

ALTERNATIVE IP DISPUTE RESOLUTION THROUGH THE DIP

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Since 2002, in addition to traditional avenues in the Thai courts, brand owners have had the option of mediation by the Dispute Prevention and Settlement of Intellectual Property Group (“Settlement Group”), the Legal Department of the Department of Intellectual Property (“DIP”). This option allows brand owners to deal with a variety of intellectual property-related issues, including infringement of trademark, copyright, patent, and trade secret. According to official records, the DIP mediators heard 327 cases between December 2002 and November 2009, and 171 cases – over 50 percent of the total – were resolved in a successful amicable settlement for both parties.

Mediation before the DIP, December 2002 – November 30, 2009

| Type of IP | Ongoing Cases | Settlements | Termination of Mediation | Total |
|---------------|---------------|-------------|--------------------------|------------|
| Copyright | 6 | 144 | 87 | 237 |
| Trademark | 2 | 19 | 31 | 52 |
| Patent | 4 | 8 | 24 | 36 |
| Trade Secrets | 0 | 0 | 2 | 2 |
| Total | 12 | 171 | 144 | 327 |

Source: the Dispute Prevention and Settlement of Intellectual Property Group, Legal Department of the Department of Intellectual Property, as of November 31, 2009

These statistics indicate that the mediation procedure before the DIP can provide effective results in many cases. Moreover, the participation of the DIP in the process allows for the intervention of government officials without taking the further step of involving enforcement officials and/or the court. This can frequently elicit participation from a party to a dispute who has otherwise been unwilling to cooperate in seeking a solution. Based on the settlement success rate, the relatively low cost involved in mediation procedures, and the increasing awareness of the Settlement Group’s mediation mechanism, the number of disputes brought before the Settlement Group for mediation is likely to increase in the coming years.

Because the DIP’s mediation procedure saves time and money, we encourage many brand owners whom we serve to consider this option when faced with IP disputes. It is simple and

cost-effective, as the entire process usually takes only two or three months. In addition, there is no fee for the DIP. Mediation before the DIP can be initiated by either party to an IP-related dispute by submitting a formal letter to the Director General of the DIP requesting that the dispute be handled by the Settlement Group for mediation. Within a few days, the case will be forwarded to the Settlement Group to initiate the mediation process.

When the DIP officers receive the letter, they will review all of the issues involved in the case, including background of the dispute, legal claims, and technical information relating to the subject of the dispute in some cases. If the letter does not clearly specify the disputed issues and the IP owner's demands, the responsible officers will ask the IP owner to come in for a meeting to clarify specific issues or the demands. (If the IP owner's letter is clear, this initial meeting would not be necessary.) If the subject of the dispute involves complicated technical explanation, the officers in charge of the mediation will invite a specialist of the DIP in that particular field, such as a patent examiner, to join in the mediation in order to assist both parties in understanding the complex matters.

After analysing the case, the officer will contact the opposing party (i.e., the infringer) by letter and telephone. If the infringer agrees to negotiate, the officer will schedule a meeting with the infringer to discuss the issues raised by the IP owner. After the infringer acknowledges the IP owner's claims, the Director of the Settlement Group and the responsible officer will invite both sides to a mediation session to sort out the terms and conditions for the settlement. If the parties are able to reach an agreement, the Settlement Group and/or the IP owner will prepare a settlement agreement, the contents of which have been agreed to by both parties. After execution of the agreement, it will be binding upon both parties. It is important to note that the outcome of the mediation is reached on a voluntary basis.

Some global brand owners have successfully exploited this method to stop infringement in Thailand. Through the DIP's mediation, clients of ours, including a world-leading motorcycle manufacturer and notable computer printer manufacturers, have been rather successful in reaching agreements concerning patent infringement that were satisfactory to both parties through amicable negotiations with local infringers.

In addition, some brand owners in the consumer products industry that we represent have faced passing off problems concerning the use of similar packaging and colours of products. The DIP has assisted the brand owners in negotiations that have convinced the infringers to change the packaging and the colours of their products. It is easier for officers in the Settlement Group, who are well-grounded in all applicable IP laws, to clarify our problems concerning the IP matters to the opposite party.

In the Thai culture, senior government officers are well-respected and recognised; therefore they are trusted as experienced and reliable mediators. Conversely, most infringers regard the representatives of brand owners as their enemies. They usually perceive that a lawyer only views the issue from a single perspective and will only represent his or her client's interests in the negotiation. This perception frequently causes failures when the negotiation is conducted privately through a legal representative. It has been proven that the infringers accept officers in the Settlement Group as neutral mediators in most cases. Even when some cases do not reach a settlement, the minimal expenditure of time and cost make this a worthwhile first option before proceeding with litigation in court.

Every year, the Settlement Group arranges seminars to widely promote this process among potentially interested parties throughout the country, as the Ministry of Commerce would like to encourage brand owners and parties who run the risk of being seen as infringers to use this option to create effective solutions to IP disputes and to reduce court caseloads. Given the practicality of the DIP mediation from a time and cost perspective and its successful track record, brand owners and all holders of IP rights should consider mediation as a viable option in solving IP disputes in Thailand.

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