Specialist IP tribunals in Pakistan

Naeema Sadaf and **H. Zafar Iqbal** discuss the impact of new specialist intellectual property tribunals in Pakistan.

Worldwide, the concept of establishing special intellectual property (IP) courts and tribunals has emerged as one of the strategies to deal with the complex and technical nature of IP litigation; and Pakistan is no exception. In the last three decades, IP infringement proceedings had been receiving a secondary treatment before the regular courts in Pakistan. This has resulted in a substantial backlog of IP cases in the courts. On the other hand, since at least 2000, various conflicting provisions in the TRIPs-compliant IP laws of Pakistan, especially the patent law, have resulted in an increased number of IP cases being litigated and consequently disorderliness in the courts. The situation was inflamed when, by the end of 2014, about 70% cases in pharmaceutical and biotechnology patent disputes, badly needed the specific expertise and detailed attention of the specialized judges.

In September 2015 and in response to these perceived problems, the Federal Government of Pakistan, by a gazette notification, has constituted IP tribunals as a specialized substitute for the District Courts. The very aims and objectives behind conceptualizing and constituting IP tribunals was thus to create a judicial mechanism that can address the technical and complex nature of IP laws; ensure adjudication of IP cases with speed, economy, consistency, predictability and quality; and in parallel to reduce the litigation burden (caseloads) on the regular courts.

The IP tribunals were created by the Intellectual Property Organization of Pakistan Act, 2012 (the Act). Section 18(1) states that:

> "All suits and other civil proceedings regarding infringement of intellectual property rights shall be instituted and tried in the tribunal".

Section 18(2) goes on to state that:

> "the tribunal shall have exclusive jurisdiction to try any offence under intellectual property laws".

In terms of section 17(3) and (4) all proceedings before the tribunal are deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Pakistan Penal Code[1] and that no court other than a tribunal can have or exercise any jurisdiction with respect to any matter to which the jurisdiction of the tribunal extends under the Act.

Editor's summary

Specialist IP jurisdictions are becoming an increasing focus worldwide (see June [2016] *CIPA* 63). The authors explain Pakistan's new specialist IP tribunals, which have exclusive first instance jurisdiction in civil IP infringement matters, as well as certain criminal IP matters. This article provides details of the new jurisdiction and expresses the authors reservations about the lack of a requirement to appoint judges with specialist IP experience to preside, especially in relation to the handling of patent cases which are already creating a significant backlog in Pakistan, and the risk of a backlog of cases on appeal being created, as well as a continuing need to address administrative procedures relating to IP.

Composition of the IP tribunals

In contrast to the regular courts, IP tribunals are specialized courts with independent judicial power to adjudicate disputes and administer justice concerning infringement of intellectual property rights (IPRs) exclusively. IP tribunals have all the trappings of a regular court except they have specialized jurisdiction and are not a part of the regular court system. They can exercise jurisdiction within the territorial limits defined by the Federal Government[2] and hold sittings at a place within their territorial jurisdiction as determined by the Federal Government. Whilst, the Federal Government may establish as many tribunals as it considers necessary to exercise jurisdiction under the Act[3], so far only three tribunals have been established; one for each of the two provinces of Punjab (Lahore) and Sindh (Karachi); and one for Islamabad (capital).

Each tribunal consists of a presiding officer, appointed by the Federal Government after consultation with the Chief Justice of High Court concerned[4]. To preside over an IP tribunal, a person must have either served as a judge of High Court; a District and Session Court; or be an advocate qualified for appointment as a judge of the High Court. Being specialized tribunals, and, one might presume a presiding officer must either be a specialist or at least have adequate legal training and experience in IP law. Instead, however, within the meaning of the Act[5], a presiding officer does not need to be an IP specialist or have any legal training and experience in IP: it is enough if they have a suitable qualification and experience in law. This is confirmed from two of the three appointments made so far. The District and Session Judge, and the Judge Accountability Court-II are both lacking the required experience and knowledge needed to preside over the complex IP matters especially the patent infringement proceedings.

IP experts for technical assistance

The law governing IPRs is complex, but the technology involved is even more so – especially in the areas of biotechnology, cell biology, and electronics. Judges frequently deal with difficult questions of scientific or technical nature to which they generally have no training. Consequently, during trials, the role of expert witnesses have particular significance. In many situations, taking advantage of the claims language, especially in the cases of widely drawn generic claims, expert witnesses often present contradictory positions that inevitably may challenge having one acceptable answer. In order to address these complexities, tribunals are authorised to seek the assistance of experts, experienced in the technical aspects of IPRs. Nevertheless, this technical assistance does not discharge the ultimate responsibility of a judge to decide the matter on merit.

Procedure before the IP tribunals

The Act[6] empowers the Organization (IPO-PK) to prescribe rules, subject to the approval of the Federal Government, for carrying out the purposes of the Act. However, no special rules for dealing with the IP litigation within the special jurisdiction of the tribunals have been prescribed so far. On the other hand, section 17(2) envisages that in all matters with respect to which the procedure has not been provided for in this Act, the tribunal shall follow the procedure laid down in the Code[7]. This suggests that for IP suits and other civil proceedings before the tribunal, there is no shift or change in the normal rules of evidence and the civil procedure, previously followed by the regular courts. The tribunal has the power to summon witnesses; to examine them on oath; order the discovery and production of any document or material objects; to receive evidence on affidavits; to issue commissions for the examination of any witnesses or documents; and to exercise jurisdiction with respect to any matter to which the jurisdiction of the tribunal extends under the Act.

However, when trying an offence under IP laws, the tribunal is directed to hear the proceedings from day to day and dispose of the same in 90 days[8]. This shift from the "periodic hearings" provided under the normal rules of the Criminal Procedure Code to the so-called "continuous hearings" apparently seems to remedy the delays in the decision-making process but from the practical side, managing an increasing number of offences – especially under copyright, and trade mark law – seems difficult to achieve by a single judge.

Transfer of proceedings: Power to proceed de novo

Since the date of constitution of the IP tribunals, all suits or other proceedings relating to IPRs, pending in any court within the jurisdiction of a tribunal, have been transferred to the tribunals. And since then all transferred proceedings are being heard and disposed of by the tribunals from the stage the proceedings had reached prior to the transfer. In transferred proceedings, the tribunals are not bound to recall and rehear any witnesses, and may act on the evidence already recorded or produced before a court from which the proceedings have been transferred[9]. This suggests that tribunals are given the liberty either to hear or recall any witness previously heard or called by the District Court to proceed with and decide any matter *de novo*. However, to the extent of decisions of High Court deciding a question of law or which is based upon or enunciates a principle of law[10], these are binding on tribunals and they cannot deviate unless the decision is incorrect in its underlying legal approach.

Limitations on the tribunal jurisdiction

Although the tribunals enjoy wide exclusivity and jurisdiction, there are limitations:

1. The jurisdiction shall not extend to proceedings other than infringement proceedings.

Within the meaning of the Act[11]; and unless otherwise suggested by way amendment in the Patents Ordinance, 2000 (the 2000 Ordinance), the tribunal has exclusive jurisdiction regarding "infringement of IPRs" only. This apparently provides that the tribunal's power to exercise criminal and civil jurisdiction does not extend to:

i. Suits seeking determination of inventorship, ownership, or correction of inventorship.
ii. Suits for infringements where the defendant counter-claims revocation of patent (the so-called double-track proceedings).
iii. Applications seeking rectification of the register of patents; trade marks, etc.
iv. Appeals against the decisions of the Controller and Federal Government pending before the High Court.
v. Petitions for cancellation of design registration.

Proceedings that do not concern with the determination of infringement and other related issues in IP, the proper forum shall continue to be the High Court.

2. Power to try any "offence" shall not go beyond the definition of "offence" under IP laws.

Within the meaning of the Act[12], tribunals have the exclusive jurisdiction to try "any offence" but simultaneously this power is limited by the types of offences defined by IP laws in the form of certain "acts" such as:

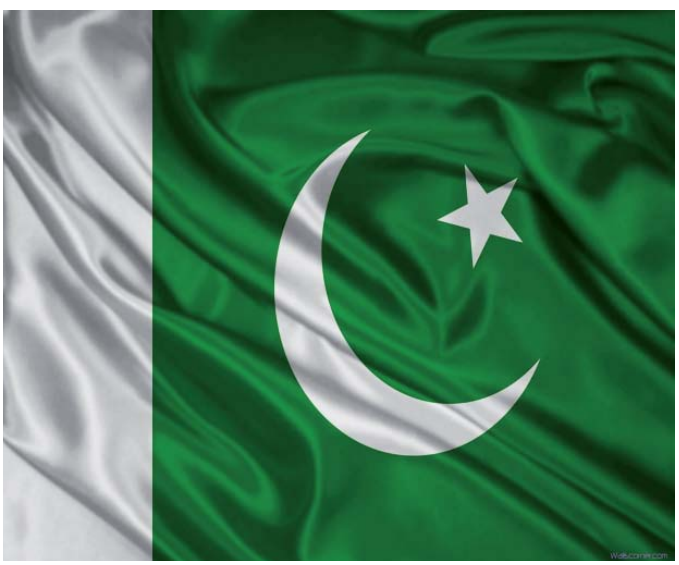
- Infringement of copyright work under the Copyright Ordinance, 1962.
- Counterfeiting of trade mark or property mark under sections 478-489 of the Pakistan Penal Code.
- Contravention of secrecy provisions, making false entry in the register of patents, making false representation that an article is patented, wrongful use of words "patent office", refusal or failure to supply information or furnishing false information, failure to file a statement relating to a foreign application, and practicing patent law by non-registered patent agents under sections 71-77 of the 2000 Ordinance.
- Similar offences under sections 27-30 of the Registered Designs Ordinance, 2000; and sections 98-107 of the Trade Marks Ordinance, 2001.

Any offence not falling within the scope of IP laws, tribunals have no jurisdiction to try that offence.

Institutional independence and impartiality

While there are no guidelines for assessing "institutional independence", it is generally deemed to be absent from an institution where a federal minister has the power to dismiss, remove, or transfer members of that institution. On the other hand, the provisions requiring it to finance itself; at least in part from any fee or fines that it imposes under the law or any other related legislation, infringe "impartiality".

The IP tribunals have wide ranging powers and jurisdictional independence; but the fact that adjudication is entrusted to a non-specialist judge, without the knowledge and experience needed to preside over complex IP matters, especially in cases of patent litigation, may erode their individual independence, professional integrity, and wider institutional independence. Notwithstanding this,



faint glimmers of the Constitutional guarantee of judicial independence and impartiality seems to be alive if the following facts are taken into consideration:

1. The tribunal system is a creation of the Federal Government (Minister of Industries and Production) but the presiding judges have been appointed in consultation with the Chief Justice of the High Court concerned.

2. In all the proceedings before the tribunal, the normal rules of evidence and civil procedure, and principles of natural justice apply. This will ensure exclusion of unreliable or inadmissible evidence; and uphold the presence of effective judicial support needed for speedy economic development.

3. Unless a proper conduct of the hearing requires the exclusion of public or any other specified group of people (e.g. journalist or a representative of the adverse party in the *ex-parte ad-interim* injunctive relief proceedings), hearings will generally be conducted in public. This will preserve an appropriate level of external scrutiny to ensure impartiality.

4. Tribunals have power to order prompt and effective provisional measures (such as *ex-parte ad-interim* injunctive relief) to create an effective deterrence against infringement and to preserve the relevant evidence.

Right of Appeal

Under section 19 of the Act, any person aggrieved by the final judgment and order of the tribunal may, within 30 days of the final judgment or order, prefer an appeal to the High Court having territorial jurisdiction over the tribunal. Contrasting the position under the 2000 Ordinance, the right of appeal is created as a right expressly granted by the law. Unless expressly restricted in scope or otherwise, this statutory right of appeal confers the right of re-hearing of the whole dispute by the appeal court.

Other special IP tribunals

Contrasting the precise role of special IP tribunals in the existing judicial hierarchy in Pakistan with other jurisdictions (such as India), there are no apparent issues of jurisdictional overlap between the tribunals and regular courts, duplicity of rectification proceedings, and the risk of two potentially conflicting decisions[13]. This was the case in India after the establishment of the Intellectual Property Appellate Board (IPAB) as a specialised alternative tribunal to the High Court in trade mark and patent infringement cases. More so, unlike the position in South Africa where new administrative and executive controlled IP tribunals, constituted under the amended Copyright Bill 2015, are not subject to procedure applicable in the Civil Courts, there is no apparent risk of weakening of the judicial system in Pakistan. The South African Department of Trade and Industry has introduced its own "informal" rules of procedure in the Copyright Bill that are at odds with South Africa's obligations under the WTO agreements; and could harm the judicial system and economic growth through a decline in innovation.[14]

What is lacking, but critical to meet the objectives behind introducing the tribunal system in Pakistan, is the appointment of presiding judges with technical backgrounds or specialist training in IP law. We have seen that there are technical judges sitting in the specialised IP courts/tribunals around the world – e.g., the Patent Court of the High Court and the Intellectual Property Enterprise Court (UK); the Intellectual Property and International Trade Court (Thailand); and the Copyright/Patent Court (South Africa). In these examples specialist judges have helped deliver speedy decisions with consistency, predictability and quality. The existing caseload on the Pakistani courts cannot sustain the loss of further years in educating the non-specialized presiding judges, or wait for their necessary judicial exposure to IP infringement cases to attain the required specialty or expertise. Ideally, only those judges that already have judicial exposure to IP law in the High Court or the District and Session Courts should preside over the IP tribunals; but practically, in some jurisdictions, this may result in paucity of expert judges in the High Courts to hear appeals from tribunal decisions.

Up-and down-sides of special IP tribunals

Whilst the constitution of IP tribunals is expected to be a paradigm shift in the way IPRs were litigated in the past, the IP community has raised doubts over their success within the existing judicial system. Criticisms include: lack of expertise in all aspects of IP, especially patents; high threats to law development process; concentration of power; deterioration in the quality of decisions; passivity; inherent bias; and ultimate weakening of IP system and undermining of technological innovations and industrial growth. Whilst these doubts foreshadow the presence of inherent weaknesses in the existing judicial system in Pakistan, nevertheless about the newly constituted IP tribunals, these are substantial. For the sake of reference, in patent cases, determining infringement extensively involves: i) a scientific or technical analysis work; and ii) need to ascertain whether the act complained of falls within the scope of the claims. Of further relevance is the task of 'claim construction', which is central to all patent litigation aspects from claims validity, enforceability, and remedies to the determination of "anticipation" and "obviousness". Understanding various types of claims (i.e., product, process, and product-by-process), especially in pharmaceutical and biotechnology patents, is therefore critical to undertake the claims construction process. Undertaking infringement

analysis work requires specialized training and practice. As the US Supreme Court affirmed in a unanimous opinion in *Markman v Westview Instruments*[15] that:

> "…Patent construction, in particular, is a special occupation, requiring like all others, special training and practice. The Judge, from his training and discipline, is more likely to give a proper interpretation to such instruments than a jury…".

How a judge (or IP tribunal) interpret a claim to assess the scope of monopoly, greatly shapes the outcome of patent infringement proceedings. Claim construction, being a matter of law, an expert witness may support the process, but it is ultimately for the judges to perform the task. Unfortunately, the Government has constituted the IP tribunals without attaching due significance to the technical and complex nature of patent cases (over other area of IP). Where this laxity has raised serious concerns over the strength of the patent system in Pakistan, this may further create serious problems in the judicial administration such as hurdles in the sequenced, staged and timely attendance of the ongoing and future patent infringement disputes.

Notwithstanding the substantial nature of the doubts about the IP tribunals, most would be solved by appointing judges with the correct expertise and experience needed. In jurisdictions where this is not practicable, technical experts may be appointed to assist the judges. To address the potential bias, right of appeal against a tribunal's decision is adequate to minimize this concern but this may, in parallel, create another issue of increasing the number of appeal cases. The poor 'law development process' concern of the IP community is more of a two-way traffic. Unless the Courts (or the IP tribunals) would have substantial issues to address, development in the IP law and interpretation of the various conflicting provisions in the amended 2000 Ordinance, will continue to affect the IPRs holders with lesser or greater degree.

From the viewpoint of IPRs holders and other businesses, the establishment of special IP tribunals is expected to constitute a major change to IP laws and procedural practices in Pakistan, particularly in the context of granting proper levels of protection to IPRs; speedy adjudication of infringement proceedings; and availability of effective and prompt judicial remedies for their enforcement. Experience shows that assurance for enforcement of IPRs through exclusivity increases chances of greater foreign investment; creation of useful arts, and progress in technological innovations. Yet there is need to remedy the position right from the ground up. Examination processes at the IP Offices must be stringent, disallowing the grant of weak patents and bogus trade marks rather than to let the parties to get their rights enforced through Courts. This stringency may ultimately reduce the number of cases in disputes. Constitution of IPO-Regional Office at Lahore, headed by the Deputy Registrar M. Rafiq Tahir under the authority and control of the Registrar of Trade Marks (Mr. Aftab M. Khan), is exemplary and this model needs to be extended in other cities for quality examination of IP cases.

Conclusion

The constitution of special IP tribunals has certainly increased the substance of IPRs in Pakistan through signaling that government considers IP an important area to protect and regards strong protection for IPRs and prompt remedies for their enforcement as providing a basis for economic growth and prosperity in the country. Undoubtedly, specialized tribunals on their own are a great forum for raising the public's awareness of IP, which may help reduce the level of infringement. However, time will tell whether the new tribunal system proves successful in meeting its objectives of providing a specialized forum for speedy adjudication of IP infringement proceedings.

Naeema Sadaf is a partner and head of the Patent & Trade Mark Division at PakPat World Intellectual Property Protection Services, Pakistan; **H. Zafar Iqbal** (MPA, LL.M) is a Pakistan-based independent researcher and analyst.

References

1. Act XLV of 1860
2. Section 16(2) of the Act 2012
3. Section 16(1) of the Act 2012
4. Section 16(4) of the Act 2012
5. Ibid
6. Section 35 of the Act 2012
7. Code of Civil Procedure 1908 (Act V of 1908); and Code of Criminal Procedure 1898 (Act V of 1898)
8. Section 15 of the Act 2012
9. Section 17(7) of the Act 2012
10. Article 201 of the Constitution of Pakistan 1973
11. Section 18(1) of the Act 2012
12. Section 18(2) of the Act 2012
13. *Journal of Intellectual Property Rights*, Vol. 20, January 2015, pp 51-59
14. South African Institute of Race Relations NPC, Submission to the Department of Trade and Industry regarding the Copyright Amendment Bill of 2015; Johannesburg, 16 September 2015
15. 517 US 370 [1996]