

**SIDA**

**(Singapore Inventors Development  
Association)**

**Feedback of the Public Consultation  
on Intellectual Property (“IP”)**

**Dispute Resolution Reforms (October 2018)**

SIDA.

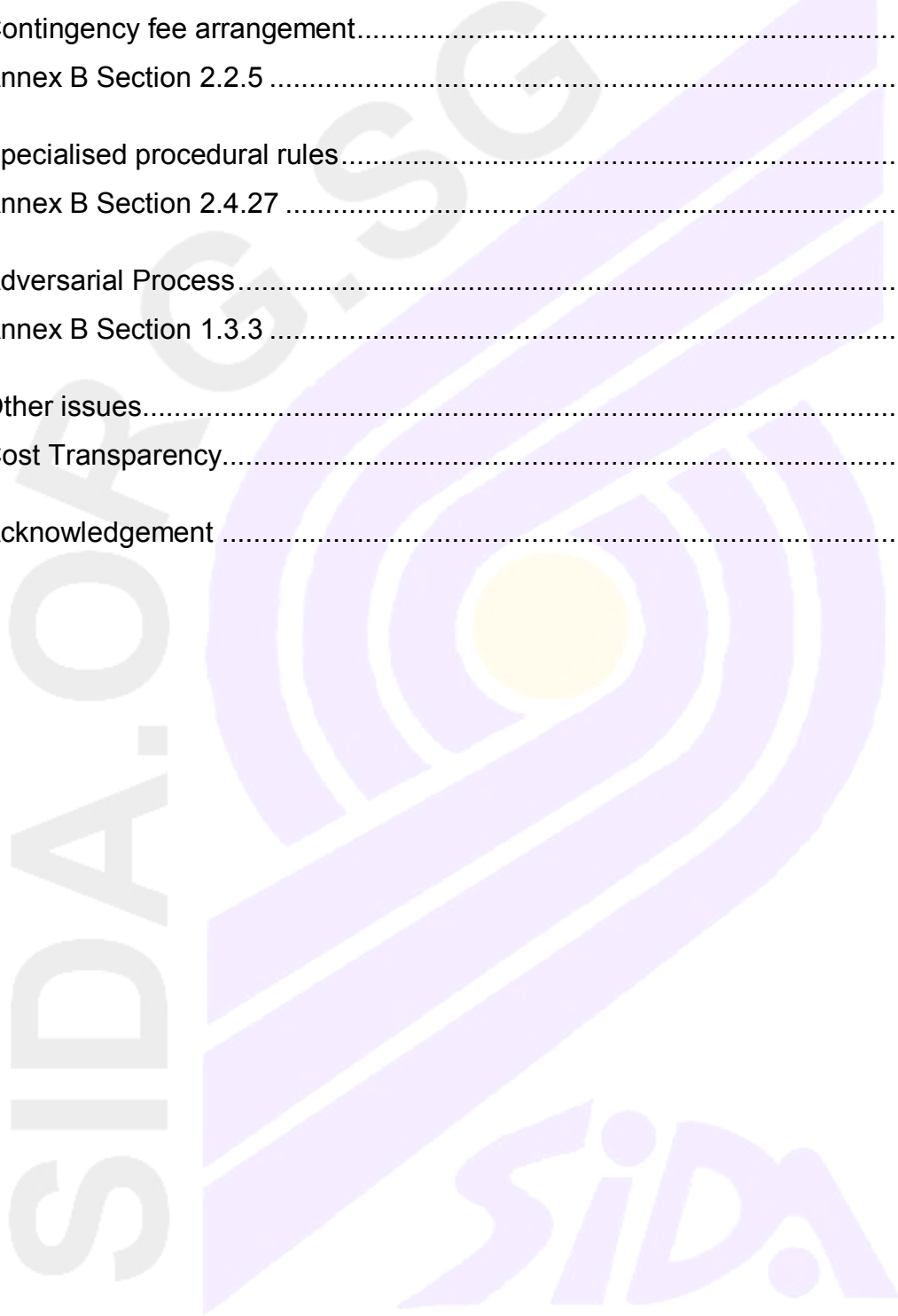


**SINGAPORE  
INVENTORS  
DEVELOPMENT  
ASSOCIATION  
(UEN Ref: S82SS0011F)**

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## 1. Introduction

On 30 October 2018, SIDA noticed a newspaper article about a public consultation for a proposed "fast track" patent litigation system. Our members realised the importance of this public consultation to individual inventors in SIDA, in particular the proposal for a "fast track" patent litigation system.

Throughout this document, reference will be made to two of the consultation papers "Annex A IPDR Public Consultation Paper.pdf" and "Annex B IPDR Final Report.pdf" that can be found at the following URL.

<https://www.mlaw.gov.sg/content/minlaw/en/news/public-consultations/public-consultation-IP-dispute-resolution-reforms.html>

and

<https://www.reach.gov.sg/participate/public-consultation/ministry-of-law/intellectual-property-policy-division/public-consultation-on-proposed-reforms-to-intellectual-property-dispute-resolution-framework>

## 2. General comment

It is truly heartening to hear that the IPDR Committee has made the recommendation to implement a two tracks patent litigation in Singapore. It is good that another "fast track" patent litigation was proposed by the IPDR Committee. SIDA is in full support of the "fast track" patent litigation to be implemented in Singapore.

### **3. Expert witnesses**

#### **3.1. Annex A, section 16**

"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."

SIDA believed that having the court appointed expert witness make sense for the individual inventors. The main issue for individual inventors is that when they try to sue a big company or international IP actor using the "fast track", the big company would not want to let the court appoint the expert witness. They want party appointed expert witnesses because they want to deplete the financial resources of the individual inventor. So the likely scenario is that the judge will need to listen from both side arguments before make a ruling. When such situation occurred, the individual inventor will be at the disadvantage position. This is because the big company have the financial resources to employ a team of lawyers to help them come up with many reasons to convince the judge to use party appointed expert witnesses. On the other hand, the individual inventor will not have the financial resources.

SIDA would like the IPDR Committee to shed light on this issue to ensure that the individual inventors or SMEs are protected from such situation.

#### **3.2. Incentives and disincentives**

SIDA has question over the motivation of the expert witnesses. There are no incentives and disincentives for the expert witnesses to

perform their duties in a professional and unbiased manner. There can be two possible scenarios.

In the first scenario, the expert witnesses are appointed by the court and does not act in a professional and unbiased manner, there is no way for the individual inventor to protect his interest. The pool of expert witnesses that the court appointed should be make liable to make sure that they are qualified and to ensure that they perform their duties professionally in an unbiased manner.

In the second scenario, the judge decided that expert witnesses should be party appointed. The individual inventor will not be able to pay as well as the big company or international IP actor. So the expert witnesses appointed by big company are highly motivated to help their client, while the expert witnesses appointed by inventor will be lowly motivated. One solution is to allow the individual inventor to negotiate a contract with the expert witnesses that incorporate some kind of contingency arrangement. For example, if the individual inventor wins the "fast track" litigation, the expert witnesses will be paid the full payment. If the individual inventor loses the litigation, the expert witnesses will only be paid 50% or less of the full payment. In this case, an escrow account in a bank or financial institution may be set up.

### **3.3. Qualification**

SIDA understand that the qualification of the expert witnesses is not an easy task, but it is an important task. There are no criteria regarding the qualification of the expert witnesses, whether it is appointed by the court or by each party. Common sense dictates that expert witnesses

should have good knowledge and experience in the related field and should be presently in the related field of work. SIDA proposed that the qualification of expert witnesses should be based on the same standard used in the patent examination process of "a person skilled in the art". The qualification of the expert witnesses are vital for the judge to understand and make judgement on the patent litigation. Therefore it is crucial that IPDR Committee set a good standard to evaluate qualified expert witnesses. Taking note that individual inventors usually stand at a disadvantages position compare to big companies or International IP actors.

#### **3.4. Confidentiality**

SIDA believed that the identity of the expert witnesses should be kept to strict confidentiality to all parties until the start of the litigation trial. This should be clearly stated in the final report recommendation by the IPDR Committee. This is to prevent any party from influencing the expert witnesses. In most cases, it is usually the big company or international IP actors with their strong financial resources who will try to approach and influence the expert witnesses.

#### **3.5. Expert witness's report**

SIDA propose that the expert witness report must be written such that it is in accordance with the patent specification before submission.



#### 4. Default track

##### 4.1. Annex A, Section 30

"30. ... 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."

SIDA would like to propose to the IPDR Committee that the "default track" should be the "fast track" and not the "normal track". This is because the individual inventor is not trained in the law and usually do not know the system well. It is likely that the litigation goes to the "normal track" without the full understanding of the individual inventor. This is an unfair procedure against the less privilege individual inventors.

SIDA would also like to propose to the IPDR Committee that if an individual inventor or plaintiff decided to go for the "fast track" due to financial constraints, then if he win and make money from the defendant, he should not be allowed to sue another company on the same patent using the "normal track" . He will only be allowed to proceed with the same "fast track" for the same patent. The rationale being, the "fast track" litigation is meant to help individual inventors or SMEs. It is a noble idea and should not be abused. If the individual inventors make \$500,000 from the first "fast track" litigation, he is no more considered as the individual inventors with limited financial resources. So he cannot use the same patent and sue another company for another \$5,000,000.



**5. Hearing days limit**

**5.1. Annex A, Section 19**

"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."

SIDA is in agreement that the hearing days limit is set to 2 days for the "fast track" patent litigation.

**6. Cap on value of claim**

**6.1. Annex A, Section 21**

"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."

SIDA is in agreement for this cap to be placed at \$500,000. But SIDA proposed that this cap should be reviewed at every few years (example three years) by the IPDR committee through public consultation with various stakeholders, including the individual inventors and SMEs.

**6.2. Annex A, Section 25**

"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."

SIDA is in agreement for this cap to be placed at \$50,000. Again, SIDA proposed that this cap should be reviewed at every few years by the IPDR committee through public consultation with various stakeholders, including the individual inventors and SMEs.

## **7. Interlocutory relief**

### **7.1. Annex A, Section 8**

"8. The key recommendations of the IPDR Committee are as follows:... A "fast track", which will contain several features aimed at facilitating quicker and more cost-effective dispute resolution. These features include:<sup>2</sup> ...<sup>2</sup> The IPDR Committee did not make a firm recommendation on whether both interlocutory and final relief should be available on the "fast track"."

SIDA believed that it make sense that interlocutory relief for injunction should not be issue during court trial. Example, an inventor sues a big company for patent infringement. If the court issue an interlocutory relief to stop the company from selling the infringed product in the market, the company will incur revenue losses until the court case end. If the inventor win, all is well. But if the inventor loses, the company will try to claim compensation for the loss of this revenue during the trial. This may turn out really bad for the inventor. Having said that, SIDA would like the IPDR Committee to clarify on the reasons why interlocutory relief was not recommended in its proposal report.

## **8. Appeal limit**

### **8.1. Annex A and Annex B.**

Annex A, Section 33: "...the procedure for seeking leave to appeal in IP cases will be aligned with the Civil Justice Reforms recommendations..."

Annex A, Section 34: "...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..."

Annex B, Section 2.4.21: "... The structure for appeals from decisions made in "fast track" cases will have to be considered and refined further... some interlocutory decisions made by the Managing Judge in "fast track" cases may not be appealable."

SIDA is in agreement that appeal in the "fast track" is to be limited so as to reduce cost. But it is not clear to many inventors how the appeal process work. So SIDA would like IPDR committee to clarify (in layman term) on the procedure and cost of appeal in the "fast track". A flow chart on this procedure would help.

## **9. Individuals and SMEs (Small and Medium Enterprises)**

### **9.1. Annex B Executive Summary Item 3 and Annex B Section 1.2.3**

Annex B Executive Summary Item 3: " "As part of the Government IP Hub Master Plan, MinLaw in 2015 appointed this Committee to review the IP dispute resolution framework in Singapore. The two objectives of the

review are...particularly for individuals and small and medium sized enterprises ("SMEs").

Annex B Section 1.2.3: "We directed our focus primarily at a synthesis of the first two terms of reference: how to enhance access to Singapore IP dispute resolution system with especial attention to individuals and SMEs."

The primary objective of the IPDR Committee is to help individuals and small and medium-sized enterprises ("SMEs"). But it seem that members of the IPDR committee does not have anyone in the committee who is a good representative of individual and SMEs.

## **9.2. Annex B Executive Summary Item 14**

"..."fast track" procedures will require detailed consultations with all interested stakeholders...It also recognised that it does not have the benefit of empirical studies on the demands and needs of individual and SME IP rights owners in Singapore."

The IPDR committee wants consultation of "fast track" procedures with all interested stakeholders, but from the report it seems that there are no resources allocated to engage individual inventors and SMEs. SIDA proposed that IPDR may seek IPOS help to get a list of all patent owners in Singapore, send an invitation to them and arrange for a simple meeting. SIDA would be interested to participate in such an event.

**9.3. Annex B Section 1.2.9.**

"Individuals and SMEs may have as their dominant concern cost proportionality and efficiency...On the other hand, cost may play a less central role in the calculus of the international IP actor...We have, in this Report, sought to achieve a balance between these objectives."

SIDA believed that the balance between these objectives cannot be achieved without participation from individual inventors and SMEs.

**10. Experimental proof**

**10.1. Annex B Section 1.3.2**

"...In patent litigation, there is an additional mode of establishing facts by experimental proof."

In most experiments, there may be a need to use of some of the measuring equipment. SIDA believed that it should be stated clearly that these measuring equipment should be certified and allowed to be audited by any party.

Another issue in the used of experiment proof in patent litigation is the possibility of defendant making alteration of his infringement product. To explain this issue, illustration 10.1A is elaborate below.

Illustration 10.1A: An individual inventor has a patent with claims that consist of element A, B, C and D. Company XYZ manufacture similar products with element A, B, C and D that may infringe the individual inventor's patent. Individual inventor started a patent litigation with company XYZ. Upon received of the litigation document, company XYZ

modified the litigated product so that it has only element A, B, C and E, excluding the element D in the individual inventor's claim. When the patent litigation start, the experiment proof conducted during the court shows that the litigated products acquired from the market does not infringe the individual inventor's claims. This would lead to a miscarriage of justice. SIDA proposed the following. When the individual inventor wants to start the patent litigation, the individual inventor submits a request for the court to appoint an independent party to facilitate the process to acquire the litigated products. At least one unit will be placed inside a safe box, the remaining units will be used by the plaintiff's expert witnesses to do analysis report and also used for experiment proof in court.

#### **10.2. Annex B Section 2.4.12**

"...The Managing Judge will be given broad case management powers which will, for example, allow him to give directions on whether expert witnesses or experiments are required."

SIDA think that both parties should be given the rights to conduct at least one experiment so that the judge can fully appreciate the invention.

But Ad-hoc experiment request during trial by any party should not be entertained.

## **11. Contingency fee arrangement**

### **11.1. Annex B Section 2.2.5**

"...the US permits contingency fee arrangements, that are an option a putative plaintiff may rely on to fund its litigation..."

SIDA believed that the contingency fee arrangement is a good option to promote the spirit of innovation for individual inventors and SMEs. SIDA think IPDR Committee should not rule out this option.

## **12. Specialised procedural rules**

### **12.1. Annex B Section 2.4.27**

"...If the broad recommendations of this Report are accepted it will be necessary, at the implementation stage, to consider formulation of specialist procedural rules to guide the Managing Judge in the conduct and control of "fast track" cases..."

SIDA is confused on the meaning of "specialist procedural rules" to guide the Managing Judge. SIDA would like to request the IPDR Committee to clarify in layman term.

## **13. Adversarial Process**

### **13.1. Annex B Section 1.3.3**

"...IP disputes often involve myriad technical details that are susceptible to repeated and extensive requests for particulars and discovery...can also be used tactically, to oppress and deplete the resources of the other party..."



SIDA appreciate the fact that IPDR Committee highlighted the difficulties and common bullying tactic by big companies or international IP actors that individual inventors and SMEs faced.

#### **14. Other issues**

##### **14.1. Cost Transparency**

SIDA would like to propose to the IPDR Committee to make all patent litigations in Singapore as transparent as possible. Detail of all patent litigations ("normal track" and "fast track") should be published in Singapore governmental website and open to all members of the public. These information should not be placed behind a "Paid Wall" where members of the public need to register and approve before downloading. This information should include all the court cost, recoverable party and party cost, and damage recoverable and profit. By making all patent litigations transparent, individual inventors or SMEs will be able to access this information by themselves and understand the cost needed if they want to start a patent litigation.

## 15. Acknowledgement

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Mr Lee Tat Cheng

Mr Leow Wee Dar Jason

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