

Global Patent Litigation

Supplement 23, 2014

Highlights

In this Supplement 23 of *Global Patent Litigation* the following four significant chapters have been fully revised and updated:

- Finland
- Norway
- Spain
- Thailand

Written by renowned patent litigators in **Finland, Norway, Spain & Thailand** these chapters provide a quick and comprehensive overview of the main features of patent law and patent litigation in these jurisdictions. Following the usual blueprint of *Global Patent Litigation*, each chapter describes how a patentee can enforce the patent, highlighting possible pitfalls and remedies and thus enabling you to make an informed decision when litigating in these jurisdictions.

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Due to his unique combination of expertise and education in law and entrepreneurial and innovative management, Nuttaphol also advises clients on protecting and managing their intellectual property portfolios, as well as commercial licensing of intellectual assets. Nuttaphol has been regularly invited to give lectures and presentations to undergraduate and graduate students from several different faculties and universities. He is a frequent speaker at conferences and seminars on intellectual property-related topics. In addition to being an active lecturer and speaker, Nuttaphol is an author of worldwide publications, including the Thailand chapters of Multilaw's *Media, Advertising & Entertainment Law Throughout the World* and WEST's *Patent Claim Interpretation – Global Edition*.

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Thailand

(1) APPLICABLE LAWS

1 Thailand's involvement in the international intellectual property system is a relatively recent phenomenon. Intellectual property's support and promotion have been recognized as directive principles of State policies under Part 9 of the Constitution of Kingdom of Thailand B.E. 2550 (2007).

2 While copyright laws have existed in some form or other for many decades, patent laws are still regarded as a relatively new area. Protection for patents was only introduced for the first time in 1979 with the ostensible intention of promoting industrialization in Thailand. The Patent Act B.E. 2522 (1979) is the primary piece of legislation, which has been supplemented by two additional pieces of legislation, the Patent Act B.E. 2535 (1992) and Patent Act B.E. 2542 (1999). This legislation will be collectively referred to throughout as the 'Patent Act'. Additional subsidiary legislation in the form of various Ministerial Regulations and the Notification of the Department of Intellectual Property (DIP) No. 1 (1992) set out various procedural mechanics and rules for the Thai patent system. The Thai Department of Intellectual Property (DIP) has proposed a draft Patent Act Amendment which included several reforms and new additions to the current patent law. The draft Patent Act Amendment was initially submitted to the cabinet for consideration at the end of 2006, but it was subsequently withdrawn by the DIP itself. By the end of 2012, the draft Patent Act Amendment was still being considered and revised, and has not yet been passed into law.

3 The present Patent Act provides protection for three different types of patents: invention patents, petty patents, and design patents. An invention patent will cover innovations entailing new products or processes, or any improvement of known products or processes. This category of patent corresponds to the category of utility patent that exists in most countries and carries with it a term of protection of twenty years counted from the earliest filing date. In common with most countries, to be patentable, an invention must be new, non-obviously inventive, and industrially applicable.

4 An invention which is new and capable of industrial application, but lacks an inventive step, may still be protected as a petty patent. Thailand's petty patent system is a utility model system designed to confer protection on innovations which lack the required level of inventiveness to attract invention patent protection. Petty patentees receive the same exclusive right to exploit an invention, as well as the right to grant licenses to others as ordinary patentees. The term of protection is limited to six years from the earliest filing date, but may be extended two times, for an additional two years per extension; that is, for a maximum term of ten years. In order to obtain a petty patent, the applicant must demonstrate the novelty of the innovation and that it may be applied for an industrial purpose. It is not possible to apply for both an invention patent and a petty patent for the same innovation.

5 In line with jurisdictions like Japan and the United States, Thailand also protects industrial designs through the use of design patents. Before a design patent can be obtained, the design must be new (absolute novelty) and intended for use in an industry

(which includes handicrafts). The period of protection is limited to ten years from the earliest filing date and may not be renewed or extended.

6 Thailand is also a civil law jurisdiction; as a result, patent jurisprudence develops through legislative enactment, as opposed to any case law or established doctrine of precedent. Nevertheless, there are some common law overtones that can be seen in the mechanics of the system. For instance, decided case law can at times be invoked in court actions in order to add force to arguments. However, it should always be kept in mind that courts in Thailand are not legally bound to follow such earlier decisions on similar points of law.

7 Thailand joined the World Trade Organization (WTO) at its inception, and hence also became a party to the Agreement on Trade-Related Aspects of Intellectual Property (TRIPs Agreement) in 1995. In January 2008, the National Legislative Assembly of Thailand passed the interim cabinet's proposals regarding Thailand's accession to the Paris Convention for the Protection of Industrial Property and the Patent Cooperation Treaty (PCT). Thus, Thailand has been a member of the Paris Convention since 2 August 2008. Subsequently, Thailand became a member of the PCT on 24 December 2009. Accordingly, foreign patentees seeking to extend patent protection to Thailand may file a patent application either locally or through the PCT system.

8 Due to the lack of any decided cases in Thailand, Thai examiners and judges are increasingly taking an interest in overseas practice and procedure in order to guide their analysis in Thailand. In fact, in recent times, members of Thailand's Intellectual Property and International Trade Court (IP&IT Court), in addition to members of the DIP and numerous intellectual property practitioners, have been trained in Japan by the Japanese Patent Office. This has equipped them to understand modern patent practice and procedure, as well as to understand the rationale and workings of the patent system.

(2) ENTITLEMENT

(2.1) COMPENSATION

9 The employee-inventor shall have the right to remuneration other than his regular salary if the employer benefits from the invention. The right to remuneration cannot be prevented by any contractual provision. Such right shall be applied with a government official or an employee of a government organization or enterprise, unless otherwise provided by the Rules or Regulations of such department of the government, organization or enterprise.

10 A request for remuneration shall be submitted to the Director-General, in accordance with the rules and procedures prescribed in the Ministerial Regulations. The Director-General shall have the power to fix such remuneration as he deems fit, taking into account his salary, the importance of the invention, benefits derived and expected to be derived from the invention and other circumstances, and as prescribed by the Ministerial Regulations.

(2.2) DERIVATION

11 The assignment of the right to apply for a patent must be in writing and shall require the signatures of the assignor and assignee. Though the assignment agreement, if a person who files a patent has derived the invention from a third party, such person shall be entitled to the patent.

12 Any person who applies for a patent by fraud shall be punished with imprisonment not exceeding six months or a fine not exceeding Thai Baht (THB) 5,000, or both.

(2.3) APPLICANT

13 The inventor shall have the right to apply for a patent and to be named as such in the patent.

14 An applicant for a patent shall possess one of the following qualifications:

- (1) being a Thai national or a juristic person having its headquarters located in Thailand;
- (2) being a national of a country that is party to a convention or an international agreement on patent protection to which Thailand is also a party;
- (3) being a national of a country which allows Thai nationals or juristic persons having their headquarters in that country to apply for patents in that country;
- (4) being domiciled or having a real and effective industrial or commercial establishment in Thailand or a country that is party to a convention or an international agreement on patent protection to which Thailand is also a party.

15 Any person who applies for a patent by fraud shall be punished with imprisonment not exceeding six months or a fine not exceeding THB 5,000, or both.

(2.4) EMPLOYEE

16 The right to apply for a patent for an invention made in the execution of an employment contract or a work of hire contract shall belong to the employer or the person having commissioned the work, unless stated otherwise in the contract. At the same time, the law also states that an employee/inventor shall have the right to receive remuneration other than his/her regular salary if the employer gains certain benefits from or uses the invention. The right to receive remuneration cannot be prevented by any contractual provision.

17 The law further provides that such request for remuneration shall be submitted to the Director-General (DG) of the Thai Department of Intellectual Property in accordance with the rules and procedures prescribed in the Ministerial Regulations. The DG shall have the power to define such remuneration as he deems fit, taking into account the employee's salary, the importance of the invention, the benefits derived and expected to be derived from the invention, and other circumstances, and as prescribed by Ministerial Regulation Number 24.

(2.5) EDUCATION/RESEARCH

18 Thai patent law is silent on the issue of ownership of patents which result from education or research. However, this issue is, in certain circumstances, dealt with by other legislation. Examples of this are the following:

- Thailand Institute of Scientific and Technological Research Act B.E. 2522 (1979), section 29 states that 'A discovery, invention and improvement in the process, equipment and machinery made by the person employed by the Institute and also the rights in all these things, shall become the property of the Institute; provided that they shall not affect the right of the third party under a juristic act made with the Institute.'
- Act for Protection of the Operation of the Asia-Pacific Space Cooperation Organization B.E. 2550 (2007) has been enacted to ratify the Convention of the Asia-Pacific Space Cooperation Organization (APSCO). According to Article 22 of APSCO, Intellectual property rights of those inventions, products, technical data or techniques, as well as other intellectual property resulting from any programmes and activities that are carried out by the Organization or through use of the resources owned by the Organization, shall be owned by the Organization.

(2.6) TEAMWORK

19 When an invention is made by two or more persons jointly, they shall apply for a patent jointly. If a joint inventor refuses to join in an application for a patent or cannot be found or reached, or is not entitled to make an application for a patent, the application may be made by the other inventor on behalf of himself.

20 A joint inventor who did not join in an application for a patent may subsequently make a request to join in the application at any time before a patent is granted. Upon receipt of such request, the competent officer shall notify the applicant and the joint inventor of the date on which an investigation will take place. The applicant and each of the joint

applicants shall be furnished with a copy of the request. In the investigation, the competent officer may require the applicant and joint applicants to appear before him and answer any question or hand any document or other items to him. After such investigation, when the Director-General has made his decision, the applicant and the joint inventor shall be notified of such decision.

(2.7) ENTITLEMENT CLAIMS

21 A third party claiming to have a better right in a patent than the person who filed the application may give notice to the competent officer in opposition to such application within ninety days following the publication of the application. If the Director-General of the Department of Intellectual Property has decided that the invention belongs to the opposing party, the Director-General shall reject the application. In such a case, if the opposing party has filed an application for a patent within 180 days after the rejection by the Director-General or from the date on which the final decision is made, as the case may be, he or she shall be deemed to have filed his or her application on the filing date of the applicant, and the publication of the application for a patent of the applicant made under section 28 shall be deemed to be the publication of the application of the opposing party. In the latter case, no person may oppose the application of the opposing party on the ground that he or she has better rights in the invention than the opposing party.

(3) SCOPE OF PROTECTION

(3.1) CLAIMS, DESCRIPTION AND DRAWINGS

22 Generally, the *claims* define the scope of a patent, as they provide a definition of the extent of the patent protection. Section 36*bis* paragraph 1 of the Thai Patent Act defines the scope of the invention as determined by the claims:

The scope of the rights of the patentee under section 36 in respect of a patented invention shall be determined by the claims. In determining the scope of the claimed invention, the characteristics of the invention as indicated in the description and the drawings shall be taken into account.

23 There is limited statutory guidance on how a court is to determine the scope of protection conferred by a patent. Unfortunately, a relative lack of cases has meant that courts have rarely been presented with the task of having to pronounce on how Thai law construes patent claims. To a certain extent, parties to litigation may seek to make analogies with overseas decisions, but as a civil law country the court may exercise its discretion to disregard such arguments. There is also a lack of judicial guidelines/directions on how to construe claims. At the most basic level, questions of infringement are considered based on the merits of the product produced and its function.

24 A description and drawings should be employed for the purpose of resolving any ambiguities that may exist in the claims. If the language of the claim is ambiguous, the description or drawings can be used to interpret the claims. On the contrary, the description or drawings cannot limit the scope of the invention. Nevertheless, the scope may be altered if explicit terms in the claims are defined in the detailed description. The proper construction of the claims begins with the language of the claims themselves.

(3.2) PATENT AS GRANTED

25 The applicant may amend his application for a patent in accordance with the rules and procedures prescribed in the Ministerial Regulations, provided that such amendment does not enlarge the scope of the invention.

26 Thai patent law does not allow an amendment of a patent after granting. In other words, besides the cancellation of claims, nothing can be done post-grant to modify a patent. In light of this, a patentee facing an invalidity attack will not be able to cause a division of patent claims. However, taking into account that the Patent Act does not provide a basis for the Court to invalidate individual claims in a patent, whether or not a division of claims is allowed would not make a difference for a patentee facing an invalidity attack.

(3.3) INTERPRETATION OF STATE OF THE ART

27 Thai patent law does not expressly deal with how the state of the art should be interpreted, except insofar as section 36*bis* paragraph 2 provides that:

The scope of protection for a patented invention shall extend to the characteristics of the invention which, although not specifically stated in the claims, in the view of a person of ordinary skill in the pertinent art, have substantially the same properties, functions and effects as those stated in the claims.

28 Accordingly, it stands to reason that the state of the art should be interpreted as it would be by a person of ordinary skill in the art and is presumed to have the ordinary and customary meaning attributed to it by such person.

(3.4) CRITERION FOR SCOPE OF PROTECTION

29 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 concerned field 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.

(3.5) ROLE OF PROSECUTION HISTORY

30 The Thai patent register is public, and once a patent is published, the file relating to that patent is open to public inspection. Amendments made by the applicant to the scope of claims in response to office actions will be recorded in the file and will be available for use in court as evidence. Due to the lack of case law at this point, it is not yet possible to proclaim that a file-wrapper estoppel exists in Thailand, but it is clear that informed litigants have the means available to argue for interpretation of claims in line with recorded statements of the applicant during the patent prosecution phase.

(3.6) EQUIVALENTS

31 A form of doctrine of equivalents could be said to exist in section 36*bis* paragraph 2, which opens up the possibility of a patentee to argue that infringement exists, even if the claims are not literally infringed. The relevant section provides that:

The delimitation of the claims shall extend protection to characteristics of the invention which, although not specifically stated in the claims, in the view of a person of ordinary skill in the art or science concerned with the invention have properties, utility, and effect equivalent to those stated in the claims.

32 When Thai courts interpret claims and determine the scope of protection, the courts recently began to recognize and apply the concept of Doctrine of Equivalents, as expressed in the second paragraph of section 36*bis* that:

the scope of protection for a patented invention shall extend to the characteristics of the invention which, although not specifically stated in the claims, in the view of a person of ordinary skill in the pertinent art, have substantially the same properties, functions and effects as those stated in the claims.

33 For example, in *GSI Group Inc. v. Ulmin Enterprise Co., Ltd.* involving a device for feeding poultry, the Supreme Court considered the main structure, the functions and the outcomes/benefits of the device. The Court found that even though the Defendant's allegedly infringing device was slightly different from the patented device, the differences were insubstantial, and thus the Defendant's device still fell within the scope of the Plaintiff's patent claims.

34 Similarly, in *Techniport SA Co., Ltd. v. Intertechnic Systems Co., Ltd.*, the Supreme Court referred to the second paragraph of section 36*bis* and concluded that the Defendant's allegedly infringing process, though different from the patented process, still fell within the scope of the Plaintiff's patent claims, since the product manufactured using the Defendant's process would have substantially the same properties, functions and effects as those of the Plaintiff's patented process.

(3.7) NON-INVENTIVE APPLICATION OF STATE OF THE ART

35 By extension, the first line of attack of defendants is to seek to undermine the patent by arguing lack of novelty or inventive step. Alternative arguments can be made that if the patent is found to be valid, the actions of the defendant are merely applications of known technology or minor variations thereof. In this respect, it is possible for defendants to mount Gillette-type defences.

36 As a matter of procedural law, in any infringement case, if the plaintiff files a lawsuit against the defendant claiming a patent infringement and the defendant raises an issue of validity and seeks patent revocation, the defendant will be assigned the initial burden of demonstrating the invalidity of the patent.

(3.8) TRANSLATIONS

37 Patent application must be translated into Thai language.

(3.9) NATIONAL (NON-EUROPEAN) PATENTS

38 Not applicable to Thailand.

(4) INFRINGEMENT

(4.1) DIRECT INFRINGEMENT

39 Direct Infringement can be divided into two types; i.e., (1) Literal infringement, and (2) Infringement under Doctrine of Equivalents. Literal infringement will be found when every elements of the claimed invention and the infringing device matches literally. In other words, the infringing product/process contains all claim elements. For Infringement under Doctrine of Equivalents, it will be found when the accused device performs substantially the same function, in substantially the same way, to achieve substantially the same result as the claimed invention.

40 To analyse what acts will constitute direct infringement, the rights conferred on a patentee under the Patent Act need to be considered. These various rights are set out in section 36 and confer the following on an exclusive basis (see below).

(4.1.1) Products

41 In the case of product patents, the patentee has the exclusive right to produce, use, sell, possess for sale, offer for sale or import into Thailand the patented products.

(4.1.2) Processes

42 In the case of process patents, the patentee has the exclusive right to use the process stated in the patent, produce, use, sell, possess for sale, offer for sale or import into Thailand products made by the application of the patented process.

43 Under a process patent, the patentee has the exclusive right only to the process indicated in the claims. The patentee has no right to identical or similar products made by a different process. As a matter of practice, however, if the products are the same, the burden of proof that a different process was used shifts to the defendant, and typically, it is almost impossible to prove in a case where the products are the same that the process used to generate the product was different.

(4.1.3) Absolute Product Protection

44 Thai patent law is silent on the issue of absolute product protection. Section 36(1) of Thai Patent Act provides an exclusive right to an owner of the product patent to produce, use, sell, have in the possession for sale, after for sale or import the patented product without any exception. Accordingly, it stands to reason that a product claimed by a patent is protected, irrespective of the manner in which the product is obtained and how or why it is used.

(4.1.4) *De Minimis*

45 Section 36 paragraph 2(2) of the Thai Patent Act provides seven statutory exemptions from patent infringement. Among other things, an act for the purpose of study, research, experimentation or analysis, provided that it does not unreasonably conflict with the

normal exploitation of the patent and does not unreasonably prejudice the legitimate interests of the patentee, is not considered patent infringement.

46 However, the general concept of a ‘*de minimis*’ defence is not contemplated in Thai patent law. Accordingly, in an exception to the use for the purpose of study, research, experimentation or analysis as stated above, the ‘quality’ of infringement is not relevant into an inquiry into infringement.

(4.1.5) Biological Material

47 Naturally occurring microorganisms and their components, animals, plants or extracts from animals or plants are considered non-patentable under the Thai Patent Act.

(4.1.6) Products Containing or Consisting of Genetic Information

48 Thai patent law is silent on the issue of products containing or consisting of genetic information. However, naturally occurring microorganisms and their components, animals, plants or extracts from animals or plants are considered non-patentable under the Thai Patent Act.

(4.2) INDIRECT (CONTRIBUTORY) INFRINGEMENT

49 The Patent Act does not have clear provisions regarding indirect infringement, and there is no confirmed doctrine of contributory infringement or inducement infringement. Moreover, there is no court judgment or any prior case directly acknowledging the concept of indirect infringement. Despite the lack of a clearly recognized doctrine of indirect infringement under the Patent laws, the Penal Code still plays a role, particularly where an actor is clearly aware that there may be an infringement issue. Section 84 of the Penal Code provides that:

Whoever, whether by employment, compulsion, threat, hire, asking as favor or instigation, or by any other means, causes another person to commit any offense is said to be an instigator. In light of the fact that patent infringement is a criminal offense, Section 84 of the Penal Code becomes relevant, but only in the content of criminal enforcement. Nevertheless, for a party to be held liable under the foregoing provision, the complaining patentee would need to prove that the alleged infringer possessed the necessary intention to commit a criminal offense.

50 Therefore, in the case of criminal proceedings of patent infringement wherein patent infringement is a criminal offence, section 84 of the Penal Code is expected to assist. In general, a plaintiff patentee in a criminal proceeding must prove that the alleged infringer possessed the requisite intent to commit the criminal offence of patent infringement.

(4.3) UNFAIR COMPETITION

51 Thailand does not have any specific unfair competition law. However, it may be possible for a patentee to bring other types of tort claims or criminal claims which are similar in nature to an unfair competition claim.

(4.4) UNJUSTIFIED THREATS

52 Thai patent law is silent on the issue of unjustified threats. The Civil and Commercial Code, however, provides liabilities for wrongful acts for the person who exercises a right beyond an appropriate border. Section 421 of the Civil and Commercial Code provides that:

The exercise of a right which can only have the purpose of causing injury to another person is unlawful.

53 In such a case, an alleged infringer may institute proceedings against the patentee for the act of unjustified threats under the liabilities for wrongful acts as provided in the Civil and Commercial Code, as stated above. There is still an argument, however, as to whether an action of the patentee is considered to be a wrongful act and subject to civil liabilities.

54 For example, in *T.M.D. Co., Ltd. v. Mr. Teerasak Sathitvittayakul*, the Supreme Court considered that the defendant's patent is invalid, as it lacked novelty. Therefore, the defendant was not entitled to request a court injunction in an infringement action against the plaintiff. However, a notice of infringement earlier issued by the defendant to the plaintiff was not considered to be a wrongful act, as it was an exercise of the right of the defendant at the time the notice was issued. Also, in *Thai Nippon Concrete Co., Ltd. v. Mr. Surachai Riewrangsaththa*, the Supreme Court considered that filing a criminal charge with the police by the patentee against the alleged infringer is not considered as a wrongful act, despite it being later proven that the patent in dispute was invalid.

55 On the other hand, in *T.M. Grating Steel Co., Ltd. v. Billion Mass Industry Co., Ltd.*, there is evidence demonstrating that the defendant filed a patent in dispute by copying an invention earlier disclosed by another party. Although the defendant's patent was granted for registration, the exercise of a right of the defendant by filing a criminal charge against the plaintiff with the police and conducting a raid action at the plaintiff's premises was considered to be a wrongful act. Hence, the defendant was subject to civil liability.

(4.5) ANTITRUST ISSUES

56 Thailand has yet to see the application of an antitrust law as a successful defence of patent infringement.

(5) FURTHER DEFENCES OF INFRINGEMENT

(5.1) INVALIDITY

57 It is frequent practice in most patent infringement cases to first assert a defence of non-infringement based on the fact that the patent is invalid, and at the same time file a counterclaim to have the patent struck down. Depending on the facts and arguments presented by the parties in their pleadings, the court will then determine the priority of the issues to be tried. An invalidity action may also be taken in a separate case; this is common where, for instance, a party has received a cease-and-desist letter or other warning notice, or a party is faced with criminal charges. Arguing invalidity based on a counterclaim typically arises where the party has been served with a civil complaint initiating a civil case.

The principal section of the Patent Act under which an invalidation action may be brought is section 54, which permits an ‘interested person’ to challenge a patent by filing a court petition if the patent does not comply with various provisions of Thai Patent legislation, that is:

- (i) The patent is directed to an invention that is not patentable (i.e., no novelty, obvious or incapable of industrial application) (section 5).
- (ii) The patent is directed to non-patentable subject matter (i.e., microorganisms, scientific and mathematic rules, computer programs, methods of diagnosing and treating humans or animals, inventions contrary to public order, morality, public health or welfare) (section 9).
- (iii) The patent is held by the incorrect person (i.e., not the inventor or his assignee) (sections 10, 11).
- (iv) The patent is held by an unqualified person (i.e., a non-WTO national/resident) (section 14).

58 In addition to the foregoing limited grounds for revoking a patent, section 77*octo* provides an additional basis for challenging validity when it is found that a person has applied for both a patent and a petty patent for the same invention. Aside from these grounds, no other legal basis exists for the challenge of a granted patent. It is not difficult under present law to challenge a patent validity on other basis such as the claims are not supported by the description.

59 From a procedural perspective, the party challenging the patent must be able to demonstrate that it is an ‘interested party’. This hurdle is not a difficult obstacle to overcome. It would be possible for 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 didanosine (DDi) HIV anti-retroviral* patent by two patients using the medicine was found to have sufficient standing to challenge the novelty of that patent. Also, in *T.M. Grating Steel Co., Ltd. v. Billion Mass Industry Co., Ltd.*, the plaintiff was an alleged infringer in a criminal case for patent infringement filed by the defendant. The Supreme Court, therefore, found the plaintiff to have sufficient standing as an ‘interested party’ to challenge the novelty of that patent.

60 However, in *Novartis (Thailand) Co., Ltd. v. Mr. Christian Noel Guy Legrand*, the Supreme Court found that there was no evidence to prove the necessity of the plaintiff, who engages

in the importation and distribution of pharmaceutical products, in using, manufacturing, selling, possessing for sale or importing into the Kingdom the defendant's patent, which is an invention on foam books. Therefore, although the defendant, who is a patentee, sent a notice of infringement to the plaintiff, the validity of the defendant's patent in dispute had no impact on the normal operation of the plaintiff's business. Also, despite the fact that the plaintiff purchased foam books and distributed them to their customers free of charge, the court found that the distribution of the foam book for free does not fall within the definition of 'sell'; therefore, the plaintiff is not considered to be an 'interested party' that would enable it to challenge the novelty of that patent under section 54 of the Patent Act.

61 As a matter of procedure, a patent invalidation action is treated as a civil case, and hence, proceedings will take place in accordance with the Civil Procedure Code. Despite this, both the Civil Procedure Code and the Patent Act are silent as to whether a defendant may raise an invalidity challenge in the form of a defence, as opposed to a ground for a separate revocation action. Despite this uncertainty, a counterclaim of invalidity based on section 54 of the Patent Act may be incorporated within a defendant's pleadings. Under civil procedural law, once the exchange of pleadings is complete, the Court will determine the issues to be tried and the order in which they will be tried. This jurisdiction of the Court is set out in section 183 of the Civil Procedure Code:

On the day of settlement of the issues, the parties shall appear in court and the court shall examine the pleadings and statement of the parties. The court shall then compare the allegations and contentions set forth in them together and ask all the parties about the allegations, contentions, and evidence filed by the parties with the court whether or not and how any party admits or contends such allegations and contentions. Any fact admitted by the parties shall be conclusive accordingly. As to a point of law or fact which is raised by one party and not admitted by other party and directly connects with a point in dispute in the pleadings, the court shall settle it as a point in dispute and direct any party to adduce evidence first or afterwards on any point in issue.

62 Accordingly, once the parties have submitted their pleadings, unless the parties have already agreed the issues to be litigated between them, the Court will determine which issues take precedence and which should be litigated in priority, including which party will bear the burden of proof and submit evidence first. This determination by the Court could include a direction that the issues as to validity be heard first. The Court will not bifurcate the entire trial or produce a summary judgment after an intermediate hearing. The parties will litigate all the issues together, and the court will render one judgment. The settlement of issues as contemplated by section 183 merely identifies the issues to be argued and the order in which argument will take place.

63 Of the various grounds upon which validity may be challenged as introduced, allegations that the patent fails to comply with intrinsic patentability criteria under section 5 are the most common. Such challenges assert that the inventive concept to which the granted patent is directed either lacks novelty and inventiveness or industrial application.

64 *Novelty Requirement:* Before a patent for an invention is granted, it must be new. In other words, it must not form part of the state of the art at the application/priority date. The legislation (in section 6) gives the lists of what will be included in the state of the art:

- (a) Inventions which were widely known or used by others in Thailand before the application date.

- (b) An invention, the details of which were described in a document (or printed document) or otherwise disclosed to the public in either Thailand or overseas before the application date.
- (c) An invention already patented, or the subject of a petty patent which has been granted before the application date.
- (d) An invention already the subject of a patent/petty patent application overseas which has been applied and that patent application has either:
 - (i) been published; or
 - (ii) eighteen months have elapsed since the application date.

65 In certain instances, a disclosure by way of document or other printed publication will not be treated as novelty-destroying. The final part of section 6 of the Patent Act provides that if the disclosure was due to or as a result or consequence of the subject matter of the invention having been: (a) unlawfully obtained, or (b) displayed at an international exhibition or official exhibition, then such disclosure will not destroy the novelty in that invention. However, the corresponding patent application must be made within twelve months of the disclosure for the exception to apply. In effect, this section provides a type of grace period for inventors in Thailand.

66 *Inventive Step Requirement:* Before a patent for an invention will be granted, the application must relate to an inventive concept. In other words, the invention must be non-obvious; it must make an inventive step beyond the state of the art that existed as at the date of application. Before an invention will be regarded as involving an inventive step, it must not be obvious to a person skilled in the art or science to which the invention relates. The definition of a 'person skilled in the art' is as problematic for Thai authorities as it is for authorities in developed countries. This is particularly the case when the inventive concept relates to an advanced field of science and technology for which Thailand has not yet established indigenous personnel. In such cases, attributing the level of knowledge to the typical person in the field can be a tall order for the patent examiner. Similarly, in a developing country such as Thailand, the standard of the person ordinarily skilled in the art or science would generally be expected to be lower. In light of these difficulties, a challenge to a patent on the basis of obviousness is still seen as a difficult case to conduct, and as a consequence, there have been few cases when litigants have attempted to undermine a granted patent on this ground.

67 *Industrial Application:* Inventions which have no industrial use or practicality should not, in theory, be patentable under Thai law. If an invention can be made or used in any kind of industry (including handicraft, agriculture and commerce), then it will be regarded as being an invention capable of industrial application, and accordingly may be subject to patent protection. Similar to many other countries, the industrial application requirement may be satisfied without excessive burden on the part of the patentee and hence challenging the validity of a granted patent on the basis of lack of utility is not common.

68 Unlike in several other jurisdictions where courts have the authority to find a patent partially invalid, the Patent Act does not provide an explicit basis for the Court to invalidate individual claims in a patent. No such express authorization exists under the Patent Act or any ministerial regulations issued under the Act. 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. We are not aware of any decisions when the Court excised an invalid claim from an otherwise valid patent.

69 According to section 54, the Court must declare a patent invalid if it finds that one of the grounds for invalidation exists, as opposed to limited invalidation of claims which fail to satisfy the requirements. In addition, the fact that the Patent Act recognizes the concept of severability (of a contract) in section 41 underscores that this concept is not intended to apply in patent invalidation. Section 41 states in the relevant part that ‘the *Director-General shall refuse the registration of such contract*, unless it may be assumed . . . that the parties intended the valid part of the contract to be severable from invalid part’. Not only does similar language not appear in section 54, the section refers to ‘patent’ as opposed to ‘patent claims’.

70 If a case has already been filed to invalidate a patent, a patentee is no longer allowed to cancel a patent or any of the claims thereof. Section 53 of the Patent Act provides that a patentee may surrender his patent or any claims thereof in accordance with the Ministerial Regulations. Clause 4 of the Ministerial Regulation No. 27 (B.E. 2522) clearly prohibits the 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 claims thereof which are subject to the attack.

(5.2) RESEARCH EXEMPTION

71 The exclusive rights of patentees are limited by seven clear exceptions which will apply in various circumstances. The first of these exceptions is a type of experimental use/educational use exemption. According to section 36 paragraph 2 of the Patent Act, a patent is not infringed by: ‘any act in the interest of education, analysis, experimentation or research, provided that it is not contradictory to the patentee’s ordinary course of use and does not cause damage to the patentee’s rightful benefit beyond appropriate reasons’.

(5.3) BOLAR EXCEPTION

72 Bolar style exemptions are recognized in Thailand. The Thai Patent Act provides an exemption for ‘any act concerning an application for *drug* registration, whereby the applicant intends to produce, distribute or import the patented pharmaceutical product after the expiration of the patent term’.

73 The Thai Drug Act provides the definition of *drug* as follows:

- (1) Substances recognized by pharmacopoeias.
- (2) Substances intended for use in the diagnosis, treatment, relief, cure or prevention of human or animal disease or illness.
- (3) Substances which are pharmaceutical chemicals, or semi-processed pharmaceutical chemicals.
- (4) Substances which are intended to affect the health, structure, or function of the human or animal body.

74 However, the Drug Act further provides that those substances under (1), (2) or (4) shall not include:

- (1) those intended for use in agriculture or industry, as notified by the Minister;
- (2) those intended for use as food for humans, operating goods, medical apparatus, cosmetics or;
- (3) devices for use in the practice of medicine, and a component thereof; and
- (4) those intended for use in a science laboratory for research, analysis or verification of diseases which are not directly carried out on a human body.

75 As a result, the exemption under Thai Patent law does not extend beyond pharmaceuticals. Again, unfortunately, there have been no cases in Thailand that have addressed whether an application for regulatory approval in itself amounts to patent infringement. In the area of pharmaceuticals, the Thai Food and Drug Authority (FDA) sometimes approves drugs for marketing during the term of reference drug's patent and such approval is often given with the proviso that the drugs may only be marketed after the patent expires. Such approvals necessarily follow on from applications made by generic producers. Making an application to a regulatory body for permission to sell a product (which may or may not be under patent) is not an activity that could be restrained by the *express* rights of the patentee under the legislation, unless the application is for the purpose of releasing a product prior to patent expiry.

(5.4) LICENSE

76 See section 6.1.

(5.5) COMPULSORY LICENSE

77 See section 6.2.

(5.6) PRIVATE PRIOR USE

78 Thailand's patent laws create a first-to-file system, and in common with the laws in most other first-to-file jurisdictions, a limited prior user right exists. The 'prior user right' in Thailand can be construed as both a 'right' to continue various uses of technology which subsequently become the subject of patent claims, and also as a 'defence' to an action brought against the prior user for breach of a subsequent patent which covers the prior use. One of the clear limitations of the 'prior user right' is the fact that secret prior usage cannot be used to seek revocation of a granted patent on the grounds of lack of novelty.

79 An invention may form part of the state of the art by its 'prior use', which would result in it lacking novelty for the purpose of a patent. Therefore, the prior user of a technology may often have grounds to oppose a third parties' patent application to the extent that the claimed invention extends to use/technology practised by the prior user in advance of the priority date of the application for patent. However, if the prior use is 'private use', the invention would not be considered state of the art because it would not have been widely known. Thus, a private use would not provide grounds for an effective attack on the validity of a disputed patent.

80 In Thailand, a prior user would not have the right to attack the validity of a patent by claiming that it had used the underlying technology/process in secret before the filing date of the patent application because use of the invention by the prior user did not cause the invention to become widely known.

81 The legislative recognition of a prior user right is set out in section 36 of the Patent Act, amongst seven enumerated exceptions to the sole rights of patentees. The exception is termed as follows:

[The sole rights of a patentee shall not apply to] manufacture of patented products or application of the patented process wherein the manufacturer or the user, in good faith, has engaged in the production or has acquired the equipment therefore before the date of filing of the patent application in the Kingdom, without knowledge of the registration or without there being suitable grounds for him to know the same.

82 From a close reading of the Patent Act, a number of aspects to the exception are quite clear. Section 36 states that the patentee's sole rights do not apply to a *manufacturer or the user*. Hence, a person who has secretly produced a product or performed a secret process which has subsequently become the subject of patent protection may avail of the exception. It is clear from the wording used in the legislation that prior use can only be claimed in the following circumstances:

- (a) the user either manufactured a product or utilized a process;
- (b) the use predated the filing of a patent application covering the product/process in Thailand; and
- (c) the prior use was in good faith and without knowledge of the patent registration, or there were no suitable grounds for the user to know about the patent registration.

83 Whilst the legislation does not use the term 'secret', this is clearly a required element, as prior use which is not secret would provide a grounds for revocation (or opposition during the application process) of the patent on the basis of anticipation. Under Thai patent law, assuming that the prior user can furnish sufficient proof that he has independently and in good faith invented the disputed process or the product prior to the third party's application for patent of the same process/product, the exception will apply. The 'prior use right' will only apply where the prior user has either:

- (a) engaged in the production; or
- (b) has acquired the equipment to enable production.

84 In terms of the specific prior activities, actual production (or when the prior user can demonstrate sufficient preparatory activities in the form of having acquired necessary equipment to engage in the protected activities) will be sufficient to apply the exception. To this end, a parallel can be drawn between Thai law and the law of a number of overseas jurisdictions where 'effective and serious preparations' had been made to enable the conduct of the manufacture of the product (or the employment of the process was sufficient to attract the right).

85 Practically speaking, a prior user may face difficulties proving to the satisfaction of the Court that he has been using the technology or process that has subsequently become the subject of the patent.

86 In Thailand, the potential scope of the prior user right is quite uncertain due to the wording used and the absence of any case law. The legislation is also silent as to whether the prior use activities must have taken place in Thailand. It could be argued that the ability to expand prior use activities that were conducted in an overseas jurisdiction into Thailand goes beyond the intention of the legislation to merely facilitate the continuance of the exact activities conducted by the prior user as at the priority date. Furthermore, in other countries, the right is limited by reference to the scope of the activities conducted prior to the patent application. This is not the case in Thailand where section 36 states that the patentees' rights do not apply to:

- (a) the manufacturing of patented products; or
- (b) the application of a patented process.

87 The difficulty derives from the fact that the patentee's rights go beyond mere manufacture and application of processes. In fact paragraph 1 of section 36 of the Patent Act sets out the various sole rights of patentees which include:

- (1) in the case of product patents, the right to produce, use, sell, possess for sale, offer for sale or import into Thailand the patented products;
- (2) in the case of process patents, the right to use the process stated in the patent, produce, use, sell, possess for sale offer for sale or import into the Kingdom products made by the application of the patented process.

88 As a consequence, a strict interpretation of the prior user right would mean that the prior user can only continue to manufacture the product or continue to use the process. The rights to sell, possess for sale, or offer for sale or distribute are not expressly conferred upon the prior user. As the prior right is contained within the exceptions to the patentee's rights, it is possible that a Thai court will interpret the exception strictly.

(5.7) EXHAUSTION

89 In 1999, the original Patent Act of 1979 was significantly amended. A number of additional provisions defining acts deemed to be exceptions to the patentees sole rights were included into section 36 of the law. Amongst the activities now explicitly declared not to fall within the sole rights of a patentee are '(7) the use, sale, possession for sale, offer for sale or import of patented products if the patentee permits or gives consent to the manufacture or sale of the aforesaid products'.

90 This clause is widely recognized as enshrining in Thai Patent Law the concept of exhaustion of rights. Despite the fact that section 36(7) is widely regarded by commentators as reintroducing the concept of exhaustion into Thai law, there have been no cases where the exact parameters of this exception to patent infringement have been defined. As an import/export oriented economy, it would be expected that judicial interpretation could well seek to preserve the sanctity of import/export trade, particularly given its economic importance to Thailand.

91 It has been commented that the term 'permits or gives consent' in the above section is interpreted to mean that permission or consent to manufacture or sell can be given either in Thailand or anywhere in the world.

92 In a landmark trademark dispute case involving parallel imports, the Supreme Court recognized exhaustion of rights for trademarks, even though it is not expressly provided for in the Trademark Act. This case provides some guidance on how a Thai court would more than likely address the issue of parallel imports of patented goods.

93 In *WAHL v. PCL Co. Ltd*, the exhaustion of rights principle was upheld in both the IP&IT Court and the Supreme Court. The IP&IT Court applied the ‘first sale doctrine’ when it rendered its judgment concerning whether a parallel import by the defendant was in violation of the plaintiff’s trademark rights under the Thai Trademark Act. The Court reasoned that once the trademark owner put on the market and/or sold its protected product in Thailand, the owner was no longer entitled to take any legal action against a third party for selling a parallel import by virtue of the exhaustion of trademark rights. Subsequently, the Supreme Court affirmed the IP&IT Court’s judgment. This case became a cornerstone for the acceptance of the international exhaustion of rights doctrine, as it applies to intellectual property rights in Thailand.

(5.8) FARMER’S PRIVILEGE

94 Plant varieties are not patentable under Thai Patent Act. Instead, it is protected under specific legislation, namely Plant Varieties Protection Act B.E. 2542 (1999). Farmer’s privilege is described under section 33(4) and section 47(3) of the said Act.

(5.9) FURTHER EXCEPTIONS TO INFRINGEMENT

95 Section 36 paragraph 2 of the Patent Act outlines seven exceptions where the patentee’s rights do not apply. Four of these, the Bolar provision, the experimental use exception, exhaustion and prior use, have already been introduced. The three remaining exceptions are as follows:

- (a) The compounding of medicines in accordance with a physician’s prescription by a professional pharmacist or a medical practitioner, including the handling of such products.
- (b) The use of a patented device on a ship when the ship enters Thailand either temporarily or accidentally, provided that the patented device is used with the ship and the ship is registered in a country that is party to a treaty for patent protection to which Thailand is also a member.
- (c) A similar exception to (b) for aircraft and other vehicles.

(6) LICENSING

(6.1) VOLUNTARY LICENSE

96 Thai Patent Act states that a patent licensing agreement must be made in writing and registered with the Department of Intellectual Property. Furthermore, a patentee cannot impose upon the licensee any condition, restriction or any royalty term which is unjustifiably anticompetitive. Furthermore, a patentee cannot require the licensee to pay royalties for the use of a patented invention after the patent has expired.

(6.2) COMPULSORY LICENSE

97 In accordance with its TRIPs obligations, the Patent Act sets out a number of circumstances where a compulsory license may be obtained. The ability to obtain such a license typically arises where the invention is not being worked within the Kingdom, demand not being met on reasonable terms, or the working of an improvement patent is not possible without such a license. In essence, the two most relevant types of compulsory license are provided for in sections 46 and 47:

- (1) The compulsory license under Section 46 is possible in instances where the patentee has failed to work the patent. In such cases, an applicant is entitled to apply to the Director General within four years from the patent application date or three years from patent grant.
The application will only be considered if the patentee failed to exploit the invention without any valid reason, or if the product produced using the patented technology is sold at an unreasonably high price or in insufficient quantities to meet public demand. The applicant must also show a good faith effort to obtain a voluntary license.
- (2) Where an inventor needs a license of a patented technology in order to be able to work an improvement invention, an application can be made under Section 47 for a license of the primary patent, if the following circumstances are satisfied:
 - (a) the invention of the applicant for the compulsory license is of greater technological importance and more beneficial to the economy when compared with the invention for which the license is being sought;
 - (b) the patentee is entitled to exploit the applicant's patent right under appropriate conditions for the exploitation; and
 - (c) the applicant may not assign the exploitation of the right to other persons unless the assignment is made with his patent.

As in the case of a compulsory license under Section 46, the applicant under Section 47 must show that unsuccessful efforts had been made to obtain a voluntary license from the patentee and that agreement could not be reached within a reasonable time.

98 In addition to the foregoing, the Patent Act sets out two further provisions detailing additional circumstances for the grant of a compulsory license. Section 51 outlines the ability of government departments to apply for a compulsory license in various circumstances including in 'public interest' cases or shortage of supply. The procedure

anticipates that the patentee is consulted in advance and that efforts be made to put in place a voluntary license. This section has remained relatively underutilized in Thailand, in particular because of its draconian effect. Nevertheless, at the end of December 2006 the military-installed government through the Ministry of Public Health announced a compulsory license to the patent held by Merck & Co. Inc. to the active ingredient *efavirenz* used in the HIV medicine STOCRIN®. The announcement appeared to coincide with World Aids Day and was treated with alarm by the international community – most notably as the conditions for the grant of the license were not complied with and the authority of the DIP (as the sole authority with jurisdiction to grant a compulsory license) appeared to have been set aside. The matter has since escalated with two further compulsory licenses being announced at the end of January 2007. The two additional compulsory licenses involved Abbott Laboratories patent to its HIV medicine KALETRA® and sanofi-aventis' patent to the cardiovascular drug PLAVIX®. In each of these two additional cases, there remains significant legal debate as to whether the correct legal procedures were followed. At the same time, government statements were circulated that compulsory licensing would be introduced as a form of procurement policy by the government and that additional drugs would be targeted in the near future. Subsequently, in early 2008, the Ministry of Public Health further announced compulsory licenses on three oncology drugs, including the breast cancer drug *letrozole* produced by Novartis, the breast and lung cancer drug *docetaxel* made by sanofi-aventis and the lung cancer drug *erlotinib* produced by Roche. No further compulsory license on a pharmaceutical product was issued since 2008.

99 Section 52 sets out the second additional area when a compulsory license may be granted. This section deals with the granting of a compulsory license 'during a state of war or emergency'. Under this section, only the Prime Minister acting with the approval of the Cabinet may order the exploitation of the patented technology. Under this section, there is no need to consult in advance with the patentee.

(7) PATENTS AS PART OF ASSETS

(7.1) ASSIGNMENT

100 The Thai Patent Act allows transfer of the rights to a patent:

The right to apply for a patent may be assigned or transferred by succession. The assignment of the right to apply for a patent must be in writing and shall require the signatures of the assignor and assignee.

(7.2) CO-OWNERSHIP

101 Co-ownership is acceptable under Thai Patent Act. According to section 15 of Patent Act, when an invention is made by two or more persons jointly, they shall apply for a patent jointly. If a joint inventor refuses to join in an application for a patent or cannot be found or reached or is not entitled to make an application for a patent, the application may be made by the other inventor on behalf of himself. A joint inventor who did not join in an application for a patent may subsequently make a request to join in the application at any time before a patent is granted. Upon receipt of such request, the competent officer shall notify the applicant and the joint inventor of the date on which an investigation will take place. The applicant and each of the joint applicants shall be furnished with a copy of the request. In the investigation under the preceding paragraph, the competent officer may require the applicant and joint applicants to appear before him and answer any question or hand any document or other items to him. After such investigation and when the Director-General has made his decision, the applicant and the joint inventor shall be notified of such decision.

(7.3) SURRENDER

102 In terms of section 53 of Patent Act, a patentee may surrender his patent or any claim or claims thereof in accordance with the rules and procedures prescribed in the Ministerial Regulations. In order to surrender a patent or any claims under the preceding paragraph, if the patent is jointly owned by two or more persons, the surrender shall be made with the consent of all patentees. If licenses have been granted under sections 38, 45, 46, 47 or 47*bis* such surrender shall be made with the consent of all licensees.

(7.4) SECURITY RIGHTS

103 Thai patent law and other intellectual property laws are silent on the issue of security and the attachment of intellectual property rights.

(7.5) ATTACHMENT

104 See section 7.4.

(8) PATENT LITIGATION

(8.1) PLAINTIFF

(8.1.1) Owner

105 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.

(8.1.2) Co-owner

106 According to section 40 of Patent Act, in the absence of any provision to the contrary between the parties, a joint owner of a patent may, separately, exercise the rights conferred under sections 36 and 37 without the consent of the other joint owner, but he may grant a license or assign the patent only when it is consented to all joint owners.

(8.1.3) Exclusive Licensee

107 There is no particular legal basis or precedent judgment in Thailand allowing an exclusive licensee or non-exclusive licensee to sue for patent infringement.

(8.1.4) Non-exclusive Licensee

108 See section 8.1.3.

(8.1.5) Other

109 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.

(8.2) LIMITATION PERIODS

110 No damages can be awarded for acts of infringement which took place more than one year prior the date on which the patent infringement lawsuit has been filed with the court.

(8.3) COMPETENT COURT/VENUE

111 The Central Intellectual Property and International Trade Court (IP&IT Court) is a specialized court adjudicating disputes involving intellectual property rights in Thailand. Located in Bangkok, Thailand, the IP&IT Court has exclusive jurisdiction over various civil and criminal proceedings, including patent enforcement. The IP&IT Court was established by the Act for the Establishment of and Procedure for the Intellectual Property and International Trade Court B.E. 2539 (1996), and its procedures are set out in the Civil Procedure Code, the Criminal Procedure Code and the rules for Intellectual Property and International Trade Cases B.E. 2540 (1997).

(8.4) PATENT OFFICE

112 As disputes regarding intellectual property have been significantly increasing in Thailand, this has had a critical impact on Thailand's administration and the development of an effective intellectual property regime and has also acted as a drag on the overall economic development of the country.

113 In light of these developments, the DIP issued measures to help prevent and end disputes involving intellectual property by means of arbitration, including arbitration and mediation of intellectual property-related disputes. These measures will be useful to all parties in disputes and will help to make the settlement process of such disputes more effective, prompt, economic and fair. The DIP is also frequently called upon by enforcement authorities to provide opinions on the scope of protection of various registered rights. These opinions are frequently used by police investigation officials in forming opinions as to whether a prosecution should be taken against identified infringers. At present, the DIP is unable to provide private parties with official guidance as to infringement issues but frequently assists private parties at the application stage when seeking enforcement of intellectual property rights.

114 In addition, the DIP has initiated an ad hoc alternative dispute resolution system designed to deal with intellectual property disputes that can be settled out of court, which will reduce the backlog on the docket of the IP&IT Court by screening and preventing certain intellectual property disputes from reaching the IP&IT Court. The Ministry of Commerce has classified these measures into two categories, namely, conciliation and arbitration, and has established two sets of rules accordingly:

115 *Rules on the Conciliation of Intellectual Property Disputes ('Conciliation Rules')*: These rules will be applied to the conciliation of disputes arising out of a contract or related to a contract or other formal legal relationship where the intention has been expressed that the concerned parties desire to settle out of court under the supervision of the DIP. Before submitting the dispute for conciliation, the concerned parties must attend a meeting for possible negotiation and settlement of the dispute. In the event that the Director-General of the DIP thinks it necessary and the concerned parties so agree, one or more persons will be appointed to handle the conciliation procedure. At any time, the concerned parties may agree to exempt or change any conciliation rules by written agreement, but such exemption or change will not affect the validity of the results of the conciliation. However, if there is any difference between the amended conciliation rules and the laws governing public order and good morals, the laws shall apply.

116 The conciliation of a dispute will start when a concerned party sends a written notice to another party offering to settle the dispute by conciliation procedures in accordance with the Conciliation Rules. If the other party accepts such offer, he must send notice of acceptance in writing within thirty days after receiving the offering notice; otherwise, the offering party may treat the lack of response as a rejection of the offer.

117 Normally, one conciliator is appointed to conciliate the dispute, unless the concerned parties agree to appoint more than one conciliator. The parties concerned may appoint the conciliator themselves or request the Director-General of the DIP to recommend or appoint the conciliator.

118 After a conciliator is appointed, each party must submit his dispute in writing to the conciliator describing the nature and issues of the dispute, with copy of such written submission to the other party. During the conciliation procedure, the conciliator may ask the concerned parties to provide additional facts for consideration.

119 In the conciliation procedure, the conciliator will proceed as follows:

- (1) The conciliator will assist the concerned parties in reaching a compromise agreement fairly and without bias.
- (2) The conciliator shall apply the principle of justice by considering the rights and obligations of the parties in dispute, the customs of trade, and other circumstances, including the past practices of the parties concerned.
- (3) In the event that either party thinks it necessary, the conciliator, upon request, may allow such party to produce a witness for hearing, but the principle of prompt conciliation must be taken into account.
- (4) At any stage of the conciliation procedure, the conciliator may prepare an offer for conciliation of the dispute to the concerned parties. Such offer may be made verbally without giving any reasons for such offer.

120 In the event that the concerned parties can agree and settle the dispute, the conciliator will then prepare a draft settlement agreement for the parties to sign. In such settlement agreement, if the parties desire, a contractual term may be inserted providing for arbitration procedure to settle the disputes arising out of such agreement. The conciliation procedure will end when:

- (1) The concerned parties sign the settlement agreement.
- (2) The conciliator makes a written declaration that the conciliation procedure has ended because the conciliation process has reached an impasse.
- (3) The concerned parties agree to end the conciliation procedure by written agreement.
- (4) Either party sends written notice to the other party and the conciliator expressing a wish to end the conciliation procedure.

121 Rules on Arbitration for Intellectual Property ('Arbitration Rules'): The Arbitration Rules establish an Arbitration Committee composed of the Director-General of the DIP as chairman and other members appointed by the Minister who are qualified in intellectual property matters (up to a maximum of six members in the entire committee). A panel of eligible hearing officers, or 'conciliators and arbitrators' has been established, but other conciliators and arbitrators not named as part of the official panel may nevertheless be appointed by agreement of the parties in dispute. Any person who is appointed to act as a

‘conciliator’ for any dispute may not also be appointed as an ‘arbitrator’ in the same dispute.

122 Prior to proposing disputes for arbitration, the parties are required to first meet for negotiation and an attempt at amicable settlement. If necessary, the Director-General of the DIP can appoint one conciliator or more as deemed appropriate by the parties. The Rules of Conciliation also apply for this step.

123 The Arbitration Rules will apply by default to arbitration in this forum but the parties may agree otherwise in writing so long as the Director-General approves. In the event where an unforeseen situation arises that has not been provided for in the Rule, action must proceed in accordance with the parties’ agreement, or the arbitrator’s consideration as deemed appropriate, or the Arbitration Act BE 2545 (2002) on a case-by-case basis.

124 In the arbitration procedure, the procedure for dispute settlement will proceed as follows:

- (1) A proposal for dispute settlement must be made in writing and submitted to the Director-General of the DIP in the official form, comprising the following details:
 - (a) Application for dispute settlement by arbitration.
 - (b) Name and address of disputing parties.
 - (c) Rule of arbitration or agreement for dispute settlement by arbitration that will be applied to the parties.
 - (d) Agreement or other legal relationship or other basis for the intellectual property dispute.
 - (e) Factual information that is the basis for claim and amount of claim.
 - (f) Claim and application for arbitration award.
 - (g) Number of arbitrators, one or three, if the disputing parties have not agreed.
- (2) If the written proposal for arbitration meets with the official’s approval, the official will, without delay, send a copy to the other party in the dispute by registered mail or other means as deemed appropriate.
- (3) A deposit for costs and expenses may be required if deemed appropriate.
- (4) Upon receipt of the copy of the proposal, the other party is entitled to file a written opposition and counterclaim with the official within fifteen days from the date of receipt of the copy of proposal for arbitration. The aforesaid procedure also applies to any reply to the counterclaim.
- (5) The parties may appoint legal representatives or any other person to assist them in the arbitration proceeding. The parties shall notify the Director-General in writing of the name and address of such representative or person.

125 The number of arbitrators can either be one or three, unless the parties agree otherwise. The arbitrator will be empowered to conduct any such proceedings as deemed appropriate in accordance with the principles of justice and in order to give sufficient opportunity to the parties to present evidence supporting their claims. The arbitrator may request any expert to provide a report pertaining to the dispute. In this case, the parties shall provide the relevant facts as required by such expert. Upon receipt of the expert’s report, the official will notify the parties of the details of the report. A copy of the report will be available to the parties upon request. The parties may file an application for interrogatories from the expert. If approved by the arbitrator, the taking of evidence as above-mentioned shall apply *mutatis mutandis*.

126 Awards will be made within ninety days from the date of appointment of the last arbitrator. If necessary, this deadline may be extended for a reasonable period of time, but not exceeding an additional ninety days. The decision, order and award in a dispute are determined by the majority of the arbitrators. They cannot exceed the scope of the arbitration agreement or the parties' applications, except in the fixation of expenses in the arbitration stage or remuneration for the arbitrator or for the award in accordance with the agreement or amicable settlement between the parties. The arbitrator decides the dispute in accordance with the principles of law and justice. In interpreting any agreement, the arbitrator may also take into account market conditions, commercial realities and trade practices.

(8.5) PROVISIONAL MEASURES

(8.5.1) Attachment

(8.5.1.1) General Comments

(8.5.1.2) Assets

127 Once the lawsuit is filed, a patentee is entitled to obtain a seizure order from the Court to seize assets of the alleged infringer as security for a claim of damages under section 254 (1) of the Civil Procedure Code:

In a case other than a petty case, the plaintiff is entitled to file with the Court, together with his plaint or at any time before judgment, an ex parte application requesting the Court to order, subject to the conditions hereinafter provided, all or any of the following protective measures;

(1) The seizure or attachment before judgment, or of the whole or part of the property in dispute or the defendant's property, including any money or property fell due to the defendant by a third party.

(8.5.1.3) Evidence

128 See section 8.6.1.

(8.5.2) Preliminary Injunction Proceedings

129 A preliminary injunction can be applied for prior to filing of a lawsuit against the infringer or after a lawsuit is filed. 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.

(8.5.2.1) Ex Parte Proceedings

130 In a preliminary injunction prior to filing of a lawsuit against the infringer, an ex parte proceeding will be taken. The patentee 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 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.

(8.5.2.2) Inter Partes Proceedings

131 In case of an inter partes preliminary injunction proceeding, which usually occurs when the patentee 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) EVIDENCE

132 Evidence of infringement is introduced to the court through the pleadings themselves and expert testimony (both *viva voce* and by *affidavit*). It is common for parties to hold back evidence until legally obliged to submit such evidence to the court. This obligation arises one week before the commencement of the parties' witness hearing dates. Only at that stage will the parties lodge with the court any written evidence on which they will rely upon.

(8.6.1) Preservation/Seizure of Evidence

133 The patentee 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 patentee. To support a motion for an Anton Piller order, the patentee must be able to show that emergency situation exists which, if the other party or the third party involved is notified beforehand, the evidence of infringement will be damaged, lost, destroyed or otherwise become difficult to be adduced at a later stage.

(8.6.2) Gathering Evidence

134 Gathering evidence is an important consideration, given the lack of discovery in the Thai patent system. At the very outset, before any action can even be contemplated, it is imperative that evidence of infringement is compiled. 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.

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

136 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.

137 If evidence is strong, clear law exists in support, and the possibility of police assistance is real, conferences can be arranged with specialized 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 patentee 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 where warning notices fail, the patentee may then consider launching a civil infringement case.

(8.6.3) Experts

138 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.

139 The use of ‘experts’ is normal practice in Thai procedure and different levels of experts are frequently introduced. For instance, it is normal practice for a party’s own legal team to be called to the stand as a ‘legal expert’. Whilst independent witnesses and experts are ideal, it is common for each party to produce its own witnesses and experts either from its own organization or its professional advisors.

(8.6.4) Inspection

140 A request to the Court to inspect e.g., the premises where a process is applied which is allegedly infringing or where a product is used which is allegedly infringing, is available under section 88 and section 102 of the Civil Procedure Code, whereas any party intending to rely upon any document, or intending that inspection of any person, thing, or place be made by the Court, must file with the Court not less than seven days before the day of taking evidence a list of evidence showing the documents or things or places cited by such party as the witnesses or applied for the inspection by the Court. If the Court thinks fit based on the nature of the evidence, evidence or hearings may be taken outside the Court for the sake of inspection.

(8.7) PROCEEDINGS ON THE MERIT

(8.7.1) Infringement Proceedings

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

142 *Criminal Proceedings:* After receiving an agreement from specialized 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.

143 *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 being allegedly 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 fifteen days in which to file an Answer. If service is by mail, then the party will be entitled to thirty 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.

144 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.

145 Due to the availability of deadline extensions of the pleadings, along with the case loads 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 months and eighteen months.

146 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.

(8.7.2) Invalidity Proceedings

147 Any patent granted not in compliance with the provisions of sections 5, 9, 10, 11 or 14 of the Patent Act shall be invalid. The invalidity of a patent may be challenged by any person. A petition to cancel an invalid patent may be submitted to the Court by any interested person or the public prosecutor.

148 In terms of section 55 of Patent Act, The Director-General may request the Board of Patent to cancel a patent in any of the following circumstances:

- (1) When a license has been issued under section 50 and a period of two years has lapsed from the date of issuance of the license, the patentee, the licensee of the patentee or the holder of the license fails to produce the patented product or use the patented process without any legitimate reason, or no patented product or product derived from the patented process is sold or imported into the country or such a product is held at unreasonably high price, and the Director-General thinks that there is a good cause to cancel the patent.
- (2) The patentee has licensed another person to use the rights contrary to the provisions of section 41. Before requesting the Board to cancel a patent, the Director-General shall order an investigation to be held, and notify the patentee and licensees of the order so that they may be given an opportunity to submit their statements. The submission of the statements shall be made within sixty days from the receipt of the order. The Director-General may require any person to appear before him to answer any question or to hand over any document or any other item to him.

149 After the investigation and where it appears that there is good ground to cancel the patent, the Director-General shall submit his report of the investigation to the Board to cancel the patent.

150 The IP&IT Court can deal with infringement and invalidity issues simultaneously. However, the exact trial procedure would depend 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.

(8.7.3) Entitlement Proceedings

151 If two or more persons have separately and independently made the same invention and each of them has made an application for a patent, the applicant who is the first to file shall be entitled to a patent. If the application has been filed on the same date, the applicants shall agree whether a patent should be granted to one of them or all of them jointly. If no agreement has been reached within the period prescribed by the Director-General, they shall bring the case to the Court within ninety days after the expiration of the prescribed period. If they fail to do so within such period, they shall be deemed to have abandoned their applications.

152 See also section 2.7.

(8.7.4) Suspension of Proceedings

153 In Thailand, suspension of the proceedings is uncommon. Because the Department of Intellectual Property (DIP) is unable to provide private parties with official guidance as to infringement issues, court proceedings cannot be suspended for DIP activity.

154 The IP&IT Court can deal with infringement and invalidity issues simultaneously. Invalidity may be pleaded as a defence or counterclaim in the same action, or it may be

filed by an alleged infringer as a separate action. If a separate action is filed, the two cases may be joined, or the two cases may run before the court in parallel. The court has no obligation to stay the main action for infringement while the invalidity proceeding is ongoing.

155 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 in allowing the postponement of the hearing.

(8.8) CUSTOMS SEIZURES

156 In Thailand, customs officials have the power to search for and seize goods infringing IP rights. In effect, however, border control measures are used widely for copyright and trademark infringement, but not patent infringement. Customs seizure is not an effective measure against patent infringement in Thailand.

(8.9) REMEDIES

(8.9.1) Injunction

157 Both criminal and civil remedies are available for patent infringement, and different enforcement tracks may be followed either simultaneously or consecutively.

158 If a patentee pursues a civil action against an infringer, the patentee's ability to obtain relief will depend on the remedies claimed in its pleadings and as introduced during the proceedings. If the patentee prevails in a civil action, the patentee could obtain a permanent injunction enjoining the infringer from further engaging in the infringing activities.

159 Section 77*bis* of the Thai Patent Act allows the patentee to apply for an injunction, the issuance of which will not curtail the patentee'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 patentee, as a plaintiff, must carefully state the types and scope of permanent injunction requested from the court.

160 In addition, the patentee 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.

161 Despite the availability of damages awards, the amount of compensation awarded by the court tends to be small and often not sufficient for the patentee 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.

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

163 On the other hand, if a criminal action is brought against the infringer instead of or in addition to a civil action, then 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 of up to THB 400,000 and/or imprisonment of up to two years.

(8.9.2) Intermediaries

164 Unless there is proof of assistance or facilitation by any intermediaries, the Court's injunction shall be applied against the alleged infringer or the defendant in the case only.

(8.9.3) Right to Information

165 The right to information remedy is not available under the Thai Patent Act.

(8.9.4) Corrective Measures (Recall, Destruction, Etc.)

166 In criminal cases, the IP&IT Court may order the destruction of infringing goods or vesting of the infringing goods in the patent order under section 77*quarter*, which states:

All goods in the possession of the infringer which infringe the rights of the owner of a patent or petty patent under Section 36, 63 or Sections 65 and 36 shall be confiscated. If the court thinks fit, it may order the destruction of the goods or other measures to prevent further distribution of the goods.

167 However, such a provision is not available in civil lawsuits.

(8.9.5) Reasonable Compensation

168 The patentee is entitled to claim reasonable compensation for acts performed with products falling within the scope of a patent in the period between the publication of the application and the grant of the patent under section 35*bis*.

(8.9.6) Damages

169 A patentee can obtain an order for the infringer to pay the owner in an amount deemed appropriate by the court, taking into consideration the gravity of the injury including the loss of benefits and expenses necessary to enforce the rights of the owner of the patent or petty patent.

170 The right of a patentee to receive compensation in a civil action for losses suffered as a result of infringement is set out in the Patent Act, section 77*ter*.

In the case where a patentee's . . . right has been violated under section 36, 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.

171 The right of a patentee to receive compensation for losses suffered as a result of infringement is also based on the tort provisions of the Civil and Commercial Code under sections 420 and 421. One of the most difficult aspects of claiming and awarding damages before a Thai court concerns proof of damages. The patentee must prove the actual amount of damages suffered is a direct result of the infringement. There is no concept of punitive damages or exemplary damages, and it is not possible to recoup lost profits. In light of these difficulties, the ability to obtain satisfactory damages by international standards is limited.

(8.9.7) Disclosure of Judgment

172 Supreme Court Judgments are available to the public.

(8.9.8) Order for Costs

173 In a civil action, the court has discretion to award costs and attorney's fees against the losing party. However, the losing party may not always be required to cover the attorney's 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 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.

174 In any event, attorney 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.

175 Judgments may award costs and attorney fees against the losing party; however, such cost awards are often for quite small amounts which cannot be seen as enabling the prevailing party to recoup costs. Liability for costs is set out in sections 161 et seq. of the Civil Procedure Code.

(8.10) CRIMINAL ENFORCEMENT

176 If a patentee desires to enforce patent infringement through criminal proceedings, the patentee may launch a criminal case by involving specialized enforcement teams within the police to conduct searches and seizures of evidence of infringement. However, such specialized police enforcement teams will typically only involve themselves in patent enforcement if they are presented with strong evidence of infringement.

177 See also section 8.7.1.

(8.11) APPEAL

178 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.

179 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.

180 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 proceeding.

(8.12) SUPREME COURT

181 Patent appeals in Thailand go directly to the Supreme Court. The Supreme Court Judgment is deemed final. See section 8.11 for more details.

(9) CONCLUSION

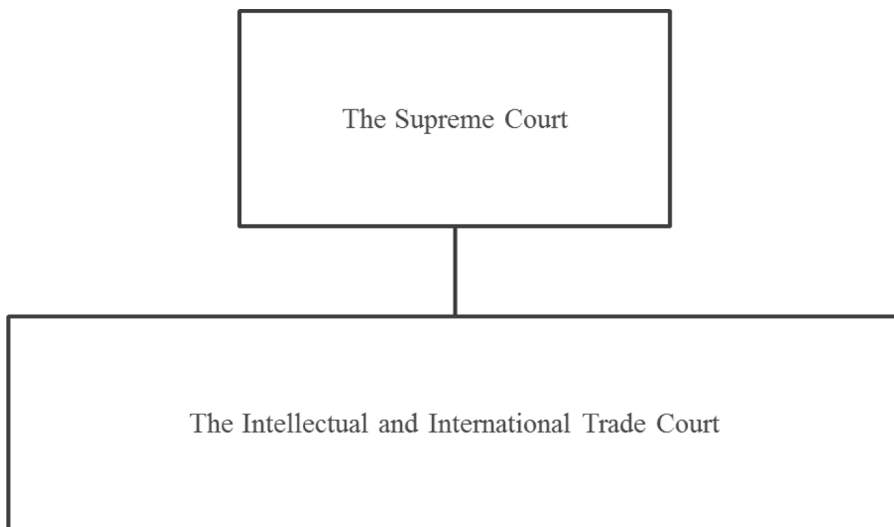
182 Thailand is expected to see amendments to the current Patent Act in the near future. The proposed draft Amendment was prepared by the Department of Intellectual Property and submitted to the Cabinet for review and consideration in 2006. However, the draft Amendment was subsequently withdrawn by the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

183 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 occur for design patents.
- Substantive examination of a design patent and petty patent must be requested and completed before patentees can exercise their rights against a third party, including taking legal action against an alleged infringer.
- Additional provisions on pharmaceutical compulsory licenses were proposed, which could potentially create an entirely new ground for issuance of compulsory licenses for the purposes of imports or production and exports of pharmaceutical products which are still under patents in Thailand.

(10) TABLES

Court Structure for Patent Litigation in [Thailand]



PRELIMINARY INJUNCTION PROCEEDINGS: EX PARTE INJUNCTIONS

Preliminary Injunction Proceedings: First Instance

Introduction	Evidence	Oral hearing	Judgment/ Appeal
Interim relief applications can be made prior to issuing proceedings (section 77bis Patent Act). The application is made to the IP&IT Court. The jurisdiction of the Court is founded on the basis that the disputed action has already occurred or is about to occur. Hence, this procedure is seen as an emergency action.	Applications for interim relief must be supported with sufficient evidence to demonstrate a prima facie case of infringement. The motion must be accompanied by: witness statements and other supporting evidence; statement of facts about the complained-of action.	The hearing is frequently held ex parte and in camera at the time of presenting the motion.	The decision is typically given during the hearing.
Finding of urgency is essential for interim relief.	If the interim order is handed down, the plaintiff must provide security at the level and subject itself to conditions set by the Court.	As the hearing is made ex parte, if the interim order is handed down, the Court must immediately notify the defendant.	The Court may impose a deadline of fifteen days.

Introduction	Evidence	Oral hearing	Judgment/ Appeal
If the applicant is unable to make out a persuasive case of irreparable financial harm or if the balance of convenience does not warrant the imposition of interim relief, the application will be refused.			There is no specific appeal provision against a refusal to grant the interim relief sought. Applicants may reapply if evidence and the facts warrant a renewed attempt; otherwise, applicants next consider seeking interlocutory relief.
			Defendants have thirty days within which to appeal an interim relief order.

Preliminary Injunction Proceedings: Appeal (Normal Appeal)

Preliminary Injunction Proceedings: Appeal to Supreme Court

Introduction	Evidence	Oral hearing	Judgment/ Appeal
The defendant has the right to file a motion with the IP&IT Court within thirty days to repeal or modify the provisional measure (Rule 16, IP&IT Court Rules).	The defendant will have to submit evidence as to why the interim order of the Court is inappropriate or incorrect.	The defendant may submit a written motion and may also request an oral hearing.	The decision can be issued immediately once the Court considers the motion. The order of the Court repealing or modifying the order is final.

Introduction	Evidence	Oral hearing	Judgment/ Appeal
<p>If the Court revokes the interim order or modifies it as a result of the defendant's motion, the defendant has a further period of thirty days to submit a request to the Court for damages from the applicant for the interim measure.</p>	<p>Request the Court for an order for damages with evidence in support of such claim.</p>		<p>If the Court finds, after making an inquiry, that the order granting the interim relief (that has been repealed or modified) was granted due to the Court's misunderstanding or due to the fault or negligence of the applicant, the Court may order the applicant to pay compensation in an amount deemed by the Court to be appropriate.</p>

Proceedings on the Merit: First Instance

Introduction	Defence/ Counterclaim	Oral hearing	Judgment/ Appeal
<p>Claims are commenced by the plaintiff submitting a 'Plaint' to the IP&IT Court. The Plaintiff will set out brief particulars of the claims and the legal basis of the claim.</p>	<p>During the Settlement of Issues Hearing after the pleadings are closed, the Court will analyse the claims of the plaintiff and the defences and counterclaims raised and (in the absence of agreement between the parties) will determine the issues to be litigated. The Court also has discretion to determine which of the agreed/settled issues will be tried in priority (as often happens with counterclaims of invalidity).</p>	<p>Hearing dates will be set at the Settlement of Issues Hearing. The first dates typically arise within twelve months of the Settlement of Issues Hearing.</p>	<p>Judgment is in writing and is read in court within six months of the end of the closing statements.</p>
<p>Once the Court accepts the plaint, it will issue a formal copy which must be served to the defendant within seven days.</p>	<p>The defendant has fifteen days to submit a defence ('Answer'), which may contain counterclaims. The defendant may seek an extension to file a defence and such discretionary extensions are regularly granted.</p>	<p>For a typical case, each party is likely to have between three and five days allocated for witness testimony.</p>	<p>Each party may appeal to the Supreme Court (DIKA Court) within one calendar month. The deadline may be extended by a reasonable amount at the discretion of the Court.</p>

Introduction	Defence/ Counterclaim	Oral hearing	Judgment/ Appeal
	Any counterclaims are served on the plaintiff who has fifteen days to respond with an Answer. Again, discretionary extensions are possible.		

Proceedings on the Merit: Appeal

Proceedings on the Merit: Appeal to Supreme Court

Introduction	Cross Appeal	Oral hearing	Judgment/ Appeal
Decisions of the IP&IT Court may be appealed by either party directly to the Supreme Court (DIKA Court).	Either or both parties can appeal.	There is no oral hearing. Parties must submit written arguments (one round).	The appeal from the IP&IT Court must be lodged within one calendar month of judgment date. The deadline may be extended by a reasonable amount at the discretion of the court.
Decisions on points of law can be appealed as well as findings of fact.			The judgment in writing can take approximately two years to issue.
The Supreme Court is the final appellate court.			

Relationship between Infringement And Validity

Heard together?
Yes. The Court will not bifurcate the trial, but will determine priority of issues to be tried.

Role of Experts

Party Experts	Experts Appointed by Court
Each party will appoint its own witnesses and experts.	Court has its own discretion to call any of the party's witnesses and experts for the court to conduct its own examination.

Duration of Preliminary Injunction Proceedings

First Instance	Appeal
one day to three months	Approximately twenty-four to thirty-six months from the judgment in the first trial.

Duration of Proceedings on the Merit (Infringement and/or Invalidity)

First Instance	Appeal
Eighteen to thirty-six months.	Approximately twenty-four to thirty-six months from the judgment in the first trial.

Costs of Infringement and Invalidity Proceedings

Preliminary Injunction	Normal Proceedings	Appeal to Supreme Court
USD 7,000–USD 30,000	USD 30,000–USD 100,000 for a moderate case. Complex cases can cost more depending on the issues involved, the costs of expert witnesses and increased court duration.	USD 7,000 +
	The prevailing party is legally entitled to costs; however, the level of these costs is often set by reference to court schedule fees which are set at a very low level. Most litigants do not realistically expect to achieve a cost award that can realistically cover their actual costs.	