

Arbitration : A New Alternative for Intellectual Property Dispute Resolution in Thailand

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Introduction

The objective of this article is to demonstrate that arbitration is a worthy new alternative for intellectual property dispute resolution apart from normal litigation in court. The article is based upon the author's personal experience in handling with a dispute referred to the Office of Intellectual Property Dispute Prevention and Settlement for proper arbitration. This article is divided into three parts as follows:

- Part I : Roles of the Department of Intellectual Property on Alternative Dispute Resolution
- Part II : Dispute Settlement by Way of Arbitration under the DIP's Role
- Part III : Concluding Remarks

Part I : Roles of the Department of Intellectual Property on Alternative Dispute Resolution

Currently, intellectual property plays an important role and is used as a tool for development of the country's trade and economy. In trade competition, traders in various fields attach greater importance to intellectual property exploitation in order to create value added to their goods and services. Intellectual property disputes are, consequently, risen. In the past, the disputes were settled through lawsuit in court, which was time consuming and resulted in high costs, pressure and deterioration of business relationship between parties to dispute. **

The Department of Intellectual property, as an government agency whose responsibilities cover both administration and development of intellectual property, has realized of these difficulties. It, therefore, set up the Office of Dispute Prevention and Settlement of Intellectual Property in June 2002 in order to introduce the internationally accepted and widely used mediation and arbitration systems as supplementary mechanism for intellectual property dispute resolution in Thailand.

In July of the same year, the Ministry of Commerce issued the regulation on Intellectual Property Arbitrator and the Regulation on Intellectual Property Mediation. In addition, in December the department published a list of intellectual property

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** Kanissorn Navanugraha , Settlement of Intellectual property disputes , (Bangkok : Department of Intellectual property , 2004) , Preface

arbitrators. A list of arbitrators in intellectual property capitalization was, later, published in July 2004.

Since its establishment, the Office of Intellectual Property Dispute Prevention and Settlement has successfully handled 2 arbitration cases and compromised over 100 intellectual property disputes.

Part II : Dispute Settlement by Way of Arbitration under the DIP's Role

Arbitration is a type of dispute resolution for civil cases. The parties to dispute voluntarily refer their case to a third party called arbitrator who will arbitrate and give the award in accordance with all evidences presented to him. The award is required to be observed by the parties.

Normally, dispute settlement by way of arbitration takes only 90 – 180 days from the appointment of arbitrator. Unlike court proceeding, arbitration procedures lie in absence of complicated formalities. Moreover, intellectual property expertise held by arbitrators makes dispute settlement expeditious, fair and satisfiable to all concerned parties. Since arbitration procedures are conducted in undisclosed proceeding ; parties to dispute, who normally are traders, can protect their reputation and secret. Confrontation between the parties is rarely found and enables them to continue their good relationship. In addition, arbitration proceeding is economical ; only normal expenses, for instance transportation and arbitrator's allowances, are required, which are less than those incurred in normal court litigation.

In order to demonstrate whether arbitration is a worthy new alternative for intellectual property dispute resolution ; the author would like to present and discuss on a case which was voluntarily referred to the Office of Intellectual Property Dispute Prevention and Settlement and of which she had an opportunity to be in charge as its arbitrator.

The fact of the case can be summarized as follows. In December of the year 2002, the infringer reproduced 1,000 animal pictures which are copyrighted works of the author and uploaded these pictures on his internet website. The infringer informed the author of his public communication through e-mail ; he also identified the author's name on the first page of his website. Once the author visited the website, he gave notice to infringer to take down those pictures by posting his warning in the guest book on that website. But no avail was made. On September 29th 2003, the author submitted a complaint to the Director of the Department of Intellectual Property and requested to have this dispute settled through the channel provided by the Department.

Subsequently, the office of Intellectual Property Dispute Prevention and Settlement invited both parties to give statement and preliminary explanations. At the first place, both parties agreed to have the Office to handle this dispute as their mediator. On December 30th 2003, the mediation meeting was held; but the parties failed to reach and agreement on the amount of damages. On July 7th 2004, they therefore furthered their dispute in to the process of proper arbitration. A week later, a list of 9 qualified persons was sent to the parties for their consideration in order to select an arbitrator.

After careful selection, both parties agreed and appointed their arbitrator on December 2nd, 2004. On the same day, the arbitrator determined the issues of dispute. Since the authorship and copyright of the work fall under the legal presumption that those pictures were copyrighted works of the author; there were only two issues of dispute that required hearing. The first issue regarded Copyright infringement and the second issue regarded the amount of damages. The hearings were conducted in undisclosed proceedings with non-formalities and without legal counsellors. After 3 hearings with 6 witnesses, the award was rendered on February 25th, 2005. It instructed the infringer to pay the compensation to the author for 380 pictures as testified at the hearing. In assessing damages, the arbitrator took into her account prevailing royalty rates for public communication of pictures through media; which are varied depend upon amount of works, duration of time, purpose of public communication, benefit earning, media popularity as well as reputation of author. In this case, although the author had well reputation, the internet website of the infringer was not well known to the public and was operated for non-profit purpose. The pictures were also made available to public for a short period of time. Consequently, the royalty fee in this case could not be granted as high as that in the case of public communication through television or newspaper.

Part III : Concluding Remarks

From the above mentioned dispute, the author would like to make concluding remarks on arbitration proceeding as follows :

1. Rapidity of Proceeding This dispute was referred to the Office of Intellectual Property Dispute Prevention and Settlement in late 2003 . It took the Office 3 months to handle the mediation which turned out to be unsuccessful. The dispute was furthered to arbitration proceeding 2 years later. The delay, however, was the result of late submission of the parties' claim and answer as well as their disagreement on selection of a proper arbitrator. Eventually, the award for this dispute was delivered within 90 days after the commencement of arbitration proceeding.

2. Low Costs The Announcement of the Arbitration Commission on Rates of arbitrator's Allowances and Expenses in Arbitration proceeding stated that the arbitrators' allowances are at 1-1.5 percent of the amount in dispute, but not less than 5,000 Baths and not more than 120,000 Baths. Other expenses are :- cost of tea for each meeting : 50 Baths per head ; stationery cost : 50 Baths for each tape cassette, 150 Baths for each of transcribing, 150 Baths for transcribing of each recorded video ; and transportation allowance for arbitrators : 500 per trip per person.

The above dispute costed 5,000 Baths for arbitrator's allowance, 4 trips were made and 5 tape cassettes were used for 4 meetings. The total costs is, therefore, lower than normal costs incurred in court litigation.

3. Good Relationship Between Parties Since arbitration proceeding was conducted undisclosely with non-formality in a simple meeting room ; confrontation between parties and stress are rarely found.

4. Fairness and Satisfaction of the Parties The greatest merit of arbitration proceeding is that the parties to dispute are in capability to select arbitrator to their satisfaction. In the above case, the parties spent 5 months to select a proper acceptable

arbitrator. Satisfaction with arbitrator would, certainly, lead to the parties' willingness to be bound by the award. Although the compensation for damages awarded in this case was not as high as the amount that the author expected ; once the proper remedy was reasonably granted, it could be regarded as fair to the parties.

From the above demonstration, the author would like to conclude that arbitration is a proceeding with rapidity, low costs, fairness, parties' satisfaction and continuation of good relationship of parties. These consequences should convince us that arbitration is a new alternative for intellectual property dispute resolution that is worth a try.
