

Thailand: *IP Developments*

ALTERNATIVE DISPUTE RESOLUTION THROUGH THE DEPARTMENT OF INTELLECTUAL PROPERTY

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When faced with a dispute, the primary goal of most IP brand owners is to settle their case quickly, smoothly, and cost effectively. Although court procedures can provide an effective means of taking legal action against an infringer, litigation usually requires a significant investment of both time and money in order to see it through to its conclusion. Brand owners who wish to seek a quick solution to a problem may consider alternative mediation methods to settle the dispute before going to trial.

Traditionally, brand owners interested in pursuing a mediated settlement have relied on the mediation procedures that are offered through the Central Intellectual Property and International Trade Court. Recently, however, the Department of Intellectual Property (DIP)'s Office of Settlement and Dispute Prevention of Intellectual Property (the Office) has been emphasizing the availability and effectiveness of its mediation procedure, which provides a feasible remedy for dealing with intellectual property issues including infringement of trademarks, copyright, patent, and trade secrets. Indeed, the DIP has begun to hold seminars to widely promote this process among potentially interested parties throughout the country.

The DIP's mediation procedure is very simple. The entire process usually takes only two or three months. In addition, there is no fee for the DIP. Mediation before the DIP can be initiated by either party to an IP-related dispute by completing a request form in person at the Office or sending a formal letter to the DIP requesting that the dispute be submitted to the Office for mediation. The DIP will forward the letter to the Office to initiate the mediation procedure. When the Office receives the letter, they will review all of the issues involved in the case. If the letter does not clearly specify the disputed issues and the IP owner's demands, the responsible officer will ask the IP owner to come in for a meeting to clarify the claims and the demands. (If the IP owner's letter is

clear, this initial meeting would not be necessary.) The officer will then contact the opposing party (i.e. the infringer). If the infringer agrees to negotiate, the officer will have a meeting with the infringer to discuss the issues involved. After the infringer acknowledges the IP owner's claims, the Director of the Office and the responsible officer will invite both sides to a mediation session. If the parties are able to reach an agreement, the Office will prepare a settlement agreement, the contents of which have been agreed to by both parties. After execution of the agreement, it will be binding upon both parties.

Some global IP owners have successfully exploited this method to stop infringements in Thailand. For instance, one of the world's leading luxury car brands has been rather successful in negotiating with local infringers through the DIP. During 2006-2007, DIP-assisted negotiations with unauthorized dealers and service centers in Thailand resulted in seven infringers (from a total of 13 infringers) agreeing to stop using the brand owner's trademarks, including taking down signage/advertisement boards which contained the trademarks and changing decorations within their business premises. In addition, there was a significant patent case in which the IP owner had attempted to negotiate with the infringer for over a year without success. Finally, the IP owner

sought assistance from the DIP by submitting the dispute for mediation and the case was settled within six months.

According to DIP data (see table below), the vast majority of disputes that have been brought before the Office in recent years have involved copyright, which make up 79% of the total cases. Excluding ongoing cases, settlements have been reached in 55% of the total cases that have been mediated by the Office from December 2002 until August 2008. Settlements are most frequently reached in copyright cases (62%), while they are somewhat less frequent in trademark cases (38%), and relatively rare in patent cases (11%).

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

Mediation before the DIP, December 2002-August 31, 2008

Type of IP	Ongoing Cases	Settlements	Termination of Mediation	Total
Copyright	9	136	82	227
Trademark	0	15	24	39
Patent	3	2	16	21
Trade Secrets	0	0	2	2
Total	12	153	124	289

Source: The Department of Intellectual Property's Office of Settlement and Dispute Prevention of Intellectual Property, as of August 31, 2008. Further information can be obtained by contacting the Office at telephone number (66) 2537-5191.