

COST-EFFECTIVE REMEDIES FOR IP INFRINGEMENT

Two weeks ago we discussed first steps open to a company that is suffering from infringement of their intellectual property (IP) rights. In this article we look further down the line at how a company can effectively seek a remedy in the most efficient ways available.

As a first step, IP owners should pursue preliminary measures, such as sending a cease-and-desist letter. If these initial attempts fail, you may consider taking more formal steps to deal with the infringer. Most IP owners simply want the infringement to stop and so mediation or arbitration could be a quicker and cheaper route to an end result than litigation in the courts.

Mediation: Mediation is essentially a negotiation process facilitated by an independent third party. There are a few options available in Thailand. The Department of Intellectual Property (DIP) offers a simple and free and voluntary mediation service, whereby the DIP officer serves as a mediator. The process is conducted confidentially and any discussions, offers or decisions will not prejudice any further legal proceedings.

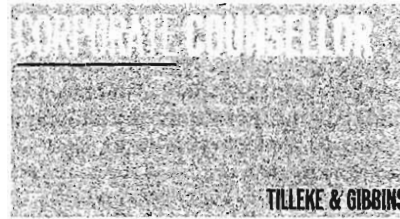
If you have commenced a legal action in the Intellectual Property and International Trade Court already, then the parties also have recourse to use the Court's own mediation service. In this process, the judge acts as the mediator.

Again, it is a free service designed to bring an amicable settlement before the hearings start in the litigation. The attraction here is to cut out the expensive costs of the hearings, which could run for one to two weeks or more.

The World Intellectual Property Organisation (WIPO) has recently opened an Arbitration and Mediation Office in Singapore, designed to hear conflicts in the Southeast Asia region. WIPO has at its disposal experienced mediators (and arbitrators) from around the world, who are usually practicing IP lawyers. This service is not free but it may be a more cost effective way to settle a regional dispute, where there are infringements taking place in multiple countries in Southeast Asia.

It is possible to bring all types of IP infringement to mediation — whether it is a copyright, design, trademark, patent or passing-off dispute. However, where highly technical issues are at issue, discussion of these at the mediation stage can be counter-productive to the settlement process.

Arbitration: Arbitration is similar to bringing litigation in the courts in that the parties obtain a written decision



from the arbitrator (again, an independent expert in IP law) on the merits of the case. However, arbitration is normally a type of dispute resolution requested in special cases (e.g., where a contract between the parties sets out that disputes should be sent to arbitration).

Arbitration can be conducted in Thailand or in a foreign jurisdiction agreed on by the parties (such as the WIPO Arbitration and Mediation Office in Singapore). Since foreign arbitral awards are recognised and directly enforceable in Thailand, IP owners enjoy some freedom in this regard. Also, the major benefit of this procedure is that it is quick and confidential, unlike a final court decision that goes on public record.

Civil actions: Civil action in the court is often seen as the last resort, following unsuccessful negotiations or mediations.

However, there are many benefits to bringing such an action. In certain circumstances it may be possible to obtain an interim injunction to stop the infringement as soon as you start the legal proceedings (or to obtain search and seize orders such as Anton Piller or Mareva injunctions, as we discussed in Part One of this article). Damages are also a key attraction, particularly where the infringement has resulted in considerable lost sales of the genuine product. Furthermore, bringing a civil action signifies the IP owner's position to vigorously enforce their IP rights, which may help to deter other potential infringers. Importantly, the court also provides an open and fair means to exchange evidence, providing the parties with their "day in court" and clarity over the legal and commercial position following judgement.

Evidence: In the months building up to the hearing, the parties must prepare evidence for their case. In complex patent matters, this can involve expert reports on the technology in dispute; for trademark and passing-off matters, it could involve affidavits from directors or branding and marketing staff; and

for copyright, it may involve obtaining affidavits or other evidence from the author or designer of the original copyright work. Early preparation of evidence and witnesses is key, as all the evidence is open to cross-examination during the witness hearings.

Damages: The court takes a fairly strict approach to damages, and typically only damages that can be proved on an actual basis can be recovered. However, if the damage is evidenced properly and direct causation can be shown, the court can award a reasonable sum to compensate the injured IP owner. In IP disputes, companies may consider obtaining evidence from their Financial Directors, third-party market intelligence providers and in complex cases employing an independent expert such as a forensic accountant, if necessary.

In summary, a wide range of options are available in Thailand for settling and obtaining relief for an IP dispute. This infrastructure affords the IP owner the ability to make an informed decision on a cost-benefit basis as to which avenue it will pursue in taking an action against an infringer.

This article was prepared by Siraprapha Rungpry and James Evans, consultants in the Intellectual Property Department at Tilleke & Gibbins. Please send comments to Andrew Stoutley at andrew.s@tillekeandgibbins.com