Analysis of Trademarks Act of Thailand and a Case Study: Conflict of Domain Name and Trademarks

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ABSTRACT

In the era of Information Technology, Internet plays an important role and becomes worldwide infrastructure of global communication. Domain Name is the key to reach the purpose derivable Website on the WWW. Confusion and conflict arise when words and names of Domain Name become low in resource and somehow have the same or similar identification among two or more parties. This paper provides a brief background on the interface between domain names and trademark. The paper presents examples of domain name disputes and analyzes some important aspects of legal principles of the Trademarks Act (No.2) of B.E. 2543 (2000). The paper also explains how the Act can protect the trademark and domain name rights. Finally, the roles of the Central Intellectual Property and International Trade Court in enforcing the Intellectual Property Rights in trademark and domain name protections are discussed including a case study. This paper will be a valuable contribution towards IT society and e-business sector.

Keywords: Domain Name, Trademark, Cyber-squatters, Intellectual Property, and Law.

1. INTRODUCTION

With the increase popularity of the Internet, e- commerce has become an increasingly important role for business and the value of domain names has increased accordingly. Internet users rely on domain names, which take the form of memorable and sometimes catchy words, to stand in their place. The uniqueness requirement creates an exclusivity that has important economic consequences. Domain names are interesting and controversial because they are meaningful. The semantic dimension allows domain names to act not only as unique addresses, but also as brand names. [1].

Companies and organizations want their websites to be easily accessible to potential consumers. They desire a domain name, which matches their corporate name or trademark, preferably in the .com top-level domain. As domain names have, in many ways, become the equivalent of a company name and address for Internet commerce, there has been increasing competition for the limited number of available domain names. Domain name trading has, therefore, resulted from this competition [2].

For examples, in July 1998, Compaq Computer Corp paid $3.35 million for rights to “altavista.com”, purchased from a California start-up called Alta Vista Technology. In late 1998, VA Software (then VA Research) bought the rights to the “linux.com” domain name for more than $1 million. In 1999, eCompanies paid $7,500,000 to purchase rights for “business.com” [2]. In April of 1999, “drugs.com” sold at auction for $823,456 and “wallstreet.com” attracted a cool $1.03M. In August 2000, the domain name “cyberworks.com” was sold for $1,000,000. In February 1999, the Houston entrepreneur sold the domain name “eflowers.com” to the owner of Florida-based Flowers Direct for $1M [2]. In 2000, Bank of America has purchased the domain name “loans.com” for US$3 million. It bought the rights to the domain name from “GreatDomains.com” on January 28. The seller was San Jose computer consultant Marcelo Siero, who registered the domain name in September 1994 for creation of an e-commerce application but later decided to sell it, according to “GreatDomains.com” [3]. “Wines.com” were bought for $3M. “Websites.com” was auctioned off for $0.97M by Great Domains (www.greatdomains.com) and now the website provides Internet and web hosting services to businesses. “Telephone.com” was acquired for $1.75M, while “bingo.com” sold for $1.1M [4]. Barnes and Noble bought “books.com” for $1M. In a recent example, the government of New Zealand paid US$500,000 to U.S.-based Virtual Countries to obtain rights to the domain name “newzealand.com” [5].

In Thailand, e-commerce has come to people’s attention a great deal when MWEB (Thailand) Ltd purchased the website “sanook.com” at a very high price from an individual, Mr Porameth Minsiri, a webmaster who subsequently became a millionaire and a very popular person [6]. In 1997, Mr. Adam Stanhope learned the domain name “bangkok.com” was for sale. He negotiated to buy the domain in installments. Fortunately, the Asian currency crisis hit and he ended up only paying $4,200 for the domain name. The website “bangkok.com” sold 100 year-long subscriptions at $35 each. They offered free email, added content and sold advertising to those interested in reaching people who wanted to do business with the Thailand market. In addition, they offered free Web site hosting for sites about Thailand. In late 1998, the

owners had created a significant virtual community who used their chat services, Web hosting and email capabilities [7]. In January 2000, Nation Multimedia Group Pcl, which published Thailand's largest business daily newspaper and the second rank of English-language newspapers, paid less than $7 million for the Internet address "Thailand.com". It didn't identify the seller [8].

2. ICANN AND THE DOMAIN NAME SYSTEM

In 1995, World Intellectual Property Organization (WIPO) was requested by many member countries to find ways to solve disputes on domain name. In 1998, the Internet Corporation for Assigned Names and Numbers (ICANN), is an independent, non-profit organization which was created to oversee the assignment of names and numbering to ensure assignments are made on a global level with participation of all relevant stakeholders representing all of the world's regions. ICANN is a consensus development body for the global Internet community and its focus is the development of consensus policies relating to the single authoritative root and the Domain Name System (DNS). These policies include those that allow the orderly introduction of new top level domains (TLDs) [9].

In 1999, WIPO came up with suggestion to ICANN to deal with administering Domain Name and its conflicts. And in June 2000, WIPO reconsiders its suggestion and manages to put forward concrete conclusion to clarify all problematic matters including cause of confusion or unfair utilizing [10].

Due to low resource problem, ICAAN has tried to increase the number of top-level domains (TLDs), but many companies are worried that cyber-squatters will try to register a company's trademark or name in these new TLDs and then try to sell it to the owner. In 2002, ICANN announced the seven new domain names such as dot-biz, dot-info, dot-aero, dot-museum, dot-name, dot-pro and dot-coop. However, these new TLDs will be restricted. Dot-biz will be restricted to businesses; dot-aero to airline related ventures; dot-museum to museums; dot-name to personal names; dot-pro to lawyers, doctors and accountants; and dot-coop to cooperatives. For recommendation, to avoid cyber-squatting, the domain-name owners should set up pre-registration processes to allow trademark holders to claim or reserve domain names on a first-come, first-served basis [11].
Recently, more than 33,000,000 domain names have been registered, including tens of thousands of domain names that infringe on trademarks and service marks [12].

3. CYBER-SQUATTERING IN DOMAIN NAME SYSTEM

"Cyber-squatters" are defined as those who quickly register someone else's trade name as a domain name with InterNIC, the Virginia-based central domain name registry service [12]. Generally, however, if someone who lacks a legitimate claim registers a domain name with the intent to sell the name, prevent the trademark holder from gaining access to the name, or divert traffic, this activity will be considered cyber-squatting. Despite this strong trend against cyber-squatters, new instances of cyber-squatting continue to arise. For instance, Intel filed suit against the registrant of "pentium2.com" which leads to a pornographic web site [12].

In many cases, an owner of trademark rights can find that other persons have registered as domain names that are the same as or similar to the owner's trade mark. There is also a different kind of conflict, which can apply where an owner has trademark rights but is not permitted to register it where domain name policy prevents registration of names such as geographic names and generic/descriptive names.

The trademark owner's trade mark may be very well known around the world in its commercial context but may be a name used by others in different commercial contexts. An example of this might be the trademark McDONALDS, which is registered and well known in many countries in connection with convenience food stores but, as a common surname, may be used by many others in connection with a range of business and other activities. The trademark APPLE in connection with computers may be an example of such a name. A geographic name example may be OXFORD for publishing.

4. DOMAIN NAME PROBLEMS IN THAILAND

A major problem arising out of e-commerce worldwide, including Thailand, is the one relating to domain name registration, especially, the problem of cyber-squatters who take other person's name, trademark, service mark or trade name to register in its own name. Therefore, this section discusses the domain name problems in Thailand. The followings are examples of domain name disputes in Thailand.

Bangkok Publishing Public Co Ltd or "Bangkok Post" has used trademark "bangkokpost" with newspaper and used domain name "bangkokpost.co.th" registered with the Thai Accredited Domain Name Registrar (THNIC). The company tried to register another domain name with Network Solutions Inc (NSI) for domain name "bangkokpost.com", but found that Solberg PM&P AB, a corporation in the United States, has already registered the "bangkokpost.com". This causes Bangkokpost to use domain name "bankokpost.net" with its website for a while. However, finally, Bangkokpost has bought the domain name "bangkokpost.com" to avoid disputes [6].

In August 1997, during "Amazing Thailand" campaign period, a Canadian tried to sell his domain names

"amazingthailand.com" and "amazingthailand.org" to the Thai Government in the amount of $2.3m. However, the Thai government refused to purchase the both domain names and decided to use domain name "tourismthailand.org" [6].

In October 2000, a Thai cyber-squatter sent an email to many well-known websites such as "mweb.co.th", "Thaiadclick.com", and etc. He threatened the companies that if the companies refused to purchase his domain names which are similar to mentioned domain names, he would use his domain names with pornography pictures to dilute value of the dot com companies' trade names. Finally, he was arrested and prosecuted for extortion and blackmail, in accordance with the Thai Penal Code [6].

5. THAILAND'S TRADEMARKS ACT: ANALYSIS

Thailand is required to implement the intellectual property laws into compliance with the current WTO Agreement regarding Trade Related Intellectual Property Rights (TRIPS Agreement).

Thailand's Trademark Act was approved by Parliament earlier this year, was published in the Royal Thai Gazette on April 1, 2000 and, became fully effective on June 30, 2000. The most recent Trademark Act is referred to as the Trademarks Act B.E. 2534 (1991) as amended by the Trademarks Act (No.2) of B.E. 2543 (2000).

In this section, the Trademarks Act (No.2) of B.E. 2543 (2000) is analyzed and explained. However, this study focuses only on important parts of the Act related to the Trademark and Domain name issues [13].

The Act contains several significant changes [14]. These changes will make the application and registration process easier for many trademark applicants. The significant changes can be analyzed as follows:

(1) Under Section 4 of the former Act, a mark was defined as a "photograph, drawing, device, logo, name, word, letter, numeral, signature, or any combination thereof but not including industrial designs under the law of patents."
In section 4 of the new Act, "mark" means a photograph, drawing, device, brand, name, word, letter, manual, signature, combinations of colors, shape or configuration of an object or any one or combination thereof.
Analysis: In the new Act, the definition of a mark is expanded to include "phrases, color combinations and shape or configuration of goods." This expanded definition means that consumers are now more sophisticated in distinguish the goods or services of one proprietor from another than before. For the section 4 of the Act, it shows that the Thai law tries to enforce and protect the owner rights on Trademark.

(2) Section 7 (2) of the former Act can be interpreted that the name of a juristic person could only be registered as a mark if it was "represented in a special manner" and, not a geographical name.
In section 7 (2) of the new act, it can be explained that one may now register a juristic name as a mark in block letters, provided it is not the *full* name, nor descriptive. This means that companies can omit "Inc.", "Co.", Ltd.", "Corporation" or other business entity designation from the representation of their mark [14].
Analysis: In section 7 (2) of the former Act, the Act implies that the name of a juristic person in mere block letters could not be registered as a mark. Therefore, it can be seen that brick-and-click companies cannot protect their trademarks in term of domain names from cyber-squatters. Luckily, for the new Trademark Act in section 7 (2), the Act helps to solve this problem. It will be of great benefit to many companies, especially for the new dot com companies seeking trademark protection for domain names.

The analysis above shows that the amended Trademark Act, the Trademarks Act (No.2) of B.E. 2543 (2000), is a very positive step forward for Thailand, setting new standards for the e-business sector to protect their Domain name and trademark rights. An example of trademark and domain name case will be discussed in next section.

6. ROLES OF THE CENTRAL INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE COURT: TRADEMARK AND DOMAIN NAME CASE STUDY

In order to fulfill its obligation under the Agreement on TRIPs and to promote the strong enforcement of intellectual property disputes in international trade, the Central Intellectual Property and International Trade Court (CIPITC) is established. The proposal for appointment of a committee for setting up of pattern of the CIPITC was submitted to the Cabinet on March 22, 1993. By approval of the Cabinet on May 4, 1993, the Committee was composed of the Permanent Secretary for Justice as vice chairman, and 22 other members from public and private sectors. The Committee finished the draft Bill for the Establishment of and Procedure for the Intellectual Property and International Trade Court within one year after its appointment. The Bill was approved by the Cabinet on May 12, 1994. Subsequently, it was approved by the House of Representatives and the Senate on May 15 and August 16, 1996 respectively. The Act was proclaimed in the Government Gazette on October 25, 1996. Besides the

Act, the Committee was also the architect for the first draft of the Rules for Intellectual Property and International Trade Cases concerning proceeding and taking of evidence in court [15].

The CIPITC has power to adjudicate both civil and criminal cases regarding intellectual property and civil cases regarding international trade. Criminal cases concerning intellectual property legislation are as follows:- Offences against trademark, copyright, and patent infringement under the Trademark (including Domain name), the Copyright and the Patent Acts [16]. Although the Court has only been in existence since 1 December 1997, it has already dealt with a considerable number of cases as shown in Table 1 [17].

Table 1 Case Statistic of the Central Intellectual Property and International Trade Court: December 1, 2000 – September 30, 2003.

Case Type	2000	2001	2002	2003
International Trade	771	520	370	264
Intellectual Property (Civil Case)	102	138	157	142
Intellectual Property (Criminal Case)	2141	3252	3582	2803

Next, an example of trademark and domain name case will be discussed. Generally, the trademark owner is entitled to prevent other parties from using the trademark in respect of goods or services are of the same origin or are affiliated to or associated with or sponsored by such trademark owner. The trademark owner is accordingly entitled to prevent even an owner of noncompetitive goods or services from using the owner's trademark.

Case study: Judgment of the Central Intellectual Property and International Trade Court [18]
Case no. (Black) IP 132/2544
Case no. (Red) IP 121/2545
Intel Corporation (Plaintiff)
Intelcard Industries Co., Ltd. (Defendant)

Where the cause of this case arises out of the dispute regarding trademarks (and domain name) within Thailand, the case falls under the jurisdiction of the CIPITC, which is deemed a court competent jurisdiction. In this case, both the plaintiff and the defendant carry on the same computer business with certain overlapping objectives. The defendant uses the word "INTELCARD" to indicate as the trademark. Since the defendant's business relates to computer and is associated with or has some connection with the plaintiff's activity, the use by the defendant of the plaintiff's term "INTEL" is held to make the public think that the defendant's business is a part of or relation to the plaintiff's activity. Moreover, both the plaintiff and the defendant keep trading via the Internet, the customers may be confused by similar trademark. Consequently, the plaintiff is entitled to prevent the defendant from using the word "INTEL" either in Thai or English version.

For the domain name aspect, the defendant holds "Intelcardgroup.com" for a domain name of the company. As earlier ruled and mentioned, the defendant has no right to use the word "INTEL" either in Thai or English version, the plaintiff is entitled to prevent the defendant from registering its company name as a domain name.

This case shows that the enforcement of trademark and domain name Rights in Thailand has been successful in a satisfied level. The newest challenge to court roles comes from the rise of Information Technology. However, not many cases in Internet issues have been brought to the Central Intellectual Property and International Trade Court in Thailand, but these additional issues will become one of the most controversial Intellectual Property issues in the near future.

7. CONCLUSIONS

The explosive growth of the Internet has resulted in a dramatic increase in the importance of domain names in the conduct of business. Businesses have traditionally developed brand name recognition of their products and services by the use of trademarks and service marks. The IT society needs to consider how best to address the conflicts between trademark rights and domain names recognizing the complexity of the range of situations that may apply and recognizing that any measures in domain name policies need to be practical and effective. This paper shows that the amended Trademark Act, the Trademarks Act (No.2) of B.E. 2543 (2000), is a very positive step forward for Thailand, setting new standards for the e-business sector to protect domain name and trademark rights.

In conclusion, Intellectual Property law is an exciting practice for Internet users and exciting area for academics. People in IT society should pay more attention on the Intellectual Property Rights to gain more understanding and to provide adequate protection.

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