

Find and share the knowledge: Singapore

Patent Knowledge Share focuses on Singapore, with Daniel Lim of Joyce A. Tan & Partners answering questions about patent litigation and management.

The court system

1. When are disputes heard by the national patent office?

The Intellectual Property Office of Singapore (IPOS) can hear disputes relating to:

- revocation,
- opposition,
- entitlement to ownership,
- infringement,
- declaration of non-infringement,
- directions on handling of disputes between joint applicants,
- entitlement to be named as an inventor,
- determination of a question of a license, and
- the settlement of the terms of a License of Right.

An innovative and unique feature for resolving disputes at IPOS is a voluntary procedure for expert determination. IPOS will invite and parties may request for a referral to a service offered by the World Intellectual Property Organization Arbitration and Mediation Center in Singapore (WIPO Center). The parties have freedom to agree to be bound by the expert determination.

2. Where are the trial courts (centralized or regional)?

Singapore is a small city-state so the courts are centralized. Patent cases are docketed for hearing in the specialist commercial court, the Intellectual Property Court, a part of the High Court of the Supreme Court of Singapore (IP Court).

3. Are validity and infringement trials heard together?

Yes, it is the best way to handle the issues.

4. What is the composition of the trial panel (one or more judges/are they specialists)?

IP Court hearings are held before a single Judge or Judicial Commissioner with experience and expertise in intellectual property law.

5. Where is/are the appeal courts?

IP Court judgments are subject to a single level of appeal to the apex court, the Court of Appeal, in the same building, which is a really nice building that is centrally located.

6. What is the composition of the appeal panel (one or more judges/are they specialists)?

The Court of Appeal will usually comprise a panel of three judges which may include the Chief Justice, any of two Justices of Appeal or drawn from the Judges and Judicial Commissioners of the Supreme Court. The Court of Appeal has experience and expertise in intellectual property law.

Pre-action

1. Are there pre-action procedures for seizure and/or inspection of allegedly infringing products?

Not really. The power to inspect, seize, remove into safe custody, detain, take samples or to preserve materials can only be made against a party in an action before the IP Court. Even if a pre-action application is made due to urgency, the action must be commenced within two days.

2. Are there pre-action procedures for obtaining information regarding alleged infringers?

Yes, an application for discovery of documents or for information may be made before the commencement of proceedings.

3. Is there any obligation to try to resolve a dispute before bringing proceedings?

There is no such obligation.

4. Are there provisions to curb groundless threats of patent infringement proceedings?

Yes, there are. However, it does not apply to allegations consisting of making or importing a product for disposal or of using a process.



Daniel Lim
Joyce A. Tan &
Partners

Court proceedings

1. How are infringement proceedings started?

In court, proceedings are commenced by way of a Writ of Summons which is usually accompanied with a Statement of Claim and Particulars of Infringement. These are filed in court and served on the defendant(s).

2. Who can bring infringement proceedings (what about licensees and co-owners)?

Both a proprietor (either as joint owner, sole owner or co-owner) and an exclusive licensee are entitled to bring infringement proceedings. A non-exclusive licensee has no right to bring infringement proceedings.

3. Are declarations of non-infringement available?

Yes.

4. Are there formalities for starting a case seeking a declaration of non-essentiality?

It would be the same formalities as those required to commence infringement proceedings.

5. How is the validity of a patent challenged?

The validity of a patent may be put in issue:

- by way of defense in proceedings for infringement;
- in proceedings for the making of groundless threats;
- in proceedings for a declaration of non-infringement;
- in proceedings before the Registrar of Patents for revocation; or
- in proceedings related to a compulsory license.

The validity of a patent may not be put in issue in any other proceedings and, in particular, no proceedings may be instituted seeking only a declaration of invalidity.

6. Who can challenge the validity of a patent?

The persons who may challenge the validity of a patent are:

- a defendant of a proceeding for infringement;
- a claimant in proceedings for the making of groundless threats;
- a person proposing to perform the subject act in proceedings for a declaration of non-infringement;
- any person who applies to the Registrar of Patents for revocation;
- the Registrar of Patents when initiating revocation; and
- the Government in disputes relating to a compulsory license.

7. Can other types of proceedings be brought (entitlement/employee compensation etc)?

See above on the types of available proceedings. Employee-inventors cannot claim compensation unless it is provided for in the employment contract.

8. Is it possible to check at court or on a register whether a patent is being litigated?

A search on the court register is possible to determine if a party/proprietor is involved in litigation. If the proprietor is identified, an application can be filed for permission to inspect the identified court file(s) to determine if a specific patent is being litigated. It is usually not directly possible to search the court register by the patent number.

Interim injunctions

1. Are interim injunctions available in your country (and if so, how common are they)?

Yes. Partly because the IP Court is efficient and can hear matters expeditiously if necessary, they are not common.

2. Can interim injunctions be obtained *ex parte* (without notice)?

Yes, for urgent applications and only if the giving of notice would or could defeat the purpose of the *ex parte* application. If granted, the IP Court would normally fix an *inter partes* hearing soon after to hear full contested arguments on whether to confirm the granted injunction or to discharge it. The norm for an interim injunction application is a hybrid procedure of an *ex parte* application but short notice is given to the counterparty who may elect to attend, and if attending, may elect to present arguments (usually without the benefit of evidence) and so turn the proceedings into *inter partes*, or to keep silent and observe the *ex parte* proceeding so as to be in a better position to apply later to discharge an injunction (if granted).

3. What protective steps can be taken by a party that fears an interim injunction application?

The party can send a letter to the potential applicant outlining substantive defenses and arguments against an interim injunction and state that the letter should be disclosed and highlighted to the IP Court at the hearing. The letter can also expressly require that notice be given of the interim injunction application prior to the hearing of it. If appropriate, it is also possible to give an undertaking to refrain from the activity in question in order to avoid an injunction.

4. How does the court decide whether to grant/refuse an interim injunction?

As guidance:

- if the plaintiff could adequately be compensated in damages if they should succeed at trial, no interim injunction will be granted;
- if the defendant could not adequately be compensated in damages for being prevented from exercising a right if vindicated at trial, no interim injunction will be granted;
- if there is doubt as to the adequacy of damages respectively, where the balance of convenience lies;
- if the balance of convenience is evenly weighed, the *status quo* should be maintained;
- the claim must not be frivolous or vexatious;
- there must be at least a serious issue to be tried; and
- any other special circumstances may be taken into account.

5. Does a party awarded an interim injunction have to provide a bond or undertaking?

Yes, an undertaking must be given to abide by any order the IP Court may make as to damages sustained by the defendant that the Court



is of the view that the plaintiff ought to pay. The IP Court may further require that such undertaking be reinforced by a security, including the provision of a bond, as a condition of granting the interim injunction.

6. After an interim injunction application do the parties have to go on to a full trial?

It is not a condition of grant that a matter must go on to trial. However, the enjoined party would be at liberty to apply to discharge or vary an interim injunction if there is a change in circumstance, including delay by the plaintiff in pursuing its claim.

7. How is an enjoined party compensated if wrongfully enjoined?

Compensation is by an order to pay damages assessed by the court (remember, that if damages would not be adequate to compensate the party to be enjoined, the interim injunction would not have been granted). The damages would be the loss which is the natural consequence of the injunction. The principles of assessing damages would be the same as that applicable in an award of contractual damages.

Procedural steps to trial

1. Does the court set a timetable for steps in the case to trial?

There are set timelines for the parties to file and serve their pleadings. Thereafter, the timetable for steps to trial will be actively set and managed by the IP Court through regular pre-trial conferences.

2. Is it possible to amend a patent during proceedings and, if so, how?

Yes, in any proceeding in which the validity of a patent is put in issue. The patentee will file an application and the IP Court or Registrar (as the case may be) may impose such terms as it thinks fit, including publication and advertisement of the proposed amendment. If the application is filed in the IP Court, the patentee must inform the Registrar who shall be entitled to appear in proceedings. Any person may oppose the proposed amendment.

In the IP Court, the patentee must provide a draft advertisement and a Statement of Reasons. An opposition is commenced by a Statement of Opposition filed within 28 days of the advertisement. Thereafter, the timetable for steps to hearing (including whether it will be heard together with the main action before the IP Court) will be actively set and managed.

3. Do parties have to provide discovery/disclosure of documents to the other side? (If so, please explain classes of documents)

Yes. The classes of documents are:

- documents referred to in pleadings or affidavits;
- documents on which a party relies;
- documents which could adversely affect one's own case;
- documents which could adversely affect another party's case;
- documents which could support another party's case; and
- documents which may reasonably be expected to assist in proving or disproving a fact in issue.

However, discovery can be exempt for the following classes of documents:

- documents relating to infringement if before discovery full written particulars of the product or process alleged to have been infringed is served on the patentee;
- documents relating to any ground on which validity is put in issue unless it came into existence within the period beginning two years before the earliest claimed priority date and ending two years after that date; and

iii) documents relating to commercial success where a schedule with prescribed details is served on the defendant.

4. Are witnesses (fact or expert) deposed?

Only if the witness is unable to attend the trial under exceptional circumstances, and only if the IP Court grants an application allowing the deposition. A deposition involves the examination on oath before a Judge or the Registrar or some other appointed examiner.

5. Can issues in a case be narrowed by requests for admissions/stipulations?

Yes, notices to admit facts and written interrogatories may be issued, and if not voluntarily answered, an application may be filed for an order requiring that they be answered.

6. Can facts in a case be proven by experiments?

Yes. A party that wishes to do so serves on the other party a notice stating the facts which it desires to establish, giving full particulars of the experiment(s) proposed. The counterparty has 21 days to serve a notice stating which facts are admitted. In relation to the facts not admitted, the IP Court will give directions on the conduct of the experiment(s).

7. Are expert witnesses used? If so, are they appointed by the court or parties?

Yes. The normal course is for the parties to respectively have expert witnesses. Where the IP Court considers appropriate, it may also appoint its own expert.

8. Is written expert and fact evidence exchanged before trial?

Yes. The written evidence exchanged in the form of an affidavit will stand as the evidence-in-chief at trial if the witness attends the trial and confirms the affidavit.

9. Can some matters be addressed by the court separately before trial? (eg. claim construction)?

Except for preliminary matters to bring an action ready for trial or to dispose of a matter without trial (such as addressing inadequate pleadings, striking out, amendment of pleadings, summary judgment, interrogatories, admission of facts, discovery, inspection and so on), it is usually the case that the substantial matters in controversy will be determined at trial (claim construction, infringement, validity, amendment and so on).

10. How is the confidentiality of information and documents maintained?

On application, the IP Court can:

- limit discovery to select individuals upon terms, such as each person providing a confidentiality undertaking;
- seal the IP Court's file for the matter so that it is not available for public inspection;
- hold specific parts of the trial *in camera* (not open to the public); and
- redact written decisions and judgments or replace names with fictitious ones like "Moria" and "Erebor" for places and "mithril" for objects (examples from an actual judgment).

Trial

1. How long does it typically take to get to trial from the start of proceedings?

If the parties minimize preliminary applications that require the court's determination, it is possible to get to trial within a year. Since

there is active case management, it would be rare to see the timeline stretched to more than one and a half years.

2. Is expert and fact evidence given orally?

Each witness, whether expert or of fact, will make an affidavit for trial which will be exchanged in advance. This allows each party to review the other's evidence in advance and to prepare and consider its case.

Settlements can sometimes be reached at this stage. If not, the affidavit will stand as the evidence-in-chief at trial if the witness is in attendance and confirms the content of the affidavit. It is possible to make limited oral correction, clarification and to elaborate on the affidavit at the trial. If the witness is absent, the court has discretion not to admit the affidavit and to disregard it.

3. Are witnesses cross-examined?

Yes, it is a cornerstone of the trial process. After conclusion of the cross-examination, there is also opportunity for the witness to be re-examined on the areas cross-examined.

4. Is video evidence used in court and, if so, when?

Upon application to and with the permission of the court, the attendance of a witness in the IP Court can be 'virtual' by way of live video-feed. If so, then the confirmation of the trial affidavit and the cross-examination will be by way of the video conference.

Where a party wishes to rely on multi-media evidence, like a video, it is treated as a "document" and prior discovery of it must be given. Arrangements can be made for the video to be screened in the IP Court.

5. How long does a trial last?

It would not be unusual for a patent trial to take two weeks or more.

6. Is a trial open to the public?

Subject to any confidentiality protections sought and secured in advance, all trials are open to the public.

7. Is it possible to obtain copies of documents referred to in open court?

Yes, subject to any confidentiality protections sought and secured in advance. All documents used in the IP Court are filed and stored electronically. After a document is referred to in open court, it can be made available to any member of the public upon application and payment of fees. Access, when given, will be to the electronic IP Court file for the matter.

8. When does the court issue its decision?

It is important to point out that there is an intervening step from the close of trial to the rendering of the IP Court's decision – submissions by counsel on the law. The key function of the trial is for evidence gathering. Submissions on the law serve to set out the legal principles and the application of such principles to the facts gathered. All trial testimony will be recorded and transcribed. After receipt of the official trial transcript, parties will usually be given two to four weeks to submit written legal submissions. The IP Court has discretion whether to allow reply written submissions, and of rejoinder submissions.

If needful, but rare, the IP Court may require oral legal arguments to be made. The IP Court will issue its decision after the submissions close. Where there is urgency, it is also possible for the IP Court to issue an oral decision first, and follow up with the issuance of its written grounds later.

Remedies available from the court

1. Is the sum payable by an infringer decided at trial or in a separate hearing?

This depends on whether the trial is bifurcated such that a damages hearing will be held separately and only if infringement is found. Where a patentee claims a specific sum as actual damages and elects to plead and prove it at trial, the trial court may decide on the damages. However, where the patentee claims for "damages to be assessed" because discovery of documents is required for the patentee to calculate its damages, it is likely that the trial will be bifurcated. Further, where the patentee asks for the choice to elect between damages or an account of profits, the trial will most likely be bifurcated.

If the trial is bifurcated, separate discovery, affidavit evidence and cross-examination at a damages hearing will be required.

2. How is sum payable by an infringer calculated?

A patentee may choose between the mutually exclusive remedies of damages or an account of profits, and the calculation of the sum payable is correspondingly different.

The remedy of damages is compensatory – to put the injured party as far as possible in the same position as if the patentee had not sustained the wrong. With respect to the calculation of damages, there are three approaches that may be adopted:

- for manufacturers who exploit their inventions, the profit which would have been realized by the patentee if the infringing sales had been made by the patentee;
- for those who exploit their inventions by licensing others to use them, the amount the infringer would have had to pay by way of royalty for a license;
- where it is not possible to prove either that there is a normal rate of profit, or that there is a normal or established license royalty, the patentee will have to adduce evidence to guide the court as to the considerations to be taken into account to determine the measure of loss.

The purpose of ordering an account is not to punish the defendant, but to prevent the defendant's unjust enrichment. The remedy therefore obliges the defendant to disgorge benefits gained from the infringement.

3. Are all infringers enjoined? If not, what factors are taken into account?

It is not necessary that all infringers are enjoined, as it is a remedy that is at the discretion of the court to grant and not an entitlement as of right. While it is an expected remedy because the court would not countenance a continuing infringement, an infringer may show that there are circumstances where an injunction is not appropriate – such as by having stopped the infringement earlier and giving an undertaking not to continue with the infringing acts or showing that the patent in question has expired.

4. What orders are made regarding infringing products (delivery up/ destruction on oath/infringer has to buy back stock)?

The court has discretion to make an order for delivery up or destruction of the infringing products.

5. Is revocation of a patent stayed pending appeal?

No. An application for a stay must be made and an order obtained before a judgment for revocation is stayed, even if there is an appeal.

6. Is it necessary to get the court's permission to appeal?

Not for a trial decision.

Appeal

1. How much time does an appellant have to file an appeal after trial judgment?

Within one month from the date the trial judgment is pronounced.

2. How long does it take from filing an appeal to the appeal hearing?

Around six months. Specifically, an appeal is usually fixed to be heard within 14 weeks from the date of collection of the record of proceedings (which is the certified copy of the judgment and a certified copy of the notes of evidence).

3. Is the appeal a de novo hearing or a review for errors of law?

An appeal from a trial judgment is by way of rehearing, although witnesses are not heard afresh.

4. How long is an appeal hearing?

It is normal for a total time slot of 30 to 60 minutes to be allocated for oral submissions. Written submissions would have been filed and exchanged earlier.

5. How long does it take for the appeal court to write its decision?

In 2014, most written decisions of the Court of Appeal have been issued within two to four months after the appeal hearing.

6. How often do patent appeals progress beyond the appeal court to the very highest court?

An appeal from a trial judgment is already to the very highest court, the Court of Appeal.

The cost of litigation

1. Is the winner in an application to court entitled to recover its costs?

Cost awards are at the court's discretion. Such discretion is normally exercised such that costs are awarded to the victor. The cost awarded is almost always a fraction of the actual costs incurred. Increasingly, the courts are awarding costs on a proportionality principle that takes into account a balancing of issues won and lost, instead of only looking at who is the final victor.

2. Is the winner at trial entitled to recover its costs?

Cost awards are at the court's discretion. Such discretion is normally exercised such that costs are awarded to the victor. Costs assessed by the court (usually at a separate hearing) are almost always a fraction of the actual costs incurred. On a proportionality principle the trial judge may fix a further percentage discount on the fraction that might be recovered when costs are assessed.

3. When are costs assessed and how?

Costs are assessed after judgment on the merits has been determined. The trial judge may ask for submissions from counsel and then set out its cost order for assessment. The trial judge may take into account the proportionality principle and whether offers to settle have been made. Costs are to be assessed on the normal 'standard' basis, or an 'indemnity' basis (which is not an actual indemnity but still remains at a fraction, albeit a higher fraction, than actual costs incurred). If a formal offer to settle is given to the counterparty before judgment, and it is better than the judgment obtained by the counterparty, it is possible to receive costs on the 'indemnity' basis from the date the offer is made. The idea is that the counterparty should have accepted the offer and not wasted any more time and resource. Cost assessment is made by a separate judicial officer who will examine each line item claimed and render a decision after hearing arguments from counsel.

4. What are the typical ranges of costs of trial on a single patent (validity and infringement)?

Costs can vary considerably. A typical budget would be about S\$300,000 for one's own legal costs. It is not unheard of that costs can reach multiples of this budget or come in lower.

5. What are the typical ranges of costs of an appeal (validity and infringement)?

An appeal to the Court of Appeal can range in costs from S\$30,000 to S\$80,000 or more.

Litigation statistics

1. Approximately how many cases are started per year?

Using an average of the period 2011 to 2013, approximately eight patent cases are commenced each year.

2. How many cases go to trial per year?

Approximately 20% of cases filed proceed to trial.

JOYCE A. TAN
& PARTNERS

Daniel Lim

Joyce A. Tan & Partners

Daniel is an Advocate and Solicitor of the Supreme Court of Singapore and a registered Patent Agent. He serves on the Examination Committee for the Patent Agents Qualifying Examination and is a Chairman of the IP Committee of the IPBA.

Chambers Asia-Pacific noted that "Daniel Lim ... has a well established reputation in technology-related IP. Clients describe him as an extremely professional lawyer who *speaks well, knows the pros and cons, and always has the best solution at hand*"; and is *"an excellent patent litigation lawyer"* according to interviewees.

The Asia-Pacific Legal 500 has listed Daniel as a Leading Individual for IT and Telecoms since 2001/2002 and has described him as "the *'smart and hardworking'* Daniel Lim"

Daniel is contributing author to "Law Relating to Specific Contracts In Singapore" (Thomson Sweet & Maxwell); "Intellectual Property" (Lexis-Nexis Butterworth's); "International Franchising" (Kluwer Law International); and "Employment Law Review" (Law Business Research Ltd).

Contact: Joyce A. Tan/Daniel Lim

Address: 8 Temasek Boulevard, #15-04 Suntec Tower Three, Singapore 038988

Tel: +65 6333 6383

Fax: +65 6333 6303

Website: www.joylaw.com

Email: all@joylaw.com