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Patent litigation in Thailand – the law as it stands

Areeya Ratanayu and Kawin Kanchanapiroj of Tilleke & Gibbins International discuss the course of action for patent litigation in Thailand

Statistics show that the number of civil suits concerning patent infringement cases tried by the Central Intellectual Property and International Trade Court (IP&IT Court), a branch of the Court of Justice in Thailand responsible for all cases involving intellectual property rights in Thailand, have increased in recent years. A total of 32 cases concerning infringement of both patents and petty patents have been filed in 2009, while back in 2002 there were only nine such cases. How did the number of civil suits on patent infringement jump from nine to 32 cases?

We could simply address the question by referring to the corresponding number of patent applications filed to the Patent Office, which has steadily risen each year, and claim that the higher the number of patents, the more frequent the commercialisation and subsequent need to enforce such patent rights. However, if we look deeper into the law, we can furnish that another answer may lie in the provisions of the law which make civil suits on patent infringement worthwhile to pursue. In this column, we will look at what the law and the courts have to offer for patent owners who wish to pursue a civil action against an infringer.

The basics: civil v criminal actions

Patent infringement in Thailand is a criminal offence. The patentee therefore has the option to file a civil suit or a criminal action, or both.

Ordinarily the plaintiff, as the patent owner in a civil suit, requests the court to issue a permanent injunction against the defendant, as the infringer, in order to stop the

infringement and also request damages. The court grants a permanent injunction on the finding that the defendant infringed the plaintiff's exclusive rights in the patent and also grants compensation based on the actual damage incurred by the plaintiff.

For a patent owner who wants the infringing activities to cease as soon as possible, this may seem to be somewhat ineffective because of the time the litigation takes. If granted, a permanent injunction can be enforced when the case is final, which could be up to three years after the case was initiated. Furthermore, damages granted by the court are based on the actual damage, which is rather difficult to prove in even the best of jurisdictions enjoying detailed discovery to assist with such calculations.

To serve the patentees' goal in abating infringement, criminal action against the patent infringer comes into play. By filing a complaint with the local authorities, a raid seizure of infringing products is helpful to obtain the evidence for further prosecution by the public prosecutor. This method theoretically seems to be a perfect remedy for the patentee whose goal is to mitigate the loss while the civil case is pending with the court. However, unlike trademark and copyright infringement, patent infringement normally involves complicated technical issues concerning infringement assessment and patent validity, making it difficult to go through the investigation stage and request a search warrant from the court. Therefore, the remaining options are the court proceedings, namely to apply for an interim injunction before the judgment of the Court of First Instance, in this case the IP&IT Court.

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THAILAND: Headed by Darani Vachanavuttivong, Co-Managing Partner of the firm and Managing Director of IP; Alan Adcock, Deputy Director of IP; Srila Thongklang, Partner and Chief IP Litigator; and Nandana Indananda, Of Counsel; the Intellectual Property Department in Bangkok consists of 48 lawyers (including 7 litigators), 12 patent agents (including 9 patent agents with backgrounds in chemistry, biology, computer science, food science, polymer, physics, or other fields), 10 trademark executives, 1 government/police liaison, 1 in-house investigator, and a support staff of more than 60 people. The technical expertise of 24 specialists in various scientific fields is also available to us when needed.

VIETNAM: Led by Nguyen Thi Phi Nga, Trademark Department Head; and Thomas J. Treutler, a USPTO-qualified patent attorney with 13 years of experience in IP in Vietnam; the Vietnam Intellectual Property practice group in Hanoi and Ho Chi Minh City consists of 8 attorneys with over 70 years of collective IP experience, 4 industrial property agents, 3 technical translation experts, 2 IP paralegals, and a support staff of 19 people.



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Injunction at the earliest stage

Realising that the continuation of infringement could cause damage to the patent owner beyond what could reasonably be compensated, in 1991 policymakers amended the Patent Act of 1979 to establish the right of the patent owner to request the court to grant injunctions before commencing a lawsuit against the alleged patent infringer, commonly known as a preliminary injunction.

The provision constituting this right in the Patent Act (Section 77bis) was amended in 1999 to grant the same right to the holder of a petty patent. The provision created the condition that the patent holder can request the court to order the alleged infringer to stop or refrain from committing such alleged infringement if there is clear evidence that the alleged infringer is committing or about to commit any act of infringement.

To set forth the conditions for granting a preliminary injunction, the rules on consideration of an application requesting a preliminary injunction were also incorporated in the Rules for Intellectual Property and International Trade Cases 1997, issued by the Chief Judge of the IP&IT Court.

Apart from presenting clear evidence to the court that a patent infringement is being committed or about to be committed, the prospective plaintiff needs to induce the court that (1) there is a reasonable ground for the application and the filing of the application, as well as sufficient reasons for the court to grant such an application, and (2) the damage incurred by the prospective plaintiff, as patent owner, cannot be restituted by monetary measures or any other form of indemnity, or the prospective defendant, the alleged infringer, is not in a position to compensate the prospective plaintiff for the damage, or it might be difficult to enforce the judgment against the prospective defendant.

Since the establishment of the IP&IT court in 1997, few applications for preliminary injunctions for patent infringement claims have been filed to the court. The court is generally cautious in considering applications and granting preliminary injunctions, as it needs to maintain a balance between the protection of exclusive rights of the patent owner and prevention of abuse of exclusive rights in a patent. However, by presenting sufficient evidence and information to the court, obtaining a preliminary injunction order is not beyond the reach of the patent owner.

A good example of a preliminary injunction granted by the IP&IT court is from the case *GSI Group Inc. v. Almin Enterprise Co., Ltd. et al.* Before the plaintiff initiated a civil suit against the defendants, the plaintiff filed an application for a preliminary injunction when the defendants were displaying their products at an exhibition in Bangkok, as the products were believed to infringe the plaintiff's patent. In fulfilling the requirements set by the Patent Act and the Rules, the plaintiff, or at that time the prospective plaintiff, brought forward witnesses and evidence to explain to the court how the prospective defendants' products being displayed at the exhibition infringed the prospective plaintiff's patent. The prospective plaintiff also contended that two of the prospective defendants were foreign entities incorporated in another country and another prospective defendant, which was a Thai company, could not compensate the prospective plaintiff on its own. In the end, the IP&IT court rendered its decision, which is now the substantive case law in this regard, as follows:

The alleged infringing product has the same character as the product protected under the patent of the applicant; the applicant thus has the ground to file an action against the alleged infringers. Since the alleged infringing product is

being sold at an exhibition by the alleged infringers, there is a reasonable ground for the application and sufficient reasons for the court to grant such application. Furthermore, two of the alleged infringers are juristic persons incorporated in another country and another alleged infringer is merely a distributor of the product, although it is a Thai company; therefore, it might be difficult to enforce the judgment against the alleged infringers. The Court hereby orders the alleged infringers to stop or refrain from sale, possession for sale, offer for sale, or import into the country of the alleged infringing product.

Injunction prior to the judgment

The Civil Procedural Code of Thailand, which applies to all civil suits heard by the Court of Justice, allows plaintiffs to apply for interim injunction at the time of filing the complaint or any time before the judgment is announced, and includes those who file patent infringement suits. The plaintiff can file an application to restrain the defendant from repeating or continuing a patent-infringing act. Much like a preliminary injunction, the plaintiff would need to fulfil the requirements for granting the temporary interim injunction set forth by the Code.

In order for the court to grant a temporary injunction, the plaintiff must prove that (1) its case is prima facie, or in other words that there is sufficient evidence of the patent infringement committed by the defendant, and (2) the defendant intends to repeat or continue the infringing activities or the plaintiff has sustained and continues to sustain injury because of the infringement committed by the defendant, as the infringing products are about to be transferred or the defendant intends to transfer, sell, or dispose of the infringing products in order to impede the plaintiff.

“Under the law, an aggrieved intellectual property owner can request the order and thereby seize or confiscate the evidence either before or after a civil suit is filed”

Anton Piller order

In patent litigation, presentation of strong evidence proving the infringement, which in most cases is in the possession of the alleged infringer, may become difficult or not possible at a later stage after the suit is initiated because the evidence may not be in the condition that the plaintiff can obtain by itself or the defendant may discontinue the production or distribution of the infringing products for any reasons. In such cases, it would become difficult during the trial for the plaintiff to prove the infringement committed by the defendant. A tool which the plaintiff can use to get through this difficulty is the very nuclear and strongly-effective Anton Piller order, as it is commonly referred to in both common law and civil jurisdictions.

The Anton Piller order originated from an English court case, *Anton Piller KG v. Manufacturing Processes Ltd.* (1976). Under such an order, the applicant may enter the premises of the alleged infringer to search and inspect for relevant evidence and make copies or seize such evidence.

Thai law also provides the power to the court to issue orders similar to an Anton Piller order. The requirements for issuing such orders are constituted under the Act for the Establishment of and Procedure for Intellectual Property and International Trade Court 1996 together with the Rules for Intellectual Property and International Trade Cases 1997. Under the law, an aggrieved intellectual property owner can request the order and thereby seize or confiscate the evidence either before or after a civil suit is filed. However, such request can be made only when the patent owner also applies for the taking of evidence in advance. That is, in a situation where the evidence the patent owner wishes to present to the court will not be possible or difficult to adduce after the civil suit is filed or at a later stage of the civil suit, the patent owner may request the court to hold a hearing to take such evidence immediately.

In order to obtain the court's order to seize or confiscate the evidence, the applicant must also pass the requirements for the taking of evidence in advance. Therefore, the applicant must prove that (1) if an action has not yet been instituted, there are grounds on which the applicant may take an action against the alleged patent infringer, (2) the evidence he wishes to rely on in the future will otherwise be lost or become difficult to adduce, and (3) there is an emergency situation under which if the alleged infringer or related party is to be notified beforehand, the evidence will be damaged, lost, destroyed, or, for some reason or other, difficult to be adduced at a later stage.

In *GSI Group Inc. v. Almin Enterprise Co., Ltd. et al.*, apart from the successful application for preliminary injunction, the plaintiff also filed an application with the IP&IT court for an order to seize or confiscate the evidence upon which the plaintiff wished to rely.

Since the applicant already persuaded the court that there were grounds on which the applicant may take an action against the alleged patent infringer in order to obtain the preliminary injunction, the applicant only had two remaining requirements to prove to the court. In doing so, the applicant brought forward a witness to present the fact that after the exhibition was over, all evidence proving the infringement would be brought back to the other country or sold or destroyed.

In such case, the applicant itself could not obtain the evidence as it would need to place an order with the alleged infringer in advance and the alleged infringing product was sold at a very high price. Based on the facts presented, the court rendered the decision that: “As today [the day that the court issued the order] is the last day of the exhibition, the evidence proving the infringement may be lost or difficult to produce at a later stage, and there is an emergency circumstance. The court therefore grants the order to seize the evidence at the exhibition as requested by the applicant.”

Conclusion

Even though applications for preliminary injunctions, interim injunctions and Anton Piller-type orders are not everyday motions that patent owners or other intellectual property owners file to the IP&IT court, and even though obtaining any of these orders can be exceptionally challenging for patent owners and attorneys, it is not impossible for these orders to be successfully argued and ordered.

As the court would strictly follow the requirements set by the law for each type of application, patent owners need to be mindful and attentive to the evidence and more creative in gathering the evidence that may fulfil the requirements. As long as the gathering and assembling of such evidence does not constitute a defeating delay, Thai judges will be accommodating. With more and more of these applications filed to the court each year, intellectual property owners and their local counsel are gaining more experience in terms of relevancy and judicial scrutiny. In time, these applications will, as in other jurisdictions, become more common and more frequently granted and used. Consequently, we believe that the application for these orders has made civil suits on patent infringement more worthwhile to pursue. 🌐

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