Intellectual Property

New Simplified Track for Intellectual Property Litigation

Introduction

The Ministry of Law ("**MinLaw**") has announced in a press release of 23 February 2022 that it will be implementing a new Supreme Court of Judicature (Intellectual Property) Rules 2022 ("**new Rules**"). The new Rules introduce (among other things) a simplified optional track for Intellectual Property ("**IP**") litigation referred to as the "Simplified Process for Certain Intellectual Property Claims" ("**Simplified Process**").

The new Rules are expected to come into force on 1 April 2022. To give stakeholders sufficient time to be familiar with, and prepare for, the new Rules, MinLaw has made available a draft version of the new Rules ("**draft Rules**") for interim reference (available here). However, the draft is subject to changes as it is currently undergoing the vetting process. The finalised new Rules will be published before they come into force on 1 April 2022.

This Update provides a brief summary of the Simplified Process as contained in the draft Rules.

What are the requirements for the Simplified Process?

The draft Rules set out the following criteria for an originating claim to be suitable for the Simplified Process:

(a) The dispute must involve an intellectual property right;
(b) Either (i) the monetary relief claimed by each party does not or is not likely to exceed S$500,000; or (ii) all parties agree to the application of the Simplified Process; and
(c) The case is otherwise suitable for the Simplified Process, having regard to the prescribed factors (including whether a party can only afford the Simplified Process, the complexity of the issues, and whether the trial is likely to exceed two days).

As such, it is notable that the Court has discretion over whether a case is put on the Simplified Process, even if all parties agree to it.

How a dispute can be placed on the Simplified Process?

If a plaintiff wants to opt for the Simplified Process to apply, it may do so by:

(a) filing the relevant form, electing for the Simplified Process to apply; and
(b) agreeing to abandon any claim for monetary relief in excess of S$500,000.

A defendant without a counterclaim that does not want the matter to go through the Simplified Process cannot simply file a response disagreeing with the plaintiff, but will have to make an application and convince the Court to not place the dispute on the Simplified Process.

Where a plaintiff has elected for the Simplified Process, a defendant with a counterclaim on the other hand must respond to either (i) agree to the Simplified Process for its counterclaim and abandon its claim for monetary relief in excess of S$500,000; or (ii) disagree to the dispute being put onto the Simplified Process.

It is not clear at this stage what effect a defendant's disagreement to putting its counterclaim on the Simplified Process will have on a plaintiff's election for the Simplified Process for its claim. It would seem unlikely for the Simplified Process to apply to a claim, and not to an associated counterclaim. It is likely in such a situation that the Court will determine whether the Simplified Process should or should not apply to both the claim and the counterclaim.

What does the Simplified Process entail?

Instead of having multiple pre-trial conferences, which is common in a regular action, under the Simplified Process there will be (if possible) a single case management conference ("**CMC**") where all directions for the case to proceed expeditiously are given. These directions range from the evidence that may be produced, all the way to the date and duration of the hearing and time for examination of each witness.

A key characteristic unique to the Simplified Process is that the Court will identify and narrow the main issues of contention between the parties at the CMC. As such, parties must be prepared that the Court may determine that certain issues of contention are deemed irrelevant well before the matter comes up for trial.

The draft Rules also provide for the costs of proceedings to be fixed and capped. Specifically:

(a) A cost order shall not be made until after trial is complete.
(b) The Court may only order costs in respect of items specified in the table provided in the draft Rules. Such costs may not exceed the maximum amount prescribed for each item.
(c) The total costs ordered against a party may not exceed S$50,000 in relation to the trial of the originating claim, and S$25,000 in relation to any bifurcated assessment as to the amount of monetary relief.

If the matter goes on appeal from the Simplified Process, the appellate Court may also make an order to limit the costs recoverable on appeal. This may be at the Court's own motion or on the application of a party.

Concluding Words

While the Simplified Process potentially provides plaintiffs with a faster, more cost-efficient means of determining an IP dispute, a prospective plaintiff (or a defendant with a counterclaim) needs to carefully weigh possible downsides, not just in terms of the amount of damages and costs claimable, but also in terms of litigation strategy. We would strongly suggest that any clients considering applying for the Simplified Process carefully consider the pros and cons with us.

For further queries, please feel free to contact our team below.

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