Milestones in Intellectual Property Rights Promotion (Trademark) and OTOP Business in Thailand under the Public Concept of “Pracharat”

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This research has three objectives. They are 1) to study promotion levels of Trademark and One Tambon One Product (OTOP) Business in Thailand under the concept of Pracharat, 2) to study factors influencing the promotion of Trademark and OTOP Business in Thailand under the concept of Pracharat, and 3) to study and propose guidelines for promoting Trademark and OTOP Business in Thailand under the concept of Pracharat. The study was conducted by qualitative and quantitative research methods. The sample group was OTOP entrepreneurs in five pilot provinces from four regions, totalling 2,000 people. The key informants were those who played an important role in managing the OTOP product. Research tools were questionnaires and interview forms. The research revealed that opinions on promoting Trademark and OTOP Business in Thailand under Pracharat concept were at a moderate level. When considering each ground, the first opinion was about the rights of OTOP trademark owners. Other factors were also found including accessing production factors, administration, knowledge management, communication and awareness for sustainability, respectively. Such variables can presumably foresee the promotion of Trademark and OTOP Business in Thailand under the concept of Pracharat, by 74.5 percent. Milestones in Intellectual Property Rights Promotion (Trademark) and OTOP Business in Thailand under the Public Concept “Pracharat” include value added creation and product development, and improvement of trademark protection regulations in the current situation.

Key words: OTOP business, Pracharat Concept, trademark.
Introduction

One Tambon (District) One Product (OTOP) is a project that allows each village to create their products, using local raw materials, and to develop them into a quality product or in line with the local culture. The project aims to make OTOP well-known throughout the country and around the world. It also desires to create prosperity and improve the well-being of the community (Community Development Department, Ministry of Interior, 2016). More than 10 years since OTOP started, a large array of OTOP products have been created. However, some Tambons cannot successfully create their own products. This may be due to management problems within the community, cooperation among members, problems of provincial supports, and so on. Some districts can make very good products but do not receive customer feedback, causing cancellation subsequently, and then no further product improvement. To solve these problems and create strong community cooperation, the government introduced a concept and policy for sustainable economic stimulation. Prime Minister General Prayuth Chan-o-cha has established Pracharat Raksamakkhee (Thailand) Company Limited to promote community enterprise (OTOP), provide knowledge management services, promote product design and product development, create brand, produce certification standards, register intellectual property, create value added product, create demand through marketing channels, facilitate national distribution, and thus increase income for communities. Pracharat Raksamakkhee Company Limited is a form of social enterprise, established to conduct activities beneficial to society. The company's revenue comes from the share of increased income of the community in the project. The company's cash reserves are for the community.

This is a new structure. It allows representatives of government, the private sector, academia, civil society, and the public sector to create programs that benefit to community, and to be able to work together under a legal framework with good governance practices. Pracharat Raksamakkhee Company Limited focuses on five key factors in value chains: accessing production factors, creating knowledge, marketing, communication and awareness for sustainability, and product management. To strengthen OTOP and generate sustainable income for the community, the government and related agencies must be aware and encourage the community to realise the importance of intellectual property, to prevent problems that may arise regarding product infringement. OTOP products can be protected by patent, trademark, geographical indication, as well as by copyright, trade secrets, and Thai local wisdom. This is to meet the objectives of Pracharat Raksamakkhee Company Limited regarding the creation of product branding and product certification standards relating to intellectual property right. Therefore, this research had studied the promotion levels of Trademark and factors promoting Trademark and OTOP Business in Thailand. The research also aimed to study the problems and obstacles in the current situation in Thai OTOP business, to propose guidelines for the protection of Trademark and OTOP Business in Thailand under the concept of Pracharat.
Objectives of the Research

1. To study promotion levels of Trademark and OTOP Business in Thailand under the concept of Pracharat;
2. To study factors influencing the promotion of Trademark and OTOP Business in Thailand under the concept of Pracharat; and
3. To study and propose guidelines for promoting Trademark and OTOP Business in Thailand under the concept of Pracharat.

Conceptual Framework

In this study, the research applied the Pracharat concept for economic development. It provides knowledge management, promotes product design and product development, creates brand, product certification standards, intellectual property registration, adds value for the product, creates demand through marketing channels, national distribution, and increases income for communities. Thus, it creates milestones for research on factors that promote the Trademark and OTOP Business. The five key factors were accessing production factors, creating knowledge, marketing, communication and awareness for sustainability, and project management. Criteria for promoting the Trademark and OTOP Business by Department of Intellectual Property (2016) were applied, in relation to evaluating the Trademark and OTOP Business. The Department of Intellectual Property realised that in the use of commercial intellectual property of OTOP products, the local wisdom of each community must also be protected.

The research framework is shown as follows.
Research Methodology

Researcher used mixed research methods, both quantitative and qualitative, described below.

The researcher used a quantitative research method to answer the research objective numbers 1 and 2. Quantitative research was used to study the promotion level of Trademark and OTOP Business, and to study the factors promoting Trademark and OTOP Business in Thailand under the Pracharat concept. Qualitative research was also applied. The population of this research included OTOP entrepreneurs under the policy of Pracharat Raksamakkhee (Thailand) Company Limited. The samples of five pilot provinces from four regions included Phuket, Phetchaburi, Udonthani, Chiangmai and Buriram; 400 people per province, totalling 2,000 people. The sample size calculation method was based on the formula of Taro Yamane (1973: 52). The tools used in quantitative research were questionnaires. They were tested for the IOC (Index of Consistency) and accuracy (Reliability), which was done by using the Cronbach alpha coefficient formula. Data was scrutinised by using descriptive analysis and stepwise multiple regression analysis. A correlation test was done by Pearson’s Product Moment Correlation Coefficient.

A researcher used a qualitative research method to answer the research objective number 3. Qualitative research was employed to propose guidelines for promoting the Trademark and OTOP business in Thailand under the Pracharat concept. Interview forms were used as a tool for data collection. Five people who played an important role in the trademark management of OTOP businesses were interviewed. The comments received from interviews and
discussions were summarised as guidelines for promoting the Trademark and OTOP business in Thailand under the Pracharat concept. Data was interrogated using content analysis.

The research can be summarised as follows:
1. The Content: The researcher studied OTOP businesses in Thailand under the concept of Pracharat. The researcher also studied the concept of intellectual property, types of trademark in terms of definition, general characteristics, trademark, registration process, as well as the concepts and theories related to the use of intellectual property in commercial purposes. This also includes researching matters related to the promotion of the Trademark and OTOP Business in Thailand under the concept of Pracharat.
2. The Area: The researcher specified an area. The criteria for selection are the pilot provinces for establishing the Pracharat Raksamakkhee Company Limited. There are five provinces from four regions including Phuket, Phetchaburi, Udon Thani, Chiang Mai and Buriram.
3. The Population: OTOP business entrepreneurs who conduct business under the Pracharat Raksamakkhee (Thailand) Company Limited were used in quantitative research. The samples of five pilot provinces included Phuket, Phetchaburi, Udonthani, Chiangmai and Buriram, totalling 2,000 people. For qualitative research, the researcher used the purposive selection method to select key informants, for the selection of interviewees, from those who played an important role in managing the trademark of OTOP businesses.
4. The Period: The research period on this research was from January 2017 to December 2017, a period of 1 year.

Research Results

Research results on Milestones in Intellectual Property Rights Promotion (Trademark) and OTOP Business in Thailand under the Public Concept “Pracharat” were classified into two parts as follows.

Quantitative Research Results

Data on Personal Factors

Data of personal factors of the sample of 2,000 people was from all five provinces; 400 people from each province. Most respondents were male (68.20%), aged 28 - 37 years old (27.50%), with bachelor's degree or equivalent (36.40%), and of married status (54.50%).
Opinion on Promotion of Trademark and OTOP Business in Thailand under Pracharat Concept

The overall picture on the level of opinion towards promoting Trademark and OTOP business in Thailand was at a moderate level ($\bar{x} = 3.28$, S.D. = 0.79). Starting from the highest average, i.e., the law provides protection to the trademark owner ($\bar{x} = 3.46$) was at a high level; enforcement of trademark law can cover all OTOP products ($\bar{x} = 3.45$) was at a high level; equal as the government should determine the level of punishment of offenders according to the nature of the consequences of the offense, for example, causing damages to trademark owners and causing harm to consumers, the offender should receive the maximum penalty ($\bar{x} = 3.45$) was at a high level, as the first three respectively. Reducing the petition time of the appellate body from 90 days to 60 days is appropriate (in the event of an objection to the registration of a trademark) ($\bar{x} = 3.02$) was at a moderate level, which was the lowest mean.

Level of Factors Promoting Trademark and OTOP Business in Thailand under Pracharat Concept

The overall picture of the level of opinion towards factors promoting Trademark and OTOP business in Thailand under Pracharat concept was at a moderate level ($\bar{x} = 3.11$, S.D. = 0.76). Considering each ground, it was found that the opinion on accessing to production factors was at moderate level ($\bar{x} = 3.28$, S.D. = 0.79); the opinion on creating knowledge was at moderate level ($\bar{x} = 3.18$, S.D. = 0.85); the opinion on marketing was at moderate level ($\bar{x} = 3.05$, S.D. = 0.79); the opinion on communication and awareness for sustainability was at moderate level ($\bar{x} = 3.03$, S.D. = 0.85); and the opinion on management was at moderate level ($\bar{x} = 3.12$, S.D. = 0.86), respectively.

Research Results on Factors that Promote Trademark and OTOP Business in Thailand

Research results on factors that promote Trademark and OTOP Business in Thailand under Pracharat concept relating to five aspects revealed four influential factors on promoting Trademark and OTOP Business in Thailand, under the Pracharat concept. The most influential independent factor was accessing production factors ($X_1$), followed by product management ($X_5$), creating knowledge ($X_2$), communication and awareness for sustainability ($X_4$), respectively. The level of such factors could foresee the promotion of Trademark and OTOP Business in Thailand under the Pracharat concept at 74.5%, as in the following table.
Table 1: Multiple Regression of Factors Influencing the Promotion of Trademark and OTOP Business in Thailand under Pracharat Concept

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardised Coefficients</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.598</td>
<td>.038</td>
<td>15.854</td>
<td>.000</td>
</tr>
<tr>
<td>X1</td>
<td>.455</td>
<td>.022</td>
<td>.492</td>
<td>21.098</td>
</tr>
<tr>
<td>X5</td>
<td>.191</td>
<td>.020</td>
<td>.207</td>
<td>9.630</td>
</tr>
<tr>
<td>X2</td>
<td>.158</td>
<td>.022</td>
<td>.174</td>
<td>7.148</td>
</tr>
<tr>
<td>X4</td>
<td>.050</td>
<td>.015</td>
<td>.053</td>
<td>3.266</td>
</tr>
</tbody>
</table>

R = .863, R² = .745, S.E.est = .402, n = 2000 * with a significance level of 0.05

Equation showing relationships as follows:

Prediction equation in raw score form \( \hat{Y} = 0.598 + 0.455x_1 + 0.191x_5 + 0.158x_2 - 0.050x_4 \)
Prediction equation in standard score form \( \hat{Z} = 0.492x_1 + 0.207x_5 + 0.174x_2 - 0.053x_4 \)

Research results on factors that promote Trademark and OTOP Business in Thailand under Pracharat concept revealed that the most influential independent factor promoting Trademark and OTOP Business was access to production factors, followed by product management, knowledge creation, communication and awareness for sustainability, respectively. However, marketing (X3) was not considered a factor in this case.

Qualitative Research Results

The results are as follows:

Factors Promoting Trademark and OTOP Business in Thailand under Pracharat Concept

There were five factors promoting Trademark and OTOP business in Thailand under Pracharat. Additionally, the OTOP entrepreneurs’ knowledge and understanding about the Trademark was another factor that most people, communities, even OTOP entrepreneurs still lack and neglect, resulting in various problems, both concerning OTOP products development and trademark infringement. From the above preliminary data and the problems that appeared from interviews, it was found that in order to promote the success of the use of Trademark in the OTOP business, the public sector must publicise and enhance the knowledge of Trademark. OTOP entrepreneurs did not have enough knowledge and understanding about it, resulting in their suffering violations by others, both intentionally and unintentionally. Throughout 10 years of operation of the One Tambon One Product Project (OTOP), many OTOP products are often created from local wisdom with only few
modifications, without creativity, product extension, and innovation. Some OTOP products had many marketing problems, such as non-novelty products, unattractive packaging, lack of standards, lack of publicity, and ordinary presentation. It was also found that there were limited distribution channels. If the government sector focuses on promoting knowledge and understanding Trademark, concurrently with training as to adding value to OTOP products through research and development, in accordance with the community context and environment, as well as improving trademark design and packaging, the above problems would be reduced. Knowledge and understanding about Trademark will promote greater growth for OTOP businesses in Thailand under the Pracharat concept.

Milestones in Intellectual Property Rights Promotion (Trademark) and OTOP Business in Thailand under the Public Concept “Pracharat”

Adding Value and Developing OTOP Products

OTOP business or One Tambon One Product Project is an enterprise that can protect local wisdom, genetic resources, and promote traditional cultural expression. One Tambon One Product Project is one of the central economic concepts by which the government intervenes in the market, to help lower income citizens. However, in practice, many OTOP Projects have problems and failures in some communities, i.e., non-diversity of products, product distribution problems, inequality in promoting OTOP products, and many more. In this regard, the government sector must encourage people to know more about production factors and their local wisdom, including providing knowledge on production standards, to increase efficiency in the production process. The government should have a centre or agency responsible for providing knowledge or training on OTOP production to the community, creating value for OTOP, focusing on creations, initiatives, innovations, diversities, and the attractiveness of OTOP products. In addition, OTOP entrepreneurs must focus on designing attractive packaging, to protect and prevent product damage, as well as adding psychological value to products based on scientific and artistic creativity, and as consequence, promoting more value for products. The provision of knowledge about trademarks by local authorities and the Department of Intellectual Property will drive OTOP business entrepreneurs to have better knowledge and understanding about the design and protection of trademarks. It will also increase the value of OTOP products and packaging, resulting in sustainable growth of OTOP businesses and self-developed economies within the community. The government sector should be a supporting unit to continuously help OTOP business in the community.

Improving Trademark Protection Regulations in Accordance with the Current Situation

OTOP business is related to the commercial use of intellectual property and protecting local wisdom. Therefore, the government must understand that the intellectual property rights of
OTOP products will protect local wisdom. One important thing is to encourage OTOP products to have their own trademark. Trademark law should be revised, to make the Trademark Protection System of Thailand more progressive and suitable for current circumstances. Initially, it is necessary to encourage entrepreneurs to register their trademarks. Procedures and the timing of registration must be clarified and accelerated. The procedures should be merged, to reduce the confusion and duration of the application process. In addition, the Department of Intellectual Property should consider reducing registration fees, to boost registration. Moreover, the law should be amended as to penalties for violations, in accordance with the current situation, to protect consumers and trademark owners. Trademark imitation has damaged trademark owners and may harm consumers.

Discussions

Discussions on Milestones in Intellectual Property Rights Promotion (Trademark) and OTOP Business in Thailand under the Public Concept “Pracharat” are described by objectives as follows.

Promotion Levels of Trademark and OTOP Business in Thailand under the Concept of Pracharat

Overall opinions on promoting the Trademark and OTOP Business in Thailand under the concept of Pracharat were at a moderate level. The study revealed that coverage of OTOP trademark protection law and enforcement were at high level, consistent with the study results of Chawajaree Riawraengkusol (2015) which found that current trademark law is intended to supervise the entrepreneur behaviour in free and fair competition, and to control specific market mechanisms among entrepreneurs. This allows entrepreneurs to receive higher protections, and earn more income, because the law extends the protection of rights by which the trademark owner can fully claim and protect the right to their own trademark and products. The quantitative results were consistent with the qualitative study of Chawajaree Riawraengkusol. The provisions protect trademark owners and the products they produce, as well as OTOP products from various communities. Especially in the case of implementing civil government projects, they will receive legal protection if the community legally registers their products. The study also revealed that amendment of the penalty for violations of provisions, in accordance with the current situation as in the case of trademark imitation, has been rising at a moderate level. That is consistent with Worarat Meepreecha (2001) who found that even though the Trademark Act B.E. 2534 extended to trademark infringement on social media. However, we can still find much damages by trademark infringement. As a consequence, trademark law may not be able to fully protect people in this changing situation.
Factors Influencing the Promotion of Trademark and OTOP Business in Thailand under the Concept of Pracharat

There are five factors found under the Pracharat concept, described as follows.

**Accessing Production Factors**

The government shall monitor the sale of product quality and standardised production factors for OTOP products at a fair price, and be able to receive government funding sources at low discount rates. This is consistent with the findings of Nipa Thongkun (2005) who found that financial support from the government was an important tool for OTOP manufacturers in Ratchaburi province. Certainly, if the community can receive financial assistance to support OTOP, then there is a likelihood that the OTOP can exist sustainably in the community.

**Creating knowledge**

This is to educate OTOP entrepreneurs about how to improve product standards. It will create more efficient production processes, as well as organic farming techniques, and agriculture research. This will develop and add value to agricultural products, to raise awareness of people in the community for the benefit of research and development, and raise OTOP to a higher standard with certification. This is in line with the Department of Community Development (2016). It stated that OTOP product classification with intellectual property registration helps support products of the wisdom of people in the community, and it helps create jobs and generates income for people in the community. This results in a stronger economy and a harmonious community. This corresponds to the Department of Intellectual Property (2016) on the issue of commercial intellectual property use and protection of local wisdom. The Department recognises the use of commercial intellectual property of OTOP products to protect the local wisdom of each locality, by encouraging OTOP products to have their own brand. Whilst the business is currently being developed and becoming more competitive, the trademark is increasingly important, as one of the important marketing tools that make consumers recognise and thus purchase products. Therefore, the Department has revised trademark law, to improve the trademark protection system in Thailand, so far as change is possible. This will benefit business operators and consumers, as well as promote knowledge to create benefits for farmers' products. In many researches, it was found that the creation of knowledge and the development of the intellectual property protection system will help business be more operative and productive.
Marketing

To develop more efficient products, focus on marketing goals and strategies, create brand awareness and understanding consumer, therefore, the Pracharat Raksamakkhee Company Limited helps product development and packaging design meet market demand. It also creates connection among the company in each province, to link the whole network of the country. In addition, the company also promotes branding, direct marketing, and finds new marketing channels to stimulate consumer demand throughout the company network. This is in line with Natchaya Sridam (2010), who researched factors affecting the success of OTOP products in Narathiwat province, and found that training in product development, entrepreneurial marketing, and entrepreneurial leaders directly affect the success of OTOP products in Narathiwat. In terms of product and packaging design, an important factor in making OTOP products visible and accepted, trademarks should be considered in order to provide benefits and prevent commercial imitation.

Communication and Awareness Rising for Sustainability

Good communication helps create love, unity, and pride in local products. It also helps to create acceptance between manufacturer and consumer, aiming to achieve significant results in sale stimulation, using advertising, public relations, sales promotion, direct marketing. This corresponds to Chuleeporn Songnet (2005)’s research on factors affecting the success of OTOP products in the community. It was a case study of hand-woven cloth handicraft group, Ban Sao Luang, Mueang Nan District, Nan Province. It found that hand-woven fabrics based on local wisdom and reliant on market mix methods, in products, prices, distribution channels, and advertisements, increased sales in Nan province and the region. Therefore, communication and awareness directly affect the sale and success of OTOP business. This corresponds to Sanchai Kittiyanan and colleagues (2012) who have studied the pattern of increasing business management efficiency of OTOP products in Kanchanaburi province. They found that the unique characteristics of OTOP products of that province were influenced by government promotion, news and public relations. Thus, they increase competitiveness by using public resources available for maximum benefit. Therefore, it can be concluded that advertising OTOP both at home and abroad will crucially support the success of OTOP products for the community. In addition, encouraging people in the community to love, be proud of, and consume their local OTOP products is an important factor that will make OTOP businesses successful and grow sustainably.

Management

Pracharat Raksamakkhee Company Limited is a social enterprise. The company aims to raise the quality of people, and allows the private sector to participate with the government in
paying attention to the community and society. Therefore, the company has a clear social goal of using effective resource management, as well as environmentally friendly driving processes. The company is financially sound with no dividend to shareholders, but rather investing in expanding social benefits with accountability and good governance with a verifiable income and expense accounting standard. This conforms to the research of Wattanee Numchaisrika (2007) on increasing the management potential of OTOP products in Thanyaburi sub-district, Pathumthani province. The study studied the potential of management in OTOP product, production, marketing, capital management, and organisational management. Meanwhile, this research found that if the community managed their resources, to produce OTOP products effectively, and systematically planned and managed, it can generate maximum profit for itself.

Proposing Milestones for Promoting Trademark and OTOP Business in Thailand under the Concept of Pracharat

Adding Value and Developing OTOP products

The government sector should have a sole agency that is responsible for providing knowledge or training in the production and sale of OTOP product for the community. The community should be encouraged to add more value to OTOP product, focusing on creating new initiatives, innovations, selections of product that are different from the genuine, promoting the development of OTOP products to be more interesting and serve different generations. In this process, the government sector should educate or provide funding to support research and development of OTOP products to increase product value. This conforms to the research of Wattanee Numchaisrika (2007) which was found that the government sector should study or provide funding for academic to study the needs of the community and then also organize the training to the community to be able to use the knowledge to further increase product production and value creation. Most research found that for the OTOP business in Thailand to be successfully sustainable, communities must recognize and understand the creation of value of OTOP products within the community. In addition, the research also found that package design is another important factor to increase sale. If government agency such as the Department of Intellectual Property can provide knowledge about trademark and product design, then it will also be an important tool that drive OTOP sale as well. This corresponds to Sanchai Kittiyaman and colleagues (2012) found that an important factor to increase the efficiency of business management of OTOP products in Kanchanaburi was the distinctiveness of design and recognizable trademark. Therefore, it can be said that the packaging design and trademark are important issues in the nowadays OTOP business.
Improving Trademark Protection Regulations in Accordance with the Current Situation

The government sector must be aware of commercially intellectual property utilisation of OTOP product. To protect local wisdom, it is important to support OTOP product in receiving brand registration. Today's business has become more competitive. Therefore, the trademark has become more important as one marketing tool that influences consumers' purchasing decisions. In this regard, there should be a revision of trademark law, to make the Trademark Protection System of Thailand progressive and suitable for the current business environment. This would accord with the guidelines for the development of intellectual property systems for Thailand 4.0, in pushing for the utilisation of intellectual property for commercial purposes, especially the protection of trademarks, local wisdom, genetic resources, and cultural expression in the Thai community. In addition, there should also be a clear improvement of the penalty for violation and provision, to protect consumers and trademark owners, because trademark imitation has damaged trademark owners and may mislead and deceive consumer. This corresponds to Chawajaree Riawraengkusol (2015) who has proposed guidelines for expanding the rights protections of registered and unregistered trademarks, to boost both domestic and foreign entrepreneurs doing business in Thailand. Thai laws that comprehensively cover the rights of entrepreneurs with international standards, as well as improving trademark protection regulation in accordance with the current situation, will also enhance the prosperity of the national economy.

Recommendation

1. The Department of Intellectual Property should attend to the modification of various laws related to intellectual property rights, in accordance with changing circumstances, as well as solving problems of intellectual property infringement; especially trademark law. Trademark is like a symbol or image of a product. Therefore, imitating or infringing it will cause much loss and damage to the business owner. If such problems happen with OTOP businesses, other than loss of income, it also creates a bad reputation for the community. Therefore, the Department of Intellectual Property should amend laws and regulations to be consistent with the current changing situation, especially as to the implications of social media and information technology that rapidly distributes information.

2. The government sector should focus on OTOP businesses in each community, in the same direction. Specifically, the government should encourage them to operate with the concept of Pracharat in every community, and to push OTOP business to be a driving force as a bedrock of the economy. Under Pracharat, there will be a community support mechanism which includes knowledge management services, product development and product design, product branding, product certification standards, and intellectual property registration. This will add value to product, creating demand and finding marketing and distribution channels. All of this will increase community income and sales, and drive economic growth. All communities
should be equally supported and strengthened with the cooperation of all parties, which will result in a sustainable growth of the economy in the country.
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