

ISSUES OF THE IP ENFORCEMENT IN THAILAND

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THAILAND is one of Asian countries that are members of international convention or treaties or agreement relating to intellectual property matters such as Paris Convention for the Protection of Industrial Property, Patent Cooperation Treaty or Agreement on Trade-Related Aspects of Intellectual Property Rights. To fulfill its obligation, Thailand has had positive action to enact laws in order to comply with such international instruments. Till present, Thailand enacted seven intellectual property acts namely, Patent Act 1979, Trade Mark Act 1991, Copyright Act 1994, Plant Varieties Act 1999, Layout-Designs of Integrated Circuits Act 2000, Trade secret Act 2002 and Geographical Indication Act 2003. In the near future, the Optical Disc Act will be enacted in order to inspect and oversee CD plants.

Hence I may say that Thailand has very efficient intellectual property laws. Besides the laws, Thailand had also established many official agencies in order to cope with intellectual property infringement.

In 1992, the Department of Intellectual Property (DIP) was established. It takes over missions relating to the administration of intellectual property from the Department of Commercial Registration. The Department is designated to implement the laws on patent, trademark, copyright and other relevant laws; to develop the system, pattern and methods of intellectual property protection; to communicate and coordinate with international organizations or agencies in respect of intellectual property cooperation and assistance and to perform the acts, which are prescribed in other laws as the Department's duties or which the Ministry of Commerce or the Cabinet assigns.

Few years later, the Royal Thai Police had set up a police unit, which is specialized in offences concerning intellectual property, so call the Economic Crime Investigation Division (ECID). The violation of intellectual property rights is a branch of economic crimes that are within the authority of ECID. When someone infringed the right of the right owner, the injured person may notify the ECID. After thorough investigation, the police will forward the case to the public prosecutor if it finds sufficient grounds to prosecute the accused.

In 1997, the Office of the Attorney General had also set up a special unit called the Intellectual Property and International Trade Division. Public prosecutors in this division has duty to scrutinize the investigation file conducted by the police. He may instruct the police to obtain more evidence to strengthen the case. The public prosecutor will decide, according to the evidence, whether the accused should be prosecuted or not.

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In the same year, the Central Intellectual Property and International Trade Court was established in order to create a new image of intellectual property protection and alleviate the administration of intellectual property system. An appeal against any judgment, both on the question of fact and on the question of law, or order of the Court lies directly to the Supreme Court. The Supreme Court had also set up the special unit called Intellectual Property and International Trade Division. Justices in the Intellectual Property and International Trade Division in the Supreme Court and Judges in the Central Intellectual Property and International Trade Court are recruited from the Justices and Judges who possess knowledge and full understanding in intellectual property or international trade.

From the information I mentioned above, I would like to state that Thailand has created the full circle of IP enforcement in the aspect of both administrative body and judicial body beyond international standard.

Nevertheless, the IP enforcement still has some problems. I would like to exhibit some significant problems from the judicial sight.

Over – Criminalization Problem

TRIPS in its preamble recognizes that intellectual property rights are private rights. In Anglo-American jurisdiction, most claimants in the IPR enforcement make use of civil process, partly because its technique and atmosphere are appropriate to the assertion of private property rights amongst businessmen, and partly because the types of remedy – in particular the jurisdiction (interlocutory and permanent) and damages – are more useful than punishment in the name of the state. Technically, there are two further factors in common law jurisdiction which weight in favour of civil proceeding. Firstly, there is no possibility in criminal procedure of securing an interim order to desist from conduct pending the trial. Secondly, there is a high burden of proof on the prosecution in criminal proceedings. The defendant must be shown to be guilty beyond reasonable doubt, and not merely on a balance of probabilities. This quantum of proof may be specially hard to demonstrate if the type of offence requires proof of mens rea in the defendant, for example that he knew, or had reason to believe, that he was committing an infringing act of other offence.

Conventional wisdom in the enforcement of IPR in Thailand has always been conducting police raids and treats IPR as “public right”. “Trade –based sanctions” from its more influential trading partners always established the political will to “beef up” enforcement generally. Suppose one may pause here and reconsider the philosophy of enforcement. Suppose one may examine the common law technique and the TRIPs mechanism of enforcement of IPR. The question may be that in the market economy, if the industries were to lose, say some 200 million US dollars per annum, due to loss in copyright piracy, would the industries care to, and is it not fair to, spend a fraction from that amount in private criminal prosecutions or civil actions for injunctions and damages of what are basically their private rights in property. In the long run it is suggested that if the procedure for enforcement of IPR as private rights are adequate and effective, the legal profession efficient and knowledgeable; the enforcement of IPR by civil proceedings may be a good or even better alternative to criminal proceedings.

Because the basic purpose of any criminal prosecution is to punish the offender while the civil

remedy is aimed at securing adequate compensation of the defendant's wrong doing for the plaintiff. Under the regime of the Central IP&IT Court, enforcing copyright by this alternative is given various tools of assistance, for example, interim injunction to stop the infringing acts with an order to search the defendant's premises for evidence; appropriate damages by taking into consideration the gravity of the damage including loss of benefit and necessary expenses in enforcing rights as well as pre-trial conference.

Compoundable Offence Problem

Besides the criminal punishment for IPR infringement, Section 66 of the Copyright Act stated that "the offence in this Act is a compoundable offence¹". According to this provision, the right owners may exercise their rights at any stage of legal or trial proceeding, even in court. In many cases the right owners demand with menaces the infringer for sum of money, otherwise they will prosecute the infringer or will carry on the trial. This kind of settlement is now more and more popular and is exercised by the right owner which can be considered as abuse of power. In some case, the money the infringer gives to the right owner is much more than the fine the court ordered if the right owner let the proceeding go on till the end.

Secondary Offence Problem

The criminal cases brought to the Central IP&IT Court can be categorized into 2 groups, namely primary offence and secondary offence. The primary offence is an offence committed by the infringer who is the producer or manufacturer whereas the secondary offence is an offence committed by the seller or retailer or employee.

Last year, about 4,000 intellectual property cases brought to the Central IP&IT Court. More than 90% were criminal cases with half-half trademark and copyright cases ratio which the accused plead guilty. Most of the accused in such cases were secondary offenders arrested with small amount of infringed goods. In this circumstance, the punishment rendered by the court is fine. While the real wrong doers or the primary offenders are still run on their illegal business by producing infringed goods or products without any punishment.

Innocent Agent Problem

Recently, the primary wrong doers who stay behind the infringement trends to used child, senior citizen, poor women, foreigner or even handicap to sell or contribute infringed goods for them with small amount of wages or other form of benefit. Because such kind of person may get the benefit from the law in term of the punishment reduction. As I said before, in such cases the court will merely render fine punishment for them, not imprisonment. Some of them are considered as innocent agent because they didn't know that the goods or products they are hired to sell are illegal.

Organized Crime Problem

From the sight of ordinary people, the primary IPR infringer is better than the drug dealer,

¹ Compoundable Offence means an offence consists of the receipt of some property or other consideration in return for an agreement not to prosecute or withdraw the prosecution.

therefore some drug dealers change their business into the production of infringed goods and enhance the channel of sell from local to international. This kind of change finally grows up to transnational organized crime which can make profit easier and faster than legal business.

Personal Use Problem

Unlike some countries in Europe such as France, the user or buyer is not considered as the wrong doer under the Thai IP law. Personal use without commercial profit is allowed, especially in case of making copy of CD or VCD or loading music or movie from internet which is more and more popular. To hack into other websites or personal information or confidential information via the internet is considered as a crime but to bring the hacker to be punished is very difficult. Because hackers are always in other countries and out of the court's jurisdiction. Last few months, more than 80 websites of government agencies were hacked by hackers from Europe but the Thai government can do nothing.

Search Warrant Problem

Under the Thai Constitution, search warrant can be issued only by the court. The Central IP&IT Court has the power to issue any request from the police for search warrant in order to make a raid or seize the infringed goods or other tools concerned. Under the Thai Penal Code, after the court issues search warrant and police exercise such warrant in the suspicious premise, they have to report back to the court the result of their searchness. But practically, merely 60% of the search are reported by the police. How about 40% of the rest? It might be used in improper way without any checking by concerning agencies.

Forfeiture of Infringed Goods Problem

Forfeiture of infringed goods, machinery or tools used for infringement is one of the problems. Before one case is final, infringed goods, machinery or tools have to be kept in proper place under taking care of the police. But the problem of finding the appropriate place for keeping such things are difficult, especially in case of a large number of infringed goods or huge machinery. Transportation expense occurred for moving is a problem. To destroy the infringed good after the court orders forfeiture is also the problem. Because the concerning agencies, especially the police has to find the place for destruction, the way of destruction and the expense of destruction. Who will bare the cost of the process of the destruction? Because in some cases the expenses occurred are not a small amount of money.

Border Measure Problem

In some countries border measure is an effective mechanism to stop the importation and exportation of infringed goods. Normally, the Custom Department is in charge of border measure.

However, the law regulates duties of the Custom Department is not clearly stated that custom has power to seize or confiscate infringed goods. In addition, the Custom Department also claimed that they need the representative of the right owner to work with them therefore they can make sure that the goods they seized are the infringed goods. Now, the administrative body is trying to encour-

age the custom to play an important role in this matter.

Conclusion

It is refreshing that TRIPs recognizes IPR as private rights. The right owner should exercise more effective means of enforcement of IPR other than by public fund. Treating IPR as private rights and encouraging the right owner to institute private prosecutor or civil actions for injunction and damages might be an answer. If the procedure for enforcement of IPR as private rights are adequate and effective and the legal profession efficient and knowledgeable, the enforcement of IPR by civil proceedings may be good or even better alternative to criminal proceeding and many problems will be solved.