

Summary of Constitutional Court Ruling No. 6-7/2552

Dated 24th March B.E. 2552 (2009)*

Re: The Central Intellectual Property and International Trade Court referred the objection of plaintiffs (Mawai Food Corporation Limited, as first plaintiff, and others, a total of 2 plaintiffs) in Civil Case No. Thor Por 39/2548 (2005) requesting for a Constitutional Court ruling on whether or not section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), were contrary to or inconsistent with section 4, section 27, section 29 and section 48 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997) (embodying comparable principles to section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007)).

Re: The Central Intellectual Property and International Trade Court referred the objection of plaintiffs (Mawai Food Corporation Limited, as first plaintiff, and others, a total of 2 plaintiffs) in Civil Case No. Thor Por 41/2548 (2005) requesting for a Constitutional Court ruling on whether or not section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), were contrary to or inconsistent with section 4, section 27, section 29 and section 48 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997) (embodying comparable principles to section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007)).

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1. Summary of background and facts

The Office of the Judiciary referred the application of Mawai Food Corporation Limited and others constituting a total of 2 persons, as plaintiffs in Civil Case No. Thor Por 39/2548 (2005) and No. Thor Por 41/2548 (2005) in the Central Intellectual Property and International Trade Court, in a total of two applications, requesting for a Constitutional Court

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ruling on whether or not section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), were contrary to or inconsistent with section 4, section 27, section 29 and section 48 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997). The facts in the applications may be summarized as follows.

Mawai Food Corporation Limited, the first plaintiff, was a juristic person having the form of a limited company registered with the Department of Business Development, the Ministry of Commerce, under the name “Mawai Food Corporation Limited” with the objective of manufacturing food in the category of instant egg noodles for distribution. The second plaintiff (Mr. Sa-nguan Janyaputipong), as the authorized director of the company, filed an application to register as trademarks, the word “MAWAI (in Thai)” and “MAWAI” for use with products in Category 30, Product Description: Instant Egg Noodle, as evidenced by application nos. 424437 and 423874. The Trademark Registrar found the trademarks to be capable of registration under section 6 of the Trademark Act B.E. 2534 (1991), and therefore made determinations of registration nos. Kor 137895 and Kor 141366.

Later, Thai President Foods Public Company Limited filed an application to the Board of Trademarks in request of the deregistration of such trademarks of Mawai Food Corporation Limited, pursuant to section 61, section 62 and section 63 of the Trademark Act B.E. 2534 (1991). The Board of Trademarks considered the application and made the following findings. It was found on the facts that the applicant for deregistration had already registered as a trademark, the word “MAMA”, prior to the trademark of Mawai Food Corporation Limited. It was claimed that the trademark of Mawai Food Corporation Limited was a mark similar the applicant’s trademark. Thus, Mawai Food Corporation Limited’s use of such trademark on instant egg noodles, which were identical goods to the applicant’s, could confuse or mislead the public as to the owner or origin of the goods. The applicant for deregistration was therefore an interested person under the law and had the right to file an application for deregistration of the registered trademark as provided under section 61 and section 63 of such Act. Also, at the time of registration, the trademark of Mawai Food Corporation Limited was not distinctive as provided under section 7 paragraph two subparagraph (2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000). It was therefore found appropriate to deregister such trademark pursuant to section 61(1) of the same Act. The Board of Trademarks hence relied on its authority under section 96(2), in conjunction with section 61 of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), in its decision to deregister trademarks with respect to registration no. Kor 137895 (application number 424437) and registration no. kor 141366 (application number 423874).

Mawai Food Corporation Limited, as the first plaintiff, and Mr. Sa-nguan Janyaputipong, in his capacity as the company’s authorized director, as the second plaintiff, filed an action against the Department of Intellectual Property and others (the Board of Trademarks and its members), constituting a total of 9 persons, as defendants in the Central

Intellectual Property and International Trade Court, as Civil Case No. Thor Por 39/2548 (2005) and Civil Case No. Thor Por 41/2548 (2005) respectively, requesting the court to give judgment for the revocation of the Board of Trademarks' decision which revoked the trademark rights of both plaintiffs.

Thereafter, both plaintiffs submitted applications dated 8th August B.E. 2548 (2005) requesting the Central Intellectual Property and International Trade Court to refer both plaintiffs' opinion to the Constitutional Court for a ruling under section 264 of the Constitution, in summary as follows. The plaintiffs' trademark rights in this case enjoyed protection under the provisions of section 27 and section 48 in conjunction with section 4 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997). The revocation of the plaintiffs' trademark rights was therefore a restriction of rights as provided under section 29 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997). Yet, the Trademark Act B.E. 2543 (2000) did not contain any text referring to any authority under the constitutional provisions for the restriction of rights. Moreover, the authorization and exercise of authority by the Board of Trademarks under section 61, section 65 and section 92(2) were exercises of executive authority to give judgments, instead of providing that in the case of a finding of revocation, the Board should file an action in court for a ruling as in section 66 and section 67. As the provisions of law conferred the adjudicative competence of deregistration to the Board of Trademarks, such provisions were therefore inconsistent with the principle of separation of powers under section 3. As a result, both applicants were of the opinion that the provisions of section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), which were applicable to this case and subject to section 6 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997), were contrary to or inconsistent with section 4, section 27, section 29 and section 48 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997), and there had not yet been a ruling of the Constitutional Court with respect to such provisions. It was therefore requested that the Central Intellectual Property and International Trade Court impose a temporary stay of proceedings and refer the plaintiffs' opinion above to the Constitutional Court for a ruling pursuant to section 264 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997).

The Central Intellectual Property and International Trade Court, after consideration, found that section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), were provisions applicable by the court to this case. Upon the plaintiffs' objection that such provisions were subject to section 6 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997), and the absence of a ruling of the Constitutional Court with respect to provisions invoked by the plaintiffs, the case was therefore in accordance with section 264 of the Constitution. A temporary stay of proceedings was therefore imposed and the opinion was transmitted through official channels to the Constitutional Court for a ruling.

2. Preliminary issue

The preliminary issue was whether or not the Constitutional Court had the power to admit this application for trial.

The Constitutional Court examined both applications and ordered the admittance of the applications for proceedings under clause 12 of the Rules of the Constitutional Court on Constitutional Court Procedures B.E. 2546 (2003), and admittance for trial and adjudication under section 264 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997).

The case was pending proceedings in the Constitutional Court under the Constitution of the Kingdom of Thailand B.E. 2540 (1997) when the Constitution of the Kingdom of Thailand (Interim) B.E. 2549 (2006) was promulgated on 1st October B.E. 2549 (2006), wherein section 35 paragraph one provided that all matters provided by law as the powers of the Constitutional Court, or a problem which arises on whether or not a law was contrary to or inconsistent with the Constitution, shall become the powers of the Constitutional Tribunal. Section 35 paragraph four further provided that all cases or matters pending proceedings in the Constitutional Court prior to 19th September B.E. 2549 (2006) shall be transferred to the powers and responsibilities of the Constitutional Tribunal. Thereafter, the Constitution of the Kingdom of Thailand B.E. 2550 (2007) was promulgated on 24th August B.E. 2550 (2007) to replace the Constitution of the Kingdom of Thailand (Interim) B.E. 2549 (2006), wherein section 300 paragraph one, paragraph three and paragraph four provided for the Constitutional Tribunal under the Constitution of the Kingdom of Thailand (Interim) B.E. 2549 (2006) to become the Constitutional Court, and that the provisions of section 35 paragraph two, paragraph three and paragraph four of the Constitution of the Kingdom of Thailand (Interim) B.E. 2549 (2006) would continue to apply until the enactment of an Organic Act on Constitutional Court Procedures. All cases or matters pending proceedings in the Constitutional Tribunal shall be continued by the Constitutional Court, and upon the appointment of Constitutional Court Judges under this Constitution, all such pending cases or matters shall be transferred to the powers and duties of the newly appointed Constitutional Court. The Constitutional Court therefore had the power to rule on this application.

The Constitutional Court found that at the time of ruling on this application, the Constitution of the Kingdom of Thailand B.E. 2550 (2007) had already been promulgated. The constitutional review of any provision of law had to take into consideration whether or not such provision of law was contrary to or inconsistent with the Constitution in force at the time of Constitutional Court ruling. However, as the provisions in section 4, section 27, section 29 and section 48 of the Constitution of the Kingdom of Thailand B.E. 2540 (1997), which the applicant asserted that provisions of law were contrary to or inconsistent with, embodied identical principles to the provisions of section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007), the Constitutional Court therefore ruled on this application in accordance with section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007).

3. Issues considered by the Constitutional Court

The issues considered by the Constitutional Court were whether or not section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000) were contrary to or inconsistent with section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007).

After consideration, the Constitutional Court found that the Trademark Act B.E. 2534 (1991) was a law intended to control the holder of trademark rights and the protection of personal rights to hold such rights in an orderly and peaceful manner, which was a public interest. The obtainment and loss of trademark rights by a person therefore had to be in accordance with this Act. If a trademark registered by an official subsequently appeared to contravene with the rules provided, there would be prejudice to the rights of other persons in relation to such trademark. The law thus provided a process for the review and revocation of such registration order. Upon finding that a trademark registered by the Registrar, and that at the time of registration the trademark did not possess the characteristics required for registration by not being a distinctive mark as provided under section 7 of the Trademark Act B.E. 2534 (1991), thus not being in accordance with the law, there was reasonable cause as provided under section 61(1) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), for an interested person or the Registrar to file an application to the Board of Trademarks under section 95, consisting of ex officio members and members qualified in the fields of law or commerce and experience in intellectual property or trademarks. The Board of Trademarks would consider and make a decision on the application for deregistration of a trademark as provided under section 96(2). Such Board was deemed as an appeals committee within the administration performing the functions of reviewing the legality of the official's order to deregister a trademark.

As for the application examination procedures of the Board of Trademarks, section 99 of the Trademark Act B.E. 2534 (1991) clearly provided for the quorum requirement and votes on matters considered by the Board, as well as provided a prohibition against members having an interest in the matter considered from participating in the meeting on such matter. In addition, in the deliberations of a deregistration application, the Board had the power to enquire, summon documents or evidence from the deregistration applicant, officials and related persons as part of the deliberations, and a notice of proceedings had to be sent to the trademark owner or an authorized agent and licensees so that the latter could give statements within the prescribed time. The decision had to be made in writing and provide reasons for the decision. In any event, the Board's proceedings had offered opportunities for the parties to express opinions or give statements prior to a decision, consistent with the principles of fair hearing and appropriate safeguards of fairness for all related persons. If a party was dissatisfied with a decision of the Board, an appeal against the order could still be filed in court, being an organ exercising judicial powers impartially and independently, for the review of the exercise of powers by such Board within ninety days as from the receipt date of the notice of decision from the Board. Such a procedure provided for

the fair protection of trademark rights of a person. Even though section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), restricted the rights of a person pertaining to trademarks to a certain extent, such restrictions on a person's rights in property were nonetheless made pursuant to provisions of law that were generally applicable to the extent of necessity and equally in fairness for all parties without in any manner prejudicing the essential substances of the rights and liberties provided under section 29 and section 41 of the Constitution. Section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000) were therefore neither contrary to nor inconsistent with section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007).

As for the applicants' objection that the Trademark Act (No. 2) B.E. 2543 (2000) failed to specify the constitutional provisions authorizing the enactment of a law to restrict the rights and liberties of a person under section 29 paragraph two of the Constitution, the Constitutional Court found that the Trademark Act (No. 2) B.E. 2543 (2000) was enacted subsequent to the promulgation of the Constitution of the Kingdom of Thailand B.E. 2540 (1997) and had already specified the provisions of the Constitution authorizing the enactment of a law to restrict rights and liberties of a person. The provisions of law were therefore already in accordance with section 29 paragraph two of the Constitution. Nevertheless, in the constitutional review of a provision of law under section 211 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007), the Constitutional Court had the power to review only the substance of the promulgated law. The objection of the applicant on such issue was an objection pertaining to the legislative process as having been improperly carried out under section 154 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007), which was a different case, and a case which the applicant was not entitled to raise as an issue of objection in the Constitution.

4. Ruling of the Constitutional Court

By virtue of the foregoing reasons, the Constitutional Court held that section 61(1), section 65 and section 96(2) of the Trademark Act B.E. 2534 (1991), as amended by the Trademark Act (No. 2) B.E. 2543 (2000), were neither contrary to nor inconsistent with section 4, section 27, section 29 and section 41 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007).
