

Rethinking Intellectual Property Rights Enforcement in the Light of *Trips* and Specialized Intellectual Property Court in Thailand*

Hong Kong - WIPO IPR Enforcement Symposium

Rethinking IPR Enforcement in the Light of TRIPS and Specialized
Intellectual Property Court

By

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I. Introduction

If one needs an indicator of the significance of protection of intellectual property rights to international trade and industry, the following figures from *International Intellectual Property Alliance*¹ which purported to show estimated trade losses due to piracy in Thailand of US copyrighted materials in 1997 may be of some help.

Estimated Trade Losses Due to Piracy in Thailand of us Copyrighted Materials and Levels of Piracy in 1997

Industry	Loss in Millions of US Dollars	Level of Loss of Trade
Motion Pictures	19.0	50%
Sound Recordings & Musical Compositions	15.0	40%
Computer Programs: Business Applications	75.5	84%
Computer Programs: Entertainment Software	86.4	85%
Books	32.0	N/A
TOTAL	227.9	N/A

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¹ See the Thailand Section on the *1998 SPECIAL 301 RECOMMENDATIONS* submitted to the United States Trade Representative on February 23, 1998 by the International Intellectual Property Alliance.

In the 1998 *Special 301 Submission to the United States Trade Representative*, the International Intellectual Property Alliance² summed up the problems in the enforcement of IPRs in Thailand in the following terms:

There is also some positive news on the enforcement front. Beginning with a decision of the Thai cabinet in November 1996, the government has taken steps to address the structural problems of inefficiency, security breaches, inter-agency rivalry and general lack of co-ordination that have plagued Thai enforcement efforts in the past. On April 1, 1997, an inter-agency working group – the Office of the Joint Committee on the Suppression of Intellectual Property Rights Violations – went on operation. The working group has instructed the Royal Thai Police to give IPR enforcement top priority. Additionally, steps have been taken to loosen the bottleneck control exerted by the Economic Crime Investigation Division (ECID), including the installation of a new ECID commander who is much more receptive to anti-piracy initiatives than were his predecessors.

And³:

The loosening of ECID's bottleneck control over enforcement has translated into a much higher level of enforcement activity. Only 17 raids against audio pirates were carried out in the first four months of 1997. During the next four months, by contrast, after the inter-agency committee took control of enforcement, 60 raids were conducted.

The same report⁴ made, *inter alia*, the following submissions:

Thailand has come a long way toward meeting its substantive obligations under the copyright portions of the World Trade Organization (WTO) TRIPS Agreement. USTR should encourage Thailand to continue and accelerate this rapid progress toward full compliance with this internationally recognized least common denominator level of copyright protection, with particular attention

² Ibid. at page 384.

³ Ibid. at page 387.

⁴ Ibid. at page 388.

to the enforcement standards found in Part III of TRIPS. For example, it is imperative that Thailand provide for, and actually impose, criminal remedies which are “sufficient to provide a deterrent” (TRIPS Article 61); that it eliminate “unwarranted delays” from its enforcement regime procedure and remedies, as well as border enforcement measures, that meet world standard.

At the end of the same paragraph, it read:

The Intellectual Property and International Trade Court could provide a mechanism for achieving many of these goals.

II. Rethinking the Philosophy of IPR Enforcement in the light of TRIPS and the Concept of Private Rights

TRIPS in its preamble recognises that intellectual property rights are private rights. In Anglo-American jurisdictions, most claimants in the IPR enforcement make use of civil process, partly because its technique and atmosphere are appropriate to the assertion of private property rights amongst businessmen, and partly because the types of remedy - in particular the injunction (interlocutory and permanent) and damages – are more useful than punishment in the name of the state.⁵ Technically, there are two further factors in common law jurisdiction which weigh in favour of civil proceedings:

- (1) There is no possibility in criminal procedure of securing an interim order to desist from conduct pending the trial.⁶
- (2) There is a high burden of proof on the prosecution in criminal proceedings: the defendant must be shown to be guilty beyond reasonable doubt, and not merely on a balance of probabilities. This quantum of proof may be specially hard to demonstrate if the type of offence requires proof of *mens rea* in the defendant, for example that he knew, or had reason to believe, that he was committing an infringing act or other offence.⁷

⁵ W.R. Cornish, *Intellectual Property*, (3rd ed., 1996), Sweet & Maxwell, p 49.

⁶ On the contrary, Rule 42 of the Rules for Intellectual Property and International Trade Cases authorizes the use of provisional measures of protection prior to instituting an action and the application for taking of evidence in advance (a sort of Thai *Anton Piller* Order) to criminal proceedings in IP cases brought in the Thai Intellectual Property and International Trade Court.

⁷ W.R. Cornish at p 50.

Conventional wisdom in the enforcement of IPR in Thailand has always been conducting police raids and treats IPR as ‘public rights’. ‘Trade-based sanctions’ from its more influential trading partners always establish the political will to ‘beef up’ enforcement generally. Suppose one may pause here and reconsider the philosophy of enforcement. Suppose one may examine the common law technique and the TRIPS mechanism of enforcement of IPR. The question may be that in the market economy, if the industries were to loose, say some 227.9 million US dollars per annum, due to loss in copyright piracy, would the industries care to, and is it not fair to, spend a fraction from that amount in private criminal prosecutions or civil actions for injunctions and damages of what are basically their private rights in property. In the long run it is suggested that if the procedure for enforcement of IPR as private rights are adequate and effective, the legal profession efficient and knowledgeable; the enforcement of IPR by civil proceedings may be a good or even better alternative to criminal proceedings. This article is an attempt in the author’s own private capacity to explore and perhaps persuade fellow legal practitioners towards that direction.

III. The Establishment in Thailand of an Intellectual Property and International Trade Court

To cite a celebrated Chinese saying, “*we are living in an interesting time*”, is perhaps appropriate. In 1997, Thailand witnessed the transition of its economy from phenomenal success and double-digit or near double-digit growth of the past few years to the one near collapse verging on the state of bankruptcy in many important finance and real estate sectors. Lawyers, like any other profession, bear the burden of bringing Thailand out of this predicament. This is a time for re-thinking, re-planning and re-structuring our legal infra-structure to create the legal environment friendly to international trade and investment. The legal environment whereby legal rights, local and foreign, shall be equally protected and enforced under Thai law and the Thai judicial system. The legal environment of good faith and trust worthiness. The legal environment which will lead us to the glory of international trade and investment and the recovery of Thai economy as a whole. In the field of administration of justice, the establishment of the *Central Intellectual Property and International Trade Court (The IP&IT Court)* is a single most important factor to this end.

The Act for the Establishment of and Procedure for Intellectual Property and International Trade Court 1996 was passed by the National Assembly and promulgated in the Government Gazette on the 25th October 1996. Under the Act, a Royal Decree was later passed to inaugurate the *Central Intellectual Property and International Trade Court* on the 1st December 1997. The IP&IT Court Act was the culmination of a joint effort between the Ministry of Justice and the Ministry of Commerce in the wake of negotiations between Thailand and the United States as well as the European countries on trade related aspects of intellectual property rights.

In fact Thailand has exceeded its obligation under Article 41(5) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) by establishing the IP & IT court. Article 41(5) states:

It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general... Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

However, the IP & IT Court is established to create a 'user-friendly' forum with specialized expertise to serve commerce and industry. International trade is added to the jurisdiction of the court for the reason that in a country like Thailand specialized Bench and Bar in intellectual property and international trade should be grouped together for easy access and administration. Not least for want of sufficient workload to warrant a separate court system.

IV. Some Salient Features of the IP&IT Court System

The followings are some of the prominent features in the new court system:

- Liberal use of *Rules of the Court* to facilitate the efficiency of the forum.⁸ Perhaps this could be seen as a unique 'common law' approach to solve a 'civil law' problem.
- Exclusive jurisdiction both in civil and criminal matters on the enforcement

⁸ The IP&IT Court Act, s 30.

of intellectual property rights throughout the country.⁹

- Exclusive jurisdiction on matters concerning international trade e.g. international sale, carriage, payment, insurance and related juristic acts.¹⁰
- Exclusive jurisdiction on the arrest of ship (a sort of *Mareva* injunction).¹¹
- Exclusive jurisdiction on anti-dumping and subsidies.¹²
- Exclusive jurisdiction in the enforcement of arbitral awards in intellectual property and international trade matters.¹³
- Panel of three judges to constitute a quorum. Two of whom must be career judges with expertise in IP or IT matters. The third member of the panel is an associate judge who is a lay person with expertise in IP or IT. A double guarantee of specialization.¹⁴
- Availability, for the first time in Thai procedural law, of the '*Anton Piller Order*' type of procedure. An English innovation incorporated in the TRIPS Agreement.¹⁵
- Use of pre-trial conference to facilitate a speedy, efficient and fair trial.¹⁶
- Use of video conferencing for the examination of witnesses outside the court, including overseas, can be requested.¹⁷
- Full day and continuous hearing as against piecemeal.¹⁸
- Use of deposition and affidavit in conjunction with oral evidence.¹⁹
- Speedy inquiry and orders for preliminary injunctions.²⁰

⁹ The IP&IT Court Act, s 7 (1) - (4)(9).

¹⁰ The IP&IT Court Act, s 7 (5) (6).

¹¹ The IP&IT Court Act, s 7 (7).

¹² The IP&IT Court Act, s 7(8).

¹³ The IP&IT Court Act, s 7(11).

¹⁴ The IP&IT Court Act, s 19.

¹⁵ The IP&IT Court Act, s 29 and Rules 20 - 22 of the Rules for IP&IT Cases.

¹⁶ Rule 27 of the Rules for IP&IT Cases.

¹⁷ Rule 32 of the Rules for IP&IT Cases. Video Conferencing has been used for the first time in a private prosecution of copyright infringement case involving the right owner in Japan. The witness for the prosecution testified in Japan through the service of the Thai Telecommunication Authority in Bangkok where the court sat for the purpose. The expenses, in accordance with Rule 32, were borne by the party who adduced the witness. Rule 32 para. 2 specifies that the taking of evidence via video conferencing shall be deemed as if it was conducted in the court room. The reason is to overcome the claim of right of confrontation by the accused and the possibility of holding the party at the other end of the conference in contempt of court, if such an offence did occur.

¹⁸ The IP&IT Court Act, s 27.

¹⁹ Rules 29 -31 of the Rules for IP&IT Cases.

²⁰ Rules 12 - 19 of the Rules for IP&IT Cases.

- Possibility of the appointment of expert witness as *amicus curiae*. A friend of the court.²¹
- Leap-frog procedure where appeals lie directly to the IP & IT Division of the Supreme Court.²² An attempt to redress delay.
- With parties' consensus, documentary evidence in English not at the main issues in dispute may not have to be translated into Thai.²³
- Possibility of *in camera* proceedings in appropriate cases for the protection of IPR or damage to international trade of the parties.²⁴
- Possibility of extending the jurisdiction of the court to other matters by further amending legislation.²⁵ There has been question concerning the wisdom of dividing the jurisdiction between domestic and international trade. Some critics suggest that it would have made more sense if the 'international trade division' of the court could be transformed into commercial court entertaining both domestic and international commerce; hence the name "Commercial and Intellectual Property Court" instead of "Intellectual Property and International Trade Court".
- However, the protection of juvenile justice takes precedence over the protection of IP rights. Hence, a juvenile shall be charged in the Juvenile and Family Court and not in the IP&IT Court even if in IP infringement cases.²⁶

However, it is suggested that while establishing a new court is not an easy task, the successful promotion of it to international commerce and industry is most difficult of all. One will have to create the right 'legal environments' to attract international commercial litigation. Reputation, integrity, expertise, convenience, accessibility, expenses, respect and the effective enforcement of order or judgment are but some of the more important criteria.

²¹ The IP&IT Court Act, s 31.

²² The IP&IT Court Act, s 38.

²³ Rule 23 of the Rules for IP&IT Cases.

²⁴ Rule 24 of the Rules for IP&IT Cases.

²⁵ The IP&IT Court Act, s 7(10).

²⁶ The IP&IT Court Act, s 7 para. 2.

V. Rules of the Court under the IP&IT Regime

It is hoped that, as special expertise develops in this specialized court, more just and effective measures in IP rights enforcement can be further incorporated in the '*Rules of the Court*'. Rules of the Court is a common law technique in creating court procedure. Traditionally, in Thailand which is basically a civil law country, the amendment to the procedural law is invariably by way of an amendment Act to the Procedural Code. Under section 30 of the Act for the Establishment of and Procedure for Intellectual Property and International Trade Court 1996, a new procedure has been devised, it reads :

For the purpose to ensure convenience, expediency and fairness of the proceedings, the Chief Justice of the Central Intellectual Property and International Trade Court shall be empowered to, subject to the approval of the President of the Supreme Court, issue Rules of the Court on proceedings and hearing of evidence in intellectual property and international trade cases, provided that such provisions shall not impair the rights of defence of the accused in a criminal case.

By this means, changes in the procedure of the court will be achieved much more speedier than in the traditional means of an Act of Parliament. Rules of the Court may take a couple of months to be finalized whereas an Act of Parliament will invariably takes years. The question for concern is how much of a 'blank-cheque' would the legislature be willing to give to the judiciary of this legislative role. An analogy might be made with the power vested in the Executive to issue Royal Decrees and Ministerial Regulations. In other words, what is the scope of the '*Rules of the Court*' in relation to principles of procedural law of the '*public order*' (*l'ordre public*) type ? Can this be interpreted as an encroachment on the legislative functions by the judiciary ? A caveat has been entered under section 30 itself that "*such provisions shall not impair the rights of the accused in a criminal case*". However, the fear expressed above has somewhat been disarrayed by the fact that even in the new Constitution of Thailand, the Constitution Court is entitled to draft its own procedure by the unanimous consent of the justices of the court.²⁷ Perhaps a

²⁷ Art. 269 of the Constitution of Thailand. In defending the draft constitution, the Drafting Committee even cited the specialized court of justice, in particular the Intellectual Property and

very common law tradition of 'Rules of the Court' has found its way in the Thai legal tradition which has always been classified as civil law with common law influence.

VI. Novelty in Intellectual Property Rights Enforcement : *Injunction* ***V. Police Raid***

In Thailand, the conventional method of policing intellectual property rights against infringers has always been conducting a police raid. However, the provisions of *TRIPS* Agreement, in particular Article 50, equip the judicial authority with the power to order prompt and effective provisional measures to:

- (a) Prevent an infringement of any IP right from occurring and entering into the channels of commerce. (Preventive Injunction)
- (b) Preserve relevant evidence in regard to the alleged infringement. (*Anton Piller Order*)

Preventive injunction under Article 50 (1) (a) has been implemented for the first time in Thailand in section 116 of the Trademark Act 1991, section 77 *bis* of the Patent Act (second amendment) 1992 and section 65 of the Copyright Act 1994. This is seen as a novelty in Thai procedural law because contrary to the provisions on provisional measures prior to judgment under the Civil Procedural Code, preventive injunction under the IP legislation can be requested prior to the filing of a statement of claim or the prosecution.

However, if one examines carefully into the three relevant sections which give rise to preventive injunction in intellectual property matters, some flaws can be detected. On the whole the provisions prescribe:

'In cases where there is clear evidence that a person commits or is committing or is about to commit an act of infringement of intellectual property rights, the right owner may petition a court to make an order restraining such person from committing the infringement.'

International Trade Court, as having the authority to draft its own 'Rules' (a sort of why can't the Constitution Court?). This is seen as an interesting move towards the common law technique.

The earliest version is that of the Trademark Act 1991. The literal interpretation of section 116 is ‘a person commits *or is committing*’ but the Patent Act 1992 and the Copyright Act 1994 prescribe ‘a person commits or *is about to commit*’. A notion closer to preventive injunction (a *quia timet* injunction).

On procedural points, the legislation fails to provide the petitioner and the court with sufficient ‘back up’ mechanism for the effective application of the preliminary injunction. Some of the examples are :

- ◆ No provisions as to which court to apply.
- ◆ No provisions as to the applicability of an *ex-parte* hearing.
- ◆ No provisions as to the speed in which the court is to conduct the case e.g. in urgent cases.
- ◆ No provisions as to security for compensation of damages should the petitioner’s claim fail.
- ◆ No provisions for review requested by the defendant.
- ◆ No provisions for lapse or revocation of the order after a certain period.

All the defects described above are detected and taken care of by the implementation of the Rules of the Intellectual Property and International Trade Court.²⁸

²⁸ See Rules 12 - 19, Rules for IP&IT Cases. For the sake of convenience, the text of the relevant Rules are provided in full as follows:

Provisional Measures of Protection Prior to Instituting an Action

Rule 12. *An application for the Court order under section 65 of the Copyright Act B.E. 2537 (1994), section 77 bis of the Patent Act B.E. 2522 (1979), section 116 of the Trademark Act B.E. 2534 (1991) or other intellectual property legislation, shall state the facts giving rise to the cause of action in the case and the reasons sufficient for the Court to believe that it is appropriate to grant such order. The application shall also include a statement confirming the facts giving rise to the application, of a person who witnessed the cause of action, in order to substantiate the cause of action.*

Rule 13. *In considering the application under Rule 12, the Court shall grant the application if it satisfies that:*

(1) There is reasonable ground for the application and the filing of the application, as well as sufficient reasons for the Court to grant such application, and

(2) The nature of the damage incurred by the person filing the application is such that the damage cannot be restituted by monetary measures or any other form of indemnity, or the prospective defendant is not in a position to compensate the applicant for his damage, or it might be difficult to enforce the judgment against the prospective defendant afterwards.

In considering the application, the Court shall take into account the balance of the extent of

An English example on interlocutory injunction might be useful as to how it is applied in common law jurisdiction. Perhaps the most celebrated case on the subject matter is the House of Lords case of *American Cyanamid V.*

damage that might be incurred by both parties.

If the Court issues an order dismissing the application, such order shall be final.

Rule 14. *In cases where the Court grants the application under Rule 13, the Court shall notify the prospective defendant of the order without delay.*

The order under paragraph one shall immediately bind the prospective defendant even though the prospective defendant has not been notified of the order.

Rule 15. *In cases where the Court grants the application under Rule 13, taking into account any damage that the prospective defendant might incur, the Court shall order the person filing the application to provide security for such damage in the amount, within the period and under the conditions, the Court deems appropriate.*

Rule 16. *In cases where the Court grants the application under Rule 13, the prospective defendant may file an application requesting the Court to repeal or modify the provisional measures of protection. The order of the Court repealing or modifying the measures shall be final.*

In the case specified in paragraph one, the prospective defendant may make a request in the application to repeal or modify the provisional measures, or file with the Court, within thirty days from the date on which the Court issues an order repealing or modifying the measures, a request for the Court order directing the person requesting for such measures to compensate him for his damage. If the Court finds, after making an enquiry, that the order granting provisional measures of protection which has been repealed or modified was granted due to the Court's misunderstanding that there is ground for taking an action against the prospective defendant or sufficient reason to grant such provisional measures and the misunderstanding is caused by the fault or negligence of the person requesting for the measures, the Court may order him to compensate the prospective defendant in the amount the Court deems appropriate. If the person requesting for the measures fails to comply with such Court order, the Court may enforce such order as if he is a judgment debtor.

Rule 17. *In cases where the Court grants the application under Rule 13 but the person requesting for the provisional measures fails to institute an action relating to the application within fifteen days from the date on which the application was granted or within the period prescribed by the Court, the provisional measures shall lapse at the expiration of the aforesaid period.*

In the case specified in paragraph one, the prospective defendant may file with the Court, within thirty days from the date on which the provisional measures is deemed to lapse, a request for the Court order directing the person requesting for such measures to compensate him for his damage. The Court may order the compensation be paid in the amount it deems appropriate. If the person requesting for the measures fails to comply with such order, the Court may enforce such order as if he is a judgment debtor.

Rule 18. *In cases where the Court grants the application under Rule 13 and an action is instituted in relation to the application within fifteen days from the date on which the application was granted or within the period prescribed by the Court, the provisional measures so granted or modified under Rule 16 paragraph one shall continue to be in force, unless the Court issues an order repealing or modifying the measures according to a request of the defendant. In this case, sections 260, 261 and 263 of the Civil Procedure Code shall apply mutatis mutandis.*

Ethicon.²⁹ According to Lord Diplock, the correct approach is as follows: The court must first be satisfied that there is a “serious question to be tried”. Thereafter, it should not try to assess relative merit by looking for a *prima facie* case on the affidavit evidence; it should instead turn at once to the balance of convenience. If it appears that damages awarded at the trial will adequately compensate the plaintiff, and that the defendant is likely to be able to pay them, interlocutory relief should not normally be granted. If damages will not be adequate to compensate the plaintiff, it becomes necessary to consider whether, on the other hand, the defendant would be adequately compensated by damages upon the plaintiff’s cross-undertaking, should the plaintiff not make good his claim at trial; if these damages would be adequate, the injunction will be granted. Where there is doubt about the adequacy of damages to one or both, any factor which may affect the balance of convenience is brought into account — in particular, whether the defendant has not yet started on his allegedly infringing course of action (it being “a counsel of prudence ... to preserve the status quo”). If the balance remains substantially even, some account can ultimately be taken of the relative strength of each party’s case as revealed by the affidavit evidence. This, however, should be done only where it is apparent upon the facts disclosed by evidence as to which there is no credible dispute that the strength of one party’s case is disproportionate to that of the other party.

Another consideration is that most IP infringement cases in Thailand are brought by criminal prosecution. Attempts should also be made for the improvement of police raids as an alternative to injunction. This predicament may also be true for most jurisdictions in Asia where most infringement cases are blatant and obvious.

VII. *Anton Piller Order* under Art. 50 (1) (b) of TRIPS Agreement

Anton Piller Order derives from the celebrated English case of *Anton Piller KG V. Manufacturing Process Ltd.* [1976] Ch. 55. It derives from the rule

Rule 19. *The provisions on in camera proceedings and prohibition of publication under Rule 24 and hearing conducted via video conferencing facility under Rule 32 shall apply to the proceedings under Rules 13 and 15 to 18 mutatis mutandis.*

²⁹ [1975] A.C. 396, [1975] R.P.C. 513. The passage that followed is quoted from W.R. Cornish at p 57.

that the court has an inherent jurisdiction to prevent the defendant frustrating the process of justice by destroying the subject-matter of an action or documents or other relevant evidence.

This jurisdiction may be invoked on an *ex parte* application by the plaintiff. The application is usually made after the plaintiff has issued his writ but before he has served it on the defendant. When the application is heard the court sits in *camera*. The plaintiff must satisfy the court that he has an extremely strong *prima facie* case on the merits of his claim, that he is likely to suffer very serious actual or potential damage from the defendant's actions, that there is clear evidence that the defendant has incriminating documents or things in his possession and that there is grave danger that the defendant will smuggle away or destroy the material before an application *inter partes* can be made. If the plaintiff can satisfy these conditions the court will grant appropriate relief in the form of injunction directed to the defendant, breach of which will put the defendant in contempt of court.

In addition, the order may include a direction to the defendant that he permit the plaintiff to enter the defendant's premises, to search for goods or documents belonging to the plaintiff or which are relevant to his claim, and to remove, inspect, photograph or make copies of such material according to the circumstances of the case.

The defendant may be ordered to disclose to the plaintiff the names and addresses of his suppliers or customers.

In Thailand, prior to the IP&IT Court regime, there were no provisions which came close to an *Anton Piller Order*. Under section 254(3) of the Civil Procedural Code, the plaintiff might move a court to grant an order arresting and detaining a defendant who wilfully evades a writ or an order of the court or hides any documents which may be incriminating to him in the proceedings. The measure is hardly used and its effectiveness for preserving evidence is doubtful in the light of a more draconian method of an *Anton Piller Order*.

The language of Article 50 (1) (b) of TRIPS is not clear and certainly one would doubt, even in the most optimistic mind, that the Article requires a member

State to create something akin to an *Anton Piller Order* in the English sense. Perhaps somewhere along the line of an *Anton Piller Order* with some restrictions on the part of the successful plaintiff might be a prototype for the Thai IP & IT Court. These considerations include :

- ♦ An undertaking by the plaintiff to compensate the defendant in damages for any loss caused, should the plaintiff's claim fail.
- ♦ An undertaking not to use the material or information gained for any purpose other than the action in which the order is given.
- ♦ An officer of the court must be present in enforcing the order.
- ♦ The plaintiff is not entitled to use force.

It is a pleasure to report that under section 29 of the IP&IT Court Act and its ensuing Rules of the Court (Rules 20 - 22)³⁰, a somewhat 'reformed' *Anton Piller Order* along the line discussed above is preferred by the Drafting Committee of the Rules of the Court.

³⁰ **Section 29.** *In case of an emergency, when an application is filed under Section 28, the applicant may simultaneously file a motion to the effect that the court may issue an order or a warrant without delay. Where necessary, the applicant may also request the court to seize or attach the documents or materials that will be adduced as evidence upon any conditions as the Court may think fit.*

The provisions of sections 261 to 263 and sections 267 to 269 of the Civil Procedural Code shall apply mutatis mutandis to the cases referred to in paragraph one.

Application for Taking of Evidence in Advance

Rule 20. *A petition or motion for a court order directing the evidence to be taken at once under section 28 of the Act for the Establishment of and Procedure for the Intellectual Property and International Trade Court B.E. 2539 (1996) shall state the facts showing the necessity for taking of evidence at once. If an action has not yet been instituted, the facts showing grounds on which the petitioner may take an action or an action may be taken against the petitioner shall also be stated.*

In case of emergency under section 29 of the Act, the motion shall state the facts showing the emergency situation which, if the other party or the third party involved is to be notified beforehand, such evidence will be damaged, lost, destroyed or, due to some other reasons, difficult to be adduced at a later stage.

Rule 21. *In cases where the Court grants an order for attachment or seizure of documents or materials to be adduced as evidence in emergency situation under Rule 20 paragraph two, the Court may order the petitioner to provide security for any damage that might be incurred, in the amount, within the period and under any condition the Court deems appropriate.*

Rule 22. *The provisions on in camera proceedings and prohibition of publication under Rule 24 and hearing conducted via video conference under Rule 32 shall apply to the proceedings under Rules 20 and 21 mutatis mutandis.*

However, falling short of an *Anton Piller Order*, the right owner can always consider the relative effectiveness of a search warrant under the Criminal Procedural Code. It is believed, among IP law specialists, that the officers of the Department of Intellectual Property Ministry of Commerce, who are designated as law enforcement officers under the Copyright Act, are entitled to file a motion with the IP&IT Court for a search warrant in copyright infringement cases. An exclusive right so far given to police officers. This diversified right to request a search warrant will lead to less breach of secrecy in conducting raids. However, one is still waiting for the first request of a search warrant from a DIP officer.

VIII. Rights of Information

Article 47 of the TRIPS Agreement provides that:

‘Members may provide that judicial authorities shall have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution’.

Two observations may be made here:

- (1) The word ‘may’ in Article 47 indicates a choice rather than an obligation on the part of member State for its implementation.
- (2) The right of information enunciated in Article 47, if applies in a criminal case, will infringe the rule of privilege against self-incrimination. A rule acknowledged by Article 243 of the constitution of Thailand.

In the House of Lords case of *Rank Film Distributors V. Video Information Centre*³¹, the defendants to an action for breach of copyright successfully sought the discharge of an *Anton Piller Order* which ordered them to disclose the names and addresses of their suppliers and customers for illicit copies of the Plaintiffs’ films, on the ground that this would tend to expose them to proceedings for a criminal offence. The House of Lords held that the privilege against self-incrimination is capable of being invoked in such a case.

³¹ [1982] A.C. 380; [1981] 2 All E.R. 76.

Rank Film was a 1981 House of Lords decision. In the same year, the Parliament in England enacted the Supreme Court Act 1981 and in section 72 the Act reverses the effect of *Rank Film* and restores the full effectiveness of *Anton Piller Order* by taking away the privilege against self-incrimination in intellectual property and passing off cases.³²

A fine example of how powerful and effective the lobbyists on the part of the IP rights owners in the UK are.

IX. Damages

Under section 64 of the Copyright Act 1994, in cases of copyright or performer's right infringement, the court may order appropriate damages for the right owner by taking into consideration the gravity of the damage including loss of benefit and necessary expenses in enforcing his right.

This is an improved version from the former Copyright Act of 1978 which simply stated that a fine shall not preclude the right of the right owner from seeking civil compensation for the amount in excess of the fine which is received by the right owner.

³² *Supreme Court Act 1981, s.72: Withdrawal of privilege against incrimination of self or spouse in certain proceedings*

S.72(1) In any proceedings to which this subsection applies a person shall not be excused, by reason that to do so would tend to expose that person, or his or her spouse, to proceedings for a related offence or for the recovery of a related penalty—

*(a) from answering any question put to that person in the first-mentioned proceedings; or
(b) from complying with any order made in those proceedings.*

(2) Subsection (1) applies to the following civil proceedings in the High Court, namely—

*(a) proceedings for infringement of rights pertaining to any intellectual property or for passing off;
(b) proceedings brought to obtain disclosure of information relating to any infringement of such rights or to any passing off; and
(c) proceedings brought to prevent any apprehended infringement of such rights or any apprehended passing off.*

Some comments may be levied on the new section 64 :

- ◆ Section 64 satisfies the test under Article 45(1) but not 45(2) of the TRIPS Agreement.³³
- ◆ Under section 64 of the Copyright Act 1994, it is suggested that the test for damages in a civil action is one of 'foresee or could have foreseen' the consequences of the damage. Thus, it is more akin to the wordings of 'knowingly or with reasonable grounds to know' under Article 45(1) than the negative element under Article 45(2).
- ◆ Article 45(2) may be of a higher standard than Article 45(1), but the word 'may' in Article 45(2) denotes a choice for the member State rather than an obligation.
- ◆ Article 45(2) also demands the payment by the infringer of expenses including appropriate Attorney's fees. Section 64 speaks of 'necessary' expenses in enforcing the right. Attorney's fees may be necessary for the enforcement of the right but only appropriate Attorney's fees not excessive attorney's fees. One would have to use the objective standard in the country of the forum to determine what the appropriate Attorney fees' are.
- ◆ The court is bound by Schedule 6 of the Schedule annexed to the Civil Procedural Code concerning the award of Attorney's fees. At the moment the court cannot grant more than 5% of the damages claimed for attorney's fees. The Schedule requires the court to grant appropriate Attorney's fees between the minimum (600 baht equivalent to 15 US \$) and the maximum (5% of the amount claimed) taking into consideration difficulties of the case, the amount of time and work put into the case. Although the court has the tendency of awarding a higher fee than in the past, in reality it rarely reflects the actual fees claimed or paid by the parties.

³³ TRIPS Agreement, Art, 45: Damages

(1) The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property rights by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.

(2) The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

- ♦ The wordings of section 64 “*necessary expenses in enforcing the right*”, may give the plaintiff a wider scope of claim than for purely attorney’s fees. It may include investigation efforts, private detective works etc.
- ♦ The wordings of section 64 “*loss of benefits*” refer to loss of benefits to the plaintiff. Concerning the base for assessment, the following quotation from Cornish’s *Intellectual Property*³⁴ may be of assistance: A starting point in assessing damages is to ask whether the plaintiff and defendant are in actual competition. Where this is so, the next question is whether the defendant might have had the plaintiff’s licence if only he had sought it. Then the measure of damages will likely be what the plaintiff would have charged for a licence. However, the plaintiff is not normally under any compulsion to grant licences. If he would not have done so, the court will look to his losses through the defendant’s competition. When it comes to non-competitive infringements, the courts have held that a reasonable royalty for non-competing use will be awarded upon a principle ‘of price or of hire’. Under the Thai law, although the burden of proof is on the plaintiff, the court can grant compensation in accordance with the circumstances and gravity of the wrong (s. 438 of the Civil and Commercial Code). This is normally discretionary. If the plaintiff can assist the court with systematic and economic analysis of damages, it will lead to a more realistic quantum of damages than by leaving it to judicial discretion.
- ♦ Although damages under s. 64 *includes* loss of benefits and expenses, section 64 does not deal with account of profits. Accounting is a traditional equitable remedy available to recover profits unfairly gained from another’s property. A common law court might order the defendant to account to the plaintiff for profits made from wrong-doing such as infringement of an intellectual property right. This is not a notional computation as with damages, but an investigation of actual account, which may incidentally afford the plaintiff a sight of customers’ names and other information about the defendant. Nonetheless it is a laborious and expensive procedure and is infrequently resorted to.³⁵ It is difficult to claim account of profits under the present Thai law.

³⁴ W.R. Cornish at p 61.

³⁵ W.R. Cornish at p 63.

X. Improvements in the Thai Intellectual Property Law and Practice to Protect IPR as 'Public Rights'

In addition to the new philosophy of enforcement of IPR by civil proceedings as private rights in accordance with *TRIPS* mentioned above, there have also been improvements in the Thai intellectual property law and practice to protect IPR as "public rights":

- ◆ Presumption of copyright subsistence and the right vested in the plaintiff.³⁶
- ◆ Harsher penalty for infringement of IPR. The maximum penalty for infringement of copyright for commercial purpose could reach four years' imprisonment or 800,000 baht (20,000 \$US, prior to the baht flotation this was equivalent to 32,000 \$US) fine or both.³⁷
- ◆ Compare the maximum penalty for theft *simpliciter* which carries the maximum penalty of three years' imprisonment and 6,000 baht fine.³⁸
- ◆ Double the penalty, should the accused be found to have re-committed the offence within 5 years after the completion of the previous sentence.³⁹
- ◆ A half of the fine will go to the right owner.⁴⁰
- ◆ Right to claim damages in addition to fine.⁴¹
- ◆ Infringing goods seized in copyright cases which are owned by the offender shall be vested in the copyright owner. Materials and machines used in the production of those goods shall be confiscated.⁴²
- ◆ Where the offender is a legal entity, it shall be presumed that all the members and managing directors of the board are accomplices to the

³⁶ S 62 Copyright Act B.E. 2537 (1994). Under the cited provision, the presumption applies both in civil and criminal cases which leads to some absurdity in case of a public prosecution. In a criminal case, the presumption is rebutted the very moment the accused pleads not guilty. Likewise in a civil case, the presumption is rebutted when the defendant contests the copyright of the plaintiff. The presumption does help in the committal stage in a private prosecution whereby the accused cannot be questioned at that stage. It results in a quicker and more *prima facie* findings in committal hearings of copyright cases brought by right owners.

³⁷ S 69 para.2 Copyright Act B.E. 2537 (1994).

³⁸ Criminal Code s 334.

³⁹ S 73 Copyright Act B.E. 2537 (1994) and s 113 Trademark Act B.E. 2534 (1991). The wordings "5 years after the completion of the previous sentence" give rise to difficulties in doubling the penalty in case of suspended imprisonment and the accused re-commits the offence while in the period of suspension because the previous sentence has not quite been completed.

⁴⁰ S 76 Copyright Act B.E. 2537 (1994).

⁴¹ S 76 Copyright Act B.E. 2537 (1994).

⁴² S 75 Copyright Act B.E. 2537 (1994).

offence unless proof of innocence or disapproval of the offence is furnished.⁴³

- ♦ Divergence of law enforcement. Recently, it is agreed that in addition to the police officer, the officer of the Department of Intellectual Property can apply for a search warrant in order to conduct a raid. This will somewhat alleviate the breach of secrecy in the raid.
- ♦ Right owner can apply for a preliminary injunction and Anton-Piller order before bringing a civil action or most uniquely before instituting a private prosecution in a criminal case.⁴⁴

XI. Conclusion

One concept that may describe conventional wisdom in contemporary Thai society is perhaps globalization. In 1995 the Criminal Court of Thailand extradited a Thai national to face criminal charges in the United States for infringement of drug related offences allegedly committed in America. One of the reasons given by the court was that the Extradition Treaty between the United States and Thailand must be respected and given effect in view of different opinions of different practices in civil law countries. The decision was later affirmed by the Court of Appeal, the final forum on the matter. It was widely acclaimed internationally as a liberal interpretation of the extradition treaty from a civil law country. The President of the Thai Supreme Court was later conferred with an honorary Doctorate in Law from a prestigious American Law School of which the decision was a high-light in his inaugural speech. The creation of the Intellectual Property and International Trade Court to foster a fair, speedy, friendly and equitable atmosphere for settlement of trade disputes and effective enforcement of intellectual property rights is in the same direction of globalization. It is on the road to create an atmosphere of trustworthiness and an investment friendly market. It is suggested that this is competitiveness and eventual economic success itself.

⁴³ S 74 Copyright Act B.E. 2537 (1994).

⁴⁴ Rule 42 of the Rules for IP&IT Cases enables the application of provisional measures in civil cases (under Rules 12 -19) to criminal cases.