

Thailand

Tilleke & Gibbins

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1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to patents and patent litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties.)

The Patent Act B.E. 2522 (1979) is the principal source of law relating to patents. The Patent Act has been amended twice, by the Patent Act B.E. 2535 (1992) and the Patent Act B.E. 2542 (1999) (collectively referred to as the Patent Act). Additional subsidiary legislation, in the form of various Ministerial Regulations and Notifications of the Department of Intellectual Property, set out various procedural mechanics and rules for the Thai patent system.

The principal sources of law and regulations relating to patent litigation are set forth under the Patent Act; the Act for the Establishment of and Procedures for the Intellectual Property and International Trade Court B.E. 2539 (1996); the Rules for Intellectual Property and International Trade Cases B.E. 2540 (1997); the Civil Procedure Code; and the Criminal Procedure Code.

Thailand joined the World Trade Organisation in 1995 at its inception and automatically became a party to the Trade-Related Aspects of Intellectual Property Agreements (TRIPs Agreement). It also joined the Paris Convention for the Protection of Industrial Property in 2008, and later the Patent Cooperation Treaty (PCT) in 2009.

1.2 What is the order of priority of the relevant sources, ie which take precedence in the event of a conflict?

The Patent Act is the primary piece of legislation in this area. The law provides the framework for patent protection, including registration and prosecution procedures, licences and renewals, cancellation, burden of proof and penalties. However, the general procedures for patent litigation are stated in the Act for the Establishment of and Procedures for the Intellectual Property and International Trade Court, and the Rules for Intellectual Property and International Trade Cases. According to section 26 of the Act for the Establishment of and Procedures for the Intellectual Property and International Trade Court, where there are no provisions and rules on any specific issues, the provisions of the Civil Procedure Code, the Criminal Procedure Code, or the Act for the Establishment of Kwaeng Court (District Court) and its Criminal Procedures shall apply *mutatis mutandis*.

When there is a dispute in regard to jurisdiction and whether the dispute arises in the Intellectual Property and International Trade Court, or in other courts of justice, the matters must be submitted to the President of the Supreme Court for consideration. Such ruling shall be final.

2. COURT SYSTEM

2.1 In which courts are patents enforced? Are they specialised patents courts? If not, what level of expertise can a patent holder expect from the courts?

The Central Intellectual Property and International Trade Court (IP&IT Court) is a specialised court adjudicating disputes involving intellectual property rights in Thailand.

2.2 Does the patent office or any other government body have any jurisdiction in patent litigation?

No.

2.3 Do the courts deal with infringement and invalidity simultaneously? Or must invalidity actions be brought in separate proceedings? If so, before which court or government body (eg the patent office)?

The court can deal with infringement and invalidity issues simultaneously. However, the exact trial procedure depends on whether invalidity is pleaded as a defence or a counterclaim in the same action, or whether it is filed by an alleged infringer as a separate action. (There is no requirement for invalidity actions to be brought in separate proceedings.) If invalidity is filed as a separate action, the court may combine the invalidity action and the main action for infringement, and deal with both issues as part of the same trial. If there is no joinder, then the two cases will run before the court in parallel. The court has no obligation to stay the main action for infringement while the invalidity proceeding is ongoing.

2.4 Who can represent parties before the courts handling patent litigation and/or the government body dealing with patent validity issues?

Authorised attorneys or the parties themselves can appear before the court. However, due to the complexity of patent cases, it is recommended that the owner of the patent be represented in court by a lawyer with expertise in patent law.

2.5 What is the language of the proceedings? Is there a choice of language?

All litigation is conducted in Thai. Typically, a choice of language is not allowed. However, the IP&IT Court allows for proceedings according to agreed terms. As such, it is possible for the parties to request the court to conduct proceedings in accordance with their agreement, including language selection. However, such a request is rare.

2.6 To what extent are courts willing to consider, or are bound by, the opinions of other national or foreign courts that have handed down decisions in similar cases?

Foreign judgments cannot be directly enforced in Thailand. However, a foreign judgment may be recognised as proof of a claim adjudicated abroad. Therefore, it is necessary for the winning party to file a court case against the losing party in Thailand and submit the foreign court's judgment as part of the evidence. In order to be admitted as part of the evidence, the Supreme Court has ruled that a foreign judgment must be final and conclusive. Foreign judgment in default cannot be considered final because it might be revoked at any time, unless the procedural rules of the forum rendering such judgment provide otherwise.

3. SUBSTANTIVE LAW

3.1 How is patent infringement assessed? To what extent does the doctrine of equivalents apply in an infringement action?

There are generally two means available for a patent owner to enforce a patent against an alleged infringer, depending on whether the patent owner wishes to seek civil or criminal remedies.

Criminal proceedings

After receiving agreement from specialised police enforcement teams to participate in the patent infringement case, the relevant police personnel will submit a request for a search and seizure order from the IP&IT Court. Pursuant to the order, if an infringement is found, the alleged infringer will be charged and asked to submit a plea. If the alleged infringer pleads not guilty, the designated investigation officer(s) will take evidence from both parties and submit an opinion to the public prosecutor to determine whether or not to prosecute. The criminal case will proceed to the IP&IT Court if the public prosecutor agrees with the investigation officer's findings and a *prima facie* case against the alleged infringer can be established and demonstrated. Thereafter, the court will determine trial dates.

Civil proceedings

In a civil proceeding, enforcing a patent against an alleged infringer commences with the filing of a written complaint by the plaintiff(s) with the IP&IT Court, and the serving of a copy of the complaint, along with a summons issued by the court, on the defendant(s). The complaint must detail which patent, and which claim or claims of the patent, are allegedly being infringed. In response, the defendant(s) may reply with a defence of non-infringement by filing an answer to the complaint with the IP&IT Court and serving the answer to the complaint on the plaintiff(s). A counterclaim for patent invalidity may also be filed along with the answer to the complaint. If a counterclaim is filed, the plaintiff(s) may reply by filing an answer to the counterclaim with the IP&IT Court and serving the answer to the counterclaim on the defendant(s). In general, the mode of service by a party dictates the deadline for the reply by the other party. If

service is in person, then the receiving party will be entitled to 15 days in which to file an answer. If service is by mail, then the party will be entitled to 30 days in which to file an answer. Deadlines for an answer to the complaint, counterclaim, and answer to the counterclaim are extendible at the discretion of the court.

Thereafter, the court will set a meeting date for the parties for the purpose of determining if there is a possibility of dispute resolution between the parties. If both parties are committed to litigation in the IP&IT Court, the court will proceed to set out the issues to be tried in the case. In the settlement of issues meeting, the court will also set the number of witnesses allowed by each party, the witness testimony dates, and the deadlines for pre-trial procedures, including the conducting of experiments to prove infringement, submission of each party's evidence list, and submission of evidence particulars.

Due to the availability of deadline extensions to the pleadings, along with the caseloads of the IP&IT Court judges, it is difficult to estimate how long it will take for proceedings to reach trial from commencement. On average, the time will range between six and 18 months.

In accordance with the Patent Act, the scope of a patent will be determined by its claims, which may vary depending on the characteristics of the invention as delineated in the specifications and drawings. The scope of claims may extend protection to characteristics of the invention that an ordinarily skilled person in the field concerned would likely find similar in property, utility, and effect to those stated in the claims, despite the former not being specifically stated in the claims. Semblances of the doctrine of equivalents thus exist in the Patent Act, which allows for a plaintiff patentee to argue patent infringement, even if the claims are not literally infringed.

3.2 What defences are available to an alleged infringer?

Defendant(s) may raise a defence of non-infringement and patent invalidity. In addition, section 36 of the Patent Act provides seven statutory exemptions from patent infringement including, for instance, an act for the purpose of study, research, experimentation or analysis, provided that it does not unreasonably conflict with a normal exploitation of the patent and does not unreasonably prejudice the legitimate interests of the patent owner; and any act concerning an application for drug registration where the applicant intends to produce, distribute or import the patented pharmaceutical product after the expiration of the patent term.

3.3 To what extent can enforcement of a patent expose the patent holder to liability for an antitrust violation?

To no extent.

3.4 On what grounds can a patent be invalidated?

In accordance with sections 5 to 14 of the Patent Act, an invalidation action may be brought if: (i) a patent is not new; (ii) a patent does not have an inventive step; (iii) a patent is incapable of industrial application; (iv) a

patent encompasses non-patentable subject matter (naturally occurring microorganisms and their components; plants or animals; or extracts of plants or animals; scientific or mathematical principles or theories; computer programs; methods of diagnosing, treating or curing animal or human diseases; and anything contrary to public order, morals, health, or safety); (v) the patentee is not the true inventor or has no right to file an application; and (vi) unqualified applicant issues.

3.5 Can a court only partially invalidate a patent? Can it transform the patent into a utility model?

The Patent Act does not provide a basis for the court to invalidate individual claims in a patent. As Thailand is a civil law country, Thai courts may not exercise discretion above and beyond what is explicitly allowed by law. Based on the language of the provisions in the Patent Act addressing patent invalidation, the court would have to revoke the entire patent if it determines that the ground(s) for patent invalidation has been established (section 54).

If a case has already been filed to invalidate a patent, a patentee is no longer allowed to cancel a patent or any of its claims. Section 53 of the Patent Act provides that a patentee may surrender his or her patent or any claims in accordance with the Ministerial Regulations. Clause 4 of the Ministerial Regulation No. 27 (B.E. 2522) clearly prohibits cancellation of patent claims where an invalidation case has already been filed against the patent. Hence, as soon as an invalidation claim/defence is filed with the court, a patentee may not thereafter seek to cancel the patent or the claims in it which are subject to the attack.

3.6 Is it possible to amend the patent claims during a lawsuit?

No.

3.7 Are there any grounds on which an otherwise valid patent can be deemed unenforceable, owing to misconduct by the patent holder, or for some other reason (eg expiry of time limit)?

No.

3.8 Can a patent holder bring a lawsuit claiming both patent infringement and unfair competition for the same set of facts?

There is no provision that prohibits bringing more than one legal claim in a single lawsuit. However, as Thailand does not have an unfair competition law, it is currently impossible for a patent holder to bring a lawsuit claiming both patent infringement and unfair competition. However, it may be possible to bring other types of tort claims or criminal claims which are similar in nature to an unfair competition claim.

4. PARTIES TO LITIGATION

4.1 Who can sue for patent infringement (patent holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to

be registered to be eligible to sue?

In accordance with the Patent Act, only a patentee, or a transferee of a patent from the patentee, can bring an infringement action in the IP&IT Court. As for the exclusive licensee, there is no particular legal basis or precedent judgment in Thailand allowing an exclusive licensee to sue for patent infringement. In regard to revocation of a patent, a party challenging the validity of the patent must be able to demonstrate that the party is an interested party. This hurdle is not a difficult obstacle to overcome. It would be open to a plaintiff to assert that it is injured by incorrect restrictions to the market by virtue of the existence of the patent. In the past, a challenge to Bristol-Myers Squibb's didanosine (DDi) HIV antiretroviral patent by two patients using the medicine were found to have sufficient standing to challenge the novelty of that patent.

4.2 Under what conditions, if any, can an alleged infringer bring a lawsuit to obtain a declaratory judgment on non-infringement?

No such conditions exist since there are no declaratory proceedings in Thailand.

4.3 Who can be sued for patent infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to patent infringement by someone else?

In accordance with the Patent Act, where a punishable offender is a juristic person, the persons in charge, or representatives of the juristic person, shall also be liable to the penalties prescribed by law for the offence, except those who can prove that such offence was committed without their knowledge or consent.

The Patent Act is silent on secondary or contributory infringement. Furthermore, there has not been a judgment acknowledging secondary or contributory infringement in Thailand. However, in the case of criminal proceedings of patent infringement wherein patent infringement is a criminal offence, the Penal Code is expected to assist. Specifically, section 84 of the Penal Code states that whoever, whether by employment, compulsion, threat, hire, asking as favour, or instigation, or by any other means, causes another person to commit any offence, such person is said to be an instigator. In the case of criminal proceedings, the plaintiff patentee will need to prove that the alleged infringer possessed the requisite intent to commit the criminal offence of patent infringement.

4.4 Is it possible to add or subtract parties during litigation?

Adding parties during litigation can be done through filing a motion to the court. Under section 57 of the Civil Procedure Code, any third person may become a party by way of interpleading:

- of his own motion, when it is necessary for the acknowledgement, protection, or enforcement of a right enjoyed by him;
- of his own motion, when he has a legal interest in the result of a case; or

- by being summoned to appear in the case: (i) on the application of any party by a motion showing that he may sue, or be sued, by such party by virtue of a right of recourse, or of a right to compensation in case the judgment is given against such party; or (ii) by an order of the court when it thinks fit, or upon the application of any party, in the case where the appearance of the third person is required by law, or is deemed necessary by the court in the interests of justice.

On the other hand, the plaintiff may decide to subtract some defendant(s) by filing a motion withdrawing a lawsuit against those parties.

5. ENFORCEMENT OPTIONS

5.1 What options are open to a patent holder when seeking to enforce its rights in your country?

There are generally two means available for a patent owner to enforce a patent against an alleged infringer, depending on whether the patent owner wishes to seek civil or criminal remedies. If a patent owner wishes to enforce patent infringement through criminal proceedings, the patent owner may launch a criminal case by involving specialised enforcement teams within the police to conduct searches and seizures of evidence of infringement. However, such specialised police enforcement teams will typically only involve themselves in patent enforcement if they are presented with strong evidence of infringement.

On the other hand, if a patent owner prefers to seek damages by way of civil remedies, the patent owner may choose to first issue warning notices of infringement to the infringer, before proceeding to launch a civil infringement case. Regardless of the type of remedy sought, gathering evidence of infringement before commencing an action is crucial, particularly due to the lack of a formal discovery process in Thailand. There is, however, a limited form of document disclosure available under the Civil Procedure Code, which involves bringing a motion before the court seeking disclosure of an identified document by the other party. The court will issue an order for the other party to file the original evidence, if the court is of the opinion that the evidence is relevant to the case. If the other party fails to comply with such document disclosure orders, an admission by the other party will be deemed to be in accordance with the facts of the document. A civil proceeding is commenced against an alleged infringer by filing a complaint form with the IP&IT Court detailing the patent infringement claim.

5.2 Are criminal proceedings available? If so, what are the sanctions?

Criminal proceedings are available in Thailand. The sanctions for criminal actions for patent infringement are fines and imprisonment (see question 7.1 for more details).

5.3 Are border measures available?

In effect, border control measures only exist for copyright and trade mark infringements.

5.4 Is it compulsory to send a cease and desist letter to an alleged infringer before commencing patent proceedings? What are the consequences, if any, for making unjustified threats of patent infringement?

Sending a cease and desist letter to an alleged infringer, before commencing patent proceedings, is an option but is not compulsory (see question 5.1 for more details).

5.5 To what extent are courts willing to grant cross-border or extra-territorial injunctions?

To no extent.

5.6 To what extent do courts recognise the blocking effect of ‘torpedo’ actions abroad?

To no extent.

5.7 To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve patent disputes? If arbitration is available to assess invalidity, will your patent office recognise and execute an arbitral award declaring a patent invalid? How widespread are ADR methods and in which sectors?

Arbitration is recognised in Thailand under the Arbitration Act B.E. 2545 (2002). Thai arbitration law generally follows the UNCITRAL (United Nations Commission on International Trade Law) Model Act. Foreign arbitral awards are recognised and enforceable as Thailand is a party to the New York Convention On Recognition and Enforcement of Foreign Arbitral Awards 1958.

Parties may agree to submit existing or future civil disputes to arbitration, but the agreement must be a written document or mentioned in written correspondence between the parties in order to be enforceable. The parties are free to agree as to whom the arbitrators must be and the procedures to follow. In an action involving a contract that contains an arbitration clause, the claims that relate to the contract may be stricken if one of the parties to the contract raises the issue of arbitration. If neither party raises the issue, the case will be litigated.

There are two arbitration institutes in Thailand, namely the Thai Arbitration Institute of the Ministry of Justice and the Thai Commercial Arbitration Institute of the Board of Trade. Both are well respected and administered, supervised by a diverse advisory board, have standard arbitration rules, and maintain a list of qualified available arbitrators. Parties are also free to nominate qualified outside professionals and may choose any language to conduct the arbitration in, although Thai and English are most commonly used. Foreign attorneys may participate as either arbitrators or legal advisers. In contracts designating foreign arbitration institutes, the ones most commonly utilised are the International Chamber of Commerce (ICC), Singapore, Hong Kong, and London institutes.

If a party refuses to comply with an arbitral award, the award may be

enforced only after a court judgment is obtained ordering such enforcement. A petition for enforcement of an award must be filed with the court within three years from the date of enforcement of the award. The court may refuse enforcement on limited grounds, such as lack of capacity by one of the parties, lack of notice given to one of the parties, the arbitral award is beyond the scope of the arbitration agreement, or the arbitral tribunal or arbitration procedure was inconsistent with the arbitration agreement. There is no distinction between the enforcement of arbitration awards rendered in Thailand and those rendered in foreign countries, so long as an award rendered in a foreign country is governed by a treaty, convention, or international agreement to which Thailand is a member. Foreign arbitral awards rendered in member countries of the New York Convention On Recognition and Enforcement of Foreign Arbitral Awards 1958 and of the Geneva Protocol 1923, are recognised and enforced in Thailand, since Thailand is a member of both conventions.

The IP&IT Court and the Department of Intellectual Property have each established their own mediation centres for dealing with intellectual property disputes. It is an option for parties to submit their existing, or future, civil disputes to the mediation centres. If the case is negotiable, its conclusion will be made in the form of a compromise agreement.

6. PROCEDURE IN CIVIL COURTS

6.1 What is the format of patent infringement proceedings?

See question 3.1 for details

6.2 Are disputed issues decided by a judge or a jury?

The disputes will be decided by the judges in the form of a judgment.

6.3 To what extent are documents, affidavits, witnesses and/or (court-appointed or party appointed/private) experts used? Is it possible to cross-examine witnesses? To the extent party appointed/private experts are used in patent proceedings in your country, what is the evidential value of their opinions and/or testimony? Is it possible to confront court appointed experts and party appointed/private experts at trial (expert conferencing)?

List of evidence

To be admissible, evidence must relate to facts to be proved by a party to the case, which have been described in the list of evidence filed with the court. The list must be filed at least seven days before the date fixed for taking evidence, together with a sufficient number of copies for the other parties to collect from the court. Either of the parties may introduce new evidence after the deadline for filing the list of evidence, if the party can show reasonable grounds and the new evidence has bearing on a material point in issue.

Original evidence

Subject to limited exceptions, if another party objects to the originality or

validity of a document, only the original is admissible. Microfilm, photostat, and facsimile copies are not considered to be the best evidence, although they may be admissible under limited circumstances.

Foreign documents

Any foreign documents submitted must be originals or certified true copies. Some must be notarised and then legalised by a Thai consulate or embassy. If a document submitted to the court is in English and the parties agree that all, or any part, of such document need not be translated into Thai, the court may permit the parties to submit the document as evidence in the case without a translation. Other foreign documents must be translated into Thai.

Live witnesses and affidavits

Witnesses are required to appear before the court to authenticate documentary evidence. As a matter of procedure, examination of a witness has been replaced with a requirement for submission of an affidavit by the witness prior to the trial. The deadline for affidavit submissions will vary depending on the case and the judge. Witness testimonies in the IP&IT Court will commence with a cross-examination by the opposite party's litigator, followed by a re-examination by the same party's litigator. Proceedings are conducted strictly in the Thai language. Foreign witnesses may use interpreters during their testimonies in the IP&IT Court.

Witnesses abroad

Upon the request of one or both parties, the court may permit the submission of a written statement of a declarant residing in a foreign country, to confirm certain facts or opinions in lieu of bringing the declarant to testify, in whole or in part, in court.

Technical evidence

Each party may submit technical evidence if detailed in their respective evidence lists, and such technical evidence may include documentary evidence, physical evidence, and expert witness reports. This evidence can be challenged by the other parties.

Expert witnesses

The appointment of the expert witness by the parties and the court is acceptable in the IP&IT Court. If such experts are appointed by each of the parties, the opposing party is entitled to cross-examine such experts during the trial. If the expert witness is appointed by the parties, the evidential value is lower than the court-appointed experts.

6.4 Is evidence obtained in criminal proceedings admissible in civil proceedings and vice versa?

The evidence obtained in criminal proceedings is admissible in civil proceedings.

6.5 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted? If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?

As both criminal and civil remedies are available for patent infringement, different enforcement tracks may be followed (either simultaneously or consecutively). At the very outset, before any action can even be contemplated, it is imperative that evidence of infringement is compiled. This is pivotally important due to the lack of discovery under the Thai system (see below). Similarly, there is no procedure to apply to the court for disclosure of documents known to be in the possession of the party, but the exact identity of which is unknown.

Evidence of infringement can be obtained by numerous means, but frequently entails reliance on investigation teams and other service providers capable of identifying the location of the infringement, the extent of the infringement, and the identity of the parties involved. Only when evidence has been compiled can a more appropriate evaluation of the legal options be made.

If evidence is strong, clear law exists in support, and the possibility of police assistance is real, conferences can be arranged with specialised enforcement teams within the police to determine if it is possible to conduct a search and seizure case. If so, this will launch a criminal case. On the other hand, if the patent owner is inclined to avoid the criminal process in favour of seeking damages before the civil courts, at this stage many parties seek to engage in consultation with the infringer, commencing with warning notices. It is useful to note that under Thai law, there is no formal remedy for groundless threats of patent infringement as exists in a number of developed jurisdictions. In the event that warning notices fail, the patent owner may then consider launching a civil infringement case.

6.6 What level of proof is required for establishing infringement or invalidity?

The burden of proof in civil cases involving alleged intellectual property infringement lies with the plaintiff, who will have to discharge the burden of proof in respect of claims set out in the complaint. Hence, a plaintiff will have to prove the damages it is seeking as well as the method of calculation. The burden of proof is the preponderance of evidence in civil trials and rests with the complainant. In criminal trials, the burden of proof is beyond a reasonable doubt and rests with the prosecution.

In cases involving claims of infringement of process patents the burden of proof is generally reversed. In such cases the patentee must merely prove that there are similar, or identical, end products, so that the accused must then prove that he or she used a different process from the patented process. This reversal of burden is consistent with TRIPs, and finds explicit reference in section 77 of the Thai Patent Act:

'In the case where a patentee or a petty patentee of a process patent sues an infringer of his patent or petty patent in a civil case, and can prove that the product

produced by the defendant has the same or similar characteristics to the product made using the patentee's or the petty patentee's process, it shall be presumed that the defendant has used the patentee's or the petty patentee's process, unless the defendant can prove otherwise.'

6.7 How long do patent infringement proceedings typically last? Is it possible to expedite this process? Is it possible to agree on a binding timetable for the proceedings, for example, in the context of a case management conference?

After the civil suit has been filed, a settlement of issues meeting is typically scheduled shortly thereafter. Trial dates generally commence within 12 months of the settlement of issues meeting. Witness testimonies for both parties may take from two months to six months. Thereafter, closing statements by each party are generally due for submission to the IP&IT Court within one to two months of the last trial date. Judgment is typically rendered about three to six months after the deadline for submission of closing statements. In summary, patent infringement cases generally span 18 to 36 months from the submission of the pleadings to the time of judgment.

Expediting the process is not possible due to the volume of cases pending before the IP&IT Court.

6.8 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of a defendant?

Delaying tactics by a defendant can sometimes occur in court through such means as change of the defendant's attorney or malady of the parties or attorneys. A party may also delay the proceedings by expressing an insincere willingness to settle the case through negotiation and asking the court to postpone the case while the negotiation is ongoing. However, any requests to postpone the hearing can be opposed by the plaintiff. In such case, the court will consider whether the defendant's request is reasonable. The IP&IT Court is very strict when allowing the postponement of the hearing.

7. FINAL REMEDIES

7.1 What remedies are available against a patent infringer (permanent injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc)?

As discussed above, both criminal and civil remedies are available for patent infringement, and different enforcement tracks may be followed either simultaneously or consecutively.

If a patent owner pursues a civil action against an infringer, the patent owner's ability to obtain relief will depend on the remedies claimed in its pleadings and as introduced during the proceedings. If the patent owner prevails in a civil action, the patent owner could obtain a permanent injunction enjoining the infringer from further engaging in the infringing activities. Section 77 bis of the Thai Patent Act allows the patent owner to

apply for an injunction, the issuance of which will not curtail the patent owner's right to claim damages against the infringer. However, pursuant to section 142 of the Thai Civil Procedure Code, the court judgment or order cannot go beyond the claims in the proceedings. Therefore, the patent owner, as a plaintiff, must carefully state the types and scope of permanent injunction requested from the court.

In addition, the patent owner can seek damages for losses suffered as a result of the infringement, pursuant to section 77 ter of the Thai Patent Act which states that where a patentee's right has been violated, the court has the power to order the violator to pay compensation for damages to the patentee in such amount as the court considers appropriate, taking into consideration the seriousness of the damages as well as loss of benefits and the necessary expenses incurred in enforcing the rights of the patentee.

Despite the availability of damages awards, the amount of compensation awarded by the court tends to be small and often not sufficient for the patent owner to recoup its economic loss caused by the infringement and the litigation costs. This is due to the fact that the court generally awards only actual proven damages, that is, the actual amount of damages suffered as a direct result of the infringing activities. In light of the difficulties concerning proof of actual damages, the amount of damages award is often limited.

In addition to damages and injunctive relief, the court may also order the destruction of goods that are found to infringe a patent.

On the other hand, if a criminal action is brought against the infringer instead of or in addition to a civil action, criminal penalties would also be applicable. Section 85 of the Thai Patent Act provides criminal penalties for patent infringement in Thailand, which may include fines up to THB 400,000 and/or imprisonment up to two years.

7.2 To the extent it is possible to obtain a permanent injunction against a patent infringer, does the grant of a permanent injunction automatically follow a finding of patent infringement or does the court have judicial discretion to deny the grant of a permanent injunction notwithstanding a finding of patent infringement? Are there any specific rules for particular subject matter, for example, pharmaceutical patents, or for particular plaintiffs, for example, non-practising entities?

According to section 142 of the Thai Civil Procedure Code (which prescribes that the court judgment or order in a civil action cannot go beyond the remedies claimed in the pleadings) and section 77 bis of the Thai Patent Act (which allows for an injunction to be requested and awarded by the court), the court has discretion to define and grant a permanent injunction to the patent owner as the court may deem appropriate, provided that it is within the scope of remedies claimed by the patent owner in the pleadings. The grant of a permanent injunction is not automatic, although in most cases (if not all) a permanent injunction would be awarded if the court finds patent infringement. It is possible for the court to deny or limit the grant of a

permanent injunction, notwithstanding a finding of patent infringement, if there is a special circumstance or appropriate reason not to grant, or to limit, the injunction as requested by the patent owner. However, it could fairly be said that the Thai court almost always grants a permanent injunction following a finding of patent infringement by the defendant.

There is no specific rule for particular subject matters, such as pharmaceutical patents, or for particular types of plaintiff.

7.3 Does the grant of a permanent injunction have to refer to the item(s) alleged to infringe the patent or may the grant of an injunction be broader in scope? Is the effect of an injunction limited to the patent infringer or is it also effective against third parties such as the infringer's suppliers or customers?

As discussed above in question 7.1, section 142 of the Civil Procedure Code mandates that no court judgment or order in a civil action can be given for anything in excess of, or not included in, the pleadings. Therefore, the scope of the court order for a permanent injunction would be limited to the types and extent of injunctive relief requested by the patent owner in the case. If the scope of the injunctive relief requested in the pleadings is broad, then the injunction order awarded by the court can also be broad, as the court may deem appropriate.

7.4 What monetary remedies are available against a patent infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are punitive damages available? If so, under what conditions? Are liability and quantum of monetary remedies assessed by the court at the same time or is the quantum assessed at a separate, later stage from liability?

The right of a patent owner to receive compensation in a civil action for losses suffered as a result of infringement is set out in section 77 ter of the Thai Patent Act (supplemented by section 438 of the Civil and Commercial Code), which states that in the case where a patent owner's rights have been violated, the court has the power to order compensation for damages to the patent owner in such amount as the court considers appropriate. In doing so, the court will take into consideration the seriousness of the damages as well as loss of benefits and the necessary expenses incurred in enforcing the rights of the patent owner. Both the liability and the quantum of monetary remedies are assessed by the court at the same time. There is no separate proceeding to assess the amount of damages subsequent to the liability judgment.

The court generally awards only actual proven damages, that is, the actual amount of damages suffered as a direct result of the infringing activities. Any account of damages which the plaintiff cannot prove as actual damages would not likely be awarded by the court. Punitive damages or exemplary damages are not readily available in patent litigation in Thailand.

8. PRELIMINARY RELIEF

8.1 Is preliminary relief available? If so, what preliminary measures are available (eg preliminary injunction) and under what conditions? Is urgency a condition for the court to grant preliminary relief? If so, how is it determined?

When faced with infringement, the patent owner may pursue civil preliminary relief to immediately stop the infringing activity. These include an *ex parte* preliminary injunction and an Anton Piller order for search and seizure of evidence of infringement.

Preliminary injunction

A preliminary injunction can be applied for prior to filing a lawsuit against the infringer. The patent owner must be able provide the court with proof of ownership in the patent, evidence of infringement, and sufficient reasons/justifications for the preliminary injunction requested, such as irreparable harm which cannot be addressed by monetary compensation or any other form of indemnity. The court's decision on the issuance of a preliminary injunction will take into account the nature and extent of damages both parties may incur if the injunction is granted (and vice versa) and the difficulty of enforcing the judgment against the alleged infringer.

Anton Piller order

In addition, the patent owner may seek an Anton Piller order to seize evidence of infringement, provided that an emergency situation exists. The Anton Piller order is designed to preserve evidence of infringement for when a lawsuit is later launched by the patent owner. To support a motion for an Anton Piller order, the patent owner must be able to show that an emergency situation exists which, if the other party or the third party involved is notified of beforehand, the evidence of infringement will be damaged, lost, destroyed, or otherwise become difficult to adduce at a later stage.

8.2 Is *ex parte* relief available, where the defendant is given no notice at all? If so, under what conditions?

The patent owner's application for a preliminary injunction and/or an Anton Piller order is normally conducted as an *ex parte* proceeding. The alleged infringer is not given notice of the patent owner's application. (See question 8.1 for the criteria and requisite evidence.)

8.3 Is it possible to file a protective writ, ie a letter setting out possible defences by a potential defendant, at the court at which an *ex parte* application may be filed against that defendant? If so, is the protective brief communicated to the plaintiff and what effects does it have on the preliminary injunction proceedings?

In the case of an *ex parte* application filed by the patent owner, the alleged infringer will not be notified of such application at all. Therefore, it is unlikely that the alleged infringer would know about the court proceeding.

However, should the alleged infringer become aware of the *ex parte* application filed by the patent owner and wish to attend the proceeding to defend itself, the alleged infringer is allowed to do so. In this case, the alleged infringer will be given an opportunity to present its defence to the court and to cross-examine the plaintiff's witnesses.

8.4 Is the plaintiff entitled to ask for an order that the defendant's premises are searched and that a description of the infringing goods (and the accounting relating thereto) is made in order to establish proof of infringement? If not, what other mechanisms, if any, are available for seizing and preserving evidence pre-trial?

The plaintiff may apply for an Anton Piller order. See details in question 8.1.

8.5 Can the defendant put the validity of a patent in issue in preliminary injunction proceedings?

In the case of an *inter partes* preliminary injunction proceeding, which usually occurs when the patent owner applies for a preliminary injunction after filing a complaint with the court against the infringer, the defendant will be able to present its defence to the court, which may include the patent invalidity issue.

8.6 What is the format of preliminary injunction proceedings?

The preliminary injunction proceedings can be conducted as an *ex parte* proceeding (usually when the application is filed with the court before the patent owner files a complaint and hence commences the lawsuit against the infringer) or as an *inter partes* adversary proceeding (when the preliminary injunction application is filed during litigation).

8.7 To what extent are documents, affidavits, witnesses, and/or (court-appointed or private) experts used in preliminary injunction proceedings?

The use of documents, affidavits, witnesses, and/or court-appointed or private experts in preliminary proceedings is similar to that of a normal civil proceeding. However, as the preliminary injunction proceedings are designed to be brief and speedy, the scope of issues to be argued and the evidence and witnesses allowed by the court may be limited.

8.8 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?

In preliminary injunction proceedings, the applicant must be able to establish a *prima facie* case of infringement and reasons sufficient for the court to conclude that granting a preliminary injunction is appropriate (see details in question 8.1).

8.9 How long do preliminary injunction proceedings typically last?

Preliminary injunction proceedings are intended as an avenue for an injured party to seek interim/emergency relief prior to judgment. Therefore, the

court normally conducts such proceedings in an expedited manner. An *ex parte* preliminary injunction proceeding is usually completed within one to seven days from filing the application. However, the proceeding could take longer in a sophisticated case in which complex technical issues and/or complicated proof of infringement are involved.

In a non-emergency case, it may take anywhere from six to 12 months to obtain an *inter partes* preliminary injunction. This is because the court has no obligation to consider the application on an urgent basis. Therefore, the court will schedule hearing dates as the court docket allows, which could be several months after the application is filed. In general, the time frame depends largely on the scope of issues argued and the number of witness hearings scheduled by the court.

8.10 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?

If a preliminary injunction is granted, the applicant must file an action relating to the preliminary injunction application within 15 days from the date on which the preliminary injunction is granted, or within the period provided by the court. Otherwise, the provisional measures will be deemed cancelled at the expiration of such period.

8.11 If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for the unjustified preliminary injunction? If so, how are the damages calculated? Must the plaintiff provide some form of bond/guarantee to compensate the defendant in the event the preliminary injunction is later held to have been wrongly imposed?

If a preliminary injunction is granted but the main infringement action is finally lost, the defendant may claim compensation for damage suffered as a result of the preliminary injunction. In the case where the court issues a preliminary injunction before the lawsuit commences against the infringer, the court will demand that the applicant post a bond for an amount as determined by the court, taking into account any damage that might be incurred by the prospective defendant. Once the preliminary injunction application is granted, the applicant must deposit the bond with the court within the time frame provided. Otherwise, the injunction order will not be granted.

9. APPEAL PROCEDURE

9.1. What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?

Appeal of judgment

The appeal against the first instance decision of the IP&IT Court will be submitted directly to the Supreme Court, which is the direct appellate court. (Such direct appeal to the Supreme Court is a special procedure for intellectual property and international trade cases.) In Thailand, appeals are

conducted by written submission only. There are no hearings, except the hearing for the reading of the judgment. The ruling of the Supreme Court is final.

The appeal petition must be filed within one month from the date of the first instance judgment. However, it is possible to obtain an extension of the deadline, which can be done by way of a motion to the court.

The appeal need not be confined to points of law. It is common for the Supreme Court to re-examine the entire case. Nevertheless, the Supreme Court will only consider the case based on the facts and evidence admitted during trial. Parties are not allowed to file additional documents and evidence with the Supreme Court during the appeal proceedings.

Appeal of court order regarding preliminary injunction

An appeal concerning a preliminary injunction application which is filed and ruled upon during trial can be submitted to the Supreme Court within one month after the issuance of the court order. If the defeated party does not appeal against the court order during trial, an appeal can also be made when the court has rendered the first instance judgment. Notwithstanding an appeal being lodged during trial, the main proceeding will continue regularly.

On the other hand, for an *ex parte* preliminary injunction application which is filed and ruled upon prior to commencement of a lawsuit against an infringer, if the application is dismissed by the court, such dismissal order is deemed final and cannot be appealed.

9.2. If an appeal is filed, is relief usually stayed pending the outcome of the appeal?

The relief granted by the court of first instance (the IP&IT Court) can be enforced against the losing party straight away. However, if the losing party appeals against the first instance judgment, the losing party may file a petition with the court to stay the relief awarded against it until the final judgement (ie, the Supreme Court decision) is issued.

9.3. How long do appeal proceedings typically last?

For an appeal concerning judgment of the court of first instance, the Supreme Court normally takes around two to three years to reach a decision.

For an appeal of a court order during trial concerning a preliminary injunction, the Supreme Court often issues a decision within eight to 12 months.

Note that the Supreme Court procedure is highly confidential. Therefore, once an appeal petition is filed, it is unlikely for the parties to ascertain the exact status of the case until the final decision is issued.

10. LITIGATION COSTS

10.1 What level of cost should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?

In general, the costs for patent infringement and validity proceedings will vary considerably depending on the complexity, legal issues, and duration of the case.

The cost of civil patent litigation in the first instance is in the range of EUR 35,000-70,000 for a moderate case. For a highly technical/sophisticated patent infringement action involving a large amount of evidence and many witnesses, it may cost well over EUR 70,000 at first instance.

For a criminal action, provided that the public prosecutor has decided to proceed with the prosecution, the cost is often lower than a civil action. Generally, the cost of a criminal trial will depend largely on the extent to which the patent owner and/or its licensee need to assist the public prosecutor in the case. The cost at first instance level is normally in excess of EUR 15,000 for a moderate case.

Preliminary injunctions and/or Anton Piller orders cost approximately EUR 15,000-35,000 on average.

An appeal is submitted directly to the Supreme Court and may cost in excess of EUR 15,000 depending on the scope of the issues to be appealed.

10.2 Are attorneys' fees and costs recoverable from the losing party?

In a civil action, the court has discretion to award costs and attorneys' fees against the losing party. However, the losing party may not always be required to cover the attorneys' fees and costs for the prevailing party. This is according to section 161 of the Civil Procedure Code which states that: *'The ultimate liability for the costs of the parties to a case is to be borne by the party losing the case... however, the court shall have the power, irrespective of the total or partial success of a party, to decide at its discretion, due regard being paid to the reasonableness and good faith of the parties' contentions or the conduct of the case by the parties, that the costs are to be borne by the winning party, or that each party shall bear his own costs or a proportion of the total of costs incurred by the parties.'*

In any event, attorneys' fees and costs awarded by the court are often small and generally not sufficient to allow the prevailing party to recoup its actual litigation costs.

11. FORTHCOMING LEGISLATION

11.1 What are the important developing and emerging trends in your country's patent law?

Patent Act amendments

Thailand is expected to see amendments to the current Patent Act in the near future. The proposed draft amendment was prepared by the Department of Intellectual Property (DIP) and submitted to the Cabinet for review and consideration in 2006. However, the draft amendment was subsequently withdrawn by the DIP, as the draft turned out to be highly controversial. While it has been announced that the DIP intends to revise and resubmit the draft Patent Act amendment to the Cabinet, work in this area has been delayed for several years. (See more details in 11.2).

Compulsory licence

There has been a developing trend with regard to the government use of compulsory licences in Thailand, which mainly target drug patents. Citing the necessity to employ compulsory licences as a solution to improving access to medicines in Thailand, the Ministry of Public Health issued the total of six compulsory licences between 2006 and 2008 on two antiretroviral drugs, a heart disease drug and three oncology drugs. The legitimacy of these compulsory licences has been widely questioned by the drug originators who own the patents, international legal experts, as well as experts in the pharmaceutical field and other stakeholders. Although there have been no further compulsory licences issued after 2008, this government-use compulsory licence trend seems to continue. Several sections of the proposed draft Patent Act amendment address the use of government-use compulsory licences and may have the effect of broadening such use further, if those amendments are ultimately adopted.

11.2 To the extent it relates to patent enforcement, please outline any major patent legislation in the pipeline.

Significant proposed amendments which relate to patent enforcement include:

- The current pre-grant opposition system will be replaced by a post-grant opposition system and a new Trial Committee will be established to receive post-grant oppositions.
- No substantive examination and no pre-grant opposition will take place for design patents.
- Substantive examination of a design patent and petty patent must be requested and completed before patent owners can exercise their rights against a third party, including taking legal action against an alleged infringer.
- Additional provisions on pharmaceutical compulsory licences were proposed, which could potentially create an entirely new ground for issuance of compulsory licences for the purposes of imports or the production and export of pharmaceutical products which are still under patents in Thailand.

12. USEFUL REFERENCES

12.1 Please identify any useful works of reference relating to patent law and patent litigation in your country including useful websites.

Thailand's Central Intellectual Property and International Trade Court Official Website: www.ipitc.coj.go.th

Thailand's Department of Intellectual Property Official Website: www.ipthailand.go.th

Global Patent Litigation: Strategy and Practice, by Willem Hoyng and Frank Eijvogels, Kluwer Law International (see Thailand Chapter, by Edward Madden)