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MECHANISMS TO RESOLVE INTELLECTUAL PROPERTY DISPUTES IN A BALANCED, HOLISTIC AND EFFECTIVE MANNER

Contributions prepared by Pakistan, Portugal, the Russian Federation, South Africa, Thailand, the United Kingdom, the International Chamber of Commerce, and Professor Jacques de Werra of the University of Geneva (CEIPI-ICTSD Joint Study)

1. At the tenth session of the Advisory Committee on Enforcement (ACE), one of the topics that the Committee agreed to consider at its eleventh session was the "Exchange of information on national experiences relating to institutional arrangements concerning intellectual property (IP) enforcement policies and regimes, including mechanism to resolve IP disputes in a balanced, holistic and effective manner". This document introduces the contributions of six Member States on the experiences of judicial systems in relation to balanced, holistic and effective IP dispute resolution, prepared by Pakistan, Portugal, the Russian Federation, South Africa, Thailand, and the United Kingdom. It also includes summaries of two reports on specialized IP courts and jurisdictions from Observers: a report issued by the International Chamber of Commerce (ICC) in April 2016, as well as Professor Jacques de Werra (University of Geneva)'s lead article in a joint study published in March 2016 by the Centre for International Intellectual Property Studies (CEIPI) and the International Center for Trade and Sustainable Development (ICTSD).

2. These contributions underscore the importance of balanced, holistic and effective IP dispute resolution and the judicial mechanisms put in place by Member States to achieve this. Mechanisms discussed include the establishment of specialized IP courts; the promotion of specialist judges within generalist courts; the appointment of associate judges, advisory boards or court experts with relevant technical expertise. Furthermore, some jurisdictions are introducing reforms to enhance access to justice, by regulating recoverable costs, damages, available remedies for IP infringement, and enhancing case management.

3. As recognized by the nuanced variations in the court structures for IP disputes among the jurisdictions presented, and the findings made in the two reports from the Observers, the appropriate judicial mechanism for IP dispute resolution will be determined by a number of factors, including the general judicial structure in place in the country, the IP caseload, the applicable social and economic variables, the level of development and the availability of human and other resources.

4. The contributions prepared on behalf of the Member States and Observers are in the following order:

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ESTABLISHMENT OF INTELLECTUAL PROPERTY TRIBUNALS IN PAKISTAN

Contribution prepared by Mr. Muhammad Ismail, Deputy Director, IPR Enforcement, Intellectual Property Organization of Pakistan, Islamabad, Pakistan[*]

ABSTRACT

In 2012, the Intellectual Property Organization Act introduced new provisions for the establishment of Intellectual Property (IP) Tribunals in Pakistan. Since then, IP Tribunals have been established in the major cities of Islamabad, Karachi and Lahore. While the IP Tribunal in Lahore is now fully operational, it is expected that the other two IP Tribunals will be operational within the next three months. In this document, we provide an overview of Pakistan's IP Tribunals and its experiences at the national level.

ESTABLISHMENT OF INTELLECTUAL PROPERTY TRIBUNALS IN PAKISTAN

1. The Intellectual Property Organization (IPO) of Pakistan is the focal body in Pakistan for the registration and protection of intellectual property rights (IPRs).

2. The IPO Act of 2012 includes relevant provisions (sections 15 to 19) for the establishment of Intellectual Property (IP) Tribunals, which were proposed to improve the timeliness of adjudication and disposal of IP cases. The appointment of the Presiding Officer of an IP Tribunal is made by the Federal Government in consultation with the Chief Justice of the High Court concerned. To meet the requirements for appointment as the Presiding Officer of an IP Tribunal, a person must have experience as:

- a judge of High Court;
- a District & Sessions Judge; or
- an Advocate qualified for appointment as Judge of High Court.

3. The IP Tribunals are courts for all purposes and intent, and has all the powers of District and Session Courts. In light of Article 175 of the Constitution, IP Tribunals cannot be established as equivalent to a High Court. In the exercise of their jurisdiction to hear civil matters, the IP Tribunals have the same powers as those vested in a civil court, under the Code of Civil Procedure of 1908. In the exercise of its jurisdiction to hear criminal matters, the IP Tribunals have the same powers as those vested in a Court of Sessions, under the Code of Criminal Procedure of 1898.

4. The IP Tribunals have jurisdiction to entertain all suits and other civil proceedings regarding infringement of copyright, trademarks, patents, registered designs and registered lay-out designs of integrated circuits under the respective laws.

5. Any person aggrieved by the final judgment and order of an IP Tribunal may appeal to the High Court concerned, within thirty days of the final judgment and order of the IP Tribunal. The

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IP Tribunal shall not maintain or decide cases on the contravention of specific provision of the IPO Act of 2012; rather, it will hear cases from private litigants.

6. At present, IP Tribunals have been established in the major Pakistani cities of Islamabad, Karachi and Lahore. Presiding Officers have been appointed and the work of the IP Tribunals is guided by the relevant sections of the IPO Act of 2012. The IP Tribunal at Lahore is fully operational, while those at Karachi and Islamabad will begin operating within the next three months. The legal formalities are completed and the administrative arrangements are currently underway. The IP Tribunal at Karachi will have jurisdiction for the provinces of Sindh and Baluchistan, the IP Tribunal at Islamabad will have jurisdiction for Khyber Pakhtunkhwa province and Islamabad Capital Territory (ICT), while the IP Tribunal in Lahore will have jurisdiction for Punjab province.

7. Some of the advantages that have been experienced at the national level in relation to the establishment of IP Tribunals are as follows:

– IP laws and the technologies protected under these laws are complex. The IP Tribunals will provide a forum where highly experienced judges can insure that these matters are dealt in a timely manner and with accurate adjudication. IP Tribunals also increase judicial exposure to IP laws by funneling cases through a limited number of judges.

– Judges who participate in specialized IP tribunals render more timely and effective decisions as they understand the procedures and technicalities related to IPR cases.

– Specialized rules and procedures have been established for use in IPR cases. For example, to resolve complex issues of IPR litigation, IP tribunals typically appoint experts with technical knowledge to assist the presiding officer.

– Specialized IP tribunals produce more knowledgeable judges and practitioners who are better able to manage and preside over IPR matters.

– IP tribunals provide right holders with greater assurance that their rights will be protected, thereby encouraging artistic creation and innovation. They also bring confidence to the commercial and business communities, increasing the likelihood of foreign investment and ultimately contributing to economic growth.

THE EXPERIENCE OF THE PORTUGUESE INTELLECTUAL PROPERTY COURT

Contribution prepared by Ms. Inês Vieira Lopes, Director, International Relations and Legal Affairs Department, National Institute of Industrial Property, Lisbon, Portugal[*]

ABSTRACT

In 2011, Portugal established the Intellectual Property Court (Law 46/2011), to which all new IP cases were transferred from the Lisbon Commercial Court. The IP Court is located in Lisbon and competent to assess civil proceedings related to IPRs, Internet domain names, or trade names. It may issue injunctions and, where necessary, order measures to preserve evidence or to request information.

THE EXPERIENCE OF THE PORTUGUESE INTELLECTUAL PROPERTY COURT

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2. The existence of a specialized IP court has great advantages for the IP system. Firstly, the concentration of cases in a specialized court with exclusive jurisdiction over the entire national territory favors the specialization of judges, ensuring thereby the permanent acquisition of knowledge and the development of expertise in this area. These aspects are essential for the trial of disputes where there must not only be knowledge of the rule of law but also specialized knowledge of technical issues.

3. Secondly, judicial specialization enriches judgments, allowing judges to follow the legislative changes and the various trends in the interpretation of IP matters in further detail, at both the European and international level. The specialization of judges also improves the quality, predictability and consistency of judgments. A system that concentrates within a single court all IP matters more easily ensures quality and uniformity, reducing the risk of legal uncertainty and contradictory or conflicting decisions on similar issues. Finally, a specialized court system is also beneficial for companies in that it ensures a faster resolution of disputes. Fast action would also be particularly important in relation to provisional measures, where delays could hamper their effectiveness.

4. Effective judicial IP enforcement also faces some challenges. One often raised drawback is the lack of a formal complaint from IP holders in criminal procedures, which is an essential requirement for the start of those procedures. Often the IP holders consider that the judicial costs and the length of the judicial procedures, combined with the low economic damage caused by the infringement, do not compensate the start of a criminal action. This behavior may put the public authorities who may have performed seizures in a very delicate position *vis-à-vis* the infringers and may give them the wrong impression that IP holders are unwilling to react against the IP infringements. Nevertheless, in these cases, the infringer may still be

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punished under administrative proceedings (unfair competition), which may result, in the worst case, in a fine ranging between EUR 750 to 7,500 (if the infringer is a natural person) or EUR 3,000 to 30,000 (if the infringer is a legal person). Another challenge is that certain criminal judgments show that courts are not well aware of the concepts of trademark dilution[1] or parasitism.[2] In fact, some criminal courts (not specialized in IP) have a tendency not to punish infringers selling counterfeit products if the consumers know that the products are counterfeit and are thus not being misled or confused. In such cases, the only penalty that the infringer incurs is the loss of the goods, which, in most cases, are destroyed.

[1] The trademark dilution theory, especially suited to protect famous trademarks and independent of the likelihood-of-confusion concept, means the weakening of this type of marks to identify and distinguish the goods. It is possible to identify two types of dilution: the dilution by *blurring* and the dilution by *tarnishment*. In the dilution by *blurring*, the association between two trademarks, one of which is a famous trademark, results in a significant decrease of its distinctive character. Concerning the dilution by *tarnishment*, the association between the marks harms seriously the reputation of the earlier trademark. That can occur in some cases where the famous trademark is parodied; however, this analyses can be very sensitive, as some cases of trademark parody can be legitimated by the freedom of expression principle.

[2] Parasitism (synonym of free-riding and independent of the likelihood-of-confusion concept) identifies the cases where a famous trademark is used by a third party in order to take advantage of its distinctive character and reputation in an unfair manner, namely to benefit from an association with the positive characteristics of the goods and/or services covered by such famous trademark.

THE EXPERIENCE OF THE COURTS OF THE RUSSIAN FEDERATION

Contribution prepared by Mr. Vyacheslav V.Gorshkov, Judge of the Supreme Court of the Russian Federation, Chair of Civil Judges[*]

ABSTRACT

This report discusses the settlement of disputes relating to the protection of intellectual property (IP) in the Russian Federation. The report provides a brief overview of the current legislative framework governing IP relationships and the recent legislative reform. The report explains the court structure in the Russian Federation, which include the courts competent to hear IP protection cases and the specialized courts. These are the Court of Intellectual Property Rights, the Moscow City Court, and the Supreme Court of the Russian Federation. The report details the competence of these courts, the particular features that relate to IP protection cases and the relevant court activities in 2015.

I. INTRODUCTION

1. Challenges faced by modern economic reality include developing standards and regulations for an evolving intellectual property (IP) market, and identifying innovative approaches in response to the emerging issues. The Russian Federation's legislative framework for the protection of intellectual property rights (IPRs) has continuously evolved, producing mechanisms to regulate activities of actors involved in IPR relationships, and to protect the relevant interests.

2. Prior to 2008, the Russian Federation operated a system of federal laws and by-laws which governed relationships arising from the results of intellectual activity for industrial and non-industrial purposes, and the means of distinguishing actors of economic activities and their products.

3. In 2008, the existing legislation was combined into a single Act to form Part IV of the Civil Code of the Russian Federation, and new provisions were added to fill the gaps in the legislation. At present, Part IV is the main source of codified regulation for the legal protection of IPRs in the Russian Federation. The ongoing process of amending and supplementing this Act allows the Act not only to adapt to changes taking place in society, but also, where necessary, to address swiftly and effectively any unfair practices by parties in legal IPR relationships.

4. In addition, significant changes have been made to the organizational structure of the judicial system to improve jurisprudence in the protection of IPRs, to enhance the effectiveness and quality of the court decisions, and to ensure uniformity in judicial practice.

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II. COURTS OF GENERAL JURISDICTION AND ARBITRATION COURTS

5. In the Russian Federation IPR infringements are addressed by federal courts of general jurisdiction and arbitrations courts as set out in Table 1. Civil disputes that involve individuals, legal entities and the State, as well as administrative and criminal cases that relate to the protection of IPRs, are examined by the courts of general jurisdiction. Economic disputes and cases that relate to business and other economic activity involving legal entities or individuals engaged in business activity not as legal entities but as sole traders, are examined by arbitration courts. Participants in legal relationships that concern the use of IPRs actively exercise their right to judicial protection, as they trust the effectiveness of such protection.

6. As a general rule, cases involving the protection of IPRs are examined in the first instance by district courts and arbitration courts of the constituent entities of the Russian Federation. These cases may be allocated to specific judges with relevant practical experience or specialized judicial panels. The legality of court decisions that have not yet entered into force are reviewed by supreme courts of republics and equivalent courts, and arbitration courts of appeal, respectively. The legality of court decisions that have entered into force are reviewed on appeal by the supreme courts of republics and equivalent courts, and by district arbitration courts and the Supreme Court of the Russian Federation. The Supreme Court of the Russian Federation reviews the judgments of all courts as part of the supervisory process.

7. *Statistics*: In 2015, the courts of general jurisdiction examined 798 civil cases involving IP, while the arbitration courts examined 10,974 cases. In total, 7,920 claims were upheld (see Table 2).

III. COURT OF INTELLECTUAL PROPERTY RIGHTS

8. Federal Constitutional Law No. 4-FKZ of December 6, 2011, established the Court of Intellectual Property Rights in the Russian Federation, which commenced operations on July 3, 2013. The Court of Intellectual Property Rights is a specialized court in the arbitration court system. Specialized courts incorporate a combination of judicial and administrative processes for examining cases, which enable IP cases to be resolved more effectively.

9. In establishing the Court of Intellectual Property Rights in the Russian Federation, trends in the judicial examination of IPR disputes were taken into account, as well as varying international experience, including that of countries where specialized courts were established, or were in the process of being established.

10. The purpose of establishing the Court of Intellectual Property Rights was to form an effective IPR protection system in accordance with international standards, to ensure uniformity of judicial practice in the field of IPR protection, to allow for professional and qualitative examination of disputes from a legal standpoint, to take into account the specifics of the IPRs subject to protection, and to enhance investment in the Russian economy.

11. The Court of Intellectual Property Rights acts as a court of first instance and a court of appeal. One of the distinguishing features of the Court is that cases brought in the first instance are examined not by a single judge, but by a panel of three professional judges. In its role as a court of appeal, cases are examined by: a panel of three judges when reviewing judicial acts carried out by arbitration courts of the constituent entities of the Russian Federation and courts of appeal; and by a committee comprising the Court chair, his deputies, chairs of judicial panels and judge-rapporteur when reviewing judicial acts adopted by the Court of Intellectual Property Rights at the first instance.

12. In accordance with Article 34 of the Code of Arbitration Procedure of the Russian Federation, the Court of Intellectual Property Rights, in its role as a court of first instance, examines cases relating to the legality of granting or refusal to grant IPRs and cases regarding patents, utility models, and industrial designs. These cases involve a review of the legal right but also an assessment of related technical and natural science issues. A large number of specific issues in the field of natural and technical sciences arise in these cases. Knowledge in the relevant areas is required in order to verify the accuracy of the analysis by the Federal Service for Intellectual Property (ROSPATENT) of the claims of a technical product or process in terms of satisfying the conditions of patentability, i.e. novelty, inventive step, and industrial applicability, and to compare the claims' features with contrasting scientific sources. Any organization, sole trader or individual may resort to the Court of Intellectual Property Rights of first instance to resolve a dispute.

13. A modern economy cannot develop without taking into account scientific and technical achievements. At the same time, new scientific developments contribute to the improvement in the quality of analysis of new products by ROSPATENT, and in the ability of the courts to monitor decisions by ROSPATENT. Issues that arise and that are analyzed by the Court come from a variety of areas, including pharmaceuticals, mechanical and electrical engineering, chemistry, the food industry and nuclear energy.

14. At a legislative level, mechanisms have been implemented in the organizational process at the Court of Intellectual Property Rights to ensure that specialist knowledge is readily obtained and used. Specialist judges, with extensive professional experience in examining technical cases, deal with cases on a priority basis, and a special unit of advisers on natural and technical sciences has been established to perform the function of judges' assistants. Indeed, a particular feature of the Court of Intellectual Property Rights which enables effective resolution of technical cases is the ability to involve specialists in the relevant examination, who answer questions of the Court and those of the parties during proceedings that are concerned with various fields that require specialist knowledge. The Court of Intellectual Property Rights is the only court in the Russian Federation consisting of such specialists. Furthermore, persons with knowledge required by the Court may be invited to participate in a case, and a scientific advisory board is attached to the Court of Intellectual Property Rights.

15. Under the applicable procedural law, the Court of Intellectual Property Rights also has the right to submit requests in order to obtain clarification, advice, or explanation of the professional opinion of scientists, experts, or other persons with theoretical and practical knowledge of the substance of a dispute being resolved. Similarly, the Court of Intellectual Property Rights can prescribe necessary examinations, including a patent evaluation. Such a request may be submitted as part of its examination of a case by the Court, both in its capacity as a court of first instance, and as a court of appeal, at any stage of the court proceedings prior to the judgment being handed down.

16. The Court of Intellectual Property Rights also examines at first instance cases challenging regulations and other legislative acts, decisions and actions of federal executive authorities that relate to IP, and decisions of the Federal Antimonopoly Service in relation to unfair competition in the acquisition of exclusive rights. Judgments that enter into force, on cases that challenge the laws, regulations or acts with regulatory characteristics, are published immediately in journals where the relevant laws, regulations or acts had previously been published.

17. As a court of appeal, the Court of Intellectual Property Rights reviews cases it considered at first instance, as well as cases concerning IPR protection that were examined by arbitration courts of constituent entities of the Russian Federation at first instance and arbitration courts of appeal. This contributes to the balanced, comprehensive and effective settlement of IP disputes.

18. *Statistics* In 2015, the Court of Intellectual Property Rights examined 703 cases as a court of first instance, and as a court of appeal, 1,451 cassation appeals were considered, with claims upheld in 251 cases.

IV. THE MOSCOW CITY COURT

19. Since August 1, 2013, jurisdiction for civil cases involving protection of exclusive rights in films, including cinema films and television films, on media and telecommunications networks, including the Internet, and for which provisional measures in accordance with the Code of Civil Procedure have been adopted, fall under the Moscow City Court (court of general jurisdiction). The Moscow City Court examines these cases as a court of first instance, appeal, and cassation.[1]

20. A Federal Law of November 24, 2014, extended the list of subject matter in which exclusive rights on media and telecommunications networks may be protected, by filing an application for provisional measures and filing a claim as required, resulting in the Court's order of such measures. The list includes all subject matter of copyright and related rights, with the exception of photographic works and works created by processes similar to photography.

21. An opportunity was thereby created for right holders wishing to curtail the infringement of their rights on media and telecommunications networks, to apply for provisional measures at the Moscow City Court, prior to filing the appropriate full claim for IP infringement.

22. The procedure that was introduced has resulted in improved access to justice, and at the same time, it has effectively put a stop in a timely manner to infringements that were previously occurring, and thus allows heightened protection of IPRs.

23. As infringing content is removed when provisional measures are granted, it may not be necessary for the concerned party to file a claim. Access to infringing content that is the subject of a court order is typically removed immediately, either by the owner of the infringing content or, in the case of inaction by the owner of the content, by the hosting service provider.

24. Conferring these powers on the Moscow City Court has simultaneously allowed for the provisional protection of exclusive rights in relation to an unlimited number of objects of exclusive rights on several websites, and has simplified the procedure for proving the use of protected subject matter on the Internet.

25. With respect to the provisional protection of copyright and related rights on the Internet, the Court has the power to issue a ruling in which a period not exceeding 15 days from the date of determination is established for filing the requisite claim. The Court can then adopt measures to safeguard the applicant's tangible interests.

26. Rulings by the Moscow City Court are published on the official Court website no later than the day after the ruling has been issued. Where the Court approves an application for provisional measures, the ruling and orders granted are sent to the Federal Service for Supervision in the Sphere of Telecommunications, Information Technologies and Mass Communications (Roskomnadzor), compelling the defendant and other persons to perform the actions ordered by the court, in relation to disputes concerning infringement of exclusive rights on media and telecommunications networks, including the Internet. In most cases, provisional

[1] For further information, see "Enforcement of Rights to Audiovisual Works under Federal Act No. 187-Fz of 2 July 2013 on Amendments to a Number of Legislative Acts of The Russian Federation on the Enforcement of Intellectual Rights on Information and Telecommunications Networks, and other Measures Taken in The Russian Federation to Combat Piracy and Copyright Infringement on the Internet", WIPO/ACE/9/23.

measures are used to prevent technical conditions that facilitate the posting, distribution or other uses of protected subject matter.

27. The activities of the Moscow City Court in relation to provisional measures are widely covered in the media. This has enhanced the legal culture of the Russian society and served as a warning to potential infringers.

28. *2015 Statistics*: From August 1, 2013, to April 18, 2016, inclusive, the Moscow City Court registered 1,106 documents: for 785 applications, judges issued rulings upholding claims to adopt provisional measures, while 319 applications were denied. The Moscow City Court examined a total of 387 civil IP cases: in 300 civil cases, claims were upheld in full, in 79 civil cases claims were partially upheld, in two civil cases proceedings were terminated, while in six civil cases, the claims were denied.

V. THE SUPREME COURT OF THE RUSSIAN FEDERATION

29. From August 5, 2014, the activity of lower courts are supervised by the Supreme Court of the Russian Federation, established in accordance with Russian Federation Act No. 2-FKZ on Amendment to the Constitution of the Russian Federation of February 5, 2014, on the Supreme Court of the Russian Federation and the Prosecutor's Office of the Russian Federation. Previously, these functions were assigned to the Supreme Court of the Russian Federation and the Supreme Arbitration Court of the Russian Federation.

30. The Supreme Court of the Russian Federation is the highest judicial authority in civil matters, resolution of economic disputes, criminal, administrative and other matters relating *inter alia* to IP protection. The Supreme Court undertakes judicial supervision of the activity of judicial courts established in accordance with federal constitutional law and clarifies issues of judicial practice.

31. The top priority of the Supreme Court of the Russian Federation is to ensure that there is uniformity and stability of judicial practice across disputes, including disputes concerning IPR protection. The Supreme Court achieves this through close collaboration with government agencies and public organizations working in this field, and cooperation with the scientific community. It is the Supreme Court of the Russian Federation that formulates uniform legal positions for all courts in the application of current IP legislation.

32. Resolutions of the Plenum of the Supreme Court of the Russian Federation are adopted based on analysis of judicial practice by the Supreme Court of the Russian Federation and responses to various questions, including those on judicial practice relating to matters of IPRs protection, are published in the gazettes and reviews of the Supreme Court of the Russian Federation, and are used by various law enforcement authorities. Clarifications by the Supreme Court of the Russian Federation on matters of law enforcement in accordance with the Constitution of the Russian Federation are binding on lower courts.

TABLE 1

Courts of the Russian Federation
Whose Jurisdiction Includes Examination of IPR Cases

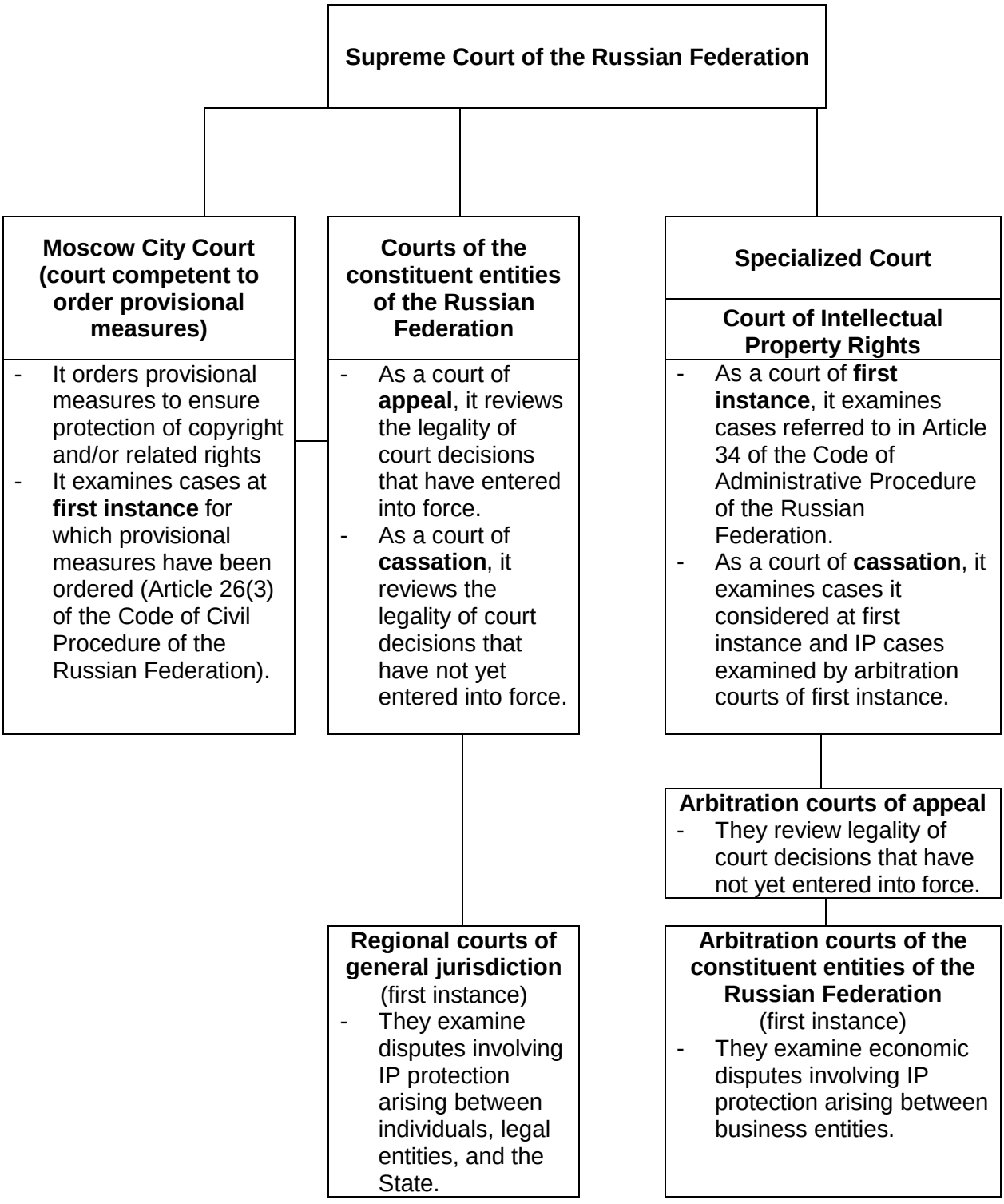
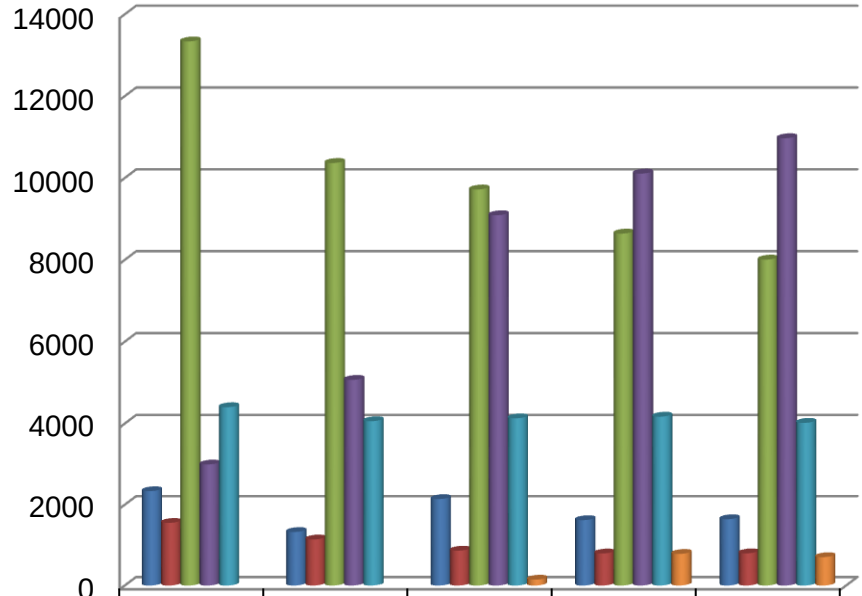


TABLE 2

Number of IPR Cases Examined by Courts of the Russian Federation



	2011	2012	2013	2014	2015
Number of persons convicted according to main qualification	2336	1326	2141	1619	1642
Examined by civil courts of general jurisdiction	1551	1141	863	794	798
Examined by administrative courts of general jurisdiction	13338	10369	9721	8643	8007
Examined by arbitration courts for economic disputes	2996	5069	9091	10109	10974
Examined by arbitration courts for administrative offences	4401	4059	4130	4169	4019
Examined by Court of Intellectual Property Rights			146	783	703

A SOUTH AFRICAN EXPERIENCE

Contribution prepared by Justice Louis Harms, Former Deputy President of the Supreme Court of Appeal of South Africa, Extraordinary Professor at the University of Pretoria, South Africa, Honorary Bencher of the Middle Temple, London, United Kingdom of Great Britain and Northern Ireland[*]

ABSTRACT

The paper discusses the court structures in South Africa with respect to the enforcement of intellectual property rights (IPRs) and indicates that in general specialist courts are not used. It argues that the South African experience shows that in a country such as South Africa, specialist courts cannot be justified and that the judiciary in general is capable of enforcing IPRs in a balanced and effective manner.

I. INTRODUCTION

1. The title of this session asks for a response to the question of whether the enforcement of intellectual property rights (IPRs) requires specialist IP courts to resolve IP disputes in a balanced, holistic and effective manner.[1] The context is Article 41.5 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which provides that TRIPS does not create any obligation on member states to put in place a judicial system for the enforcement of IPRs distinct from that for the enforcement of law in general or with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general. As is often the case, we think in generalities but we live in detail (Alfred North Whitehead), and the devil is in the detail. For the sake of clarity, it is necessary to bear certain distinctions in mind.

2. We are not concerned with tribunals, usually administrative, such as patent or trademark registration offices – which deal with the grant of IPRs, but with those tribunals that enforce existing IP rights. Enforcement tribunals are by their very nature "judicial".

3. South Africa is a developing country with certain unique African cultural values. Like most Anglophone countries, South Africa's procedural law, civil and criminal, is in general terms based on English common law principles. What follows will, accordingly, not deal with what is perceived to be good or best practices for developed countries, countries with different circumstances, or countries with a civil-law tradition.

4. As is widely the case, South Africa draws a clear distinction between civil and criminal enforcement. This is not only true in respect of court structures, but also procedures and underlying principles relevant to enforcement, such as the burden of proof.

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[1] This paper is based on and quotes from an earlier paper in Study on Specialized Intellectual Property Courts by Louis Harms and Owen Dean, "Case Study of South Africa's Specialized IPR Courts Regime" available at http://iipi.org/wp-content/uploads/2012/05/Study-on-Specialized-IPR-Courts.pdf (accessed on May 2, 2016). Some of the views have changed and the paper was used with the kind consent of Professor Dean.

5. South Africa does not have a formal policy on enforcement structures and its approach can be deduced from existing structures. It is nevertheless clear that South Africa does not regard IPRs as something superior to other forms of legal rights. There is no constitutional right to an IPR. IPRs are on the same level as other rights and their enforcement is dealt with in a similar manner.

6. South Africa is not a federal state but a unitary one, having some federal elements, none of which pertains to the present discussion. Each province has its own high court but the appellate jurisdiction is national. Lower magistrates' and regional courts exist for districts.

7. Criminal enforcement of counterfeiting and copyright piracy is dealt with by lower courts, and, where available, the commercial divisions of those courts. Prosecutions in the high court are theoretically possible, but typically unheard of. Patent and design infringements are not criminalized.

8. Civil enforcement is generally done through the high courts. For trademark infringement, the high court has exclusive jurisdiction, and for copyright infringement, while, depending on the amount in dispute, magistrates' courts have jurisdiction, these matters are invariably dealt with by the high court.

9. However, the Court of the Commissioner of Patents has exclusive jurisdiction for the enforcement of patents and registered designs. It is not a permanent court and cases are allocated to a high court judge who sits *pro tem* as Commissioner of Patents. The intention of the legislation is that judges with IP experience or some technical background should be nominated for these cases. Apart from this, this court is for all intents and purposes the high court. The jurisdiction of the Commissioner (whose court is in one city, Pretoria) covers the country as a whole.

10. IPR litigation is dealt with by a generalist judiciary. Most members of the judiciary have had limited IPR training at university level; no previous practical experience of IPR litigation; do not have any technical background; and do not have clerks (and if they have, these are not IPR specialists or generalists).

11. South Africa in this regard does not differ from even the developed countries with a common-law base.

12. Ultimate courts of appeal in South Africa and elsewhere are generalist courts – and their jurisprudence on IP matters is admirable. In addition, they tend to have more regard for the rights of the public than lower courts do.

II. DOES IP ENFORCEMENT REQUIRE A SINGLE DEDICATED COURT STRUCTURE?

13. Intellectual Property Law (IPL) is not a unified discipline. It is very much like Transport Law: there is no commonality between maritime, air and road traffic law. The same applies to IPL – and its enforcement. This misapprehension leads to the assumption that enforcement of patent, trademarks, copyright and design should be dealt with in the same manner and through the same structures. The establishment of specialized IP courts is usually justified on the ground of the complex nature of IPR infringements, particularly patent infringements.

14. A Law Reform Commission in South Africa (the Hoexter Commission)[2] considered the creation of such courts but decided that they were not justified. Its view, pithily expressed, was that the subtleties of IP law can be mastered by ordinary mortals; that the complexity of patent law resides not in grasping its principles but in arriving at the substratum of facts to which they have to be applied; and that specialization may lead to tunnel vision.

15. The problem with patent litigation (not Patent Law) is that it covers the whole spectrum of applied science and technology. Micro-biology and nanotechnology are distinct fields. What this means in the real world is that there is no court that can be qualified a priori to deal with all fields of science and technology.

16. Trademark and copyright cases are rarely "technical". (The exceptions would generally relate to computer programs, musical works and technical drawings.) Sometimes common sense may be more important than expertise.

17. Counterfeit cases are "*legally* very simple: they do not involve serious disputes over the boundaries of the trademark owner's rights. In mimicking the goods and the trademarks, the conduct of counterfeiters clearly falls within the ambit of conduct that a trademark owner is entitled to prevent".[3] The same could be said about copyright piracy.

18. This does not mean that reasonable persons (and reasonable courts) could not differ. And it also does not mean that difficult jurisdictional and private international law issues relating to cross-border and digital infringement cannot arise but these are similar to other cross-border matters such as money laundering and smuggling.

III. PRACTICAL ASPECTS

19. Specialist IP courts in a developing world context, such as South Africa, are not affordable or feasible. There usually is a general lack of resources (human, financial and structural), a low IP case load and little IP expertise. A centralized IP court makes access to justice illusory. There may be apolitical or public aversion against centralized courts, and circuit IPR courts are not practicable.

20. There is also the issue of priorities. IPR, understandably, does not appear to be a special priority in certain countries; less so, special courts for IPR.

21. As to criminal enforcement, regard must be had to the general level of criminality, the relative seriousness of the different crimes, policing resources and policing priorities.

22. Although IP lawyers do not have a monopoly on IP litigation in South Africa, the degree of IP specialization is high and the IP bar experienced. Good argument gives rise to good judgments also by those with limited IP background. General trial lawyers who in ordinary practice conduct technical cases (building contracts, professional negligence *etc*.) and have to deal with experts of all kind can be effective in conducting IP trials since they are experts in court tactics and in examining witnesses.

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[2] "Commission of Inquiry into the Rationalisation of the Provincial and Local Divisions of the Supreme Court", Third and Final Report RP 200/1997.

[3] Jason Bosland, Kimberlee Weatherall and Paul Jensen "Trademark and counterfeit litigation in Australia" at: http://www.austlii.edu.au/au/journals/UMelbLRS/2006/3.html, quoted with approval in *Cadac (Pty) Ltd v Weber-Stephen Products Company and Others* (530/09) [2010] ZASCA 105 at [6] - http://www.saflii.org/za/cases/ZASCA/2010/105.html.

23. What would be useful is if IP cases in the general court system are diverted to judges with some exposure to the subject. There is an unexpressed general acceptance by heads of court in South Africa of this premise. Such judges ought to be able to control the litigation and to steer practitioners and litigants in more or less the right direction. Cases before experienced IP judges ought to be shorter and cheaper than those run by novices.

24. It must be remembered that a generalist judiciary has to deal with many technical matters. In addition, as Professor David Vaver says[4]:

> "The benefits of specialization should not, however, be overstated. Specialists can become blinkered and lose touch with the way their specialty interacts with the general law. IP laws are not islands unto themselves. A generalist judge may more likely bring "new ideas [to] percolate and grow" on their expanse, for she does not carry the baggage of the specialism's shared views. Such a judge may of course become the bane and despair of specialists (…)."

25. Judicial training is important to fill any lacuna and the Companies and Intellectual Property Commission offers (often in conjunction with WIPO) on a regular basis training courses on especially counterfeiting and piracy for the lower judiciary; and the Office of the Chief Justice provides more general IPR training for the higher judiciary.

IV. CONCLUSION

26. As Jennifer Widner said[5], there are as many reasons for exercising caution in creating specialized courts as there are for enthusiasm. Specialized courts on their own may have no therapeutic value, not unlike placebos, because effective IP enforcement requires more: building respect for IPRs, recognizing the rights of the public, proper law enforcement at all levels, and more.

27. There is also the danger of "disjunctions" and discrepancies: a special area may develop in isolation, ignoring or being unaware of the greater legal and social landscape. As pointed out elsewhere, "sound decision making results from exposure to a wide range of problems and issues" and "adjudicative bodies with limited subject matter jurisdiction may lack this generalist perspective".[6]

28. The present South African structure has served us well and we have not yet found any real justification to move to specialist enforcement structures. This does not mean that as circumstances change a rethink may not be appropriate.

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[4] "The Intellectual Property Opinions of Mr. Justice Rothstein", to be published in the *Intellectual Property Journal (IPJ)* Ontario, Canada (the full reference is not yet available).

[5] J. Widner, "Building Judicial Independence in Common Law Africa", in Andreas Schedler (ed.), *The Self-restraining State: Power and Accountability in New Democracies* (Lynne Rienner Publishers, 1999).

[6] Recommendations of the Administrative Conference of the USA, at: http://archive.law.fsu.edu/library/admin/acus/305919.html (accessed 26 May 2016).

THE EXPERIENCE OF THE THAI CENTRAL INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE COURT

*Contribution prepared by Dr. Thammanoon Phitayaporn, Deputy Chief Judge, the Central Intellectual Property and International Trade Court, Bangkok, Thailand**

ABSTRACT

The Central Intellectual Property and International Trade Court (CIPITC) of Thailand opened on December 1, 1997, as a special court designed to consider a broad spectrum of intellectual property (IP) and international trade issues. The CIPITC is a trial court that considers both civil and criminal cases, and employs mechanisms to resolve IP disputes in a balanced, holistic, and effective manner. These include specialization of the court, judges, and associate judges; use of expert witnesses; specifically adapted rules of procedure; use of technological tools to increase efficiency; and enhanced knowledge management.

I. INTRODUCTION

1. The Central Intellectual Property and International Trade Court (CIPITC) of Thailand opened on December 1, 1997. Prior to its opening, intellectual property (IP) and international trade disputes fell under the jurisdiction of general courts. The CIPITC was set up as a special court designed to consider a broad spectrum of IP and international trade issues, including copyright, trademark, patent, integrated circuit design, geographical indication, and trade secret, as well as international sale and carriage, letters of credit, trust receipt, arbitration, dumping concerns, subsidies and other aspects of international trade. The CIPITC's mandate[1] is to address "intellectual property and international trade laws that have characteristics uniquely different from criminal and civil cases in general". The legislation further provides: "…to be considered by a judge having knowledge and understanding of intellectual property and international trade matters, with an outside party having expertise in these matters working together with the court to consider and correctly adjudicate for expeditious, effective, and appropriate ruling, it is appropriate to establish the intellectual property and international trade court in particular, equipped with specialized methods, in order to achieve increased efficiency, timeliness and fairness".

2. The CIPITC is a trial court that considers both civil and criminal cases. It is located in Bangkok and has jurisdiction throughout Thailand. The CIPITC judicial panel consists of two judges and one associate judge.[2] Decisions made by the CIPITC can be appealed to the Supreme Court.[3] Rulings of the Supreme Court are final.

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* The views expressed in this document are those of the author and not necessarily those of the Secretariat or of the Member States of WIPO.

1 Note of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

2 Section 19 of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

3 Once operational, the Appellate Court of the CIPITC will become the Specialized Court of Appeal. If an appeal against a decision of the Specialized Court of Appeal is allowed on petition, it is elevated to the Supreme Court. The Specialized Court of Appeal is expected to open in 2016.

II. MECHANISMS TO RESOLVE INTELLECTUAL PROPERTY DISPUTES IN A BALANCED, HOLISTIC, AND EFFECTIVE MANNER

3. Some of the major mechanisms used to resolve IP disputes in a balanced, holistic, and effective manner are discussed below[4].

A. SPECIALIZATION OF THE CIPITC

4. The establishment of the CIPITC as a specialized court for IP cases provides for more uniformity than when decisions were made by general courts in various jurisdictions.

B. SPECIALIZATION OF JUDGES

5. The appointment of a judge to the CIPITC is based on expertise in IP law. Judges with primary responsibility to the CIPITC, not having other trial work, such as in general courts, are able to develop expertise. This contributes to the quality and timeliness of the court's decisions in a way not possible prior to the establishment of the CIPITC, when judges were required to serve in a diverse range of court assignments. The Judicial Commission provides for a limit of no more than seven years as the term of CIPITC judges.

C. SPECIALIZATION OF ASSOCIATE JUDGES

6. Part 2 of CIPITC's enabling legislation allows for the selection of a qualified expert member, with IP expertise, to serve as associate judge working together with assigned judges to decide cases for the court.[5] In practice, the selection of an expert member is based on specific knowledge and technical expertise. Examples include: engineers to decide matters related to invention patent claims, pharmacists or others knowledgeable about drugs to decide matters relating to medicinal patents, or those with expertise in computer programming to decide matters relating to copyright in computer software. The knowledge and unique expertise of associate judges helps to fill gaps in the expertise of CIPITC judges in particular fields. This approach helps to increase the quality and speed of trial deliberation.

7. Associate judges serve on five-year terms which can be renewed following re-application and acceptance.[6]

D. EXPERT WITNESSES

8. The CIPITC may wish to call in an expert witness to provide comments for the court's consideration. The court's actions in this regard will not prevent the parties from asking permission to the court to bring in witnesses to offer expert testimony for the parties[7]. The use of expert witness offers another type of mitigation in the event of a case that requires specialized expertise.

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[4] This part will discuss only the matter of IP, not including international trade.

[5] Section 15(4) of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

[6] Section 15 of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

[7] Section 31 of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

E. PROCEDURAL LAW AND COURT RULE FOR THE CIPITC

9. The method of trial deliberation used by the CIPITC is prescribed in the legislation.[8] On approval of the President of the Supreme Court, the law gives authority to the CIPITC Chief Justice to institute a Court Rule[9] relating to proceedings and hearings, instituting standard measures for deliberation of IP cases. Several of the measures prescribed by the legislation are outlined below.

10. *Interim Orders prior to Lawsuits:* The CIPITC is authorized to issue injunctive relief before filing, in cases where the defendant may not be in a position to provide restitution or where it may be difficult to enforce the rights at a later stage.[10] Under these circumstances, the party petitioning for injunctive relief must initiate legal proceedings within 15 days of the court order, or within a period specified by the court.[11]

11. *Orders to Internet Service Providers (ISPs) for Blocking Access to Materials Protected by the Copyright Law:* Under the copyright legislation, the CIPITC can issue injunctive orders for ISP action to block user access to internet content, if there is credible evidence that an infringement has occurred and that the infringement may have caused damage.[12] The court may also order the copyright owner to provide a security deposit. A lawsuit must be filed within the period specified by the court. A failure to do so will result in the injunction blocking access will expire at the end of the specified period.

12. *Orders for Taking Evidence prior to Lawsuits:* The CIPITC can issue orders to take in and log evidence prior to litigation in circumstances where the evidence is at risk of being lost or may be difficult to obtain at a later point in time.[13] This authority includes the power to order the seizure or to impound documents and objects to be used as evidence.

13. *Delivery of Copy of Complaint and Summons by International Express Mail:* Where the defendant is abroad and there is no international agreement between Thailand and the country where the defendant is domiciled, courts in general, including the CIPITC, are authorized to order that copies of the complaints and summons be delivered via international express mail.[14]

F. TECHNOLOGY

14. The CIPITC uses a number of technological tools to increase the efficiency of case adjudication. Some of the key measures are outlined below.

15. *Video Conferencing:* The court may hear witness testimony by means of video conferencing, for witnesses located in another province or country.[15]

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8 The Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996).

9 The Rule of the CIPITC B.E. 2540 (1997).

10 Sections 12-19 of the Rule of the CIPITC B.E. 2540 (1997).

11 Section 17 of the Rule of the CIPITC B.E. 2540 (1997).

12 Sections 32 and 33 of the Copyright Act B.E. 2537 (1994) (the Revised Copyright Act B.E. 2558 (2015)).

13 Section 28 and 29 of the Act for Establishment of the Intellectual Property and International Trade Court B.E. 2539 (1996) and sections 20-22 of the Rule of the CIPITC B.E. 2540 (1997).

14 Sections 9 and 11 of the Civil Procedure Act (No.28) B.E. 2558 (2015) and Rule issued by the President of the Supreme Court for sending summons and complaint to defendants at the domicile or place of work of the defendant outside the Kingdom B.E. 2558 (2015); Regulation of the CIPITC on this matter has been drafted and is expected to be issued in 2016.

15 Section 32 of the Rule of the CIPITC B.E. 2540 (1997).

16. *Digital Testimony Recording System:* Thai courts generally use a system of recording where witness testimony given under direction of a judge is captured by written documentation, read back to the witness and litigant parties to affirm validity. The CIPITC is one of a number of pilot courts that are testing a system for the digital recording of oral testimony. The digital testimony recording system records an audio file of the original testimony. Judges using the system may elect to print some or all parts of the testimony and use this as written record.

17. *E-filing:* The CIPITC has an e-filing system for use by litigants intending to file pleadings and other documents to the court. The parties can register with the CIPITC to deliver litigant pleadings[16] and various other documents to by e-mail. This system is currently used by litigant parties on a voluntary basis only.

G. KNOWLEDGE MANAGEMENT

18. Knowledge Management is very important for the CIPITC in the development of standard practices for adjudication. The CIPITC has introduced the following measures.

19. *Training Programs:* The CIPITC has established training programs and seminars. These training programs and seminars often include national and foreign speakers, and representatives of international organizations such as WIPO and the United Nations Commission on International Trade Law (UNCITRAL).

20. *Reading Materials:* The CIPITC has a library collection of textbooks, articles and documents related to IP are beneficial to case adjudication by the court. The CIPITC court personnel are also able to use the internet to search for additional information and databases, for example, Lexis searches.

21. *Benchbooks:* The CIPITC has prepared Benchbooks for use by judges and associate judges to assist them to build uniform work practices.

22. *Coordination with Other Agencies:* The CIPITC engages in an ongoing, essential process of coordination and consultation with police, prosecutors, attorneys, Department of Probation, and other law enforcement authorities in case adjudication.

23. *Best Practices:* The level of knowledge and experience that each personnel has is different. The CIPITC has therefore developed programs and procedures for transferring knowledge and experience, including work meetings, and the establishment of guidance and protocols to improve access to case data. For example, judges with extensive experience in adjudicating case work have a deep knowledge of legal practice and are able to easily identify the key points of a case. The effective transfer of this knowledge to other CIPITC personnel will result in a higher standard of work and increased efficiency. Knowledge transfer can be used with associate judges, law clerks, and court officials.

24. In addition to knowledge transfer within the CIPITC, the commission of studies on international agreements and foreign court experiences has been beneficial to the development of the court's work in adjudication. Examples include a study into the background and purpose in negotiating international agreements related to IP, and a study looking at rulings of foreign courts on IP matters.

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[16] This does not include plaintiffs' complaints.

H. NUMBER OF CASES[17]

25. In 2015, there were 5,105 IP cases (309 civil and 4,796 criminal cases) and 529 international trade cases.

I. NUMBER OF JUDGES AND ASSOCIATE JUDGES

26. As of June 22, 2016, there are 19 judges[18] and 157 associate judges.

[17] These cases do not include small claim cases.
[18] This number does not include one Chief Judge, two Deputy Chief Judges and one Secretary of the CIPITC.

THE SPECIALIST IP COURTS IN ENGLAND AND WALES: THE INTELLECTUAL PROPERTY ENTERPRISE COURT

Contribution prepared by Ms. Elizabeth Jones, Copyright and IP Enforcement Directorate, Intellectual Property Office, and His Honour Judge Hacon, Presiding Judge, Intellectual Property Enterprise Court, Chancery Division, High Court of Justice of England and Wales, United Kingdom [*]

ABSTRACT

The costs of intellectual property (IP) litigation within the United Kingdom (UK) legal system were deemed to be prohibitively high, particularly for small and medium-sized enterprises (SMEs). To help reduce these costs a number of reforms have been undertaken to the specialist IP court (the Intellectual Property Enterprise Court (IPEC)) since 2010, introducing: a fixed scale of recoverable costs capped at £50,000, to provide more certainty for businesses entering litigation; a cap on damages of £500,000, to make it easier to identify what cases should most likely be heard in the IPEC; a time-cap of one or two hearing days on cases, to reduce the cost and complexity of cases; and proactive case management to ensure only relevant evidence is heard, and its usefulness to the case justifies the cost of producing it – there is no standard disclosure. An evaluation published in 2015 found that these reforms have delivered an improvement in access to justice for litigants.

I. THE JUDICIAL SYSTEM IN ENGLAND AND WALES

1. The judicial system in England and Wales is based on the principles of common law. In a common law system judicial precedents are binding where there has been no major codification of the law.

2. The law is developed by judges in court, who apply statute, precedent and common sense to the facts presented to them. When delivering judgment, judges explain the reasons behind their decision. These reasons form the legal principle behind a binding precedent. Once a point of law has been decided in one case, it must be applied in all future cases containing the same material facts. A court must follow the precedents from a higher court, or, generally, a court of the same level, but they are not bound to follow decisions from courts lower in the hierarchy.

3. Some or all of the legal costs within England and Wales are normally paid for by the losing side. Virtually all English civil litigation damages are compensatory, not punitive.

4. In England and Wales[1] civil intellectual property (IP) cases are heard in one of two courts, the High Court and the Intellectual Property Enterprise Court (previously known as the Patents County Court). There is no specialised IP criminal court in the UK, instead criminal IP cases (including counterfeiting and piracy) are heard in the general criminal courts. The High Court is one of the senior courts in England and Wales and deals with all high value and high importance cases. The Chancery Division is responsible for IP cases, and several specialist

[*] The views expressed in this document are those of the authors and not necessarily those of the Secretariat or of the Member States of WIPO.

[1] Scotland and Northern Ireland have separate legal systems.

Justices are available. The Patents Court in the Chancery Division is a specialist court that deals with patent and registered design cases. The Intellectual Property Enterprise Court (IPEC) is a specialist IP court designed for smaller value IP cases.[2]

A. APPEALS

5. Appeals from the High Court and the IPEC are heard by the Court of Appeal, if permission is granted to appeal by these courts, or by the Court of Appeal itself. A senior Justice specialising in IP is available to sit in the Court of Appeal. Decisions from the Court of Appeal can be appealed to the Supreme Court, if this is allowed by the Court of Appeal. The Supreme Court is the court of last resort and the highest appellate court in the United Kingdom (UK) (including England and Wales). The Supreme Court assumed the judicial functions of the House of Lords in October 2009, and 12 Justices are permanently appointed to sit on cases that go to the court. Traditionally only five Justices will hear a case, although cases can sometimes be heard by more or fewer Justices. The Supreme Court's focus is on cases that raise points of law of general public importance.

6. The Court of Justice of the European Union (CJEU) acts only as a supreme court for the interpretation of European Union law. Consequently there is no right to appeal at any stage in UK court proceedings to the CJEU. However, any court in the UK may refer a particular point of law relating to European Union law to the CJEU for determination. Once the CJEU has given its interpretation, the case is referred back to the national court. The decision to refer a question to the CJEU can be made by the court of its own initiative, or at the request of any of the parties before it.

II. THE PATENTS COUNTY COURT

7. The Patents County Court (PCC) was first proposed in the *1987 Oulton Committee's Report*[3], which examined patent litigation. It was set up in 1990, having been enacted in the Copyright, Designs and Patents Act 1988[4]. The PCC was intended to help SMEs in particular, by reducing the high costs involved with IP litigation at the High Court Patents Court. However, it never fully operated as intended, as the procedures, costs and the value of cases which could be heard in the PCC were largely the same as those in the High Court.

III. REVIEW OF CIVIL LITIGATION COSTS

8. In late 2008 Lord Justice Jackson was commissioned to undertake a review of the rules and principles governing the costs of civil litigation in England and Wales. The review was established on the basis that the costs of civil litigation in the UK were too high.

9. In his independent and comprehensive *Review of Civil Litigation Costs*[5] (the *Jackson Review*) Lord Justice Jackson made a broad range of recommendations to promote access to justice at a proportionate cost. Of the 109 recommendations, six related to IP disputes,

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[2] Where the value of the claim is worth up to £500,000. Higher value cases will be heard in the High Court.

[3] *Patent Litigation: The Report of a Committee, November 1987* by Sir Derek Oulton, Permanent Secretary to the Lord Chancellor.

[4] Copyright, Designs and Patents Act 1988, http://www.legislation.gov.uk/ukpga/1988/48/contents.

[5] *Review of Civil Litigation Costs: Final Report*, https://www.judiciary.gov.uk/wp-content/uploads/JCO/Documents/Reports/jackson-final-report-140110.pdf.

including an endorsement of the proposals put forward by the Intellectual Property Court Users' Committee (IPCUC) for reform of the PCC. These proposals included:

– Streamlining court procedures;
– Introducing a capped fixed scale of recoverable costs; and
– Placing a limit on the value of claims to be heard in the court.

10. These proposals were accepted by the UK Government, and a number of changes to the PCC were gradually introduced between 2010 and 2013.

11. Around the same time a separate review (the *Hargreaves Review*), led by Professor Ian Hargreaves, was taking place. Commissioned by the Prime Minister in November 2010, the review was to evaluate whether the current IP framework was sufficiently well designed to promote innovation and growth in the UK economy. The final report *Digital Opportunity a Review of Intellectual Property and Growth*[6] was published in May 2011. This recommended the introduction of a small claims track for low value IP claims that would help those claimants who were more concerned with discouraging future infringement than with the monetary value of the present claim.

IV. PATENT COUNTY COURT REFORMS 2010-2013

A. PROCEDURAL CHANGES AND COST CAP

12. On October 1, 2010, a number of changes to the Civil Procedure Rules[7] came into effect. These changed the procedures of the court and the costs regime, introducing:

– active case management (ACM)[8];
– new rules on the process and timings of filing claims, defence, counterclaims etc.;
– a maximum duration of two days for the main hearing; and
– the introduction of a recoverable costs scale with a total cap of £50,000.

13. These changes more clearly differentiated the PCC from the High Court (where costs at that time were estimated to be a minimum of £250,000), and would bring more certainty to litigants as to their potential exposure to costs.

B. LIMIT ON VALUE OF CLAIMS

14. In June 2011, a limit on the value of claims heard in the PCC was introduced. This was done to again further differentiate the PCC from the High Court, and to ensure from the outset that lower value IP litigation falls within the jurisdiction of the PCC. It also reduced uncertainty for court users as to the appropriate court and avoids the need for potentially protracted and costly transfer considerations. Following a thorough consultation process the UK Government concluded that implementing a £500,000 limit would bring more clarity to the litigation process, and would avoid delays and potentially protracted and costly pre-action disputes over the

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6 *Digital Opportunity: A Review of Intellectual Property and Growth* by Ian Hargreaves, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32563/ipreview-finalreport.pdf.

7 https://www.justice.gov.uk/courts/procedure-rules/civil/rules.

8 In ACM the judge is more proactive, for example controlling the use of evidence, by specifying particular issues that the evidence should address. No material may be filed in the case by way of evidence, disclosure or written submissions unless permission is given for it by the judge, generally during the Case Management Conference.

appropriate forum for the case. This would particularly benefit SMEs by helping them to make more informed choices when considering entering into litigation, and thus enabling them to more effectively protect their rights.

C. INTRODUCTION OF SMALL CLAIMS TRACK

15. On October 1, 2012, a small claims track was introduced to the PCC, to speed up the court process and make it cheaper and easier, particularly for small and medium sized enterprises and individuals, to protect their copyright, trade mark and unregistered designs.

16. The small claims track provides a forum with more simplified procedures by which the most straightforward IP claims with a low financial value can be decided:

- without the need for parties to be legally represented;
- without substantial pre-hearing preparation;
- without the formalities of a traditional trial; and
- without the parties putting themselves at risk of anything but very limited costs.

17. If all parties agree, the court may deal with the claim without a hearing at all, by considering the documents in a case and the written arguments of the parties instead.

18. Claims allocated to the small claims track were initially restricted to those with a value of £5,000 or less, raised to £10,000 in April 2013. Cost orders here are highly restricted, to ensure that it is only the most straightforward IP claims that are filed in the small claims track. It is suitable for claims where the remedies being sought are damages for infringement, an account of profits, delivery up or destruction of infringing items and/or a final injunction to prevent infringement in the future.

D. THE INTELLECTUAL PROPERTY ENTERPRISE COURT (IPEC)

19. In October 2013, the Patent County Court was renamed as the Intellectual Property Enterprise Court, and was reconstituted as a specialist list within the Chancery Division of the High Court. As a specialist list in the Chancery Division the IPEC has the same jurisdiction as the High Court, and the complexities relating to the jurisdiction of the PCC, which derived in part from the Copyright, Designs and Patents Act 1988 and from other sources, no longer arise. Although based in London, the IPEC will sit outside London if both parties so desire (for example to save time or costs). All of the legal remedies available in the High Court are available in the IPEC[9], including preliminary and final injunctions, damages, accounts of profits, delivery up and disclosure. Search and seizure (Anton Piller) and asset freezing (Mareva) orders are also available.

20. A person may represent themselves in litigation in the IPEC as a litigant in person. As with the PCC before it, patent and trade mark attorneys and solicitors all have rights to represent clients in IPEC. Detailed guides to the IPEC[10] and the small claims track[11] have been

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[9] Preliminary injunctions, search and seizure (Anton Piller) and asset freezing (Mareva) orders are not available in the small claims track, as it is intended for the most straightforward IP claims with a low financial value.

[10] Intellectual Property Enterprise Court Guide, https://www.gov.uk/government/publications/intellectual-property-enterprise-court-guide.

[11] Intellectual Property Enterprise Court: A Guide to Small Claims, https://www.gov.uk/government/publications/intellectual-property-enterprise-court-a-guide-to-small-claims.

produced to help users understand the court procedures, and how to deal with practical aspects of proceedings before the IPEC.

V. REVIEW OF THE COURT REFORMS

21. In order to assess the effectiveness of the aforementioned reforms, in 2013 the UK Intellectual Property Office commissioned an evaluation report.[12] This analysed both the actual number of cases being heard by the IPEC and the High Court, and the user experience, through interviews with legal practitioners with experience of using IPEC.

22. Of the reforms implemented, the costs cap and active case management were seen as having the biggest impact, and there was a significant increase in case filings by small business claimants following the introduction of the costs cap and the active case management process in October 2010. Capping the costs has helped litigants understand their potential exposure to costs before initiating a claim, and has given confidence to parties undertaking litigation at the court, be they claimants or defendants. Previously the costs of litigation were seen as a barrier to defending a case. With the IPEC judge now taking a more hands-on role at the case management stage, including limiting disclosure, expert evidence and the arguments to be made at trial, active case management has resulted in the litigation process becoming quicker. This is considered beneficial as it has led to speedier trials, where both parties have a clear picture of the issues at stake. By clarifying and limiting claims it is also seen as helping parties to settle before reaching trial (and thus providing costs savings for both sides).

23. The report found that overall the reforms have been successful in increasing access to justice for rights holders, not just for SMEs and individuals, but also for mid-range and large-size companies, and covering all IP rights. The reforms may have encouraged parties to enter into disputes with, and to seek redress from, potential IP infringers, where previously they would have not done so. And whilst there was a large increase in the quantity of cases filed at IPEC following the implementation of the reforms, this was not due to litigants choosing to use IPEC instead of the High Court – in fact both courts saw an increase in cases during this time.

[12] *Evaluation of the Reforms of the Intellectual Property Enterprise Court 2010-2013* by Christian Helmers, Yassine Lefouili and Luke McDonagh, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447710/Evaluation_of_the_Reforms_of_the_Intellectual_Property_Enterprise_Court_2010-2013.pdf.

ADJUDICATING INTELLECTUAL PROPERTY DISPUTES – AN INTERNATIONAL CHAMBER OF COMMERCE (ICC) REPORT ON SPECIALIZED INTELLECTUAL PROPERTY JURISDICTIONS WORLDWIDE

Contribution prepared by the International Chamber of Commerce (ICC)[*]

ABSTRACT

In response to the increasingly important role of intellectual property (IP) for businesses and the resulting growth of IP litigation, a growing number of countries are establishing specialized courts or divisions dedicated to resolving IP cases as these often require specific judicial expertise. This International Chamber of Commerce (ICC) report aims to provide a better understanding of the current landscape of such specialized IP jurisdictions (SIPJs). Based on the contributions of IP litigation experts from 24 countries in different continents, the report provides an overview of the structures and trial procedures of SIPJs in various jurisdictions around the world. Aspects addressed include the rationale for setting up SIPJs, their structure and competence, the composition of tribunals, doctrines and rules of evidence, rules for representation of parties and the execution of judgements.

I. RATIONALE FOR SPECIALIZED INTELLECTUAL PROPERTY JURISDICTIONS

1. With the rapid progress of the global innovative economy, the importance of intellectual property (IP) rights to businesses has grown and the number of IP applications and registrations has been increasing dramatically each year. Concurrently, the increase in filings of IP rights in recent years has also resulted in more disputes related to IP. These developments have not only raised public awareness on the importance of IP enforcement, but have also led to increased reflection concerning the efficiency, impartiality and predictability of court trials for IP disputes.

2. These developments have led some countries to establish, or to consider establishing, specialized IP jurisdictions (SIPJs) for resolving IP-related disputes. Although created in the context of diverse legal, economic, cultural and historical frameworks, SIPJs have often been established in different countries for similar reasons, even if with local nuances. However, the form that SIPJs take and the scope of their competence can vary widely from country to country – this report analyses some of these differences and similarities.

3. Nineteen out of the 24 geographically and economically diverse countries surveyed for this report have SIPJs.[1] SIPJs are usually established in the capital city and/or in the centers of highly industrialized regions and/or in the same city as the national patent and trademark office, where the need for a specialized jurisdiction is naturally high. The survey revealed that one or a

[*] The views expressed in this document are those of the authors and not necessarily those of the Secretariat or of the Member States of WIPO. This report is based on *Adjudicating intellectual property disputes: an ICC report on specialised IP jurisdictions worldwide*, published by the International Chamber of Commerce in April 2016 and available at: http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2016/Adjudicating-Intellectual-Property-Disputes-an-ICC-report-on-specialised-IP-jurisdictions/.

[1] Belgium, Brazil, Chile, China, France, Germany, India, Japan, Mexico, Peru, Portugal, Republic of Korea, Russia, Spain, Sweden, Switzerland, Thailand, the United Kingdom and the United States of America.

small number of specialized courts or divisions usually satisfy the need for judges specialized in IP.

4. Among the primary motivations cited for the establishment of SIPJs was the desire to develop IP expertise in specialized judges, unify court practice with respect to IP cases, improve the consistency of court judgments and the predictability of litigation outcomes and, ultimately, enhance the effectiveness of the enforcement of IP rights. The creation of SIPJs is also believed by many to be a prerequisite for improvement of the overall climate of respect, protection and enforcement of IP rights.

II. STRUCTURE AND COMPETENCE OF EXISTING SPECIALIZED COURTS / JURISDICTIONS

5. The survey revealed essentially three forms of structural organization of SIPJs in the jurisdictions studied, which sometimes coexist in the same country:

- The majority of the surveyed countries opted for the establishment of specialized chambers or divisions within existing civil or commercial courts that hear IP cases exclusively or in addition to other disputes. This allows the use of the infrastructure of the existing judiciary and a reduction of organizational costs related to the creation of the SIPJs. Additionally, as IP disputes are frequently related to entrepreneurial activities, strengthening IP expertise within commercial courts is often believed to provide business with better access to justice in IP matters as part of the whole process of commercial dispute resolution;

- Some countries have separate stand-alone courts specialized in IP cases. This approach is usually adopted for the resolution of patent disputes (mostly related to patent validity), because such cases require specialized technical expertise, but some countries refer all IP matters to the SIPJ;

- Many countries also have administrative agencies dealing with IP cases through administrative procedures and have appellate boards reviewing invalidation actions.

6. In different countries, SIPJs hear cases as either courts of first instance, appeal or last resort, with ultimate authority often vested in a higher court or even the Supreme Court (non-specialized).

7. The competence of SIPJs varies with regard to the kind of IP rights (e.g., some jurisdictions only hear cases on specific IP rights, usually patents) or the types of cases which fall within their exclusive competence (some courts can be dedicated to hearing invalidation, or infringement actions). Additionally, in some jurisdictions there is a monetary value threshold for a dispute to be attributed to the competence of certain courts.

III. JUDGES, JURIES AND TECHNICAL EXPERTS

8. Adjudication and enforcement of IP rights often require specific technical expertise, and the creation of SIPJs gives judges the opportunity to deal exclusively or mainly with IP matters and, consequently, to develop expert knowledge.

9. The report identified three types of judges that may be members of the competent tribunal of an SIPJ: legally qualified judges, with an appropriate legal qualification; technically qualified judges, who, in addition to an appropriate legal qualification, are also obliged to have a technical

qualification; and lay judges, who do not have to have a legal qualification but are citizens appointed to the tribunal through a specific appointment process.

10. The composition of the boards of SIPJs with regard to the type of judges varies not only among the surveyed countries, but also among the different instances within each country. All surveyed countries that have established SIPJs rely on legally qualified judges as at least a part of the members of the competent tribunal. Only a few rely on technically qualified judges as members of the competent tribunal in all or some of its SIPJs, and even fewer rely on lay judges.

11. None of the surveyed countries with SIPJs, other than the United States of America, rely on juries in the decision-making process before their SIPJs.

12. Technical experts, unlike technically qualified judges, are not members of the decision-making panel hearing the dispute. In most surveyed countries, in particular the ones relying exclusively on legally qualified judges, the competent tribunal may count on the support of technical experts, which can be appointed by the tribunal or the parties.

13. The involvement of technical experts and/or technically qualified judges is generally provided for in cases where technical aspects may play an important role in the decision - typically the case for patent-related disputes. The involvement of technical experts and technically qualified judges is therefore mostly limited to instances dealing with facts, i.e., usually at first instance. When higher instances only deal with legal revision issues, technically qualified judges are normally no longer involved.

14. The primary motivation for having technically qualified judges is to avoid the need for court-appointed technical experts during the procedure, in order to keep the duration and costs of the procedure within foreseeable limits. On the other hand, technical experts (and expert witnesses) usually need not have a legal qualification, which broadens the choice of individuals who may fulfil the role and can be of assistance, particularly for more complex areas of technology.

IV. PROCEDURES IN SPECIALIZED INTELLECTUAL PROPERTY JURISDICTIONS

15. Non-criminal procedures for IP cases in the countries surveyed can be roughly divided into three groups corresponding to the forms of structural organization of SIPJs identified. General civil or commercial courts use general court procedure, with certain specifics codified in the relevant procedural and/or IP law. The situation is similar in stand-alone IP courts, while administrative bodies follow specific administrative rules codified in the relevant administrative and IP laws.

16. Despite considerable differences in the actual process and course of proceedings, the survey revealed a wide consensus among the surveyed countries on the basic principles and doctrines applied in IP-related non-criminal court procedures, including for the provision of evidence.

17. All of the surveyed countries with SIPJs allow for preliminary injunctions in IP-related cases. The vast majority of the surveyed countries provide for ex-parte preliminary injunctions, with the rationale that any notice to the defendant of such an impending injunction involves the risk of destruction of evidence by the defendant. Only a few countries exclusively provide for *inter partes* preliminary injunctions, on the basis that an ex-parte preliminary injunction also carries the risk of irreparable harm to the defendant.

18. No special mechanisms were reported for the execution of judgements by SIPJs, which are subject to the normal routes of execution.

V. REPRESENTATION

19. The individuals or entities authorised to represent parties before SIPJs in the countries surveyed can be classified into three categories:

– Attorneys-at-law: the professional knowledge and hands-on experience of lawyers – who have traditionally played a significant role in representing clients in legal actions in courts in nearly all jurisdictions – play a significant role in IP-related lawsuits and are likely to continue to do so;

– Qualified IP practitioners (e.g., patent and trademark attorneys/agents) who are not qualified attorneys: IP litigation often presents sophisticated technical issues which require the involvement of technical experts and/or IP practitioners before SIPJs, since in many countries general lawyers ordinarily have no technical background. Most surveyed countries either authorize IP practitioners such as patent attorneys to represent parties before SIPJs, or allow them to appear as technical assistants to lawyers in lawsuits. IP practitioners have traditionally had less involvement in court litigation in countries with a common-law tradition which commonly make extensive use of technical experts as expert witnesses in IP litigation;

– Individuals or entities who are neither attorneys-at-law nor IP practitioners (e.g., corporate in-house counsel or staff members, social organizations and individual citizens) can represent parties in only a few countries. Rationales for allowing the possibility of representation by a broader range of representatives include the scarcity of IP specialists in a country (e.g., because it has not had a sufficiently long history of IP law to be able to train enough lawyers and professional practitioners to represent clients in IP cases) or in parts of a country (e.g., because of the concentration of IP specialists in only a few cities).

20. While some countries allow only one category of representatives (usually attorneys-at-law) to represent parties, other countries allow simultaneous representation by individuals or entities in more than one category in the same case. With the increasing technical complexity of many IP cases, it is important to ensure that courts and representatives can attain the technical knowledge necessary for determining each dispute. This is achieved in SIPJs in different ways, by involving technical experts, IP practitioners and/or technically qualified judges.

VI. CONCLUSIONS

21. A significant number of countries around the world have established SIPJs which are diverse in their structures, their mechanisms for the appointment of judges and experts, and the rules of representation of parties. The same basic principles are however similar or identical across the different countries surveyed in some areas, e.g., in relation to expedited proceedings, rules for evidence, legal doctrines[2] and execution of judgments.

[2] Most of the studied countries apply similar doctrines in IP-related court proceedings, such as the doctrine of equivalents in patent infringement cases, the doctrines of likelihood of confusion, well-known or famous marks in trademark cases, and the doctrines of exhaustion, forfeiture, prior use rights, intermediate rights (in fewer countries), file wrapper estoppel and first-to-file in general.

22. A few general conclusions can be drawn from the study to assist countries in their consideration of whether, and how, to establish or improve SIPJs:

– *SIPJs can improve the efficiency and quality of IP-related litigation processes and outcomes.* Some of the reasons for the establishment of SIPJs include developing IP expertise in courts, unifying standards of trials and simplifying proceedings, enhancing the efficiency and accuracy of trials and ensuring the predictability and consistency of case outcomes;

– *The need for and the most appropriate form of SIPJs depend on individual country needs and circumstances.* Despite the largely coincident reasons motivating different countries to establish SIPJs, the choice of form for SIPJs often varies according to the different national legal cultures, economic contexts and priorities. Where IP disputes are numerous and technically complicated, SIPJs may have a more elaborate structure and larger dedicated staff. Where a country's economic and legal environment suggests little demand for an SIPJ and/or civil or commercial courts are able to handle IP disputes effectively, such a solution may not be as desirable;

– *Proper trial mechanisms and judicial expertise are essential.* Where there is a need for SIPJs, their overall mechanism (i.e. the procedures and personnel arrangements) is very important for the way IP cases are decided. SIPJs should be staffed with knowledgeable judges and structured so as to enable the court to understand the technical issues in dispute when they exist, whether by involving judges with a technical background, technical experts and/or IP practitioners or other specialists.

23. On balance, SIPJs present an advantage in the current economic and legal environment worldwide in jurisdictions where there is a sufficient body of IP litigation and can, in many circumstances, enhance the efficiency of IP enforcement. Countries should therefore consider establishing some form of SIPJs, or improving existing SIPJs, according to their respective economic and legal situations. The structure and mechanisms of SIPJs should be designed in response to the specific context of the country and with the aim of developing IP expertise in the judiciary, unifying trial standards and practices, enhancing efficiency in trials and ensuring the predictability and accuracy of case outcomes.

SPECIALIZED INTELLECTUAL PROPERTY COURTS: ISSUES AND CHALLENGES

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ABSTRACT

Under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement (Art. 41 para. 5), countries have no obligation to put in place a judicial system for the enforcement of intellectual property (IP) rights that shall be distinct from that for the enforcement of law in general. Countries are consequently free to decide what types of judicial body or bodies have the jurisdiction to hear IP disputes and whether it is appropriate to establish specialized IP courts. It is difficult to give a simple and unique answer to the question of whether it is advantageous or necessary to establish specialized IP courts in a given country, whereby a trend towards specialization or centralization of certain types of IP disputes seems perceivable at the global level. In view of the advantages and disadvantages of specialized IP courts and of the need to take into account all relevant factors in the country at issue, the creation of specialized IP courts cannot be recommended in all circumstances. A decision relating to the establishment of specialized IP courts must be made on the basis of a fully informed, transparent and unbiased analysis of the situation in the country.

I. INTRODUCTION

1. Under the TRIPS Agreement (Art. 41 para. 5), countries have no obligation to put in place a judicial system for the enforcement of intellectual property (IP) rights that shall be distinct from that for the enforcement of law in general. On this basis, it has been either at the regional or national levels that countries have decided whether or not to establish specialized IP courts for adjudicating IP disputes.

II. SPECIALIZED COURTS FOR IP DISPUTES

2. A specialized IP court can be defined as an independent public judicial body which has the primary mission to adjudicate certain types of disputes relating to IP rights at the national or regional level, whereby such court can also be charged with the adjudication of other types of disputes beyond IP disputes. Although IP disputes are sometimes primarily associated with disputes relating to the enforcement of IP rights against piracy and counterfeiting activities (specifically in the copyright and trademark areas), the reality of IP disputes is much more complex. This complexity results from many factors, including the differences between the types of IP rights and between the legal regimes on which they are based, the specific legal issues that can arise for certain types of IP rights as well as the different types of legal proceedings that are available to resolve IP disputes (civil, criminal and administrative proceedings). The diversity of IP disputes thus makes it difficult to give a simple and unique

[*] The views expressed in this document are those of the author and not necessarily those of the Secretariat or of the Member States of WIPO. This synthesis draws on J. de Werra et al., *Specialised Intellectual Property Court - Issues and Challenges*, Second Issue, Global Perspectives for the Intellectual Property System, CEIPI-ICTSD, Issue Number 2, 2016, available at: http://www.ictsd.org/themes/innovation-and-ip/research/specialised-intellectual-property-courts-issues-and-challenges.

answer to the question of whether it is advantageous or necessary to establish specialized IP courts.

3. The diversity of IP disputes is also reflected in the way in which national or regional lawmakers and regulators have structured their IP dispute resolution systems. While recent studies demonstrate that there is no unique global system or even a prevailing system, a trend towards specialization or centralization of certain types of IP disputes is perceivable at the global level. However, this trend does not eliminate the differences, particularly regarding the scope of the jurisdictional power of specialized IP courts: some courts are given jurisdiction only over certain types of IP disputes, such as patent disputes, some are restricted to particular types of legal issues, such as the validity of the IP rights. In addition, certain specialized IP courts may only consider civil disputes, and not criminal matters. There is also diversity as to the jurisdictional level at which specialized IP courts operate (first or appellate level). In order to determine whether and how to establish a specialized IP court in a given jurisdiction, it is necessary to consider the potential advantages and disadvantages of such a court.

III. ADVANTAGES AND DISADVANTAGES OF SPECIALIZED IP COURTS

4. There are various advantages and disadvantages in establishing a specialized IP court. The advantages include first of all improving the quality of justice, since the court's expertise makes it possible to decide the dispute on the basis of the experience gained in solving previous IP disputes. This is of particular importance for IP disputes because the courts are frequently requested to render decisions on an application for temporary relief within a short period of time. Another advantage of specialized IP courts is their ability to keep pace with the dynamic developments of IP law and to adapt quickly. In addition, the time and cost efficiency of proceedings can be improved, and consistency and uniformity in the law promoted. Moreover, the creation of centralized specialized IP courts contributes to an avoidance or reduction in the risk of forum shopping, and is also considered to be a useful approach for adopting special procedural rules tailored to IP disputes.

5. In terms of the disadvantages of specialized IP courts, reference is generally made to the costs of establishing and of operating such courts, especially in countries with limited resources and in which the IP case load is low. In particular, the cost of adequately managing judicial human resources must be considered, since judicial wages may need to be increased to draw potential candidates from the private sector. There is also a risk that access to justice could be negatively impacted by the establishment of a centralized specialized IP court, since litigants may be forced to bear the costs of pleading before a court which may not be easily accessible (particularly from a geographic perspective). In addition, some have expressed concerns that such a court may become subject to political or economic influences, either through the process of appointing judges or through closer interaction between counsel and judges, since specialized courts are often considered to be less independent than generalist courts. Another risk is that the vision of the specialized IP courts may be too narrow, and would neglect the broader legal and policy framework that can surround certain IP disputes (tunnel vision). There is also a concern that centralization may prevent the exchange of legal ideas, and can lead to perpetuation of errors. Finally, the establishment of specialized IP courts can lead to boundary problems between the court's special jurisdictional power and the special or general jurisdictional powers of other (non-IP) courts.

IV. POLICY CHOICES

6. The advantages and disadvantages of specialized IP courts impact the policy choices which must be made in determining whether it is required to establish such courts and, in the

affirmative, how this shall be done. Given the diversity of legal systems and regimes, there is no single method for establishing an efficient IP court system that promotes innovation and social welfare. Similarly, there is no clear evidence that specialized IP courts more effectively promote innovation vis-à-vis non-specialized courts in all circumstances. However, it is clear that a sufficient level of experience and expertise among the courts and judges can significantly improve the quality of justice in IP disputes. This appears particularly important as many IP disputes start with an application for preliminary injunctive relief (made by IP owners) on which the court is expected to decide expediently. The court's expertise in handling IP disputes can also result in the more efficient management of cases, given that judges would be in a better position to provide direction and guidance to the attorneys. Experienced judges could also issue non-binding preliminary opinions which could promote settlement between the parties.

7. Before determining how to establish specialized IP courts, it is first necessary to consider whether there is a need for them. In this respect, it is important to assess whether their jurisdiction will be limited to specific types of IP disputes or rather open to all types of disputes, since specialized IP courts may be more justifiable in some areas of IP law, such as patent law. However, it may be adequate to centralize all IP disputes in order to ensure the coherent development of IP law. It should also be decided whether the specialized IP courts will have jurisdiction to hear only civil IP disputes or shall also extend to criminal disputes. The establishment of specialized IP courts must in any case be distinguished from the creation of specific rules applying to IP disputes, given that specific rules for IP cases can be adopted without creating specialized IP courts.

8. In case of interest in establishing a specialized IP court, there are a number of practices that can be of relevance. These practices include the appointment of judges with a representative level of expertise in the relevant areas and the submission of IP cases to judges rather than to juries. Given the rapid evolution of IP and IP litigation, it is also essential to ensure that judges deciding IP issues benefit from appropriate training and continuing education opportunities, to keep abreast of the latest developments affecting IP law, as well as about other important legal concepts and developments beyond IP law. This education in other areas of law would also help to control the risk of specialized IP courts developing tunnel vision, which can be further prevented by the creation of a system under which the judgments of these courts are appealable to a non-specialized court. This would incentivize specialized IP courts to ensure that their decisions are in line with general legal principles.

V. CONCLUSION

9. How advantageous and potentially necessary it is to establish specialized IP courts in any given jurisdiction depends on a number of factors which are not limited to IP issues: the debate must more broadly reflect upon the economic, legal and societal characteristics of the country at issue. On this basis, the creation of specialized IP courts cannot be recommended irrespective of the situation in the country. A decision relating to the establishment of specialized IP courts must consequently be made on the basis of a fully informed, transparent, and unbiased analysis of such situation.

10. It should also be emphasized that, perhaps contrary to common perception, there is no clear evidence that establishing specialized IP courts would necessarily benefit IP owners. From this perspective, it does not appear justified to consider that the creation of specialized IP courts will automatically increase the level of IP protection and generate an increase in foreign direct investment. The goal of creating such a court is ensuring an efficient and equitable dispute resolution mechanism that is conducted by expert judges for the benefit of all stakeholders, including the IP owners, the users of goods and services, and society as a whole. The decision to establish a specialized IP court cannot be legitimized solely by the need to fight

IP piracy and counterfeiting activities, as piracy and counterfeiting disputes are frequently not so complex as to necessitate the establishment of specialized IP courts.

11. Rather than establishing a specialized IP court, it is also possible to choose to develop IP expertise in non-specialized IP courts. This has been identified as a valuable policy option for developing countries and may lead to the creation of specialist IP benches within regular courts. This demonstrates that a process of judicial familiarization with IP disputes does not necessarily require the creation of specialized IP courts at the trial level. The education of judges in IP matters does not presuppose the establishment of specialized IP courts. Ultimately, the most important factor is judicial expertise in IP disputes, which should be promoted as the primary goal. What also appears relevant is adopting a system that maximizes the opportunities for benefiting from expert knowledge in order to promote judicial efficiency. This can be achieved for instance by allowing a third party institution with IP expertise (e.g., the national IP office) to express its view on the particular issue in dispute, for instance the validity of a patent.

12. These other policy options demonstrate that the establishment of specialized IP courts should not be viewed as a self-sufficient and free-standing policy instrument, and should consequently be complemented with policy instruments in order to promote creativity, foster innovation, and improve the quality of justice in IP disputes. Increasing expertise and knowledge about IP issues can also be achieved by fostering opportunities for participation and for transparency in the judicial process, such as through admitting the filing of *amicus curiae* in IP litigation cases, as well as by publishing the decisions rendered in IP cases, and by making available databases of IP cases. What should also be promoted are international exchanges between judges and courts dealing with IP cases. International organizations have led initiatives and projects for the purpose of building and sharing expertise, resulting in constructive opportunities for mutually enriching and stimulating exchanges. Fostering such dialogues appears essential, given that many IP issues are global in nature even though they remain largely governed by local rules.

13. Additional opportunities to improve resolution of IP disputes can also be identified by taking into account the entire IP ecosystem. This implies a careful analysis of the respective missions of all relevant actors that play a role in the IP environment. In particular, this implies an identification of the processes by which IP rights are granted in the relevant jurisdiction, given that the need for specialized IP courts may be higher if the relevant IP rights have been previously granted without a complete examination of their validity at the time of registration. An assessment of the entire IP ecosystem is critical also because the efficiency of IP dispute resolution mechanisms in any given jurisdiction not only depends on the judiciary, but also on the other players, specifically the lawyers who plead before such courts. An efficient IP dispute resolution ecosystem should also seek to eliminate vexatious IP infringement actions against innocent third parties. Procedural tools can thus be developed in order to ensure that courts are not unnecessarily burdened by meritless claims and can remain available to litigants entangled in non-frivolous IP disputes.

14. In sum, the balance of competing interests, which is at the core of the substantive IP system, should also be implemented in the mechanisms by which IP disputes are solved. This will ensure that all interests are duly considered in an equitable manner. Any decision to establish specialized IP courts should consequently reflect this balance and be taken on the basis of a thorough analysis in the light of the situation prevailing in the relevant jurisdiction.

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