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INTERNATIONAL BAR ASSOCIATION
INTELLECTUAL PROPERTY AND ENTERTAINMENT LAW COMMITTEE

International Survey of Specialised Intellectual Property Courts and Tribunals

London, September 2007

The opinions expressed herein are those solely of the Intellectual Property and Entertainment Law Committee and do not represent the views of the International Bar Association.

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1. INTRODUCTION

In 2003 the International Bar Association's Intellectual Property and Entertainment Law Committee conducted a major survey measuring the existence and utilisation of specialised Intellectual Property (IP) courts or tribunals and specialised judges in 85 jurisdictions around the globe. The survey was launched and continues to be updated in response to the current high degree of uncertainty faced by many owners of IP rights as a result of uneven outcomes in enforcement actions and the increasing difficulty in enforcing such rights.

Following open discussion of the Report at the International Bar Association's Annual Conferences held in Auckland (2004), Prague (2005) and Chicago (2006) and a detailed exchange of views between litigants, judges, and lawyers in private practice, this final report is issued by the Intellectual Property and Entertainment Law Committee to continue the discussion and contribute to the analysis in this area. A full follow-up session is planned for the International Bar Association's 2007 Annual Conference in Singapore.

The overall objective of our survey is to determine, country by country, the level of effectiveness of the judicial system in its ability to handle contentious IP matters. An effective IP enforcement system which delivers efficient, consistent and cost-effective decisions on disputed matters will benefit IP rights owners, users and the IP community generally.

What became clear is that a limited number of jurisdictions have established specialised IP courts, which adjudicate IP cases according to special rules of procedure. Also, there are certain jurisdictions with informal IP judiciaries, where IP cases are channelled to a group of one or more judges who have developed expertise in the IP field.

The Intellectual Property and Entertainment Law Committee has specifically limited the scope of the survey to civil, commercial, and administrative courts and has not addressed criminal courts.

We would like to express our sincere thanks to all who participated in the survey, and to everyone who commented on earlier drafts.

It is for individual governments to provide an effective legal framework to guarantee a strong and reliable legal basis for enforcement; expeditious judicial and administrative processes, and to ensure availability of remedies for right holders. It is our hope that this report will contribute to the analysis in this area and make the enforcement of IP rights and the administration of justice more efficient and responsive to various needs.

Clive Elliott, LPD Council member and former Co-Chair of the Intellectual Property and Entertainment Law Committee and Valentina Zoghbi, Project Lawyer, International Bar Association.

2. EXECUTIVE SUMMARY

The International Bar Association commissioned the Intellectual Property and Entertainment Law Committee to conduct a major survey measuring the existence and utilisation of specialised IP courts or tribunals and specialised judges across Africa, the Asia Pacific region, Europe, the Middle East, North and Central America, and South America.

The purpose of the survey is to provoke discussion and to contribute to the analysis of arguments both advocating and criticising specialised IP courts for the enforcement and adjudication of IP cases. The survey also indicates the number of jurisdictions with specialised IP judiciaries, where IP cases filed in courts of general jurisdiction are assigned to judges who have developed expertise in the IP field. It provides a factual basis to critically evaluate the jurisdictions that have contemplated or are contemplating the establishment of specialised IP courts.

The survey is, to our knowledge, the first of its kind to quantify the number of specialised IP courts or tribunals in developing, transitioning, and small economies around the world and to examine their role in improving the quality of IP rights litigation and ensuring adequate enforcement of IP rights.

KEY FINDINGS

- The survey identifies the lack of IP expertise in the judiciary as a major problem for the enforcement of IP rights.

- There exists a trend in the IP field of either creating specialised courts or setting up specialised divisions for IP matters within courts of general jurisdiction.

- The survey finds that jurisdictions that have created specialised IP courts are significantly in the minority. In jurisdictions in which there are no specialised IP courts, practitioners were overwhelmingly in favour of the creation of such courts.

- The survey indicates that a small number of courts (1-3) having jurisdiction over IP matters seems preferable.

- The survey illustrates that a specialised IP court model that is effective in one jurisdiction may not work in another. Factors such as local customs and practices, IP caseloads, number of judges, budgetary concerns and local procedural issues, among others, have contributed to the existence of different types of specialised IP courts established thus far.

- The survey shows that in some jurisdictions, there are specialist areas in which the courts use panels to hear specific types of IP cases. Specialised judges help manage challenges of complexity in IP cases. Judges' specialist experience and understanding of

IP can reduce hearing times and costs for litigants, increase efficiency, improve precision and predictability of adjudication and provide unification and consistency of IP legal doctrine.

2.1 ABOUT THE SURVEY

The scope and purpose of the survey was to gather data and provide insight into the potential of specialised IP courts for improving the overall climate for respect, protection, and enforcement of IP rights.

Prominent IP practitioners, judges, policy-makers, and public officials were surveyed in 85 jurisdictions around the world. The survey indicates the following:[1]

- Five jurisdictions have developed specialised courts that exclusively hear IP cases.
- Seven jurisdictions have developed specialised tribunals that exclusively hear IP cases.
- Thirty jurisdictions have courts of general jurisdiction with specialised divisions that exclusively hear IP cases or specialist judges with IP backgrounds and expertise in IP cases.
- Six jurisdictions have commercial courts or divisions that hear IP cases in addition to other business disputes.
- Fifteen jurisdictions have appellate courts that exclusively hear IP cases and also hear other types of appeals.
- Ten jurisdictions have explored and contemplated the potential of specialised IP courts in their countries either at pre-grant stage or thereafter.

2.2 BACKGROUND

The importance of protecting IP rights has received heightened recognition as world trade increases. It has been stated that "[i]ntellectual property is a valuable asset in today's global trading world, but if rights in intellectual property cannot be adequately enforced, the value of such rights and the incentive to trade them is greatly diminished."[2] A major problem facing IP owners is the difficulty in effectively enforcing their rights against infringement.[3]

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[1] It is important to bear in mind that there is a slight margin of error in the information due to incomplete data provided in some jurisdictions by law firms within the same jurisdiction. Having said this, every effort was made to minimise and discard inaccurate information.

[2] *See* Australian Government Department of Foreign Affairs and Trade, *Enforcement of Intellectual Property Rights*, *available at* www.dfat.gov.au/ip/enforcement.html

[3] *See* Michael P. Ryan, Interim Report on *Judicial Capacity Regarding Intellectual Property Enforcement and Dispute Settlement*, Intellectual Property Institute, 2002, *available at* www.iipi.org/activities/Research/Interim%20Report%20on%20Judicial%20Capacity.pdf

The growing importance of IP in a knowledge-based economy reinforces the need for effective enforcement mechanisms.[4] "If owners of IP rights cannot enforce [their rights] in a speedy and cost-effective manner with a predictable outcome, then their benefit to the society is significantly undetermined…"[5]

Although an IP dispute can be resolved through litigation, parties are, with increasing frequency, submitting disputes to alternative dispute resolution (ADR). Early use of ADR is likely to lead to earlier resolution of IP disputes. ADR can be a valuable resource, and is especially important in the absence of specialised IP courts; yet even in jurisdictions with such courts, ADR is still viewed as a viable alternative. For example, WIPO provides ADR services specifically tailored towards IP matters. Other organisations do so at a local level.[6]

For the purposes of this Report, "specialised IP court" is broadly defined as a permanently organised body with independent judicial powers defined by law, consisting of one or more judges who sit to adjudicate disputes and administer

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[4] *See* WIPO, Intellectual Property Enforcement Issues and Strategies, *What is understood by "intellectual property (IP) enforcement?" available at* www.wipo.int/enforcement/en/faq/general/faq01.html (stating "An effective IP enforcement regime depends on a number of different elements. As a result, IP enforcement policies may encompass a range of different issues. For example, IP enforcement may concern details of civil procedure, available remedies, structure and specialization of courts and appellate bodies, cost of litigation and legal advice. Additionally, alternatives to court procedures, such as arbitration or mediation, assistance for right holders in enforcing their rights, and technological measures that right holders may take to prevent others from illegal uses of their IP rights, may be relevant, as well as criminal sanctions, and the role of customs services. In order to enforce his IP rights successfully, the right holder has to take into account, therefore, a large number of legal issues and practical considerations.").

[5] *See generally* Advisory Council on Intellectual Property, *Should the jurisdiction of the Federal Magistrates Service be extended to include patent, trademark and design matters?* November 2003, *available at* www.acip.gov.au. *See also* Robert Sherwood, *Intellectual Property Systems and Investment Stimulation: The Rating of Systems in Eighteen Developing Countries*; 37 IDEA 261, 268 (1997) (stating "The ability to judicially safeguard private intellectual property assets makes these assets valuable instruments for national economic growth. When parties are secured in the belief that their intellectual property assets can be protected through judicial action, these assets become magnets for investment funds.").

[6] The WIPO Arbitration and Mediation Center was established in 1994 as an administrative unit of the International Bureau of WIPO. Its purpose is to offer arbitration and mediation services for the resolution of commercial disputes between private parties involving IP. The dispute resolution procedures offered by the Center, which lend themselves also to other types of commercial disputes, constitute alternatives to court litigation. The Center is international, independent and neutral, and is assisted in its operation by advisory bodies composed of external experts in international dispute resolution and IP. Up-to-date information about the Center's case experience (including its role as domain name dispute resolution provider) is *available at* http://arbiter.wipo.int/center/caseload.html. A large number of organisations exist which can also handle these sorts of disputes, including the International Chamber of Commerce Court of Arbitration, the American Arbitration Association, and the London Court of International Arbitration; however, only the WIPO Arbitration and Meditation Center specialises in international IP disputes.

justice in the IP field.[7] The number of jurisdictions deemed to have "specialised IP courts" depends to a large extent on how such a court is defined.[8] Specialised IP courts are distinguished from a country's courts of general jurisdiction.

A further distinction from courts of general jurisdiction in this Report has been made. A "specialised IP division" is a chamber or division within an existing court of general jurisdiction which deals only with IP issues and ancillary matters. A specialised IP division will only have judges or specialists assisting judges who have in-depth knowledge and expertise in IP matters.

While the legal profession has become more specialised in recent decades, the judiciary, in most jurisdictions, has not, and the inefficiencies that result from a failure to specialise become less tolerable. It has been stated that "[t]he most important motivations for the establishment of specialised courts relate to the possibility that these institutions might make the administration of justice more efficient."[9]

An implicit answer is emerging to the question of whether the effective enforcement of IP rights requires a specialised court and whether the value of judges with specialised IP knowledge is most important in courts of first instance, appellate courts or both.

2.3 SURVEY AIMS

The Intellectual Property and Entertainment Law Committee is an active participant in the global debate in IP matters. This Committee has contributed significantly to the development and protection of IP rights.

In the last quarter of 2003, The Intellectual Property and Entertainment Law Committee announced its intention to carry out a major study on the existence and utilisation of specialised IP courts or tribunals and specialist IP judges around the world.

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[7] IP comprises primarily trademark, copyright, and patent rights, but may also include trade secret rights, publicity rights, design rights, and rights against unfair competition.

[8] Some commentators have regarded countries such as Australia, Chile, China, Germany, Japan, Panama, Peru, the Philippines, Singapore, and Spain as having "actually created specialised IP courts or tribunals", but note that even this list is controversial and is based on how an "IP court" is defined. *See generally* Quinn Emanuel Urquhart Oliver & Hedges, llp, Business Litigation Report, May 2006, *available at* http://www.quinnemanuel.com/images/pdfs/71-may06.pdf.

[9] *See* Antony Altbeker, *Justice Through Specialisation? The Case of the Specialised Commercial Crime Court,* published in monograph No. 76, at 4, 2003, *available at* www.iss.co.za/Pubs/Monographs/No76/Chap3.html. *See also* Ryan, supra note 3 (stating "We suggest that the establishment of specialized IP courts composed of knowledgeable, fair judges, adequately supported through transparent, meritocratic processes, who are well-paid, who are empowered with bench authority, yet made accountable to the public and their elected representatives will over time earn legitimacy . . . The logic of the organizational demands of building judicial capacity to manage knowledge, achieve efficiency, and earn legitimacy with respect to IP enforcement and dispute settlement suggests that specialized IP courts may become ever-more common around the world.").

The purpose of the survey was to:

(1) Provide a reliable assessment on the number of jurisdictions that, a) have developed specialised courts that exclusively hear IP cases; b) have developed specialised tribunals that exclusively hear IP cases; c) have courts of general jurisdiction with specialised divisions that exclusively hear IP cases or specialist judges with IP background and expertise in IP cases; d) have commercial courts or divisions that hear IP cases in addition to other business disputes; e) have appellate courts that exclusively hear IP cases and also hear other types of appeals; and f) have explored and contemplated the potential of specialised IP courts in their countries either at pre-grant stage or thereafter.

(2) Provoke an informed discussion and contribute to the analysis of the subject.

The report will be made available to IP agencies, and other international organisations such as, the World Intellectual Property Organization (WIPO), the American Intellectual Property Law Association (AIPLA), the International Intellectual Property Alliance (IIPA), the International Trademark Association (ITA), the European Communities Trademark Association (ECTA), the International Chamber of Commerce (ICC), the World Intellectual Property Law Agency (WIPLA), the International Association for the Protection of Industrial Property (AIPPI), the Federalist Society, and other IP lawyers' associations, as well as to other interested IP practitioners.

In an effort to act on these initiatives, the Intellectual Property and Entertainment Law Committee seeks to provide insight into the positive role that a well-organised and specialised IP court can play in increasing trade for a country and in ameliorating problems that litigants may encounter in having their matters heard before the general courts in a country where there is little or no expertise in the IP field.

2.4 SURVEY TIMETABLE

Work on the survey was split into two main phases. The first phase focused on the design and selection of questions for inclusion in the questionnaire. The second phase consisted of response data analysis and report production, completed in February 2005.

2.5 INTELLECTUAL PROPERTY AND ENTERTAINMENT LAW COMMITTEE

The term "intellectual property", as it is commonly referred to today, includes a diverse range of areas of law. The main areas are patents, trademarks, copyright and related rights, trade secrets, and unfair competition. Allied to these are a

number of related areas, including data protection, database protection, privacy, design rights, domain names, and the like.[10]

In the entertainment law area, the key focus is on the creation, provision, and delivery of content in relation to print, films, broadcasts, cable programmes, musical works, and sound recordings. There is also involvement with media law, including defamation, privacy, and authors' rights in a more general sense.

The Intellectual Property and Entertainment Law Committee represents a wide and diverse number of individuals involved in the practice of patent, trademark, and copyright, as well as other fields of law affecting IP. This Committee is committed to keeping its members fully informed about the changes and actively engaged in influencing the latest developments in this ever-expanding field. Some of the Committee's activities include public education, legislative action and research.

More recently, the Intellectual Property and Entertainment Law Committee has become increasingly concerned with issues related to the enforcement and protection of IP rights. [11]

3. SURVEY APPROACH

The respondents were asked for a description of specialised IP courts in their jurisdiction. As a group, respondents in our survey expressed positive attitudes about the efficacy of specialised IP courts.

An attractive approach for developing countries is probably to create or strengthen a commercial court which may hear IP related cases *inter alia* and provide improved access to justice for the business sector as a whole. In any event, in most developing countries, a considerable programme of training for the judiciary and other enforcement agencies in IP subjects will be required.

The establishment and operation of the IP infrastructure in developing countries involves a range of both one-off and recurrent costs. One-off costs could include acquisition of office premises and office equipment, consultancy services (for policy research, the drafting of new legislation, design of automation strategies, etc), and training of staff in the relevant agencies dealing with policy, law-making, administration, and enforcement.[12]

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[10] *See supra* note 7.

[11] Recently, The Intellectual Property and Entertainment Law Committee submitted to WIPO (Enforcement Division) a comprehensive list of existing online databases containing court decisions in the field of intellectual property disputes. Also, the Working Group on the Patent System in Europe set by the Intellectual Property and Entertainment Law Committee submitted comments to the European Commission's questionnaire on the patent system in Europe. A representative of this Working Group spoke for the IBA at the public hearing organised by the European Commission on 12 July 2006.

[12] *See* Chapter Seven Final Report of the Commission on Intellectual Property Rights, *Integrating Intellectual Property Rights and Development Policy*, London, September 2002, *available at* www.iprcommission.org/papers/text/final_report/chapter7htmfinal.htm (stating "It

As part of the routine case management processes of the court, however, developing countries designate only a few judges within the existing judicial system to cases specifically involving IP matters. This is likely to diminish or partially offset the heavy burden of one-off and recurrent costs.

The survey identified the lack of resources as the greatest barrier to IP specialisation. In some jurisdictions IP specialisation is seen as an unrealistic utopia. While the ideal scenario would be the establishment of specialised IP courts, where this solution is not feasible, the second best approach could be the establishment of specialised divisions within courts of general jurisdiction composed by specialised judges.

3.1 SELECTION OF RESPONDENTS

Survey participants were selected from the world's major IP offices, judicial courts, and leading law firms. The survey was distributed to several individuals within the same jurisdiction to avoid erroneous or misleading results.

3.2 METHOD OF ANALYSIS

The Intellectual Property and Entertainment Law Committee sent the surveys by e-mail and received responses from 85 jurisdictions. To provide a framework for the study of specialised IP, this survey profiles the IP courts of Thailand and the United Kingdom to illustrate the value of specialised IP courts.

4. SUMMARY ANALYSIS

Although neither the WIPO[13] treaties nor the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)[14] requires specialised IP courts, some jurisdictions have created specialised IP courts as the most appropriate way to implement their duties under international IP instruments. TRIPS requires all member countries to adhere to certain procedural and substantive standards in regard to the enforcement of IP rights and acquisition and maintenance, including opposition and revocation of those rights. Members are permitted to provide more extensive protection should they wish to.

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is very difficult to draw general conclusions about the scale of these costs in developing countries, primarily because of different volumes of IPR applications required to be processed, variances in local labour and accommodation costs, and policy choices that different developing countries make in designing their IP infrastructure.").

[13] No WIPO-administered treaty explicitly addresses judicial systems.

[14] *See* World Trade Organization, Article 41 (5), *TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights*, 1995, *available at* www.wto.org/english/tratop_e/trips_e/t_agm4_e.htm (stating "It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.").

The survey indicates that:[15]

The following jurisdictions have developed specialised courts that exclusively hear IP cases:[16] Korea,[17] Malaysia[18], Thailand,[19] Turkey,[20] and the United Kingdom.[21]

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[15] The different categories of IP court concepts are not mutually exclusive and some jurisdictions appear in more than one category.

[16] Some jurisdictions, such as the United Kingdom and Thailand, have developed specialised IP courts which adjudicate IP cases according to special rules of procedure. In Taiwan, the procedure and organisation of the new court will be brought into effect by the implementation of the Examination Act for Intellectual Property Rights Cases and the Organization Act of Intellectual Property Rights Court.

[17] In Korea, the Intellectual Property Tribunal (IPT) is the court of first instance for the settlement of industrial property-related disputes and is independently operated within the Korean Intellectual Property Office (KIPO). Since its inauguration, the IPT has increased the number of trial judges, strengthened oral hearings, and focused on enhancing trial judges' expertise, fairness, and efficiency. Although civil courts may decide issues of enforceability, only the IPT may decide issues of validity concerning patents, utility models, trademarks, and designs. In addition to invalidation actions, the IPT also has exclusive first instance jurisdiction over confirmation of scope trials and appeals of final rejection of applications for registration of IP rights. Infringement actions before the courts and invalidation actions before IPT will often run in parallel. Only after a trial decision is given from the IPT is an applicant/agent allowed to appeal to a higher court, such as the Patent Court and the Supreme Court.

[18] The Malaysian government is setting up 21 dedicated IP courts in order to ease a backlog of around 1,500 IP cases. The Malaysian Cabinet has approved proposals made by the Ministry of Domestic Trade and Consumer Affairs to create 15 sessions' courts to hear IP cases and 6 high courts as special designated courts in states with the most number of IP infringements – Kuala Lumpur, Selangor, Johor, Perak, Sabah and Sarawak. *See* 'New Malaysia courts to clear IP backlog, Malar Velaigam, 16 July 2007 *available at* http://www.thelawyer.com/cgi-bin/item.cgi?id=127244&d=122&h=24&f=46. "At the first sitting of the IP Court, an unemployed man was issued with an arrest warrant for not being present in a case in which he was in possession of 246 pirated songs in 24 cassettes…In the same court, four other copyright cases were also heard". *See also Setting up IP Courts shows commitment, says Shafie,* Wednesday, 18 July 2007, 08:44am, published by the Star and reprinted with permission at http://www.malaysianbar.org.my/content/view/9903/2/

[19] In Thailand, the Intellectual Property and International Trade Court hears both civil and criminal IP cases as well as civil cases concerning international trade. All forms of IP rights, including layout designs of integrated circuits, geographical indications, trade secrets and plant varieties, come under the court's remit. For more information about the Intellectual Property and International Trade Court refer to section 4.5 of this report.

[20] There are eight IP courts in different cities in Turkey, including Istanbul, Izmir and Ankara. Five of them are criminal and three of them are civil IPR courts. General civil and criminal courts are competent to deal with IPR cases where specialised IPR courts do not exist. *See generally* Turkish Judicial System and Specialised IPR Courts, Country Session: The Republic of Turkey, 2-3 March 2006*, available at* http://www.abgs.gov.tr/tarama/tarama_files/07/SC07DET_Admin-Records_Justice.pdf. The Specialised Court of Istanbul for Intellectual and Industrial Property Rights' structure comprises bodies for both civil and a criminal lawsuits, as outlined in the IIPA 2003 Special 301 Report on Turkey *available at* www.iipa.com/rbc/2003/2003SPEC301TURKEY.pdf. Recently, the amended copyright law calls for the establishment of one specialised IP court per province to

The following jurisdictions have developed specialised tribunals that exclusively hear IP cases:[22] Australia,[23] Jamaica,[24] Kenya,[25] New Zealand,[26] Singapore,[27] the United Kingdom, [28] and Zimbabwe.[29]

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handle cases involving copyright law. The establishment of the IP court in Istanbul, therefore, was only part of a larger process and does, in particular, not have jurisdiction for the whole territory, but only for the Istanbul region. For the other provinces, the Ministry of Justice has, for instance, assigned existing criminal courts of first instance to function as specialised courts. The Turkish judicial system has established specialized courts to deal with patent rights, trademarks, brand names and other related areas. Twelve specialized courts for disputes concerning intellectual, industrial and commercial property will be established in Adana, Ankara, Bursa, Eskisehir, Istanbul, Beyoglu, Izmir, Karsiyaka, Kadikoy, Kayseri, Konya and Mersin. The judges will work in different local courts and in turn create local expertise and knowledge, which is crucial because legal educational institutions do not include intellectual property in their conventional courses and the universities lack a sufficient number of experts on these topics. Judges and public prosecutors will be trained as part of this setting up of the twelve specialized IP courts.

[21] The United Kingdom has two specialist courts of first instance: The Patents Court, which is part of the Chancery Division of the High Court, and the Patents County Court. Appeals from both courts go to the Court of Appeal. The judges in the Patents Court and Patents County Court are all specialists. There is a specialist patents judge in the Court of Appeals, who normally sits (with two other judges) to hear appeals in patent cases. For more information about the UK specialist courts refer to section 4.5 of this report. Following a decision by the Scottish Executive, patent attorneys in Scotland will soon be able to take cases to the Scottish Court of Session. This should bring the current cost of IP litigation down and make the process more accessible for lower-value cases, with patent attorneys being less expensive than lawyers. Those in the industry are happy with the decision; however, some argue that Scotland would still benefit far more from a specialised IP court. See 'Scotland in U-turn on patent attorney rights', 17 May 2007, Emma Barraclough, accessed online at http://www.managingip.com on 13 August 2007, 12:42pm

[22] In some jurisdictions, patent and trademark offices hear IP disputes at tribunal level, e.g. Australia and New Zealand.

[23] In Australia, the Copyright Tribunal was established under the Copyright Act 1968, and has certain powers relating to royalties and licensing. It receives operational support from the Federal Court of Australia.

[24] "The Copyright Act of 1993 made provision for the establishment of a Copyright Tribunal. The Copyright Tribunal is a de facto regulator of local collecting societies. Among other things, the Copyright Tribunal's role is to hear and determine matters brought before it in respect of the terms of a license or licensing scheme being offered by a collecting society to a user group. The user entity is entitled to commence proceedings before the Tribunal, wherever the parties cannot themselves settle the terms of the license or licensing scheme." *See generally* Foga Daley & Co, *Copyright Law available at* www.fogadaley.com/copyright_ja.html

[25] In Kenya, the Industrial Property Tribunal was first established by the Industrial Property Act 1989, repealed by the Industrial Property Act (2001). The Tribunal has exclusive jurisdiction to hear appeals arising from the decisions of the Managing Director of the Kenya Industrial Property Institute (KIPI). In addition, the Tribunal is competent to adjudicate upon a number of other proceedings relating to licenses, revocation or invalidation, and infringement (see also the attached Industrial Property Tribunal Rules (2002)). The 2001 Act is available on the WIPO website at www.wipo.int/clea/docs_new/pdf/en/ke/ke001en.pdf. In addition, the Copyright Act (2001) establishes a specialised tribunal ("competent authority", Section 48), which would hear, in particular, disputes related to the establishment and functioning of a collecting society. Section 21 (2) of the Seeds and Plant Varieties Act *available at* www.wipo.int/clea/docs_new/pdf/en/ke/ke011en.pdf. refers to the Seeds and Plant Varieties

The following jurisdictions have courts of general jurisdiction with specialised divisions that exclusively hear IP cases or specialist judges with IP backgrounds and expertise in IP cases: Australia,[30] Brazil,[31] Belgium, Canada,[32] China,[33]

Tribunal, competent to hear appeals against decisions on the grant of plant breeders' rights. On 8 March 2007 Pfizer brought the first ever challenge to the IP tribunal. See 'Kenya: Pfizer launches first-ever challenge at the IP Tribunal', Christa Cepuch, 19 March 2007, *available at* http://lists.essential.org/pipermail/ip-health/2007-March/010789.html

[26] In New Zealand, the Copyright Tribunal deals with disputes about licences allowing the copying, performing, and broadcasting of works. It does not however have jurisdiction to hear copyright infringement proceedings and indeed its jurisdiction is narrowly prescribed. Certain proposed or operative schemes for licensing can be referred by interested parties. However, this forum has only been used for a handful of proceedings and as a result it has traditionally played a minor role in intellectual property litigation. However, having said that, it has been more active in 2004/2005 – *See Trust Power Ltd v Newspapers Publishers Association of New Zealand Incorporated/ New Zealand Press Association*, (Copyright Tribunal, COP 14, 4 August 2004, and 27 July 2005, unreported). The Intellectual Property Office of New Zealand (IPONZ) has specially designated hearings officers who hear first instance IP cases insofar as they relate to the registration of patents, registered designs and trademarks.

[27] In Singapore, the Copyright Tribunal is a forum for resolving disputes between copyright owners and users of copyright materials. The Tribunal's jurisdiction is set out in Part VII of the Copyright Act (Cap 63). The Copyright Tribunal has the power to refer to the High Court any matter that comes before it for the determination on a point of law. This may be done on its own volition or at the request of any party to the matter. The copyright secretariat is located within the Intellectual Property Office of Singapore (IPOS). For more information about the Copyright Tribunal visit IPOS's website *available at* www.ipos.gov.sg/main/index.html

[28] In the United Kingdom, the Copyright Tribunal is to decide, when the parties cannot agree between themselves, the terms and conditions of licences offered by, or licensing schemes operated by, collective licensing bodies in the copyright and related rights area. It has the statutory task of conclusively establishing the facts of a case and of coming to a decision which is reasonable in the light of those facts. Its decisions are appealable to the High Court only on points of law. In general, only the person seeking a copyright licence can refer disputed matters to the Tribunal.

[29] In Zimbabwe, the Intellectual Property Tribunal has jurisdiction to hear and determine any reference, application, appeal or other matter in terms of the Industrial Design Act, the Patents Act, the Trade Marks Act, the Copyright and Neighbouring Rights Act, the Geographical Indications Act or the Integrated Circuit Layout-Design Act. The Tribunal may exercise all the powers that the High Court may exercise in a civil case.

[30] Australia assigns IP disputes to particular judges with expertise. Most IP cases are brought to the Federal Court of Australia, where they are assigned to those judges on the specialist IP list who either volunteer or are designated to hear such cases. They decide other cases as well, but build up experience and receive focused education in intellectual property matters. With regard to copyright matters, the Federal Magistrates Court has concurrent jurisdiction with the Federal Court to hear and determine civil copyright matters. With regard to trademarks, appeals from decisions of the Registrar of Trademarks lie to the Federal Court and that court's jurisdiction to hear and determine such appeals is exclusive except for the "diversity" jurisdiction of the High Court. Apart from those proceedings, civil proceedings under the Trade Marks Act 1995 are commenced in a "prescribed court", this being defined as the Federal Court or a state/territory Supreme Court. Also, the Patents Act 1900 confers jurisdiction on prescribed courts. The Final Report of the Intellectual Property and Competition Review Committee (IPCRC) published in September 2000, entitled *Review of intellectual property legislation under the Competition Principles Agreement*, recommended that the Federal Magistrates Court be used as a lower court for the patent system. The Advisory Council on Intellectual Property (ACIP) has released a report, which recommends extending the jurisdiction of the Federal Magistrates Service (FMS) to patent, trademark and design matters. The report stems from a call from some sectors

Denmark,[34] Finland,[35] France,[36] Germany,[37] Hong Kong, Hungary,[38] India,[39] Iran,[40] Israel,[41] Italy,[42] Japan,[43] New Zealand, Norway,[44] Pakistan, Panama,[45]

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of industry for a quicker, more cost-effective mechanism to deal with IP disputes. *See* Advisory Council on Intellectual Property, *Should the jurisdiction of the Federal Magistrates Service be extended to include patent, trademark and design matters?* November 2003, *available at* www.acip.gov.au. In response to the ACIP report, the Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources announced in April 2007 that the Government has agreed to extend the jurisdiction of the Federal Magistrates Court to hear trade mark and design matters; however this extension will not apply to patent matters at this time.

[31] In Rio de Janeiro, there are eight State Courts with specialised divisions in Bankruptcy, Corporate, and Industrial Property Laws. Any patent, trademark, industrial design, utility model, or unfair competition lawsuit must be filed before one of these eight courts.

[32] *See* Goodman Intellectual Property Enforcement in Canada, *The Time it Takes to Move a Case through the Courts Property*, 28 January, 2003 (stating "…Intellectual Property actions in Canada may be commenced in either the provincial courts or in the Federal Court of Canada. In most instances, the Federal Court is preferred because of the nation-wide effect of its orders (favouring a plaintiff) and its ability to expunge registrations for copyrights, trade-marks, patents, industrial designs and other intellectual property rights (favouring a defendant). However, the provincial courts must be used for trade-secret and breach of contract cases. While the Federal Court does not hear only intellectual property actions, intellectual property actions form a large part of the matters which are before this Court, such that many judges of the Federal Court have expertise in this area. The experience of judges of the provincial courts with intellectual property cases is more varied.").

[33] "In China there is no specialized IP court, rather, a system of specialized division to hear IP cases. The first specialized IP division was created in Beijing courts in 1993, and in 1996 the Supreme Court also setup the IP division. Afterwards many higher courts established the specialized division to hear the IP cases, till around 2001, every higher court and many intermediate courts in major cities have established the specialized IP division." *See generally* Jian Li *Patent Jurisdiction in China--Present and Future* Munich symposium, June 25 2007 *available at* http://www.bpatg.de/bpatg/symposium/v_Li.pdf.

[34] In Denmark, the Eastern and Western Divisions of the High Court have exclusive jurisdiction over patent cases.

[35] Cases concerning IP are processed in the Helsinki District Court (Helsingin Käräjäoikeus). The court has exclusive jurisdiction as the court of first instance over patent infringement and invalidation cases. All Finnish District courts, however, have jurisdiction as the courts of first instance over copyright matters, and there are no specialised divisions or judges in these courts for IP matters.

[36] According to Article L 615-17 of the French Intellectual Property Code, proceedings have to be initiated before one of the Ten Tribunaux de Grande Instance (civil district courts) having exclusive jurisdiction over patent matters. The case will be heard by a panel of three specialist judges assisted by experts.

[37] Each German state has one district court with a patent panel. Specialised patent panels, consisting of one presiding judge and two assisting lawyers in district courts, hear patent infringement cases. The District Courts of Dusseldorf, Munich, and Mannheim have great expertise in patent matters. In Germany, infringement cases are dealt with exclusively in civil courts. "The infringement courts do not have jurisdiction to deal with validity issues. Patents can be revoked or invalidated only by the Patent Office and the Federal Patent Court. The Federal Supreme Court, Bundesgerichtshof, as the last and final instance, deals with patent infringement and validity." *See* Sasa Bavec, *Scope of Protection: Comparison of German and English Courts Case Law*, 8 MARQ. INTELL. PROP. L.REV. 255, 257 (2004). *See also* Dr. Joachim Bornkamm, *Intellectual Property Litigation under the Civil Law Legal System, Experience in Germany,* Second Session Geneva, June 28 to 30, 2004

available at www.wipo.int/documents/en/meetings/2004/ace/doc/wipo_ace_2_3.doc (stating "The relevant German IP Acts set forth that the German States are entitled to establish functional competence at certain courts for disputes arising in the respective field of IP, ie Art. 105 UrhG (copyright disputes), Art 143 PatG (patent infringement disputes), Art 140 MarkenG (trademark infringement disputes), Art. 15 GeschmMG (designs). Most states have made use of these options, at the first and the appellate level, which has led to a considerable concentration. For instance, in patent infringement disputes, nine courts are competent to adjudicate these cases; in addition, there is a strong *de facto* concentration in practice at three courts (some 50 per cent of patent infringement cases are being brought before the court of Düsseldorf, next are Mannheim and Munich.").

[38] The Metropolitan Court of Budapest has exclusive jurisdiction to determine IP infringement actions, while other disputes (eg licence fees) fall into the exclusive jurisdiction of county courts. The Court Special Councils deal with IP cases on a specialisation basis. After EU accession, the Metropolitan Court of Budapest has been designated as a Community trademark court.

[39] India has specialised benches within the courts. In 2005 the Indian courts departed from their previously conservative approach towards the granting of damages. Since 2005 the Delhi High Court has awarded damages in 22 IP cases, ranging from $2,179 to $2,80 million. *See* http://www.buildingipvalue.com/07AP/p.266-269%20India.pdf. "The Delhi High Court recently handed down a judgment in *Lunarmech Machinenfabric Ltd v USF Filtration Ltd* ((2006) (33) PTC 47 (Del)) recognizing the impact that long-term litigation can have on the economic development of the country. The court also emphasized the need for faster resolution of grievances, particularly when a foreign company or an international commercial transaction is involved." *See generally* Manisha Singh, *Court Rules on Pending Litigations in IP Domain*, Lex Orbis, September 4 2006.

[40] When the exclusive rights to a registered trademark are being infringed, the proprietor may bring an anti-counterfeiting action against the infringement with the court. It is possible to take civil or criminal action to prosecute the infringers. The First Instance court branch No. 3 hears all the civil IP cases. This branch also hears major commercial disputes. The Prosecutor's Office district 19 hears all the criminal IP infringements. Recently, the criminal court has been allotted to hear IP cases in the same district.

[41] Officially, the district courts do not have a branch specialising in patent cases and such cases may reach any district court judge. In practice, however, most cases would reach a judge who already has some experience in patent cases.

[42] The Italian Government approved a new act: the Legislative Decree No 168 of 27 June 2003. The Act was published in the Italian *Gazzetta Ufficiale* No 159 of 11 July 2003, and creates Specialist Intellectual Property Divisions (SIPDs) with exclusive jurisdiction regarding IP issues. Effective from 1 July 2003, all new actions relating to patent, design and trademark infringement/nullity – as well as unfair competition are to be heard by a panel of three judges with 12 specialised courts, which have been established in the Court of Appeal Districts of Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste and Venice. Also, for the first time (from September 2004) all decisions issued by the IP courts will be published in a bulletin, which should increase transparency in the system. For further information about the SIPDs in Italy, refer to Cajola & Associati, Legal Information Newsletter, December 2004, *The New Sections Specialised in Intellectual and Industrial Property Rights and the Enforcement of Patent and Trademark Rights in Italy (*copy available on file at the International Bar Association). *See also* Elisabetta Fusar Poli and Rahul Kakkar, *New IP courts may help to reduce forum shopping*, Bird & Bird, Milan, 3 November, 2004 (stating "…the creation of SIPDs within the Italian Courts may be helping to curb the practice known as forum shopping. A recent decision of the Tribunal of Milan in *Croci Trading Srl v Ferplast SpA* (Case 43061/04) is a good example of the courts' current approach to the practice of forum shopping. In *Croci Trading*, the Tribunal of Milan, SIPD ruled that it did not have jurisdiction to hear a dispute filed against an alleged trademark infringer based in Venice. The

Romania,[46] Sierra Leone, Singapore,[47] Slovakia,[48] Slovenia,[49] Spain, [50]South Africa[51], Sweden,[52] Taiwan,[53] and the Netherlands.[54]

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designation of skilled judges to the SIPDs with specialist experience in IP matters is likely to result in more decisions of this type with the procedural rules being applied strictly. In turn, we may see a decline in forum shopping in the field of intellectual property."). On May 17 2007 the Italian Constitutional Court (Corte Constituzionale) declared that the previously accepted corporate procedure for IP litigation matters was no longer suitable. The change followed criticism from those in the industry over the suitability of the procedure for IP matters. Following the decision, litigation concerning IP matters will be regulated by the ordinary rules of the Italian Civil Procedure Code (ICPC). *See* Massimiliano Mostardini and Licia Garotti *New procedures will be welcomed by IP owners*, July/August 2007, available at http://www.managingip.com on 13 August 2007.

[43] As of April 1, 2005, there are four divisions in the Tokyo District Court and two divisions in the Osaka District Court as divisions specialised in IP cases. The Osaka High Court also has one division to which all the IP cases under its jurisdiction are assigned. *See* Intellectual Property High Court website *available at* http://www.ip.courts.go.jp/eng/index.html. Judges in these intellectual property divisions existing in Tokyo and Osaka district courts hire Japanese Patent Office investigators as "technical advisers" to aid them in decision making. Certain non-technical cases, such as trademark cases, can still be brought in other district courts as well. With the introduction of its Intellectual Property High Court in 2005, however, all appeals regarding technical intellectual property cases are heard by the same appellate court. In addition to the 18 judges who began the programme, Japan also commissioned more than 100 technical experts, including university professors and patent agents, to advise the judges in their decisions.

[44] The Oslo Tingrett is the common first instance (magistrate) court in the Oslo area. The Oslo Tingrett hears patent disputes regarding title to invention, denial of application and validity of patent, trademark disputes regarding denial of registration and cancellation of invalid registration, and design disputes regarding title to design, denial of registration and cancellation of invalid registration.

[45] 'Panama has recently adopted an approach of having specialised courts at both the trial and appellate levels that hear all types of IP disputes. The new courts are modelled on Panama's well-regarded maritime courts. The jurist who wrote the legislation for the original maritime courts also designed the new intellectual property courts.' *See* http://www.quinnemanuel.com/images/pdfs/71-may06.pdf

[46] In Romania, general jurisdiction courts (Bucharest Court, Bucharest Court of Appeal, and High Court of Cassation and Justice) are defined by Law No. 304 of 28 June 2004 as being specialist IP courts, but in practice they only have specialist IP and civil sections (divisions) with specialist IP judges. The setting-up of the specialised bodies is currently being prepared; *see also* information on the website of the Mission of Romania to the European Union *available at* http://ue.mae.ro/index.php?lang=en&id=31&s=763 stating ("...setting up specialised courts - an important part of the judicial reform in Romania, began with the inauguration of two commercial tribunals: Pitești, Argeș county, on July 30 and Cluj, on September 28, 2004. The process is intended to be completed by January 2008; by the end of September 2004, the first two specialized commercial tribunals have been inaugurated.").

[47] Singapore does not have a specialised IP Court per se but rather two Supreme Court judges are appointed to hear IP cases whenever these arise. See Ella Cheong, Mirandah & Sprusons, Singapore: *Momentum building towards an IP Hub*, Managing Intellectual Property (September 2004) (stating "In September 2002, Singapore established an [informal] IP Court, which was the second of the country's new specialist commercial courts. The court will hear all types of cases involving IP rights and it will be presided over by judges and judicial commissioners who have IP expertise. Two judges, who have extensive experience in IP disputes, have already been appointed to the IP Court. It is envisaged that the IP Court will give greater confidence to owners of IP rights in a judicial system that is already ranked among the best in the world.").

[48] Effective from 1 January 2005, Act No 371/2004 Coll regulates that the District Court Bratislava I, District Court Banská Bystrica and District Court KosŠice I are competent to hear cases concerning the protection of IP rights and rights against unfair competition, and that those procedures shall be transferred to the indicated district courts from the regional courts of Bratislava, Banská Bystrica and KosŠice, which shall decide on appeals against the decisions of the first instance courts.

[49] The District Court of Ljubljana is a court of first instance which has exclusive jurisdiction to decide IP rights disputes, except disputes between employers and employees with regard to inventions, shapes of products and pictures. The District Court of Ljubljana does not have a specialised division but rather specialised judges for IP matters. Specialised judges do not deal exclusively with IP cases, they also hear other civil matters. The reason for introducing specialised IP judges was due to the complexity of IP cases and the need for effective procedures. *See* Trampus, *Examples and Problems of Copyright Enforcement*, International Company and Commercial Law Review (I.C.C.L.R) 2002, p. 174-178). Two judges with extensive IP experience have been appointed to this court.

[50] As for the second instance, one or more sections of every Spanish court of appeal will specialize and be competent to solve the appeals filed against the judgments rendered by the commercial courts. In Barcelona and Bilbao, there are specific sections of the Courts of Appeal that deal with appeals on IP issues within their jurisdictions. *See also* Managing Intellectual Property, *Spain: A New Era is Dawning,* (2003) *available at* www.legalmediagroup.com/mip/default.asp?Page=1&SID=2104&ImgName=spainohimguide.gif&=F=F

[51] Matters involving disputes relating to trademarks, registered designs and copyright are dealt by the various divisions of the High Court in South Africa. Legal proceedings involving patent disputes take place in the first instance in the Court of the Commissioner of Patents. A high court judge with specialised knowledge and experience in patent disputes will be appointed on an *ad hoc* basis to hear a particular patent case.

[52] The District Court of Stockholm has exclusive jurisdiction over patent cases. One chamber handles all IP matters. During the trial, the District Court usually has a four-judge panel: two judges are lawyers, and two are technically trained judges with expertise in the relevant field.

[53] The Judicial Yuan, which is the highest judicial organ in Taiwan, has established professional tribunals at the district courts of Taipei, Taichung, Tainan, and Kaohsiung. They have also assigned professional divisions at other district courts to process IP infringement cases. In June 2006 the Judicial Yuan proposed a draft bill to establish a specialised court to deal with IP disputes. In an article for Formosa Transnational, Yu-Lan Kup writes that the Judicial Yuan has already started training judges to sit in the new IP court. The IP Court will be the court of first instance and second instance for civil suits or the court of first instance for administrative suits involving these IP rights. As to criminal suits, the IP Court will be the appellate court, while the district court shall remain the court of first instance to ensure timely and efficient prosecution of counterfeiting cases. A corresponding Intellectual Property Rights Branch Office under the High Prosecutor's Office will also be set up. The court is expected to start hearing cases by September 2007. For further information see Yu-Lan Kuo, *New laws clear the path for Taiwan's IP Court*, 11 July 2007, *available at* http://www.iam-magazine.com/reports/detail.aspx?g=24c3aadf-ee7c-4bc8-9f64-19d2c2c87f47.*See* http://www.buildingipvalue.com/06AP/345_348.htm. *See also*, Kwan-Tao Li and Joseph S Yang, Lee and Li Attorneys at Law, *Taipei New IP Court set to start hearing cases in September*, World Trademark Law Report, March 27, 2007.

[54] The District Court of The Hague has exclusive jurisdiction to hear patent cases in the first instance. This court has specialist judges with considerable patent expertise.

The following jurisdictions have commercial courts or divisions that hear IP cases in addition to other business disputes: Austria,[55] Ireland,[56] Portugal,[57] Spain,[58] Switzerland,[59] and the Philippines.[60]

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[55] In Austria, only the Chamber of the Commercial Court of Vienna has exclusive jurisdiction for actions and injunctions over patent infringement. The Chamber of the Commercial Court of Vienna consists of three members, two judges and a lay judge who is a person working in the field of trading. In patent infringement cases, the lay judge is often a patent attorney. Nullity actions are dealt with by the Nullity Section of the Austrian Patent Office. The Nullity Section of the Austrian Patent Office consists of three technically qualified members and two legally qualified members. Against the decision of the Nullity Section, an appeal can be made to the Supreme Patent and Trademark Chamber. The Supreme Patent and Trademark Chamber takes decisions in boards consisting of five members: a chair (judge), two legally qualified members, and two technically qualified members.

[56] The Irish Commercial Court was only established in January 2004. IP issues are a core element of the court's jurisdiction. Generally, only claims for more than €1 million can be admitted to the Commercial Court List, but significantly, this requirement is waived in respect of IP disputes, the only such specific exception to the requirement. The exception reflects the awareness of the need for the Commercial Court to deal with such matters, and ensures fast and expert judicial enforcement of IP rights.

[57] In Portugal, Decree Law No 36/2003 of 5 March, 2003, which approved the new Portuguese Industrial Property Code, establishes that the Lisbon Court of Commerce is the only court competent to decide on industrial property matters. This court is composed of three judges and decisions are pronounced by one judge only.

[58] Regarding civil jurisdiction, litigations will be initiated in the first instance before the new *juzgados de lo mercantil* (commercial courts), which came into operation on 1 September 2004, to take over exclusive competence in intellectual property matters and unfair competition litigation from the existing *juzgados de primera instancia* (Spanish civil courts of first instance). Apart from dealing with judicial proceedings related to intellectual property, the new commercial courts also have exclusive competence in cases belonging to other specific legal areas, such as insolvencies, transport, maritime law, advertising, and competition. So, although the creation of the commercial courts is meant to be a way of improving the quality, uniformity and swiftness of the Spanish judgments and increasing legal certainty, the degree of specialization of these new courts will only be partial or relative, as they will still have to deal with a considerable amount of cases and different areas of law. In addition, Spain created the Community Trade Mark and Community Design Court of Alicante in 2004 as the only tribunal with jurisdiction in Community Design matters. The commercial courts of Alicante will act, in turn, as Community trade mark courts, that is, they will have exclusive competence and jurisdiction all over Spain on all suits related to Community trade marks and designs. *See* Managing Intellectual Property: Country Reports: Rights owners empowered by IP harmonisation, *available at* http://www.managingip.com/default.asp?Page=20&F=F&action=Report&CountryID=62

[59] *See* Carolyn Boyle, *Special Needs*, Legal Week, 10 June, 2004, *available at* www.legalweek.net/PrintItem.asp?id=20144 (stating "Patent disputes… are currently resolved by the 26 cantonal courts; but while the specialised commercial courts in Zurich, Bern, Aargau and St Gallen have considerable expertise in patent matters, ordinary courts in other cantons have little experience of such cases and are ill-equipped to handle them efficiently. There is a considerable de facto concentration to the commercial courts of Zurich, Aargau, St Gall and Bern. A single forum for patent matters would greatly enhance the quality of such decisions, but significant divergence in the cantonal laws of civil procedure has proved a stumbling block to its creation. However, with a uniform Federal Code of Civil Procedure set to come into force in the next year or so, this particular obstacle will soon be overcome… Switzerland's confidence in the benefits of judicial specialisation is arguably grounded in the success of its commercial courts, and in particular the Zurich Commercial Court. Located in an economic and commercial hub, the court is ideally placed to hear complex commercial disputes and has established efficient and innovative procedures for their swift resolution."). *See also* Peter Heinrich, *Latest*

The following jurisdictions have appellate courts that exclusively hear IP cases and also hear other types of appeals: Brazil,[61] Chile,[62] China,[63] Colombia, Finland,[64] France,[65] Germany,[66] Japan,[67] Korea,[68] Panama,[69] Portugal, Sweden,[70] the Netherlands,[71] the United Kingdom,[72] and the United States.[73]

Developments in Concentration and Specialisation of Courts on the National Levels, (2004) *available at* www.sic-online.ch/2004/documents/161.pdf (stating "AIPPI Switzerland has taken the initiative to create one single patent court. A working group under the presidency of Dr Christian Hilti member of (EPLA) is working on the project. The outcome is still open. Problems might arise because the spirit of 'federalism' (decentralisation) is traditionally strong in Switzerland and because it remains uncertain whether the patent court would be financially self-sufficient.").

[60] In the Philippines, IP cases are filed in Special Commercial Courts. The Special Commercial Courts have jurisdiction with respect to the National Capital Judicial Region and within the respective provinces with respect to the First to Twelfth Judicial Regions. In 1995, a number of courts in different provinces had been designated to try cases for violations of IP rights. Following a survey in 2002, however, which showed that a large percentage of the cases were handled in the capital region, these designations were revoked. Since 2003, IP cases are tried within the then-created 65 commercial courts. An additional commercial court was established in the City of Manila, where the IP caseload was comparatively heavy. The Philippine Supreme Court has strengthened the infrastructure for IP specialisation by organising IP training programmes conducted by the Philippine Judicial Academy for IP judges, and sending IP judges to international IP schools and seminars.

[61] The Brazilian Federal Court of Appeals for the Second Region which covers the States of Rio de Janeiro and Espírito Santo has implemented since 1 February 2005 specialised panels and a section for the judgment of cases involving industrial and IP matters. The court comprises eight panels of three judges each. The first and second panels are responsible for deciding cases involving IP issues as well as criminal and social security cases. The specialisation of the Federal Court of Appeals is hoped to increase both the quality and speed of decisions in the IP cases.

[62] The specialised IP court in Chile is an administrative court within the judicial branch which hears appeals from decisions of the Patent and Trademark Office. It was created in 1991 as an appellate court for industrial property cases. Then jurisdiction for plant variety and plant breeders rights cases was added. A further expansion to encompass copyrights is under consideration.

[63] China confers upon the intellectual property appellate division in the Beijing Municipal Higher People's Court the exclusive appellate jurisdiction for the entire country.

[64] In Finland, the Helsinki Court of Appeal has exclusive jurisdiction over industrial property matters. There is also a dedicated department within the Court for IP matters. Copyright matters, on the other hand, are dealt with on a geographical basis. Thus, centralised handling of copyright matters first occurs when the case reaches the Supreme Court, if the case ever proceeds this far.

[65] In Paris, the first instance courts and appeal court have a specialised chamber for IP matters.

[66] In Germany, the Federal Patent Court is an autonomous, independent Federal Court with the rank of an appellate court, located at the seat of the German Patent and Trademark Office in Munich. The Federal Patent Court renders decisions on appeals against decisions of the sections and departments for patents, utility models, semiconductor topographies, trademarks and industrial design of the German Patent and Trademark Office. The Court has jurisdiction over actions as to the declaration of nullity or withdrawal of German patents and such European Patents that are effective in the Federal Republic of Germany. Also, the Court decides on the oppositions against a patent (limited period of time). In addition to this the Court decides on actions as to the grant of compulsory licenses. The Court decides furthermore on appeals

against decisions of the opposition boards of the Federal Office for Plant Varieties. *See* Office for Press and Public Relations of the Federal Patent Court, *The Federal Patent Court,* page 7, August 2004 *available at* www.bpatg.de. In Germany, appeal courts are composed by specialised senates with a bench of three judges (a senate consists of 4-5 judges, usually one on secondment from a lower court). New facts are admissible on appeal, but admission of late filed material is at the discretion of the court. There is also a further appeal to the Federal Supreme Court, which is composed of five very experienced judges trained in the system and selected from the most able patent judges.

[67] In April 2005 a specialised new IP court replaced the "Intellectual Property Division" of the Tokyo High Court, which was established in 1950. The 18 judges of the court will hear appeals from Japan's district actions and lawsuits against appeal or trial decisions made by the Japan Patent Office. "Japan also commissioned more than 100 technical experts, including university professors and patent agent, to advise the judges in their decisions. So far, lawyers seem pleased. Informal accounts indicate that the time to resolution for patent cases has been almost cut in half, with most concluding in a year or less." *See* Quinn Emanuel Urquhart Oliver & Hedges, llp, Business Litigation Report, May 2006, *available at* http://www.quinnemanuel.com/images/pdfs/71-may06.pdf. The number of Intellectual Property Appeal cases commenced and disposed and the average time intervals from Commencement to Disposition is *available at* http://www.ip.courts.go.jp/eng/documents/stat_04.html. *See also Intellectual Property Infringement Litigations and Recent Movement toward System Reforms*, Thesis by Toshiaki Iimura, *available at* http://www.ip.courts.go.jp/eng/documents/thes_01.html The IP High Court… "could be compared to the U.S Court of Appeals for the Federal Court Circuit, which is considered a good example of patent courts in the world". The U.S Court of Appeals differs from the Tokyo High Court in that the U.S Court of Appeals does not have jurisdiction over copyright cases and instead does have jurisdiction over other categories of cases which are not related to intellectual property rights. *See* The Japan Times, April 11, 2005*, available at* http://search.japantimes.co.jp/print/opinion/ed2005/ed20050411a1.htm). *See also* supra note 42.

[68] In Korea, the Korean Patent Court is an intermediate appeal court similar to the Court of Appeals for the Federal Circuit in the United States. The Korean Patent Court reviews the decisions of the Tribunal of the Korean Industrial Property Office (KIPO). The Korean Patent Court is handling the cases with respect to trials against the examiner's refusal of applications, nullification of IP rights, confirmation of the scope of the patent rights and permission for correction, etc. The Court Organisation Act, which created the Patent Court, recognised that judges may often lack the technical expertise necessary to understand some of the highly specialised issues likely to arise in IP cases. To help remedy this potential problem, the Act also authorised the Supreme Court to appoint up to 15 technical examiners to assist the Patent Court judges. Technical examiners are influential in IP cases, particularly those involving patents and/or utility models.

[69] The Third Superior Court of Appeals has jurisdiction to hear all types of IP disputes over all the territory of the Republic of Panama.

[70] The Stockholm District Court and the Svea Court of Appeal, which is the superior court of Stockholm District Court, assign IP cases to special departments within the respective courts. The Court of Patent Appeals is a special administrative court and the superior court of the Swedish Patent and Registration Office. Both the first and second instance courts regarding registration cases are thus specialist authorities/courts. At the supreme administrative court level, IP cases are dealt with in the same way as other cases and a review permit is required.

[71] The Court of Appeals in The Hague has exclusive jurisdiction to hear patent cases in the second instance.

[72] Appeals from both the Patents Court and the Patents County Court go directly to the Court of Appeal – with leave only. The Court of Appeal is constituted with three judges. Nowadays there is a judge among the judges of the Court of Appeal who was formerly sitting in the Patents Court and thus has technical qualifications.

The following jurisdictions have explored and contemplated the potential of specialised IP courts in their countries either at pre-grant stage or thereafter: Costa Rica,[74] China,[75] Ecuador,[76] India,[77] Mauritius, Mexico, Syria, The Philippines,[78] Ukraine, and Vietnam.

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[73] The United States does have one specialized IP court: The United States Court of Appeals for the Federal Circuit. The Federal Circuit has had a significant influence on the development of the law in the United States. The Federal Circuit, which has subject matter jurisdiction over patent, trademark, U.S. International Trade Commission, and other cases, was formed to have the type of specialised expertise necessary to adjudicate intellectual property cases and provide guidance to lower courts through its opinions. According to critics, however, the existence of one specialised court that only reviews the decisions of lower generalist courts does not address the problems inherent in having a nonspecialized court adjudicate the matter initially. Parties still must incur the initial time and expenses to have their case heard at the trial court level. Moreover, critics claim that the reversal rate of the Federal Circuit has only made technical litigation more unpredictable. All of this has led to recent proposals to create specialized intellectual property courts. In October 2005, Rep. Darell Issa brought proposed legislation before the House Judiciary Committee's Subcommittee on Intellectual Property that would establish specialized trial courts to decide IP cases. The proposal calls for an initial two-year trial period. Though clearly not unprecedented, the idea has been met with mixed reactions from the intellectual property bar. *See generally* Quinn Emanuel Urquhart Oliver & Hedges, llp, Business Litigation Report, May 2006, *available at* http://www.quinnemanuel.com/images/pdfs/71-may06.pdf

[74] *See generally* Judge Carmen María Escoto, *Intellectual Property Rights and Trade Enforcement Procedures in Costa Rica*, *available at* www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_2/wipo_ace_2_www_33725.doc.

[75] With the tendency of IP specialization, a comprehensive discussion about the establishment of the specialized IP court is being developed in China *See also* Allison Cychosz, *The Effectiveness of International Enforcement of Intellectual Property Rights*, 37 J. MARSHALL L REV 985, 1011 (2004) (stating "China has taken the creation of a specialised patent tribunal system very seriously. This is evidenced by the extensive efforts made to ensure effective enforcement of IP rights."). In fact, there have been recent announcements concerning the establishment of a specialised IP Court in China which is viewed as "a positive policy shift as China combats the deficiencies in its IPR protection. However, some commentators are of the view that "a Chinese IP court…may never come to fruition" as "the current Chinese court system is a four-tiered system. The court of first call for IP issues is the court on the second tier which is the People's Court resident in major Chinese cities. There are two such courts in the major cities of Shanghai and Beijing. Some courts in People's Courts in major cities do not necessarily want IP appeal cases centralized in one specialised court in Beijing or Shanghai. Thus, the promising news being reported concerning the implementation of a specialised IP Court system may prove to be somewhat premature", *See* David Washington, *International IP Law Forum*, 5 June 2006, *available at* http://www.internationaliplawforum.com/subjects.php?subject_id=1.

[76] Ecuador enacted a law in 1998 which provides for specialised IP courts, however, these have yet to be created. *See* International Intellectual Property Alliance, *2004 Special 301 Report, Ecuador, available at* www.iipa.com/rbc/2004/2004SPEC301ECUADOR.pdf. According to § 294 of the 1998 Intellectual Property Act, specialised IP courts were to be created. This section provides for the jurisdiction of various IP judges, four IP courts of appeal, and an IP chamber in the Supreme Court. According to the tenth transitory provision of the Act, Administrative Courts were assigned jurisdiction over IP matters until the creation of these IP judges and courts, except in cases of injunction, over which civil judges have jurisdiction. The Ecuadorian Government has not yet established the specialised intellectual property courts required by its IP law, *See* 2007 Watch List, *available at* http://www.ustr.gov/assets/Document_Library/Reports_Publications/2007/2007_Special_301_Review/asset_upload_file60_11126.pdf

A large number of the jurisdictions surveyed also have specialised government agencies dealing with IP cases through administrative proceedings.[79] In most cases, administrative agencies cannot award compensation to a rights holder. They can, however, fine the infringer, seize goods or equipment used in manufacturing infringing products, and/or obtain information about the source of goods being distributed.

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[77] There is an ongoing discussion in India about the establishment of a specialised IP court, in particular in the area of patent litigation. While not directly linked to India's obligations under the WTO accession, the debate about the creation of a specialised IP court has emerged in connection with the TRIPS-related revision of India's IP laws.

[78] The head of the Philippines IP Office urged the government in summer 2005 to set up a specialist IP court to help fight infringement. *See* Managing Intellectual Property Weekly News, August 1 2005, *available at*: http://www.managingip.com/Default.asp?Page=9&PUBID=198&ISS=17997&SID=551639.

[79] For example, In Colombia, the Office of the Superintendent of Industry and Trade (Industrial Property Division) is the administrative agency in charge of trademark and patent registration. It also issues decisions in connection with oppositions filed in the course of trademark and patent prosecution. The decisions issued by the Office of the Superintendent of Industry and Trade may be challenged before the Council of State, the highest administrative court. Also, in Ecuador, administrative courts handle IP matters except in cases of injunction, over which civil judges have jurisdiction. In Mexico, the Mexican Institute of Intellectual Property (MIIP) in its character of administrative authority in the industrial property field is the State organism that regulates and protects IP. In the United States, there are administrative tribunals dealing with disputes at the pre-registration stage. The Trademark Trial and Appeal Board is an administrative tribunal of the United States Patent and Trademark Office within the Office of General Counsel. The Board is empowered to determine only the right to register. The Board has jurisdiction over four types of *inter partes* proceedings, namely, oppositions, cancellations, interferences, and concurrent use proceedings. In Costa Rica, The Tribunal Contencioso Administrativo of San José deals with IP matters. In Canada, The Copyright Board is an economic regulatory body empowered to establish the royalties to be paid for the use of copyrighted works when the administration of such copyright is entrusted to a collective-administration society. The Copyright Board of Canada is considered part of the Executive branch of the Government. In China, there are also administrative bodies outside the court system which have responsibility for enforcing IP rights. Within the IP protection system of China, apart from the judicial approach as is adopted in conformity with international practices, an administrative approach is also provided for, based on the national conditions and realities, in the IP laws of China, such as in the Patent Law, Trademark Law and Copyright Law. In Australia, under the patent, trademarks and design legislation, administrative bodies such as the Commissioner of Patents are empowered to make various decisions as to the creation, subsistence and compulsory licensing of rights as well as on matters such as the right to intervene or the extension of time limits. In the Philippines, since May 2002, the IP Code provides an alternative venue for redress in IP violation cases by filing administrative complaints before the Bureau of Legal Affairs (BLA) of the Intellectual Property Office. The commencement of an action under the Bureau's Rules is without prejudice to the filing of an action with the regular courts. In Panama, The National Copyright Directorate, from the Ministry of Education of Panama, is the authority with jurisdiction over cases of infringements of copyright and related rights in the administrative context. Finally, in Peru, there is an administrative review board within a multi-functional agency known as Indecopi, yet with direct appeals to one of the chambers of the Supreme Court. The Indecopi Tribunal also hears unfair competition, price fixing and consumer protection cases.

The results reflect a high level of satisfaction with specialised IP courts. In some jurisdictions cases are filed in a court of general jurisdiction, but are consistently assigned to judges who have developed the appropriate level of knowledge, expertise and experience to deal with such matters.

4.1 REGIONAL SYSTEMS FOR SPECIALISED IP JURISDICTION

SPECIALISED JURISDICTION UNDER EUROPEAN COMMUNITY INSTRUMENTS

The Trademark Regulation (EC 40/94) and the Community Design Regulation (EC 6/2002) provide for exclusive jurisdiction: Member States shall designate in their territories "as limited a number as possible" of national courts and tribunals of first and second instance (Community trademark/design courts) which shall have exclusive jurisdiction, in particular, for validity and infringement proceedings.[80]

The European Union has been looking to adopt a unitary system of patent protection for the single market since 2000. However, overall agreement has yet to be achieved. The European Council held in Lisbon in March 2000 called for the creation of a Community patent system to address existing shortcomings in the legal protection for inventions, thus giving an incentive for investments in research and development and contributing to the competitiveness of the economy as a whole. In the framework of the creation of a unitary Community patent, two Commission proposals were also presented in December 2003 on the establishment of a Community patent jurisdiction.

The first proposal presented by the Commission would confer on the Court of Justice formal jurisdiction concerning certain disputes over Community Patents, in particular those concerning alleged infringements of patents and challenges to the validity of patents.

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[80] *See* Art. 91 of the Trademark Regulation (EC 40/94) *available at* www.europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=31994R0040&model=guichett (stating "... The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, hereinafter referred to as Community trade mark courts, which shall perform the functions assigned to them by this Regulation… Each Member State shall communicate to the Commission within three years of the entry into force of this Regulation a list of Community trade mark courts indicating their names and their territorial jurisdiction."). *See also* Art. 80 of Community Design Regulation (EC 6/2002) *available at* www.europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=32002R0006&model=guichett (stating "The Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance (Community design courts) which shall perform the functions assigned to them by this Regulation. Each Member State shall communicate to the Commission not later than 6 March 2005 a list of Community design courts, indicating their names and their territorial jurisdiction.").

The second proposal would establish the Community Patent Court, whose seven judges would be appointed by the Council of Ministers, to exercise the Court of Justice's jurisdiction on its behalf.[81]

The Community Patent would take effect throughout the EU. Another key element of the Community patent system would be the establishment of a Community patent jurisdiction.[82] There is a basis for conferring jurisdiction on the European Court of Justice in the Treaty establishing the European Community as amended by the Nice Treaty[83] signed in December 2000.[84] The Proposal for a Council decision establishing the Community Patent Court proposes the establishment of a judicial panel to be called "Community Patent Court" which would exercise within the Court of Justice at first instance the jurisdiction in disputes relating to the Community patent. The decisions of the Community Patent Court could be appealed to a Patent Appeal Chamber within the Court of First Instance.

The European Patent Organisation (EPO) is also currently on its way to creating a European patent court. A working party mandated by the governments of the contracting states of the European Patent Convention elaborated with the support of the EPO a draft for an optional European Patent Litigation Agreement (EPLA) and a draft statute for a European Patent Court. EPLA was established with an aim to create an integrated judicial system for the litigation of European patents with a uniform procedure and a central European patents court which would replace the current system according to which European Patents after being granted have to be litigated individually in national courts (where the protection has been sought/where challenges have been made).

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[81] The original full texts of the proposals are *available at* http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0827en01.pdf (first proposal) and http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0828en01.pdf (second proposal). *See also* Intellectual Property Bulletin*, European Commission Proposes IP Court 2*, February 2004. For more information about the Commission's proposal for an IP Court, visit the European Commission Industrial Property website, *available at* www.europa.eu.int/comm/internal_market/en/indprop/patent/index.htm.

[82] Commission of the European Communities, *Proposal for a Council decision conferring jurisdiction on the Court of Justice in disputes relating to the Community patent*, COM (2003) 827 final, Brussels 23.12.2003; Commission of the European Communities, *Proposal for a Council decision establishing the Community Patent Court and concerning appeals before the Court of First Instance*, COM (2003) 828 final, Brussels 23.12.2003.

[83] "Consolidated Versions of the Treaty on European Union and of the Treaty Establishing European Community", OJ 2002 C 325/01, pp. 125-126.

[84] Article 229a of the consolidated version of the EC Treaty provides that the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, may adopt provisions to confer jurisdiction on the Court of Justice in disputes relating to the application of the Community Patent Regulation which is yet to be adopted. Article 225a allows the creation of specialised judicial panels.

The EPLA system[85] envisages the establishment of a European Patent Court (comprising a Court of First Instance, with a Central Division and a number of Regional Divisions, as well as a Court of Appeal) and a European Patent Court of Appeal (acting as "Facultative Advisory Council"). These two courts would have exclusive jurisdiction over all proceedings relating to the infringement and validity of European Patents in any or all of the protocol countries.[86] However, national courts of these protocol countries would continue to have jurisdiction over interlocutory injunctions and other provisional matters.

The strong support for the EPLA expressed over the years by several user groups[87] seems to indicate that the European Patent Court as designed by the Working Party on Litigation would be able to meet users'need for an efficient court delivering quick, high quality first instance decisions at an affordable price. The draft EPLA has also received support from judges[88], academia[89] and expert groups.[90]

If the EPLA is ratified, a common specialised patent court would be created. The EPLA is independent and should not be confused with the approach of the European Union to create a community patent with its own jurisdictional system.

The European Commission's DG Internal Market and Services launched a public consultation in January 2006 with the aim of collecting stakeholders' views on the patent system in Europe and seeking views on what measures

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[85] The European Patent Litigation Agreement is *available at* http://www.european-patent-office.org/epo/epla/.

[86] *See generally* http://patlaw-reform.european-patent-office.org/epla/.

[87] This support has explicitly been stated by: Association Internationale pour la Protection de la Propriété Intellectuelle (AIPPI), Deutsche Patentanwaltskammer, Emerging Biopharmaceutical Enterprises (EBE), European Chemical Industry Council (CEFIC), European Federation of Pharmaceutical Industries and Associations (Efpia), European Business Summit, European Patent Lawyers Association (EPLAW), Fédération Européenne des Mandataires de l'Industrie en Propriété Industrielle (FEMIPI), European Commission Information Society Technologies (ist), Institute of Professional Representatives before the EPO (*epi),* International Chamber of Commerce (ICC), Max Planck Institute for Intellectual Property, Competition and Tax law, Mouvement des Entreprises de France (MEDEF), The American Chamber of Commerce to the European Union, Union des Industries de la Communauté européenne (UNICE).

[88] The European Patent Lawyers Association (EPLAW) together with the EPO Academy organised a meeting with Europe's top intellectual property (IP) judges in October 14-16 2005 in San Servolo, Venice. During this meeting a resolution with the signature from 24 patents judges from 10 EU countries was passed in favour of the EPLA. The judge's resolution is *available at* http://www.eplaw.org/Downloads/Venice%20Resolution.pdf.

[89] Mario Franzosi, *A Community patent: Three Suggestions for Two Difficulties*, IIC 2004, 416 (419); Joseph Straus/Michael Schneider, *Probleme des europäischen und internationalen Patentrechts, Tätigkeitsbericht* 2004, Max-Planck-Gesellschaft, 233.

[90] Creating an Innovative Europe, Report of the Independent Expert Group on R&D and Innovation appointed following the Hampton Court Summit, January 2006.

could be taken in the near future to improve this system. [91] The Commission also held a public hearing on 12 July 2006 to discuss the preliminary findings of the consultation. [92] The public consultation involved three major issues: the Community patent; how the current patent system in Europe could be improved; and possible areas for harmonisation.

The Commission's preliminary findings indicate that although there is widespread preference for the Community Patent as a way forward, stakeholders do not wish to have one at any price and in particular not on the basis of the key elements of the 2003 Common Political Approach[93] (unsatisfactory language regime and inadequate jurisdictional agreements). What they are looking for is an improvement over the current situation, a truly unitary high quality patent. If this cannot be achieved quickly, then some stakeholders go as far as urging the Commission to withdraw its proposal and concentrate its resources on other issues, while many point to the EPLA as a possible solution to the current shortcomings. Whatever the outcome of efforts on the Community Patent, stakeholders look favourably at EPLA as lack of uniform litigation for European Patents is the main obstacle to an efficient patent system in Europe.[94]

"Recent discussions with Member States show polarised positions on patent jurisdiction arrangements with, on the one hand, Member States supporting the draft EPLA in the context of the European Patent Convention, and, on the other hand, Member States favouring the establishment of a specific Community jurisdiction for patent litigation on European and Community patents based on the EC Treaty".[95] "The way forward could be to reflect on the creation of a unified and specialised patent judiciary, with competence for litigation on European patents and future Community patents. This system could be inspired by the EPLA model but could allow for integration in the Community

[91] The Commission received an impressive number of 2515 replies from e.g. industry; SMEs; patent practitioners; academic institutions; public institutions; individuals.

[92] The preliminary findings of the consultation are *available at* http://ec.europa.eu/internal_market/indprop/patent/hearing_en.htm

[93] The European Council reached agreement on a Common Approach concerning the Community Patent. At its spring meeting (20 and 21 March 2003) the "Brussels European Council" expressed its satisfaction with that approach and called on the EU Council to rapidly finalise work thereon. This Common Approach includes the main features of the system of jurisdiction, the language regime, costs, the role of national patent offices and the distribution of fees. *See* http://register.consilium.europa.eu/pdf/en/03/st07/st07159en03.pdf

[94] *See generally* preliminary findings of the consultation *available at* http://ec.europa.eu/internal_market/indprop/patent/hearing_en.htm. The IBA Working Group on the Patent System in Europe Submission is *available at* http://www.ibanet.org/images/downloads/e-news/27_04_patent.htm

[95] Patents: Commission sets out vision for improving patent system in Europe, 3 April 2007, *available at* http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/463&format=HTML&aged=1&language=EN&guiLanguage=fr

jurisdiction. As a first step, work should concentrate on building consensus among Member States around principles on which consensus is emerging."[96]

THE ANDEAN COURT OF JUSTICE (ACJ)

In general, this court exercises the jurisdictional function within the integration process of the Andean Community[97] with its Member States Bolivia, Colombia, Ecuador and Peru. The ACJ has jurisdiction over nullification actions, non-compliance actions and pre-trial interpretation. The latter allows national judges trying a case to request the interpretation of scope and content of Andean provisions by the ACJ.

Despite the wide scope of jurisdiction of this body, in practice, the large majority of decisions concern IP disputes, in particular under pre-trial interpretation. This allows strong expertise of the ACJ in IP matters, and a uniform application of the Andean IP instruments, for instance the Common Industrial Property System (Decision 486)[98] and the Common Regime on Copyright and Related Rights (Decision 351).[99]

4.2 BENEFITS OF SPECIALISED IP COURTS

The potential benefits of having specialised IP courts can be summarised as follows:[100]

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[96] *Id*

[97] The Andean Community is a political and economic entity comprising Bolivia, Colombia, Ecuador, and Peru. Its early beginnings date back to 1969, when a group of South American countries signed the Cartagena Agreement, also known as the Andean Pact. The Community has promulgated a wide variety of laws all of which are directly applicable in the national legal systems of the member countries without further national legislative action. These laws cover a range of economic and social matters in order to achieve the main objectives of the integration programme. For more information refer to the Andean Community's website *available at* www.comunidadandina.org/endex.htm

[98] Decision 486 contains major improvements relating to enforcement of IP rights, such as the inclusion of specific civil sanctions for infringement of IP rights, a chapter regulating border measures, standards for provisional measures and unfair competition rules.

[99] This common regime, approved on December 17, 1993 through Decision 351 of the Commission of the Cartagena Agreement, establishes adequate and effective protection for authors and other holders of rights to works of intelligence in the literary, artistic, or scientific fields, whatever their type or form of expression and irrespective of their literary or artistic merit or purpose.

[100] For a summary about the key advantages to specialised courts handling IPR issues*, see generally* Vichai Ariyanuntaka, *Intellectual Property and International Trade Court: A New Dimension For IP Rights Enforcement In Thailand*, Thailand Law Forum*,* at 1, *available at* www.thailawforum.com/articles/ipvichai.html. *See also,* International Trademark Association, Request Action By the INTA Board of Directors, *Specialized Trademark Judiciaries*, 7 November, 2001 *available at* www.inta.org/policy/res_spjudiciaries.html (stating "An informal survey conducted by the International Trademark Association' Issues and Policy Committee and its Emerging Issues Subcommittee, indicates a consistently high level of

EXPERTISE

- *Judges may produce more reasoned and practical decisions owing to their experience in IP issues*.[101] The fact that the specialist judge is familiar with the particular area of law will frequently enable the court, at an early stage, through case management at a directions hearing, to ensure that only the core issues are pursued and, if necessary, that discovery is tailored to the particular case. The judge may, in the more informal atmosphere of this particular process, express some preliminary views about the overall merits of the case, and this may point the way to a settlement or a reduction in the number of matters at issue.
- *Consistency of legal doctrine in the IP field*. This comprehensive understanding of and familiarity with the surrounding case material can be expected to provide greater consistency in the decision-making process and should bring with it the advantage to the litigants of a more predictable outcome of the proceedings. Consistency in decision-making is of extreme importance. Inconsistency in decision-making leads to a lack of confidence in the system and court authority will diminish.
- *Dynamism.* IP courts are more able to keep up with new IP issues and laws. As many IP laws are subject to constant evolution, judges and lawyers should be able to rapidly assess the new amendments and apply the changes. Constantly evolving subject matter, such as IP law, requires expertise in the field in order to make it work.
- Specific training in IP issues is more attainable as expertise and resources are concentrated within the judiciary.
- *Creation of a corpus of specialist advocates*. The creation of a specialist court, provided that it has a sufficient volume of work, can be expected to be accompanied by the development of a body of specialist advocates. They will either be in existence at the time when the court is created or they can be expected to evolve to meet the needs of the court.

EFFECTIVENESS

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satisfaction with specialised trademark courts. Those who have had experience with such courts and judges generally rate them highly, reporting that such courts and judges resolve intellectual property disputes efficiently and fairly…").

[101] *See* Robert M Sherwood, *Specialised Judicial Arrangements for Intellectual Property*, 1998 (stating "Because technological issues often arise in intellectual property cases, judges will experience a need for increased understanding of complex scientific information. While the basic concepts of intellectual property law are themselves not hard to understand, their application can be intricate and perplexing for those not familiar with the subject. Moreover, it is important that judges appreciate the economic consequences of judicial decisions that involve intellectual property issues.").

- *Quicker and more effective decision-making process*. The time that otherwise would be lost in dealing with aspects of the case in order to educate the judge will be saved, thereby shortening hearings and reducing costs for litigants, courts, and administrative staff. Specialisation theoretically reduces delay because judges become familiar with the case patterns and the legal issues raised by the cases before them. Judges who hear the same types of cases regularly come to recognise fact patterns and issues more quickly and accurately than those who encounter cases only occasionally. As a result, they can control the lawyers more easily, see possibilities for settlement, and write better decisions. Their increased opportunity to see trends may also put them in a better position than judges who see a mix of cases to develop the law to suit evolving conditions.
- *Better understanding of IP issues by judges*. Even though each case would have a different technology at issue, specialised judges would be more efficient at resolving IP cases through their consistent exposure to the substantive law.
- Establishment of rules and procedures that are unique to IP issues in nature, ie appointing associate judges, technical experts or assessors to assist and provide technical knowledge. Difficult questions of scientific fact are likely to arise more frequently in patent law than in any other field of law.
- Reduced risk of judicial errors, which contributes to the effectiveness of the administration of justice.
- *Reduced caseload*. Specialist courts reduce the caseload of overburdened generalist courts. If a rash of cases in a specialist field emerges at a particular time, or if, for example, there is new legislation in the particular field requiring thorough interpretation by the court, then the specialist court will relieve the general court of this burden and thereby ensure that the stream of litigation is not impeded.

EFFICIENCY

- IP courts are more likely to manage the challenges of complex IP cases more efficiently and more precisely.
- Appeals may be made directly to the highest court, bypassing the courts of appeal.
- More cost effective due to efficiency and faster adjudication of cases.
- As many IP rights have acquired a multinational aspect, judicial cognisance of judicial findings in other jurisdictions may be recognised and relied on by specialised IP courts while generally not permitted in general courts.
- Court proceedings may be shortened as exhibits and experts may be unnecessary.

It should be noted that there are also likely to be benefits to the jurisdictions that create specialised IP courts as well as to its litigants. For example, an increase in foreign direct investment may be realised by countries that create specialised IP courts. Additionally, litigation costs for plaintiffs and defendants may decrease as exhibits and experts needed to establish facts in general courts may be unnecessary.

4.3 POTENTIAL DOWNSIDES OF HAVING SPECIALISED IP COURTS

It is important to stress, however, that potential benefits carry possible downsides. These have been identified through the survey as:

- Costs of maintaining IP courts may be high.
- Costs of training judges, court personnel, and public prosecutors may be high.
- A lack of a substantial caseload may not justify the creation of specialised IP courts in certain jurisdictions.
- A local presence may not be possible by specialised IP courts and therefore inaccessible to some.
- Repeat litigators know judges well and are well acquainted with the eccentricities of the specialised court's rules, therefore putting one-time litigants at a disadvantage.[102]
- *Loss of generalists' overviews*. Generalist judges come to cases without preconceptions and are able to apply fresh perspectives to the problems at hand. This suggests that the particular skill a judge brings to the court is his or her ability to attach appropriate weight to the facts and to make a judgment on such assessment.
- *Informality*. This means the kind of familiarity among those administering justice may lead to undue reduction of formality.
- *Isolation*. The creation of a specialised court carries with it the risk that it may lead the particular area of law in a direction away from the development of the general law.
- *Overlap with other areas of law*. This is the case where, for example, an IP case, whether relating to patent, trademark or other matters, raises, outside the specific issue of IP, questions of contract. This situation may require a generalist judge to try the whole case, rather than a specialist judge, who might be tempted to develop inappropriate general principles of law to meet his or her particular view.
- *Geographical availability*. Specialised courts will usually require long-distance travel either by the judges or the parties. This will inevitably increase costs.

[102] *See* J Bruce Robertson, Law Commission of New Zealand, Report No 85 *Justice for All: A Vision for New Zealand Courts and Tribunals* (2004), *available at* www.lawcom.govt.nz/, (stating "The Commission noted that while expertise in an area should be encouraged, there is a danger that a panel which is too small and specialised may create a club culture, promote a matching mythology of expertise among the profession, encourage monopolies and constrain jurisprudence.").

Some of these disadvantages may be ameliorated by WIPO activities and development cooperation such as: legislative advice and other assistance to countries contemplating the establishment of specialised IP courts; training members of the judiciary in IP matters; and promoting exchange of information among judges serving in IP matters, eg, study visits, conferences, or collections of court decisions from various countries.

4.4 GROUNDS UPON WHICH TO DECIDE THE APPROPRIATENESS OF IMPLEMENTING SPECIALISED IP COURTS

It seems that specialised IP courts are not always making a difference, especially in developing countries. This is not, however, the situation we want to maintain. Studies also show that current deficiencies can be remedied and that a thriving and properly functioning specialised court starts with substantial reform of the whole legal and procedural system in a given country.

In addition, there are basic questions to answer before setting up any specialised IP court.[103] The questions that need to be asked are:

- Do problems in the particular area disclose a genuine need for a specialised court? How have the problems been dealt with before the courts?
- Is the current court system failing to provide an effective enforcement mechanism for IP rights holders? If so, what are the concerns with the current system?
- Has there been any important legislation that has prompted or will prompt an increase in the number of cases being litigated in this area over a period of time?
- Are the general courts experiencing a backlog in regard to this particular area of law?
- Is the volume or potential volume of work in this area sufficient to justify the creation of a specialised court?
- How will the centralisation of a specialised court affect the practicalities of litigation?
- How will the creation of a specialised court in this area affect the quality of justice in general courts?

[103] *See generally*, Edward Cazalet, *Specialised Courts: Are they a quick fix? Or a long term improvement in the quality of justice? available at* www.worldbank.org/publicsector/legal/Specialized%20Courts-Cazalet.doc (March, 2001). *See also* Stephen H.Legomsky, *Specialised Justice*, Oxford University Press, 1990. *See generally* American Bar Association Central and Eastern European Law Initiative (CEELI), *Concept Paper on Specialized Courts*, June 25 1996, *available at* http://abanet.org/ceeli/publications/conceptpapers/speccourts/spc3b.html

4.5 CASE STUDIES

The following illustrates some case studies dedicated to discussing specialised IP courts in Thailand and the United Kingdom.

THAILAND

The Thailand Intellectual Property and International Trade Court (IP&IT Court) is a good example of a specialised court with increased expertise, effectiveness and efficiency. The Central IP&IT Court has its own procedure specially created to handle IP cases effectively. Attempts to redress delay are reflected in several provisions: for example, the so-called "full day and continuous hearing", which requires the court to proceed with the hearing without adjournment; and the "leap-frog procedure", where appeals lie directly to the IP&IT Division of the Supreme Court.[104]

Career judges in the IP&IT Court have special training in IP or international trade. In addition, there are lay judges who have "specific expertise in particular areas of intellectual property or international trade".[105] IP&IT trials are presided over "by at least two career judges and one lay judge".[106]

Also, cases move through the IP&IT courts quicker than they would in the General Courts and "[h]earings are usually held without adjournment until judgment is rendered."[107] Consequently, trials in the IP&IT courts are usually completed within 12 months. If IP&IT court decisions are appealed to the Supreme Court, it may take another 8-12 months.

The IP&IT Court was established with the goal of being a user-friendly forum that has specialist expertise in order to serve the needs of Thai commerce and industry.[108] "International trade is added to the jurisdiction of the court for the reason that in a country like Thailand[,] specialised Bench[es] and Bar[s] in intellectual property and international trade should be grouped together for easy

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[104] *See generally* Akarawit Sumawong, *Infringement Cases Relating to Industrial Property Rights* under the Central Intellectual Property and International Trade Court in Thailand, *available at* www.jpo.go.jp/torikumi/mohouhin/mohouhin2/kanren/pdf/a_suma.pdf

[105] Tilleke & Gibbins International Ltd *The Thai Court System, Thailand Legal Basics*, at 12, March 2003, *available at* www.tginfo.com/publications/thailand_legal_basics/thai_court_system.pdf

[106] *Id*.

[107] *Id*.

[108] *Id*.

access and administration. That is, not least for want of sufficient workload to warrant a separate court system."[109]

Additionally, one of the major roles of the IP&IT Court is to disseminate IP knowledge. This dissemination of IP knowledge occurs "through the media, including: organizing national and international symposiums, publishing the Court's annual journal, operating a website to provide the general public with access to the Court's information, ie number of cases being adjudicated, number of judgments rendered, etc."[110]

UNITED KINGDOM

The United Kingdom has the Patent Court of the High Court (PCHC) that began hearing patent actions centuries ago. In addition to the PCHC, there is the Patents County Court (PCC) which is a relatively new innovation, having been established in 1990 to provide an alternative to the High Court in response to perceived problems of cost, delay and complexity. These perceived problems were seen to be making access to justice difficult for smaller enterprises. The PCC was set up to help small and medium-sized firms in litigating patents, register designs and certain other cases involving similar rights.[111]

The High Court of England and Wales has three divisions, two of which are the Chancery Division, which hears all IP actions, and the Queens Bench Division, which also has jurisdiction to hear copyright and confidential information actions (the third being the Family Division). Within the Chancery Division, the Patents Court has exclusive jurisdiction to hear patent and registered design infringement proceedings. A number of full-time assigned judges who have a technical background sit in the Patents Court. This has allowed the court to develop extensive experience in patent law and the ability to deal with complicated technologies.[112] A number of these judges have reached positions of international prominence and leadership.

IP cases are subject to a specific set of rules: Part 63 of the Civil Procedure Rules.[113] The rules and procedures that apply to actions before the Patents Court and PCC are set out in the Patents Court Guide.[114]

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[109] Ariyanuntaka, supra note 98, at 8. *See also* Managing Intellectual Property Asia Pacific IP Focus, *Thailand-Interview Judged Perfection*, 2002, *available at* www.legalmediagroup.com/mip/includes/print.asp?SID=1628

[110] Katharine A. Bostick, *Perspectives From Industry-Judicial Enforcement in Developing Countries, available at* www.iipi.org/activities/forums/IPCourts/Presentation%20-%20Bostick.pdf

[111] *See* United Kingdom Patent Office, *UK Background paper for the WIPO Advisory Committee on Enforcement,* Advisory Committee on Enforcement, second session, June, 2004, *available at* www.wipo.int/documents/en/meetings/2004/ace/pdf/wipo_ace_2_11.pdf

[112] *See id.*

[113] *See* www.dca.gov.uk/civil/procrules_fin/contents/parts/part63.htm

The following are features of the PCC that contribute to its aims of catering to the needs of small and medium-sized firms and private individuals in litigating IP rights:

- The PCC judge holds *case management conferences* for every case to establish the future conduct of the case. The judge explains difficulties of IP litigation to litigants and advises them of the option of mediation.[115]
- A *streamlined court procedure* was introduced to reduce costs and trial time of IP litigation.[116] This procedure, about which lawyers are required to inform their clients, is subject to an Order of the Court.[117] A streamlined procedure case will not have any discovery or experiments and cross-examination is limited. Normally, the total duration of streamlined procedure cases is no more than one day. Since its introduction in 2003, it has been used sporadically and the PCC is hopeful that it will be utilised more frequently.
- There is no limitation on the jurisdiction of the PCC by virtue of the complexity of the law or the facts.
- It has *special jurisdiction* to deal with all matters relating to patents and registered designs, together with claims or matters that are ancillary to or arise out of such proceedings.
- Patent agents have the right of audience before the PCC.
- A *pro bono* unit manned by specialist barristers, solicitors, and patent agents serve the needs of litigants with limited resources.

An evaluation of the PCC suggests:

- Some commentators have stated that there are opportunities for reducing overall costs and time of patent litigation, but whether these opportunities are exploited depends on the users and the intervention of the judge.
- There is also the view that, despite the informal and streamlined rules of practice aimed at creating a "poor man's court", parties with substantial funds have still taken a full team approach to litigation and have not exercised the option of the patent agent's right of audience.
- Advice from the judge during case management conferences often results in disputes settled outside the court system.[118]

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[114] *See* www.courtservice.gov.uk/cms/7370.htm

[115] This is also applicable to the Patents Court of the High Court, except possibly for the emphasis on mediation.

[116] This procedure is also available in the Patents Court of the High Court.

[117] A party wishing to adopt the procedure must invite the other party to agree. If the other party agrees, normally an Order will be made. If the other party does not agree, the party wishing to adopt the procedure will apply for the Order to the Court. The Court will determine the matter on the basis of written statements by both parties.

[118] This applies equally to the Patents Court of the High Court.

5. CONCLUSIONS

In conclusion, the time seems right for the development of specialised IP courts. It will be interesting to see the directions taken by various legal systems as they deal with the continuing problems of specialisation and lack of resources. It should be stressed, however, that different circumstances prevail in different jurisdictions (economic and political considerations, status of legislation, legal and procedural traditions, other priorities, etc). Economies in some jurisdictions may not justify the establishment of any specialist court.

IP law has become a specialised and globalised area of law that requires a specialised IP judiciary and a specialised IP procedural regime. Additionally, emerging technology issues and the development of e-commerce may tend to redefine the role of the judge in a wide range of IP related cases. IP is particularly affected by rapidly evolving technology related issues. Therefore, the more complex technology gets the more urgent the need is for specialist judges with expertise in IP cases. It is not a good use of judicial resources to assign a judge who has had mainly family or criminal experience when in practice or on a lower Court Bench to an IP case. The "all judges are equal principle" is laudable in principle, but some may say not very sensible when dealing with specialist areas such as IP.

The survey confirms the existence of a large number of jurisdictions that have contemplated the potential of specialised IP courts for the enforcement and adjudication of IP rights.

The survey set out to identify core findings about enforcement-related issues in connection with IP rights that could, in turn, provide a factual basis for discussion. We feel that we have achieved this aim. It is for governments to take measures in order to speed up legal proceedings relating to IP and, in particular, to establish specialised courts or equip major District Courts with specialised sections having jurisdiction on IP matters. The reorganisation of the local court system is not a purely administrative matter; it often requires the direct involvement of government to create such courts. Since specialised courts will give judges the chance to deal mainly or exclusively with IP disputes, they will create the opportunity to strengthen expert knowledge on the matter and, consequently, will shorten the length of the court's procedure.

6. PROPOSALS FOR ACTION

A number of comments and recommendations were conveyed to the Intellectual Property and Entertainment Law Committee for inclusion in this report by countries participating in the survey. In light of this, the Intellectual Property and Entertainment Law Committee has developed the following set of Proposals for Action to address a range of problems related to the enforcement of IP rights.

- Promote the specialisation of IP judges, with initiatives including: specialist judges sitting interstate where there is not a

specialist IP judge in that registry; and programmes to assist judges in keeping up to date with the latest developments and international trends in the IP field.

- Create specialised divisions for IP matters within courts of general jurisdiction and rotate judges throughout these divisions.

- Provide comprehensive IP training to help judicial systems further improve the administration of justice.

- Promote the establishment of specialised IP courts composed of well-paid, knowledgeable, and fair judges who are empowered with bench authority and adequately supported through transparent legal processes.

- Conduct public education campaigns on the importance of IP rights and develop educational programmes to help owners of IP rights understand what their right entails and how to manage their right, including enforcement strategies and awareness of relevant ADR options.

- Provide legislative advice and other assistance to countries contemplating the establishment of specialised IP courts.

- Promote information exchange among IP judges, ie study visits, regional conferences, and collections of significant court decisions from various countries.

- Promote and encourage the use of ADR and particularly mediation of IP disputes to courts, offices and trademark and patent agencies across the globe.

7. LIST OF COUNTRIES SURVEYED

Countries mentioned in the survey:

1. Australia
2. Austria
3. Belgium
4. Brazil
5. Chile
6. China
7. Canada
8. Costa Rica
9. Denmark
10. Ecuador
11. Finland
12. France
13. Germany
14. Hong Kong
15. Hungary
16. India
17. Iran
18. Ireland
19. Israel
20. Italy
21. Jamaica
22. Japan
23. Jordan
24. Kenya
25. Korea
26. Malaysia
27. Mauritius
28. Mexico
29. New Zealand
30. Norway
31. Pakistan
32. Panama
33. Peru
34. Portugal
35. Romania
36. Sierra Leone
37. Singapore
38. Slovakia
39. Slovenia
40. South Africa

41. Spain
42. Sweden
43. Switzerland
44. Syria
45. The Netherlands
46. The Philippines
47. Thailand
48. Turkey
49. Ukraine
50. United Kingdom
51. United States
52. Vietnam
53. Zimbabwe

Countries that responded yet were not included in the survey because they do not have specialised IP courts and are not currently contemplating the creation of specialised IP courts:

54. Argentina
55. Bolivia
56. Bulgaria
57. Cayman Islands
58. Cuba
59. Colombia
60. Cyprus
61. Estonia
62. El Salvador
63. Greece
64. Guatemala
65. Honduras
66. Latvia
67. Lebanon
68. Lithuania
69. Luxembourg
70. Malta
71. Moldova
72. Nepal
73. Nicaragua
74. Nigeria
75. Poland
76. Russia
77. Saudi Arabia
78. Senegal
79. Serbia and Montenegro
80. Taiwan
81. United Arab Emirates
82. Uruguay
83. Uzbekistan
84. Venezuela
85. Zimbabwe

8. DEDICATION AND ACKNOWLEDGMENTS

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INTERNATIONAL BAR ASSOCIATION - ANNUAL CONFERENCES HELD IN AUCKLAND (2004), PRAGUE (2005) AND CHICAGO (2006) REGARDING SPECIALISED INTELLECTUAL PROPERTY COURTS, TRIBUNALS AND JUDGES

RESOLUTION PASSED BY NAMED JUDGES SPECIALISING IN INTELLECTUAL PROPERTY

Having regard to the following:

That a robust and balanced Intellectual Property (IP) regime facilitates innovation, economic development and trade and underpins a number of artistic and cultural values.

That uncertainty exists both amongst IP right holders and the wider public as a result of uneven outcomes in enforcement actions, the difficulty in enforcing such rights and in appropriate recognition of the countervailing rights of users and the IP community generally.

That while specialist IP courts, tribunals and judges exist in a number of countries, generally the lack of IP expertise and experience in the judiciary remains a problem worldwide, particularly in relation to technologically complex cases.

That it is desirable to reduce the complexity and cost of both obtaining and enforcing IP rights, particularly in industries with complex and fast-moving innovation while at the same time ensuring that overbroad protection is not granted, thereby hindering further innovation and appropriate access to information and new developments.

That it is necessary to implement an effective IP enforcement system which delivers efficient, consistent adjudication of disputes in compliance with international instruments.

WE:

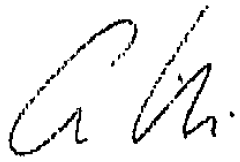
(i) Agree that specialised IP judges are needed to ensure that IP law is adequately interpreted and applied for the benefit of IP right owners, consumers and the economy; and

(ii) Resolve that judges with specialist experience and understanding of IP and who keep abreast of current developments are likely to reduce hearing times, costs for litigants, increase efficiency, improve precision and predictability of adjudication and provide unification and consistency of legal principles; and therefore

(iii) Urge that it is desirable both at the international and local level to implement effective IP enforcement systems which deliver efficient, consistent and cost-effective adjudication of disputes and that this is best achieved through appropriately resourced specialised IP courts, tribunals and judges set up in a way best suited to each jurisdiction's situation.

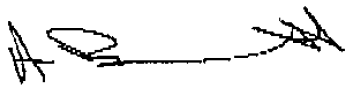
We agree,

Duesseldorf, Germany, 13 March 2007



Dr. Klaus Grabinski
Presiding Judge at the District Court
Duesseldorf District Court

Sydney, Australia, 16 April 2007

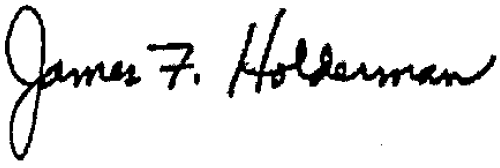


(Signing in a personal capacity)
The Hon Justice Annabelle Bennett AO
Federal Court of Australia

London, England (UK), 24 April 2007

(Signing in a personal capacity)
His Honour Judge Fysh QC SC
Patents County Court, London

Chicago (Illinois), USA, 30 April 2007



(Signing in a personal capacity)
Chief Judge James F. Holderman
U.S. District Court for the Northern District of Illinois