

SEASON'S GREETINGS



Dear Clients & Colleagues,

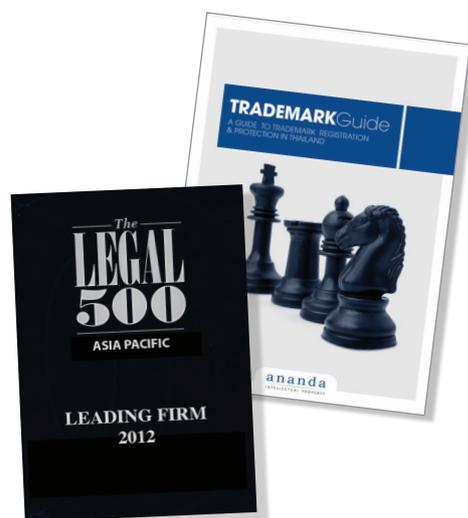
We at Ananda IP would like to thank you for being a part of our inaugural year. Because of your support, we end the year with an outstanding recognition by Legal 500.

We are extremely honored to be listed among Thailand's Leading IP Firms by Legal 500 Asia Pacific, 2012 edition.

In continuing our quest to inform and educate, we have created a Trademark Guide for Thailand which you can download from our website. Additional IP-related guides will be added to our website throughout 2012.

We look forward to serving you and wish you a Merry Christmas and a Happy New Year! With best regards,

The Ananda IP team.



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INTELLECTUAL PROPERTY IN THAILAND: A YEAR IN REVIEW

By Franck Fougere

Thailand's new government, led by Prime Minister Yingluck Shinawatra, assured the IP industry that promotion and enforcement of intellectual property rights would remain a key policy in the new administration. Thailand's Creative Economy policies initiated by previous government are expected to continue.

Enforcement

At a recent meeting of representatives from US and European industries with Thailand's enforcement authorities, the Director General of Department of Intellectual Property (DIP) highlighted some statistics for 2011.

The Royal Thai Police and the Department of Special Investigation (DSI) conducted **4,500 raids and seized over 2 million items between January and September 2011**. The Customs Department conducted 457 raids and seized 250,000 items during the same period.

Tourists markets, are one of the most visible sides of IP infringement in Thailand, also received much attention. A highly publicized police raid took place in Phuket on May 23, 2011 in which over 1,300 counterfeit items (bags, belts, glasses and watches) were seized and three suspects were arrested.

On August 29, 2011 the the Crime Suppression Division of Royal Thai Police publicly destroyed over 1.2 million items with an estimated value of 100 million USD.

Legislative changes

Amendments to Copyright Act and to Trademark Act are expected in 2012. It is expected that anti-camcording provisions should be incorporated into the Copyright Act. The Trademark Act will likely be revised to allow for

Thailand's adhesion to Madrid System, which is expected within two years.

The Department of Intellectual Property is also working to amend the Patent Act in hopes of solving the backlog of patent applications. The DIP is also working on an amendment to the CD Production Act.

Industry views

Pharmaceutical industry has repeatedly voiced concerns over data exclusivity protection and Thailand's interpretation of Article 39.3 of TRIPS on compulsory licensing. The issue of data exclusivity centers on generic drug manufacturers' attempts to rely on previously filed data to support generic manufacturers' FDA applications. Thai laws and regulations need further clarification on how pharmaceutical clinical data can be protected under Trade Secret Act (2002)¹. Pharmaceutical companies are engaged in a constructive dialogue with Thai authorities on this matter. The ideal solution would preserve the interests of both the pharmaceutical industry and consumers' need for affordable medicine.

The cosmetic, food, and beverage industries are concerned about the current interpretation of a Trademark Act provision. The interpretation does not provide adequate protection against refilling legitimate containers with fake products. Although criminal actions can be brought for "passing off" products for violation of the excise law (for selling without license), fines are too minimal to have any real deterrent effect. More importantly, refilling practice pose a serious health risks to consumers and should quickly addressed.

¹See our following article on Trade Secrets.

PROTECTION OF TRADE SECRETS IN THAILAND

By Prich Kasettham and Franck Fougere

We recently received inquiries about trade secret protection in Thailand in relation to food supplements (and weight loss products). A certain company queried the effectiveness of using a confidentiality agreement for trade secret protection (of a key manufacturing process) in the context of entering into a manufacturing agreement with a local firm. Below we present issues to consider when seeking trade secret protection in Thailand.

Scope of protection of trade secrets

Trade secrets are protected in Thailand by the Trade Secret Act B.E.2545 (2002). Under the Act, "trade secrets" means trade information not yet publicly known or not yet accessible by persons who are normally connected with information the commercial value of which is derived from its secrecy. The owner of such trade information must have taken appropriate measures to maintain the secrecy about the information for it to qualify as a «trade secret» under the Act. The Act provide specific protection of trade information such as formulas, patterns, compilations, assembled works, programs, methods, techniques, and processes.

Confidentiality agreement vs. registration

The Trade Secret Act provides protection for trade secrets without the need for registration. However, the Act protects trade information as trade secrets only if confidentiality is strictly maintained. As a result, it is imperative that trade secret non-disclosure and non-use clauses (such as confidentiality clauses) be included in all agreements governing the use of such trade secrets. Such agreements may take the form of, but are not limited to, employment agreements, licensing agreements, and manufacturing agreements. The failure to appropriately protect trade secret confidentiality can affect enforcement of any protection the Act may provide. Confidentiality provisions must precisely describe confidential information.

Descriptions that are too vague or too general may not be enforceable.

In addition to non-disclosure agreements and confidentiality provisions, owners of trade secrets may also record the trade secret with the Department of Intellectual Property (DIP). Such recordation may be helpful to establish evidence of ownership of the trade secret. In practice, trade secrets owners are reluctant to record trade secrets because they try to limit disclosure of such confidential information as much as possible. This is especially true in cases where such confidential information or know-how is of high commercial value.

In some cases the best protection for a trade secret is to file a patent. Patent protection is most practical in cases where reverse engineering or product analysis is likely to lead to the discovery of the trade secret. Patent ownership provides strong protection for the trade secret but is limited to only 20 years.

It is prudent for trade secret owners to consider all options of trade secret protection on a case-by-case basis.

Enforcement

Disclosure, deprivation, or use of a trade secret without the consent of the owner in a manner contrary to honest trade practices is considered an infringement under the law.

Where there is clear evidence that a trade secret infringement has been committed or is imminent, the affected or imminently to be affected owner of a trade secret can 1) petition the court for an interim injunction or 2) file an action in the court for a permanent injunction in order to permanently stop the infringement and claim damages from the wrongdoer.

In addition to civil remedies, criminal penalties are available under Thailand's Trade Secret Act: up to one year in prison and/or a fine of up to 200,000 Baht (6,600 USD).

ANANDA IP NEWS

PUBLICATIONS

- A Guide to Trademark Registration and Protection in Thailand, December 2011,
by Franck Fougere and Prich Kasettham

CONFERENCES AND SEMINARS

- "Counterfeiting: Fake Products, Real Dangers", October 18, 2011, Maison du Droit Hanoi, Vietnam
by Claudio Dordi, Michel Strobel, and Franck Fougere



RANKINGS

Leading firm 2012 Legal 500 Asia Pacific 500
Leading Individual Intellectual Property: Franck Fougere
Leading Individual Legal Market Overview: Franck Fougere

IN THE NEWS

Franck Fougere was designated Vice-Chairman of the Europe-ASEAN Business Center (EABC)
Working Group on Intellectual Property Rights.

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