

Public Consultation on Draft Intellectual Property (Dispute Resolution) Bill

March 2019

I. INTRODUCTION

1. The Ministry of Law (“**MinLaw**”) is seeking feedback on a draft Intellectual Property (Dispute Resolution) Bill (“**the Bill**”), attached at **Appendix A** to this public consultation paper.
2. The Bill contains amendments to primary legislation to implement reforms to the intellectual property (“**IP**”) dispute resolution system. Two public consultations on the reforms were previously held, and more information can be found in the respective public consultation papers:
 - a) In July 2017, the Intellectual Property Office of Singapore (“**IPOS**”) held a public consultation on two proposed patent proceedings, third party observations and post-grant re-examination.¹
 - b) In October 2018, MinLaw held a public consultation on reforms to enhance access to our courts for IP disputes (“**October public consultation paper**”).²
3. In addition to the proposals contained in the public consultations mentioned at para 2 above, the Bill also makes the following amendments:
 - a) Amendments to clarify the arbitrability of IP disputes in Singapore.
 - b) Other ancillary amendments related to IP dispute resolution.
4. The remainder of this public consultation paper contains explanatory remarks on the draft Bill. Please note that the amendments are not discussed in this paper in the same order in which they appear in the Bill. Rather, the amendments are grouped and discussed thematically.
5. **Please note that the proposed amendments in the Bill are still undergoing the legislative drafting and vetting process, and are thus not finalised and subject to change.**
6. Interested persons are invited to provide comments and feedback. 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 “IP (Dispute Resolution) Bill Public Consultation Comments” and send them by 5 April 2019 via post or email to:

Intellectual Property Policy Division
Ministry of Law
100 High Street

¹ “Public Consultation on Proposed Changes to Singapore’s Patents Regime”, accessible at IPOS’ website www.ipos.gov.sg/resources/ip-legislation.

² “Public Consultation on Intellectual Property (“IP”) Dispute Resolution Reforms”, accessible at MinLaw’s website www.mlaw.gov.sg/content/minlaw/en/news/public-consultations.

II. INTELLECTUAL PROPERTY (DISPUTE RESOLUTION) BILL

A. Amendments to Copyright Act (Cap. 63) (Part 2 of Bill)

7. Clauses 2 and 3 of the Bill amend the Copyright Act to grant the High Court exclusive jurisdiction over civil copyright disputes. This is pursuant to the consolidation of civil IP proceedings in the High Court.³ The main amendments are:
- a) Inserting a new definition of “Court” to mean the High Court.
 - b) Making reference throughout the Copyright Act to “Court”, so as to provide that the High Court is the exclusive forum for civil copyright proceedings, e.g. copyright infringement, relief against groundless threats of copyright infringement, and applications for orders against a network service provider.

B. Amendments to Patents Act (Cap. 221) (Part 5 of Bill)

8. Clause 7 amends section 20(7) to allow the Registrar (i.e. IPOS) greater flexibility to decline determining a dispute under section 20 (pre-grant dispute over patent entitlement etc.), such that the High Court deals with it instead.
9. Clause 8 inserts a new section 32 to provide for third party observations. When a patent application has been published, but a patent has not been granted, a third party may make observations on the patentability of the invention. However, if the observations are received by the Registrar after the examination report, search and examination report, or supplementary examination report is issued, the Registrar will not consider the observations.
10. Clause 9 inserts a new section 38A to provide for post-grant re-examination.
- a) The new section 38A(1) contains the grounds for filing a re-examination request.
 - b) The new sections 38A(2) and (3) contain the formalities requirements.
 - c) The new section 38A(5) is intended to provide a safeguard against requests that are frivolous, vexatious or an abuse of the process.
 - d) The new section 38A(7) concerns the situation where other proceedings, in which the validity of the patent may be put in issue, are filed after the re-examination request is filed. In this situation, the Registrar may make orders or give directions concerning the re-examination request – for example, staying the re-examination process until the other proceedings are resolved.

³ See in particular para 13 of the October public consultation paper.

The new section 38A(14) further provides that a patent shall not be revoked following re-examination if those proceedings are pending.

- e) The new sections 38A(8) to (10) set out the general process of re-examination. If the alleged ground is made out, the proprietor has the opportunity to respond to the Examiner's written opinion before a re-examination report is issued.
 - f) The new sections 38A(12) and (13) provide for possible outcomes of negative re-examination reports.
11. Clause 10(b) makes a similar amendment to section 47(8), as that by clause 7 to section 20(7). While section 20 concerns pre-grant disputes over entitlement etc., section 47 concerns post-grant disputes.
12. Clause 10(c) deletes and re-enacts section 47(9). Section 47(9) relates to the situation where the High Court determines whether a patent was granted to a person not entitled to be granted. The amendment clarifies the conditions under which it needs to be shown that the patent owner(s) knew, at the time of the patent grant or transfer, that he was not entitled (whether alone or with another person) to the patent.
- a) Where the High Court is exercising its declaratory jurisdiction in an action for a declaration, the requirement kicks in if the action was commenced more than two years after the patent grant.
 - b) Where the High Court is exercising its jurisdiction pursuant to a reference under section 47 (that is, a reference was made to the Registrar, who declined to deal with it and as a result the High Court is doing so), the requirement kicks in if the reference was made more than two years after the patent grant.
13. Minor amendments are made to sections 47(5)(b), 80(1)(b) and (4)(b), and 82(4)(b) and (6) by clauses 10(a), 18(b) and (e), and 20(c) and (d) to clarify the phrase "not entitled to the patent", and other similar phrases.
14. Clauses 11, 12, 13, 15, and 16 amend sections 67, 69, 70, 75, and 76 to remove the Registrar's jurisdiction to hear patent infringement disputes by parties' agreement. This consolidates patent infringement proceedings in the High Court.
15. Clause 14 makes consequential amendments to section 72(2), in light of the fact that first, infringement proceedings will be consolidated in the High Court, and second, the High Court and the Registrar will have concurrent jurisdiction over patent revocation (see para 17 below).
16. Clause 17 amends section 78 to remove the Registrar's jurisdiction over declarations of non-infringement. This is pursuant to the consolidation of patent infringement proceedings in the High Court.

17. Clause 18 amends section 80 to allow the High Court and the Registrar concurrent jurisdiction over patent revocation.⁴ The Registrar will also have a new power to refer an application for revocation to the High Court. An example of a situation where this could be useful is when there are parallel proceedings in the High Court, and it would be preferable for the High Court to holistically adjudicate the parties' disputes.
18. Clause 19 amends the heading of section 81, to more easily distinguish between section 81 which concerns patent revocation initiated by the Registrar, from section 80 which concerns patent revocation on application by any person.
19. Clause 20 amends section 82. It provides that the validity of a patent may be put in issue in, first, the new re-examination process, and second, revocation proceedings before the High Court (in addition to revocation proceedings before the Registrar – see para 17 above). Consequential amendments are also made to section 82(7), in light of the consolidation of infringement disputes in the High Court.
20. Clause 21 amends the heading of section 83 to make clear that the provisions in that section concerning amendments are not limited in application to infringement and revocation proceedings only. In particular, they are intended to apply also in the context of the new re-examination process.
21. Clause 22 amends section 90 to provide that:
 - a) the Registrar's decision not to grant a re-examination request (on the ground that it is frivolous, vexatious or an abuse of the process) is non-appealable,
 - b) the Registrar's decision not to revoke a patent following re-examination is non-appealable (in line with the *ex parte* nature of re-examination, in which the challenger to a patent's validity plays no part after making the re-examination request), and
 - c) a decision of the High Court on appeal from a decision of the Registrar to revoke a patent following re-examination is appealable with leave to the Court of Appeal.

C. Amendments to other IP Acts

22. The Geographical Indications Act 2014 (Act 19 of 2014), Plant Varieties Protection Act (Cap. 232A), Registered Designs Act (Cap. 266), and Trade Marks Act (Cap. 332) will be amended to harmonise the availability of appeal from decisions of the Registrar, across all IP rights.⁵ Decisions originating from the Registrar (those

⁴ See in particular para 15 of the October public consultation paper.

⁵ Part 3 clause 4, Part 6 clause 23, Part 7 clause 25, and Part 9 clause 28.

which are appealable in the first place) will be appealable to the High Court without leave, and subsequently appealable to the Court of Appeal only with leave.⁶ This approach is already adopted in the Patents Act.

23. The Geographical Indications Act, Registered Designs Act, and Trade Marks Act will also be amended so that the provisions on certificates of contested validity will be more consistent across all IP rights (the Patents Act already incorporates the features below).⁷ In particular, the amendments provide that:
- a) both the High Court and the Registrar can certify the validity of the registration, and
 - b) in the case of trade marks, the registration can be found to be fully or partially valid.

D. Amendments to State Courts Act (Cap. 321) (Part 8 of Bill)

24. Clauses 26 and 27 amend sections 19(3) and 52(1A) to remove the jurisdiction of the District Court and the Magistrates' Court over passing off actions. The High Court will then have exclusive jurisdiction to hear such actions. This is pursuant to the consolidation of civil IP proceedings in the High Court.⁸

E. Amendments to Arbitration Act (Cap. 10) and International Arbitration Act (Cap. 143A) (Part 1 and Part 4 of Bill)

25. Clauses 1 and 6 amend the Arbitration Act ("AA") and International Arbitration Act ("IAA") to clarify the arbitrability of IP disputes in Singapore.⁹ While there is nothing in Singapore's law currently that prevents the use of arbitration in IP disputes, these amendments aim to provide greater clarity and certainty to users. This facilitates the use of arbitration in IP disputes, and increases the attractiveness of Singapore as an arbitration venue. This in turn supports Singapore's development as a hub for IP dispute resolution.
26. Both the AA and IAA need to be amended as they each apply to different situations of arbitration –

- a) The AA applies to any arbitration where the place of arbitration is Singapore and Part II of the IAA does not apply.¹⁰
- b) Part II of the IAA, which governs international commercial arbitration, and the Model Law do not apply to an arbitration which is not an international

⁶ See para 34 of the October public consultation paper.

⁷ Part 3 clause 5, Part 7 clause 24, and Part 9 clause 29.

⁸ See in particular para 13 of the October public consultation paper.

⁹ The Patents Act mentions the use of arbitration for certain disputes, at section 51(3)(b) and section 58(6), but it is silent on the use of arbitration for other disputes that may arise. The other IP legislation, as well as the AA and IAA, are also silent on the use of arbitration for IP disputes.

¹⁰ See section 3 of the AA.

arbitration unless parties agree otherwise. The AA does not apply to any arbitration to which Part II of the IAA applies.¹¹

27. Clause 1 adds a new Part IXA to the AA and clause 6 adds a new Part IIA to the IAA. These new Parts concern “Arbitrations Relating to Intellectual Property Rights”. As the new sections under these two Parts are largely similar, the following paragraphs discuss them in parallel. The new section 26E in the IAA is the exception, as it concerns enforcement of foreign arbitral awards and is thus not relevant for the AA.
28. The new sections 52A in the AA and 26A in the IAA contain the definitions. Non-exhaustive lists are provided for the scope of “intellectual property right” and “IPR dispute”. There is thus flexibility to encompass different kinds of IP rights in various jurisdictions, and to cater to the fact that new kinds of IP rights, and IP disputes, may arise in future. It is not intended that other kinds of IP disputes, not explicitly mentioned in the legislation, be excluded from arbitration.
29. The new sections 52B in the AA and 26B in the IAA clarify that IPR disputes are arbitrable, whether they are the main issue or an incidental issue in the arbitration.
30. Two alternative formulations of the new section 26B(5) in the IAA are presented in the draft Bill. The intention of this provision is to provide parties (to an IP dispute being arbitrated) with the flexibility to determine the remedies or relief that may be awarded by the arbitral tribunal. The first alternative is modelled after section 103D(6) of the Hong Kong Arbitration Ordinance. The second alternative is modelled after section 34(1) of the AA. It is noted that the IAA does not have an equivalent of section 34(1) of the AA. Feedback is sought on the preferable formulation.
31. The new sections 52C in the AA and 26C in the IAA clarify the effect of an arbitral award, in an IPR dispute, on third party licensees.
32. The new sections 52D in the AA and 26D in the IAA clarify that, in the context of a court setting aside an arbitral award,
 - a) the subject-matter of a dispute is not incapable of settlement by arbitration only because the subject-matter relates to an IPR dispute, and
 - b) an award is not contrary to public policy only because the subject-matter in respect of which the award is made relates to an IPR dispute.
33. The new sections 52E in the AA and 26F in the IAA clarify that when judgment in terms of the arbitral award is entered (for enforcement purposes), the judgment has an effect only on the parties (*in personam*), and not against the whole world (*in rem*).

¹¹ See sections 5(1) and (4) of the IAA.

34. The new sections 52F in the AA and 26G in the IAA clarify that section 82(2) of the Patents Act does not prevent a party from putting the validity of a patent in issue in arbitral proceedings.
35. The new section 26E in the IAA clarifies that, for the purposes of enforcing a foreign arbitral award in Singapore,
 - a) the subject-matter of the difference between the parties (that was arbitrated) is not incapable of settlement by arbitration only because it relates to an IPR dispute, and
 - b) it is not contrary to public policy to enforce an award only because it is in respect of a matter that relates to an IPR dispute.