

Thailand Points Out Just How Hard Cancellation of a Registered Trademark Really Is!

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Whether or not we intended to, we have entered into a world that protects, and sometimes over-protects, intellectual property. Designs are made, inventions re-worked, and trademarks registered at an ever-increasing rate. Institutions not originally designed to sift through today's mountains of paperwork are burdened with more responsibility each day. Many people register their trademarks in Thailand with the Department of Intellectual Property, the general consensus being that applying for trademark protection in Thailand can only bring about beneficial results. The Board of Trademarks is assigned to hear petitions to cancel trademarks; however, it rarely orders a cancellation based on non-use. As a result, the Board leaves in its wake an insurmountable collection of unused trademarks.

Within the provisions of the Thai Trademark Act, one section details the cancellation of the registration of a trademark based on the grounds of non-use. Section 63 states:

“Any interested person or the Registrar may request the Board to cancel the registration of a trademark if either of them can prove that at the time of seeking such registration, the proprietor had no bona fide intent to use the trademark in respect of any of the goods for which it was being registered and that in reality the trademark has never in good faith been used for such goods, or it has not in good faith been so used during the three years immediately before the petition to the Board, unless the proprietor of the trademark can prove that non-use of the trademark for those goods was due to exceptional circumstances in the trade and not to any intention not to use or abandon the trademark in respect of those goods.”

Upon inspection, Section 63 appears harmless, and for all intents and purposes, it *truly* is harmless. In a recent trend of decisions, the Board has failed to set forth standards of what would constitute sufficient evidence of “non-use,” “intent to use,” or “exceptional circumstances.” Every petition that has come before the Board to cancel a trademark has been denied, with one exception. In the only case where the Board allowed the cancellation of a trademark to occur, the registrant actually came forward and told the Board that he no longer wanted to use the trademark. All other petitions to cancel a trademark have failed.

As already mentioned, Section 63 of Thailand's Trademark Act (No. 2) B.E. 2543 details a cancellation process that hardly, if ever, occurs. The Board's recent rulings have employed the assertion that if a trademark is registered, *an intent to use it* is construed. This section clearly states that to prove non-use, it must be demonstrated that the registrant had not been using the trademark with the registered goods for three years immediately preceding the filing of the cancellation petition. In many cases, there existed plenty of evidence and records demonstrating non-use of a trademark for the preceding three years. In those cases though, the Board refused to cancel the registered trademarks on the basis that the registrant *might still have the intent* to use it. Even in a case where the latest renewal of a trademark was in 1991, the Board denied the petition *because an intent to use* the trademark could still be construed. This current trend frustrates companies because they cannot successfully petition to cancel an unused, but prior registered trademark that is in conflict with their proposed mark.

Section 63 states that the Board does not have to cancel the registration of a trademark if the registrant can prove that the non-use of the trademark was due to "exceptional circumstances." A possible explanation of exceptional circumstances might be that the business underwent severe financial hardship and use of the trademark was financially impossible for the preceding three years. Yet another explanation might be that a company had been saturating other markets with the product and had not yet had the opportunity to fully market their product in Thailand. As of the latest rulings, however, the Board has not defined what would be viewed as exceptional circumstances. Without such a standard, the Board will continue to allow *any circumstance* to be considered an "exceptional circumstance." Only an appeal to the IP&IT Court will determine what could be gleaned to be an "exceptional circumstance."

Another aspect of the provision that "non-use of the trademark is due to exceptional circumstances" is that it appears to be blanket clause. It strands companies wanting to register their marks because it leaves no room to cancel unused trademarks

Another pressing concern that exists is that the registrant of a trademark is not required to file a response to a cancellation petition of their trademark. If a response to a cancellation action is not filed, the logical deduction would be that the holder of the registered trademark either: a) no longer wishes to continue utilizing the trademark, b) no longer is in business, or c) no longer is alive. By not requiring a response to be filed, the Board allows for the perpetuation of *unused* trademarks. It seems perplexing that even though the registrant of a trademark does not care enough to reply to a cancellation action, the Board still assumes intent by the owner to use the trademark.

Case Study: The petitioner, Orica, applied for the cancellation of the trademark WALPAMUR registered by Akzo Novel Decorative Coatings Ltd. Despite Australian-based Orica's application to register the trademark WALPAMUR in Pakistan, Malaysia, India, Indonesia, Singapore, US, Vietnam, and Taiwan, the Board rejected the petition to cancel Akzo's trademark for several reasons. However, although the Board acknowledged that Akzo did not file a response to the cancellation action, it refused to construe such failure to act as having registered the trademark in bad faith.

Without a doubt, an appeal should be made to the Intellectual Property and International Trade (IP&IT) Court. The IP&IT Court could then set forth an applicable standard as to what criteria would meet the standards of non-use, intent to use, and exceptional circumstances. The only way to ever know what will constitute *sufficient evidence* would be for the IP&IT Court to set standards.