

SUPPLEMENT - THAILAND-VIETNAM IP FOCUS 2010 Your guide to effective enforcement

01 Jun 2010

As IP litigation increases, Nandana Indananda and Suebsiri Taweepon of Tilleke & Gibbins discuss enforcement in Thailand's IP&IT Court, focusing on preliminary injunctions and Anton Piller orders

Asia-based IP lawyers will all tell you that IP litigation is increasing. As litigation is often considered about as recession-proof as any practice can be, the recent rise across the region may be partially due to the economic downturn. When there is less budget to register IP and to enforce claims against smaller infringers in the streets and markets, IP owners tend to reconsider past transgressions of IP partners (licensees, franchisees, joint venture partners, etc) and turn to litigation to eke out due royalties, agreed royalty increases or indeed damages. IP owners also tend to identify deep pocket infringers as potential sources of much-needed funds.

People generally litigate when markets turn sour. However, here in Asia, while this maxim certainly holds true, use of local judicial relief can also be linked to an overall increase in the sophistication and expertise of judges and courts. Past concerns about the uncertainty of litigating in Asia are being dispelled and with litigation costs in most Asian jurisdictions cheaper than home market litigation, Asian courtrooms are increasingly being used as a testbed for patent strength and validity before taking on global infringers in more costly jurisdictions. Further, the increased reporting of cases across Asian jurisdictions has led to better transparency and predictability, helping local judges overcome their conservatism in granting preliminary injunction and Anton Piller orders.

In the 15 years since Thailand became a member of the TRIPs Agreement, the country's intellectual property laws have evolved significantly. A major evolution in the protection of IP rights in Thailand was the establishment in 1997 of the Intellectual Property and International Trade Court, which serves as the court of first instance for IP cases, after which cases may be appealed directly to the Supreme Court. The establishment of a specialized court to handle IP matters inevitably leads to the result that the judges who hear IP cases have an increased level of expertise in IP matters, which ensures more equitable resolutions to IP cases and a more robust system of protection of IP rights in Thailand.

The preferred remedy for IP owners in all infringement cases is an injunction to stop both current and future infringement activities by the alleged infringers. The injunction is the most important measure available in the IP enforcement process. It would be of no use for the right holder to win the case and receive damages but still witness continuing infringement by the infringer.

Preliminary injunction

An application for a preliminary injunction can be filed either before or during court proceedings to stop further infringement of IP rights. The preliminary injunction is available under each of the IP statutes in Thailand: the Copyright Act, the Patent Act, the Trade Mark Act, and the Trade Secret Act.

In requesting a preliminary injunction, the IP owner must prove to the court the existence of legitimate ownership in the infringed IP, evidence of actual or potential infringement activities by the alleged infringer, and evidence of irreparable harm. Most importantly, the IP owner must be able to provide sufficient reasons for the court to conclude that the injunction is appropriate. The IP&IT Court's decision on issuance of the injunction will depend on the extent of damages both parties may incur if the injunction is granted and the difficulty of enforcing the judgment against the alleged infringer.

Anton Piller order

Another measure to ensure effective IP enforcement is the Anton Piller order, which is an ex parte order for search and seizure of evidence. Similar to a civil search warrant, an Anton Piller order requires the alleged infringer to allow the IP owners and their lawyers into their premises to inspect the evidence in the alleged infringer's possession.

When an application for an Anton Piller order is under consideration, three conditions must be established:

1. the plaintiff must demonstrate a strong prima facie case;

2. the damage, potential or actual, must be considered to be an irreparable harm; and
3. there must be clear evidence that the defendant has in its possession the alleged documents or materials regarding the infringement activities, and that there is a real possibility that the evidence may be destroyed, damaged, concealed or otherwise disappear before any application inter partes can be made.

The Act for Establishment of and the Procedure for Intellectual Property and International Trade Courts and the Rules for Intellectual Property and International Trade Cases provide the bases of issuance of the Anton Piller order in emergency situations. The Anton Piller order, once obtained, will benefit the IP owner in allowing the alleged evidence in the custody of the court to function as proof of the opposing party's infringement. To support an application for an Anton Piller order, an IP owner must be able to show circumstances of urgency that render issuance of such an order appropriate. That is, the IP owner must show that an emergency situation exists in which if the opposing party or the third party involved were notified beforehand of the IP owner's legal action, the evidence of infringement would be damaged, lost, destroyed, or otherwise become difficult to locate at a later stage. In practice, many IP owners, while applying for the Anton Piller order, simultaneously seek a preliminary injunction to bring a halt to further infringement of their IP rights.

Recent successful Anton Piller order cases

Obtaining a preliminary injunction and/or an Anton Piller order is not a simple task. Over the past 12 years since the Thai IP&IT Court was established, just a few such applications have been granted. A relatively small number of IP lawyers/owners have attempted to file for preliminary injunctions and/or Anton Piller orders due to the complexity of the applications and difficulty in receiving the order from the IP&IT Court. Recently, however, the IP&IT Court has granted Anton Piller orders in two key patent and trade secret cases, which may be indicative of an emerging trend in favour of this important measure.

Patent infringement case

A reputed Japanese manufacturer of glass substrate which holds patents around the world, including Thailand, sought an Anton Piller order from the IP&IT Court to seize the glass substrate manufactured by the alleged infringer, a foreign-based manufacturer in Thailand, as the glass substrate was a crucial piece of evidence proving the infringement.

The reasons submitted to the IP&IT Court were that the glass substrates were exported for sale and processed in foreign countries only. Without the court order, it would be difficult to prove that the infringement occurred in Thailand. Eventually, the court granted the order and allowed the patent owner to inspect the alleged infringer's premises and seize the samples of the glass substrate manufactured by the alleged infringer for use as evidence of the infringement.

Trade secret infringement case

An American retailer of magnetic powder together with its Thai-based manufacturer submitted an application to the IP&IT Court for an Anton Piller order. They argued that their former employees had breached their nondisclosure agreements and misappropriated confidential information relating to the production of magnetic powders, including technical drawings of the machinery and equipment used. The court granted the requested order to inspect and seize samples of evidence related to the infringed trade secret at the alleged infringer's factory.

As these two cases illustrate, preliminary injunctions and Anton Piller orders are viable options for IP owners in Thailand seeking to put a stop to infringement activities at the early stages of a case. In pursuing these forms of relief, it is important to recognise that the Thai IP&IT Court very carefully considers whether the preliminary injunction and/or an Anton Piller order is unfair to the accused party and requires clear evidence before granting the order. Still, the recent successes in the cases described above should give new optimism to IP owners. The more the IP owner can make clear to the court the urgency of the situation and the severity of the damages, the greater the possibility of obtaining a preliminary injunction and/or an Anton Piller order.

Nandana Indananda



Nandana Indananda is an of counsel in the intellectual property group at the Bangkok office of Tilleke & Gibbins. Prior to joining the firm, he served for many years as a judge in various Thai courts, including the Central Tax Court and the Central Intellectual Property and International Trade Court.

Suebsiri Taweepon



Suebsiri Taweepon is an attorney in the intellectual property group at Tilleke & Gibbins. He handles a wide range of matters relating to IP law, including enforcement, litigation, registration and anti-counterfeiting matters. He has been identified by Asialaw as one of the Leading Lawyers in Asia-Pacific in the area of Intellectual Property.