hereditary or formal right. The basic exclusive rights allow manufacturers to reap the advantages of their investment in product quality and business goodwill, and therefore offering an incentive for producers to strive in order to file a lawsuit against another person who misrepresents his or her goods and sells them as the goods of the trademark owner.

The main rights that the trademark owner has in exclusive rights are:

- a) The exclusive right to use trademarks for its products as listed have requested to be registered including transferring or allowing other people to use their trademarks that have been registered in whole or in part and with or without compensation.⁴⁵
- b) The right to prevent others from selling or providing services or similar by using trademarks that may confuse or mislead consumers, including the right to sue against infringers of their trademarks or to revoke the registration of trademarks that are identical or similar to their trademark⁴⁶

For trademark owners who have registered their trademarks, the right to use the trademark is limited to the specific goods for which the trademark is registered. When a trademark is registered on one product, it does not imply that it is also applied to another product.⁴⁷ Therefore, others may use the trademark for goods not registered by the trademark

⁴⁴ Chayot Hemarajata, *Characteristics of Intellectual Property Law*, 4th edition. Bangkok: Nititham Publishing House, 2002.

⁴⁵ Department of Intellectual Property, *Intellectual property for entrepreneurs (Trademark)*, https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf.

⁴⁶ Ibid.

⁴⁷ Section 44, Trademark Act B.E. 2534.

owner, but they must comply with the law on fraudulent sales in Section 46, paragraph 2 of the Trademark Act, which protects the rights of the owner of an unregistered trademark or a trademark registered only for the type of goods.⁴⁸

Regarding the exclusive right of the trademark owner, there is one thing to keep in mind: even though the trademark is registered, there may be circumstances in which the rights in the trademark are not completely exercised. As a result of Section 44 of the Trademark Act, which grants the trademark owner exclusive rights, subject to Sections 27⁴⁹ and 68⁵⁰, in the case of Section 27⁵¹, the Registrar has registered trademarks that are so identical or similar that they may cause the public to be confused or misled as to the ownership or origin of the goods of multiple owners, which different people have used in good faith or on special behavior that may have conditions or limitations and the registrar deems appropriate. Regarding trademark licenses, Section 68⁵² states that the owner of a registered trademark may provide a license to a third party to use the mark on all or parts of the items for which it is registered. In both cases, the registered trademark owner may not have the exclusive right to use the trademark because the registered trademark is the same or similar under Section 27⁵³ or the trademark licensee under Section 68. Thus, they will also have the right to use that trademark within the scope of the registrar's order or the trademark license agreement.

The exclusive right of the trademark owner must be the right to use the mark on products that have been registered but not the right to manufacture comparable goods under the scope of patent law.⁵⁴ Therefore, if the trademark owner does not seek a separate patent or petty patent from the government for the trademark, they have no right to prohibit others from creating goods of the same character as their own.

⁴⁸ Section 46, Paragraph 2, Trademark Act B.E. 2534.

⁴⁹ Section 27, Trademark Act B.E. 2534.

⁵⁰ Section 68, Trademark Act B.E. 2534.

⁵¹ Section 27, Trademark Act B.E. 2534.

⁵² Section 68, Trademark Act B.E. 2534.

⁵³ Section 27 Where there are applications under Section 13 or Section 20 paragraph one, as the case maybe, if the Registrar finds there has been honest concurrent users or special circumstances making it proper to do so, he or she may grant registration of such identical or similar trademarks of several owners subject to such conditions and limitations as to the mode or place of use or such other conditions and limitations as he or she may think fit.

⁵⁴ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARKWHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, Page 7. THAMMASAT UNIVERSITY, 2018.

2.2.1.2 Authorization right to utilize a trademark

As mentioned above, trademark owners have the right to utilize their trademarks on their products. However, trademark owners do not only have the right to use their trademarks but also have the right to allow others to use their trademarks, for which the trademark owner usually gets paid as royalty as stipulated in section 68. Under Section 68⁵⁵ of the Trademark Act, B.E. 2534, the owner of a registered trademark may enter into an agreement allowing other persons to use his trademark for all or some of the registered goods. Although the provisions of this section indicate that it is the owner of a registered trademark's right, it does not imply that another person cannot be permitted to use an unregistered trademark. Hence, it should be interpreted that even an unregistered trademark may enter into a trademark licensing agreement in accordance with the general contractual principles and is not subject to trademark law.⁵⁶

2.2.1.3 Transfer of rights and inheritance

The rights in this section can be considered separately as the right to apply for registration and the right to the registered trademark, namely:

(1) The right to apply for registration

Even though the trademark registration has not yet been granted, when the applicant has filed an application for registration, he shall have the right to assign rights in trademarks through registration or by inheritance under Section 48⁵⁷ of the Trademark Act, B.E. 2534, which provides that granting the right of a trademark registration application that has already been submitted is transferable or inheritable.

⁵⁵ Section 68, The owner of a registered trademark may enter into a contract allowing other persons to use his trademark for all or some of the registered goods.

⁵⁶ Department of Intellectual Property, *Intellectual property for entrepreneurs (Trademark)*, https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf.

⁵⁷ Section 48, The right in the application for registration of a trademark which has been submitted may be transferred or inheritable.

(2) Registered Trademark Rights

According to Section 49⁵⁸ of the Trademark Act, B.E. 2534, the trademark owner has the right to assign or inherit a trademark once it has been registered. This right may be exercised with or without the business involved in the goods.

However, the transfer and inheritance of registered trademark rights must be registered with the Registrar under Section 51⁵⁹ of the Trademark Act, B.E. 2534. Additionally, a transfer contract that is signed by both the transferor and the transferee must be included with the transfer or inheritance in accordance with Ministerial Regulation B.E. 2535, which was released in accordance with the Trademark Act B.E. 2534, dated March 13, 1992, and which combines Article 35 with Article 19. Otherwise, it shall be void in accordance with Section 152 of the Civil and Commercial Code.

2.2.2 Trademark infringement

Infringement of a trademark includes the use of a mark that is identical or confusingly similar to that of another. The use of trademarks that may constitute an infringement of rights may involve the creation or use of the trademark to the goods.⁶⁰ For instance, having the infringer hire someone else to create the trademark and use it on the goods, or importing the trademarked goods of others that have been registered in Thailand and selling them without their consent, even if they are not trademarking themselves, is also considered the use of other people's trademarks on other people's goods.⁶¹

2.2.2.1 Trademark infringement in Civil penalties

The Trademark Act, B.E. 2534, Section 44⁶², mandates for the owner of a registered trademark, provided that the trademark owner has the exclusive right to use such trademark for the goods that have been registered. For this reason, if a person uses a trademark that is same

⁵⁸ Section 49, Rights in registered trademarks are transferred or inherited, it may or may not be transferred or inherited together with the business related to the registered goods.

⁵⁹ Section 51 Transfer or inheritance of registered trademark rights must be registered with the registrar.

⁶⁰ Peerapol Simma, Jutharat Kantong, *Legal to Prevent and Suppress on Trademarks Violation Acts*, Journal of Humanities and Social Sciences, Loei Rajabhat University, 2563.

⁶¹ Section 110, Trademark Act B.E. 2534.

⁶² Section 44 "Subject to Sections 27 and 68, a person who is registered as the owner of a trademark shall have the exclusive right to use it for the goods for which it is registered."

to or similar to that registered trademark on registered goods of that class without permission from the registered trademark owner under the law and causes damage to the trademark owner who is the registrant, it would be considered an infringement of the right to use the trademark under this Section 44.⁶³ In the case of usage with products of other categories than those registered by the trademark owner, and if such use may cause confusion or misunderstandings regarding the origin of the product, it is considered passing off under Section 46, paragraph 2.⁶⁴ Under Section 44, the trademark registrant has the exclusive right to use the trademark, which is a guarantee of the registrant's rights, resulting in the registrant having the exclusive right to use the registered trademark or is the registrant's absolute right.⁶⁵ As a result, Others are not permitted to use the registered trademarks of the trademark owner without authorization. If others use it without authorization, it would be an infringement against the registered trademark owner.⁶⁶ Therefore, The owner of a trademark who will be protected under Section 44, paragraph 1, is only the owner of registered trademarks and will have the exclusive right to use the trademarks according to the type and category of registered products.⁶⁷ The owner of a trademark that is not registered has the right to file a lawsuit against the infringer only in the case of passing off.

Nevertheless, it is important to note the exclusive right about the trademark owner's exclusive right: even if the trademark is registered, the owner's right in the mark may not be fully exercised because Section 44⁶⁸ of the Act, which grants the owner exclusive rights, is subject to Sections 27 and 68.

- 1) In accordance with section 27⁶⁹, the registrar has registered the same or similar trademarks that may confuse the public or be mistaken for the ownership of the product or the source of the origin of the goods by multiple owners, which different parties have used in good faith or because of special conduct, and which may contain conditions or limitations deemed appropriate by the registrar.

⁶³ Judgment of Dika 968/2536, Retrieved 20 September 2022, from <https://deka.in.th/view-8098.html>.

⁶⁴ Chutiwong, Khemchai. *Economic Crime: Obstacles and Propositions Regarding the Effectiveness of Enforce the law*, Bangkok, Society of Social Sciences of Thailand, 1988.

⁶⁵ Peerapol Simma, Jutharat Kantong, *Legal to Prevent and Suppress on Trademarks Violation Acts*, Journal of Humanities and Social Sciences, Loei Rajabhat University, 2563.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Section 44, Trademark Act B.E. 2534.

⁶⁹ Section 27, Trademark Act B.E. 2534.

2) In the case of Section 68⁷⁰, which is a license for a trademark.

As well, it is also the basis for the trademark owner's ability to file a civil suit against a trademark infringer. Consequently, a violation of Section 420 of the Civil and Commercial Code is considered any action that satisfies the requirements for trademark infringement. As for the determination of compensation for infringement of rights, since the Trademark Act B.E. 2534 is also not specifically stipulated, Section 438 of the Civil and Commercial Code must be applied.

According to Civil and Commercial Code, Section 420, stipulates that whoever intentionally or negligently violates another person's property or rights in any way is considered to have committed a wrongdoing and is obligated to make compensation for such an act. The compensation for infringement is section 438⁷¹, paragraph 2, is the main clause that applies to fines in the event of a claim for property damage for which the law requires the return of the property or the payment of the price instead of the return of the property. In addition to being liable for damage and loss of advantage resulting from the property's non-use during the period of infringement, the infringer is also liable for damages. Some assets are subject to depreciation and may be depreciated as damage.⁷²

Regarding the determination of compensation under the Trademark Act, B.E. 2534, Section 46, paragraph 1, does not identify the violation and remedy for the actual damage directly; consequently, Section 438⁷³ of the Code of Civil and Commercial Code shall be applied. According to the clause, the court will have the authority to assess the amount of compensation to be awarded, taking into account the circumstances and the gravity of the wrongful act. Regarding both Section 44 and the provisions in violation of the Civil and Commercial Code and whether the trademark owner can claim damages or not, it must satisfy two conditions: first, there must be damage, and the trademark owner must demonstrate that it occurred. Second, the harm must be related to the infringer's conduct, and it is difficult for the

⁷⁰ Section 28, Trademark Act B.E. 2534.

⁷¹ Section 438, Civil and Commercial Code.

⁷² Judgment of Supreme Court No. 1874/2526.

⁷³ Section 438, paragraph 1, "The Court shall determine the manner and the extent of the compensation according to the circumstances and the gravity of the wrongful act."

trademark owner to prove that damage has been created and to quantify the amount of damage.⁷⁴

By calculating damages based on actual damages, intellectual property liability principles are defined by a combination of civil liability and criminal liability. Thai courts often apply the rules of indemnity under the Civil and Commercial Code, which is a matter of general infringement liability to trademark law, which is contrary to other intellectual property laws where specific claims are made; and there are no clear criteria in considering the certainty that causes the burden of proof on the owner of the right to demonstrate to the court that he or she has been harmed. In furthermore, the court must be convinced that the defendant's conduct constitutes an infringement of the plaintiff's rights. The Thai court assesses the damages, which are expenditures essential to enforce the plaintiff's rights, such as detective fees, attorney fees, and money for arrest, which, if the plaintiff presents evidence in accordance with this section, have the right to be called. For example, the Supreme Court decision No. 7807/2542 stated that if the defendant's actions constitute an infringement of the plaintiff's rights, which directly affects the plaintiff, the plaintiff's products cannot be sold or their sales volume is drastically reduced because consumers are interested in purchasing counterfeit products from the defendant. The plaintiff would seek compensation for both manufacturing costs and profits.

2.2.2.2 Trademark infringement in Criminal penalty

The trademark infringement in Criminal law, there are two main wrongful act which is counterfeit and imitate the registered trademarks of others. In term of counterfeit trademark, the provisions of Section 273 of the Criminal Code states that “Whoever, forging the registered trade-mark of other person, whether to be registered inside or outside the Kingdom, shall be imprisoned not more of three years or fined not more of six thousand Baht, or both” which has a similar message to Section 108 of the Trademark Act. The difference is that Criminal Code Section 273 protects registered trademarks, whether registered in Thailand or abroad, whereas Trademark Act Section B.E. 2534, Section 108, protects only trademarks and other marks

⁷⁴ Oranut Suebkajorn, *Problem of Trademark Protection on using for Advertisement*,

http://www.lawgrad.ru.ac.th/AbstractsFile/6212012010/1631428257e9ce76055fc5fb887db816ff3da722b4_abstract.pdf

registered in Thailand.⁷⁵ In the matter of imitating the registered trademark is formulated in Section 274 of the Criminal Code “Whoever, imitates the registered trade-mark of the other person, whether it be registered within or outside the Kingdom in order to make the public believe that it is the registered trade-mark of such other person, shall be punished with imprisonment not exceeding one year or fined not exceeding two thousand Baht, or both” which has a similar message to Section 109 of the Trademark Act. The difference is that Criminal Code Section 274 protects registered trademarks, whether registered in Thailand or abroad, whereas Trademark Act Section B.E. 2534, Section 109, protects only trademarks and other marks registered in Thailand.⁷⁶

Moreover, importing, offering, selling, or holding for sale a product with a trademark or certification mark or a counterfeit joint mark is also a criminal trademark infringement under Section 275 of the Criminal Code and Section 110 of the Trademark Act B.E. 2534.

Criminal penalties

The charge of trademark infringement is a criminal offense and is an unacceptable case. As trademark infringement is a state criminal violation under the Trademark Act, B.E. 2534, and its amendments, and the state is also considered a victim, the parties cannot agree to a settlement.⁷⁷ Criminal penalties are defined in both Criminal Code and the Trademark Act B.E. 2534. However, those who counterfeit and imitate the registered trademarks of others are subject to the following criminal penalties under the Trademark Act B.E. 2534:

- a) A trademark forgery is punishable by imprisonment for not more than 4 years, or a fine of not more than 400,000 baht, or both.⁷⁸
- b) An offender of trademark imitation is punishable by imprisonment for not more than 2 years or a fine of not more than 200,000 baht, or both.⁷⁹

⁷⁵ Baramé Kwaksap, Wariya Lamlert, *Criminal trademark enforcement: A case study of spurious trademark or fraudulent imitation*, 2563.

⁷⁶ Ibid.

⁷⁷ Intellectual Property Thailand, *Trademark*, Chapter 3, <http://ipthailand.go.th/images/2562/Suppress/lesson3.pdf>

⁷⁸ Section 108, the Trademark Act B.E.2534.

⁷⁹ Section 109, the Trademark Act B.E.2534.

- c) Importing, offering, selling, or holding for sale a product with a trademark or certification mark or a counterfeit joint mark in violation of section 108 is punishable by imprisonment for up to four years or a fine of up to 400,000 baht, or both.⁸⁰
- d) Importing, offering, selling, or holding for sale a product with a trademark or certification mark or a counterfeit joint mark in violation of section 109 is punishable by imprisonment for up to two years or a fine of up to 200,000 baht, or both.⁸¹
- e) The providing or offering of services using a counterfeit service mark, certification mark, or collective mark under 108 is punishable by imprisonment for up to four years, a fine of up to 400 million baht, or both.⁸²
- f) The providing or offering of services using a counterfeit service mark, certification mark, or collective mark under 109 is punishable by imprisonment for up to two years, a fine of up to 200,000 baht, or both.⁸³

In terms of criminal penalties under the Criminal Code, they are formulated under Sections 272-275, which have lighter penalties than the criminal penalties under the Trademark Act, as follows:

a) Uses a name, figure, artificial mark, or wording in the carrying on of the other person's trade, or causes the same to appear on goods, packaging, coverings, advertisements, price lists, business letters, or the like, in order to deceive the public into believing that the goods or trade belong to the other person;

Imitates a signboard or similar object so that the public is likely to think that his business premises are those of a close competitor;

Whoever circulates or propagates a false statement with the intent to denigrate the trading premises, goods, industry, or commerce of another person in order to achieve a commercial advantage shall be penalized with imprisonment of up to one year or a fine of up to 2,000 baht, or both.⁸⁴

b) Forgery of a registered trademark, whether registered within or outside the Kingdom, is punishable by imprisonment of up to three years or a fine of up to 6,000 baht, or both.⁸⁵

⁸⁰ Section 110(1), the Trademark Act B.E.2534.

⁸¹ Section 110(1), the Trademark Act B.E.2534.

⁸² Section 110(2), the Trademark Act B.E.2534.

⁸³ Section 110(2), the Trademark Act B.E.2534.

⁸⁴ Section 272, the Criminal Code.

⁸⁵ Section 273, the Criminal Code.

c) Imitating the registered trademark of a third party, whether registered within or outside the Kingdom, with the intent to deceive the public into believing that it is the registered trademark of the third party, is punishable by imprisonment of up to one year or a fine of up to two thousand baht, or both.⁸⁶

d) Importing into the Kingdom, disposing of, or exposing for disposal the goods bearing the name, figure, artificial mark, or any wording stipulated by Section 272 (1), or the products bearing the forged or imitated trade-mark to belong to the other person in accordance with Section 273 or Section 274, shall be punished in accordance with such Section.⁸⁷

The aforementioned rules regarding trademark infringement apply not only to trademark infringements, but also to other types of trademark infringements that are registered under the Trademark Act, such as service mark, certification mark, and common mark infringements. This is due to the fact that the provisions pertaining to these marks in the Trademark Act stipulate that the trademark provisions shall apply *mutatis mutandis* to such trademarks.

2.2.3 Period of Trademark Protection

A registered trademark protection will be valid for 10 years from the date of filing the application for registration and can be renewed for an additional 10 years without limiting the number of times. However, the application for renewal must be submitted within 90 days of the trademark's expiration date.

In the event that a trademark owner fails to submit a renewal application within the specified time frame above, the trademark registration will be deemed revoked.

2.2.4 Exceptions restricting trademark owners' rights

Exceptions to the protection of trademark rights in cases where the trademark is a name, surname, company name, office name in good faith. According to Section 47⁸⁸, exceptions to the protection of trademark rights. It occurs when a person uses the mark's name as a first name, last name, or any bona fide description of the character or quality of his goods because it is not

⁸⁶ Section 274, the Criminal Code.

⁸⁷ Section 275, the Criminal Code.

⁸⁸ Section 47, Trademark Act B.E. 2534

being used as a trademark. Therefore, the trademark owner has no exclusive right to prohibit others from using their registered trademark.⁸⁹ Moreover, when a person uses a registered trademark as his first name, last name, company name, or office name in bad faith, the trademark owner has the right to prohibit that person from using any part of the registered trademark. It is a component of the individual's name and seal.

This exception to Section 47 is rarely applied in Thai law, as it is extremely difficult to find information, especially examples of Supreme Court decisions, when researching Section 47 exemptions. An example on the exemption on using a registered trademark as description of nature of product is Supreme Court Judgement No. 296/2546. According to the court decision, although the plaintiff has registered "TWO WAY" and "TWO WAY" in Thai as a trademark, the plaintiff has no power to prohibit others from using this word since "TWO WAY" is a generic term that means "two-way" and is commonly used by the public. Only those who later use this word as a component of their trademark must make the mark different from the plaintiff's trademark without causing confusion or misleading to the public. It appears that the plaintiff used the said trademark in conjunction with the plaintiff's word "Tellme," such as Tellme TWO, an arrow-headed WAY POWDERCAKE, or Tellme Creance 2, an arrow-headed WAY, which has the appearance of expanding to see the properties of the Tellme solid powder of the plaintiff that can be used in two ways, as it can be mixed with water and not mixed with water itself. According to the testimony of Ms. Chompoo, who trades in the Xin Kim Li shop, the plaintiff's witness stated that she was aware that the two-way powder cake was not only the plaintiff's brand, but that other brands were also sold. However, the plaintiff's or Tell's powder is selling well, indicating that the term "TWO-WAY" refers only to the characteristics of the flour. Therefore, the defendant uses the word "Two Way Cake" and does not use TWO, a WAY alternating arrow, or 2 WAY alternating arrows to accompany the word sun melon. The plaintiff's trademark is a trademark with a different appearance and accent, and it is not deemed that the defendant has dishonest intent to use the word "Two Way Cake" in conjunction with the word "Sun Melon" and may cause confusion or misinterpretation among the public or be mistaken for the source of the product as the plaintiff's appeal, so the court decided that the plaintiff cannot appeal.

⁸⁹ Intellectual Property Office of Prince of Songkla University, *Infringement of Intellectual Property Works*, https://acds.sci.psu.ac.th/images/file/Activity/3-IP%20Training_28-8-62.pdf

So, this TWO-WAY POWERCAKE case is not the case on using the plaintiff's trademark as a trademark but it was just a description of a product. The usage of trademark does not perform the same function as a trademark. However, the court decided that the defendant did not have dishonest intentions in using the term "Two Way Cake," so the plaintiff could not prevent the defendant from registering the "Sun Melon Two Way Cake," because "Two Way Cake" is a common term that means "two-way," which general individuals can also use. According to Thai law under Section 47, the use of trademarks as a description of the product is also an exception to trademark infringement, but in this case, the court did not mention that the use of the trademark "Two Way" is just a description of the product according to Section 47. So, the question arises for the seller as to how the exception under Section 47 of the Trademark Act will be granted.

According to the Supreme Court decision No. 8779/2542, due to the fact that since October 12, 1966, the plaintiff's "BMW" trademark has been registered in Thailand for passenger cars, motorbikes, and the fittings of the cars. Additionally, the plaintiff's "BMW"-branded automobiles and motorcycles have been sold worldwide for more than eight decades. On August 14, 1996, the two defendants registered the word "BMW" as the name of the first defendant's department store. The legislation prevents the trademark registrar from registering a mark that is identical or confusingly similar to a well-known brand, regardless of the product type or category, even the limited partnership or trade office engages in trading with the plaintiff in different sorts or categories of goods. Both defendants filed an appeal, claiming that they utilized the name in good faith. "BMW" is made by combining the first letters of the names of the second defendant's wife and brother, "Nayanthara" and "Mongkhon," and the second defendant's own name, "Wiset," to be written in Thai. This is based on the traditions and trade beliefs of Chinese merchant recipes. The court determined that the two defendants' allegation that they came up with the name of the first defendant's department without using the trade name and trademark of the plaintiff "BMW" to establish the name of the first defendant's department store did not merit sufficient consideration. The two defendants' actions were considered dishonest. According to Section 47 of the Trademark Act, B.E. 2534, the plaintiff has the right to prohibit the two defendants from using the name of the first defendant's limited partnership, which is the name of the trade office of the two defendants, and the two defendants are prohibited from using the plaintiff's registered trademark.

In this study of Section 47 of the Trademark Act, however, the author concludes that there is no clear guidelines or stipulations for the use of trademarks as the primary first name, last name, or other description of a character or quality of goods, which is the exception to the protection of trademark rights. In addition, the inclusion of the preceding court case demonstrates that the Section 47 defense is rarely used and rarely articulated clearly. This renders it impossible to determine the actual conditions for applying this exception.

The matter to examine is using the mark's name as a first name, last name, or other non-trademark description of a character or quality of products. This does not include the use of the first name, last name, or description of the character or quality of his goods for use as a trademark, unlike the American and South Korean trademark laws, which protect the use of trademarks as a first name, last name, or other person's description of the use of the mark as a trademark to describe the origin or owner of the product.

The subject of restricting the defendant's use of the plaintiff's registered trademark in Thailand, which is also the name of the first defendant limited partnership; according to the Trademark Act B.E. 2534, Section 47, the key principle lies in the honesty of the user and is the only exemption to trademark infringement under the Trademark Act B.E. 2534.⁹⁰ The notoriety of the plaintiff's "BMW" trademark has made it simpler to prove that the first defendant registered the "BMW" limited partnership in bad faith.⁹¹ The courts found that the two defendants were aware that the use of a name synonymous with the plaintiff's trade name and trademark, which had a pre-existing reputation and prestige, would cause the plaintiff to lose benefits, yet they nevertheless registered the name of the first defendant's limited partnership as "BMW," which is synonymous with the plaintiff's trade name and trademark. The use of this name in the businesses of the two defendants with the dishonest intent of profiting off the plaintiff's prestigious reputation. Therefore, the defendant's activities did not qualify for the exemption for trademark infringement under Section 47 of the Trademark Act, B.E. 2534, without taking into account the fact that the defendant would participate in the trade of different types or categories of goods with the plaintiff.⁹²

⁹⁰ Wat Tingsamit, "Notes at the end of the Judgement on the right to use trade names and trademarks", www.lawsiam.com.

⁹¹ Ibid.

⁹² Ibid.

Furthermore, since the Trademark Law (No. 2) B.E. 2534 was enacted, registered trademarks are protected and strictly enforced. According to Supreme Court Judgment No. 2905/2552 when it turned out that the defendant used the words Benz, BENZ, and the three-pointed star in a circle as the company name and corporate seal, but did not apply to the goods, such action is not the use of the plaintiff's artificial figures, words, or images as a trademark or service mark, and therefore does not violate the plaintiff's rights in the trademark under the meaning of Section 44. However, the word Benz, BENZ, and the three-pointed star in a circle are one of the plaintiff's properties that are protected under Civil and Commercial Code, Section 18 and Section 272 (1) when the defendant utilizes the name and image and artificial figure of the plaintiff and uses them in bad faith to cause damage to the plaintiff, which is a violation of Civil and Commercial Code, Section 420 against the plaintiff. The plaintiff has the right to request that the defendant refrain from using the name and image of the artificial figure. The defendant would not have been permitted to engage in car sales and maintenance services under the name "Benz Chaengwattana Company Limited" and use the corporate brand that is the plaintiff's artificial creation, which is forbidden to commit violations of causing damage to the plaintiff. Due to the fact that the defendant's conduct reveals a clear intent to utilize the name and image of the invention, which is the plaintiff's trade name and trademark, with the intention of misleading the public into believing that the defendant is a representative of the plaintiff. The plaintiff has the right to prevent the defendant from using the plaintiff's trademark as a trade name or from employing the plaintiff's figure in the defendant's business. Thus, the defendant used such a name to operate a business without permission from the plaintiff as an exploitation of the plaintiff's trade name in bad faith, causing the plaintiff, who is the owner of the name, to lose benefits and thereby infringing on the plaintiff under Section 420 of the Civil and Commercial Code. The plaintiff is entitled to demand that the defendant cease the damage and refrain from utilizing the plaintiff's name and artificial figure mark. Also, the Supreme Court has ordered the defendant to pay damages to the plaintiff in the amount of 50,000 baht per month from the date the action was filed, which was September 27, 2004, until the termination of the use, together with the plaintiff's costs of lawyer fee of 10,000 baht.

Even in this case not infringing on the plaintiff's right in the trademark as implied under Section 44, but the word Benz, BENZ and the three-pointed star in a circle are one of the plaintiff's properties that are protected under the Civil and Commercial Code, Section 18 and the Criminal Code, Section 272(1). This Supreme Court case demonstrates that the Supreme Court considers trademark infringement based on the use of registered trademarks to be depend

on whether the trademark user intends to confuse the public or not. The use or misuse of another's registered trademark may damage to the trademark owner, resulting in that trademark owner's having the exclusive right to sue for trademark infringement and claim damages from users of that trademark. Including the consideration of exploiting dishonest benefits or not if trademark user conduct business by using registered trademark without the trademark owner's permission, the use of this trademark is to exploit the trade name of the trademark owner dishonestly and cause the detriment of the trademark owner's profit.

The Thai court's judgment in both the BMW and Benz cases above demonstrates the uncertainty and confusion of the exception provided by Section 47 of the Trademark Act, B.E. 2534, as to how a trademark user can utilize it to qualify for this exception. As the question arises, any use of a trademark will be an exemption from the use of a registered trademark as a person's name, surname, business name, predecessors in business, or any bona fide description of the character or quality of his goods, because even though it does not violate trademark law, it might still be a violation under the Civil and Commercial Code and the Criminal Code.

Parallel Import

Parallel imports of goods using the same trademark means importing goods that are marked with the same trademark as the trademark of the trademark owner.⁹³ For example, the import of genuine goods, which is not a counterfeit product, from foreign countries into the country for the purpose of selling at a lower price than the same trademarked product in the domestic market without the authorization of the trademark owner. Parallel import is a legal mechanism designed to solve the inaccessibility of vital products.⁹⁴ Typically, multinational corporations offer their products in several nations at variable costs; nevertheless, third parties may import products of the right holder from foreign countries into the country and sell it at a lower price, resulting in a price cut.⁹⁵ This will need the right holder to sell products at a

⁹³ Surachate Jirasakkee, Wanwipar Puasiri, *Scope of Enforcement of the Trademark Act B.E. 2534 in Parallel Imports: The Case Study of Benz Chang Wattana Co. Ltd.*, 2556.

⁹⁴ Damrongwit Ratanafuwong, *what is Parallel Import*, Birkenstock Thailand Pre-Order.

⁹⁵ *Ibid.*

reduced price in the country. Consequently, parallel imports are advantageous for consumers since they increase competition and decrease monopolies.

The question is, will the owner or agency have ability to enforce intellectual property rights to prohibit parallel imports? In this case, the Supreme Court determined that when a trademark owner sells their product for the first time, it is deemed that they have already benefited from the mark's use on the sold goods. The owner of the trademark may not prohibit the purchaser of products who conducts normal business from reselling those products.⁹⁶ Therefore, it certifies that the parallel importation of the trademark is a legitimate transaction if the imported goods are goods sold by the owner of the trademark.

The Supreme Court's decision 2817/2543 is an example of a decision on parallel import that does not infringe on a trademark. The first plaintiff, a United States-registered juristic person, is a hair clipper manufacturer whose "WAHL" trademark is registered in both the United States and Thailand. The first plaintiff shall have the exclusive right to use the trademark for hair clipper products, including the right to prohibit others from using the trademark for illegal purposes. The purpose of applying a trademark on goods is to distinguish the trademark owner's goods from those of others and to indicate that the goods belong to the trademark owner, which assists in the sale of their products. The court is of the conclusion that the acquisition of products for resale by a trademark owner is ordinary in commerce. Hence, the related exclusive rights have terminated because the owner of the trademark has already profited from the initial sale of the goods. In addition, the court considers that the defendant's action demonstrates the origin and ownership of the plaintiff's products, given that the original plaintiff plans to maintain using the trademark to classify their products. Consequently, the trademark owner has no right to prohibit buyers from reselling the hair clipper products with authentic trademark that the defendant purchased from a distributor of the plaintiff's products in the Republic of Singapore for sale in Thailand. In addition, the defendant imported genuine hair clippers that have the trademark of the first plaintiff, which is neither a counterfeit nor an imitation of the trademark of the first plaintiff. Such actions of the defendant cannot be considered use of the trademark, which is not a trademark infringement on the exclusive rights of the first plaintiff on using the registered trademark "WAHL" for hair clipper products under

⁹⁶ Supreme Court Decision 2817/2543, Wahl Clipper Corporation Co., Ltd. v PCL Co., Ltd.

the Trademark Act, B.E. 2534 Section 44. Therefore, the conduct of the defendant as described above do not violate the plaintiff's "WAHL" trademark.

From the study of the judgment in this parallel import case, the court allowed for parallel import and allowed the goods to be resold in Thailand. In the event that the defendant brought a package and a paper envelope printed with the trademark word "WAHL" and the words "Genuine must have a 1-year warranty card" along with a warranty card indicating the name and address of the defendant as a service center, the court determined that the defendant was only a service provider for repairing clippers, and it does not imply that the defendant is the owner or has the right to use the trademark of the first plaintiff. Therefore, the defendant did not infringe on the plaintiff's right to use the trademark "WAHL" on the envelope, given that the warranty card bearing the trademark "WAHL" also indicates that the hair clipper product in the box or package is the product of the first plaintiff. Furthermore, the court determined that the use of trademarks on such goods creates consumer confidence in the goods and trademarks of the trademark owner; relying on the trademark when considering the purchase of the trademark owner's products according to their wishes, including having a buyer of the trademark owner's goods for reselling, is a standard business practice. So, in this case, the court accepted the use of a registered trademark, which indicates the origin or owner of the product, because such use shows who is the trademark owner and is a real product that is the actual trademark of the trademark owner. Nevertheless, this is merely a court decision and not a law; hence, it has no legal binding and is not strictly applicable under Thai trademark law.

The study of trademark law in Thailand reveals that trademark infringement in Thailand involves strict and absolute protection for trademark owners, but no clear protection or exemption laws encourage users of trademarks in the event of fair use, whereby trademark users simply uses or need to use the registered trademark for sale or advertising to describe its origin or source of goods. In addition, the trademark user of the trademark does not intend to deceive consumers or the public regarding the origin of the product, nor does he or she intend to sell counterfeit or imitation products, but rather to explain the genuine origin or quality of the product in order to promote the user's trademark product. Additionally, Thai law does not provide clear exceptions to the use of registered trademarks in the event that the trademark user purchases goods from the trademark owner or the trademark owner's representative and resells them in the marketplace, i.e., trading in second-hand goods, in which the trademark must be used to describe the product's authenticity and ownership. The absence of the explicit

provisions and exceptions outlined above disadvantages trademark users and the general public in communicating accurate information about their products and services to consumers.

Therefore, the author has to research and study the use of trademarks that are the same or similar to registered trademarks in the case of fair use in civilized foreign countries, both in the common law and civil law systems, which will be in Chapter 3.

Chapter 3

Protection of Rights and Exceptions for the Use of Trademarks Abroad

More than 130 years ago, trademark registration began in the United Kingdom under the trademark law of the United Kingdom "Trademark Registration Act 1875."⁹⁷ Shortly thereafter, a two-party dispute arose between the trademark owner and those who wished to use the trademark in good faith.⁹⁸ Therefore, in order for the public to use the trademark in good faith and fair use, it is necessary to consider the rights of the trademark owner and the exceptions that restrict the rights of the trademark owner.

The issue of implementable "use" or "trademark use" has become central to figuring out the scope of trademark owners' rights on online platforms.⁹⁹ Prior to the emergence of the Internet, the question of whether an infringement defendant engaged in "trademark use" was extremely uncommon.¹⁰⁰ However, the Internet has enabled inventive businesses and individuals to push their own agendas through unauthorized use of others' trademarks in a variety of innovative ways. So, this raises questions about the extent of trademark violation. Should liability for direct infringement be limited to cases where a mark owner can show that the defendant used the same or a similar mark, word, or symbol as a trademark to identify the source of its goods?¹⁰¹ On the other hand, should any unauthorized use of the mark be enough as long as the plaintiff can show that the defendant's use impacts commerce and may create confusion at a certain point?¹⁰² The link between the plaintiff's duty to prove the defendant's unlawful use, or trademark use, and the fair use defense to infringement liability has been frequently mentioned throughout this discussion, but has never been properly explained.¹⁰³

⁹⁷ Ellis, *Do You Know the History Behind Trade Marks?* | Trademark room UK | Trademark Registration Company, 17 Feb. 2022, trademarkroom.com/blog/item/do-you-know-the-history-behind-trade-marks.

⁹⁸ Ibid.

⁹⁹ Margreth Barrett, *Reconciling Fair Use and Trademark Use*, 28 *Cardozo Arts & Ent. L.J.*1 (2010).

¹⁰⁰ Ibid.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Ibid.

Our common definition of trademark infringement involves a defendant trying to apply a competitor's mark (or a word or symbol that is confusingly similar to it) to the markings of its own goods, or to displays, documents, or advertisements for its goods or services, which may mislead consumers about the origin of the products or services.¹⁰⁴

For the study of this research, the author chose two countries to study about the concept and principle of trademark fair use which are the United States and South Korea. The United States is considered as the best practice on trademark system. In United States, trademark law creates the high-level protection of trademark owner¹⁰⁵ but also adopt trademark fair use in order to balance the right between trademark owner and user and support unfair competition. According to South Korean trademark law, it is permitted to use one's own name, trade name, or other personal identifiers as a trademark in good faith and in accordance with common practice.¹⁰⁶ Also, Korean IP offices have been named as the most innovative IP agencies in the world by WTR's IP Office Innovation Ranking in 2022.¹⁰⁷

3.1 Protection and exclusion of trademarks in the United States

The United States, the world's biggest economy, is first in a global intellectual property index measuring the protection of creators, innovators, and business owners.¹⁰⁸ With a total score of 95.48 points in 2022, the United States was the leading nation for the finest intellectual property environment. The International Property Index is comprised of five core sets of criteria that depict the national intellectual property environment for the 53 nations evaluated.¹⁰⁹ For each country in the survey, the GIPC Index uses five sets of variables to provide a comprehensive picture of the IP environment worldwide. Patents, related rights, and restrictions; copyrights, related rights, and limitations; trademarks, related rights, and

¹⁰⁴ Ibid.

¹⁰⁵ See Digital.gov, "U.S. Trademark Law", 1 Dec. 2015, /resources/u-s-trademark-law, ("When a firm uses a name or logo in commerce, it instantly acquires trademark rights, which are enforceable in state courts.")

¹⁰⁶ Alexandra BÉLEC and Won Joong KIM, Kim & Chang, *Amendments to the Korean Trademark Act*, Kim & Chang Newsletter, 2013, https://www.country-index.com/articles/article_280.pdf

¹⁰⁷ Tim Lince, "EUIPO and KIPO Ranked Most Innovative IP Offices in the World - World Trademark Review, 5 Jan. 2022, www.worldtrademarkreview.com/article/euipo-and-kipo-ranked-most-innovative-ip-offices-in-the-world.

¹⁰⁸ Leigh Hartman, "U.S. Leads World in Intellectual Property Protection." *ShareAmerica*, 21 May 2020, share.america.gov/u-s-leads-world-in-intellectual-property-protection.

¹⁰⁹ "International Intellectual Property Index by Country 2022 | Statista." *Statista*, www.statista.com/statistics/257583/gipc-international-intellectual-property-index.

limitations; enforcement; membership in and ratification of international treaties; and so, on are the main categories of indicators.¹¹⁰

3.1.1 General background of trademark in the United States

Early common law did not recognize trademarks for words or symbols that merely identified the goods being sold, their place of origin, or a popular surname or typical term in the trade.¹¹¹ Numerous market participants may legitimately wish or need to employ these words and symbols to convey to consumers the character and attributes of their products. Furthermore, the market's efficiency rests on their freedom to do so freely.¹¹² This is why the early common law made certain symbols and words public property that may be used by anybody.¹¹³ For the courts, while the common law does allow competitors to use surnames and descriptive terms and symbols in their surname or descriptive, it does not allow them to use such words and symbols for the purpose of fraud.¹¹⁴ Moreover, when competitors aim to use a surname or descriptive phrase or sign to mislead consumers by source, as opposed to simply describing their goods or services, the courts should intervene.¹¹⁵ They did step in when the defendant committed intentional misbehavior.¹¹⁶

In 1868 and 1869, the US signed treaties with Russia, Belgium, and France to protect trademarks on both sides. Even though there was no law in place to carry out these treaties and set up a federal trademark regime, trademarks began to be registered with what was then called the Patent Office.¹¹⁷ The patent and copyright laws were already being changed, so the first federal law about trademarks was added to that legislation.¹¹⁸ The 1870 revision was approved, and the trademark laws weren't given any special attention. In fact, the trademark parts of the law were written because people were worried about how international treaties would be

¹¹⁰ Ibid.

¹¹¹ Margreth Barrett, *Reconciling Fair Use and Trademark Use*, 28 *Cardozo Arts & Ent. L.J.*1 (2010).

¹¹² Ibid.

¹¹³ Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 *COLUM.J. L. & ARTS* 187, 189-92 (2004).

¹¹⁴ *William R. Warner & Co. v. Ely Lilly & Co.*, 265 U.S. 526 (1924).

¹¹⁵ Margreth Barrett, *op. cit.*, pp. 41.

¹¹⁶ UpCounsel, "*History of Trademarks: Everything You Need to Know.*", [www.upcounsel.com/history-of-trademarks#:~:text=The%20law%20of%20registering%20trademarks,Office%20\(USPTO\)%20in%201905](http://www.upcounsel.com/history-of-trademarks#:~:text=The%20law%20of%20registering%20trademarks,Office%20(USPTO)%20in%201905). Accessed 22 September. 2022.

¹¹⁷ Zvi S. Rosen, *Federal Trademark Law: From Its Beginnings*, 83 *St. John's L. Rev.* 827 (2010).

¹¹⁸ Ibid.

carried out.¹¹⁹ No thought was given to whether or not a restriction on interstate commerce was necessary for constitutional reasons.¹²⁰ The 1870 Act's trademark rules were changed several times in their first ten years and most important part was the addition of criminal penalties for some trademark violations.¹²¹ This was a controversial transformation that had to get past some opposition to become law.¹²²

As trademark law grew and became a more worldwide concern in 1870, Congress enacted the first federal trademark statute.¹²³ Several years into the new trademark framework in the United States, in 1876, a measure was filed to expand the trademark rights given under United States statutory law.¹²⁴ The motivation behind this measure was the notion that existing legislation did not do enough to deter trademark piracy.¹²⁵ This legislation sought to raise penalties for trademark infringement and improve the cumbersome process of prosecuting trademark infringement.¹²⁶ Criminal sanctions, including fines and jail time, were established by the legislation for trademark infringement.¹²⁷ Much of the discourse surrounding the legislation centered on the idea that “no one shall be accused of a crime or penalized under this proposed statute for having any relation with fraudulent trade-marks, unless such relation was purposeful and with intent to defraud.”¹²⁸ The liability of secondhand retailers who sold products with trademarks on them was a major topic of discussion at the time on how this intent might be determined.¹²⁹ A panel was established by Congress to investigate trademark law in the United States and recommend reforms after decades of complaints from business owners and trademark holders.¹³⁰ Reassessing the legitimate basis of the legislation to avoid the

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Act of Aug. 14, 1876, chs. 273–274, 19 Stat. 141.

¹²² Zvi S. Rosen, *op. cit.*, pp. 41.

¹²³ Ross Housewright, *Early Development of American Trademark Law*, M.I.M.S. 2007.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Ibid.

¹²⁷ An Act to punish the counterfeiting of trade-mark goods and the sale or dealing in of counterfeit trade-mark goods, S. 846, 44th Cong. (1876).

¹²⁸ Cong. Rec., 44th Cong., 1st Sess. 4775 (1876).

¹²⁹ Ross Housewright, *op. cit.*, pp. 42.

¹³⁰ Ross Housewright, *op. cit.*, pp. 42.

problems encountered by past proposals, the commission proposed the 1905 trademark act, which would create many of the core elements of modern trademark law.¹³¹

Consequently, trademark rights have extended significantly through time, from consumer-oriented protections against the misdirection of customers to all-encompassing guardians of brand identity.¹³² Many people claim that this broader protection of trademarks affects freedom of speech, both in terms of sharing useful business information and conversation, criticizing, or making light of famous brands and the culture they represent.¹³³

The Supreme Court of the United States recognizes five classes of trademarks¹³⁴: generic, descriptive, suggestive, arbitrary, and fanciful. There is a difference between these 5 categories of a trademark because the last three are considered to be unique and deserve protection.¹³⁵ On the other hand, it is not possible to register generic marks as trademarks at all. However, descriptive marks can be registered if they are distinguishable in commerce from the applicant's goods.¹³⁶

3.1.2 Fair use

Trademarks allow consumers to identify the origin of goods and services.¹³⁷ The owner of a trademark might prohibit others from using it in order to avoid consumer confusion regarding the origin of the goods or services.¹³⁸ In certain cases, however, the use of another's trademark may be considered "fair use." This "fair use" exception is acknowledged in the majority of the world.¹³⁹

The principle of the fair use statute supports a certain confusion, so when exceeded, it renders the use unfair. The criteria for trademark use and the fair use defense are coherent and

¹³¹ Zvi S. Rosen, op. cit., pp. 41.

¹³² William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49 (2008).

¹³³ Ibid.

¹³⁴ *Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (1992).

¹³⁵ Ibid.

¹³⁶ Red Points, "*Nominative Fair Use and Other Defenses to Trademark Infringement.*", 26 Feb. 2019, www.redpoints.com/blog/nominative-fair-use-and-other-defenses-to-trademark-infringement.

¹³⁷ Kelly McGonnigle, "Fair Use of Trademarks (Intended for a Non-Legal Audience) - International Trademark Association." *International Trademark Association*, 16 Dec. 2020, www.inta.org/fact-sheets/fair-use-of-trademarks-intended-for-a-non-legal-audience.

¹³⁸ Ibid.

¹³⁹ Ibid.

act in tandem to establish a balance between opposing interests. The "trademark use" criterion determines whether consumers are likely to look to the defendant's application of the disputed word or symbol for indication about product or service origin, without complicated, fact-intensive assessment of real consumer perceptions.¹⁴⁰ The fair use defense, on the other hand, is intended to meet the unique difficulties that occur when trademark owners assert exclusive rights in surnames and descriptive words and symbols.¹⁴¹ A competitive market necessitates that all market participants be able to use surnames and descriptive and geographically descriptive words and symbols to convey accurate information about their products and services to consumers.¹⁴² As a result, allowing one business to ban such use by all others would drastically reduce the flow of relevant market information to customers and impede market competition.¹⁴³ Therefore, it is troublesome to allow particular merchants to hold exclusive rights over words or symbols that others might lawfully require for this reason.¹⁴⁴

Analysis of the past and recent U.S. Court Rulings imply that the fair use defense should center on the defendant's intent in using a surname, descriptive word, or symbol, and not on the likely effect of the use on consumers. The fair use defense lets defendants who are acting in good faith use words and symbols in their surname or descriptive meaning, even if consumers might think the use is source information.¹⁴⁵ The U.S. Courts tended to analyze fraudulent intent or bad faith by focusing on the defendant's apparent intent in employing the argued word or symbol, as evidenced by circumstantial evidence.¹⁴⁶

¹⁴⁰ Margreth Barrett, *Reconciling Fair Use and Trademark Use*, 28 *Cardozo Arts & Ent. L.J.* 1 (2010).

http://repository.uchastings.edu/faculty_scholarship/18

¹⁴¹ *Ibid.*

¹⁴² *Ibid.*

¹⁴³ As the Supreme Court explained in *Canal Co. v. Clark*, 80 U.S. 311, 323-24 (1871):

"No one can claim protection for the exclusive use of a trade-mark or tradename which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed.... "[A merchant] has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose."

See also Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 *EMORY L. J.* 367, 371 (1999)

(trademark law balances the competitive interests at stake by tailoring protection to minimize material consumer deception without discouraging competitive entry).

¹⁴⁴ Margreth Barrett, *op. cit.*, pp. 43.

¹⁴⁵ Margreth Barrett, *op. cit.*, pp. 43.

¹⁴⁶ Margreth Barrett, *op. cit.*, pp. 43.

In U.S. trademark law, there are two different doctrines of fair use that a third party can use a mark.¹⁴⁷

- 1) Descriptive use authorizes the use of another's trademark to characterize their own goods or services instead of using it as a trademark to show where the goods or services came from.
- 2) Nominative uses occur when a third party uses a trademark to identify the product of the trademark owner, rather than its own product.

Although the U.S. Supreme Court has never explicitly stated the relevant considerations, it has concluded that the aforementioned tests are based only on the probability of confusion. The standard defense, which must be raised as an affirmative defense, is effective if it can be demonstrated that the use of the mark is justified by its inherent descriptiveness. As far as the secondary source-identifying meaning is not used, there is no trademark infringement. For example, referring to a product that kills larvae as larvicide did not violate the "LARVACIDE" trademark.¹⁴⁸

Generally, the use of a geographical name (such as the name of a city) in connection with the user's place of business is typically protected under the doctrine of fair use, even if the name is the same as or confusingly similar to another's trademark.¹⁴⁹ Fair use allows for the use of commonly descriptive terminology such as "type," "quality," "number," "primary purpose," "worth," "time of manufacture" or "duration of rendering," "major raw materials," "functioning," "quantity," and other characteristics of the products or services.¹⁵⁰ Nevertheless, attention should be paid to assure that use of another's mark under this sort of fair use is in compliance with good faith trading practices that do not imply a relationship with the trademark owner and do not diminish the value of the mark's goodwill.¹⁵¹

¹⁴⁷ Kelly McGonnigle, "Fair Use of Trademarks (Intended for a Non-Legal Audience) - International Trademark Association." International Trademark Association, 16 Dec. 2020, www.inta.org/fact-sheets/fair-use-of-trademarks-intended-for-a-non-legal-audience.

¹⁴⁸ 617 F.2d 1178 (5th Cir. 1980), cert. denied, 450 U.S. 981 (1981).

¹⁴⁹ Kelly McGonnigle, "Fair Use of Trademarks (Intended for a Non-Legal Audience) - International Trademark Association." International Trademark Association, 16 Dec. 2020, www.inta.org/fact-sheets/fair-use-of-trademarks-intended-for-a-non-legal-audience.

¹⁵⁰ *Ibid.*

¹⁵¹ Margreth Barrett, Reconciling Fair Use and Trademark Use, 28 *Cardozo Arts & Ent. L.J.* 1 (2010). http://repository.uchastings.edu/faculty_scholarship/18

3.1.2.1 Descriptive or Classic Fair Use

Fair use for descriptive purposes allows a trademark to be used to identify the goods or services being offered, rather than as an indication of the origin of those goods or services.¹⁵² Generally, this is acceptable when the trademark in dispute has a descriptive meaning in addition to its secondary significance as a trademark.¹⁵³ For example, WD-40 company, to establish a descriptive fair use claim, WD-40 had to demonstrate that: (1) "inhibitor" did not utilize the word as a trademark; (2) the concept was descriptive of its products or services; and (3) it used the concept in a fair and lawful manner. The summary judgment decision of a district court found WD-40 Company's use of the word "inhibitor" on its Long-Phrase Corrosion Inhibitor product goods was a descriptive fair use of the word, and so did not infringe on a rust-prevention company's trademark.¹⁵⁴

Defendants who utilize trademark language or visuals to illustrate the qualities of their product have an affirmative defense under Section 33(b)(4) of the Lanham Act 166. The legislative wording pertains to a fair and lawful use of a concept or mechanism that is limited to depicting the trademark user's products and services in good faith. In order to make the provisions of section 33 (b) (4) more understandable, the Seventh Circuit clarifies them into three parts: (1) non trademark usage; (2) descriptiveness; and (3) fairness and good faith.¹⁵⁵

Besides, the fair use doctrine for descriptive trademarks preserves the public's right to use words and images in their main descriptive sense.¹⁵⁶ A descriptive trademark fair use defense exists under 15 U.S.C. if a trademark is used honestly and in good faith merely to characterize the goods or services or their geographic origin, and not as a commerce or service mark.¹⁵⁷ The Supreme Court of the United States ruled in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* that some extent of customer uncertainty can still be fair use. The

¹⁵² Kelly McGonnigle, op. cit., pp. 45.

¹⁵³ Kelly McGonnigle, op. cit., pp. 45.

¹⁵⁴ Jonathan Uffelmann, "*WD-40's Descriptive Fair Use Defense Affirmed by the Seventh.*" Finnegan | Leading IP Law Firm, edited by Naresh Kilaru and Julia Anne Matheson, 4 Aug. 2015, www.finnegan.com/en/insights/blogs/incontestable/wd-40s-descriptive-fair-use-defense-affirmed-by-the-seventh-circuit.html.

¹⁵⁵ Margreth Barrett, op. cit., pp. 45.

¹⁵⁶ Red Points, "*Nominative Fair Use and Other Defenses to Trademark Infringement.*", 26 Feb. 2019, www.redpoints.com/blog/nominative-fair-use-and-other-defenses-to-trademark-infringement.

¹⁵⁷ 15 U.S. Code § 1115 - Registration on principal register as evidence of exclusive right to use mark; defenses

Supreme Court outlined considerations determining whether a particular use falls under the term of fair use:¹⁵⁸

- 1) The likelihood of deception resulting from the descriptive use of one's own mark.
- 2) The significance of the trademark.
- 3) The descriptive character of the provided term or mark and the choice of other descriptive terms.
- 4) The scope of the mark's use previous to its registration as a trademark.

In order to promote fair markets, the idea of classic fair use permits some misunderstanding. By selecting a descriptive term, the owner of the trademark must accept that others are free to use it in its original, descriptive manner.¹⁵⁹

The scope of traditional fair use is defined by how descriptive the mark's use is.¹⁶⁰ For example, as part of a store-based advertising campaign, a cosmetics business used the phrase SEAL IT WITH A KISS to encourage customers to apply its range of lipstick, kiss a complementary postcard, and send it to a loved one. For instance, the cosmetics company was sued because a rival business that used the trademarked phrase "SEALED WITH A KISS" for a competitive product line claimed that the cosmetics company utilized the phrase without permission. Because the phrases provide the command to seal by kissing the complementary postcard to express the passionate sentiment conveyed to the card's receiver," the court ruled that the cosmetics company's use was descriptive.¹⁶¹ Cosmetics company was entitled to the fair-use defense because the phrase was used in its "descriptive sense," even though it did not describe the company's product.¹⁶²

¹⁵⁸ See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*

¹⁵⁹ Jaburg Wilk, "Fair Enough: The 'Fair Use' Defense to Trademark Infringement," Jaburg Wilk Firm, www.jaburgwilk.com/news-publications/fair-enough-the-fair-use-defense-to-trademark-infringement.

¹⁶⁰ *Ibid.*

¹⁶¹ See *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*

¹⁶² *Soweco v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980)

3.1.2.2 Normative Fair Use

Alex Kozinski, a federal judge, developed a unique standard for nominative fair use according to the famous *New Kids on the Block v. News America* case from 1992.¹⁶³ In this case, the Ninth Circuit developed three criteria to establish the fairness of a nominative use:¹⁶⁴

“First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”¹⁶⁵

Nominative fair use authorizes the use of a trademark to allude to the related products or services of the trademark owner.¹⁶⁶ The concept of nominative fair use emerged due to the market's need to identify the owner of a trademark.¹⁶⁷ Because there is no connotation of sponsorship or endorsement by the trademark owner, this use is deemed "fair."¹⁶⁸ In light of this, courts have investigated more closely nominative fair use cases in which the defendant genuinely utilized a trademark or stylized text.¹⁶⁹ This use is allowed even though there is a chance of confusion because the trademark is being used to describe the good itself.¹⁷⁰ Since the user is not employing a descriptive term in its typical way but rather is employing the mark because of its secondary meaning, so the user is not denied the typical utility of descriptive words.¹⁷¹ For example, when a vehicle maintenance business advertises that it fixes BMWs and Hondas, it is using the mark "Honda" to refer to automobiles actually manufactured by the Honda Motor Company and only claiming that it can do repairs on such vehicles.¹⁷² Utilizing a competitor's trademark for the purpose of direct comparison and product review is another

¹⁶³ William McGeveran, *op. cit.*, pp. 42.

¹⁶⁴ *Red Points*, *op. cit.*, pp. 46.

¹⁶⁵ See *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302 (9th Cir. 1992).

¹⁶⁶ William Spieler, *Nominative Fair Use in Trademark Law: A Fair Use Like No Other*, 89J. Pat. & Trademark Off. Soc'y 780 (2007).

¹⁶⁷ Jaburg Wilk, “*Fair Enough: The ‘Fair Use’ Defense to Trademark Infringement*,” Jaburg Wilk Firm, www.jaburgwilk.com/news-publications/fair-enough-the-fair-use-defense-to-trademark-infringement.

¹⁶⁸ *Ibid.*

¹⁶⁹ *Ibid.*

¹⁷⁰ William Spieler, *Nominative Fair Use in Trademark Law: A Fair Use Like No Other*, 89J. Pat. & Trademark Off. Soc'y 780 (2007).

¹⁷¹ *Ibid.*

¹⁷² Gary K. Michelson, M.D., *Introduction to Intellectual Property*, OpenStax, Feb 22, 2021.

instance of nominative fair use.¹⁷³ As Samsung advertises that its functions are superior to Apple's, it makes nominative fair use of the Apple mark because it refers to Apple functions. Under nominative fair use, the entity utilizing the trademark is entitled to use only the portion of the mark that is essential to define the product or service being described, and cannot infer sponsorship or endorsement by the mark owner.

The nominative fair use occurs frequently in comparison advertising, media exposure, and independent retailing.¹⁷⁴ An independent retailer may advertise that it sells and repairs Omega watches, but it must make sure not to convey the impression that it is an "official" Omega merchant if it is not. In this case, the user need only demonstrate that its reference was to the trademark owner's products or services; the obligation then transfers to the trademark owner to demonstrate a risk of confusion based on the use.¹⁷⁵

In conclusion, similar to the Second Circuit's position, the nominative fair use test is not treated as a distinct affirmative defense in the Ninth Circuit when analyzing trademark infringement accusations.¹⁷⁶ To determine whether or not a trademark use could lead to consumer confusion, the Ninth Circuit applies a nominative fair use methodology, which takes into account the following factors:¹⁷⁷

- 1) The goods or services being advertised ought to be obscure enough that they can't be recognized without the aid of the trademark. In this element, it is assumed that the user has a legitimate need to determine the owner of the trademark by using its trademark.
- 2) An appropriate amount of the mark is used, and
- 3) The user does not take any actions that could be interpreted as a kind of endorsement or sponsorship. This inquiry seeks to ascertain whether the usage

¹⁷³ Ibid.

¹⁷⁴ Jaburg Wilk, "Fair Enough: The 'Fair Use' Defense to Trademark Infringement," 7 June 2022, www.jaburgwilk.com/news-publications/fair-enough-the-fair-use-defense-to-trademark-infringement#:~:text=In%20the%20context%20of%20trademarks,a%20claim%20of%20trademark%20infringement.

¹⁷⁵ Ibid.

¹⁷⁶ William Spieler, op. cit., pp. 48.

¹⁷⁷ Jaburg Wilk, "Fair Enough: The 'Fair Use' Defense to Trademark Infringement", Jaburg Wilk Firm, 7 June 2022, www.jaburgwilk.com/news-publications/fair-enough-the-fair-use-defense-to-trademark-infringement#:~:text=In%20the%20context%20of%20trademarks,a%20claim%20of%20trademark%20infringement.

in question gives the impression that the trademark holder endorses, sponsors, or is affiliated with the user.

In the end, due to the absence of legislative protection for nominative fair use, it can be assumed that nominative fair use arises only when there is no opportunity of confusion as to the connection between the user and the mark owner. However, there is a disagreement of view across the circuits on the applicable test when the allegedly infringing use is a nominative one.¹⁷⁸ Even while Century 21 is right to put the burden of proof on the plaintiff, focusing on the Lapp¹⁷⁹ criteria as the main criteria for whether or not a nominative use is confusing is not a useful approach.¹⁸⁰

One illustrative case, Playboy Enterprises, Inc. famously filed a trademark infringement suit against Terri Welles, the 1981 Playmate of the Year, because Welles had used the trademarked terms "Playboy," "Playmate," and "Playmate of the Year" in multiple places across her website. The court concluded that the usage was protected by nominative fair use since it was an obvious reference to Ms. Welles' honorific and the company that bestowed it.¹⁸¹ The court found that Ms. Welles had not violated Playboy Enterprises' rights since she had not used the company's logo or styled font and because her website expressly disclaimed any such connection.¹⁸²

3.1.3 Joint use of trademark

U.S. trademark law certifies the joint use of trademarks in good faith under Section 1115(b)(5) of the Trademark Act of 1946¹⁸³, which means that owners of registered trademarks

¹⁷⁸ William Spieler, op. cit., pp. 48.

¹⁷⁹ Cornell Law School, "Lapp Test." , states that "The Lapp factors include: (1) similarity of the marks; (2) strength of plaintiff's mark; (3) sophistication of consumers when making a purchase; (4) intent of defendant in adopting the mark; (5) evidence of actual confusion (or lack thereof); (6) similarity of marketing and advertising channels; (7) extent to which the targets of the parties' sales efforts are the same; (8) product similarity; identity/function/use; and (9) other factors suggesting that consumers might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in defendant's market , or expect the prior owner is likely to expand into defendant's market."

See also *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460 (3d Cir. 1983).

¹⁸⁰ William Spieler, op. cit., pp. 48.

¹⁸¹ Ibid.

¹⁸² See *Playboy Enterprises, Inc. v. Welles*.

¹⁸³ Section 1115 (b)(5), "That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to (A) the date of constructive use of the mark established pursuant to section 1057(c) of this title, (B) the registration of the

cannot sue anyone for using a trademark that is same or similar to theirs. If such a person has used the trademark without knowing that the trademark owner has used such a trademark in the past and has continued to use the trademark in the following circumstances:

(1) Prior to the date on which such trademark is used by the trademark owner under Section 1057(c), which is the date on which such trademark is used or submitted, whether domestically or internationally.¹⁸⁴

(2) Prior to the date of trademark registration by the trademark owner¹⁸⁵

(3) Before the date of publication of the trademark registration¹⁸⁶

The above provisions demonstrate that the trademark law of the United States accepts the principle of good faith sharing of trademarks. It stipulates that a person who is not a trademark owner may use a trademark that is same or similar to that of the trademark owner without requiring that the trademark be used only before the date of registration, but it must be used before the date the trademark owner uses or applies for registration of the trademark.

Therefore, when a lawsuit is filed in the United States, the court has a ruling in place that protects legitimate trademark users who have the legal right to use that trademark. In contrast, the court emphasized that the exclusive rights of the trademark owner remain unchanged.¹⁸⁷ In order to prevent customers from being misled as to the origin of products or services, the court has guided the assurance of trademark users' rights to exercise their rights in accordance with the rules or circumstances mandated by law.¹⁸⁸ Even though the trademark is shared on a limited basis, only one person has the legal right to use it. Consequently, it is crucial and required to identify the scope of trademark usage between the trademark owner and the trademark user using the law of trademark fair use.

mark under this Act if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C) publication of the registered mark under subsection (c) of section 1062 of this title: Provided, however, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or.”

¹⁸⁴ Section 1115 (b)(5)(A)

¹⁸⁵ Section 1115 (b)(5)(B)

¹⁸⁶ Section 1115 (b)(5)(C)

¹⁸⁷ NATCHAMON SANRUANG, *PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARKWHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE*, THAMMASAT UNIVERSITY, 2018.

¹⁸⁸ loc. cit.

3.2 Protection and exclusion of trademarks in South Korea

According to the fifth edition of WTR's IP Office Innovation Ranking in 2022, Korean IP offices have been named as the most innovative IP agencies in the world.¹⁸⁹ In South Korea, the amount of trademark applications pertaining to the metaverse and NFTs climbed from six in 2020 to seventeen in 2021, and then jumped to 717 during January and May of this year.¹⁹⁰ Moreover, in response to the increase in relevant applications in recent years, the Korean Intellectual Property Office (KIPO) has established a new set of examination standards for virtual goods.¹⁹¹ Moreover, South Korea amended the concept of "use of a trademark" to include the internet platform of "digital goods" on February 3, 2022.¹⁹²

3.2.1 General background of the South Korean trademark system

The Trademark Decree was issued in 1908. In 1946, South Korea established the Patent Institute and enacted patent legislation.¹⁹³ The Trademark Act was enacted in 1949. In 1977, South Korea established the Korean Intellectual Property Office (KIPO) as an independent office under the Ministry of Commerce, Industry, and Energy.¹⁹⁴ Korea acceded to the World Intellectual Property Organization in 1979 (WIPO).¹⁹⁵ KIPO made an application to WIPO for membership in the Trademark Act Treaty in 2002¹⁹⁶ and the Madrid Agreement in 2003.¹⁹⁷ The Trademark Act was substantially modified in 2016.¹⁹⁸

¹⁸⁹ "EUIPO and KIPO Ranked Most Innovative IP Offices in the World." *EUIPO and KIPO Ranked Most Innovative IP Offices in the World - World Trademark Review*, 5 Jan. 2022, www.worldtrademarkreview.com/article/euipo-and-kipo-ranked-most-innovative-ip-offices-in-the-world.

¹⁹⁰ World Trademark Review, "What KIPO's New Examination Guidelines Mean for Virtual Goods", 8 Aug. 2022, www.worldtrademarkreview.com/article/what-kipos-new-examination-guidelines-mean-virtual-goods.

¹⁹¹ loc. cit.

¹⁹² World Trademark Review, *New Amendments to the Korean Trademark Act: What You Need to Know*, 16 Feb. 2022, <https://www.worldtrademarkreview.com/article/new-amendments-the-korean-trademark-act-what-you-need-know>.

¹⁹³ Korean Intellectual Property Office, *History of the Korean trademark system - Trademarks*, 2016, www.kipo.go.kr/en/HtmlApp?c=93000&catmenu=ek04_01_01#a1.

¹⁹⁴ loc. cit.

¹⁹⁵ loc. cit.

¹⁹⁶ loc. cit.

¹⁹⁷ loc. cit.

¹⁹⁸ loc. cit.

Concept of a trademark under the Korean Trademark Act

A trademark is any manner of expression that may be used to differentiate one's products from those of another.¹⁹⁹ However, as it is impossible to legally protect all such approaches, the Trademark Act establishes restrictions on the components of a trademark that may be protected.²⁰⁰ Previously, these components were confined to a symbol, letter, diagram, three-dimensional form, or any combination thereof, as well as the mark's color combinations. Protection under the Trademark Act was broadened on July 1, 2007 to encompass marks consisting of a single color or mix of colors, holograms, movements, and any visually recognized markings.²⁰¹

To reflect the ROK-EU FTA, the Trademark Act was revised to add rules for rejecting trademark applications that are identical or similar to a geographical indication currently protected by the FTA and Korean law.²⁰²

Additional revisions to the Trademark Act resulting from the ROK-US FTA make non-visual trademarks such as sounds and odors eligible for registration. In addition, a certification mark was developed to ensure the quality and qualities of products (enforced on March 15, 2012).²⁰³

Additionally, markings that do not differentiate one product from another are not considered trademarks. The Trademark Act does not consider a design to be a trademark if it is used just to inspire consumers with its aesthetic qualities or as a price mark unrelated to the identification of owners. Conversely, collective markings and company emblems may be considered trademarks.²⁰⁴

¹⁹⁹ Korean Intellectual Property Office, *Concept of a trademark under the Trademark Act*, 2016, https://www.kipo.go.kr/en/HtmlApp?c=930001&catmenu=ek04_01_01#a2_1

²⁰⁰ loc. cit.

²⁰¹ loc. cit.

²⁰² loc. cit.

²⁰³ *Ibid.*

²⁰⁴ *Ibid.*

3.2.2 Fair use

From the perspective of a third party, the issue is whether sorts of trademark usage violate or do not violate the trademark rights of another party.²⁰⁵ From the owner's point of view, it would be the matter of how to use the trademark in order to maintain the registration and to enforce it.²⁰⁶

When a third party uses another party's trademark to refer to the actual products in a true way, or to explain or describe the quality, amount, raw materials, efficacy, form, function, or mode of use of such items, it is often considered as "fair use."²⁰⁷ In this respect, there is an express provision in the Korean Trademark Act (Section 90 of the Korean Trademark Act) that restricts the scope of registered marks, comparable to the fair use exemption in other jurisdictions.²⁰⁸

The Korea Trademark Act Section 90 separates in two parts:

Firstly, the fair use applied to trademark except collective mark with geographical indication as formulated: Under Section 90(1)²⁰⁹ "Where trademark rights (excluding the right to a collective mark with geographical indication) fall under any of the following, trademark rights shall not affect the same:

1. Any trademark using his or her own name, title, or trade name, portrait, signature, seal, or well-known pseudonym, stage name, pen name, and the well-known abbreviated title thereof, in accordance with generally accepted business practices;

2. Any trademark indicating the common name, place of production, quality, raw materials, efficacy, uses, quantity, shape, price, or methods of production, methods of

²⁰⁵ Min Son, "South Korea: Fair Use, Non-use, and Proper Use of Trademarks", MIP, 27 Aug. 2021, www.managingip.com/article/2a5czs6rlpkt4ayf6guf4/south-korea-fair-use-non-use-and-proper-use-of-trademarks#:~:text=Trademark%20use&text=For%20third%20parties%2C%20it%20is,of%20use%20of%20such%20goods.

²⁰⁶ Ibid.

²⁰⁷ Ibid.

²⁰⁸ Min Son, "South Korea: Fair Use, Non-use, and Proper Use of Trademarks", MIP, 27 Aug. 2021, www.managingip.com/article/2a5czs6rlpkt4ayf6guf4/south-korea-fair-use-non-use-and-proper-use-of-trademarks#:~:text=Trademark%20use&text=For%20third%20parties%2C%20it%20is,of%20use%20of%20such%20goods.

²⁰⁹ *Statutes of the Republic of Korea*, Section 90(1), elaw.klri.re.kr/eng_service/lawView.do?hseq=38409&lang=ENG.

processing, methods of use and time of goods identical or similar to the designated goods of the registered trademark according to methods in common use;

3. In cases of a trademark which consists of a three-dimensional shape provided in Article 9 (2), where it is impossible to recognize that such three-dimensional shape indicates goods related to whose business, any trademark which consists of the shape identical or similar to the three-dimensional shape of the registered trademark that is used on goods identical or similar to the designated goods of the registered trademark;

4. Any trademark used commonly on the goods identical or similar to the designated goods of the registered trademark, and trademark which consists of a distinguished geographical name and the abbreviated title thereof or a map;

5. Any trademark which consists of a shape, color, combination of colors, sound or smell essential to secure the function of the designated goods of the registered trademark or the package thereof.”

Secondly, the fair use applied to collective mark with geographical indication as formulated: Under Section 90(2)²¹⁰ “Where the right to a collective mark with geographical indication falls under any of the following, such right shall not affect the same:

1. Any trademark falling under paragraph (1) 1, 2 (excluding cases falling under place of production), or 4;

2. Any trademark used commonly on goods deemed identical to the designated goods of the registered collective mark with geographical indication;

3. Any geographical indication used on goods deemed identical to the designated goods of the registered collective mark with geographical indication, used by a person who engages in producing, manufacturing or processing such goods in the relevant region, or any other homonymous geographical indication;

4. Where a trademark registered based on first to file contains a geographical indication identical or similar to a registered collective mark with geographical indication, any registered

²¹⁰ Statutes of the Republic of Korea, Section 90(2), elaw.klri.re.kr/eng_service/lawView.do?hseq=38409&lang=ENG.

trademark used by the trademark right holder, an exclusive licensee or a non-exclusive license on the designated goods.”

Typically, Korean trademark fair use rights for all trademark types excluding collective marks are the right to use the name, place of production, quality, raw materials, efficacy, uses, quantity, price, or shape of goods identical or similar to the designated goods of the registered trademark in accordance with commonly accepted practices. Using one's own name, title, trade name, stage name, or pen name in conformity with commonly established business procedures is also regarded a fair use, as is the use of a trademark on products that are same or similar to those identified by the registered trademark.

However, in the case of a collective mark with geographical indication, the Korean trademark fair use right falls under any of the following: the same trademark falling under paragraphs (1) 1, 2, or 4; any trademark used commonly on goods deemed to have geographical indication; any trademark registered based on the first to file that contains a geographical indication; or any trademark used by the trademark right holder, an exclusive licensee, or a non-exclusive license on the designated goods.

As regards fair use, Korean courts found that a Hyundai Motor Company logo is a permissible usage, A trademark used by Hyundai Motor Company for vehicles and automotive components, on the package of the automobile air cleaner, the appropriate vehicle and the Educational Broadcasting System should be indicated, A well-known trademark and trade name of Educational Broadcasting System, on instructional materials for televised seminars were permissible uses.²¹¹ However, where the use of a trademark indicates sponsorship or support by or relationship with the trademark owner, such usage would not be deemed fair use.²¹²

3.3 Conclusion

In principle, the intellectual property rights of the owners of trademark are exclusive rights and have a broad scope. Once a trademark is registered, the owner has the legal right to

²¹¹ Min Son, “South Korea: Fair Use, Non-use, and Proper Use of Trademarks”, MIP, 27 Aug. 2021, www.managingip.com/article/2a5czs6rlpkt4ayf6guf4/south-korea-fair-use-non-use-and-proper-use-of-trademarks#:~:text=Trademark%20use&text=For%20third%20parties%2C%20it%20is,of%20use%20of%20such%20goods.

See also, Supreme Court decisions 2001Do1355, 2010Do5994.

²¹² Ibid.

prohibit others from using that mark in any way. This means the trademark owner has the option of using the mark exclusively or licensing it to a third party for a fee. A right holder's position is strengthened, for example in the event of litigation, by the registration process, which offers the certainty of the law. However, the unlimited enforcement of the trademark owner's rights in all cases is not possible because it would impact the rights of trademark users and the public interest by preventing them from fair use usage of the trademark, which is contrary to the fundamental principles of Intellectual Property Law. Consequently, the conceptions and intellectual property laws of various countries all prioritize the optimal balance between the benefits of the trademark owner and the public interest, which must be contributed by appropriate principles.

Regarding trademark law, the majority of common law countries expand the rights of trademark owners. However, the "fair use doctrine" has been devised and is generally enforced to allow trademark users to use trademarks that are identical or similar to registered trademarks without obtaining permission from the trademark owner. As aforementioned, in the U.S., there are two types of fair use principles to clarify in what cases a trademark user can use a registered trademark in the event of fair use, which are classic fair use.

The United States has developed a principle of fair use to continuously balance the rights of the trademark owner and the public interest. The principle is now present in Section 30(2) of the Trade Marks Act, 1999, which outlines broad principles for determining whether the use of trademarks is fair.

In most civil law countries, the rights of trademark owners are typically seen as absolute and quite decisively exclusive rights. Users of trademarks may be restricted from employing trademarks that are the same as or similar to registered trademarks to the extent required by law. These countries will not utilize the "fair use doctrine" generally accompanying the enforcement of the rights of trademark owners. As a result, only a small number of civil law countries, including South Korea, have included fair use principles into their trademark legislation. As mentioned above, the South Korean Fair Use Doctrine in Section 90 is applied in many circumstances. For example, fair use is presumed to exist when a third party uses another's trademark solely to truthfully refer to the actual goods; or to explain or characterize the quality, amount, raw materials, efficacy, shape, function, or mode of use of such things, etc.

Thus, it can be seen that both the United States and South Korean legal systems seriously apply the fair use principle to the benefit of both trademark owners and trademark users. As a result, this law's classification is extremely useful and unambiguous for courts and trademark users in determining which uses comply with the fair use doctrine. In particular, it is fair to trademark users who do not intend to confuse or mislead consumers or who do not act in bad faith.

Chapter 4

An analysis of the guidelines for the establishment of rules for trademark fair use in Thailand

The worth and value of investment in acquiring intellectual property rights are significantly greater today than in the past. Protection of intellectual property rights is essential. Nonetheless, stakeholders cannot afford to abandon the fundamental principle of intellectual property, which requires a balance between the rights holders' interests and public resistance.

4.1 Fair use of trademarks that are identical or similar to registered trademarks in Thailand

The purpose of fair use is to strike a balance between the exclusive rights of trademark owner and user by providing individuals with sufficient incentives to describe, use, or advertise a trademark in the public's interest in the fair use dissemination of information by allowing others to make reasonable use of registered trademarks without permission.

The trademark law in Thailand is Trademark Act B.E. 2534²¹³ which this law aims to protect trademark owners from trademark infringement from unauthorized persons. It also aims to protect consumers from confusion as to the source of goods or services. Therefore, if the trademark of the owner of the mark is used illegal trade may also be considered an infringement of the rights of the trademark owner under Section 44 and the trademark owner is entitled to a civil claim under Section 420 of the Civil and Commercial Code.

However, the trademark owner registered the trademark to have absolute right to use the trademark. Yet, there are instances where the trademark owner cannot use it. The rights that exist with trademarks are fully e.g., the law on fair use, which is not clearly stated in Thailand.

As mentioned in Chapter 3 of the Foreign Trademark Laws, the United States and South Korean Trademark Laws have provisions to protect trademark users from the use of registered trademarks, which is recognized as the exemption concept of trademark owners' exclusive rights. In other words, a trademark user that is identical or similar to a registered trademark,

²¹³ A practical manual on trademark inspection and objection, 2011, Accessed September 20, 2022, http://110.164.25.203/index.php?option=com_content&view=article&id=574:2011&catid=27&Itemid=407.

for which the owner has registered the trademark, may be used without concern for trademark infringement if the trademark is used in accordance with fair use.

Trademark Fair Use Exceptions to Trademark Infringement

In Thailand there is exception to the protection of trademark rights in cases where the trademark is a name, surname, company name, office name in good faith. According to Section 47, exceptions to the protection of trademark rights. It occurs when a person uses the mark's name as a first name, last name, or other person's description because it is not being used as a trademark. The trademark owner has no exclusive right to prohibit others from using their registered trademark.

In the United States trademark law, there are two different doctrines of fair use that a third party can use a mark: descriptive fair use and nominative fair use. Descriptive fair use authorizes the use of another's trademark to characterize their own goods or services instead of using it as a trademark to show where the goods or services came from. Nominative uses occur when a third party uses a trademark to identify the product of the trademark owner, rather than its own product. Firstly, fair use for descriptive purposes allows a trademark to be used to identify the goods or services being offered, rather than as an indication of the origin of those goods or services. Generally, this is acceptable when the trademark in dispute has a descriptive meaning in addition to its secondary significance as a trademark. Secondly, nominative fair use authorizes the use of a trademark to allude to the related products or services of the trademark owner. The use is allowed the public to use the concepts or words in another's trademark to describe or name the trademark owner's products or services.²¹⁴ The nominative use is allowed even though there is a chance of confusion because the trademark is being used to describe the good itself.

In South Korea, there are fair use rules in Section 90 on extent on which trademark rights do not have effect, meaning the use of trademark under this Section 90 the trademark owner will have no right to file a lawsuit against the trademark user. When a third party uses another party's trademark to refer to the actual products in a true way, or to explain or describe

²¹⁴ Red Points, "Nominative Fair Use and Other Defenses to Trademark Infringement.", 26 Feb. 2019, www.redpoints.com/blog/nominative-fair-use-and-other-defenses-to-trademark-infringement.

the quality, amount, raw materials, efficacy, form, function, or mode of use of such items, it is often considered as "fair use."

From the study of trademark fair use in United States and South Korea, it indicates that, with the exception of Section 47 relating to trademark infringement in Thailand, descriptive fair use in the United States is very similar to its counterpart there; however, the United States' descriptive fair use is more detailed in its information and board criteria, as well as more strictly applied in practice in both defense and court decisions. In contrast, the exception of trademark infringement Section 47 of the Trademark Act, B.E. 2534 is unclear and vague because it provides only a short explanation of the exception's principles and conditions. Moreover, it is rarely used in both the defense and the prosecution in court.

In term of the trademark fair use in South Korea includes trademark use on indicating the common name, place of production, quality, raw materials, efficacy, uses, quantity, shape, price, or methods of production, methods of processing, methods of use and time of goods identical or similar to the designated goods of the registered trademark according to methods in common use. The trademark fair use under section 90 of the Korea Trademark Act shows that it has more clear scope and protect broader condition on the use of trademark that is identical or similar to registered trademark in common use such trademark use on methods of use and raw materials. On the other hand, the trademark exemption under section 47 in Thailand only has scope on personal name or surname or the name of his place of business or that of any of his predecessors in business or the use by any person of any bona fide description of the character or quality of his goods.

Unlike both trademark law in Thailand and South Korea, the United States has a unique exception on trademark fair use which is nominative fair use. The use is allowed the public to use the concepts or words in another's trademark to describe or name the trademark owner's products or services. The nominative fair use strongly supports the trademark user's use of the registered trademark to identify the source or origin of the product. Also included is the seller, who must utilize the registered trademark to indicate the product's origin and owner when selling or advertising the product, but may not use it as its own trademark to confuse the public. For example, when a vehicle maintenance business advertises that it fixes BMWs and Hondas, it is using the mark "Honda" to refer to automobiles actually manufactured by the Honda Motor Company and only claiming that it can do repairs on such vehicles.

In Thailand, the law and the courts provide insufficient trademark infringement exceptions for the use of trademarks that are identical or similar to registered trademarks, causing confusion about whether there are exceptions or not. Based on an analysis of the Trademark Act, B.E. 2534, and the judgement of the Supreme Court, it was determined that exemption from the use of trademarks that are identical or similar to registered trademarks is limited to instances of good faith use in registration and parallel importation. We only have the court's premise that parallel importation is not a trademark infringement, and that such a judgment is only a guideline and is not legally binding under the civil law system. In Thailand finds it impossible to foresee how the court will rule on this subject. In term of trademark joint use under the Trademark Act B.E. 2534 indicates any user of a trademark that is identical to or similar to a trademark whose owner has registered the trademark must have used the trademark in good faith or under any other circumstances that the Registrar deems appropriate to register the trademark. In this scenario, the trademark is only used in good faith when registering it, which is not an exception to trademark infringement.

4.2 Benefit and problem of trademark fair use rules

It is well known that the sale of brand goods is very popular in worldwide. People are very much able to use the trademark to boost its product image and easy for consumers to remember the brand of product.²¹⁵ The fair use is intended to meet the unique difficulties that occur when trademark owners assert exclusive rights in surnames and descriptive words and symbols.

There are cases where the trade mark is applied to products or services sold, which may result in the use of a trademark that the owner of the trademark has already registered for which the trademark cannot be used. Besides, from a study of foreign law, it was found that the United States clearly stated the concept of protecting the use of trademarks that when trademark law gives priority to the protection of trademark users when using trademarks in fair use. A competitive market necessitates that all market participants be able to use surnames and descriptive and geographically descriptive words and symbols to convey accurate information about their products and services to consumers. As a result, allowing one business to ban such use by all others would drastically reduce the flow of relevant market information to customers

²¹⁵ Pravit Kittikornworadet, "a study of consumer response behavior to marketing strategies in building a business brand fashion apparel products Multi-Brands Store in Thailand", Mahidol University, 2014.

and impede market competition. Therefore, it is troublesome to allow particular merchants to hold exclusive rights over words or symbols that others might lawfully require for this reason. As a result, so it is reasonable for the law to protect fair use trademarks without limiting the use of territories or other restrictions on the rights of trademark users. Fair use creates a balance between the rights of the trademark owner and the right of competitors to enter the market and to provide the public with alternative choices.

In the United States and South Korea, fair use of trademark rules is clearly discussed, possibly because the use of a trademark is more beneficial to the trademark owner than it is including without limitation, the rights of trademark users. Therefore, fair use trademarks are very necessary for the benefit of both the user and the trademark owner.

Besides, Since the goal of registering a trademark is to enable the trademark owner to differentiate their products from those of others, so that consumers are not confused as to the origin or owner of the trademark, a trademark must be distinctive.²¹⁶ Foreign laws have created an exception for trademark infringement on fair use, allowing other people in society to utilize the trademark as necessary without violating the trademark. This is done to disseminate trademarks that are the result of fair use, to allow society to benefit from the use of trademarks so that the public can identify goods or services as coming from a certain source, and to improve society's economy.

The author believes that the seller who holds ownership of the purchased goods from the registered trademark owner or its representative and wishes to continue selling the product by using the registered trademark owner's trademark to describe the product's origin or owner is a benefit to the registered trademark owner. Since this seller uses the trade owner's trademark to describe the product's origin or owner, it is regarded an advertisement for the product since it gives the trademarked product a value that reassures customers that the product can be resold after purchase. As a result, the use of registered trademark will boost sale of the trademark owner product.

However, in order to protect the interests of trademark owners who have invested time in presenting that product to the public, so allowing the public to use its own trademark may cause damage to the dealer who owns the trademark and has invested in advertising to build the reputation and goodwill of the product. Consequently, using a trademark owner's trademark

²¹⁶ Section 4, Trademark Act B.E. 2534

to exploit the prestige and popularity of his trade name and trademarks may be viewed as misleading the public into believing that the goods and business of the trademark user are in any way related to the goods and business of the trademark owner, thereby causing damage to the trademark owner.

Also, to safeguard the public and consumers by ensuring that purchasers of products bearing the trademark receive the product at the expected price and quality. Hence, allowing others to use the trademark owner's trademark on goods means that the trademark owner has no control over the quality of the goods, which may contain altered or defective parts. As mentioned above, the reputation of the trade name is accepted by consumers as a guarantee of the quality of products and services and is also an important factor that causes the public to choose to purchase goods and services from the trademark owner or the trademark owner's distributor, thereby generating income and high returns for the trademark user that may be unfair to the trademark owner. To be more specific, allowing others to use the trademark owner's trademark may deprive the trademark owner of the rightful benefits of licensing the trademark user, including the inability to control the level of quality of products and services to meet standards, as well as the inability to control the price of service and maintenance of the product to match the trademark owner's standards.

In conclusion, the trademark fair use has both benefit and downfall, so in order to balance both benefit of trademark owner and user, the trademark law should not only cover the right of trademark owner to prohibit others to use its trademark but also trademark users. The trademark law should not only cover the rights of the trademark owner to the exclusive right to use the trademark but also cover exceptions to the use of the trademark by the trademark user, describing the origin and ownership of the goods, which is the main purpose of using a trademark: the use of a trademark on goods to distinguish the goods of the trademark owner from those of others and to identify the goods of the trademark owner.²¹⁷

4.3 Propose trademark fair use guideline

The use of a trademark is not considered an infringement of that trademark's rights; it must examine the aim of trademark usage, which is the use of a trademark on goods to distinguish them from the goods of others and to identify that the goods belong to the trademark

²¹⁷ Section 4, Trademark Act B.E. 2534.

owner. The use of this trademark is to the benefit of the owner of that trademark when it comes to selling their products, as the use of a trademark on a product such as this would encourage consumers to trust the product and the trademark of the owner of that trademark by utilizing the trademark when considering the purchase of the correct goods from the trademark owner based on his own preferences.²¹⁸ Besides, it is typical for the trader to purchase goods from the owner of the trademark for sale. Therefore, the right to use a registered trademark to relate to the origin and owner of a product while selling authentic trademark products should be protected.

Given the preceding, in Thailand, fair use trademark law has not yet been formed, and there are no defined laws surrounding trademarks fair use. Based on the research on trademark fair use in the United States and South Korea and the advantages of trademark fair use, the author recognizes the significance of trademark fair use and desires to establish it as a standard. In this chapter, the author will provide a solution to the problem of fair use of trademark rules in Thailand by examining the Chapter 3-mentioned concerns in foreign nations. It is a guideline that can be applied according to Thai society in the following ways:

4.3.1 Establish law for trademark fair use

The author believes that the establishment of the law for trademark fair use must be amended in order for the trademark fair use exception has a clear vision and is legally enforceable so that a standard can be enforced. Having the provisions of the law will make individuals strictly adhere to the laws since if they don't, it is an illegal act and they will be punished. Thailand's trademark legislation must be revised in order to provide clarity and protection to trademark users who sell original products and require the use of the registered trademark to describe or refer to the origin or owner of the trademark. Moreover, in the case of parallel import and ownership matters, when one purchases goods directly from the trademark owner or its representative, that person has the right to sell, exchange, or discard the purchased goods because ownership has been transferred to that person following the trade with the trademark owner or its representative. Therefore, the person who desires to sell the purchased products should be permitted to use the trademark in advertising or to describe the origin of the goods as obtained from the trademark owner or the trademark owner's representative. In

²¹⁸ Suwichai Inthon, "can one sell products that others have registered trademarks and have set up sole representaives or not", [www.sme.go.th/upload/mod_download/12.ขายสินค้าที่ผู้อื่นจดทะเบียนเครื่องหมายการค้าไว้แล้ว\(กม.\).pdf](http://www.sme.go.th/upload/mod_download/12.ขายสินค้าที่ผู้อื่นจดทะเบียนเครื่องหมายการค้าไว้แล้ว(กม.).pdf).

addition, the purpose of a trademark is to represent the quality of a product, so the legislation governing the use of a trademark to identify a product must be adjusted. The law on fair use will authorize the use of a trademark to allude to the related products or services of the trademark owner.²¹⁹ To be more specific, the defendant's use of the trademark's words to describe the defendant's own goods is a descriptive fair use. This use is allowed even though there is a chance of confusion because the trademark is being used to describe the good itself.

The principle of the fair use statute supports a certain confusion, so when exceeded, it renders the use unfair. The criteria for trademark use and the fair use defense are coherent and act in tandem to establish a balance between opposing interests. The fair use defense, on the other hand, is intended to meet the unique difficulties that occur when trademark owners assert exclusive rights in surnames and descriptive words and symbols. A competitive market necessitates that all market participants be able to use surnames and descriptive and geographically descriptive words and symbols to convey accurate information about their products and services to consumers. As a result, allowing one business to ban such use by all others would drastically reduce the flow of relevant market information to customers and impede market competition. Therefore, it is troublesome to allow particular merchants to hold exclusive rights over words or symbols that others might lawfully require for this reason.²²⁰

This section will outline the standards for the fair use of trademarks by applying the Trademark Law in the United States and South Korea to the fair use of trademark regulations, with the following specifics:

First, there should be additional amendments to the Trademark Act, B.E. 2534, Section 47, about the exception for the use of trademarks of names, surnames, or business names, by which it shall also be applied when indicating the origin and owner of the trademark for descriptive fair use as a trademark as well.

Second, by analyzing the United States and Korean trademark law, there should be additional amendments to the Trademark Act, B.E. 2534, provide Section 47/1 regarding the

²¹⁹ International Trademark Association, "*Fair Use of Trademarks (Intended for a Non-Legal Audience) - International Trademark Association.*", 16 Dec. 2020, www.inta.org/fact-sheets/fair-use-of-trademarks-intended-for-a-non-legal-audience.

²²⁰ Margreth Barrett, Reconciling Fair Use and Trademark Use, 28 *Cardozo Arts & Ent. L.J.* 1 (2010).
http://repository.uchastings.edu/faculty_scholarship/18

usage of trademarks that are exemptions to trademark infringement, which stipulates that the trademark fair use must be the following use:

The fair use of trademark rules has one of the following characteristics:

a) The use of the trademark must be the use of the trademark which is not an act with the intent to deceive others in the source of the goods or the trademark owner.

b) Using trademarks to critique, criticize, compare trademarks with the acknowledgment of the ownership of the trademark.

c) Any trademark using his or her own name, title, or trade name, portrait, signature, seal, or well-known pseudonym, stage name, pen name, and the well-known abbreviated title thereof, in accordance with generally accepted business practices.

d) Any trademark indicating the common name, place of production, quality, raw materials, efficacy, uses, quantity, shape, price, or methods of production, methods of processing, methods of use and time of goods identical or similar to the designated goods of the registered trademark according to methods in common use.

e) Using trademarks in comparison advertising, media exposure, and independent retailing.

f) Using trademark to characterize their own goods or services instead of using it as a trademark to show where the goods or services came from.

4.3.2 Defines the scope and conditions of fair use of trademark rules

The author has an opinion on the use of fair use trademark rules on the internet that E-commerce businesses are now becoming more popular and are likely to gain more market share, according to statistics from We Are Social, a well-known digital agency in Singapore, has published a report called Digital in 2022 that compiles statistics and behavior of Internet and social media usage worldwide, both overall and by country.²²¹ This report presents interesting survey results about Thailand: Thailand has a total population of 68 million people,

²²¹ Nattapon Muangtum, "Summary of 52 Key Insights from We Are Social's Thailand Digital Stat 2022", EverydayMarketing.co, 15 Feb. 2022, www.everydaymarketing.co/trend-insight/insight-thailand-digital-stat-2022-we-are-social.

with over 38 million internet users, representing 56% of the population, which is higher than the global average and all 38 million people use social media.²²²

From the statistics of the Electronic Transactions Development Agency (Public Organization) Ministry of Information Technology, or ETDA, revealed statistics of internet users in Thailand in 2016 found that Thai people prefer to use the internet to buy goods and services, accounting for 33.8% of all activities that use the internet.²²³ It can be seen that more than half of the population uses communication tools to connect to the Internet to use social media. In addition, there is a proportion of Internet use for purchasing goods or services that is more than 33.8 percent of all activities that use the Internet, which is considered a high proportion.²²⁴ As well as, the pandemic of coronavirus disease (COVID-19) has altered the behavior of consumers.²²⁵ It was discovered that there has been an increasing shift to e-Commerce, resulting in the value of e-Commerce growing by leaps and bounds, as well as optimism that customer demand for online purchases of products and services will continue after the outbreak.²²⁶

Therefore, the higher the proportion of transactions in the purchase of goods or services on worldwide, the more likely it is to use a trademark that is identical to or similar to the trademark for which the owner has registered the trademark. To be transparent, equitable, and fair to trademark users and owners, it is vital to defend and protect the use of trademarks, and especially to regulate the scope of use of trademarks that are identical or similar to registered trademarks.

According to *Rolex v Beckertime* case²²⁷, this is a Lanham Act trademark infringement lawsuit involving charges of counterfeit and infringing use of Rolex's trademarks. This lawsuit is a result of BeckerTime's "refurbished" luxury watch sales. Since 1998, BeckerTime has been

²²² We are Social, "Revealing Latest Internet and Social Media Usage Statistics 2016,"

Search on 10 September 2022, from <http://www.9tana.com/node/thailand-social-stat-2016/>

²²³ ETDA, "ETDA reveals that COVID-19 was the most noticeable cause, Gen Z used the highest internet in the first year, beating Gen Y as the 6-time champion", ETDA, 2021, Accessed 13 Nov. 2022, www.etda.or.th/pr-news/ETDA-released-IUB-2021.aspx.

²²⁴ Ibid.

²²⁵ ETDA, "Thai E-Commerce in the post-COVID-19 era", 2021, Accessed 13 Nov. 2022., www.etda.or.th/Useful-Resource/Knowledge-Sharing/Perspective-on-Future-of-e-Commerce.aspx.

²²⁶ Ibid.

²²⁷ ("Rolex Watch U.S.A., Inc. V. Beckertime, LLC, Civil Action 4:20-CV-01060 | Casetext Search + Citor")

providing a variety of watches to satisfied customers.²²⁸ In September 2020, Rolex sued BeckerTime and claimed that BeckerTime committed trademark infringement and counterfeiting when it used Rolex trademarks in connection with watches that were originally authentic but had been altered by the addition of "aftermarket bezels" and "aftermarket bands or straps," none of which were "made or endorsed by Rolex."²²⁹ By substituting these "integral and necessary" parts with non-genuine Rolex replacement parts that are "inferior in quality," Rolex claimed that BeckerTime was likely to deceive buyers as to the character of the watches and Rolex's relationship with them. As a "Rolex Certified Master Watchmaker" and "Certified PreOwned Watch Dealer," BeckerTime has made a name for itself. On the other hand, Rolex has never approved or endorsed any specific watchmaker. Referring to the defendants' fair use and first sale arguments in regard to Rolex's trademark allegations, the court concluded that they are not immune from liability. The court rejected the defendants' nominative fair use claim, which permits the use of another's mark honestly to identify the products or service, because BeckerTime "was not using the Rolex trademarks to identify Rolex's products." but "identify its own altered watches," Additionally, BeckerTime claims to have a Rolex Certified Watchmaker on site, despite the fact that Rolex does not offer such a certification or endorsement. The defendants' First Sale Doctrine defense was likewise ineffective, as the changed timepieces are fundamentally distinct from the original Rolex timepieces. In altering the watches, BeckerTime does more than simply stock, show, and resell Rolex watches.

BeckerTime and its owner have been found liable for trademark infringement and counterfeiting due to their unlawful use of Rolex trademarks on products covered by federal trademark registrations. BeckerTime's consumers demonstrate a degree of misunderstanding over the validity of BeckerTime's timepieces. BeckerTime's clients demonstrate some amount of misunderstanding regarding the authenticity of BeckerTime's watches, given the many circumstances that contribute to the chance of confusion. The use of "Rolex certified watchmaker" is misleading and implies an affiliation or endorsement. Some buyers do not comprehend or read the description thoroughly. Other consumers have enquired about the watch's validity, requesting additional details and expressing confusion as to whether it is an authentic Rolex. This demonstrates that BeckerTime's disclosures did not completely eliminate

²²⁸ Defs.' Mot. Summ. J. Br. 8, ECF No. 46. BeckerTime describes itself as "specializing] in buying, selling, and trading pre-owned luxury timepieces.". It further states, "BeckerTime's business consists of reselling vintage Rolex watches, making repairs to Rolex watches, and selling refurbished Rolex watches."

²²⁹ Rolex Watch U.S.A., Inc. v. BeckerTime, LLC, 2022 WL 286184, at *5 (N.D. Tex. Jan. 31,2022)

misunderstanding. In a similar manner, BeckerTime has received concerns regarding the quality of the watches as well as complaints that the watch did not contain only authentic Rolex parts. This reveals genuine confusion. BeckerTime's website and eBay listings for its products say that the replacement parts are not real Rolex parts, that BeckerTime is not affiliated with Rolex, and that the changes will make the Rolex warranty invalid. Since the words "GENUINE ROLEX" stand out more than any other disclosures, only a small percentage of customers read the product descriptions. Rolex is one of the most recognizable watch companies and uses a variety of advertising techniques, including print and celebrity sponsorships. This advertising and brand awareness are beneficial to BeckerTime. Moreover, BeckerTime's installation of original Rolex clasps on non-genuine bands enhanced the probability of uncertainty regarding the authenticity of the watch, and this behavior constituted counterfeiting in accordance with the statute.

In this case, the court considered trademark infringement on the following three major issues: 1) likelihood of confusion 2) the genuineness of the product 3) sponsorship or endorsement. The confusion criterion is that the use of the trademark must not create confusion to consumer regarding the origin of the goods or the owner of the goods. When it was found that the defendant had utilized the Rolex trademark on a website, an eBay listing, and altered watch parts, purchasers were confused as to whether or not the product was authentic. It is believed that the defendant's trademark has been used in a confusing manner. In other words, consumers may erroneously believe they come from the same source.

In terms of the product's authenticity, it is evaluated whether it is a counterfeit product, as defined by the fact that a counterfeit is a fake copy of funds, documentation, designer goods, or other valuable pieces.²³⁰ Frequently, the counterfeiter distributes these items with the goal to defraud. Moreover, the word "counterfeit" is made to look like the original of something.²³¹ In this case, it has been revealed that the defendant's goods are fundamentally distinct from the genuine Rolex watches, hence they are not original goods. Finally, while the defendant

²³⁰ Cornell Law School states that "Counterfeit is the fraudulent copy of money, documents, designer pieces, or other valuable items. The counterfeiter often provides these goods to others with an intent to defraud. If a person pays for goods or services with counterfeit money, they could be charged through federal and state laws.", <https://www.law.cornell.edu/wex/counterfeit#:~:text=A%20counterfeit%20is%20the%20fraudulent,through%20federal%20and%20state%20laws>

²³¹ Definition in Cambridge English Dictionary, "Counterfeit." COUNTERFEIT | Meaning, dictionary.cambridge.org/dictionary/english/counterfeit.

represents itself as a Rolex-certified watchmaker, Rolex has not authorized, sponsored, or endorsed it in any way. So, BeckerTime breaches Rolex's trademarks by selling counterfeit Rolex watches, as determined by the court.

Based on the fair use doctrine, the court denied the defendant's request to use a normative fair use defense by looking at whether the trademarks were used to identify the product of the trademark owner rather than its own product or not. Also, such fair use is allowable so long as the use is descriptive and does not suggest sponsorship or endorsement by the trademark holder. When BeckerTime appears to employ a Rolex mark in its altered products, it indicates that the company is not using Rolex marks to accurately identify a Rolex watch, but rather its own, modified timepiece. Therefore, fair usage does not shield BeckerTime. Additionally, the defendant represents itself as a Certified Preowned Watch Dealer with Rolex-certified watchmaker, such action shows suggestion sponsorship or endorsement by trademark owner so the defendant's actions are not protected from fair principles.

According to the Thai Supreme Court's decision 2817/2543, A man traveled to Singapore to get a WAHL hair clipper because the price was lower there than in Thailand. He proceeded to purchase the item, then imported it into Thailand and sold it there. Therefore, his sales compete with those of the trademark owner. The trademark owner or hair clipper owner also offers their product in Thailand. In this instance, the trademark owner brings a lawsuit against the importer, alleging that the importer harmed the trademark owner's business and caused the business to lose money. In the end, the court ruled that the importer may legally import the product into Thailand and sell it legally. The trademark owner was unable to intercede with the importer since the imported and sold goods was not counterfeit (original). It is also the trademark owner's product; however, it comes from a different region. If considering the product's ownership rights, the court concludes that the rights are stronger in this instance. If person lawfully purchase a goods, the person will become the owner of that product and will have the right to do whatever owner wants with it. The person may therefore sell, give, or discard the tangible item. Even though the product contains intellectual property, the owner of intellectual property rights cannot prohibit the product's importation or sale because they have already benefited from the first sale. The owner of intellectual property cannot extend its exclusive right over intellectual property so as to interfere with the rights of the product owner. Also, in this instance, it may be the indirect norm in Thai law that if discussing parallel import

in Thailand, the law does not ban parallel import, and the court agrees that person may sell the product in Thailand if person import it legitimately and it is not a counterfeit.

In determining trademark infringement in this parallel import case, the court considered the authenticity of the plaintiff's trademarked goods, the benefit derived from the use of the trademark (the first sale doctrine), and the purpose of using the trademark to indicate that the hair clipper product in the box or package is the product of the first plaintiff. Due to the fact that, when the defendant imported the real clipper product with the plaintiff's trademark, which is not a counterfeit trademark or an imitation of the plaintiff's trademark sold in Thailand, the court held that the actions of the defendant did not constitute the use of the trademark as infringement of the plaintiff's exclusive rights. In the event that the defendant brought a package and a paper envelope printed with the trademark word "WAHL" and the words "Genuine must have a 1-year warranty card" along with a warranty card indicating the name and address of the defendant as a service center, the court determined that the defendant was only a service provider for repairing clippers, and it does not imply that the defendant is the owner or has the right to use the trademark of the first plaintiff. Therefore, the defendant did not infringe on the plaintiff's right to use the trademark "WAHL" on the envelope and also indicates that the hair clipper product in the box or package is the product of the first plaintiff. Lastly, the court stated that when the trademark owner sells his or her product for the first time, he or she is exercising the exclusive right to use the trademark on the product for the purpose of selling it. As the benefit of the use of the trademark is derived from the initial sale, the trademark owner has no authority to restrict the initial purchaser, a typical trader, from reselling the product.

As a result of analyzing the criteria for utilizing trademarks that are identical or similar to registered trademarks in fair use cases and the aforementioned verdicts in both the *Rolex v. BeckerTime* and parallel import case, the author believes the following standards should be developed for defining the scope of fair use doctrine. Fair use doctrine should be guided by the likelihood of confusion, the authenticity or originality of a product, sponsorship or endorsement, the likelihood of deception from the descriptive use, the significance of the trademark, the legitimate need to determine the owner of the trademark, and an appropriate usage amount of the mark. Therefore, if the use is likely to confuse a consumer into believing that the product is its own and not the trademark owner's, the usage is not considered trademark

fair use. A trademark user who desires to rely on the theory of fair use must only use a registered trademark on its original or authentic product, and there must be no appearance of suggestion, support, or sponsorship by the trademark owner. The trademark fair use theory does not apply if the use resembles a counterfeit product or has such a suggestion, support, or sponsorship.

In addition, the trademark user must have genuine significance to use the mark, as the advertised or described goods or services must be so unclear that they cannot be recognized without the aid of the trademark, and the user must not intend a possibility of deception arising from the descriptive use of their mark. It is assumed here that the user has a genuine interest in identifying the trademark's rightful owner through the mark's use. Lastly, trademark fair use should have an adequate usage amount of the mark, meaning that it should not utilize the trademark of the trademark owner excessively, as this could mislead consumers or the general public into believing that the trademark belongs to the user.

However, this is merely a guideline for assessing the scope of trademark fair use and has no legal effect; thus, the court may or may not apply the scope based on its discretion. In contrast to the establishment of a law or regulation, guidelines do not bind the public and are not regarded as binding by the courts. So, the guidelines of establishing the scope of fair use are general recommendations; they're not mandatory or required.

In conclusion, the adoption of these standards will provide clarity for judgment and be clear and fair for both the trademark user and the trademark owner, ensuring that the trademark owner's reputation will not be damaged by the use of the trademark. It also protects the trademark user from utilizing the registered trademark for the business's advantage, so long as the use complies within the scope of fair use. The author considers that when trademark law provides for the protection of trademark users who use a mark that is identical to or similar to a trademark registered by the owner by fair use, as a consequence, it is protected by law. Therefore, when the use of registered trademarks to describe the origin or the owner of product, trademark users should be protected by law on the fair use manner.²³² This principle of equilibrium is a fundamental principle of many countries' trademark laws. The aim is to

²³² Electronic Transactions Development Agency, "ETDA reveals the results of a survey on the use of Internet of Thai people," Accessed September 2022, <https://www.marketingoops.com/reports/behaviors/etda-research-thai-internet-2016/>

promote the fair use of trademarks that are used in a fair and beneficial way to society and to enable society to use them without affecting the rights of the trademark owner.

However, regarding the suggestions in this research, it is the opinion and data analysis of the author only.

Chapter 5

Conclusion and Recommendation

5.1 Conclusion

From the study of trademark law reveals that trademark law aims to protect trademark owners who have registered trademarks to have an exclusive right to use their trademarks, such as suing trademark infringers or allowing others to use their trademarks, and its purpose is to protect the public from being confused or misled by the use of such trademarks regarding the goods or services. In addition, the law contains fair use regulations that permit the public to use trademarks without infringing on the rights of the owner.

However, Thailand has uncleared specific laws, regulations, or guides addressing fair use, and the use of trademarks is not restricted to physical locations where goods and services can be purchased from department stores or shops that can identify the extent and be tangible. Unsimilar to the use of trademarks on physical market, operators are expanding their business channels in order to sell items or services on the Internet that have boundless regions and no definable bounds. The usage of registered trademarks presents a challenge when a business is authorized to sell products or services on the Internet. It cannot be used in some countries since there is no law backing fair use, hence limiting the public's right to utilize trademarks in fair use. For instance, Thailand's Facebook policy prevents sellers from posting or advertising any goods with a registered trademark²³³, as it does not incorporate the fair use doctrine. In contrast to Facebook's policy in Thailand, Facebook's policy in the United States provides a fair use doctrine by indicating that strict application of trademark law may be unfair or may inappropriately stifle creativity or prevent individuals from using original trademark to identify the origin and ownership of the trademarked goods, which would be detrimental to the public interest.²³⁴

The author agrees with the trademark fair use law that trademark users may continue to use marks because trademark users in Thailand do not know how to use a trademark that is a

²³³ FaceBook, "Third-Party Infringement", Transparency Center, <https://transparency.fb.com/th-th/policies/ad-standards/intellectual-property-infringement/third-party-infringement/>.

²³⁴ Facebook Policy, https://www.facebook.com/help/1020633957973118/?helpref=hc_fnav

trademark fair use or the word descriptive use in accordance with Section 47, and the seller is also unaware of the scope or conditions for using this exception under Section 47. In addition, there is no clear exception for the use of trademarks that are identical or similar to registered trademarks when using trademarks to describe the origin or owner of a product. The author therefore presents a solution to the problem of limitations that has problems with trademark using advertising in term of using registered trademark as a trademark to identify the source or origin of the product. The author will focus mainly on the application of foreign law to trademark law to elevate it for the public's benefit as well as the benefit of the trademark owner.

Due to the fact that the significance of the merchandising businesses for luxury (brand) goods, which has increased even more during the epidemic and in light of supply chain issues over the past year, seems to have played a significant impact in the outcome. Having laws and guidelines for the fair use of trademarks, in my opinion, is advantageous to society for the protection of trademark owners and trademark users with conflicting interests.

The absence of clear laws or regulations or the exclusion of the use of trademarks that are same to registered trademarks has a significant impact on business operators in Thailand. This causes companies or merchants to sell brand items or resell them, necessitating the use of a registered trademark to represent the origin, quality, or ownership of the goods, and causing them to concern or fear about the use of a registered trademark. Even if the products they sell or provide are authentic product and have a legitimate trademark, such business owners are too fearful of being sued for trademark infringement to market, promote, or operate their businesses using registered trademarks. Thus, the laws or regulations governing the fair use of trademarks should be amended to provide the same flexibility as in the majority of developed countries, in the interest of fair market competition and the best interests of consumers.

The United States trademark law applies an exception to the use of registered trademarks in two types: deceptive fair use and nominative fair use. Descriptive fair use allows a trademark to be used to identify the goods or services being offered, rather than as an indication of the origin of those goods or services.²³⁵ Generally, this is acceptable when the trademark in dispute has a descriptive meaning in addition to its secondary significance as a trademark.²³⁶ On the other hand, nominative fair use authorizes the use of a trademark to allude

²³⁵ Kelly McGonnigle, *op. cit.*, pp. 45.

²³⁶ *Ibid.*

to the related products or services of the trademark owner.²³⁷ The concept of nominative fair use emerged due to the market's need to identify the owner of a trademark.²³⁸ This use is allowed even though there is a chance of confusion because the trademark is being used to describe the good itself.²³⁹ Since the user is not employing a descriptive term in its typical way but rather is employing the mark because of its secondary meaning, so the user is not denied the typical utility of descriptive words.²⁴⁰

Besides, Korean trademark law applies the exception on the use of registered trademarks by separating the types of trademarks that fall under the exception. Korean trademark fair use rights for all trademark types excluding collective marks are the right to use the name, place of production, quality, raw materials, efficacy, uses, quantity, price, or shape of goods identical or similar to the designated goods of the registered trademark in accordance with commonly accepted practices.²⁴¹ Using one's own name, title, trade name, stage name, or pen name in conformity with commonly established business procedures is also regarded a fair use, as is the use of a trademark on products that are same or similar to those identified by the registered trademark.²⁴² However, in the case of a collective mark with geographical indication, the Korean trademark fair use right falls under any of the following: the same trademark falling under paragraphs (1) 1, 2, or 4; any trademark used commonly on goods deemed to have geographical indication; any trademark registered based on the first to file that contains a geographical indication; or any trademark used by the trademark right holder, an exclusive licensee, or a non-exclusive license on the designated goods.²⁴³

5.2 Recommendation

The ambiguous laws or regulations, including the exception for the use of registered trademarks, may cause confusion to trademark users in Thailand about how to use a trademark for fair use or for "descriptive use" in accordance with Section 47, and the seller is also unaware

²³⁷ William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49 (2008).

²³⁸ Red Points, "Nominative Fair Use and Other Defenses to Trademark Infringement.", 26 Feb. 2019, www.redpoints.com/blog/nominative-fair-use-and-other-defenses-to-trademark-infringement.

²³⁹ William Spieler, *Nominative Fair Use in Trademark Law: A Fair Use Like No Other*, 89J. Pat. & Trademark Off. Soc'y 780 (2007).

²⁴⁰ *Ibid.*

²⁴¹ Section 90(1), Korean Trademark Act.

²⁴² Section 90(1), Korean Trademark Act.

²⁴³ Section 90(2), Korean Trademark Act.

of the scope or conditions for using this exception under Section 47. In addition, there is no clear exception for the use of trademarks that are identical or similar to registered trademarks when using trademarks to describe the origin or owner of a product.

To implement additional laws or prescribing standards for the fair use of trademarks, the provisions of Thai law should be amended to bring clarity to the enforcement of cases involving the use of trademarks that are identical or similar to registered trademarks in the event of fair use. The author establishes the law that there should be amended additional amendments to the Trademark Act, B.E. 2534, Section 47, about the exception for the use of trademarks of names, surnames, or business names, by which it shall also be applied when indicating the origin and owner of the trademark for descriptive fair use as a trademark as well. Also, additional amendments can be made to the Trademark Act, B.E. 2534, to provide Section 47/1 regarding the usage of trademarks that are exemptions to trademark infringement, which specifies which use of registered trademark is trademark fair use by determining specific uses that fall under Section 47/1, so that the trademark act will be a more clear and adequate law to protect both trademark owner and user.

Moreover, the author believes that there should be the following standards to define the scope and conditions of trademark fair use by establishing scope as fair use doctrine should be guided by the likelihood of confusion, the authenticity or originality of a product, sponsorship or endorsement, the likelihood of deception from the descriptive use, the significance of the trademark, the legitimate need to determine the owner of the trademark, and an appropriate usage amount of the mark.

Such changes are considered to protect the interests of trademark user and to reduce the number of cases related to the use of trademark fairness the same or similar to a registered trademark. The fair use defense is intended to meet the unique difficulties that occur when trademark owners assert exclusive rights in surnames and descriptive words and symbols. A competitive market necessitates that all market participants be able to use surnames and descriptive and geographically descriptive words and symbols to convey accurate information about their products and services to consumers. By allowing one business to ban such use by all others would drastically reduce the flow of relevant market information to customers and impede market competition.

Reference

Soweco v. Shell Oil Co., 617 E2d 1178 (5th Cir. 1980). (1980).

<https://casetext.com/case/soweco-inc-v-shell-oil-co>.

617 F.2d 1178 (5th Cir. 1980), cert. denied, 450 U.S. 981 (1981). (1985).

<https://casetext.com/case/security-center-v-first-nat-sec-centers>.

Two Pesos v. Taco Cabana, 505 U.S. 763, 768 (1991).

<https://supreme.justia.com/cases/federal/us/505/763/>.

New Kids, 971 F.2d at 308 (footnote omitted). (1992). <https://casetext.com/case/new-kids-on-the-block-v-new-america-pub-inc>.

A practical manual on trademark inspection and objection. (2011).

http://110.164.25.203/index.php?option=com_content&view=article&id=574:2011&catid=27&Itemid=407.

Ipthailand. (2022). https://www.ipthailand.go.th/images/Promote/3_book_TM.pdf.

Judgment of Dika (2022). <https://deka.in.th/>.

Agency, E. T. D. (2016). ETDA reveals the results of a survey on the use of Internet of Thai people. <https://www.marketingoops.com/reports/behaviors/etda-research-thai-internet-2016/>.

Americanbar. (2022). Federal Trademark Law: From Its Beginnings.

www.americanbar.org/groups/intellectual_property_law/publications/landslide/2018-19/march-april/federal-trademark-law.

Barrett, M. (2010). Reconciling Fair Use and Trademark Use.

http://repository.uchastings.edu/faculty_scholarship/18.

Bohatala. (2021). What are the Pros and Cons of Fair Use. <https://bohatala.com/what-are-the-pros-and-cons-of-fair-use/>.

Creasman, W. S. (2005). *Establishing Rights in Trademark Based on Internet Use*, 95 *Trademark*

Feingold, S. *Intellectual Property Law Cyberspace in Second Edition UNIQUE ONLINE TRADEMARK ISSUES DOMAIN NAME REGISTRATION, MAINTENANCE AND PROTECTION* (Second ed.). Academia.edu.

Government, R. T. (2534). *TRADEMARK ACT*

Korea, R. o. (2022). Department of Intellectual Peoperty, Trademark Law.

https://www.ipthailand.go.th/images/781/L_korea_8_mark.pdf?fbclid=IwAR1n4tULyV62Wp_ipusUToWn9NRtt0_GXrv_YMCKzsWqr3pqTKq0c5MaI2Q.

- McGonnigle, K. (2020). *Fair Use of Trademarks (Intended for a Non-Legal Audience)* - International Trademark Association
- Meta, T. C. o. (2022). Third-Party Infringement. <https://transparency.fb.com/th-th/policies/ad-standards/intellectual-property-infringement/third-party-infringement/>
- NATCHAMON, S. (2018). PROBLEMS OF DETERMINING CONDITIONS OR AREAS FOR a TRADEMARK WHICH IS IDENTICAL WITH OR SIMILAR TO a REGISTERED TRADEMARK: A STUDY OF HONEST USE.
- OpenStax. *4.11 Fair Use of Trademarks - Introduction to Intellectual Property* OpenStax Organization, W. I. p. (2016). *WIPO Intellectual Property Handbook* (Vol. 2022). WIPO Pub.
- Phuangrat, Y. (1985). Who Does the Trademark Law Protect?
- Points, R. (2019). Nominative Fair Use and Other Defenses to Trademark Infringement. www.redpoints.com/blog/nominative-fair-use-and-other-defenses-to-trademark-infringement.
- Property, D. o. I. (2013). *99 years Thai Trademarks* (First ed.).
- Sellers, O. (2021). The Golden Era of Online Sales Commerce Recommends Merchants Shopee. (2022). Seller Education Hub. seller.shopee.co.th/edu/article/1596.
- Social, W. a. (2016). Revealing Latest Internet and Social Media Usage Statistics 2016. <http://www.9tana.com/node/thailand-social-stat-.2016/>.
- Son, M. (2021). South Korea: Fair Use, Non-use, and Proper Use of Trademarks. www.managingip.com/article/2a5czs6rlpkt4ayf6guf4/south-korea-fair-use-non-use-and-proper-use-of-trademarks#:~:text=Trademark%20use&text=For%20third%20parties%2C%20it%20is,of%20use%20of%20such%20goods.
- System, K. I. (2022). Trademarks.” Korean Intellectual Property Office Trademarks & Designs. www.kipo.go.kr/en/HtmlApp?c=930001&catmenu=ek04_01_01#a2_1.
- Thailand, I. P. A. o. (2022). Trademark General Knowledge <https://www.ipat.or.th/>.
- Tiktok. (2022). Community Guidelines. www.tiktok.com/community-guidelines?lang=th&fbclid=IwAR0IECXoVHHdG4YjUPsV58CmjYSqjl7FLtVpXu0oP0i3aq0vwdFEhQAFZfI#43.
- Tingsmit, W. (2002). *Explanation of Trademark Laws* (First ed.). Nititham Publishing House.
- Tongmag, M. (2020). Knowledge of Trademarks and Trademark License Agreements.
- Uffelmann, J. (2015). WD-40’s Descriptive Fair Use Defense Affirmed by the Seventh Circuit | Finnegan | Leading IP Law Firm.

www.finnegan.com/en/insights/blogs/incontestable/wd-40s-descriptive-fair-use-defense-affirmed-by-the-seventh-circuit.html.

UpCounsel. (2022). History of Trademarks: Everything You Need to Know.

www.upcounsel.com/history-of

trademarks#:~:text=The%20law%20of%20registering%20trademarks,Office%20(US PTO)%20in%201905.

Wilk, J. *Fair Enough: The 'Fair Use' Defense to Trademark Infringement* Jaburg Wilk.

Wiriyo, E. (2014). Considering Trademark Sharing Areas : Study

The use case of trademarks on physical space and trademarks on the Internet.