

## **Report Q204**

in the name of the Thai Group  
by Tilleke and Gibbins International, Ltd.

### **Liability for Contributory Infringement of IPRs**

#### **Questions**

##### **1) Analysis of current legislation and case law**

- 1) *Does your national law provide for liability for contributory infringement of IPRs, in respect of the offering or supply of means for working an invention, for enabling illicit commercial use of a trademark, for making a copyrighted or design protected product, etc.?*

In general, Thai IP law **does not explicitly recognize contributory infringement of IPRs**. Each IP law and the provisions of the Civil and Commercial Code and the Penal Code which may be applicable are discussed below.

##### **Patent**

In Thailand patents are governed by the Thai Patent Act B.E. 2522 (A.D. 1979), Thai Patent Act No. 2 B.E. 2535 (A.D. 1992), and Thai Patent Act No. 3 B.E. 2542 (A.D. 1999), covering both inventions and product designs. The patentee is granted an exclusive right to exploit the patented invention during the period of protection.

The Thai Patent Act does not have clear provisions on indirect infringement and there is no confirmed doctrine of contributory infringement. Moreover, there is no court judgement or any prior cases directly acknowledging the concept of contributory infringement. Despite the lack of a clearly recognized doctrine of contributory infringement under Thai patent law, provisions of the Penal Code and Civil and Commercial Code may be applicable. There are discussed below.

##### **Copyright**

In Thailand copyright is governed by the Copyright Act B.E. 2537 (A.D. 1994). The legal effect of a copyright in Thailand is to protect the owner's creation or works from infringement by giving the owner the power to file a civil and/or criminal complaint to enforce his/her copyright.

A copyright infringement arises from a deliberate act in respect of all or part of a copyrighted work of another without permission, either directly or indirectly. "Indirect infringement" under the Copyright Act, Section 31, includes selling, possession for sale, offering for sale, offering for rent or hire-purchase, public dissemination, distribution in any manner prejudicial to the copyright owner's rights, or importing or making an order for import into Thailand by any person who is aware or should have been aware that such particular work infringes on copyrighted work for the purpose of seeking profit also constitutes infringement.

Although indirect infringement is explicitly recognized under the Copyright Act, the law does not directly address the case where someone offers or supplies "means" for committing direct

copyright infringement. However, in certain cases it may be possible to formulate an action under the foregoing indirect infringement provisions. Also, the provisions of the Penal Code and Civil and Commercial Code could be applicable. (See below).

### **Trademark**

Trademarks are protected under the Trademark Act B.E. 2534 (A.D. 1991) as amended by Trademark Act (No. 2) B.E. 2543 (A.D. 2000). The proprietor of a trademark which is registered in Thailand has the exclusive right to its use with goods/services for which registration was granted.

Like the Patent Act, the Trademark Act does not have clear provisions on indirect infringement or contributory infringement. There is no precedent expressly recognizing the concept of contributory infringement. Nevertheless, the provisions of the Penal Code and Civil and Commercial Code may be applicable as discussed below.

### **Other Grounds**

In addition to the IP legislation discussed above, the following provisions *may* provide a basis for legal action with respect to contributory infringement:

#### **Section 420 of the Civil and Commercial Code (CCC)**

A civil claim may be formulated under Section 420 of the CCC which is a basic tort provision under Thai law. Section 420 has been drafted very broadly. It reads as follows:

“A person who, willfully or negligently, *unlawfully* injures the life, body, health, liberty, property, or any right of another person, is said to commit a wrongful act and is bound to make compensation therefore.” (Emphasis added).

Under this section, we would show that (i) the plaintiff-IP owner has legal rights in the intellectual property, and (ii) the supplying of the “means” in question damaged the legal rights of the plaintiff.

#### **Section 432 of the the Civil and Commercial Code (CCC)**

In addition to Section 420, it may be possible in certain cases to hold the secondary infringer jointly liable with the direct infringer under Section 432 of the CCC. Section 432 states that:

“If several persons by a joint wrongful act cause damage to another person, they are jointly bound to make compensation for the damage. The same applies if, among several joint doers of an act, the one who caused the damage cannot be ascertained. Person who instigate or *assist* in a wrongful act are deemed to be *joint actors*. As between themselves the persons jointly bound to make compensation are liable in equal shares unless, under the circumstances, the Court otherwise decides.” (Emphasis added).

Under this section, it may be possible to argue that the person who commits contributory infringement is a “joint actor” in carrying out the infringing activity.

#### **Section 84 of the Penal Code**

Where an actor is clearly aware that there may be an infringement issue, Section 84 of the Penal may be applicable. Section 84 provides that:

“Whoever, whether by employment, compulsion, threat, hire, asking as favour or instigation, or by any other means, *causes* another person to commit any offence is said to be an instigator...” (Emphasis added).

However, for a party to be liable under the foregoing provision, the IP owner would need to prove that the defendant possessed the necessary intention to commit a criminal offence.

#### **Section 86 of the Penal Code**

Section 86 provides that:

“Whoever, *by any means* whatever, does any act to *assist or facilitate* the commission of an offence of any other person before or at the time of committing the offence, even though

the offender does not know of such assistance or facilities, is said to be a *supporter* to such offence, and shall be liable to two thirds of the punishment provided for such offence.” (Emphasis added).

By offering or supplying means for committing an infringement, the actor could be considered a “supporter” of the infringing activity.

- 2) *If so, is it a condition for such liability that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement of the IPR in the same country (or in another country where there is a corresponding IPR)? Are there any additional conditions that apply in such cases?*

As discussed in (1), Thai law does not explicitly recognize contributory infringement of IPRs. Where it is possible to formulate a claim under one (or more) of the statutory provisions discussed above, whether the means provided must be used in Thailand would depend on the provision invoked and the facts of the case.

- 3) *If it is not a condition for liability for contributory infringement that the means supplied are actually used by another (the person supplied) for committing acts that amount to direct infringement in the same country (or in another country where there is a corresponding IPR), is it then, on the other hand, a condition for such liability, for example*

- *that the means offered and/or supplied were suitable to be put into an infringing use;*
- *that the means relate to an essential, valuable or central element in the invention or product or service that constitutes direct infringement;*
- *that the means offered and/or supplied were actually intended for such use on the part of the person supplied;*
- *that the means offered and/or supplied were intended to be put to that use in the country in which they were offered or supplied;*
- *that, at the time of offering and/or supply of the means, the suitability and intended use were known to the supplier or were obvious under the circumstances; or*
- *that, to the extent the means are staple commercial products, the supplier induces the person supplied to infringe directly?*

*Are there other conditions? Please respond separately for patents, trademarks, designs, copyright etc., if the rules differ from each area of IPR to the other.*

Please refer to (2).

- 4) *Are the rules concerning contributory infringement set out in the laws protecting IPR?*

Patent Act – No.

Copyright Act – There are provisions concerning “indirect infringement” but no express provision on “contributory infringement” as defined by this questionnaire.

Trademark – No.

- 5) *If such protection is not set out in the laws protecting IPR, does it follow from generally applicable principles of e.g. tort law?*

Please refer to the discussion about the provisions of the Civil and Commercial Code and the Penal Code in (1).

6) *What are the legal consequences of holding an act to be a contributory infringement of an IPR, in particular:*

- *can the IPR owner obtain injunctive relief to the same extent as in case of direct infringement?*
- *can the IPR owner obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

At present Thai IP laws, e.g. the Patent Act, Trademark Act, and Copyright Act, primarily impose criminal penalties in the forms of imprisonment and fines. In addition to the criminal penalties, the Patent Act, Trademark Act, and Copyright Act also provide for injunctions and damages. However, as discussed above these laws do not directly afford protection against contributory infringement.

If a case is formulated under the Penal Code provisions, criminal penalties will apply. In civil cases under the Civil and Commercial Code (including general tort claims), IP owners will be able to claim damages, and perhaps injunctive relief in some cases.

## **II) Proposals for substantive harmonisation**

7) *Should measures generally be available against acts that qualify as contributory infringement of IPRs, as defined in these Working Guidelines?*

Yes, there should be measures directed at stopping contributory infringement of IPRs as it is sometimes difficult for right owners to identify and bring legal actions against direct infringers.

8) *If so, what should be the conditions for holding an act to be a contributory infringement of an IPR?*

The key elements should be (i) knowledge and (ii) material assistance. Generally speaking, civil liability should be imposed on any person who, with knowledge of an infringing activity, induces or provides material assistance in the infringing conduct.

However, supplying of "means" which can be used for other legitimate purposes (i.e. purposes other than to commit an infringement) should not be subject to liability.

9) *Should the conditions be different for different kinds of IPRs? Why?*

The key elements should remain the same for all types of IP. However, there may be different additional requirements or conditions for each type of IP to ensure that liability is limited to cases where the assistance provided materially contributes to the infringing activities.

10) *What should be the legal consequences of holding an act to amount to contributory infringement of an IPR, in particular?*

- *Should the IPR owner be able to obtain injunctive relief to the same extent as in case of direct infringement?*
- *Should the IPR owner be able to obtain damages and other compensation to the same extent as in case of direct infringement, or only relative to the contributory infringer's contribution?*

At present Thai IP laws, e.g. the Patent Act, Trademark Act, and Copyright Act, primarily impose criminal penalties on infringers. With regard to contributory infringement, imposing criminal liability would be unnecessarily harsh. Civil liability alone should provide adequate deterrence against contributory infringement. Thus, IP owners should be able to obtain injunctive relief to prevent subsequent direct infringements. In addition, IP owners should be able to obtain actual damages resulting from the contributory infringement.

11) *Should the legal consequences be different for different kinds of IPR? Why?*

No, the legal consequences should be consistent across all types of IP.

12) *Does your Group have any other views or proposals for harmonisation in this area?*

No additional comment.