ANNEX A

Public Consultation on Intellectual Property ("IP") Dispute Resolution Reforms

October 2018

I. INTRODUCTION

1. In a knowledge- and innovation-driven economy, intellectual property (**"IP"**) rights enable individuals and businesses to maximise returns from their creative and innovative activities. Equally important is the ability of IP rights holders to effectively enforce their rights against third parties. A time- and cost-effective system of dispute resolution assures rights holders that they can effectively safeguard their intellectual creations, thus ensuring that incentives to innovate and create new works for the benefit of society remain. It also assures potential defendants that they can effectively and efficiently resolve disputes.

2. In 2015, the Ministry of Law (**"MinLaw"**) appointed a committee to review and make recommendations on the IP dispute resolution system in Singapore (**"the IPDR Committee"**). The IPDR Committee comprised academics, IP practitioners, in-house counsel, members of the judiciary, and government representatives. The objectives of the review were to:

    a) enhance access to our IP dispute resolution system, particularly for individuals and SMEs; and
    b) position Singapore as a choice venue for IP dispute resolution in Asia.

    The IPDR Committee's Final Report containing its recommendations (**"the IP Report"**) can be found at **Annex B** to this public consultation paper.

3. Separately, the Chief Justice established the Civil Justice Commission (**"CJC"**) in 2015 and MinLaw established the Civil Justice Review Committee (**"CJRC"**) in 2016 to reform the civil justice system (collectively **"the Civil Justice Reforms"**). The objectives included enhancing the efficiency and speed of adjudication, maintaining costs at reasonable levels, and enhancing judicial control over litigation. More information about the Civil Justice Reforms' recommendations can be found in the reports at Annexes B and C to the Public Consultation on Civil Justice Reforms.

4. This public consultation exercise focuses on **proposed reforms aimed at enhancing access to our courts for IP disputes.[1] We invite feedback on the proposals, which have been developed based on both the IPDR Committee's recommendations and the broader Civil Justice Reforms' recommendations**. These proposed reforms are found in Section III, where we set out questions at relevant junctures. **More details about the proposed reforms can be found in the IP Report, the CJRC's report and the CJC's report.**

[1] The IPDR Committee's recommendations in relation to the second objective of positioning Singapore as a choice venue for IP dispute resolution are being considered separately. In addition, a public consultation on proposed patent proceedings at the Intellectual Property Office of Singapore, found at para 3.3.1 to 3.3.7 of the IP Report, was held in Jul and Aug 2017.

5. Please note that the concepts discussed in this public consultation paper are still at the discussion stage and may change after further discussion and reflection. This public consultation paper is not intended to be an interpretative paper in that it is not to be used to interpret or define any new rules which will apply to IP disputes.

6. Interested persons are invited to provide responses to these questions, and comments on the proposals in general. Respondents are requested to indicate your name and the organisation you represent (if applicable) as well as contact details (email address and/or telephone number) to enable us to follow up and seek clarification, if necessary. Please title all comments and feedback "IPDR public consultation comments" and send them by 30 November 2018 via post or email to:

Intellectual Property Policy Division
Ministry of Law
100 High Street
#08-02 The Treasury
Singapore 179434
Email: MLAW_Consultation@mlaw.gov.sg

II. SUMMARY OF CIVIL JUSTICE REFORMS' AND IPDR COMMITTEE'S RECOMMENDATIONS

7. The Civil Justice Reforms recommend that the majority of cases proceed along a default procedural track, a single streamlined procedure aimed at ensuring that the time and costs needed to resolve a civil dispute are proportionate to the value of the claim. There will be flexibility for modifications when the case requires or where parties agree.

8. The key recommendations of the IPDR Committee are as follows:

   a) **Consolidate civil IP proceedings** in an IP Division of the High Court.
   b) **Establish two litigation "tracks"** in the IP Division for litigants to choose from:
      i. A **"normal track"**, which will proceed in essentially the same manner as cases presently on the IP hearing list.
      ii. A **"fast track"**, which will contain several features aimed at facilitating quicker and more cost-effective dispute resolution. These features include:[2]

      - A cap on the length of trial.
      - A cap on recoverable party and party (**"P&P"**) costs.
      - A cap on the damages recoverable and profits that may be called to account.

[2] The IPDR Committee did not make a firm recommendation on whether both interlocutory and final relief should be available on the "fast track".

- Early and active case management by the trial judge, complemented by procedural rules to allow greater judicial control over the conduct of cases.

III. PROPOSED REFORMS TO IP DISPUTE RESOLUTION SYSTEM

A. Summary

9. **It is proposed that the Civil Justice Reforms' recommendations be fully adopted for IP cases.** This ensures consistency between the treatment of IP cases and other types of civil disputes. This effectively means that the Civil Justice Reforms' default procedural track with its various options will be adopted for IP cases. In addition, **specific to IP cases**, the following reforms are proposed:

    a) **Consolidate civil IP proceedings** in an IP Division[3] of the High Court.
    b) **Establish two litigation "tracks"** for litigants to choose from, a **"default track"** and a **"fast track"**. Both "tracks" will adopt the features recommended by the Civil Justice Reforms – that is, a single streamlined procedure to ensure time and cost proportionality. The **"fast track" will have additional features** to cater to lower value disputes, and/or where parties prefer the conduct of their case to be further expedited. These additional features are:

        i. A cap on the length of trial.
        ii. A cap on the value of the claim (for damages or an account of profits).
        iii. Court's discretion in key matters.
        iv. A cap on the P&P costs awarded, the caps being stage-based.[4]

10. Consolidating civil IP proceedings in the High Court reduces the complexity of IP dispute resolution by housing the majority of cases within a single forum. The consolidation of cases in the High Court will also mean that they benefit from specialist IP experience on the High Court bench, which facilitates the development of IP jurisprudence. At the same time, where at least one party has limited financial means, and/or where the dispute involves a lower value claim, there is the option of the "fast track".

11. The "fast track" provides an avenue for less well-resourced IP rights holders such as individuals and SMEs who may be deterred from enforcing their IP rights due to uncertainty over litigation expense and the time- and cost-consuming nature of IP litigation as it is known today. The inability to access the court system greatly diminishes the value of IP protection and, consequently, incentives for innovation and creativity. Where a party is of the view that an expeditious trial process to

[3] As the mode of implementation is a matter of the court's administrative structure, it will be left to be determined by the courts. On that understanding, the nomenclature of the "IP Division" will be used only for convenience of reference in this public consultation paper.
[4] Further details on these features are at para 18 to 22, and 25 to 28 below.

control costs is appropriate for the issues in dispute, the "fast track" can be an attractive option. The "fast track" is also beneficial in view of the fact that civil IP disputes will be consolidated in the High Court going forward. Where the value of the claim is towards the lower end of the spectrum (e.g. within the usual monetary jurisdictional limit of the State Courts), parties may be of the view that the case is suitable for the "fast track".

B. Consolidation of civil IP proceedings in the High Court[5]

12. Currently, IP disputes are heard in multiple fora – the High Court, State Courts, and Intellectual Property Office of Singapore (**"IPOS"**). The allocation of jurisdiction amongst these fora is dependent on the *nature of the IP right* in suit, the *type of proceeding*, and, in certain circumstances, the *value of the claim*.[6] This results in a complex system, which can be simplified to increase access by less well-resourced parties.

13. The High Court will have **exclusive jurisdiction** over the following:

    a) Infringement of all forms of IP, regardless of whether they relate to registrable (e.g. patents, trade marks and registered designs) or non-registrable IP (e.g. copyright).
    b) Passing off, which is closely related to trade mark infringement.
    c) Declarations of non-infringement of patents and registered designs.

14. The High Court will continue to have **concurrent jurisdiction with the State Courts** over disputes relating to trade secrets and breaches of confidence. The appropriate forum for such cases depends on the value of the claim. In view of the fact that such disputes often contain or are connected to non-IP issues (e.g. confidential personal information, employment), it may not be suitable for them to fall within the exclusive jurisdiction of the High Court. Where the confidential information claim arises in conjunction with copyright or patent infringement, the High Court will hear the matter as it has exclusive jurisdiction over infringement claims.

15. The High Court will have **concurrent jurisdiction with IPOS** over post-grant revocation and invalidation of IP rights – patent revocation; trade mark revocation, invalidation and rectification; registered design revocation; and plant variety cancellation. The cost of bringing such disputes before IPOS, an administrative tribunal, would be significantly lower than doing so in the courts. Parties will have a choice between the two fora.

---

[5] See para 2.4.1 to 2.4.10 of the IP Report.

[6] For a full description of the current allocation of IP cases amongst the different fora, please refer to para 1.3.7 to 1.3.12 of the IP Report.

C. Two litigation "tracks" – a "default track" and a "fast track"

(i) The "default track"

16. It is proposed that the Civil Justice Reforms' recommendations on pre-trial and trial procedures apply fully to IP cases. The full details of the Civil Justice Reforms' recommendations can be found in their reports and the key features are summarised here:

    a) Early and active case management by the assigned judge and/or judicial officer. The judge assigned to manage the case will also be the trial judge, and this maintains continuity between case management directions leading to the trial and the actual conduct of the trial.
    b) A draft List of Issues to be filed by parties early on in proceedings to narrow and crystallise the issues in dispute. The judge will discuss the list with parties, reviewing and refining it as the case progresses.
    c) Having a single interlocutory application.
    d) Default position of arbitration-style disclosure of documents, where parties will first produce the documents upon which they rely for their respective cases; with the court having discretion to allow a broader scope of discovery upon application.
    e) Default position of having a single court-appointed expert witness if at all necessary, with the option to have party-appointed expert witnesses upon parties' agreement.
    f) Greater judicial involvement during trial.

17. While comments on the Civil Justice Reforms' recommendations in general can be given in response to the Public Consultation on Civil Justice Reforms, comments on the application of the Civil Justice Reforms' recommendations to IP cases specifically can be given in response to this public consultation paper.

(ii) The "fast track"

18. The "fast track" will similarly fully adopt the Civil Justice Reforms' recommendations, save as varied or added to below to speed up lower value cases.

Cap on the length of trial (para 2.5.8 to 2.5.9 of the IP Report)

19. In line with the objective of resolving disputes expeditiously, the "fast track" will have a clear limit of 2 hearing days for trial. The trial judge will nevertheless have the discretion to extend this in exceptional circumstances.

Cap on value of claim (para 2.5.3 of the IP Report)

20. A plaintiff has to accept a cap on the value of the claim (for damages or an account of profits) to go on the "fast track". This is a clear signal that the "fast track" is

intended for lower value cases, which tend to be less complex. However, this cap may be waived by agreement of the parties. If parties are of the view that, notwithstanding the value of the claim, the issues in dispute are not so complex such that the streamlined procedures on the "fast track" are suitable, they may opt to have the case heard on the "fast track" and waive the cap through mutual agreement.

21. Views are sought on the appropriate cap on the value of the claim (for damages or an account of profits) on the "fast track". Preliminarily, it is proposed that the cap be placed at $500,000.

Question 1: Is $500,000 an appropriate cap on the value of the claim (for damages or an account of profits) on the "fast track"? If not, what would be an appropriate cap and why?

Court's discretion in key matters (para 2.5.4 of IP Report)

22. The court will identify at the first or an early Case Management Conference ("**CMC**") the specific issues to be resolved in the substantive dispute. Based on the identified issues, the court will give orders or directions in relation to matters such as: disclosure of documents (which must be specific, not general), witness affidavits, experts' reports, cross-examination at trial, and written submissions. The court will consider applications for these at the CMC based on the issues identified, and apply a cost-benefit test where the benefit that the material brings to the effective resolution of the central issues in dispute is weighed against the additional costs to parties. The general position is that any material to be submitted has to be expressly allowed by order at the CMC. The court will also determine whether an oral hearing of the trial is needed or whether a decision can be made based on the papers submitted, where all parties consent.

D. Costs regime for IP cases (para 2.5.2 of the IP Report)

23. This section of the paper deals with the costs regime for IP cases, both on the "default track" and "fast track". **IP cases will be excluded from the fixed costs regime envisaged by the Civil Justice Reforms**. This is due to the fact that in IP cases, claims are often not liquidated and quantifiable at the outset. In infringement cases, it is common for the Assessment of Damages to take place after liability has been established.

24. Therefore, for cases on the "default track", it is proposed that the **status quo** be maintained. The court will fix or assess costs after considering submissions by parties.

25. However, for cases on the "fast track", **stage costs** will be introduced. There will be a cap on the maximum amount of P&P costs and disbursements (except for court fees) recoverable, for each stage of proceeding. Additionally and

conjunctively, there will also be an **overall cap** of $50,000 on total costs. This is such that if the individual stage costs awarded add up to more than $50,000, the ultimate costs awarded would be $50,000 because of the overall cap. This gives the "fast track" litigant certainty on exposure, regardless of the type of IP involved and underscores the highly streamlined approach of the "fast track". Furthermore, the stage costs will be **front-loaded**, such that the proportion of costs recoverable at each stage (relative to the likely costs incurred) decreases as the matter progresses to later stages. This is to encourage parties to settle sooner rather than later.

26. A preliminary schedule of the stage costs is provided in the paragraph below. As an illustration of how the stage costs would apply, in the event the dispute is discontinued after parties file one round of pleadings each and attend the first CMC, the plaintiff would be eligible for a maximum of:

    a) $7,000 for filing a Statement of Claim,
    b) $7,000 for reviewing the Defence, and
    c) $3,000 for attending the CMC.

27. The overall cap of $50,000 is higher than the cap that would apply under the Civil Justice Reforms' scale costs for a claim of $500,000. This is in view of the fact that IP disputes can be more complex compared to typical commercial disputes given their technical nature, and that injunctions (values of which cannot be quantified) are often included amongst the remedies sought by plaintiffs. It should also be recalled that these amounts are *caps*, and the court is free to award a lower amount as it deems appropriate. Views are invited on the suitability of the caps for the various stages, as well as the overall cap for the whole proceeding.

Stage	**Maximum amount of costs (including disbursements except for court fees)**
Determination of Liability	
Statement of Claim	$7,000
Defence and Counterclaim	$7,000
Reply and Defence to Counterclaim	$7,000
Reply to Defence to Counterclaim	$3,500
Attendance at a CMC	$3,000
Making or Responding to an Application	$3,000
Providing or Inspecting Disclosure or Product/Process Description	$6,000
Performing or Inspecting Experiments	$3,000
Affidavits	$6,000
Preparing Experts' Report	$8,000
Preparing for and Attending Trial and Judgment	$16,000
Preparing for Determination on the Papers	$5,500
Overall cap	***$50,000***

Assessment of Damages	
Points of Claim	$3,000
Points of Defence	$3,000
Attendance at a CMC	$3,000
Making or Responding to an Application	$3,000
Providing or Inspecting Disclosure	$3,000
Affidavits	$6,000
Preparing Experts' Report	$6,000
Preparing for and Attending Trial and Judgment	$8,000
Preparing for Determination on the Papers	$3,000
Overall cap	***$25,000***

28. There are proposed exceptions to the above. First, where the court considers that a party has behaved in a manner which amounts to an abuse of process, the court may depart from the proposed caps and scale. Second, where a certificate of contested validity has been issued in earlier proceedings where the validity of the registered IP right in question has been challenged, the court may award solicitor-and-client costs.

Question 2: What are your views on the proposed caps on P&P costs and disbursements at the various stages, the overall cap for the whole proceeding, and the exceptions thereto? Note that the overall cap is lower than the sum of caps across all the stages.

E. Other matters raised by the IPDR Committee

29. The IPDR Committee raised other issues in its report, and our proposals in relation to these are set out below.

30. *Listing on "default track" and "fast track" (para 2.4.16 and 2.4.19 of the IP Report).* At the point of commencing the action, the plaintiff will indicate whether he wishes the case to be placed on the "fast track". In the absence of this, the case will be placed on the "default track". If the defendant does not object, the case will proceed on the plaintiff's elected track.

31. The case may also be transferred from one "track" to another by application of the parties, or on the court's own motion.

32. Views are sought on the considerations that the court should take into account when transferring cases from one "track" to another. Reference may be made to the considerations for transfer of cases to the UK's IP Enterprise Court ("**IPEC**"), which is similar to the proposed "fast track":

    a) Whether a party can only afford to bring or defend the claim in the IPEC.
    b) Whether the claim is appropriate to be determined by the IPEC having regard in particular to the value of the claim (including the value of an

injunction), the complexity of the issues, and the estimated length of the trial.[7]

Question 3: What are your views on the considerations for transferring matters from one "track" to another?

33. *Appeals (para 2.4.21 to 2.4.22 of the IP Report)*. It is proposed that where a matter is appealable to the Court of Appeal only with leave, the procedure for seeking leave to appeal in IP cases will be aligned with the Civil Justice Reforms' recommendations.

34. Specifically in relation to decisions originating in IPOS, regardless of the type of IP involved, it is proposed that the principle that costs should be kept low by limiting the layers of appeal as of right be applied, while retaining discretion for the court to decide if a further appeal is to be allowed in each particular case. Such an approach would see decisions originating from IPOS appealable to the High Court without leave, and subsequently appealable to the Court of Appeal only with leave. For avoidance of doubt, the types of IPOS decisions that are appealable remain unchanged.

Question 4: What are your views on the proposed approach relating to appeals as of right and appeals requiring leave?

35. *Legal representation (para 2.4.23 to 2.4.26 of the IP Report)*. The status quo on representation will be maintained for IP cases. Natural persons will be allowed to appear as litigants-in-person, and companies should be represented by advocates unless the court gives leave otherwise. In relation to in-house counsel, because the court already has discretion to allow in-house counsel to represent their employer companies, we do not propose to change the status quo.

36. *Interlocutory relief (para 2.5.10 of the IP Report)*. It is proposed that both interlocutory and final relief be made available to cases on the "default track" and "fast track". While IP cases on the "fast track" are subject to a limit on the value of the claim (for damages or an account of profits), it is not intended that other forms of relief be limited.

37. *Alternative dispute resolution (**"ADR"**) (section 2.6 of the IP Report)*. Consistent with the Civil Justice Reforms' recommendations, the court will, as far as possible, encourage ADR by consent, and also have the power to direct parties to attempt ADR in IP cases. Further, as a result of consolidating IP disputes within the High Court, there will be cases in which the value of the claim is much lower than that in a typical High Court case. It is expected that ADR will be attempted in the majority of such cases.

---

[7] UK CPR r 63.18, read with CPR r 30.5. See in particular CPR Practice Direction 30(9.1). More information about the UK IPEC can be found at para 2.2.2 to 2.2.3, and Appendix D, of the IP Report.