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## Honda Wins Landmark Design Patent Infringement Case in Thailand

Thailand has a reputation as a challenging country in which to enforce patent rights. The accuracy of this perception can be debated, but precedent cases have certainly demonstrated that Thai courts have been conservative in awarding damages to the winning party. In patent litigation cases, in particular, the courts often award damages that, in the view of the winning party, represent only a fraction of the actual damages caused by patent infringement.

However, Honda Motors Co., Ltd. (Honda) recently won a groundbreaking design patent infringement case that should provide new optimism for patent owners. In rendering its decision, the Central Intellectual Property and International Trade Court (Court) took two steps that made this a landmark case. First, the Court granted significant, meaningful damages to Honda, as the patent owner. And second, the Court took a novel approach in determining the prescription period for the infringer's offense—a legal principle that could be significant not only for this case, but also for future design patent infringement cases.

### Suspected Infringement of Honda's Designs

Honda was granted protection for the designs of its Honda Wave 100S motorcycle in several countries, including Thailand. This involved five separate design patents: (1) a handle cover with a headlight for a motorcycle; (2) a front top cover for a motorcycle; (3) a center cover for a motorcycle; (4) a lens for a rear combination lamp for a motorcycle; and (5) a motorcycle.

The Honda Wave 100S is one of the most popular motorcycle models in Thailand. Given this prominent market position, Honda took a proactive approach to monitor the market for imitations of the Honda Wave 100S motorcycle and its parts that would directly compete with Honda's genuine products. Honda discovered that a leading Chinese motorcycle company (the infringer) was manufacturing and selling two suspected infringing motorcycle models in Thailand under its own brand. After conducting several forensic analyses by experts and patent specialists, Honda came to the conclusion that these two models were infringing all five of Honda's design patents.

Having tried but failed to settle the dispute by amicable negotiations, Honda filed a civil suit against the infringer on the grounds of design patent infringement. Before the Court could be convinced of the infringement of Honda's designs, Honda had to frame and present its arguments on various complex issues.

### Validity of Design and Standard of Proof

Validity of design is certainly one of the most common issues of dispute considered by the Court. The infringer argued that all five of Honda's design patents were not validly granted and filed a counterclaim for cancellation of Honda's design patents. The Court laid out the issues it would take under its consideration:

- ▶ That the design patent law intends to provide protection for the *design aesthetics or the outer elements of products* (absent any considerations of their functionality); and
- ▶ That the design must meet the necessary legal criteria for novelty (i.e., a new design must be different from each prior art *in substance*).

In addition, the Court gave clear instructions that the standard of proof for all evidence must be "clear and convincing." Since the infringer failed to prove its claims, the Court concluded that all of Honda's design patents were new and valid and thus dismissed the infringer's counterclaim for cancellation of Honda's design patents.

### Consideration of Design Infringement

While the designs can vary in their details, the Court considered that the whole design or substantial parts of the design must be identical or similar in order to be considered as infringement. The infringer argued that its two motorcycle models did not infringe Honda's patented designs, as there were many minor differences between its motorcycles and Honda's designs. Having compared the designs of both parties, the Court ruled that the infringer had infringed Honda's design patents, opening the door for Honda to claim damages.

### Prescription Period and Amount of Damages

In an important development, the Court found that the prescription period for a criminal act could be applied to this case. In general, patent infringement is considered to be both a criminal offense and a civil offense. Although Honda initiated this case under a civil action, which normally means a prescription period of only one year from the date the infringing act and the infringer became known, the Court applied the longer prescription period of 10 years mandated for a criminal offense (from the date of committing the offense) to calculate the amount of damages, citing section 448, paragraph two, of the Civil and Commercial Code. This meant that Honda was able to claim a higher amount of damages due to the longer prescription period allowed under a criminal action.

Ultimately, the Court awarded Honda damages of more than THB 16 million (about USD 500,000), including lawyers' fees, enforcement expenses, and interest, with the compensation amount being one of the highest ever awarded in a patent infringement lawsuit in Thailand.

This is the first design patent infringement lawsuit that has applied a prescription period for a criminal act in a civil lawsuit in Thailand. This victory not only highlights Honda's success in being awarded a large sum of damages, but also has implications for the way future litigation in design patent infringement cases will be conducted and for the several notable legal principles laid down by the Court in this precedent decision. 🏆

