PROTECTION OF WELL-KNOW MARK AGAINST TRADEMARK DILUTION IN THAILAND

การคุ้มครองแก่เครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายในกรณีที่ถูกทำให้เสื่อมเสียคุณค่าในประเทศไทย

Ms. Orachoon Boonyakiat

ABSTRACT

Now a day, the legal protection for well-known marks has been expanding to cover the protection not only against the unauthorized use of a similar or identical trademark by another person, which cause the public consumers to be misled or confused on the origins or sources of the goods but the law has also expanded to cover the protection against the unauthorized use of a trademark that is identical with or similar to a famous mark in a way that would lessen the distinctive quality of such trademark. In other word, traditional trademark law on confusion-based liability aims to ensure consumer protection, and the protection of the quality of information transmitted to consumers. On the other hand, the traditional trademark law on confusion-based liability has expanded to cover the concept of dilution-based liability in order to protect trademarks as a property right, by securing an investment from the trademark owner to establish and promote such strong mark.

For example, let us consider the use of a trademark, which is similar to or identical with the famous Kodak Trademark for cameras, by another party for a completely non-competing product such as pianos or bathtubs. In this case, Kodak by Eastman Company would not be successful in filing the claim under traditional trademark law because the related law in such situations requires that an unauthorized party sell goods that are directly competitive with, or at least related to, those goods sold by the trademark owner, in order to constitute confusion-based liability.

*น.ม. (กฎหมายธุรกิจ) มหาวิทยาลัยธรรมศาสตร์. E-mail: boonyakiat.mook@gmail.com
The concept underlying the trademark dilution doctrine is based on the protection of producers, traders or manufacturers because under this doctrine, a trademark has been viewed as a valuable asset of the trademark owner. As the trademark owner has invested massive amounts of money and put considerable effort in making the mark highly distinctive and famous. The law seeks to prevent diminution in the value of a famous mark from the unauthorized uses of other marks, even when consumers are not confused as to the source of the goods or services. This is because the trademarks that are identical with or similar to the famous mark have been used in non-competing markets. Such use can diminish or dilute the mark’s selling power and distinctive value because the mark is no longer associated with a single source.

In Thailand, although a well-known trademark has long been protected and in practice, there are many dilution-like cases which the well-known marks are protected against trademark dilution by the determination by the court but there is no legal provision explicitly specifying the protection of well-known marks in the Trademark Act.

Therefore, this Article suggests that it is an appropriate time for Thailand to amend and incorporate an anti-dilution law in the Trademark Act, in order to protect the benefits of consumers, and to promote fair competition for traders, and especially the owner’s of famous/well-known marks in Thailand, by entitling them to impose civil liabilities against trademark dilution.

บทคัดย่อ

ในปัจจุบัน กฎหมายคุ้มครองเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายได้มีการขยายขอบเขตการคุ้มครองให้รวมถึงการคุ้มครองเครื่องหมายการค้า แม้เครื่องหมายการค้านั้นจะจัดอยู่ในสินค้าคนละจ้าพวกกัน กล่าวคือ หลักการทั่วไปเครื่องหมายการยื่นได้รับความคุ้มครองโดยทำหมั่นให้บุคคลอื่นใช้หรือจดทะเบียนเครื่องหมายการค้าที่เหมือนหรือคล้ายกับเครื่องหมายการค้าที่จดทะเบียนแล้ว โดยคำว่าเหมือนหรือคล้ายนั้นถูกกำหนดขอบเขตให้เหมือนหรือคล้ายในกรณีที่เครื่องหมายการค้าที่เหมือนหรือคล้ายกันหรือจดทะเบียนใกล้เคียงกันเท่านั้น อย่างไรก็ตามสำหรับเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายนั้น ยอมให้รับความคุ้มครองทางกฎหมายแม้เครื่องหมายการค้านั้นจะถูกนำมาใช้ในสินค้าคนละจ้าพวกกัน

ตัวอย่างเช่นการใช้เครื่องหมายการค้าที่เหมือนหรือคล้ายกับเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลาย โกดัก(Kodak) ซึ่งจดทะเบียนไว้สำหรับสินค้าจำกัดกลุ่มอุตสาหกรรมที่สินค้า
ต่างจากความ เช่น สุขภัณฑ์ อ่างอาบน้ำ หรือเปียโนนั้น โดยหลักกฎหมายทั่วไป เกี่ยวกับการทำ การใช้เครื่องหมายการค้า สำหรับการอ้างอายนั้นเป็นการทำให้เครื่องหมายการค้าก็มีสิ่งค้างค้างและ จำพวกเป็นสิ่งค้าที่ไม่มีการแพร่หลายทางการค้าเพื่อกัน จึงไม่ข้ามข่ายที่จะทำให้สาธารณะเข้าใจ เกียรติและความมั่นคงได้ แต่ตามหลักการคุณครองเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายนั้น แม้จะเป็น การใช้เครื่องหมายการค้ากับประเภทสินค้าต่างจากกันย่อยเรียกได้ว่าเครื่องหมายการค้านั้น จะมีเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายโดยทำให้เครื่องหมายการค้าที่มีชื่อเสียง แพร่หลายนั้นเสมอกัน เหลือเพียงคุณค่าที่สะสมชื่อเสียงทางธานี กล่าวคือหลักของการคุณครอง เครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายนั้นต้องการให้เครื่องหมายการค้าอย่างนั้น ซึ่งได้มาจากความ ชื่อเสียงและความมั่นคงที่สะสมชื่อเสียงทางธานีร่วมกับการลงทุนที่สูงเพื่อสร้างแบรนด์สร้าง สมความมีชื่อเสียงได้ต่อเครื่องหมายการค้านั้น เนื่องเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลาย ได้รับการยอมรับเป็นตราจังหวะแพร่หลาย ลูกค้าจะมีความกังวลต่อแบรนด์ ทำให้เมื่อมีผู้อื่นนำ เครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายไปใช้ ประชาชนจึงไม่เพียงเกิดความสับสนเผยแพร่หลัก มานี้ จะมาความมั่นคงหลักนั้นจะปรากฏในความชื่นชอบจากลูกค้าเสมอ แม้จะเป็นการใช้เครื่องหมายการค้าที่เป็น สินค้าต่างจากกัน

ในประเทศไทยนั้น แนวคิดจะขยายความขึ้นของความเหมือนคล้ายให้กว้างขึ้นเพื่อให้ ความคุณครองแก่เครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายในกรณีที่ถูกทำให้เสื่อมเสียคุณค่า (Dilution) ในหลายครั้น แต่ตามอย่างไรก็ตาม เป็นพบว่ามีสิ่งที่ทำให้ก้าวพ้นนั้น ขอบเขต หรือ หลักการให้ความคุณครองในพระราชบัญญัติเครื่องหมายการค้าฉบับปัจจุบัน ที่มีเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายเพิ่มมากขึ้นโดยเฉพาะเครื่องหมายการค้าของคน ไทยเอง ดังนั้น บทความฉบับนี้ จึงเห็นว่าสมควรแก้แล้วแต่ที่ประเทศไทยและพระราชบัญญัติ เครื่องหมายการค้าฉบับปัจจุบัน จะได้รับการแก้ไขเพื่อให้หลักการให้ความคุณครองเครื่องหมายการค้า ที่มีชื่อเสียงแพร่หลายในกรณีที่ถูกทำให้เสื่อมเสียคุณค่า (Dilution) มาใช้ เพื่อส่งเสริมให้ ผู้ประกอบการ โดยเฉพาะเจ้าของเครื่องหมายการค้าที่มีชื่อเสียงแพร่หลายได้รับความคุ้มครองการทำ ได้เพื่อประโยชน์ดังนั้นผู้ประกอบการชาวไทยและประเทศไทยในทางเศรษฐกิจที่มั่นคงต่อไป

Introduction

Trademark dilution is the legal theory which imposes liability against any person who undertakes an unauthorized use of a trademark that is identical with or similar to a famous mark in a way that would lessen the distinctive quality of such trademark. The

The concept underlying the trademark dilution doctrine is based on the protection of producers, traders or manufacturers because under this doctrine, a trademark has been viewed as a valuable asset of the trademark owner. As the trademark owner has invested massive amounts of money and put considerable effort in making the mark highly distinctive and famous. The law seeks to prevent diminution in the value of a famous mark from the unauthorized uses of other marks, even when consumers are not confused as to the source of the goods or services. This is because the trademarks that are identical with or similar to the famous mark have been used in non-competing markets. Such use can diminish or dilute the mark's selling power and distinctive value because the mark is no longer associated with a single source.\(^2\)

In Thailand, a well-known trademark has long been protected since promulgation of the Trademark Act B.E 2474. Although the 2474 Act also had no provision explicitly specifying the protection of well-known marks and although at that time Thailand was not a party to the Paris convention,\(^3\) if the owner of a well-known mark could show that his trademark had established reputation or fame among Thai general public consumers, his well-known trademark would be protected and he might seek civil liability against the unauthorized registration or unauthorized use even though the third party’s trademark was in different class. Besides, in practice, there are many dilution-like cases which the well-known marks are protected against trademark dilution by the determination by the court.

However, although trademark dilution doctrine is an acknowledged theory among scholars and legal practitioners in the trademark field, such doctrine is not mentioned anywhere in Thai trademark law. The Thai Trademark Act only refuses trademark registrations in situations where the trademark is identical, or confusingly similar, to a

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prior registered trademark or a well-known mark that is under a type of mark which is either similar or in a related class. In 1999, some practitioners brought the issue of the dilution doctrine before the court. However, the court was reluctant to acknowledge the dilution doctrine, as evidenced by the IP&IT Court's judgment no. 72/2542 which states that “the dilution doctrine is a theory which views trademark laws as property rights. However, Thailand bases its trademark laws on confusion-based liability, and in addition, Thailand adopts a system of Civil Law. Therefore, it is not the duty of the court to implement this theory, which is a US federal law, but instead, it is the duty of the administrative sector.”

Consequently, in the process of the amendment in year 2000, the amendment of the Thai Trademark Act in 2000 was not adopted to include the anti-dilution doctrine, but rather the administrative sector included protection of well-known mark in the Trademark Act and instead of including the principle of trademark dilution law. Thus, there is no provision which imposes civil liability for trademark dilution in Thailand. The language of the existing Trademark Act B.E. 2543 (as amended) is insufficient to deal with cases involving issues relating to dilution.

Therefore, from the author's perspective, it is an appropriate time for Thailand to amend and expand the scope of confusion-base liability by incorporating an anti-trademark dilution provision in the Trademark Act, in order to protect the benefits of consumers, and to promote fair competition for traders and especially the owner's of famous/well-known marks in Thailand, by entitling them to impose civil liability against trademark dilution.

2. The Nature of Trademark Dilution

2.1 The Origin of Trademark Dilution

Now a day, trademark or brand has become the most important tools, the business company use to communicate with consumer. Once the brand becomes famous and well known, it will generate huge sales volumes and profit. It is every trader's ambition to be able to compete and gain market share in a large consumer market. However, in order to achieve this goal, they would have to spend a lot of time and money creating such a well-known, famous and strong brand. To make a strong brand require hard work, times and money as to build the strong brand, the business
company has to build its consumer. The strong brand is the one that have quality which
draw attention to consumer and contain sale power in its appearance.

For example, in order to be successful in their business, create reputation,
and finally become a well known or famous mark in the global market today, traders
have to use many marketing strategies in order to compete with other brands that
already exist in the market. Some build their brand by maintaining the good quality of
their products, while others may use and rely on a supporting marketing program and
integrate the brand through, for example, the use of advertisements.

However, these strategies will consume a significant amount of time and
money. Some brands use number of years before consumers become associated and
loyal to the brand, such as Coca-Cola, MAMA, MK restaurant, S&P, etc.4

Consequently, some traders wish to gain benefits in the general public
market, but do not want to spend time, or invest massive amounts of money. These
traders are crafty enough to know about gaps in the law, and create ways which allow
them to cash in from using an association with other entities that are already famous, or
use other associations which are indirectly transferred to their brand. This strategy is
called as ‘me-too’ marketing. In the case of dilution, some traders use the me-too
strategy for non-competing markets, in order to enter their chosen market by using gaps
in traditional trademark laws, which therefore leads to unfair competition. The court in
L’Oreal SA v. Bellure,5 viewed this kind of free-riding activity as “a wink of an eye to
existing branded products to make it sell easily for those who recognize it.”

During and before the 19th century, a court often determined confusion only
when a junior trademark, which was similar or identical to a senior trade mark, was
authorized to be used in a competing market, by holding that infringement could only

4 See Being MAMA brand today, http://www.utcc.issariyapat.com/ sites/default/files/
SEMINAR__ GURU__2.pdf; see also สูตรปั้นแบรนด์ไทยติดตลาดโลกฝั่งสานธุรกิจ
ร้านอาหารเครือ S&P (Strategy make Thai brand gain billion income from the perspective
of restaurant business with S & P), http://www. manager.co.th/mgr Weekly / View News

occur when the plaintiffs and defendant's goods or services competed in the same market.  

However, due to economic developments, producers not only focused on their brand marketing, but also began to diversify their market into multiple products lines. Some even began to expand their business by giving licenses to, or sponsoring, other affiliations to manufacture their products. This economic expansion has also expanded the perspective of legal protection.

Therefore, after the decision in the Kodak Case in 1888, the court and scholars seem to find a way to interpret and develop more extensions to traditional trademark law. Lukens advocated that:

“as firms began to diversify into multiple product lines, it becomes increasingly important to be able to protect existing marks for future use in new product markets. To do this, a firm had to be able to stop others from using its mark in the new market before it entered, and this necessitated extending Trademark protection to Non-competing goods”

On the one hand, the scholars and courts developed the expansion of confusion-based liability itself so that it had a broader scope, such as the theory of confusion of sponsorship, or confusion of association. Modern courts require that goods be "related", although not necessarily competing, in order to constitute a trademark infringement. When products appear to be unrelated, courts may turn to the concept of sponsorship.

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confusion. However, on the other hand, the dilution theory has been adopted in many statutes and decisions during the 19th century.

For instance, the US congress has adopted and specified a policy of trademark dilution whereby: “the concept of Dilution recognizes the substantial investment, the owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who would appropriate the mark for their own gain”.

Accordingly, traditional trademark law on confusion-based liability aims to ensure consumer protection, and the protection of the quality of information transmitted to consumers. On the other hand, the concept of dilution-based liability has been developed in order to protect trademarks as a property right, by securing an investment from the trademark owner to establish and promote such strong mark.

Thus, for traders, traditional trademark law will not cover this action because trademark dilution, by way of blurring and tarnishment, will generally be used by a junior in non-competing goods or services, and traditional trademark law views such action as non-confusing use, or use in non-competing goods which does not cause consumer confusion as to the source of the goods, because the junior trademark is used to infringe a trademark in a non-competing market.

Traditional trademark laws aim to protect trademarks from infringement, or being passed off, through confusion-based liability, particularly in cases where consumers have been misled, or confusion has arisen, as to the sources or origins of the goods or services, in order to protect the quality of the information transmitted to consumers.

10 McCarthy, supra note 6, § 24:7 (Daniel Klerman, Trademark Dilution, Search Costs, and Naked Licensing, 74 Fordham L. Rev. 1761, n.7 (2006)).


Traditional trademark laws only permit trademark holders’ protection to the extent that consumers are actually, or likely to become, confused. The law provides a confusion test to determine whether the use of a similar or identical trademark, when applied to specific goods or services, could be confused with another mark that is used for the same or a related type of goods or services.

Because of the free market system in existence today, consumers can easily shift to a competitor’s products or brands. Therefore, almost every company will invest huge sums of money in brand advertisements, improving their product quality, building strong brands by communicating positive and unique brand identities to consumers, or even adjusting their products’ trade dress and trademark because the more distinctive and famous the trademarks, the more powerful the brand will become, and thus, the more the trademark can gain in terms of consumers association and brand royalties, a dynamic Frank Schechter viewed as being “the selling power of the mark.”

In Schechter’s view, the true functions of a trademark is to identify the product as being satisfactory, thereby stimulating further purchases by the consuming public. The changing of the economic system, coupled with extensive reliance on advertising, has transformed a trademark from “a symbol of good will, to an agent for the actual creation and perpetuation of good will.” Hence, a trademark is not simply the source indicator or symbol of good will of the trader, but the trademark actually sells the goods. In 1927, Schechter advocated in his research article “The Rational Basis for Trademark Protection” that:

“the real function of a trademark is to identify a product as satisfactory and thereby stimulate further purchases by the consuming public.”

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16 Frank I. Schechter, Trade Morals and Regulation: The American Scene, 6 Fordham L. Rev. 190, 204 n. 42 (1937).
18 Welkowitz, supra note 1, at n. 8.
19 Id.
In Schechter’s idea, the real injury to a trademark is “the gradual whittling away or dispersion of its identity”, and therefore preservation of this uniqueness of a trademark should be the only rational basis for the protection of a Trademark. Later on, this cause of action became known as Dilution by Blurring.

Accordingly, traditional trademark law will view that such non-confusing use can create severe problem to both consumers and traders in a similar manner to the harm caused by infringement. On the other hand, if a junior trademark tarnishes or uses a trademark that is identical, or similar, to the senior well-known trademark in a competing market, and causes negative attitudes toward the senior brand in minds of the consumers, then the senior trademark still has legal protection under traditional trademark law. However, for trademark dilution cases where the junior trademark uses a similar or identical trademark for non-competing goods, the law needs to expand the scope of protection to include non-competing goods, in order to cover trademark dilution in practice.

Hence, from a legal standpoint, trademark dilution creates severe problems for trader, as they suffer from unfair competition or free ride on the senior trademark reputation because trademark dilution widens the gap with regard to traditional trademark law, both with respect to either passing off or infringement, because both of them base their determination of protection for well-known mark on confusion-based liability, whereas there is no consumer confusion in trademark dilution cases. Therefore, if the laws do not advance in line with the pace of current economic advancement, the traders, and especially with respect to owners of famous marks, will gradually lose legal protection for their trademark which they have put so many efforts to create.

2.2 Types of Dilution

2.2.1 Dilution by Blurring

Blurring is derived from Schechter's proposal, which is the reduction in a mark's "selling power" or "advertising value", or the "whittling away" of a mark's distinctiveness, which weakens the distinctive quality of a famous mark. This is the traditional notion of dilution i.e. the use of an identical or virtually identical mark on goods or services that may be completely different and unrelated to the plaintiff's

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20 Id.
products or services. The belief is that a mark that is highly similar or identical to the plaintiff’s unique, distinctive and well-known mark can detract from consumers’ strong association of the plaintiff’s mark with the plaintiff’s goods and services, thereby lessening the strength or value of the plaintiff’s mark as an identifier of its goods or services.

2.2.2 Dilution by Tarnishment

A claim for trademark dilution by tarnishment occurs when the unauthorized use of a trademark for goods of an inferior, immoral or unwholesome character, or in an unwholesome, offensive or degrading context, may tarnish the reputation of the trademark. In this situation, the trademark’s reputation diminishes when the public attributes the undesirable characteristics of the defendant’s goods to the plaintiff’s goods. In contrast to blurring, tarnishment has not originated from Schechter’s formulation of trademark dilution. Tarnishment is referred to as the unauthorized use of a trademark that portrays the famous mark in a way that creates negative associations, undesirable, un-wholesome, or unsavory mental associations, and results in damage to the reputation of a famous mark. Tarnishment usually weakens the famous mark through inappropriate or unflattering associations, or through the use of a similar mark, or term that plays on one’s mark, which may be associated with sexual or offensive content, and which have subject matter that is contrary to, or critical of, the mark owner and its beliefs or philosophies, in order to lead customers of the mark owner to directly criticize, or attack, the mark owner or their products/services.

3. Protection of Well-known Mark against Trademark Dilution under International Trademark Law and in Foreign Countries

3.1 Protection of Well-known Mark against Trademark Dilution under International Trademark Law

Under the international standard, the Paris Convention is the basic source of international protection for all forms of intellectual property, including trademarks. Many countries protect well-known or famous marks in accordance with their international obligations under the Paris Convention for the Protection of Industrial Property (1883) as amended in article 6bis of the Paris Convention provides additional
protection for well-known marks. Including, the Agreements on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement provisions which diverge from those contained in the Paris Convention.\(^ {21}\) The TRIPS Agreement provides extension of protection of well known trademark to service marks in Article 16.2; and the protection against Dilution in Article 16.3\(^ {22}\).

The TRIPS Agreement introduces a significant change in the traditional protection of a well-known mark, as Article 16.3 does not require similarity and provides protection that extends beyond the normal protection under the principle of specialty, as it stated that:

“Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in the respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark, and provided that the interest of the owner of the registered trademark are likely to be damaged by such use.”

Article 16.3 provides protection under Article 6 bis of the Paris Convention, and is applicable to goods and services which are not similar to those in respect of which a trademark is registered on two conditions:

(i) the use of the allegedly infringing mark, in relation to those other goods or services, would indicate a connection between those other goods or services and the owner of the famous mark; and

(ii) the interests of the owner of the famous mark are likely to be damaged by such use.

According to the first condition above, Article 16.3 deals with the protection of well-known mark which is beyond the scope of consumer confusion, because the article extends to a likelihood of association.

As Carvalho\(^ {23}\) mentioned in his book, Article 16.3 protects well-known marks against parasitic behavior in the sense that other traders may wish to gain from


\(^{22}\) Id. at 139

\(^{23}\) Carvalho, supra note 21, at 375-376.
the notoriety that a well-known trademark has acquired in connection with certain products or services, in order to commercialize dissimilar products or services. Well-known marks must be protected against their generalized use, even if for dissimilar products or services, that is, even if there is no likelihood of creating confusion that may lead consumers to buy products or services they did not wish to buy. The reason is that the generalized use of a mark may cause the strength of that mark to be "diluted," that is, to be weakened.

Hence, Article 16.3 would arguably embody the trademark dilution doctrine, because this Article also expands its protection to cover dissimilar goods, and it does not require confusion or likelihood of confusion. Instead, Article 16.3 is triggered by the indication of a connection between the goods or services designated by a trademark and the owner of the well-known trademark. However, the concept of protecting well-known/famous marks against dilution is still not well defined, and this has resulted in difficulties in reading and interpreting Article 16.3 as;

(i) it is difficult to argue whether Article 16.3 is unequivocally an anti-dilution measure.

According to Gervais’s perspective,24 Article 16.3 require consumers to be protected against the confusing use of a well-known marks, in relation to dissimilar goods, and therefore, the owner of such mark shall be afforded anti-dilution rights that do not depend on consumer confusion. However, Article 16.3 still requires that, as a minimum standard, parties basing liability for a defendant’s use of a well-known mark on dissimilar goods or services, must find such connection with the trademark.

In Carvalho’s perspective, the purpose of Article 16.3 is to avoid confusion between trademarks with a well-known mark, rather than confusion with products or services, as under Article 6 bis of the Paris Convention. Although, Article 16.3 dose not clearly require parties to afford specific anti-dilution protection, nonetheless, this Article could be considered to be affording an anti-dilution provision, and may provide even higher protection than an anti-dilution provision because Article 16.3 is related to


25 Id.
protection of the reputation and capture of prestige, rather than distinctiveness in respect to the dilution doctrine, and even where the use of the well-known mark associated with dissimilar goods or services does not put the distinctive capacity of the trademark at risk, Article 16.3 is still applicable.  

(ii) Although Article 16.3 requires parties to protect ‘well-known’ trademarks, it does not mandate anti-dilution protection.

This topic is controversial because the TRIPS Agreement is not well defined as to whether it obliges WTO members to provide anti-dilution protection in accordance with Article 16.3, and whether this is a different issue from what Art.16.3 requires as a minimum standard of protection. There are some countries which have interpreted it to mean that they must comply, and that it surpasses its TRIPS obligations to adopt a dilution doctrine in their domestic law, such as Australia, Vietnam, Japan and US. However, other countries have interpreted Article16.3 to mean that it does not require parties to afford specific anti-dilution protection in their domestic law, but they are still implementing the dilution doctrine in their domestic trademark law, such as Singapore, UK and the European Union member countries, which implemented the doctrine under the EC Trade Marks Directive.

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26 Carvalho, supra note 21, at 337.
3.2 Protection of Well-known Mark against Trademark Dilution in the US

In the US, the anti-dilution law was first established under state statutes, under which many states have different perspectives of protection and thus, implement different scopes for such anti-dilution law. Later, in 1995, the US Congress passed the Restatement (Third) of Unfair Competition which recognizes dilution as a doctrine of trademark protection.\(^{30}\)

Trademark dilution under unfair competition law in the US is stipulated under the Restatement (Third) of unfair competition. The Restatement recognizes dilution as a branch of an unfair competition action. However, it should be noted that by virtue of this Section,\(^ {31}\) the Restatement permits anti-dilution protection only when there is a statute

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\(^{30}\) Welkowitz, supra note 1, at 5.

\(^{31}\) US Restatements(Third) of Unfair Competition (1995) § 25:

[L]iability without Proof of Confusion: Dilution and Tarnishment” as follows:

(1) One may be subject to liability under the law of trademarks for the use of a designation that resembles the trademark, trade name, collective mark, or certification mark of another without proof of a likelihood of confusion only under an applicable anti-dilution statute. An actor is subject to liability under an anti-dilution statute if the actor uses such a designation in a manner that is likely to associate the other's mark with the goods, services, or business of the actor and:

(a) The other's mark is highly distinctive and the association of the mark with the actor's goods, services, or business is likely to cause a reduction in that distinctiveness; or

(b) The association of the other's mark with the actor's goods, services, or business, or the nature of the actor's use, is likely to disparage the other's goods, services, or business or tarnish the images associated with the other's mark.

(2) One who uses a designation that resembles the trademark, trade name, collective mark, or certification mark of another, not in a manner that is likely to associate the other's mark with the goods, services, or business of the actor, but rather to comment on, criticize, ridicule, parody, or disparage the other
that provides for such protection. Hence, the later Federal Trademark Act also includes a
trademark dilution provision as a branch of an unfair competition action.

In 1995, the US Congress passed the Federal Trademark Dilution Act (FTDA), which set forth the basis of the trademark dilution doctrine by amending Section 43 of the Trademark Act 1946 (Lanham Act). The purpose of implementing the FTDA was to expand the scope of protection for famous marks, by creating a federal cause of action against those who make commercial use of a famous trademark in such a manner that it dilutes the distinctive quality of the mark, even in the cases where there is no likelihood of confusion, in order to meet its international obligations under the TRIPS Agreement.

Accordingly, Section 43 (c), 15U.S.C. § 1125 (c) states that:

"(1) the owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark,"

In addition, in order to understand what constitutes dilution, the Lanham Act Section 45, 15 U.S.C § 1127 defines the dilution cause of action as follows:

or the other's goods, services, business, or mark, is subject to liability without proof of a likelihood of confusion only if the actor's conduct meets the requirements of a cause of action for defamation, invasion of privacy, or injurious falsehood.


35 15 U.S.C § 1127:

[T] he owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes
“the term ‘dilution’ means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of;
1. competition between the owner of the famous mark and other parties; or
2. likelihood of confusion, mistake or deception”

Hence, under the FTDA, in order to impose civil liability against a cause of action relating to trademark dilution, a plaintiff must show the following: 36
   i. Its trademark is famous;
   ii. The defendant is making commercial use of its trademark;
   iii. What usage started after the plaintiff’s mark became famous; and
   iv. What caused the ‘dilution of the distinctive quality’ of the plaintiff’s mark.

However, the trademark dilution doctrine in the US is very new compared to other causes of action. At first, the judges and legal practitioners seemed to be reluctant to use such doctrine, because of the unclear provisions of the FTDA, and some judges preferred to rely on traditional trademark grounds. Due to the controversial arose among several federal circuit courts over the proper interpretation of the FTDA’s requirement for the owner of a trademark who seeks liability under a dilution claim, due to the actual language of the FTDA which requires that a court consider the language of the statute in relation to the following provision: “causes dilution of the distinctive quality of the famous mark.” 37 Some circuit courts interpreted this provision to mean that it only requires the likelihood of dilution, while other courts interpreted it to mean that it requires actual dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection...

The Term “Dilution” means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of...

(1) Competition between the owner of the famous mark and other parties, or Likelihood of confusion, mistake or deception.

36 Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998)
dilution. Later, the law has improved in accordance with the problems which have arisen in practice in respect to the Federal Trademark Dilution Revision Act (TDRA).  

Accordingly, the TDRA amended the Trademark Act of 1946 by revising provisions relating to trademark dilution. The law entitles the owner of a famous mark that is distinctive to an injunction against another person who commences commercial use of a mark or trade name, after it has become famous, in a manner that is likely to cause dilution by blurring or tarnishment, regardless of the presence or absence of actual or likely confusion, competition, or actual economic injury.

Besides, incorporating a new provision for a dilution defense as ‘fair use’, and other factors proving dilution claim, which will be discussed later in this thesis, the TDRA has also made significant changes from the previous FTDA, and intends to clarify the following controversial areas:

a. The TDRA expressly defines two types of dilution;

Prior to the enactment of the TDRA, some courts held that the only actionable dilution was dilution by blurring. Thus, dilution by tarnishment was not actionable. The TDRA provides that both dilution by blurring and dilution by tarnishment are actionable, as it divides dilution into two distinctive categories, as follows:

(1) Dilution by blurring

Dilution by Blurring refers to the classical action proposed by Schechter as “the gradual whittling away or dispersion of its identity.” Under Section 43(c) of the TDRA, dilution by blurring means

“An association arising from the similarity between a mark or trade name and a famous mark”

(2) Dilution by tarnishment

Dilution by tarnishment is defined under Section 43(c) of the TDRA as “an association arising from the similarity between a mark or trade name and a famous mark, that harms the reputation of the famous mark.”

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Accordingly, the court in Pfizer Inc. v. Sachs,\(^41\) noted that:

‘while Blurring is mainly concerned with the protection of a famous trademark's distinctiveness characteristics, tarnishment is mainly concerned with the reputational aspect of the owners not wanting their famous trademarks to be associated with something that is considered unwholesome’.

b. The TDRA disqualifies the niche fame standard, and requires famous marks to be widely recognized by the general consuming public, in order to constitute a famous mark under this Act.\(^42\)

c. The TDRA protects famous marks that are distinctive, regardless of whether such distinctiveness is “inherent” or if it has been acquired”, in order to assert a dilution claim.

d. The TDRA require proof that there is a ‘likelihood of dilution’, in order to pursue a dilution claim.

The TDRA clearly states that only a likelihood of dilution need be shown in order to obtain relief. This is intended to provide a means for trademark owners to stop dilution at the outset, rather than making owners wait until actual harm has been incurred to the distinctive nature of the mark.\(^43\) After the US Congress had passed the TDRA, this Act made a huge change to the Moseley case. Since actual dilution does not need to be proved under the TDRA, the owner of a famous mark is entitled to obtain an injunction against another person who uses a mark or trade name in commerce that is likely to cause dilution of the famous mark, regardless of the presence or absence of actual or likely confusion, competition, or actual economic injury.\(^44\) Subsequently, the Supreme Court reversed and remanded the district court’s decision, and found that there was a likelihood of dilution.\(^45\)

\(^{40}\) 15 U.S.C. § 1125 (c) (2) (c).


\(^{42}\) Lanham Act, Sec. 43 (c) (2) (A), 15 U.S.C. § 1125(c) (2) (A).


\(^{44}\) Id.

However, from the author’s perspective, the expansion of confusion-based liability to incorporate a wider scope of sponsorship or associated confusion, has led to serious discussions amongst scholars today with respect to the ambiguous understanding between “confusion of sponsorship or association” and “dilution by blurring”.

Besides, the consequences of recent globalization in the Internet era make legal protection of trademarks even more complicated, particularly in cases when a third person has embarked on the unauthorized use of a mark that is similar to or identical with another party’s trademark, especially in cases where such mark is a famous mark, for their domain name or for use on the internet. Traditional trademark laws on confusion-based liability do not cover this type of protection. Some jurisdictions which strongly rely on confusion-based liability, have sought to expand the scope of protection for the trademark owner under confusion-based liability, by establishing post-sale confusion and initial interest confusion, which view the quality of a trademark as a property right.\(^46\) Initial interest confusion is a form of trademark confusion whereby confusion does not take place at the time of sale, when the consumer becomes interested and does in fact purchase a competing product based on confusion which exists only during the period when they initially locate the competing product.\(^47\)

For example, in the Playboy Case\(^48\), Playboy sued Netscape and Excite based on the grounds that they sold keywords, including “Playboy” and “Playmate”, which are both trademarks belonging to Playboy, to advertisers. Thereafter, when people entered these trademarks keywords, banner ads would pop up showing adult advertisements. The US Ninth Circuit Court of Appeals found that when the banner advertisement was displayed, without identifying the source, such action on the part of

\(^{46}\) Bone, supra note 14, at 552, n. 10.


\(^{48}\) Playboy Enterprises, Inc. v. Netscape Communications Corp., 354 F.3d 1020 (9th Cir. 2004).
the search engine could be deemed a trademark infringement under the theory of “initial interest confusion”, as well as possibly being a dilution of Playboy’s trademarks. 49

In many cases, the dilution claim was filed together with a confusion-based liability claim and other actions like unfair competition and passing off. Thereby, the court must determine all causes of action to ascertain whether these fit the case. This has caused a problem, as some courts tend to mix up the measurement of confusion base with the dilution base. 50 This issue has remained controversial among scholars. Many scholars viewed this phenomenon as a misunderstanding and a misuse of the dilution doctrine, because originally, Schechter’s aim for proposing his dilution theory as a general theory of trademark liability that was superior to the confusion theory was not as simple as another type of harm, or just another doctrine to supplement the existing confusion-based liability rule. Professor McCarthy views this phenomenon as “the parallel expansion”, and he believes that traditional trademark law and anti-dilution law should not be mixed up together. 51 In McCarthy’s view, a mark that confuses does not necessarily dilute because the very fact of calling to mind may indicate that the mind is distinguishing between, rather than being confused by, the two marks.

McCarthy argued in his article that, to apply dilution in the case of competing litigants is a dangerous misuse of the dilution doctrine, and it is bound to result in harm to the balance of free and fair competition. McCarthy believes that the concept of trademark dilution was specifically initiated to create more protection in the form of a

49 Feigin, supra note 47, n. 6.
50 Nabisco, Inc. v. PF Brands, Inc., Nabisco, Inc, v. PF Brands, Inc., 191 F. 3d 1882, 1890 (2d Cir. 1999) (“We believe that Dilution can occur where the junior mark’s use competes directly with the senior’s as well as where the junior mark’s use is in non-competing market. A junior use that confuses consumers as to which mark is which surely dilutes the distinctiveness of the senior mark.”).
51 See Thomas J. McCarthy, Proving a Trademark Has Been Diluted: Theories or Facts?, 41 Houston L. Rev. (2004); see also Bone, supra note 14, at 477 n. 46.
53 Id. at 1170-1172.
54 McCarthy, supra note 6, § 24:90.
special and extraordinary remedy for strong and famous marks. However, this extra protection was limited to situations where even an expansive version of the traditional confusion test would not be successful.

The anti-dilution laws should only be rarely, and guardedly, applied to cases involving parties who sell in the same market, because the anti-dilution theory was not designed, or conceived, to apply to such cases, and thus it makes a poor fit. It is the wrong tool for the job. Its misuse in competitive situations is bound to upset the balance of free and fair competition and to deform the anti-dilution doctrine.

Consequently, some scholars believe that the dilution doctrine is unnatural, and it gives a quasi-monopoly to the trademark holder. For example, Professor Handler viewed dilution as “an attempt to fasten on the American people a new species of monopoly. The air would have been filled with cries that a monopoly of language would result in a monopoly of product.”

Hence, dilution is, and should be, a separate legal theory positing a different kind of damage to a mark caused by a different form of consumer perception. Any attempt to weld the two doctrines together is bound to result in error and bafflement. As stated, “dilution by blurring and infringement by a likelihood of confusion are not stops along the same railway line: they are different lines altogether. They are separate lines because they are separate kinds of consumer perception.”

From the author’s perspective, each job uses different tools, and thus, each type of case should be determined under each specific set of rules. Although the Thai administration has found no problems in using confusion-based liability in our trademark law, and may view that trademark dilution gives too much protection to the producers or the owners of famous marks, in the future, as ubiquitous use of computers continues

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55 Id.
56 Id.
59 Id.
unabated, dilution-like cases, especially in respect to domain names, will increase. This in turn will open the door to infringers to freely use these openings to free ride on the famous mark’s reputation.

In this case, consumers will never be harmed, because dilution-like cases deal with marketing and brand association, and of course, no confusion about the source or origin of the goods will arise, as each of the parties represents his/her own brand. The difference of course is that the owner of the famous mark has invested massive amounts of money on advertisement for many years, in order to create a brand which consumers can remember, and which testifies to the quality of the products or services, so that consumers can select the brand without worry (minimizing search costs).

In contrast, the junior user can freely cash in on using a trademark that is identical with or similar to the famous mark, which is similar enough to lead to associations being made with the famous mark’s brand loyalty. Thus, the product which bears such mark, can be used on the market without having to spend such massive amounts on advertising and marketing.

In conclusion, the protection of marks from dilution differs from the protection in traditional trademark infringements. Dilution does not rely on the standard test of infringement, i.e. the likelihood of confusion, deception or a mistake. While traditional trademark infringement was squarely aimed at preventing consumer confusion, dilution action targets unauthorized use that threatens to diminish, or lessen, the distinctiveness of a trademark.

60 Shubha Ghost, Dilution and Competition Norms: The Case of Federal Trademark Dilution Claims Against Direct Competitors, 24 Santa Clara Computer & High Tech. L.J. 590 (2008); see also Robert N. Klieger, Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection, 58 U. PITT. L. Rev. 789, 843 (1997) (“Dilution law, unlike traditional trademark infringement law...is not based on a likelihood of confusion standard, but only exist to protect the quasi-property rights a holder has in maintaining the integrity and distinctiveness of his mark.”); see also Shari Seidman Diamond, Trademark Dilution: of Fame, Blurring, and Sealing Wax, with a Touch of Judicial Wisdom, 24 Santa Clara Computer & High Tech. L. J. 523 (2008) (“The traditional core justification for trademark protection is consumer protection...in contrast, by granting the trademark owner a right to bring an action for dilution, the law
4. Protection of Well-known Mark against Trademark Dilution in Thailand

According to the general principle of Thai trademark law, the rights of the trademark owner are restricted to the categories of goods and services for which the trademark has been registered. However, in practice, there have been many dilution-like cases which have appeared in Thai courts under the field of well-known marks.

The dilution-like cases which appeared in Thailand have comprised the following characteristics:

a) The plaintiff is the owner of a well-known mark;

b) The defendant is not authorized to use/register the trademark, which is identical/similar to the plaintiff’s mark;

c) For different types (dissimilar/non-competing) of goods or services which the plaintiff has not registered.

However, in practice, a well-known trademark has long been protected since the promulgation of the Trademark Act B.E 2474. Although the 2474 Act also had no provision explicitly specifying the protection of well-known marks and although at that time Thailand was not a party to the Paris convention, if the owner of a well-known mark could show that his trademark had established reputation or fame among Thai general public consumers, his well-known trademark would be protected and he might seek civil liability against the unauthorized registration or unauthorized use even though the third party’s trademark was in different class.

For example, in the trademark committee decision no. 311/2528, the trademark committee declined the registration of trademark “DARKIE” for class 39 because such trademark is identical to well-known trademark “DARKIE” registered for class 48 (toothpaste).

In the trademark committee decision no. 63/2526, the trademark committee declined the registration of trademark “SEIKO” for class 49 because such trademark is identical to the well-known trademark “SEIKO” registered for class 6, 8, 10, 12 and 45.

recognizes a property right in the mark, enabling the trademark owner to erect a no trespass sign on a mark even if consumer are not likely to be confused as to source.”); see also Sarah M. Konsky, Publicity Dilution: A Proposal for Protecting Publicity Rights, 21 Santa Clara Computer & High Tech. L.J. 347, 354 (2005).

61 Boonyadech, supra note 3, at 67 – 73.
For example, in “ROLEX v. Lolex”\(^{62}\), the Plaintiff registered the trademark for category 10 "clocks or watches" in Thailand in B.E. 2494(1951). The plaintiff's trademark is a five-apex crown, each of which is under a black circle. Underneath the crown lies the word “ROLEX.” The Defendant registered its trademark for category 39 "pencils" in B.E. 2524 (A.D.1981), and thereafter for all items in category 39 in B.E. 2526(A.D.1983). The Defendant's trademark also comprises a five-apex crown, each of which is under a black circle with the word “Lolex” inscribed underneath. The Supreme Court ruled in favor of the Plaintiff on account of the aforementioned facts that the Defendant's trademark not only looks very similar, but also shares a similar pronunciation with the Plaintiff's mark.

Although the Defendant registered its trademark in a different category from the Plaintiff's, it can be considered that the Defendant's act can mislead the public into believing that its products are produced by the Plaintiff. Regardless of the fact that the Defendant has yet to produce the products under the trademark for sales, the registration of the trademark by the Defendant is considered to be an exercise of rights with dishonest intent.

**The current Trademark Act (No.2) B.E. 2543**

Similar to the Trademark Act B.E. 2474, the protection of well-known marks under the current Thai Trademark Act (No.2) B.E. 2543, are available for well-known trademarks;

a. Registrations Bar under Section 8(10)\(^ {63}\) of the Trademark Act B.E. 2534, as Amended by the Trademark Act (No.2) B.E. 2543

b. Protection Provision against Unauthorized Use.

However, It can be noted that according to the current Thai Trademark Act (No.2) B.E. 2543, the purposes of the law in Section 8(10) is to protect the rights of well-known marks by empowering the registrar or trademark committee to cancel or refuse

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\(^{62}\) Supreme Court Decision No. 926/2539.

\(^{63}\) Sec. 8 (11) (1) of the Trademark Act B. E. 2534 or sec. 8(10) of the Trademark Act. B.E. 2534 as amended in 2543: “A mark, regardless of whether it is registered or not, which is identical to a well-known mark as prescribed by the Ministerial Notifications, or which is so similar that the public might be confused as to the owner or origin of the goods;”. 
the registration of other trademarks which are similar or identical to the well-known marks. However, the law does not empower the owner of trademark himself to bar registration. The owner of a registered well-known mark, therefore, must rely on infringement under Section 44 which entitles the owner of a registered trademark to exclusively use the trademark for goods for which it is registered and can exclude any person which uses a trademark that is similar, or identical to the registered trademark.

The law does not provide the scope, or specify what type of ‘use’ is deemed to constitute an infringement. Besides, an action which constitutes a use that would be deemed to cause the harm to well-known marks appears in various laws. There is no specific law providing the scope, or specifying what type of ‘use’ is deemed to constitute an infringement or harm. In practice, the plaintiff may bring a civil claim of the unauthorized use as follows;

a. Passing off under Section 46 paragraph 2
b. Use of a similar or identical trademark for a name or trade name under Section 18 of the Civil and Commercial Code;
c. Unauthorized use/dishonest intent according to Sections 5, 420 and 421 of the Civil and Commercial Code

For example in ‘VICTORIA’S SECRET’, a claim was brought to the court under Section 18 of the Civil and Commercial Code which grants ‘the right to the name of a person’, whereby a person who owns a name or trade name may request the court to prohibit the use of his name only when the use of such name or trade name would cause damage, or it is understood that the damage would continue.

In INTEL v. INTEL Lip, the issue of a well-known mark was raised, as the IP&IT court ruled that the Plaintiff’s trademark was not a ‘well-known’ mark in Thailand and thus, the use of the Defendant’s trademark ‘INTEL Lip’ for cosmetics did not infringe the Plaintiff’s trademark ‘INTEL’, which was used for computers. The Supreme Court was

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64 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.”

65 Supreme Court Decision No. 4603/2533.

66 Supreme Court Judgment No. 1502/2542 (1999), VICTORIA’S SECRET.

67 Supreme Court Judgment No. 3920/2551(2008), INTEL v. INTEL Lip.
required to determine whether the Plaintiff's trademark was a ‘well-known’ mark, and thus eligible for the expanded protection.

Although the Supreme Court opined that the objectives for protecting a well-known trademark are to prohibit such acts of the unauthorized use of a trademark that is identical with or similar to the well-known mark, which public consumers maybe come confused or misled as to the owner or origin of goods. However, the Supreme Court decision did not show the criteria adopted to determine the status of the mark, or the guidelines, which were used by the court to determine the scope of fame, and there was also no indication of the factors that were determined to clearly show whether such evidence of fame was sufficient to enable the mark to be deemed a 'well-known mark' in Thailand.

In practice, the Supreme Court, in many cases, has tried to expand the protection to well-known/famous marks beyond the scope of confusion-based liability which is stipulated under the Trademark Act. However, there are no legal standards for determining which trademarks are eligible for such expanded protection.

It can be concluded that the claim for the well-known trademark against trademark dilution is sufficient in Thailand, if the case consists of the two main elements namely fame of the well-known mark and consumer's confusion between the marks. Although, consumer’s confusion is substantial to show that the case falls under the criteria, if the owner of the trademark is well-known mark, the marks will be protected regardless of whether the goods are similar or dissimilar. In other words, if the trademark is a well-known mark, the scope of confusion will be expanding to cover dissimilar or non-compete goods.

However, it can be noted that the language used in Ministerial Regulations under which criteria for determination of well-known marks consist of the two elements,

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68 Regulations of the DIP Regarding Well-Known Marks B.E. 2548 (2005) (and later revised by The Regulations of the DIP Regarding Well-Known Marks B.E. 2548 No.2).

69 Id.;

[1] Such well-known trademark is being used in good faith until it has become widely known to the general consuming public, or well-known amongst target
has unclear scopes of fame which could become problematic, because different scopes inevitably raise issues pertaining to different standards of proof. If niche fame is sufficient in Thailand, then evidence which shows that the mark is famous amongst a number of consumers in such target group would be sufficient to acquire such status.

In INTEL v. INTEL Lip, the issue of a well-known mark was raised, as the IP&IT court ruled that the Plaintiff’s trademark was not a ‘well-known’ mark in Thailand and thus, the use of the Defendant’s trademark ‘INTEL Lip’ for cosmetics did not infringe the Plaintiff’s trademark ‘INTEL’, which was used for computers. The Supreme Court was required to determine whether the Plaintiff’s trademark was a ‘well-known’ mark, and thus eligible for the expanded protection.

Although the Supreme Court opined that the objectives for protecting a well-known trademark are to prohibit such acts of the unauthorized use of a trademark that is identical with or similar to the well-known mark, which public consumers maybe come confused or misled as to the owner or origin of goods. However, the Supreme Court decision did not show the criteria adopted to determine the status of the mark, or the guidelines, which were used by the court to determine the scope of fame, and there was also no indication of the factors that were determined to clearly show whether such evidence of fame was sufficient to enable the mark to be deemed a ‘well-known mark’ in Thailand.

From the author’s point of view, the existing Ministerial Regulations stipulate an unclear scope of fame. These ambiguous Regulations have consequences as they lead the courts to be reluctant to interpret the scope of fame, which is required in order to expand protection to some well-known marks. In practice, the Supreme Court, in many cases, has tried to expand the protection to well-known/famous marks beyond the scope of confusion-based liability which is stipulated under the Trademark Act. However, there are no legal standards for determining which trademarks are eligible for such expanded protection.

consumers in Thailand.; The mark has been used widely, in Thailand or in another country;

2) Such well-known trademark is being widely use until it has become acceptable among consumers.

70 Supreme Court Judgment No. 3920/2551(2008), INTEL v. INTEL Lip.
For example, in cases involving niche fame markets, 'VICTORIA’S SECRET', 'MAGNUM' and 'PENTHOUSE' would have a chance to win their respective cases, if they had presented proper evidence which showed that they are well-known amongst target consumers in the lingerie, adult magazine, and ice-cream markets as the case may be.

However, in contrast, in the general public consumer market, the owner of the famous mark has the burden to show that a large number of general consumers in Thailand are well aware of the existence of the brand. For example, with respect to 'MAGNUM' Ice Cream, REDBULL, Oishi Green Tea, MK Restaurant etc., although some of these companies have not registered for famous mark protection under the Ministerial Regulations, they are still famous among general public consumers in Thailand.

According to studies conducted on the international scope of fame in the US, it is noticeable that the term 'famous marks' is used in the US, and is used to refer to trademark or service marks that enjoy a high degree of consumer recognition or which have acquired a widespread reputation, and are also known amongst 'general public consumers'. Such famous marks may enjoy a broader scope protection than that provided for an ordinary mark.

For example, in the US, the criteria between a well-known trademark and a famous trademark have long been debated. The recent TDRA amended such criteria to require that the senior trademark be famous among general public consumers in order to be eligible for the anti-trademark dilution protection. However, since the TDRA factors are not exclusive, the court can still develop its own judgment. Consequently, in practice, there are many cases which fail to analyze the degree of fame as required by the TDRA, especially in cases involving well-known trademarks that do not have a global degree of fame.

In Pet Silk Inc. v. Jackson, the court applied the niche degree of fame to determine the Plaintiff's trademark, rather than using the criteria of the TDRA as the court held that:

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“the Plaintiff’s market fame is sufficient, because Pet Silk’s trademark has name recognition in the pet supply and dog grooming market.”

As mentioned before, trademarks and trademark law are territorial, and therefore it is important for countries to define the scope of fame which is compatible and most beneficial. Hence, it is important to clarify the scope of fame, because the degree of fame can affect the degree of protection. In addition, the degree of fame can also directly affect as to whether the Thai trademark can obtain protection as a well-known mark, because from the author’s perspective, if Thailand sets the criteria for obtaining a well-known mark status too high, then some Thai trademarks which are well-known among a large number of target consumers may not be able to attain these levels in order to obtain such protection.

5. Conclusion and Recommendations

Although Thailand has just become a party to the Paris Convention in 2008, in practice Thai court have long provided protection of well-known marks in accordance with the TRIPS Agreement, Article 16.2. Moreover, in many cases, the courts have also expanded protection for well-known mark to dissimilar goods, although Thailand is not bound to implement the obligations under Article 16.3.

It can be noted that Thai legal provisions are ambiguous, as the protection appears in many different places. In other words, the protection for well-known marks against the unauthorized registration is stipulated in Section 8(10) which is the provision empowering the trademark committee and not the well-known mark’s owner. In order to seek protection, the trademark owner has to seek the channel in law of passing off under the Penal Code and the provisions of tort under the Civil and Commercial Code.

Besides, there is no specific provision specifically stipulating the exclusion from dilution-based liability under the trademark law. Besides, there is no provision acknowledging the principle of fair use or exclusion of unfair enrichment like that of the US. In Thailand, a defendant may raise the issue of bona fide use as its defense under Section 47 of the Trademark Act which stipulates that:

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73 Id. at 830 (Xuan-Thao Nguyen, Fame Law: Requiring Proof of National Fame in Trademark Law, 33:1Cardozo L. Rev. 105 (2011)).
“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.”

In other words, the Trademark Act has no provision acknowledging the to be principle of fair use, but the Trademark Act recognizes the following acts as not deemed an infringement;

- 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;
- Bona fide use by any person of description of the character or quality of his goods.

In the U.S., in order to be liable for dilution, the defendants must use the marks as trademarks or trade names, which distinguish himself from other competitors, or which indicate his source of the goods or service.

- Fair use occurs when a descriptive mark is used in good faith for its primary meaning, rather than its secondary meaning, and no consumer confusion is likely to result. Defendants in a trademark infringement or dilution claim can assert two types of affirmative defense: fair use or parody.
- Nominative use occurs when use of a term is necessary for the purpose of identifying another producer's product, and not the users’ own product.

For example, in *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog*, the 4th Circuit Court of Appeal deemed that the use of the mark CHEWY VUITON for chewy dog toys was a parody of the famous trademark LOUIS VUITTON which is used for luxury handbags. The court noted that a parody must convey two simultaneous and contradictory messages which denote that:

1) it is original, and that it is also not original; and
2) the message of the parody must convey an element of satire, humor or amusement.

Hence, the 4th Circuit Court of Appeal reasoned that the dog toys were an obvious parody of the handbags. Thus, they were an imitation which was meant to poke

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*Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, 507 F.3d 252 (4th Cir. 2007).*
fun at the elegance and exclusivity of the famous brand. The court also rejected the Plaintiff’s position that a parody automatically triggers actionable dilution. The Court opined that the act of the Defendant was a parody, and such parody is relevant to the overall question of whether a defendant’s use is likely to blur the distinctiveness of the famous brand. Thus, no dilution was found.

In *Hershey Co. v. Art Van Furniture, Inc.* the Defendant, which was a furniture retailer, Art Van, launched a website campaign to ask visitors to vote for their favorite design, One design was a brown sofa emerging from a rectangular red or burgundy wrapper, with ART VAN in white block letters centered across the “wrapper” and foil visible at the ends (the “couch bar” design). The Plaintiff, which was the owner of famous HERSHEY chocolate bar packaging, alleged that the Defendant’s actions constituted a trademark infringement and dilution by blurring, and asked for a temporary restraining order based on its registered and non-registered trademarks and trade dress. In this case, the Defendant tried to use the parody defense by arguing that the “couch bar” design was merely a clever parody of a candy bar, and its amusing nature therefore diffused any risk that consumers would mistake its source or sponsorship.

However, in contrast to Chewy Vuitton, the District Court summarily rejected the parody defense, stating that the Defendant’s reliance on the parody exception was misplaced. The court held that Art Van’s design was “neither similar, nor different, enough to convey a satirical message,” and the design “may be funny, it is not biting.” The Court thereby ruled in favor of the Plaintiff and suggested that a Defendant’s play on another parties’ mark will not automatically substantiate a parody defense.

Therefore, this vagueness needs to be revised, in order to bring clarity to activities which are not specified under the Trademark Act. Thus, the Act should be amended to address the following issues:

1. The Thai Trademark Act B.E. 2534 should be amended so that it incorporates trademark dilution as one of the trademark causes of action, based on the experiences of other countries and jurisdictions, and ultimately, to ensure that such amendments are consistent with the TRIPS Agreement, Article 16.3. In addition, protection for ‘well-known’

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marks against trademark dilution should be expanded with respect to both barring registrations and offering means to prevent the unauthorized use of the trademark.

2. The Thai Trademark Act B.E. 2534, Section 44, should be amended, in order to clarify the legal language pertaining to the causes of infringement, to facilitate easy interpretation of such law. For example, Section 10 of the UK law, clarifies the causes of action for trademark law, as Section 10(1) refers to infringement, and Section 10(3) refers to trademark dilution.

3. The Thai Trademark Act B.E. 2534, Section 4, should be amended to incorporate the definition and scope of fame in Thailand. Such amendment would facilitate the determination of the eligibility of the anti-dilution law.

4. The Thai Trademark Act B.E. 2534, Section 47, should be amended to incorporate the principle of ‘fair use’ as a defense against trademark infringement and trademark dilution.

5. The Department of Intellectual Property of Thailand (DIP) and other government agencies should encourage trademark owners, and especially Thai trademark owners, to create ‘well-known’ trademarks, and understand the legal benefits provided by well-known trademarks by establishing an organization which helps Thai trademark owner create strong brands, acknowledge the ‘branding strategy’ and avoid ‘me-too’ marketing strategy.

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