



IP Guide: Participating  
in Online E-Commerce  
Shopping Platforms  
in South East Asia

**Thailand**

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# IP GUIDE: PARTICIPATING IN ONLINE E-COMMERCE SHOPPING PLATFORMS IN SOUTH EAST ASIA - THAILAND

## 1. Status of online shopping platform

### 1.1 Status of online shopping platform in Thailand

Online sales in Thailand mainly take place through four channels in the following:

- E-marketplace
- E-retailer
- Brand webstore
- Social media

#### 1.1.1 E-marketplace

The top two online marketplaces in Thailand are Shopee.co.th and Lazada.co.th. Another rising e-marketplace platform is JD Central run by Central group, Thailand's leading retail conglomerate, in partnership with China's JD.com.

Details of famous e-marketplace platforms in Thailand are as shown below.

No.	Platform	Status	Type
1	Shopee ( <a href="https://shopee.co.th/">https://shopee.co.th/</a> )	This is one of the leading e-commerce operators with its monthly traffic estimate at 46,330,000 (Average monthly visits from May 2020 -July 2020). <sup>1</sup>  Shopee is owned by Sea Group based in Singapore and backed by Tencent, a Chinese multinational conglomerate. It was first introduced in Thailand in 2015 as a C2C marketplace and began offering official stores for brands in 2017.	B2C and C2C
2	Lazada ( <a href="https://www.lazada.co.th/">https://www.lazada.co.th/</a> )	Established in Singapore in 2012 with the backing of Rocket Internet, a	B2C and C2C

<sup>1</sup> SimilarWeb

		<p>German incubator, Lazada has been operating in SEA since 2013 and have been acquired by Alibaba Group since 2016.</p> <p>It is now one of the leading e-marketplaces in Thailand with its monthly traffic estimate at 35,440,000 (Average monthly visits from May 2020 -July 2020).</p> <p>Lazada also hosts many official stores of both leading international and local brands and merchants known as LazMalls.</p>	
3	<p>JD Central (<a href="http://www.jd.co.th">www.jd.co.th</a>)</p>	<p>It just entered the market in 2018 with its monthly traffic estimate at 2,160,000 (Q4 of 2019), doubled from the first quarter of 2019. It is a joint venture between Central Group, a Thai retail conglomerate, and JD.com, a Chinese e-commerce platform.</p> <p>For the period between May and July 2020, its monthly traffic estimate was at 2,445,000.</p>	B2C
4	<p>Tarad (<a href="https://www.tarad.com/">https://www.tarad.com/</a>)</p>	<p>One of the long-established and famous local e-commerce hosting providers in Thailand since 1999. It was previously co-owned by Rakuten, a famous Japanese e-commerce operator, and is currently backed by TCC Group, the largest and powerful conglomerates company in Thailand.</p> <p>During May – July 2020, the average monthly traffic estimate was at 726,019.</p>	B2C and C2C
5	<p>Lwn Shop (<a href="https://www.lnwshop.com/">https://www.lnwshop.com/</a>)</p>	<p>The platform is considered to be another famous local e-commerce hosting provider, in addition to Tarad.com, with the average monthly traffic estimate at 2,162,000 (May-July 2020).</p>	B2C and C2C

6	Kaidee ( <a href="https://www.kaidee.com/">https://www.kaidee.com/</a> )	Formerly known as Dealfish and then OLX, Kaidee is the leading C2C classified marketplace in the country.  For the period of May - July 2020, the website had on average monthly visits at 9,988,000.	C2C
7	Weloveshopping ( <a href="https://portal.weloveshopping.com/">https://portal.weloveshopping.com/</a> )	Found in 2004, this e-commerce hosting platform is one of most established platforms in Thailand. Between May and July 2020, the platform had its average monthly traffic at 883,976.  The platform is part of True Corporation, a leading telecommunications provider in Thailand.	B2C and C2C
8	Pantipmarket ( <a href="https://www.pantipmarket.com/">https://www.pantipmarket.com/</a> )	Another leading C2C classified marketplace in Thailand in addition to Kaidee.com, with its average monthly traffic at 507,698 during the period between May – July 2020.  The marketplace is part of Pantip.com, a popular internet forum and one of the most visited websites in Thailand.	C2C
9	411eStore (formerly “11 Street”) ( <a href="http://www.411estore.com/">http://www.411estore.com/</a> )	The platform was previously owned by SK Planet, a subsidiary of SK Telecom, and known as “11 Street Thailand”. It originally entered Thailand in 2017.  In early 2019, the platform’s owner has been changed to Mr. Chalermchai Mahagitsiri, President and Chief Executive Officer of Thoresen Thai Agencies Plc, who personally invested in the company. <sup>2</sup> Then, the platform has been rebranded as ‘411eStore’.	B2C

<sup>2</sup> <https://www.bangkokpost.com/business/1500066/11street-thailand-finally-secures-new-investor>

		Based on the period of May – July 2020, the average monthly traffic was only at 24,400.	
10	Konvy ( <a href="https://www.konvy.com/">https://www.konvy.com/</a> )	It is a leading cosmetics e-marketplace in Thailand and known for offering products from leading cosmetic brands at discounted prices.  The platform had its average monthly traffic (based on May – July 2020) at 501,492.	B2C

### 1.1.2 E-retailer

An e-retailer is an online shopping site specifically operated by a retailer. The difference between e-marketplaces in 1.1 and e-retailers is that products listed for sale on e-marketplaces are also offered by third parties, while e-retailers only sell products of their own stores. Popular e-retailers in Thailand include:

- Central.co.th (Department store)
- Robinson.co.th (Department store)
- Watsons.co.th (Health and beauty)
- Sephora.co.th (Cosmetics)
- Advice.co.th (IT and electronics)
- Jib.co.th (IT and electronics)
- Powerbuy.co.th (IT and electronics)
- Homepro.co.th (Home and living)
- Tops.co.th (Groceries)
- Tescolotus.com (Groceries)

### 1.1.3 Brand webstore

A brand webstore is a standalone website for consumers to purchase products online from the brand directly. Having complete control of the platform, the brand can access its customer data, customize consumer experience, and manage all other functions of the platform.

In Thailand, many well-established global brands have their own webstores in addition to offering their products through e-marketplaces. Those brands include Nike, Adidas, Zara, H&M, Uniqlo, Estee Lauder, Origins, and Kiehl's.

### 1.1.4 Social Commerce

Social commerce is the use of social media such as Facebook, Instagram, LINE, and Twitter to promote and sell products and services.

Provided that there were around [50 million internet users in Thailand](#), and 48.5 million of them are Facebook users<sup>3</sup>, online social platforms are considered an important channel for commerce in the country these days. Also, with advancement in mobile banking applications in the recent years as well as the COVID incidence, the number of consumers shopping through social media platforms are currently on a constant rise.

In addition, as for the country's most popular messaging application i.e. LINE, there were already 1.3 million LINE official accounts for retail businesses in 2019.<sup>4</sup> This led to the launch of LINE's MyShop feature that allows consumers to purchase products directly from LINE official accounts.<sup>5</sup>

## 1.2 Status of Korean companies on the shopping mall

Despite SK Telecom's exit in early 2019 by disowning its 11street marketplace, in the recent years, there have been more Korean brands opening their official stores on the leading e-marketplaces in Thailand.

On Shopee, Korean brands who have opened their official stores include Banila & Co., Laneige, Innisfree, AHC, etc. And, on Lazada, Korean brands with their official stores include Huxley, Dr. Jart+, Sulwhasoo, Jung Saem Mool, 3CE, Innisfree, Laneige, and Holika Holika.

In addition, in June 2020, Shopee has partnered with Korea SMEs and Startups Agency to promote Brand K which is a joint consumer brand of products by Korean SMEs supported by the Korean Government.<sup>6</sup> Under this partnership agreement, Shopee will soon launch its online Korean corner shop across its seven malls in Southeast Asia including Shopee.co.th.

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<sup>3</sup> <https://www.statista.com/statistics/490467/number-of-thailand-facebook-users/>

<sup>4</sup> <https://linecorp.com/en/pr/news/global/2019/40>

<sup>5</sup> <https://linemyshop.com/>

<sup>6</sup> <https://www.mk.co.kr/news/english/view/2020/06/620851/>

## 2. IP policy of major online shopping platforms

Below are IP policies of the top two e-marketplaces in Thailand i.e. Shopee and Lazada. We also include IP policies of Facebook for its accounts and pages and of LINE for its official accounts as they are also key platforms for social commerce in Thailand.

### 2.1 Shopee's IP-related policies

Name of the policies and terms	Summary of relevant clauses	Source
Terms of Service	By signing up with Shopee, the user agrees to not to upload and list items that infringe copyright, trademark, or other IPR of the third parties or use the Services in a manner that will violate IPR of others	<a href="https://shopee.co.th/legaldoc/termsOfService/?_classic_=1">https://shopee.co.th/legaldoc/termsOfService/?_classic_=1</a>
Prohibited and Restricted Items Policy	(XX) Potentially infringing copyrighted items: Items including but not limited to replicas, counterfeit items, and unauthorized copies of a product or item which may be in violation of certain copyrights, trademarks, or other intellectual property rights of third parties.	<a href="https://shopee.co.th/docs/3609">https://shopee.co.th/docs/3609</a>
Intellectual Property Protection of Shopee	Filing notices of infringement can be done via its IPR form at <a href="https://shopee_support.formstack.com/forms/ipr_th_en">https://shopee_support.formstack.com/forms/ipr_th_en</a>	<a href="https://help.shopee.co.th/s/article/Intellectual-property-Shopee">https://help.shopee.co.th/s/article/Intellectual-property-Shopee</a>

### 2.2 Lazada's IP-related policies

Name of the policies and terms	Summary of relevant clauses	Source
Lazada' Intellectual Property Right – Infringement Policy	<p>Non-exhaustive types of IP infringement that are prohibited on the platform:</p> <p>Listing of counterfeit products and services i.e. Users applying a sign identical or similar to a registered trademark to a product to indicate its origin without prior consent from the mark owner or;</p> <p>Users Reproducing, publishing, or distributing copyrighted works and offering such works for sale on the platform without explicit or implied consent of the copyright holder</p> <p>Infringing content i.e. unfair or unauthorized use of trademark rights in product descriptions or other</p>	<a href="https://pages.lazada.co.th/wow/i/th/LandingPage/IPR">https://pages.lazada.co.th/wow/i/th/LandingPage/IPR</a>



<p>information and use of copyrighted material without consent from the copyright holder</p> <p>Any other type of intellectual property right recognized under the law of the country where the notice of infringement is filed, including patents or registered designs, or any type of intellectual property right recognized under law or by the final court order of an apex court.</p> <p>Types of notices not accepted by Lazada Enforcement of distribution agreements when violated Compatibility with trademarked products In case where trademarks, patents or designs are not registered in the country where IP owners are filing the notice of infringement. Parallel imports</p> <p>Filing notices of infringement can be made via email through <a href="mailto:trust@lazada.com">trust@lazada.com</a> and also through the recommended channel, Intellectual Property Protection platform (IPP platform) by creating an account and submit documents at <a href="https://ipp.alibabagroup.com/register.htm">https://ipp.alibabagroup.com/register.htm</a></p>	
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### 2.3 Facebook's IP-related policies

Before a brand or business can create a Page to promote its products or services on Facebook, it needs to sign up and create an account where information such as email address and date of birth are required.

Upon creation of the account and Page, the business has agreed to comply with Facebook's policies which are listed in <https://www.facebook.com/policies> including the platform's IP-related policies and terms in the following.

Name of the policies and terms	Summary of relevant clauses	Source
Terms of Service	<p>The user agrees not to use Facebook Products (such as Facebook, Messenger, Instagram) to do or share anything that violates intellectual property rights of others.</p> <p>If the user of the account infringes intellectually property rights of others, Facebook may suspend or permanently disable access to the account.</p> <p>Facebook also encourages IP owners to report content or conduct that it is believed that violates their intellectual property rights or other terms and policies.</p>	<p><a href="https://www.facebook.com/terms.php">https://www.facebook.com/terms.php</a></p>

<b>Community Standards</b>	Facebook asks the users to respect other people's copyrights, trademarks, and other legal rights.	<a href="https://www.facebook.com/communitystandards/intellectual_property">https://www.facebook.com/communitystandards/intellectual_property</a>
<b>Pages, Groups and Events Policies</b>	Creators and administrators of Pages, Groups and Events on Facebook are responsible for ensuring that their Page, Group, or Event complies with all applicable laws, statutes, and regulations	<a href="https://www.facebook.com/policies/pages_groups_events/">https://www.facebook.com/policies/pages_groups_events/</a>
<b>Advertising Policies</b>	Ads must not contain content that infringes upon or violates the rights of any third party, including intellectual property	<a href="https://www.facebook.com/policies/ads/">https://www.facebook.com/policies/ads/</a>

## 2.4 LINE's IP-related policies

<b>Name of the policies and terms</b>	<b>Summary of relevant clauses</b>	<b>Source</b>
<b>Official account guidelines</b>	<p>Content that infringes or may infringe upon intellectual property rights, including copyrights and trademark rights of LINE or other third parties is not allowed to be published</p> <p>Partners are not allowed to use LINE logos, characters, or other content that may mislead users to think that the content is provided by LINE. Partners should exercise precautions not to infringe on LINE's copyrights, especially when using the LINE characters. Additionally, Partners are not allowed to implicate that LINE guarantees particular products or services, provide any information that may harm LINE or its affiliates, or use, change, or block LINE's intellectual property rights or content without authorization.</p>	<a href="https://terms.line.me/line_of_ficialaccountguidelines_tlt?lang=en">https://terms.line.me/line_of_ficialaccountguidelines_tlt?lang=en</a>

## 3. IP guide when opening and operating business on online shopping platform

### 3.1 IP guide when opening a business on online shopping platform

#### 3.1.1 Understanding Thai IP laws and regulations and their enforcement

Being informed of local IP laws and regulations would be helpful for companies in starting their business and planning their IP strategy to make use of their IP assets and avoid negative consequences that may be caused by pitfalls or violations of the local laws and regulations.

It is advisable to not assume that the levels of IP protection and enforcement procedures available are all similar in ASEAN countries or even among TRIPS member countries. Thai IP laws and regulations can be different from those of other ASEAN countries or your home country in many aspects.

For instance, in Thailand, some trademarks, despite their well-known status, might face difficulties in getting registered at the Thai Trademark Office as the Thai examiners are exceedingly conservative and strict on distinctiveness issue. Under the Thai Patent laws, a petty patent application can be granted quickly, and thus can be used for enforcement relatively promptly. On the other hand, it often takes several years for a patent application to be granted.

As for the enforcement aspect, the Thai Customs is quite active. Customs detentions take place on an almost daily basis. Thus, filing a Customs recordal application (and ideally training the Customs officers on how to spot counterfeits) is considered to be a convenient and cost-effective IP protection measure in Thailand compared to other measures such as raid actions by the police.

Specifically, for online business operators, it is essential to understand procedures to report and take down content constituting IP infringement directly with different e-commerce platforms. There is also another procedure option of site blocking—in which right holders can request for a website featuring IP infringement to be blocked by Thai ISPs. Currently, the procedures are handled by Ministry of Digital Economy and Society, in collaboration with the Department of Intellectual Property and the Thai police.

All in all, to consult with local IP experts to plan your IP strategy by registering and obtaining protection for your core rights before entering the local online market is highly recommended.

#### 3.1.2 Registration of IP rights

##### Trademark

As most businesses on online platforms in Thailand offer consumer products and/or services, trademark protection is one of the most important IP assets for such businesses.

If companies planning to open the online business have not had their registered trademarks in Thailand, they are recommended to file a trademark application with the Trademark Office to have their trademarks registered to secure their exclusive rights to exploit their marks in the country as well as protection against registration of similar or identical marks by others.

Prior to submitting a trademark application, it is recommended to conduct a search on the Thai Trademark Office's database to check whether there is any identical or confusingly similar mark already registered--to avoid infringement or to develop a strategy to deal with squatters' marks (if any). And, in filing a trademark application, it is recommendable to apply for the mark in the form intended to be used in Thailand and to cover all specific goods and services the businesses are offering or intending to offer. Again, Thai examiners are very conservative on their distinctiveness view. It is best to consult with trade mark attorneys regarding registrability of your marks before filing an application in Thailand.

### **Copyright**

Copyright protection covers a wide range of expressions of ideas including works related to online businesses such as website contents and advertising materials.

Copyright protection arises automatically at the time of eligible works' creation. However, obtaining formal copyright recordation at the Department of Intellectual Property ("DIP"), Ministry of commerce, should be useful for purposes of prima facie evidence in case copyright infringement or other copyright disputes arise. If your core goods or services are copyright based (e.g. music, film, books), you may consider recording your key works with the DIP for such purposes.

In Thailand, filing a copyright recordation can be done online as of February 2020, And, after the recordation applications are approved, the copyright holders can request their e-certificate in a digital format to evidence their copyright recordation.

### **Patent and design patent**

Depending on IP assets identified in your business, if the business creates any new or unique invention or design, registration of patent or design rights should be taken into consideration as well. Inventions or designs will only enjoy protection if they are registered under the Thai laws.

On the other hand, for sellers that import original equipment manufacturer (OEM) goods from overseas, it is highly recommendable to conduct a prior check to ensure that their goods do not infringe anyone's patent or design patent.

### **Other related rights**

In e-commerce, protection of domain names and social media identities are essential.

For instance, in case business owners plan to start their own brand webstore in Thailand, they should register local domain names ending with '.co.th' designed for business entities for use with their local stores. The registration and renewal of all domain names with '.th' including '.co.th' are handled by a company named "THNIC" ([www.thnic.co.th](http://www.thnic.co.th)). According to the THNIC's policy, for registration of domain names with '.co.th', the domain names must be based on registration of a company's name or registration of trademarks owned by a company.<sup>7</sup>

As for the social media identities such as names of Facebook official pages, LINE official accounts, or verified Twitter accounts, brand owners are recommended to secure those identities soonest possible and search and

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<sup>7</sup> <https://www.thnic.co.th/en/policy/>

consider requesting a take down if there are any pages or accounts with identical or confusingly similar names pretending to be the brand or the brand's authorized distributor in Thailand.

### 3.1.3 Customs recordal

Thailand has a properly functioning Customs IP border protection system. The Thai Customs actively looks for suspected fakes and customs detention take place on a daily basis, leading to around 1,000 seizures per year. The scope of the border protection covers imports, exports and transshipped goods, which is broader than those of other ASEAN countries where only imported goods are seized.

In 2020, there are around 860 recordals shown on the Customs' database at [www.thaiipr.com](http://www.thaiipr.com). Other competent authorities also use the Customs' database to find contact details of authorized law firms to contact for verification of suspected goods.

All in all, filing a Customs recordal is considered to be a convenient and cost-effective IP protection measure compared to other IP enforcement measures available in Thailand. It is recommended for business owners to file a Customs recordal application, and consider conducting a training for the Customs officers in Thailand once the COVID pandemic situation improves.

### 3.1.4 Contractual issues

Starting a business on an online platform might require signing of various agreements. It is recommended for business owners to ensure that those agreements will not affect their ownership of IP rights. Our suggestion is to explicitly stipulate provisions of IP ownership in all agreements whether they are distributor, partnerships, joint-venture, or other agreements.

## 3.2 IP guide when operating a business on online shopping platform

### 3.2.1 Enforcement options when your rights are infringed

First of all, regardless of enforcement options chosen, it is necessary to secure evidence of infringement including screenshots of pages featuring infringing products to use for further steps. An additional online or offline investigation might be required to acquire more information on infringers such as a postal address for sending cease & desist letters, identity of the infringing sellers, estimated number of infringing goods in stock, locations of storage facilities etc. And, in some cases, a test purchase is required to confirm whether suspected products are counterfeits.

#### Online takedown

##### *Takedown notices via online platforms*

In case of online infringement, filing a takedown request can be a good initial action, especially against online infringers on popular platforms (e.g. Facebook, Shopee, Lazada)—because such platforms usually have clear policy to prohibit infringing content on their platforms and to process takedown notices. And, for Lazada, IP right holders could also register their rights through its IP Protection (IPP) Platform for further notifications on IP infringement on the platform.

### Site-blocking procedures under the Computer Crimes Act

In short, the Section 20(3) of the Computer Crimes Act provides that, an official may, with the approval of the Minister of Digital Economy and Society, file a petition together with evidence with the court having jurisdiction requesting for an order to block dissemination of computer data that constitutes a criminal offence under the law relating to intellectual property.

Thus, as an alternative to swift takedown procedures of most famous online platforms or in case of infringing content on standalone websites, the right holders can file a site blocking request with competent officers e.g. the police and/or the Department of Intellectual Property (“DIP”). They will forward the request to the Ministry of Digital Economy and Society (“MDES”) for approval to block infringing content, based on Section 20(3) of the Act. Upon approval of the Minister of Digital Economy and Society, the MDES officer will file a petition requesting blocking of the content with the Court. If the court allows such request, the officer can proceed to order the ISPs to block the website.

However, IP right owner should keep in mind that, in practice, it may take several months for the relevant government bodies to process the case and the system is still undergoing improvement (as detailed below). The overall process is thus slower than the takedowns directly requested to the established online platforms.

### New site blocking procedures that are soon to be enforced

In practice, site blocking procedures have been slow and sometimes not effective, because many ISPs are uncooperative with the Court’s order and the MDES is unwilling to force the ISPs to comply. To try and solve this issue, in July 2020, the DIP held a meeting with related sectors including the National Broadcasting and Telecommunications Commission (“NBTC”), the MDES and the Royal Thai Police to discuss new site blocking procedures according to Section 20(3) of the Thai Computer Crimes Act. The new procedures will be involved in the following additional steps:

1. Once the MDES sends Court’s orders to ISPs, the MDES will notify both the DIP and NBTC;
2. The DIP will inform the right holders about the MDES’s notifications sent to ISPs;
3. The right’s holders will monitor whether the ISPs comply with the orders. If within 15 days the ISPs do not comply with the Court orders or if target sites become unblocked, the right holders will inform the DIP; and
4. The DIP will notify the MDES and NBTC of the ISP’s incompliance for the two authorities to take further actions.

As a result, under the new procedures, ISPs will have 15 days to comply with the Court orders. If they fail to comply with the orders, they can be fined up to THB 200,000, plus a daily fine not exceeding THB 5,000 until the orders are properly complied with, according to Section 27 of the Computer Crimes Act. Essentially, under the new procedures, it can be seen that the DIP is stepping in to be a coordinator between right holders and the MDES, as the DIP’s position as a fellow government agency is hoped to bring more pressure on the MDES in their implement of Court’s blocking orders.

In addition, there is a new police taskforce called the Police Cyber Taskforce (“PCT”), under the Royal Thai Police, just set up to handle criminal cybercrime. Their responsibilities include site blockings. The site blocking complaints can now be submitted to either the DIP or the PCT, and the PCT will work with the DIP in liaising with the MDES and NBTC to improve the new site blocking regime.

The new regime is hoped to help improve the effectiveness of the site blockings in Thailand.

### *Cease & desist letter and follow-up negotiations*

For online infringers that are not on popular platforms or offline infringers, issuance of a cease & desist letter with follow-up negotiations can be a suitable option. In Thailand, in case of clear infringement, chances of successful negotiations are good.

Please note though that, in Thailand, it is rare to get compensated in the post-C&D letter negotiation. We may nonetheless include our demand for compensation in the letter and use it as leverage in exchange of swift cooperation in stopping the sales of the counterfeits. Most infringers will usually comply by stopping the sales.

### *Criminal raid actions by the police followed by criminal litigation by the public prosecutor*

Raid actions can be a proper option to tackle egregious targets with big volume of counterfeits. To start the process, an IP owner has to lodge a criminal complaint for IP infringement with evidence of infringement to the police.

In practice, the police will require clear evidence of infringement and locations of infringers and assistance through to the raid actions. The police will apply for search warrants from the Court to conduct raid actions. Once the raids are done, the counterfeits seized and the infringers apprehended, the police will pass on their case file to the public prosecutors. Upon completion of their review, the prosecutors will lodge criminal complaints to the Court. Right holders will have an option to join in as co-plaintiffs with the prosecutors and/or to claim civil damages based on the evidence in the criminal case.

In reality, however, police raids are increasingly difficult to organize without right holders or their agents being asked for financial contributions. If your infringement problem concerns products or services that relate to human health or high volume of damages (more than THB 10 million), another option is to liaise with the Department of Special Investigation (“DSI”) for raid actions. The DSI can only take on specific types of cases. But, your cases fit into their criteria, the DSI can be a good option because they usually raise no illegal contribution issue. The downside is only that their internal process may be more complicated and slower than the ordinary police’s process. Though, once they conduct the raid actions, they will also forward their case files to the public prosecutor for further processing the same way the police does.

However, if your case does not meet the criteria of the DSI and you wish to avoid the contributions issue with the police, another option is to simply lodge a criminal complaint with supporting evidence with the police and leave the case in the hand of the police (without pushing for raid actions and in turn getting at risk of being pressured into making contributions). They will have the discretion to decide whether and how to pursue the case further. If our evidence of counterfeit products provided is clear, there is a fairly good chance that the police will pursue it and they may request the Court to issue search warrants to raid the infringer’s premises. If the raids are successful, the police will forward the case to the public prosecutor to lodge a criminal litigation to the Court.

Please note though that the Court will often order just a small fine and suspended imprisonment penalty against infringers, in cases pursued solely by the public prosecutors—which are not really deterrent. Thus, we also recommend to join in as a Co-plaintiff and/or also claim civil damages in cases against larger or more stubborn infringers, to add more deterrence against them.

As for IP enforcement on online markets done by the police, in 2018, there were 368 raids against online sellers with around 60,000 items seized.<sup>8</sup>

#### Criminal litigation carried out by an IP owner

Another option is to lodge a criminal complaint on the ground of trademark infringement directly to the Court by ourselves. However, we would not recommend this option, because the standard of proof in criminal case is much higher than in civil case. And, there is a risk that the Court may reject a criminal complaint not initiated through the police and public prosecutor.

#### Civil litigation

Thailand has a specialist Intellectual Property and International Trade Court (“IP Court”). It is known as one of the best Civil IP courts in Asia with over 300 IP trials per year, many of which are complex technical IP cases e.g. patents. The judges are experienced in IP laws and are impartial. The civil proceedings are fairly straight-forward. It can conclude within around 2 years for the first-instance stage, though it may of course settle before then.

In addition, during the Court’s proceeding, an IP owner can request the Court to subpoena importation documents from the Customs and/or sales statistics of an infringer from an online platform or other third parties to try to prove further damages. Although the Thai laws only allow the Court to award only actual and proven damages in most cases, the Court is becoming increasingly open to awarding larger amount of damages. This can have more deterrent effect on infringers than just small fine and suspended imprisonment in criminal case alone.

Preliminary and interim injunctions with emergency hearings are also available under the laws, although there are strict requirements for such injunctions.

And, for copyright cases, there is Section 32/3 of the amended Thai Copyright Act (No.2) B.E. 2015 allowing preliminary injunctions to order ISPs to take down infringing content from the internet. The Section also exempts the ISP from liability for any damage arising from implementation of the Court’s orders. However, in practice, the Court’s takedown orders sent to ISPs residing outside Thailand will become unenforceable.

### **3.2.2 How to act when our companies infringe upon others**

It is advisable to consult with Thai IP law experts as soon as possible to explore available solutions to settle the dispute.

Particularly, in case a company receives a warning letter claiming that it is infringing IP rights of someone else, it means that negotiation may still be an available option. By consulting with IP experts, they can assess the situation and may be able to come up with reasonable counter arguments and advice on which offer should be proposed to the presumed right owners. In some cases, IP rights claimed by the right owners – even if they are published or registered with the DIP—may be challenged and cancelled at the IP Office or by the Court. However, in case it is a criminal infringement case filed with the police or the Court, it is important to understand that only copyright infringement cases can be settled, not a patent or trademark infringement case.

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<sup>8</sup> Stats from the Department of Intellectual Property, 2018



It is recommended to bring the case to IP lawyers who are specialized in IP litigation as soon as possible to avoid making mistakes.

In addition, in case of clear infringement, you may consider ceasing unauthorized use of the others' IP rights at issue immediately to avoid further damages and express good intention to cooperate.

## 4. Major cases and precedents

In Thailand, most IP disputes in online platforms have often been resolved before the cases reach the Court, via various pre-litigation options available such as filing a takedown notice with an online platform which is faster than other measures in most cases and C&D letters which often lead to cooperation. Therefore, there have not been many cases involving online platforms.

There was only one recent trademark infringement court case where an online platform was sued (Black Case No. TorPor 201/2561), but the case was also later settled.

The plaintiffs are a local cosmetics company who is the owner of registered trademarks and tradename for a local cosmetics brand, et al. The defendants are Lazada (the international e-commerce company) et al. The grounds are trademark and trade name infringements. The plaintiffs found photos of presumably counterfeit cosmetics products featuring use of the 1st plaintiff's registered marks and tradename on the Lazada's platform without authorization. The plaintiffs sent a notice to Lazada requesting it to cease advertising and offering for sale the infringing products on its platform. However, according to the plaintiffs' complaint, such notice was neglected. The plaintiffs then filed a civil complaint with the Thai IP Court requesting the defendants including Lazada to jointly or separately pay 27,000,000 THB (approx. USD 856,000) plus the 7.5% interest rate. The case was settled on undisclosed terms and the Court allowed the plaintiffs to withdraw the lawsuit a month after the first hearing.

The above settled lawsuit can be a good example in showing that a civil lawsuit can be a tool to bring infringers into settlements including negotiations for damages, particularly, when they deny providing any cooperation to settle the dispute amicably through follows up after warning letters. Full trial will not be required if the parties can reach early settlement, and the Court can render the decision on the parties' agreed terms.