

WIPO Guide on Alternative Dispute Resolution Options for Intellectual Property Offices and Courts

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About the Author

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Foreword

Conflict is an inevitable part of doing business. Alternative dispute resolution (ADR) processes, understood here to include mediation, expert determination and arbitration, were developed to provide practical justice for a wide range of disputes outside the courts.

This Guide is designed to provide a broad overview of ADR for intellectual property disputes, and to present options for interested Intellectual Property Offices (IPOs), courts and other bodies (before which intellectual property disputes are adjudicated) to integrate ADR processes into their existing services.

Without purporting in any way to be authoritative or prescriptive, this Guide is intended to serve as a practical primer for IPOs, courts and other bodies considering the development, implementation and/or improvement of ADR programs directed at intellectual property disputes.

To this end, Chapter One offers background information concerning the early use and rise of ADR around the world, followed in Chapter Two by a description of potential advantages of ADR for intellectual property disputes. Chapter Three explains in more detail the different ADR procedures that may be used in intellectual property disputes, while Chapter Four outlines some practical considerations that may be relevant for IPOs and courts that wish to institutionalize such ADR procedures. For the substantive and procedural implementation of such procedures, the Guide identifies as a core element the interface with existing regulations.

The Appendices to the Guide include an overview of the WIPO Arbitration and Mediation Center's (WIPO Center) collaborations with IPOs, as well as related model documents that may serve as illustration. A further Appendix contains a sample information document for possible court referral of intellectual property disputes to ADR.

Generally speaking, the use of ADR in intellectual property disputes in the context of IPO or court proceedings is a relatively recent development. This Guide aims to capture some of these early experiences. It is hoped that it will prove a useful reference for IPOs and courts that wish to explore or further develop the integration of ADR mechanisms as an optional alternative to their administrative or judicial proceedings.

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Chapter One: Historical Background

1.1. Origins and Early Uses of ADR

1.1.1 Mediation

Mediation is an informal procedure in which a neutral intermediary, the mediator, assists the parties in reaching a settlement of their dispute, based on their respective interests, as further explained in Chapter 3.3. It has its roots in traditional community practices found in countries around the world. These early mediation practices generally relied on a respected community leader, who would provide guidance based on community values and persuade the disputing parties to amicably resolve their differences.¹ Traditional mediation practices have been documented in Albania,² Burundi,³ China,⁴ Japan,⁵ the Philippines, the Republic of Korea and Singapore.⁶

Mediation also contributed to the development of legal systems in Rome and Anglo-Saxon England. In ancient Rome, a version of judicial mediation appears to have been the preferred means of resolving civil disputes; this approach had an important influence on civil procedure in continental Europe, particularly in Austria, Germany and Switzerland.⁷ In Anglo-Saxon England, judges and arbitrators encouraged parties to negotiate settlement agreements after issuing their judgment on the merits, but before the judgment was procedurally finalized. Mediation was used in these early legal systems to preserve ongoing relationships between litigants, and to effect peaceful and enduring resolutions to disputes.⁸

1.1.2 Arbitration

Arbitration, explained in more detail in Chapter 3.5, is a procedure in which the parties submit their dispute to one or more chosen arbitrators, for a binding and final decision (award) based on the parties' respective rights and obligations. Arbitration developed out of the adjudicative process used by merchants to regulate their disputes.⁹ Merchants would bring their disputes before a tribunal of fellow merchants, which would render a decision based on customary commercial practices. Although these private systems of adjudication did not feature formal legal processes, they were considered as credible sources of commercial justice.¹⁰

Early arbitration practices have been documented in pre-Islamic Arabia and in medieval Western Europe.¹¹ Maritime arbitration was practiced in countries along the Western and Atlantic coasts of Europe in around 1200,¹² and records of maritime arbitrations dating back to 1229 have been found in

¹ Ho-Beng Chia, Joo Eng Lee-Partridge and Chee-Leong Chong, 'Traditional Mediation Practices: Are We Throwing the Baby Out With the Bath Water?' (2004) 21 Conflict Resol Q 451, 453-455

² Ayse Betul Celik and Alma Shkrelidze, 'An Analysis of Reconciliatory Mediation in Northern Albania: The Role of Customary Mediators' (2010) 62 Europe-Asia Studies 885

³ UNESCO, 'Women and Peace in Africa: Case Studies on Traditional Conflict Resolution Practices' (UNESCO, 2003) <<http://unesdoc.unesco.org/images/0013/001332/133274e.pdf>> accessed January 23, 2015

⁴ Joel Lee and Teh Hwee Hwee eds, *An Asian Perspective on Mediation* (Academy Publishing 2009) 4

⁵ RR Callister and JA Wall, 'Japanese Community and Organizational Mediation' (1997) 41 J Conf Resol 311, 313

⁶ Joel Lee and Teh Hwee Hwee eds, *ibid.*, 4

⁷ Christian Bühring-Uhle, Lars Kirchhoff and Gabriele Scherer, *Arbitration and Mediation in International Business* (Kluwer Law International 2006) 177

⁸ Valerie A Sanchez, 'Towards a History of ADR: The Dispute Processing Continuum in Anglo-Saxon England and Today' (1996)

¹¹ The Ohio State Journal on Dispute Resolution 1, 3

⁹ Edward Manson, *The City of London Chamber of Arbitration* (1893) 9 LQR 86, 87

¹⁰ Charles S Haight Jr, 'Maritime Arbitration The American Experience' in *A Collection of the Cedric Barclay Lectures: ICMA X-ICMA XV* (Singapore International Arbitration Center 2006)

¹¹ Alan Redfern, M Hunter et. al., *Law and Practice of International Commercial Arbitration* (4th ed, Sweet & Maxwell 2004) para 1-04

¹² William Tetley, *Marine Cargo Claims* (4th ed, Éditions Yvon Blais 2009) 1417

Venice.¹³ Arbitration became a popular alternative to litigation for merchants because it was a system of self-regulation that provided quick, economical and informed decisions.¹⁴

1.2. Early Institutionalization and Regulation of ADR

1.2.1 Mediation

In countries such as Australia,¹⁵ New Zealand¹⁶ and the United States,¹⁷ mediation services and regulations were established in the early 20th century to address labor disputes. Labor disputes in the late 19th and 20th centuries were often costly, disruptive and even violent. In response, government authorities established labor conciliation services and laws, which enabled the extensive use of mediation between labor unions and employers. These labor conciliation services and laws were successful because they provided the necessary administrative framework to address labor disputes swiftly and peacefully on a hitherto unimagined scale.¹⁸

1.2.2 Arbitration

Arbitration institutions and regulations were first formalized in the 18th and 19th centuries to promote and facilitate the use of arbitration. Broadly speaking, arbitration institutions were more successful when arbitration laws that facilitated the enforcement of arbitration agreements and awards were already in place.¹⁹ For example, arbitration only began to thrive in the United States after the United States Arbitration Act was enacted in 1925, even though arbitration institutions had been established as early as in 1768.²⁰ In the United Kingdom, arbitration legislation was first enacted in 1698 and culminated in the Arbitration Act of 1889. Arbitration prospered under the auspices of this legislative regime,²¹ even though arbitration institutions were not established until 1892.²²

While enabling laws are critical to the development of arbitration, arbitration institutions can themselves play an important role in the enactment and promotion of these laws. In 1923, the International Court of Arbitration of the International Chamber of Commerce was established to provide an arbitration institution with a sufficiently “international” character for the fledgling international arbitration industry.²³ Subsequently, the International Court of Arbitration played a major role in the promulgation of the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), which is widely considered as the most important multilateral treaty on international arbitration.²⁴

¹³ Fabrizio Marrella, ‘Unity and Diversity in International Arbitration: the Case of Maritime Arbitration’ (2005) *Am U Int’l L Rev* 1055, 1058

¹⁴ Earl S Wolaver, ‘The Historical Background of Commercial Arbitration’ (1934) 83 *U Pa L Rev* 132, 144

¹⁵ O de R Foenander, ‘The New Conciliation and Arbitration Act in Australia’ (1929) 19 *Int’l Lab Rev* 151

¹⁶ Judy Dell and Peter Franks, ‘Mediation and Collective Bargaining in New Zealand’ (Ministry of Business, Innovation & Employment, 2009) <<http://www.dol.govt.nz/publications/research/contemporary-mediation-practice/page-07.asp>> accessed January 27, 2015

¹⁷ Edgar L Warren, ‘The Conciliation Service: V-J Day to Taft-Hartley’ (1948) 1 *Indus Lab Rel Rev* 351

¹⁸ Michael Wallin, ‘Labour Administration: Origins and Development’ (1969) 100 *Int’l Lab Rev* 51, 72

¹⁹ Frank D Emerson, ‘History of Arbitration Practice and Law’ (1970) 19 *Clev St L R* 155, 158-159

²⁰ Charles S Haight Jr, ‘Maritime Arbitration The American Experience’ in *A Collection of the Cedric Barclay Lectures: ICMA X-ICMA XV* (Singapore International Arbitration Center 2006)

²¹ Sidney P Simpson, ‘Specific Enforcement of Arbitration Contracts’ (1934) 83 *U Pa L Rev* 160, 165

²² The London Court of International Arbitration was inaugurated as the City of London Chamber of Arbitration in 1892. See Edward Manson, ‘The City of London Chamber of Arbitration’ (1893) 9 *LQR* 86

²³ Emmanuel Gaillard, Berthold Goldman and John Savage eds., Fouchard, Gaillard, Goldman on International Commercial Arbitration (Kluwer Law International 1999) 174

²⁴ Alan Redfern, M Hunter et. al., *Law and Practice of International Commercial Arbitration* (4th ed, Sweet & Maxwell 2004) 1-05

1.3. Rise of ADR around the World

1.3.1 Growth of ADR as an Alternative to Litigation

The ADR ‘boom’ in the 1970s and 1980s was spurred in large part by a rising dissatisfaction with litigation.²⁵ Aside from being exorbitant, time-consuming and acrimonious, it was evident that litigation could also be an enormous gamble.²⁶ Further, there was an apprehension, particularly among some academics and legal practitioners of the advent of a “litigation explosion”, where overly-litigious societies would overwhelm courts with unnecessary and costly lawsuits.²⁷

These concerns led Professor Frank Sander to develop the concept of the “multi-door courthouse”, which he presented at the 1976 Pound Conference. The “multi-door courthouse” would provide a range of dispute resolution services and court officials would refer parties to the most appropriate process for their case. Mediation and arbitration would play key roles in the “multi-door courthouse” as alternatives to litigation.²⁸

Professor Sander’s presentation is widely regarded as a “big bang” moment in the global ADR movement for three reasons. Firstly, it popularized the idea that disputes should be channeled into the most appropriate dispute resolution mechanism. Secondly, it promoted the advantages of alternatives to litigation, such as mediation and arbitration.²⁹ Finally, the “multi-door courthouse” proved to be an effective mechanism for facilitating access to ADR services and traditional court processes. Following the Pound Conference, “multi-door courthouses” were implemented in the United States,³⁰ and their success spurred the establishment of similar initiatives in for example Australia,³¹ Canada,³² the Netherlands,³³ Nigeria³⁴ and Singapore.³⁵

1.3.2 Globalization of ADR

Since the 1980s, ADR has achieved an unprecedented prominence in the international community, and ADR programs have proliferated on a global scale.³⁶ The attractive force of ADR can be attributed to the simple fact that it has something for everyone: an additional channel for the provision of access to justice, thereby offering administrative relief for the courts and public agencies; a potentially quick, inexpensive and flexible avenue to resolve disputes for the disputants; and a growth industry and an increasingly profitable business for ADR practitioners and institutions.³⁷

²⁵ Bill Maurer, ‘The Disunity of Finance: Alternative Practices to Western Finance’ in Karin Knorr Cetina and Alex Preda (eds) *The Oxford Handbook of the Sociology of Finance* (Oxford University Press 2012) 413

²⁶ Kevin M Lemley, ‘I’ll Make Him An Offer He Can’t Refuse: A Proposed Model For Alternative Dispute Resolution in Intellectual Property Disputes’ (2004) 37 *Akron L Rev* 287, 311-312

²⁷ Marc Galanter, ‘The Day After the Litigation Explosion’ (1986) 46 *Mod L Rev* 3, 5

²⁸ Frank E A Sander, ‘Varieties of Dispute Processing’ in A Leo Levin and Russell R Wheeler (eds), *The Pound Conference: Perspectives on Justice in the Future* (West Group 1979) 65, 83

²⁹ Michael L Moffitt, ‘Before the Big Bang: The Making of an ADR Pioneer’ (2006) 22 *Negotiation J* 435

³⁰ ‘Transcript: A Dialogue Between Professors Frank Sander and Mariana Hernandez Crespo’ (2008) 5 *U St Thomas L J* 665, 673

³¹ Robert French, ‘Perspectives on Court Annexed Alternative Dispute Resolution’ (High Court of Australia, July 27, 2009) <<http://www.hcourt.gov.au/assets/publications/speeches/current-justices/frenchcj/frenchcj27july09.pdf>> accessed January 29, 2015

³² Trevor CW Farrow, *Civil Justice, Privatization and Democracy* (University of Toronto Press 2014) 73

³³ Annie J de Roo and Robert W Jagtenberg, ‘The Dutch Landscape of Court-Encouraged Mediation’ in Nadja Marie Alexander (eds), *Global Trends in Mediation* (Kluwer Law International 2006) 288

³⁴ Ajigboye Oyeniyi, ‘The Concept of Multi-Door Courthouse in Nigeria: Rethinking Frank Sander’s Concept’ (Social Science Research Network, November 16, 2014) <<http://ssrn.com/abstract=2525677>> accessed January 29, 2015

³⁵ Marvin Bay, Shoba Nair and Asanthi Mendi ‘The Integration of Alternative Dispute Resolution Within the Subordinate Courts’ *Adjudication Process*’ (2004) 16 *SaLJ* 501

³⁶ Anthony Wanis-St. John, ‘Implementing ADR in Transitioning States: Lessons Learned from Practice’ (2000) 5 *Harv. Negotiation L. Rev.* 339, 340

³⁷ Andrew Phang, ‘Alternative Dispute Resolution and Regional Prosperity – A View from Singapore’ (Supreme Court of Singapore, September 25, 2014) <<https://www.supremecourt.gov.sg/default.aspx?pgid=5522&printFriendly=true>> accessed January 3, 2015

Broadly speaking, ADR programs have been developed by courts and legal agencies to complement and support legal processes.³⁸ By channeling appropriate disputes into ADR processes, “multi-door courthouses” reduce backlog, accelerate case disposition and facilitate access to justice by reducing economic and procedural obstacles to resolving disputes.³⁹ Court-connected ADR programs also place courts in a better position to address disputes that are ill-suited to adversarial litigation.⁴⁰ For example, family courts were early adopters of mediation programs because of the emotional and interpersonal characteristics of family disputes.⁴¹

Beyond judicial efforts, the growth of ADR has been driven by a strong demand from the international business community. ADR processes are appropriate for businesses because they can provide time and cost savings, as well as commercially useful outcomes: arbitration awards are generally internationally enforceable⁴² and final,⁴³ while mediation enables the formulation of settlements which address the parties’ interests. Unsurprisingly, ADR is widely used by major corporations as a preferred alternative to litigation for commercial I disputes.⁴⁴ This preference for ADR is often reflected in commercial contracts, where clauses that require parties to submit disputes to mediation or arbitration before engaging in litigation are becoming increasingly popular.

The rise of commercial ADR has fuelled its development as a professional service industry, with institutions and practitioners competing for a slice of a growing international market.⁴⁵ ADR institutions have enjoyed significant growth in the volume and monetary value of disputes,⁴⁶ and ADR practitioners count among their ranks leading experts in diverse fields such as law, business, construction and technology.⁴⁷ ADR has evolved from being a mere alternative to litigation, to being a valuable industry in its own right.

³⁸ Larry Ray and Anne L Clare, ‘The Multi-Door Courthouse Idea - Building the Courthouse of the Future Today (1985) 1 Ohio St J on Disp Resol 7, 12

³⁹ Scott Brown, Christine Cervenak and David Fairman, ‘Alternative Dispute Resolution Practitioners Guide’ (United States Agency for International Development, 1998) <<http://www.usaid.gov/sites/default/files/documents/1868/200sbe.pdf>> accessed February 3, 2015, 9

⁴⁰ Amber Murphy Parris, ‘Alternative Dispute Resolution: The Final Frontier of the Legal Profession’ (2013) 37 J Legal Prof 295, 302

⁴¹ Benoit Bastard and Laura Cardia-Voneche, ‘Family Mediation in France’ (1993) 7 Int’l J L & Fam 271, 277

⁴² Under the New York Convention, contracting states are generally obligated to recognize and enforce foreign arbitral awards on par with domestic court judgments. As of April 2015, there are 155 contracting states. See United Nations Commission on Trade Law, ‘Status – Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958)’ (United Nations Commission on Trade Law, 2015)

<http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/NYConvention_status.html> accessed May 18, 2015

⁴³ Arbitral awards are generally not subject to appeal or review on the merits by national courts. See Trevor Cook and Alejandro I Garcia, International Intellectual Property Arbitration (Kluwer Law International 2010) 38

⁴⁴ The 2013 International Arbitration Survey showed that arbitration was the most popular dispute resolution mechanism among participating corporations, and the 2011 Fortune 1000 Survey found that 98% of all participating corporate counsel had experience with mediation in the three years prior to the survey. See PwC and Queen Mary, University of London, ‘International Arbitration Survey 2013: Corporate Choices in International Arbitration’ (PwC, 2013) <<http://www.pwc.com/gx/en/arbitration-dispute-resolution/assets/pwc-international-arbitration-study.pdf>> accessed February 2, 2015; Thomas J Stipanowich and J Ryan Lamare, ‘Living with ADR: Evolving Perceptions and Use of Mediation, Arbitration and Conflict Management in Fortune 1000 Corporations’ (2014) 19 Harv Negot L Rev 1, 41

⁴⁵ Andrew Phang, ‘Alternative Dispute Resolution and Regional Prosperity – A View from Singapore’ (Supreme Court of Singapore, September 25, 2014) <<https://www.supremecourt.gov.sg/default.aspx?pcid=5522&printFriendly=true>> accessed January 3, 2015

⁴⁶ The China International Economic and Trade Arbitration Commission accepted 1060 cases in 2012, with its total disputed amount rising to 15.5 billion yuan from 3.5 billion yuan more than a year earlier. The Singapore International Arbitration Centre accepted 259 cases in 2013 with a total value of SGD 6.06 billion, which exceeded the combined total of SGD 4.93 billion for 2011 and 2012. See Yuan Jianlong, ‘Working Report of 2012 and Working Plan of 2013 (Excerpt)’ (China International Economic and Trade Arbitration Commission, January 21, 2013)

<<http://www.cietac.org/index/aboutUs/workingReport/47846d42b359e57f001.cms>> accessed February 4, 2015; K Shanmugam, ‘Speech by Minister for Law, K Shanmugam, during the Committee of Supply Debate 2014’ (Ministry of Law, Singapore, March 5, 2014) <<https://www.mlaw.gov.sg/news/parliamentary-speeches-and-responses/speech-by-minister-during-cos-2014.html>> accessed February 4, 2015

⁴⁷ Singapore International Mediation Centre, ‘Panels: Mediators’ (Singapore International Mediation Centre, 2014) <<http://simc.com.sg/panels/mediators/>>; American Arbitration Association, ‘Qualification Criteria of the AAA/ICDR Rosters and Panels’ (American Arbitration Association, 2014)

<<https://www.adr.org/aaa/faces/arbitratorsmediators/aboutarbitratorsmediators/qualifications>> accessed February 4, 2015

1.3.3 General Trends and Landscape

Current developments in ADR have centered on the use of ADR in international commercial and investment disputes. Commercial disputes are progressively acquiring international dimensions due to globalization and transnational trade,⁴⁸ and bilateral investment treaties have become fertile ground for investor-state disputes.⁴⁹

International ADR is well-suited for cross-border disputes because it provides a single and neutral forum for settlement; international arbitration has been particularly attractive because of its finality and general ease of international enforcement.⁵⁰ Due to the value and complexity of international commercial disputes,⁵¹ with millions and even billions of dollars at stake,⁵² international ADR has become a prestigious and lucrative industry. As a result, places such as Dubai,⁵³ Hong Kong,⁵⁴ Singapore⁵⁵ and the Republic of Korea⁵⁶ are establishing themselves as international ADR hubs by providing comprehensive ADR services and ADR-friendly legal infrastructure. With these developments, international ADR is unlikely to be a passing trend, but a serious and long-term movement.

1.4. Development of ADR in Intellectual Property Disputes

1.4.1 Early Uses and Regulations

The use of ADR for intellectual property disputes dates back to the 19th century. In Sweden, an 1834 royal ordinance mandated arbitration for oppositions to patent registrations,⁵⁷ and legal practitioners in the United Kingdom recommended arbitration for patent disputes in as early as 1855.⁵⁸ In the United States, arbitration was used in the early 20th century for claims arising from design registration,⁵⁹ as

⁴⁸ Christian Bühring-Uhle, Lars Kirchhoff and Gabriele Scherer, *Arbitration and Mediation in International Business* (Kluwer Law International 2006) 6

⁴⁹ The Economist, 'The arbitration game' (The Economist, October 11, 2014) <<http://www.economist.com/news/finance-and-economics/21623756-governments-are-souring-treaties-protect-foreign-investors-arbitration>> accessed February 4, 2015

⁵⁰ S I Strong, 'Beyond International Commercial Arbitration? The Promise of International Commercial Mediation' (2014) 45 Wash U J L & Pol'y 10, 27

⁵¹ 'Mediation of Investor-State Conflicts' (2014) 127 Harv L Rev 2543, 2551

⁵² In 2014, a USD 50 billion award was made against the Russian Federation in an investor-state arbitration; this was the largest award ever made in the history of arbitration. See Sherman & Sterling LLP, 'Historic Award in the Yukos Majority Shareholders Arbitration' (Sherman & Sterling LLP, July 28, 2014)

<<http://www.shearman.com/~media/Files/NewsInsights/Publications/2014/07/Historic-Award-in-the-Yukos-Majority-Shareholders-Arbitration-IA-072814.pdf>> accessed February 3, 2015

⁵³ International Chamber of Commerce, 'New Expert Rules launch roadshow kicks off in Dubai' (International Chamber of Commerce, January 14, 2015) <<http://www.iccwbo.org/News/Articles/2015/New-Expert-Rules-launch-roadshow-kicks-off-in-Dubai/>> accessed February 4, 2015

⁵⁴ Ranajit Dam, 'The year in 2015' (Asia Legal Business, January 1, 2015) <<http://www.legalbusinessonline.com/features/year-2015/67987>> accessed February 4, 2015

⁵⁵ K Shanmugam, 'Speech by Minister for Law, K Shanmugam, during the Committee of Supply Debate 2014' (Ministry of Law, Singapore, March 5, 2014) <<https://www.mlaw.gov.sg/news/parliamentary-speeches-and-responses/speech-by-minister-during-cos-2014.html>> accessed February 4, 2015

⁵⁶ Lisa Feissner and Tom Feissner, 'Korean Dignitaries Promote Seoul as Hub of International Arbitration at 2014 Summit' (JDSupra Business Advisor, December 4, 2014) <<http://www.jdsupra.com/legalnews/korean-dignitaries-promote-seoul-as-hub-38854/>> accessed February 4, 2015

⁵⁷ John Coryton, 'A Treatise on the Law of Letters-Patent, for the Sole Use of Inventions in the United Kingdom of Great Britain and Ireland; including the Practice Connected with the Grant: To Which is Added a Summary of the Patent Laws in Force in the Principal Foreign States; with an Appendix of Statutes, Rules, Practical Forms, Etc' (1855) 87 Law Libri 206

⁵⁸ The 1854 Common Law Procedure Act permitted disputes to be referred to arbitration after trial had commenced with consent of both parties. Coryton recommended arbitration for patent infringements due to the arbitrator's expert subject matter knowledge in the area. See John Coryton, 'A Treatise on the Law of Letters-Patent, for the Sole Use of Inventions in the United Kingdom of Great Britain and Ireland; including the Practice Connected with the Grant: To Which is Added a Summary of the Patent Laws in Force in the Principal Foreign States; with an Appendix of Statutes, Rules, Practical Forms, Etc' (1855) 87 Law Libri 196-198

⁵⁹ In 1928, the Industrial Design of Registration Bureau established as registration system for designs. Users of the Bureau had to subscribe to arbitration agreement requiring them to submit claims or disputes arising from registration of designs to arbitration. See Irene Blunt, 'The Marketing of Ideas' (1943) 1 Arb in Action 8

well as patent disputes in the aircraft industry.⁶⁰ However, despite these early examples, ADR was not widely used for intellectual property disputes even up to the late 20th century.⁶¹

1.4.2 The World Intellectual Property Organization Arbitration and Mediation Center

Founded in 1967, the World Intellectual Property Organization (WIPO) is an agency of the United Nations which aims to promote the protection of intellectual property through cooperation among States.⁶² Within this larger framework, the WIPO Arbitration and Mediation Center (WIPO Center) was established in 1994⁶³ as a neutral, independent and non-profit dispute resolution provider.⁶⁴ It is the only international provider of specialized ADR services for intellectual property disputes, and is the leading institution in the administration of Internet domain name disputes.⁶⁵

The WIPO Center administers mediation, arbitration, expedited arbitration and expert determination procedures conducted under the WIPO Rules. As of 2015, some 400 cases with values ranging from USD 20,000 to several hundred million USD have been administered by the WIPO Center. WIPO ADR services have been used by businesses of all sizes and research organizations from more than 60 countries.⁶⁶ Additionally, the WIPO Center has assisted the establishment of joint dispute resolution procedures by IPOs in Brazil, Colombia, the Philippines, Singapore and the Republic of Korea to facilitate the use of ADR processes for disputes administered by these IPOs.⁶⁷ It has also developed tailor-made dispute resolution procedures for specific industries,⁶⁸ and provided training programs for mediators and arbitrators. With its extensive network of intellectual property and ADR experts, and WIPO's international neutrality, the WIPO Center stands at the forefront of ADR for intellectual property disputes.⁶⁹

⁶⁰ Benjamin Kirsh, 'Patent Pools and Cross Licensing Agreements' (1938) 20 J. Pat. Off. Soc'y 733, 765

⁶¹ Harry Goldstein, 'Patent, Trademark and Copyright Arbitration Guide' (1971) 53 J Pat Off Soc'y 224, 226; Jesse S Bennett, 'Saving Time and Money By Using Alternative Dispute Resolution For Intellectual Property Disputes – WIPO to the Rescue' (2010) 79 Revista Juridica UPR 289, 400

⁶² Convention Establishing the World Intellectual Property Organization 1967, Article 3

⁶³ World Intellectual Property Organization Arbitration and Mediation Center, 'Alternative Dispute Resolution' <<http://www.wipo.int/amc/en/>> accessed July 23, 2015

⁶⁴ Ignacio de Castro and Panagiotis Chalkias, 'Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center' (2012) 24 SAclJ 1059, 1060

⁶⁵ This service includes the WIPO-initiated Uniform Domain Name Dispute Resolution Policy (UDRP), under which the WIPO Center has processed over 31,000 cases covering nearly 60,000 domain names, World Intellectual Property Organization 'Domain Name Dispute Resolution' <<http://www.wipo.int/amc/en/domains/>> accessed July 23, 2015

⁶⁶ Including Australia, Austria, Canada, China, Cyprus, Denmark, Finland, France, Germany, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, the Netherlands, Norway, Panama, Romania, the Russian Federation, Singapore, Spain, Switzerland, Turkey, the United Kingdom and the United States of America

⁶⁷ World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Alternative Dispute Resolution (ADR) for Intellectual Property Offices' <<http://www.wipo.int/amc/en/center/specific-sectors/ipos/>> accessed June 23, 2015

⁶⁸ A list of ADR services provided by the WIPO Center for specific sectors is provided in Appendix B.4 and available at World Intellectual Property Organization, 'WIPO Alternative Dispute Resolution (ADR) Services for Specific Sectors' <<http://www.wipo.int/amc/en/center/specific-sectors/>> accessed July 23, 2015

⁶⁹ More information concerning WIPO Neutrals is available at <<http://www.wipo.int/amc/en/ neutrals/>>

Chapter Two: Advantages of ADR in Intellectual Property Disputes

2.1. Party Autonomy

Intellectual property disputes have distinctive characteristics: they often span multiple jurisdictions and involve highly technical matters, complex laws and sensitive information. Naturally, parties will want a dispute resolution process that can be tailored to address these distinctive characteristics. However, litigation can be a highly inflexible mechanism that is constrained by complex laws, and parties rarely have the discretion to adapt the process to their dispute.⁷⁰

In contrast, ADR gives parties the freedom to customize their dispute resolution process in a single forum.⁷¹ Parties can choose the ADR process best suited to their dispute: mediation, arbitration and expert determination are all possible options.⁷² Parties can agree to meet at a neutral location, submit to a neutral expert of their choosing, and abide by rules and procedures that they have modified to meet their needs.⁷³ Some ADR processes, such as mediation, even allow parties to craft outcomes that address their specific interests.⁷⁴ Party autonomy is the guiding principle of ADR, and is manifested in its many advantages.⁷⁵

2.2. Single Process; Jurisdictional Neutrality

As intellectual property rights are territorial in nature, they can simultaneously exist as separate pieces of property under distinct domestic laws in multiple jurisdictions, despite the operation of international treaties⁷⁶ that harmonize the subsistence or registration of intellectual property rights, such as copyright, trademarks and patents across signatory countries. The rise in cross-border trade and the international exploitation of intellectual property mean that disputes involving intellectual property are likely to impact across multiple jurisdictions.⁷⁷

In the litigation of intellectual property disputes involving multiple jurisdictions, parties might be compelled to take out separate proceedings in those jurisdictions to address or enforce intellectual property rights existing under each of them⁷⁸. As a result, such proceedings may be potentially subject to complex conflict of laws considerations. In contrast, ADR allows multiple issues and rights arising under different jurisdictions to be addressed in a single process, such as arbitration and mediation, which leads to a binding award or settlement.⁷⁹ ADR is also useful when multiple court actions are litigated in the same country.⁸⁰

⁷⁰ Veronique Bardach, 'A Proposal for the Entertainment Industry: The Use of Mediation as an Alternative to More Common Forms of Dispute Resolution' (1993) 13 Loy LA Ent LJ 477, 479

⁷¹ Ignacio de Castro and Panagiotis Chalkias, 'Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center' (2012) 24 SAclJ 1059, 1073

⁷² Ignacio de Castro and Panagiotis Chalkias, *ibid.*, 1061

⁷³ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 27

⁷⁴ David Allan Bernstein, *The Case for Mediating Trademark Disputes in the Age of Expanding Brands* (2005) 7 Cardozo J Conflict Resol 139, 159 – 160

⁷⁵ Trevor Cook and Alejandro I Garcia, *ibid.*, 27; Alan Redfern, M Hunter et. al., *Law and Practice of International Commercial Arbitration* (4th ed, Sweet & Maxwell 2004) para 6 – 03;

⁷⁶ World Intellectual Property Organization, 'WIPO-Administered Treaties' (World Intellectual Property Organization) <<http://www.wipo.int/treaties/en/>> accessed May 20, 2015

⁷⁷ Julia A Martin, 'Arbitrating in the Alps Rather Than Litigating in Los Angeles: The Advantages of International Intellectual Property-Specific Alternative Dispute Resolution' (1997) 49 Stan L Rev 917, 930

⁷⁸ *Voda v Cordis Corp.*, No. 05-1238 (Fed. Cir., Feb. 1, 2007)

⁷⁹ Susan Corbett, 'Mediation of Intellectual Property Disputes: A Critical Analysis' (2011) 17 New Zealand Business Law Quarterly 51, 63

⁸⁰ Susan Blake, Julie Browne and Stuart Sime, *A Practical Approach to Alternative Dispute Resolution* (Oxford University Press 2012) 18.76

Parties in cross-border disputes also value jurisdictional neutrality; neither is likely to want the dispute tried in the opposing party's country.⁸¹ ADR processes enable such jurisdictional neutrality over domestic courts because they provide a neutral forum for dispute resolution. Parties can choose an ADR neutral who is not based in the same jurisdiction as the parties, use neutral law to govern the dispute, and agree on a neutral location.⁸² ADR rules, such as those established by the WIPO Center, are also neutral to the law, language and culture of the parties.⁸³ Jurisdictional neutrality gives ADR processes a clear advantage over litigation for cross-border intellectual property disputes.

2.3. Independent Specialized Expertise

Intellectual property disputes can involve highly technical scientific matters and complex legal issues,⁸⁴ but not every country has specialized intellectual property courts or judges.⁸⁵ Thus, when judges and juries lack the necessary expertise to fully comprehend the complex factual, technical and legal issues at stake, considerable time and resources may be required to present the relevant technologies and laws to them.⁸⁶

ADR processes allow parties to choose a neutral with specialized expertise to act as a decision-maker, or a facilitator.⁸⁷ Experts in law, technology or specific industries can be appointed as neutrals; parties also have the ability to appoint a panel of experts with expertise in different areas of the dispute. Expert neutrals can use their knowledge and experience to provide guidance during the ADR process, and to craft a satisfying resolution for the dispute. When capable experts are appointed, ADR processes offer benefits that would be otherwise unavailable through litigation.⁸⁸

2.4. Simplicity; Flexibility

ADR processes are procedurally simple and flexible when compared to litigation. ADR gives parties the freedom to agree on the conduct of the proceedings, and select appropriate procedural rules.⁸⁹ For example, parties can place limits on the amount of survey evidence admitted for trademark disputes,⁹⁰ and even choose the extent to which certain rules of evidence are to apply, if at all.⁹¹

Furthermore, ADR processes can provide a straightforward mechanism for resolving legally complex intellectual property disputes. For example, mediation focuses on the parties' motivations and interests, not necessarily their strict legal positions. This helps the parties concentrate on their shared interests instead of legal rights and wrongs, which facilitates the creation of a satisfying settlement.⁹² While this approach does not eliminate the legal complexities of the dispute, a mediator with the relevant legal and/or subject matter expertise and experience can provide appropriate assistance and support.

⁸¹ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 27

⁸² Trevor Cook and Alejandro I Garcia, *ibid.*, 29

⁸³ Julia A Martin, 'Arbitrating in the Alps Rather Than Litigating in Los Angeles: The Advantages of International Intellectual Property-Specific Alternative Dispute Resolution' (1997) 49 *Stan L Rev* 917, 932

⁸⁴ David Allan Bernstein, *The Case for Mediating Trademark Disputes in the Age of Expanding Brands* (2005) 7 *Cardozo J Conflict Resol* 139, 154–155

⁸⁵ The Intellectual International Property Institute and the United States Patent and Trademark Office, 'Study on Specialized Intellectual Property Courts' (International Intellectual Property Institute, January 25, 2012) <<http://iipi.org/wp-content/uploads/2012/05/Study-on-Specialized-IPR-Courts.pdf>> accessed February 6, 2015

⁸⁶ Sarah Tran, 'Experienced Intellectual Property Mediators; Increasingly Attractive in Times of "Patent" Unpredictability' (2008) 13 *Harv Negotiation L Rev* 314, 316

⁸⁷ Trevor Cook and Alejandro I Garcia, *ibid.*, 30

⁸⁸ Trevor Cook and Alejandro I Garcia, *ibid.*, 30

⁸⁹ Trevor Cook and Alejandro I Garcia, *ibid.*, 30 – 31

⁹⁰ David Allan Bernstein, *ibid.*, 156

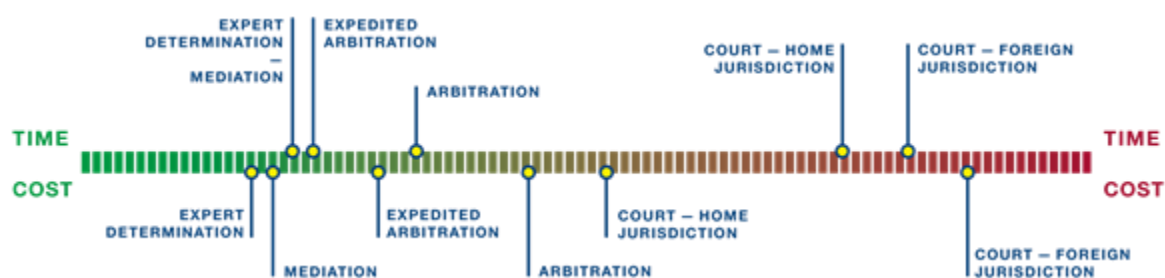
⁹¹ Scott H Blackman and Rebecca McNeill, 'Alternative Dispute Resolution in Commercial Intellectual Property Disputes' (1998) 47 *Am U L Rev* 1709, 1713

⁹² Mary Vitoria, 'Mediation of Intellectual Property Disputes' (1998) 1 *JIPLP* 398

2.5. Time Savings

Legal proceedings are often time-consuming, which can have an adverse effect on intellectual property rights. Intellectual property rights of limited duration, such as patents, may expire before a final judgment can be rendered. In any case, market forces affect the profitable lifespans of intellectual property rights: patented products can be rapidly rendered obsolete, and trademarks can be time-sensitive if they represent products with short life cycles.⁹³

The many advantages of ADR translate into substantial time savings. ADR allows parties to avoid overloaded courts and duplicative litigation at home, and in other jurisdictions. Expert neutrals do not require time-consuming explanations of the technical and legal issues at stake,⁹⁴ and the stated flexibility and simplicity allow disputes to be swiftly resolved, especially when lengthy evidential procedures are simplified.⁹⁵



Relative Use of Court Litigation, (Expedited) Arbitration, Mediation, Expert Determination⁹⁶

2.6. Cost Savings

Intellectual property litigation can be an expensive affair, especially if appeals and foreign litigation are involved. The prohibitive cost of legal proceedings in some jurisdictions can make it difficult for individuals or small businesses to enforce their rights, or defend themselves in intellectual property claims by or against larger entities.

In comparison to litigation, ADR offers an affordable and accessible avenue for parties to resolve their disputes. The many advantages of ADR provide significant cost savings, because parties can avoid expensive litigation at home and abroad, use expert neutrals who can delve straight into complex intellectual property issues, and dispense with complicated and formalistic procedures. The time savings provided by ADR naturally translate into cost savings as well.⁹⁷

⁹³ Julia A Martin, 'Arbitrating in the Alps Rather Than Litigating in Los Angeles: The Advantages of International Intellectual Property-Specific Alternative Dispute Resolution' (1997) 49 Stan L Rev 917, 928

⁹⁴ Julia A Martin, *ibid.*, 925 – 927

⁹⁵ David Allan Bernstein, 'The Case for Mediating Trademark Disputes in the Age of Expanding Brands' (2005) 7 Cardozo J Conflict Resol 139, 156

⁹⁶ World Intellectual Property Organization Arbitration and Mediation Center, 'Results of the WIPO Arbitration and Mediation Center International Survey on Dispute Resolution in Technology Transactions' (March 2013) <<http://www.wipo.int/export/sites/www/amc/en/docs/surveyresults.pdf>> accessed June 23, 2015

⁹⁷ Jesse S Bennett, 'Saving Time and Money By Using Alternative Dispute Resolution For Intellectual Property Disputes – WIPO to the Rescue' (2010) 79 Revista Juridica UPR 289, 396 – 398

2.7. Confidentiality

Confidentiality is often of critical importance in intellectual property disputes. Thus, parties may balk at court proceedings when trade secrets or proprietary information, such as experimental results from research and development, are involved.⁹⁸ Litigation and the discovery process can force the public disclosure of such sensitive information,⁹⁹ which can irreversibly damage the parties' business prospects.¹⁰⁰

Confidentiality is a key advantage of ADR because it allows the parties to effectively control disclosures and access to sensitive information.¹⁰¹ Proprietary information can be kept confidential through agreements between the parties,¹⁰² and arbitrators can issue protective orders to prevent parties from accessing confidential documents.¹⁰³ Furthermore, unlike litigation, the entire ADR process and its outcome can be kept confidential, which can be advantageous for parties who wish to preserve their business reputations and relationships.¹⁰⁴

2.8. Finality

Generally, ADR processes can deliver binding outcomes that provide a certain and conclusive resolution to the dispute. This finality is a clear advantage for ADR, as the complexities of intellectual property litigation can make outcomes uncertain. Legal judgments can be overturned on appeal,¹⁰⁵ and lay jurors that lack technical expertise may make incorrect decisions.¹⁰⁶

In contrast, arbitral awards are designed to be final and conclusive, and those appeals that are filed are rarely successful. Courts are generally reluctant to hear appeals or judicial reviews on the merits of arbitral awards because this would subvert the parties' original intention to avoid court litigation.¹⁰⁷ When applied to intellectual property disputes, the finality of arbitration gives parties a conclusive decision on the validity and extent of their intellectual property rights.¹⁰⁸

Other ADR processes can benefit from the finality of arbitral awards. For example, mediation settlements are usually contractual arrangements that can be subject to future litigation. To avoid such issues, parties can use a hybrid ADR process such as Med-Arb,¹⁰⁹ or appoint their mediator as an arbitrator, in order to record their mediation settlement in a consent award.¹¹⁰

⁹⁸ Jesse S Bennett, 'Saving Time and Money By Using Alternative Dispute Resolution For Intellectual Property Disputes – WIPO to the Rescue' (2010) 79 *Revista Juridica UPR* 289, 396

⁹⁹ Jennifer Mills 'Alternative Dispute Resolution in International Intellectual Property Disputes' (1996) 11 *Ohio St J on Disp Resol* 227, 231

¹⁰⁰ Susan Corbett, 'Mediation of Intellectual Property Disputes: A Critical Analysis' (2011) 17 *New Zealand Business Law Quarterly* 51, 62

¹⁰¹ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 47

¹⁰² Jesse S Bennett, *ibid.*, 396

¹⁰³ In an expedited arbitration administered by the WIPO Center, the arbitrator issued a protective order pursuant to the WIPO Expedited Arbitration Rules to prevent the claimant from accessing certain confidential documents disclosing the respondent's business secrets. See Ignacio de Castro and Panagiotis Chalkias, 'Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center' (2012) 24 *SAcLJ* 1059, 1069 – 1070

¹⁰⁴ Susan Corbett, *ibid.*, 65

¹⁰⁵ Kevin M Lemley, 'I'll Make Him An Offer He Can't Refuse: A Proposed Model For Alternative Dispute Resolution in Intellectual Property Disputes' (2004) 37 *Akron L Rev* 287, 340

¹⁰⁶ Sarah Tran, 'Experienced Intellectual Property Mediators; Increasingly Attractive in Times of "Patent" Unpredictability' (2008) 13 *Harv Negotiation L Rev* 314, 316

¹⁰⁷ Trevor Cook and Alejandro I Garcia, *ibid.*, 31

¹⁰⁸ Trevor Cook and Alejandro I Garcia, *ibid.*, 46

¹⁰⁹ See 3.5.1(i) below

¹¹⁰ Nadja Alexander, *International and Comparative Mediation: Legal Perspectives* (Kluwer Law International 2009) 312

2.9. Enforceability

ADR processes that provide internationally enforceable outcomes are useful for cross-border intellectual property disputes.¹¹¹ Arbitration has been particularly popular for such disputes because the New York Convention allows arbitral awards to be enforced in most countries around the world.¹¹² While the issue of arbitrability of intellectual property disputes has been the subject mainly of academic commentary, the caseload of leading arbitral institutions and the laws and court jurisprudence in many countries confirm that parties can validly submit intellectual property disputes to arbitration with effect between the parties.¹¹³

Mediation settlements, as contractual arrangements, can also bind parties from different jurisdictions.¹¹⁴

2.10. Diverse Solutions

Litigation normally offers parties a limited range of specific legal remedies. While parties can apply for monetary damages, injunctions, specific performance and other such remedies, such solutions tend to be “win-or-lose” and granted based on considerations of strict legal merits or otherwise at the court’s discretion. Parties do not have the discretion to craft their own solutions, or instruct the court to deliver its decision within specified parameters.¹¹⁵

Mediation gives parties the opportunity to negotiate win-win or other creative solutions that satisfy their interests.¹¹⁶ For example, parties can agree to share the intellectual property rights in dispute through licenses or consent to use agreements, or indeed address or determine non-intellectual property issues in the resolution of an intellectual property dispute. Such mutually beneficial outcomes allow parties to preserve existing business relationships, or forge new ones.¹¹⁷

In arbitration, the substance of the arbitral award is determined by the arbitral tribunal. However, parties can agree on the scope and limits of the arbitration. For example, parties can agree to establish limits to the quantum of the award,¹¹⁸ and even specify in the arbitration agreement, a

¹¹¹ Working Group II (Arbitration and Conciliation), ‘Planned and possible future work – Part III’ (United Nations Commission on International Trade Law, June 2, 2014) <<http://daccess-ods.un.org/TMP/4604066.01428986.html>> accessed February 9, 2015, 3

¹¹² Where courts in contracting states recognize a foreign award under the New York Convention, they frequently treat the award as a domestic court judgment. See Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 312

¹¹³ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 49

¹¹⁴ The cross-border enforceability of mediation settlements has been enhanced by the European Directive 2008/52 on Certain Aspects of Mediation in Civil and Commercial Matters which requires European Union countries to ensure that it is possible for parties to request that the content of a written agreement resulting from mediation be made enforceable. See Nadja Alexander, ‘Harmonisation and Diversity in the International Law of Mediation: The Rhythms of Regulatory Reform’ in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 180. An equivalent of the New York Convention for mediation settlements is being developed by the United Nations Commission on International Trade Law, Working Group II (Arbitration and Conciliation), ‘Settlement of commercial disputes: enforceability of settlement agreements resulting from international commercial conciliation/mediation’ (United Nations Commission on International Trade Law, November 27, 2014) <<http://daccess-ods.un.org/TMP/8566049.93343353.html>> accessed February 9, 2015, 8

¹¹⁵ David Allan Bernstein, *The Case for Mediating Trademark Disputes in the Age of Expanding Brands* (2005) 7 *Cardozo J Conflict Resol* 139, 149

¹¹⁶ Sarah Tran, ‘Experienced Intellectual Property Mediators; Increasingly Attractive in Times of “Patent” Unpredictability’ (2008) 13 *Harv Negotiation L Rev* 314, 323

¹¹⁷ David Allan Bernstein, *ibid.*, 159

¹¹⁸ This is a form of arbitration known as “high-low” or “bracketed” arbitration. It is commonly used when only the quantum of compensation, and not liability, is an issue. If the award falls within the agreed range, the parties are bound by the award. If the award is lower than the agreed minimum amount, then the defendant will pay the agreed minimum, and if the award is higher than the agreed maximum, the defendant will only pay the agreed maximum. The arbitral tribunal will conduct the arbitration without knowing the limits of the agreed range. See John W Cooley and Steven Lubet, *Arbitration Advocacy* (National Institute for Trial Advocacy 2003) 250

desired time frame by the arbitral tribunal to issue the arbitral award.¹¹⁹ Beyond a final award, parties can petition the arbitral tribunal for interim relief in the form of an injunction, or security for costs.¹²⁰

2.11. Specific Advantages for IPOs

ADR provides many benefits for IPOs who choose to offer it as part of their dispute resolution procedures. By channeling appropriate disputes to ADR, IPOs can reduce case backlog and improve administrative efficiency.¹²¹ Additionally, ADR processes will place IPOs in a better position to cater to small businesses or individuals who may not have the resources to litigate or defend intellectual property claims. This can encourage inventors and innovators to seek legal recognition for their creations, which will help to promote the creation of intellectual property.¹²² As ADR processes are also particularly useful for cross-border disputes, they can help IPOs provide stronger support for international businesses, which will facilitate the international exploitation of intellectual property rights.¹²³

Thus, by providing ADR options for intellectual property disputes, the ability of IPOs to create a conducive environment for the creation, protection and exploitation of intellectual property rights will be enhanced. Such ADR services can help IPOs create a business- and innovation-friendly intellectual property infrastructure, and thereby enable them to provide holistic intellectual property-related services.

¹¹⁹ Julia A Martin, 'Arbitrating in the Alps Rather Than Litigating in Los Angeles: The Advantages of International Intellectual Property-Specific Alternative Dispute Resolution' (1997) 49 Stan L Rev 917, 928; but see Alan Redfern, M Hunter et. al., *Law and Practice of International Commercial Arbitration* (4th ed, Sweet & Maxwell 2004) para 8-68

¹²⁰ It should be noted that whether the parties should submit an application for interim relief to the arbitral tribunal or a competent judicial authority will depend on the nature of the dispute. The WIPO Arbitration and Expedited Arbitration Rules allow the arbitral tribunal to issue a wide range of interim measures, including injunctions in cases of unfair competition, or in connection with alleged infringements of intellectual property rights. See Ignacio de Castro and Panagiotis Chalkias, 'Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center' (2012) 24 SAclJ 1059, 1071

¹²¹ Intellectual Property Office of Singapore, 'Building an IP Hub of Asia: IPOS Annual Report 2011/12' (Intellectual Property Office of Singapore), <[https://www.ipos.gov.sg/Portals/0/Annual%20Report/2011-2012/IPOS%20Annual%20Report%20FY%202011-2012\(revised\).pdf](https://www.ipos.gov.sg/Portals/0/Annual%20Report/2011-2012/IPOS%20Annual%20Report%20FY%202011-2012(revised).pdf)> accessed February 16, 2015, 31-32

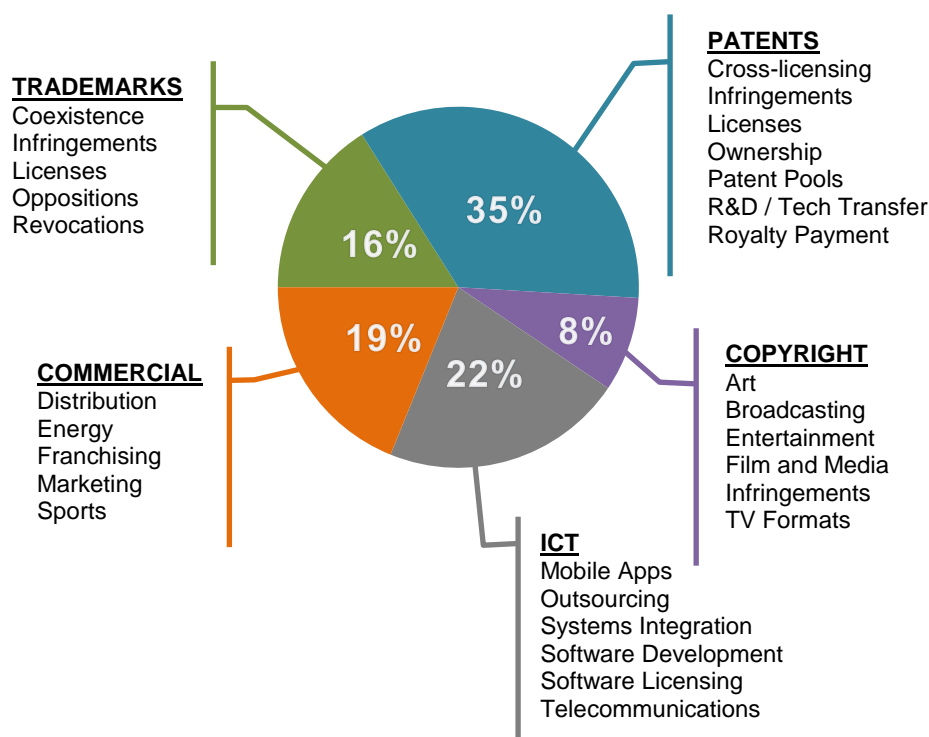
¹²² Trevor Cook, 'Resolving Intellectual Property Problems Through Alternative Dispute Resolution' (World Intellectual Property Organization, March 2014) <http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ace_9/wipo_ace_9_9.docx> accessed February 16, 2015, 10

¹²³ Intellectual Property Office of Singapore, 'The Intellectual Property Office of Singapore and the World Intellectual Property Organization Collaborate on the Resolution of International Disputes in Singapore' (Intellectual Property Office of Singapore, September 28, 2011) <<http://www.ipos.gov.sg/News/ReadNews/tabid/873/articleid/3/category/Press%20Releases/parentid/80/year/2011/Default.aspx>> accessed February 16, 2015

Chapter Three: ADR Procedures Used in Intellectual Property Disputes

3.1. General Trends and Landscape

ADR is becoming an increasingly popular option for the resolution of intellectual property disputes. For example, the WIPO Center, which provides support services for ADR proceedings such as mediation, expert determination, arbitration and expedited arbitration, has seen an increase in the number of intellectual property disputes it has administered in recent years. Such disputes spanned a diverse range of legal areas and industries, as illustrated by the following sample charts on WIPO Center mediation and arbitration cases.¹²⁴



Dispute Areas in WIPO ADR Cases as of June 2015

Certain IPOs also offer services in relation to ADR proceedings before them, sometimes in conjunction with the WIPO Center. Mediation appears to be the most commonly offered dispute resolution service at IPOs, especially in relation to trademark and copyright proceedings; such services are provided by IPOs in Brazil,¹²⁵ Colombia,¹²⁶ the Philippines,¹²⁷ Singapore,¹²⁸ the Republic of Korea¹²⁹ and the United Kingdom.¹³⁰ Although arbitration and expert determination services are less

¹²⁴ World Intellectual Property Organization, 'WIPO Caseload Summary' <<http://www.wipo.int/amc/en/center/caseload.html>> accessed February 17, 2015

¹²⁵ See Appendix A.2.1

¹²⁶ See Appendix A.2.2

¹²⁷ See Appendix A.2.5

¹²⁸ See Appendix A.2.6

¹²⁹ See Appendix A.2.3. and A.2.4

¹³⁰ See Appendix A.2.7

frequently offered by IPOs, they nevertheless feature significantly in the landscape of dispute resolution options for intellectual property disputes.

3.2. Approaches to ADR

For all the general advantages shared by the different ADR processes, there are in fact markedly different characteristics to each of them. In particular, the level of control that the parties have over the decision-making process and the final outcome will vary significantly across processes.¹³¹ While the different processes can be combined in escalation clauses¹³², generally, ADR processes fall into three main categories:

3.2.1 Assistance-Based

Parties have the greatest control over the decision-making process and the final outcome in an assistance-based ADR process,¹³³ such as mediation.

In mediation, the mediator's aim is to assist the parties in finding a solution to their dispute. The parties have complete control over the final outcome, and a substantial say in the mediation process. Assistance-based processes are useful when the parties wish to create an outcome that is tailored to their interests.¹³⁴

3.2.2 Recommendation-Based

Relative to mediation, a recommendation-based ADR process gives parties less control over the decision-making process and the final outcome.¹³⁵ Expert determination is an example of a recommendation-based process.

In expert determination, parties submit a specific issue to an expert, who makes a determination on the matters submitted. The parties can agree to accept the neutral's determination as a final and binding decision, or as a non-binding recommendation.¹³⁶ Recommendation-based processes are useful for issues such as the determination of royalty amounts, valuation of intellectual property assets and the interpretation of patent claims.¹³⁷

3.2.3 Adjudication-Based

In an adjudication-based ADR process, such as arbitration, parties have a limited degree of control over the decision-making process and the final outcome.¹³⁸

As a point for comparison, parties in litigation (being also adjudication-based) have little to no say in the decision-making process and the final outcome, both of which are determined by the court. In arbitration, even though parties may have some say in the decision-making process, such as in relation to the scope of the dispute submitted to arbitration or procedural matters, they must accept

¹³¹ Karl Mackie and others, 'Alternative Dispute Resolution Guidelines' (The World Bank Group, 2011)

<http://siteresources.worldbank.org/INTECA/Resources/15322_ADRG_Web.pdf> accessed February 17, 2015

¹³² See examples of such clauses at World Intellectual Property Organization 'Recommended WIPO Contract Clauses and Submission Agreements' <<http://www.wipo.int/amc/en/clauses/index.html>>

¹³³ Jack Effron, 'Alternatives to Litigation: Factors in Choosing' (1980) 52 Mod L Rev 480, 482

¹³⁴ David Allan Bernstein, 'The Case for Mediating Trademark Disputes in the Age of Expanding Brands' (2005) 7 Cardozo J Conflict Resol 139, 159

¹³⁵ Jack Effron, *ibid.*, 482

¹³⁶ World Intellectual Property Organization, 'What is Expert Determination?' <<http://www.wipo.int/amc/en/expert-determination/what-is-exp.html>> accessed February 17, 2015

¹³⁷ Naresh Mahtani, 'Using Expert Determination to Resolve Disputes: An Introduction' in the Intellectual Property Office of Singapore and the World Intellectual Property Organization Arbitration and Mediation Center, WIPO-IPOS Workshop on Expert Determination for IP and IT Disputes (2014) 28

¹³⁸ Karl Mackie and others, *ibid.*

the final decision made by the arbitral tribunal.¹³⁹ Adjudication-based processes are useful when there is a need for a final decision, and the parties are unwilling or unable to negotiate a settlement.¹⁴⁰

3.3. Mediation

3.3.1 Introduction

Mediation is a process where disputants ask a third party neutral – the mediator – to assist them in negotiating a mutually beneficial solution for their dispute.¹⁴¹ Mediators aim to help the parties by guiding them towards a shared understanding of their interests and the nature of their dispute.¹⁴² Mediation is a voluntary process, and mediators do not have the power to impose a binding outcome on the parties.¹⁴³

Mediation is especially appropriate for disputes where the parties can benefit from sharing the intellectual property rights in contention,¹⁴⁴ and wish to preserve existing business relationships.¹⁴⁵

Conciliation can be considered as a variation of mediation, although the understanding of conciliation may vary from country to country. For example, in Japan, “conciliation” is generally used in relation to court-connected mediation,¹⁴⁶ whilst for example in Ireland, the terms “conciliation” and “mediation” are used interchangeably.¹⁴⁷ Nevertheless, conciliation is often used to refer to a process whereby a third party plays a stronger leadership role and exerts a greater influence over the final outcome.¹⁴⁸

3.3.2 Mediation Agreement

As mediation is a process founded upon party self-determination,¹⁴⁹ there must be an underlying agreement between the parties to submit to mediation. The mediation agreement can be established in advance by an agreement to mediate future disputes under a contract,¹⁵⁰ or by an agreement to refer an existing dispute to mediation. Typically, a mediation agreement provides for the following:

- agreement to submit the stated dispute to mediation
- description of the dispute to be submitted to mediation
- location of the mediation
- language to be used in the mediation

¹³⁹ Jack Effron, ‘Alternatives to Litigation: Factors in Choosing’ (1980) 52 Mod L Rev 480, 482

¹⁴⁰ Karl Mackie and others, ‘Alternative Dispute Resolution Guidelines’ (The World Bank Group, 2011)

<http://siteresources.worldbank.org/INTECA/Resources/15322_ADRG_Web.pdf> accessed February 17, 2015

¹⁴¹ Ignacio de Castro and Panagiotis Chalkias, ‘Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center’ (2012) 24 SAclJ 1059, 1061

¹⁴² Lon Fuller, ‘Mediation - Its Forms and Functions’ (1971) 44 S Cal L Rev 305, 325

¹⁴³ Susan Corbett, ‘Mediation of Intellectual Property Disputes: A Critical Analysis’ (2011) 17 New Zealand Business Law Quarterly 51, 57 – 58

¹⁴⁴ Scott H Blackman and Rebecca McNeill, ‘Alternative Dispute Resolution in Commercial Intellectual Property Disputes’ (1998) 47 Am U L Rev 1709, 1716

¹⁴⁵ David Allan Bernstein, ‘The Case for Mediating Trademark Disputes in the Age of Expanding Brands’ (2005) 7 Cardozo J Conflict Resol 139, 159

¹⁴⁶ The Japanese term for conciliation, “chotei” refers to the settlement of a dispute by means of a compromise reached through the intervention of a third party that promotes negotiation and agreement between the disputing parties. Harald Baum, ‘Mediation in Japan: Development, Forms and Practice of Out-of-Court Dispute Resolution’ in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 1033 – 1034

¹⁴⁷ Reinhard Ellger, ‘Mediation in Ireland: Growing Importance of ADR Driven by Budgetary Restraints and Docket Congestion—A Cheap and Easy Way Out?’ in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 665

¹⁴⁸ Klaus J Hopt, ‘Mediation: Comparison of Laws, Regulatory Models, Fundamental Issues’ in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 15

¹⁴⁹ Jacqueline Nolan-Haley, ‘Mediation: The “New Arbitration”’ (2012) 17 Harv Negot L Rev 61, 68

¹⁵⁰ WIPO model mediation clauses and submission agreements are available at

<<http://www.wipo.int/amc/en/clauses/index.html>>

-
- mediation rules applicable to the terms and process of the mediation

Mediation rules typically address the following issues:¹⁵¹

- manner of appointment of the mediator¹⁵²
- role of the mediator¹⁵³
- conduct of the mediation session(s),¹⁵⁴ including matters such as the opportunity for submission of information and materials by the parties for use in the mediation
- confidentiality, especially with regards to the existence of the mediation, any information disclosed during the mediation and the outcome of the mediation¹⁵⁵
- grounds on which the mediation may be terminated¹⁵⁶
- fees payable to the mediator and the ADR institution/service provider (if applicable)¹⁵⁷
- exclusion of liability of the mediator, and ADR institution/service provider (if applicable)¹⁵⁸

ADR institutions will normally provide rules for mediation cases that they administer, and parties can amend these rules to address particular aspects of their disputes. Some ADR institutions, such as the WIPO Center, also have in place mediation rules that are designed for particular types of disputes, or disputes arising from specific industries.

3.3.3 Appointment and Role of Mediator

Parties will also need to select and appoint a mediator who is impartial and independent.¹⁵⁹ In an appropriate case and if parties desire, it is possible to appoint two or more co-mediators. For intellectual property disputes, parties may prefer to appoint a mediator who has the appropriate experience and expertise to handle the legal and technical issues involved. ADR institutions can help in the selection and appointment of a mediator by making available information on their panel of mediators whom parties can consider.¹⁶⁰ Alternatively, the parties can appoint a mediator of their own choice.¹⁶¹

The mediator's role is to assist the parties to negotiate a resolution of their dispute, and to manage the mediation process. Every mediator should strive to:

- be impartial, fair and credible
- build trust between the parties and with the mediator
- provide a safe environment for the parties to conduct discussions
- facilitate communication and prevent or address misunderstandings between the parties
- engage the parties in problem solving

¹⁵¹ Such issues are addressed in the WIPO Mediation Rules, available at <http://www.wipo.int/amc/en/mediation/rules/newrules.html>

¹⁵² Articles 6 – 7, WIPO Mediation Rules

¹⁵³ Article 13, WIPO Mediation Rules

¹⁵⁴ Articles 9 – 12, WIPO Mediation Rules

¹⁵⁵ Provisions on confidentiality can also be included in the agreement to mediate. The agreement can also specify that communications made between the parties will be on a 'without prejudice' basis such that parties cannot rely on these communications to prove any facts in subsequent litigation or arbitration proceedings. Articles 14 – 17 of the WIPO Mediation Rules also contain provisions on confidentiality

¹⁵⁶ Articles 18 – 20, WIPO Mediation Rules

¹⁵⁷ Articles 22 – 23, WIPO Mediation Rules

¹⁵⁸ Articles 25 – 26, WIPO Mediation Rules

¹⁵⁹ Article 7 of the WIPO Mediation Rules states that a mediator must be neutral, impartial and independent

¹⁶⁰ Allan J Stitt, *Mediation: A Practical Guide* (Cavendish Publishing Limited 2004) 40

¹⁶¹ Article 6(a), WIPO Mediation Rules

-
- adhere to the rules of the mediation and respect confidentiality

3.3.4 Conduct of Mediation

Following his appointment, the mediator may contact the parties to discuss any preliminary matters, such as the schedule of the mediation and the documents that are to be produced, including a statement from each party setting out his perspective of the dispute. These can help the mediator to gain a better understanding of the case, and prepare for the mediation.

At the beginning of the mediation, the mediator will usually introduce himself and explain the mediation process. The mediator and the parties may then proceed to establish the ground rules for the mediation and indicate that the mediator can meet privately with each party in caucuses.

A key point to establish is that the individuals attending the mediation have full authority to offer or accept any settlement on behalf of the disputing parties respectively. If this is not possible, then the individuals should ensure that they will be able to communicate with the person who has such authority during the mediation.

Depending on the size and complexity of the dispute, the mediation may be completed in a single day, or involve multiple sessions. Generally, a mediation proceeding will involve the following stages:¹⁶²

Gathering information – each party tells his side of the story and presents any prepared statement on this

Identifying issues – the mediator helps the parties to identify the issue(s) in dispute

Exploring interests – the mediator and parties explore the underlying reasons for the respective positions taken by the parties, and their interests in the dispute

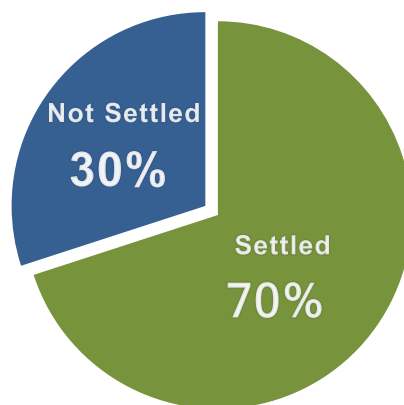
Developing options – the mediators and parties develop options that satisfy the parties' interests and address the issue(s) in dispute

Evaluating options – parties identify possible areas of agreement by evaluating their options based on objective criteria

Reaching settlement – if the parties are able to agree on a settlement, it can be recorded in an agreement during the mediation

Generally, the majority of mediations result in a settlement. However, even when the parties are unable to settle, mediation can help them gain a better understanding of the dispute, and narrow down the issues in contention.

¹⁶² World Intellectual Property Organization Arbitration and Mediation Center, 'Mediation: Frequently Asked Questions' (World Intellectual Property Organization) <<http://www.wipo.int/amc/en/mediation/guide/index.html>> accessed June 23, 2015



Settlement Rate in WIPO Mediations

3.3.5 Enforcement of Mediation Settlement

Typically, a mediation settlement takes the form of a legally binding agreement, so that its enforcement would effectively be the enforcement of the contractual obligations of the parties, and a breach of such obligations may well be further litigated. That said, it should be noted that parties are generally willing to uphold their settlement obligations because they believe that the agreement accords with their interests.¹⁶³

Under the laws of some jurisdictions, mediation settlements can be enforced as court judgments, which provide a further measure of finality.¹⁶⁴

3.3.6 Administration of Mediation

Mediation proceedings that are not administered by any institution are considered *ad hoc* mediation. In such cases, the parties will have to determine the terms of the agreement to mediate, the rules that will apply and the selection of the mediator on their own. This can prove to be a trying task, especially if the parties do not have sufficient experience with mediation.¹⁶⁵

In comparison, institutionalized mediation can be useful for parties who want a convenient, secure and administratively efficient avenue to engage in mediation.¹⁶⁶ ADR institutions will generally provide a sample agreement to mediate for the parties, a set of mediation rules and assistance in selecting an appropriate mediator.

The WIPO Center is an attractive option for parties involved in intellectual property disputes as it provides administrative assistance and procedural rules that are tailored for such disputes. In particular, the WIPO Center offers and is able to provide the following general services in relation to ADR proceedings that it administers, including mediation cases:¹⁶⁷

¹⁶³ Klaus J Hopt and Felix Steffek, 'Mediation: Comparison of Laws, Regulatory Models, Fundamental Issues' in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 45

¹⁶⁴ Klaus J Hopt and Felix Steffek, *ibid.*, 45 – 46

¹⁶⁵ American Arbitration Association, *AAA Handbook on International Arbitration and ADR* (2nd edn, American Arbitration Association 2010) 221 – 222

¹⁶⁶ Christian Bühring-Uhle, Lars Kirchhoff and Gabriele Scherer, *Arbitration and Mediation in International Business* (Kluwer Law International 2006) 36

¹⁶⁷ World Intellectual Property Organization Arbitration and Mediation Center 'Role of the Center' <<http://www.wipo.int/amc/en/center/role.html>> accessed June 23, 2015

- assistance in the selection of neutrals from its pool of over 1,500 experts with experience in intellectual property disputes
- liaising between parties and neutrals to ensure optimal communication and procedural efficiency
- administration of the financial aspects of the proceedings, including fixing the fees of the neutrals in consultation with parties and neutrals
- case management services and access to the WIPO Electronic Case Facility (WIPO ECAF), which allows parties and all other actors in a case administered by the WIPO Center to view the status of such case, electronically submit case communications, and access the parties' contact information through an online docket system; WIPO ECAF is mostly used in arbitrations involving multiple documentary exchanges¹⁶⁸
- provision of free meeting rooms where the proceedings take place in Geneva, and logistical services where proceedings take place elsewhere
- other support services that may be needed, including in relation to translation, interpretation or secretarial services
- guidance on the application of the WIPO Mediation, Expert Determination, Arbitration and Expedited Arbitration Rules

Parties who elect to submit their disputes to the WIPO Center for mediation can choose to adopt the WIPO Mediation Rules¹⁶⁹ which are designed to maximize the parties' control over the mediation process, and can be adapted by the parties to address the specific needs of their dispute. The WIPO Mediation Rules are specifically designed for intellectual property, technology and related commercial disputes,¹⁷⁰ and contain confidentiality provisions to protect sensitive information that may be disclosed during the mediation.¹⁷¹

The fees charged for a mediation case administered by the WIPO Center are determined on a not-for-profit basis, and in consultation with the parties and the mediator.¹⁷² The WIPO Mediation Rules provide that the fees for the mediation will be equally borne by the parties unless they agree otherwise.¹⁷³

3.3.7 Mode of Submission to Mediation

(i) *Voluntary vs. Mandatory*

In voluntary mediation, mediation is initiated by the parties of their own free will. This voluntary nature is fundamental to the mediation process, and operates from the moment that the parties agree to submit their dispute to mediation until the parties decide whether they wish to resolve their dispute. As such, mandatory mediation, which compels the parties to engage in mediation by law, by the courts,¹⁷⁴ or by other inherent processes and procedures that they may be already subject to,¹⁷⁵ may be perceived as somewhat controversial in light of the voluntary nature of mediation.¹⁷⁶

¹⁶⁸ World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Electronic Case Facility (ECAF)' <<http://www.wipo.int/amc/en/ecaf/>> accessed May 24, 2015

¹⁶⁹ The WIPO Mediation Rules are available at <<http://www.wipo.int/amc/en/mediation/rules/newrules.html>>

¹⁷⁰ World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Arbitration and Mediation Center' <<http://www.wipo.int/amc/en/center/background.html>> accessed June 23, 2015

¹⁷¹ Articles 14 – 17, WIPO Mediation Rules

¹⁷² Information on the fees payable for mediations administered at the WIPO Center can be found in the WIPO Schedule of Fees and Costs, available at <<http://www.wipo.int/amc/en/mediation/fees/>>

¹⁷³ Article 24, WIPO Mediation Rules

¹⁷⁴ Klaus J Hopt and Felix Steffek, 'Mediation: Comparison of Laws, Regulatory Models, Fundamental Issues' in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 54

¹⁷⁵ It should be noted that some IPOs require parties to submit to mandatory mediation for particular types of disputes. See Appendix A

¹⁷⁶ Jacqueline Nolan-Haley, 'Mediation: The "New Arbitration"' (2012) 17 Harv Negot L Rev 61, 69

However, there are compelling reasons for governments and courts to institute mandatory mediation programs. A 2014 study of mediations in the European Union found that only mandatory mediation programs could generate a significant number of mediation cases, and that mandatory mediation also encouraged the growth of voluntary mediation.¹⁷⁷

(ii) Court-Connected

Court-connected mediation programs generally come in two forms: judicial or court-annexed. In judicial mediation, disputes are mediated by settlement judges, and judicially mediated settlements are generally enforceable as court orders.¹⁷⁸ In contrast, court-annexed programs allow courts to refer disputes to external mediation institutions, and mediations will be conducted by the mediators selected through that particular institution.¹⁷⁹ The WIPO Center makes available a model information document that courts in some countries use to inform parties of WIPO ADR options.¹⁸⁰

Court-connected mediation programs can be voluntary or mandatory. As indicated in Chapter 4.5, mandatory court-connected mediation programs can have negative cost consequences for a party refusing to participate in the mediation.

(iii) IPO-Connected

IPO-connected mediation programs generally allow disputes which play out in proceedings before an IPO to be referred to mediation. Mediation services can be provided by the IPO itself, or by an external institution such as the WIPO Center.

IPO-connected mediation programs can also be voluntary or mandatory. Voluntary mediation programs, such as those conducted by IPOs in Brazil,¹⁸¹ Colombia,¹⁸² Singapore,¹⁸³ and the United Kingdom,¹⁸⁴ allow parties to opt for mediation during proceedings before the IPO.

In mandatory mediation programs, disputes will be referred by the IPO to mediation if they satisfy specific criteria.

3.4. Expert Determination

3.4.1 Introduction

Expert determination is a procedure in which a technical, scientific or related business issue between the parties is submitted to one or more experts who make(s) a decision on the matter. The expert's decision will be binding on the parties unless they agree otherwise. Expert determination is suitable for disputes which involve technical issues, such as the valuation of intellectual property assets, the interpretation of patent claims and the extent of rights that are covered by a license.¹⁸⁵ Expert determination can be used as part of mediation and arbitration, and has been especially useful in complex arbitrations.¹⁸⁶

¹⁷⁷ Giuseppe De Palo and others, 'Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU' (European Parliament, January 2014) <[http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET\(2014\)493042_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET(2014)493042_EN.pdf)> accessed February 10, 2015, 8 – 9

¹⁷⁸ Nadja Alexander, *International and Comparative Mediation: Legal Perspectives* (Kluwer Law International 2009) 135

¹⁷⁹ Klaus J Hopt and Felix Steffek, 'Mediation: Comparison of Laws, Regulatory Models, Fundamental Issues' in Klaus J Hopt and Felix Steffek (eds), *Mediation: Principles and Regulation in Comparative Perspective* (Oxford University Press 2013) 20

¹⁸⁰ See Appendix C

¹⁸¹ See Appendix A.2.1

¹⁸² See Appendix A.2.2

¹⁸³ See Appendix A.2.6

¹⁸⁴ See Appendix A.2.7

¹⁸⁵ World Intellectual Property Organization Arbitration and Mediation Center 'Expert Determination'

<<http://www.wipo.int/amc/en/expert-determination/>> accessed June 23, 2015

¹⁸⁶ Ignacio de Castro and Panagiotis Chalkias, 'Mediation and Arbitration of Intellectual Property and Technology Disputes: The Operation of the World Intellectual Property Organization Arbitration and Mediation Center' (2012) 24 SAclJ 1059, 1062

Early neutral evaluation can be said to be a form of expert determination, which is designed to facilitate negotiations between the parties at an early stage. In this process, parties will submit their dispute to the expert, for an assessment of the likely outcome and cost should the dispute proceed to court. The expert's non-binding assessment of their case may stimulate the parties to proceed with negotiations to settle the dispute.¹⁸⁷

3.4.2 Expert Determination Agreement

Like mediation, parties can agree to refer their dispute to expert determination either by providing for this in a contract in advance of any dispute having arisen,¹⁸⁸ or by entering into an agreement to refer a dispute which has arisen to expert determination. The expert determination clause or the expert determination agreement typically addresses the following:¹⁸⁹

- agreement to submit the stated dispute to expert determination
- description of the dispute to be referred to expert determination
- language to be used in the expert determination
- whether the expert's determination is binding on the parties

Parties will also need to agree on the rules of the expert determination, especially with regards to these matters:¹⁹⁰

- manner of appointment of the expert¹⁹¹
- conduct of the expert determination, such as in relation to the inspection of sites, properties, products or processes by the expert¹⁹²
- consequences for parties who fail to comply with such rules¹⁹³
- confidentiality, especially with regards to the existence of the expert determination, any information disclosed during the expert determination and the outcome of the expert determination.¹⁹⁴
- grounds on which the expert determination may be terminated¹⁹⁵
- fees payable to the expert, and the ADR institution/service provider (if applicable)¹⁹⁶
- exclusion of liability of the expert, and ADR institution/service provider (if applicable)¹⁹⁷

3.4.3 Appointment and Role of Expert

The ideal expert is one who is impartial and has the necessary legal, technical or subject-matter expertise. ADR institutions such as the WIPO Center and professional bodies can help parties select a suitable expert if the parties are unable to agree on one.

¹⁸⁷ Susan Blake, Julie Browne and Stuart Sime, *A Practical Approach to Alternative Dispute Resolution* (Oxford University Press 2012) 24.02

¹⁸⁸ WIPO model expert determination clauses are provided at Appendix B.3

¹⁸⁹ A model Agreement and Request for WIPO Expert Determination is provided at Appendix B.3

¹⁹⁰ These issues are addressed in the WIPO Expert Determination Rules, available at <<http://www.wipo.int/amc/en/expert-determination/rules/newrules.html>>

¹⁹¹ Article 8, WIPO Expert Determination Rules

¹⁹² Article 13, WIPO Expert Determination Rules

¹⁹³ Article 14, WIPO Expert Determination Rules

¹⁹⁴ Article 15, WIPO Expert Determination Rules

¹⁹⁵ Article 18, WIPO Expert Determination Rules

¹⁹⁶ Articles 20 – 23, WIPO Expert Determination Rules

¹⁹⁷ Articles 24 – 25, WIPO Expert Determination Rules

The role of the expert is fairly straightforward – he is to use his specific expertise to render a determination on the issue(s) submitted to him by considering the information and materials submitted to him by the parties.¹⁹⁸

3.4.4 Conduct of Expert Determination

Depending on the terms agreed by the parties in referring their dispute to expert determination:

- parties will appoint an appropriate expert and submit the relevant information to the expert for determination
- parties may arrange for a meeting before the expert to present their cases

The expert will then proceed to make a determination on the dispute, which the parties can agree in advance to be binding as a final decision, or otherwise.¹⁹⁹ Pursuant to Article 16(f) of the WIPO Expert Determination Rules, the determination shall be binding unless the parties have agreed otherwise.

3.4.5 Administration of Expert Determination

Parties can choose to conduct expert determinations on an *ad hoc* basis without any assistance from an ADR institution. However, parties with little experience with expert determination may find it difficult to administer the proceedings on their own, especially if they do not have access to an appropriate expert. Thus, parties may wish to enlist the help of ADR institutions such as the WIPO Center.

The WIPO Center provides general administration services²⁰⁰ for the expert determination proceedings that it administers, and the WIPO Expert Determination Rules contain provisions on confidentiality that are specially tailored for intellectual property disputes.²⁰¹ The WIPO Center can also propose and appoint experts with the appropriate expertise from its worldwide network of intellectual property experts.²⁰²

The fees charged for expert determination proceedings administered by the WIPO Center are determined on a not-for-profit basis, and in consultation with the parties and the expert.²⁰³ The WIPO Expert Determination Rules provide that the fees of the expert determination will be equally borne by the parties unless they agree otherwise.²⁰⁴

3.4.6 Submission to Expert Determination Proceedings at IPOs

Presently, expert determination services are not commonly offered by IPOs.²⁰⁵ However, the Intellectual Property Office of Singapore (IPOS) has offered expert determination services for all contentious patent proceedings, including patent revocation and inventorship disputes, since April 1, 2014. Under these services, parties can agree to refer such disputes to the WIPO Center for expert determination under the WIPO Expert Determination Rules.²⁰⁶

¹⁹⁸ Susan Blake, Julie Browne and Stuart Sime, *A Practical Approach to Alternative Dispute Resolution* (Oxford University Press 2012) 24.04

¹⁹⁹ Susan Blake, Julie Browne and Stuart Sime, *ibid.*, 24.21 – 24.27

²⁰⁰ See 3.3.6 above

²⁰¹ Article 15, WIPO Expert Determination Rules

²⁰² World Intellectual Property Organization Arbitration and Mediation Center, 'Neutrals' <<http://www.wipo.int/amc/en/neutrals/>> accessed June 23, 2015

²⁰³ Information on the fees payable for expert determinations administered at the WIPO Center is available at <<http://www.wipo.int/amc/en/expert-determination/fees/>>

²⁰⁴ Article 21, WIPO Expert Determination Rules

²⁰⁵ For example, the UK IPO offers a non-binding opinion concerning the infringement or validity of a patent or supplementary protection certificate. See Intellectual Property Office of the United Kingdom, 'Intellectual Property Mediation' (GOV.UK, May 19, 2014) <<https://www.gov.uk/opinions-resolving-patent-disputes>> accessed June 23, 2015

²⁰⁶ Details of IPOS's expert determination program are provided in Appendix A.3

3.5. Arbitration

3.5.1 Introduction

Arbitration is a private system of adjudication²⁰⁷ where parties agree to refer their dispute to an arbitral tribunal of their choice, and to accept the tribunal's decision as final and binding.²⁰⁸ Arbitration is suitable where parties want a final and definitive conclusion to their dispute.²⁰⁹ In addition to standard arbitration, some institutions also offer expedited arbitration.

Expedited arbitration is an arbitration proceeding administered under rules which are designed to carry it out in a shorter time and at reduced cost. Under the WIPO Expedited Arbitration Rules, such a proceeding can be concluded in as little as five weeks. This is particularly useful when the parties urgently require a final and enforceable decision on a few issues. Expedited arbitration can also be conducted in conjunction with mediation or expert determination.

Expedited arbitration proceedings administered by the WIPO Center usually feature:²¹⁰

- a sole arbitrator instead of a three-member arbitral tribunal, thus avoiding potentially lengthy appointment and decision-making processes
- a single exchange of pleadings with no additional written submissions
- closure of proceedings within three months from the appointment of the arbitrator or the delivery of the Statement of Defense, instead of the usual nine months
- fixed fees for disputes valued below USD 10 million, which translate to lower costs

However, since the complexity of an arbitration can be difficult to predict, the WIPO Expedited Arbitration Rules allow expedited arbitration proceedings to be sufficiently flexible to permit a fuller process for complex cases.²¹¹

3.5.2 Arbitration Agreement

Parties may enter into an agreement to refer to arbitration, disputes between them which have arisen or may arise in the future. This may take the form of a separate agreement or an arbitration clause in a contract,²¹² and in any event, ought to provide for the following:

- parties agree to submit their dispute to arbitration
- description of the dispute
- language to be used in the arbitration
- place/seat of the arbitration
- choice of substantive law
- arbitration rules that govern the arbitration process

The New York Convention requires contracting states to comply with its provisions on the validity and enforcement of an international arbitration agreement.²¹³ Such Convention provisions require that

²⁰⁷ Margaret L. Moses, *The Principles and Practice of International Commercial Arbitration* (2nd edn, Cambridge University Press 2012) 1

²⁰⁸ Frank D. Emerson, 'History of Arbitration Practice and Law' (1970) 19 *Clev St L Rev* 155, 157

²⁰⁹ Trevor Cook and Alejandro I. Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 46

²¹⁰ These features are provided in the WIPO Expedited Arbitration Rules, available at

<<http://www.wipo.int/amc/en/arbitration/expedited-rules/newrules.html>>

²¹¹ World Intellectual Property Organization Arbitration and Mediation Center, 'What is WIPO Expedited Arbitration?' (World Intellectual Property Organization) <<http://www.wipo.int/amc/en/arbitration/what-is-exp-arb.html>> accessed June 23, 2015

²¹² WIPO Model Arbitration Clauses and Submission Agreements are available at

<<http://www.wipo.int/amc/en/clauses/index.html>>

unless the international arbitration agreement is found to be null and void, inoperative or incapable of being performed under the governing law of the arbitration agreement, a court in a contracting state must decline jurisdiction over the dispute within the scope of the arbitration agreement and refer it to arbitration as contracted by the parties.²¹⁴

Many national laws also make similar provisions for a domestic arbitration agreement, such that in the face of a valid arbitration agreement, courts will generally refer disputes under the agreement to arbitration, and disallow its litigation in court.²¹⁵ This has the practical effect of preventing parties from having recourse to the courts in respect of disputes within the scope of the arbitration agreement.

3.5.3 Legal Framework of Arbitration

Beyond the arbitration agreement, arbitration proceedings are also governed by the applicable laws and arbitration rules. It is not unusual for intellectual property disputes submitted to arbitration to involve the application of the laws of more than one jurisdiction, and as such, parties will need to consider the governing laws applicable to the following matters:

(i) *Place/seat of the Arbitration*

The place/seat of the arbitration is the legal jurisdiction to which an arbitration is attached. The law of the seat will govern the procedural framework of the arbitration, including procedural matters such as whether a dispute is arbitrable, the availability of interim measures, and certain enforcement matters. In practice, arbitration hearings and meetings are often held where the place/seat is located.²¹⁶ Pursuant to Article 38(b) of the WIPO Arbitration Rules, the arbitral tribunal may, after consultation with the parties, conduct hearings at any place that it considers appropriate, and may deliberate wherever it deems appropriate.

(ii) *Substance of the Dispute*

Parties are free to decide on the law that will be applied to the substance of their dispute. The choice of substantive law is critically important for intellectual property disputes, especially when the validity or scope of an intellectual property right is at stake. Intellectual property regimes may vary from country to country despite efforts to harmonize such laws through international conventions, and such differences can have an impact on the outcome of the dispute,²¹⁷ even if the choice of governing law does not affect the domestic law regulating the intellectual property right in a country.

Under the WIPO Arbitration Rules, if the parties fail to decide on the substantive law, the arbitral tribunal will apply the law that it deems to be appropriate.²¹⁸

3.5.4 Arbitration Rules

Arbitration rules are often selected to complement the law of the seat, which governs the procedural framework of the arbitration proceedings.²¹⁹ Parties may agree on the arbitration rules that will govern notably the following matters:²²⁰

²¹³ The New York Convention applies to arbitration agreements that have a “foreign” or “international” connection (e.g. the parties have their places of business in different countries). See Gary Born, *International Commercial Arbitration: Commentary and Materials* (Kluwer Law International 2001) 119

²¹⁴ Gary B Born, ‘The Law Governing International Arbitration Agreements: An International Perspective’ (2014) 26 SAclJ 824 – 826

²¹⁵ Giuditta Cordero-Moss eds., *International Commercial Arbitration: Different Forms and their Features* (Cambridge University Press 2013) 41

²¹⁶ Simon Greenberg, Christopher Kee and J Romesh Weeramantry, *International Commercial Arbitration: An Asia-Pacific Perspective* (Cambridge University Press 2010) 56

²¹⁷ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 85

²¹⁸ Article 61(a), WIPO Arbitration Rules

²¹⁹ *FirstLink Investments Corp Ltd v GT Payment Pte Ltd* [2014] SGHCR 12 at 10

- composition and appointment of the arbitral tribunal²²¹
- conduct of the arbitration, including matters such as the submission of written statements and evidence by the parties²²²
- arbitration awards and other decisions made by the tribunal²²³
- confidentiality, especially with regards to the existence of the arbitration, any information disclosed during the arbitration and the outcome of the arbitration²²⁴
- grounds on which the arbitration may be terminated²²⁵
- fees payable to the arbitrator(s) and the ADR institution/service provider (if applicable)²²⁶

ADR institutions will normally provide arbitration rules for arbitrations administered by them, and these rules can be altered by the parties to address particular aspects of their disputes. ADR institutions such as the WIPO Center also have in place arbitration rules that are designed for specific types of disputes.

3.5.5 Appointment and Role of Arbitral Tribunal

Parties have the freedom to select and appoint arbitrators to adjudicate on their dispute, and the appointment of the arbitral tribunal often has a critical impact on the conduct and outcome of the arbitration.²²⁷

The arbitration agreement may specify the procedure to be used for the appointment of the arbitrator(s). For example, the arbitration agreement may provide that a tribunal of three arbitrators will be appointed, with each party nominating an arbitrator and the presiding arbitrator being appointed by the party-appointed arbitrators, or by the agreement of the parties.²²⁸ Alternatively, the parties may choose to appoint the arbitrator(s) according to such appointment procedure as may be provided in the arbitration rules.²²⁹ Some arbitration rules provide that where parties are unable or fail to appoint a suitable arbitral tribunal, the institution in question may then do so instead.²³⁰

An arbitral tribunal can comprise a sole arbitrator or three arbitrators. A tribunal with an even number of arbitrators may be prohibited in certain jurisdictions due to the risk of deadlock.²³¹ A sole arbitrator may be easier to appoint, cheaper and allow for faster proceedings. However, a tribunal of three arbitrators can have the benefit of involving multiple arbitrators with different specialties and expertise.²³²

²²⁰ These issues are addressed in the WIPO Arbitration Rules, available at <http://www.wipo.int/amc/en/arbitration/rules/newrules.html>

²²¹ Articles 14 – 36, WIPO Arbitration Rules

²²² Articles 37 – 60, WIPO Arbitration Rules

²²³ Articles 61 – 68, WIPO Arbitration Rules

²²⁴ It should be noted that some national laws impose a duty of confidentiality on parties for arbitrations located in such jurisdictions. See Simon Greenberg, Christopher Kee and J Romesh Weeramantry, *International Commercial Arbitration: An Asia-Pacific Perspective* (Cambridge University Press 2010) 372. In any case, Articles 75 – 58 of the WIPO Arbitration Rules allow the parties to keep the existence of the arbitration proceedings, any information disclosed and the results of the arbitration confidential

²²⁵ Article 67, WIPO Arbitration Rules

²²⁶ Articles 69 – 74, WIPO Arbitration Rules

²²⁷ World Intellectual Property Organization Arbitration and Mediation Center, 'Guide to WIPO Arbitration' http://www.wipo.int/edocs/pubdocs/en/arbitration/919/wipo_pub_919.pdf accessed February 26, 2015, 22

²²⁸ Sundaresh Menon and Denis Brock eds., *Arbitration in Singapore: A Practical Guide* (Sweet & Maxwell Asia 2014) [7.011] – [7.013]

²²⁹ Articles 14 – 36, WIPO Arbitration Rules

²³⁰ Article 19, WIPO Arbitration Rules

²³¹ Countries such as Belgium, Italy and the Netherlands have prohibitions against such tribunals. See Gary B Born, *International Arbitration: Law and Practice* (Kluwer Law International 2012) 123

²³² Gary B Born, *ibid.*, 123

Arbitrators ought to be impartial and independent, and many national laws and institutional arbitration rules have specific requirements on this. For example, arbitrators are generally required to disclose to the parties any circumstances that might give rise to justifiable doubts about their impartiality and independence.²³³ Appointing arbitrators with the appropriate legal and technical expertise, especially for intellectual property disputes can be very helpful.²³⁴

The role of the arbitral tribunal is to render a binding decision in accordance with the arbitration agreement in question, arbitration rules and relevant laws. In this sense, arbitrators are adjudicators who perform vastly different functions from mediators, who facilitate negotiations between the parties.

3.5.6 Conduct of the Arbitration

The conduct of the arbitration will depend on the applicable arbitration rules. Typically, following the establishment of the arbitral tribunal, parties will have the opportunity to submit their Statement of Claim and Statement of Defense, or their equivalents, to the tribunal. The tribunal may then schedule further submissions, or proceed to discuss the case schedule, hearing dates and stipulations on evidence and confidentiality with the parties.²³⁵

Hearings may be held for the presentation of evidence by witnesses and experts, and for the presentation of oral arguments to the tribunal, on the request of a party or at the tribunal's discretion. If no hearings are held, the arbitration proceedings will usually be conducted on the basis of all submitted documents and materials.²³⁶

Generally, the tribunal will close the proceedings when it is satisfied that the parties have had adequate opportunity to present their submissions and evidence, after which it will issue the arbitral award. The parties will usually be bound by the award from the date that it is issued.²³⁷

3.5.7 Arbitral Awards

(i) *Final and Binding*

An arbitral award derives its final and binding force on the parties from the applicable arbitration rules and national laws, which generally provide that arbitral awards are not subject to appeal or review on the merits by national courts.²³⁸ However, in exceptional circumstances, it may be possible for a party to challenge the award before a national court at the seat of the arbitration and have it annulled, or resist the enforcement of the award in the relevant jurisdictions.²³⁹

(ii) *Enforceability*

The cross-border enforceability of arbitral awards is one of the main advantages of arbitration, and becomes particularly valuable in the unfortunate event where a party fails to comply with the arbitral award and the other party is compelled to enforce it. This cross-border enforceability is primarily derived from the New York Convention, which obliges contracting states to recognize and enforce arbitral awards made outside of their territory, subject to limited exceptions.²⁴⁰ As such, courts in many

²³³ Article 22, WIPO Arbitration Rules.; Gary B Born, *International Arbitration: Law and Practice* (Kluwer Law International 2012) 132 – 133

²³⁴ World Intellectual Property Organization Arbitration and Mediation Center, "WIPO Arbitration and Mediation Center" <<http://www.wipo.int/amc/en/center/background.html>> accessed June 23, 2015

²³⁵ Articles 41 – 47, WIPO Arbitration Rules

²³⁶ Articles 55 – 57, WIPO Arbitration Rules

²³⁷ Articles 57 – 66, WIPO Arbitration Rules

²³⁸ Article 66(a) WIPO Arbitration Rules and Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 38

²³⁹ Alan Redfern, M Hunter et. al., *Law and Practice of International Commercial Arbitration* (4th ed, Sweet & Maxwell 2004) para 9-04 and 10-09

²⁴⁰ Pieter Sanders eds., *ICCA's Guide to the Interpretation of the 1958 New York Convention* (International Council for Commercial Arbitration 2011) 9

countries allow for an arbitral award to be enforced as a domestic court judgment upon an application by the relevant party,²⁴¹ which may thus be relied on to enforce the arbitral award in any of the currently 155 contracting states to the New York Convention, provided that the award has been made in any such contracting state.²⁴²

(iii) *Interim Relief*

Some arbitration rules, such as the WIPO Arbitration Rules, allow parties to request interim relief from the arbitral tribunal, and vest in the tribunal, the discretion to issue any provisional orders or interim measures that it deems necessary at the request of a party. The requested relief can be delivered in the form of an interim award. Interim relief, especially injunctions, can be helpful for parties with technology or intellectual property disputes, and should not be overlooked.²⁴³

3.5.8 Administration of Arbitration

Like *ad hoc* mediations, *ad hoc* arbitrations are proceedings that are not administered by any ADR institution.²⁴⁴ *Ad hoc* arbitration can lead to substantial delays if the parties are unable to reach an agreement on the necessary matters²⁴⁵.

Beyond general administrative services,²⁴⁶ the WIPO Center provides several additional services for arbitration proceedings. The WIPO Arbitration Rules provided by the WIPO Center are specifically designed for intellectual property and technology disputes, and contain detailed provisions on confidentiality, and the submission of technical and experimental evidence. The WIPO Center also has a network of experienced arbitrators and intellectual property experts, and can propose suitable arbitrators for arbitrations that it administers.²⁴⁷

The WIPO Center administers arbitrations on a non-profit basis, and its registration and administration fees are therefore comparatively moderate. The WIPO Center will determine the arbitrators' fees in consultation with the parties and the arbitrator(s), taking into consideration factors such as the applicable rates at the location of the parties and the arbitrator(s), the complexity of the case and the amounts in dispute.²⁴⁸

3.5.9 Mode of Submission to Arbitration

(i) *Voluntary vs. Mandatory*

As with voluntary mediation, voluntary arbitration refers to arbitration proceedings that are initiated with the consent of both parties through an arbitration agreement such as contained in an arbitration clause within an underlying contract. However, arbitration clauses can be problematic when the parties have unequal bargaining powers and one party is pressured into agreeing to the arbitration clause by the other.²⁴⁹

²⁴¹ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 312

²⁴² As of April 2015, there are 155 contracting states. See United Nations Commission on Trade Law, 'Status – Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958)' (United Nations Commission on Trade Law, 2015) <http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/NYConvention_status.html> accessed May 18, 2015

²⁴³ Article 48, WIPO Arbitration Rules

²⁴⁴ Michael McIlwrath and John Savage, *International Arbitration and Mediation : A Practical Guide* (Kluwer Law International 2010) 2-035

²⁴⁵ Joyce J. George, 'The Advantages of Administered Arbitration When Going it Alone Just Won't Do'. *Dispute Resolution Journal* 57.3 (Aug-Oct 2002): 66-74

²⁴⁶ See 3.3.6 above

²⁴⁷ World Intellectual Property Organization Arbitration and Mediation Center, 'Neutrals' <<http://www.wipo.int/amc/en/ neutrals/>> accessed June 23, 2015

²⁴⁸ Information on the fees payable for arbitrations administered at the WIPO Center is available at <<http://www.wipo.int/amc/en/arbitration/fees/>>

²⁴⁹ David S Schwartz, 'Mandatory Arbitration and Fairness' (2009) 84 *Notre Dame L Rev* 1247, 1249

Arbitration clauses in agreements have sometimes been referred to as mandatory arbitration, where national laws compel parties to submit all disputes arising from the underlying contract to arbitration and require the courts to decline jurisdiction over the dispute.²⁵⁰

(ii) IPO-Connected

As compared to mediation services, arbitration services are generally less commonly available in dispute proceedings before IPOs. This said, the Intellectual Property Office of the Philippines (IPOP HL) has offered arbitration services for intellectual property disputes since 2012. IPOP HL's arbitration services are provided through its partnership with the Philippines Dispute Resolution Center, and are offered to parties who decide not to use IPOP HL's mediation services, or who are unable to settle their disputes through IPOP HL mediation.²⁵¹

²⁵⁰ David S Schwartz, 'Mandatory Arbitration and Fairness' (2009) 84 Notre Dame L Rev 1247, 1253

²⁵¹ Intellectual Property Office of the Philippines 'Alternative Dispute Resolution'
<<http://www.ipophil.gov.ph/index.php/services/ip-cases2/alternative-dispute-resolution>>

Chapter Four: Institutionalizing ADR for Intellectual Property Disputes

4.1. Introduction

The importance of optimizing the surrounding circumstances, or the “eco-system”, within which an ADR program is to be implemented, so as to allow the ADR program to take root and to flourish, cannot be overstated.

While there are certainly other factors which may be considered, depending on the local conditions and particular circumstances of the country involved, the factors discussed below are key considerations in the institutionalization of ADR and its best practices for intellectual property disputes.

Appendix A provides details of WIPO Center’s ongoing collaborations with IPOs.

4.2. Opportunity for ADR

Identify where the opportunity lies for ADR to be introduced and deployed.

Taking into account the nature of intellectual property disputes, including in terms of international parties and rights involved, as well as time and cost required in administrative or court proceedings, and delaying tactics observed, ADR may offer advantages for parties, IPOs and courts alike, including with a view to the efficient use of public resources.

While ADR processes can generally be used at any stage of the dispute, the optimum time for ADR will depend on the nature of the dispute, the conduct of the parties, and their attitude towards ADR. This said, ADR processes tend to be more effective when used at an early stage of the dispute before costs have accumulated and the parties have become entrenched in their positions, but after the parties have had sufficient time and information to properly evaluate their case.²⁵²

As a practical solution, parties may be given the discretion to submit to ADR at any stage of the proceedings; such discretion is provided in contentious trademark proceedings before the Intellectual Property Office of Singapore (IPOS)²⁵³ and the Brazilian National Institute of Industrial Property (INPI-BR),²⁵⁴ which collaborate with the WIPO Center on the provision of ADR services in relation to such proceedings.

4.3. Interface with IPO, Court or Other Proceedings

Determine and stipulate how the ADR process will interface with existing dispute proceedings before the IPO, court or other forum and into which the opportunity for ADR is injected.

The status of the IPO, court or other proceedings while the ADR option is pursued needs to be clear, for example, whether they are suspended or extended. As a guide, INPI-BR allows contentious trademark proceedings to be extended for 90 days when parties submit to WIPO Mediation,²⁵⁵ and

²⁵² Susan Blake, Julie Browne and Stuart Sime, *A Practical Approach to Alternative Dispute Resolution* (Oxford University Press 2014) 3.41 – 3.42

²⁵³ See Appendix A.2.6

²⁵⁴ See Appendix A.2.1

²⁵⁵ See Appendix A.2.1

IPOS allows patent proceedings to be suspended for 60, 90 or 120 days for parties to submit to WIPO Expert Determination.²⁵⁶

Procedures may be instituted to give effect to the outcomes of successful ADR proceedings, and allow disputes to be returned to the IPO, court or other forum for adjudication where ADR is unsuccessful. The opportunity may also be given to the parties to use a different ADR process where initial attempts to resolve their dispute are unsuccessful; for example, the Intellectual Property Office of the Philippines allows parties to submit their dispute to arbitration if they are unable to resolve their dispute through its mediation services.²⁵⁷

4.4. Choice of ADR Process

Offer the ADR process suited to the dispute in question.

With the various ADR processes being characterized by their own specific features,²⁵⁸ the choice of the appropriate one(s) for any dispute will necessarily depend on the nature of the dispute, the parties' positions and the surrounding circumstances.²⁵⁹

4.5. Submission to ADR Process

Address the mode and manner in which submission to ADR is to be effected, including the factors that will help to secure its uptake.

One matter for consideration is whether to make it mandatory for parties to submit their dispute to ADR. While mandatory ADR can be problematic,²⁶⁰ some degree of compulsion to use ADR may be necessary at least for the initial implementation of the ADR program, as parties may be reluctant to use unfamiliar dispute resolution processes. For example, some parties may be reluctant to consider submitting their dispute to mediation as it may be perceived as a sign of weakness.²⁶¹

To mitigate perceived aversion to or apprehension of ADR, mandatory briefing sessions could be scheduled for parties to meet with an ADR practitioner familiar with the ADR program in question to discuss the strengths and weakness of litigation as compared to the various ADR processes. Similar sessions have been introduced in Italy, where litigants involved in specific types of disputes are required to meet with a mediator for a preliminary information session at no cost, and without prejudice to the opportunity of proceeding to litigation after the information session. These sessions have been generally successful in encouraging litigants to seriously consider mediation as a realistic option for their dispute.²⁶²

For an extra nudge to submit to ADR, financial incentives can be considered. In England, a party's silence in response to an invitation or a refusal to participate in ADR may be considered unreasonable by the court and could lead to the court ordering that party to pay additional court costs.²⁶³ A similar

²⁵⁶ See Appendix A.3

²⁵⁷ Intellectual Property Office of the Philippines 'Alternative Dispute Resolution' <<http://www.ipophil.gov.ph/index.php/services/ip-cases2/alternative-dispute-resolution>>

²⁵⁸ See 3.3.1, 3.4.1 and 3.5.1

²⁵⁹ See 3.2 above

²⁶⁰ See 3.3.7(i) and 3.5.9(i) above

²⁶¹ James Chan, 'Unreasonable Refusals to Participate in Mediation' [2014] Asian JM 12, 13

²⁶² Giuseppe De Palo and others, 'Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU' (European Parliament, January 2014)

<[http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET\(2014\)493042_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET(2014)493042_EN.pdf)> accessed 17 May 2015, 8 – 9

²⁶³ Ministry of Justice 'Practice Direction – Pre-Action Conduct' <http://www.justice.gov.uk/courts/procedure-rules/civil/rules/pd_pre-action_conduct#8.1>

approach can be found in Australia.²⁶⁴ In Singapore, laws have been instituted to allow courts to take into account any previous attempts by the parties to resolve their dispute by mediation or any other means of dispute resolution when allocating costs for civil litigation cases. This provides parties with a substantial incentive to consider submitting their dispute to ADR before engaging in litigation.²⁶⁵

4.6. Finance

Source sufficient financing to support the development and implementation of the ADR program.

For all the cost savings that may be achieved through ADR, planning and implementing an ADR program requires funding. Although the amount required depends on multiple factors and may vary from country to country, examples of the items that may need to be budgeted for include:²⁶⁶

- consulting or legal services to address the legal framework
- formulation and adoption of an educational and awareness campaign
- establishment of the physical administration infrastructure and engagement with stakeholders

Such funds may come from government funds allocated to the IPO, or fees charged by the IPO, or both. In the initial stages of implementation, the IPO may need to offer ADR services at subsidized rates to attract users.

4.6.1 Government Funding

The main source of financing at the initial implementation stage of the program is likely to come from government funds. It is important to secure sufficient funding to avoid the possibility of not being able to see through all the stages of the project.²⁶⁷

4.6.2 Administrative Fees

Administrative fees are a means for the administrator of the ADR program to cover administrative costs. This should be balanced against the need to ensure accessibility to users, and to encourage take-up rates for ADR, particularly at the infancy of an ADR program.²⁶⁸

4.6.3 Practitioner Fees

With regard to the fees paid to mediators, arbitrators and experts, it is important to strike a balance between keeping fees low to ensure accessibility to users, and maintaining a credible incentive for experienced and qualified professionals to enter the field. This is particularly a concern for mediation, where the cost expectations of users are often at a level which may deter experienced legal professionals from becoming mediators.

As for arbitration, spiraling fees have been a problem and can pose a problem for the success of an ADR program. There is a growing recognition among users that arbitration costs are rising at an

²⁶⁴ Federal Court of Australia 'Mediation' <<http://www.fedcourt.gov.au/case-management-services/ADR/mediation>>

²⁶⁵ James Chan, 'Unreasonable Refusals to Participate in Mediation' [2014] Asian JM 12, 13

²⁶⁶ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *Alternative Dispute Resolution Manual: Implementing Commercial Mediation* (Small and Medium Enterprise Department, The World Bank Group, 2006) 28

²⁶⁷ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *ibid.*, 29

²⁶⁸ Appendix A includes details of adapted Schedules of Fees applicable to the WIPO Center's collaboration with IPOs.

unsustainable rate, especially in international commercial arbitration. Unless this is managed, costs may become the primary bane of arbitration instead of a key advantage.²⁶⁹

An IPO is well placed to monitor and control the cost of an ADR program which it implements. Minimally, this could be achieved by tracking and disseminating information about the range of average costs for the various proceedings under its ADR program, and statistics on average number of hours required for such proceedings, so that there is greater transparency of the basis on which costs are derived.²⁷⁰

4.7. “Buy-in”

Identify stakeholders and secure their “buy in” for the implementation and use of the ADR program.

Sufficient “buy-in” and commitment from the key parties involved in the implementation and use of the ADR program are vital to ensure the success of an ADR program.²⁷¹

4.7.1 Process

The process of securing such “buy-in” can be broadly mapped out as follows:

(i) Stakeholders

Identifying the correct stakeholders is important, as the omission of any particular key group may prove fatal to the implementation of the ADR program. ADR programs have ended up failing as a result of opposition from key groups within the community, commonly because such groups see the implementation of ADR as a threat to their interests.²⁷² It is therefore important to identify the relevant constituencies early, and to ensure that the right messages are conveyed to them, and appropriate incentives, assurances or even compulsions²⁷³ (if feasible) are created for such groups.

A note of caution sounded by commentators has been the selection of stakeholders who are too strong and have their own agenda,²⁷⁴ as they may be detrimental to the cause by advancing their own interests ahead of the overall success of the ADR program.

(ii) Local Champion

Having one or more local champion(s) for the cause is another critical piece, and provides a ready channel through which the ADR message can be effectively communicated to ensure that it is received positively. For example, the deployment of a leading local champion with the right political clout²⁷⁵ can make a significant difference to how the project is driven and the ability to garner the support needed to ensure its success.

(iii) Engagement

If the ADR program is to be successful, engagement on the part of stakeholders is necessary. Hitting the right notes with the stakeholders, including apprising them of the advantages of ADR, and the

²⁶⁹ Sundaresh Menon, ‘Some Cautionary Notes for an Age of Opportunity’ (SingaporeLaw.sg, August 22, 2013) <<http://www.singaporelaw.sg/sglaw/images/media/130822%20Some%20cautionary%20notes%20for%20an%20age%20of%20opportunity.pdf>> accessed June 8, 2015, 10

²⁷⁰ Association of Chartered Certified Accountants, ‘Alternative Dispute Resolution for Consumers’ (ACCA, June 10, 2014) <<http://www.accaglobal.com/sg/en/technical-activities/technical-resources-search/2014/june/cdr1289.html#>> accessed June 8, 2015

²⁷¹ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *Alternative Dispute Resolution Manual: Implementing Commercial Mediation* (The World Bank Group 2006) 17

²⁷² Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *ibid.*, 21

²⁷³ See 4.5 above

²⁷⁴ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *ibid.*, 18

²⁷⁵ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *ibid.*, 18

potential opportunities and benefits to participants in the ADR program, is important in eliciting such engagement. Another tangible measure could be to have stakeholders form an advisory board to drive and monitor the project, with the direct impact of having stakeholders take ownership of the project and creating a monitoring tool for the ADR program.²⁷⁶

4.7.2 Roles of Key Players

In turning to key players on the stage of the ADR program, recognizing and eliciting their respective contributory roles can be very helpful to the advancement of the project.

(i) *Government and IPOs*

At the foundational level, the presence of political will from government to imbibe ADR in the country makes for a robust premise on which to undertake the project. In its role as driver, government must itself be convinced of the advantages of ADR and committed to its promotion.²⁷⁷

Similarly, where the IPO is the main driver of the ADR project, such “buy-in” from key personnel in the IPO is critical.

(ii) *National Courts*

The support of local judges and the national courts is also important, for two main reasons. First, in ensuring the enforceability of the outcome of ADR, such as arbitral awards and mediation settlement agreements, the national courts play a key role in the strength of the ADR system. Second, the national courts can be a useful “catchment” resource for disputes which are amenable to ADR, in that active participation of the courts can play a part in assisting take-up rates for ADR. Setting case disposal targets of judges to give them credit for referring cases to ADR can also be effective.

Promotion of ADR to the courts will focus on the advantages of ADR specific to the courts, such as the reduction of case load, clearance of backlog and administrative cost savings for the courts, whereby ADR is viewed as complementary and not competitive to the court system.²⁷⁸

(iii) *Professionals*

In the same vein, the professional community, including lawyers, must be persuaded of their valuable place in the implementation and use of the ADR program on a long-term basis. Contrary to any apprehension of redundancy, ADR presents enlarged opportunities for this community as it is an added dimension to the dispute resolution options available to their clients, thereby enabling them to add value to their services and the significance of their role.

That said, for those professional service providers who have not been engaged in ADR, it will be necessary for them to take up appropriate training (e.g. in mediation), so that such training needs to be made readily available.²⁷⁹ This itself offers an opportunity for professional development for these professionals with the practical value of being useful to their clients.

(iv) *Users*

As for users, such as members of the business community and the public, the main objective for the success of the ADR program is to convince them of the many advantages of ADR.²⁸⁰

This entails a pro-active outreach to as wide an audience of potential users as available to make them aware of the benefits of ADR.

²⁷⁶ Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *Alternative Dispute Resolution Manual: Implementing Commercial Mediation* (The World Bank Group 2006) 20

²⁷⁷ See Chapter 2 and 4.7.1 above

²⁷⁸ See 1.3.2 above

²⁷⁹ See 4.10.1 below

²⁸⁰ See 2.1 – 2.10 above

4.8. Consultation and Feedback

Conduct consultation sessions and open up channels for feedback and communication with stakeholders.

Consulting and communicating with stakeholders pre-emptively is useful for obtaining valuable feedback on the proposed plans. Such constructive comments can be gathered through surveys and public consultations, and can help to identify potential problems and find areas for improvement.²⁸¹ For example, in 2013, the WIPO Center conducted an International Survey on Dispute Resolution in Technology Transactions to assess the current use in technology-related disputes of ADR methods as compared to court litigation, including a qualitative evaluation of these dispute resolution options.²⁸²

Stakeholder feedback was an important element in the establishment of Singapore's first commercial mediation center. Before this center was established in 1997, a detailed feasibility study was carried out by the Singapore Academy of Law. Through extensive consultations with stakeholders, including lawyers, trade organizations and interest groups, the Singapore Academy of Law was able to create a realistic action plan for the establishment of the commercial mediation center.²⁸³

4.9. Outreach

Organize outreach activities to engage stakeholders.

Engaging key target groups through outreach activities is crucial for the ADR program. Such groups may include:

- Government
- national courts
- professionals, including lawyers
- users, such as members of the business community and the public

Examples of outreach activities include:

- holding educational sessions and roadshows on the benefits of ADR²⁸⁴
- identifying local ADR champions to promote the IPO's ADR services
- publicizing general "ADR pledges" for users and stakeholders to show their commitment to resolve their disputes using ADR²⁸⁵
- establishing industry-specific schemes for the use of ADR²⁸⁶

²⁸¹ The World Bank Group, 'Alternative Dispute Resolution Guidelines' (The World Bank, June 2011) <http://siteresources.worldbank.org/INTECA/Resources/15322_ADRG_Web.pdf> accessed May 18, 2015, 34

²⁸² The full report is available at <<http://www.wipo.int/amc/en/center/survey/results.html>>

²⁸³ Joel Lee and Teh Hwee Hwee eds, *An Asian Perspective on Mediation* (Academy Publishing 2009) 7-8

²⁸⁴ Giuseppe De Palo and others, 'Rebooting' the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU' (European Parliament, January 2014) <[http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET\(2014\)493042_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/493042/IPOL-JURI_ET(2014)493042_EN.pdf)> accessed May 17, 2015, 153 – 154

²⁸⁵ Giuseppe De Palo and others, *ibid.*, 155

²⁸⁶ Examples of the WIPO Center's ADR services for Specific Sectors are available at <<http://www.wipo.int/amc/en/center/specific-sectors/>>. See also Appendix B

WIPO-IPOS ADR Outreach Activities

Prior to the entry into force of a joint mediation procedure to facilitate the resolution of trademark disputes pending before IPOS, the WIPO Center and IPOS conducted a 2-day workshop to train trademark practitioners as mediators. The training program included sessions on both substantive and procedural issues related to trademark disputes and mediation. A number of participants were afterwards invited to be part of a dedicated list of mediators to be appointed in WIPO-IPOS mediations. Furthermore, the WIPO Center and IPOS conducted various promotional events to raise awareness of ADR for intellectual property disputes and, in particular, to encourage the use of mediation for trademark disputes pending before IPOS.

4.10. ADR Practitioners

Address the needs of ADR practitioners to secure their active participation in the ADR program and adherence to the requisite quality standards.

From the initial consultation phase,²⁸⁷ the objective is to engage and nurture ADR practitioners, as they are crucial to the long-term success of any ADR program. Training and accreditation programs provide opportunities to accelerate the professional development of such ADR practitioners. ADR practitioners represent an important part of the ADR “eco-system” and these include representatives for the parties, and neutral third parties involved in the ADR, such as mediators, members of the arbitral tribunal, and experts appointed in expert determination. The high standards to which they perform ADR-related services and conduct themselves in ADR processes are important in instilling public confidence in the ADR program.

4.10.1 Training

ADR training opportunities at various levels of experience, and addressing different aspects of ADR, must be made available for the different interest groups of ADR practitioners. As the practical application of ADR is a significant feature of ADR in operation, such training ought to address not only the theoretical basis and academic aspects of the different types of ADR, but also provide instruction and opportunity on the use of ADR in practice. A corollary to the conduct of training sessions for ADR practitioners is the availability of ADR literature to ADR practitioners, be they veterans or newbies.

ADR training also provides a channel for the benchmarking of quality standards sought to be established and maintained in the ADR field. ADR service providers, such as the WIPO Center, can provide the appropriate expertise and support to conduct such training programs.

WIPO/INPI-BR Training of Mediators

In light of the establishment of a joint dispute resolution procedure to facilitate the mediation of trademark disputes pending before the Brazilian National Institute of Industrial Property (INPI-BR), the WIPO Center and INPI-BR conducted a number of training sessions to establish a panel of mediators for trademark disputes pending before INPI-BR.²⁸⁸

²⁸⁷ See 4.8 above

²⁸⁸ The WIPO/INPI-BR Panel of Mediators for Intellectual Property Disputes Pending before INPI-BR is available at <http://www.wipo.int/amc/en/center/specific-sectors/inpibr/panel/>

4.10.2 Quality Standards

Some problems identified with the state of ADR today include the relative dearth of professional bodies with the leadership to self-regulate the field, and the lack of objective transparency on standards, feedback and ethics in the field.²⁸⁹

In seeking to address these problems, the pitfalls of over-regulating ADR practitioners, which can stifle their supply, are to be avoided. A balance must therefore be struck between prescribing mandatory minimum training of ADR practitioners and encouraging participation by experienced professionals who may resist the requirement for such minimum training prescriptions.

Some tools for establishing quality standards include accreditation programs for ADR practitioners. A particularly illustrative resource on this is the list of guidelines published by the American Bar Association's Section of Dispute Resolution in August 2012 on what an effective credentialing program for mediators should include, namely:²⁹⁰

- requiring credentialed mediators to have clearly defined skills, knowledge and values requiring credentialed mediators to have completed adequate training
- administration of the accreditation program by an organization which is distinct from the trainer
- establishing consistent assessment process for determining skills, knowledge and values of the credentialed mediators
- explaining clearly what is being certified under the accreditation program
- providing a transparent system to handle complaints, including de-credentialing, within the accreditation program.

In WIPO Center cases, parties can draw upon a database of over 1,500 independent WIPO arbitrators, mediators and experts globally. The candidates on the WIPO List of Neutrals range from seasoned dispute resolution generalists to highly specialized practitioners and experts covering the entire legal and technical spectrum of intellectual property. Their geographical diversity suits the international character of many disputes. The WIPO Center requests parties' feedback on the neutrals appointed and takes such feedback as well as the conduct of the case into account for future neutral appointments.

4.10.3 Availability

For the ADR program to thrive, there needs to be an adequate and readily accessible supply of ADR practitioners to sufficiently service the cases that come up for ADR.

A list of accredited ADR practitioners may be maintained, with information on each ADR practitioner's experience and credentials. This would serve the dual purpose of maintaining a list of available ADR practitioners who may be called upon, as well as to establish public confidence in the standards and accreditation of such available ADR practitioners. Regardless of whether the list is public or not, where parties cannot agree on a neutral, the WIPO Center provides profiles of suitable candidates to both parties, taking into account particular qualifications agreed by the parties as well the requirements of the case.²⁹¹

²⁸⁹ Michael Leathes, 'The Future of ADR in 2020' [2013] Asian JM 27

²⁹⁰ Alternative Dispute Resolution Section Task Force on Mediator Credentialing, 'Final Report' (American Bar Association, August 2012) <http://www.americanbar.org/content/dam/aba/images/dispute_resolution/CredentialingTaskForce.pdf> accessed June 8, 2015

²⁹¹ This is provided for in the WIPO Center's "list procedure", see Article 6(a), WIPO Mediation Rules, Article 19(b), WIPO Arbitration Rules and Article 14(b), WIPO Expedited Arbitration Rules

4.11. Legal Framework

Work on the legal framework required to support the ADR program.

The legal framework within which the ADR process operates is important to ensure that it has the necessary legal bite. In addressing the legal framework, the key aspects are as follows.

4.11.1 Legal Framework and System

The existing legal framework and system into which the ADR program is to be introduced will determine whether it is necessary to promulgate new laws or regulations to support the workability of the ADR program, such as in relation to confidentiality, enforceability of contracts and professional immunity. A pre-emptive review of the existing legal position on such matters is useful in identifying the types of laws and rules that may need to be passed to enable and support the implementation and use of the ADR program.

An assessment of existing laws and IPO regulations will determine the extent to which they facilitate the use of ADR. Legal advice may be taken for the purpose of such analysis, and if applicable, to formulate and implement the relevant laws and regulations so as to provide a conducive legal framework for the ADR program. This exercise may take time to implement, possibly over stages.

4.11.2 Enabling Laws and Regulations

Where new laws or regulations would be necessary, a public consultation process on the proposed laws or regulations will give the ADR project credibility.²⁹²

At the basic level, ADR-enabling laws or regulations ideally provide for:²⁹³

- confidentiality of the ADR proceedings, and any information or materials used in such proceedings
- restriction on the admissibility of 'without prejudice' communications, which may be made during the ADR proceedings
- facilitate the enforcement of ADR outcomes, such as mediation settlements and arbitral awards²⁹⁴

At the more granular level, rules of procedure that support and encourage the use of ADR may also be deployed, for example by:²⁹⁵

- suspension of non-ADR dispute resolution proceedings at the courts or IPO for parties to consider ADR
- requiring parties to attempt ADR before instituting non-ADR dispute resolution proceedings at the courts or IPO
- requiring parties to provide reasons for not engaging in ADR and even penalizing parties for unreasonable refusal to engage in ADR²⁹⁶
- adopting ADR rules which themselves are conducive to a convenient and efficient ADR process

²⁹² Lukasz Rozdeiczer and Alejandro Alvarez de la Campa, *Alternative Dispute Resolution Manual: Implementing Commercial Mediation* (The World Bank Group 2006) 38

²⁹³ The World Bank Group, 'Alternative Dispute Resolution Guidelines' (The World Bank, June 2011) <http://siteresources.worldbank.org/INTECA/Resources/15322_ADRG_Web.pdf> accessed May 18, 2015, 35

²⁹⁴ For example, mediation settlements arising from ADR proceedings administered by the Korean Copyright Commission can be enforced as court orders under Korean law. See Appendix A.2.3

²⁹⁵ Karl Mackie and others, *Alternative Dispute Resolution Guidelines* (The World Bank Group 2011) 36

²⁹⁶ See, for example, Article 22 of Colombian Law 640 of 2001 and Article 34 of the Conciliation and Arbitration Rules of the ADR Center of the National Copyright Directorate of Colombia (DNDA): if a party does not attend the conciliation hearing, the conciliator issues a certificate that can be used in subsequent court procedures

-
- applying reduced fees or giving discounts of fees charged in the non-ADR dispute resolution proceedings to parties who have diverted to ADR from such proceedings

4.12. Administrative Infrastructure

Establish administrative infrastructure to support the implementation and provide the required ADR services.

To launch an ADR program and keep it running, adequate personnel needs to be deployed to attend to the matters to make the ADR program a functioning reality. Natural adjunctive requirements include physical facilities necessary for the day-to-day management of the ADR program.

The extent and nature of the administrative infrastructure established may depend, in part, on the type of the ADR referral mechanism chosen and the anticipated nature of potential disputes, and be further determined by the opportunities for collaboration with ADR service providers, such as the WIPO Center, who can provide valuable assistance for such administrative services.²⁹⁷

For example, where the IPO does not engage a third-party ADR provider, the IPO would have to undertake the administration of the ADR proceedings, including liaising with the ADR neutral(s) and parties, attending to the collection of fees, providing appropriate facilities and administrative services. On the other hand, where an IPO's ADR program allows the IPO to refer the parties to a third party administering body, such as the WIPO Center, the administration of the ADR proceedings would be outsourced to such administering body.²⁹⁸

4.13. Public Confidence

Secure and maintain public confidence in the ADR program.

Public confidence is one of the pillars for the success of the ADR program, vigilance over which needs to be exercised throughout the life of the program, to prevent its erosion. The following are some (but not necessarily all the) key factors that play a part in earning public confidence.

4.13.1 Impartiality and Independence of Neutrals

As the neutrals in ADR proceedings (i.e. the mediators, arbitrators and experts) are oftentimes private individuals appointed by the parties, they do not automatically enjoy the status of judges as public servants. In such an arrangement, the visible impartiality of such neutrals takes on heightened importance, and is yet not impervious to its own issues and problems. ADR institutions such as the WIPO Center play an important role in this regard.

General guiding principles can be formulated to address this matter, such as the following requirements:

- ADR neutral must not favor (nor be perceived as favoring) the interests of any one party
- ADR neutral must be required to conduct conflict check and disclose any financial or personal relationship with any of the disputants
- disputants must jointly agree on the appointment of the ADR neutral

²⁹⁷ See 3.3.6 above

²⁹⁸ See 3.3.7(iii), 3.4.6 and 3.5.9(ii) above

-
- fees of the ADR neutral are to be borne by parties in equal shares, or by an independent party like the administrative body

4.13.2 Confidentiality of Information

The ability to ensure confidentiality of information ventilated in the ADR process (and indeed the existence of the process) is one attractive force of ADR.²⁹⁹ Many parties choose ADR precisely because of the need for confidentiality, particularly businesses who do not want to disclose commercially sensitive information to the public domain.³⁰⁰ Maintaining strict confidentiality gives consumers confidence and encourages participation in ADR. In mediation, the assurance of confidentiality encourages parties to be as open as possible in finding a mutually acceptable solution without fear of prejudice if the dispute goes to court, and thereby enhancing its probability of success.³⁰¹

Confidentiality can be achieved through specific ADR laws that provide expressly for confidentiality, or through contract where parties adopt applicable rules through the relevant clause or agreement for submission to ADR.³⁰²

4.13.3 Transparency of Proceeding

Not to be confused with confidentiality of information and the ADR process discussed above, transparency of the manner in which the ADR proceeding is conducted in compliance with due process and the rule of law, is also pertinent to public confidence in such proceeding.

In particular, administrative actions within the proceeding are to be made in full transparency to the parties, e.g. process for appointment of mediator, arbitral tribunal or expert, or any decisions made on any interlocutory matter, as reflective of the impartiality and independence of the ADR administrative body.

4.13.4 Realization of Advantages

Making good on the described advantages of ADR³⁰³ is important to prevent a loss of public confidence in it.

For example, attention is required to ensure that the ADR process is designed to maximize efficiency and thereby bring about time and cost savings. Furthermore, the ADR process should operate within a legal framework that assures the enforceability of decisions or settlements that issue out of the ADR process.³⁰⁴

4.14. Periodic Review

Undertake regular reviews of the ADR program to monitor its take-up rate and performance, ensure compliance with best practices, and identify areas for improvement and updating to ensure its long-term sustainability.

²⁹⁹ See 2.7 above

³⁰⁰ Trevor Cook and Alejandro I Garcia, *International Intellectual Property Arbitration* (Kluwer Law International 2010) 47

³⁰¹ Susan Corbett, 'Mediation of Intellectual Property Disputes: A Critical Analysis' (2011) 17 *New Zealand Business Law Quarterly* 51, 65

³⁰² See 3.3.2, 3.4.2 and 3.5.4 above

³⁰³ See Chapter 2 above

³⁰⁴ For arbitration, this includes the possibility of taking advantage of the New York Convention in a cross-border dispute

Periodic reviews are important to ensure that the ADR program remains relevant and current. Reviews undertaken with stakeholders on an ongoing basis provide a channel for obtaining helpful feedback and present opportunities for continued engagement over the longer term.

Appendix A: WIPO Center Collaboration with IPOs

A.1 Overview³⁰⁵

| | | |
|--------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brazil | Brazilian National Institute of Industrial Property (INPI-BR) | The WIPO Center has participated in the development and organization of a mediation option for trademark proceedings pending before INPI-BR. |
| Colombia | National Copyright Directorate of Colombia (DNDA) | DNDA administers proceedings concerning copyright and related rights through its Conciliation and Arbitration Center. DNDA has designated the WIPO Center as the administrator of ADR cases where one or both parties are primarily domiciled outside Colombia. |
| Indonesia | Directorate General of Intellectual Property Rights of Indonesia (DGIPR) | The WIPO Center is participating in the development and organization of ADR options for intellectual property disputes. |
| Mexico | Instituto Mexicano de la Propiedad Industrial (IMPI Mexico) | The WIPO Center is participating in the development and organization of ADR options for intellectual property disputes. |
| Philippines | Intellectual Property Office of the Philippines (IPOP HL) | The WIPO Center has participated in the development and organization of a WIPO mediation option for intellectual property disputes pending before IPOP HL. IPOP HL has designated the WIPO Center as the administrator of ADR cases where one or both parties are primarily domiciled outside the Philippines. |
| Republic of Korea | Korea Copyright Commission (KCC) | KCC administers ADR proceedings concerning copyright and related rights in the Republic of Korea. In case of international disputes KCC also offers a WIPO mediation option to potential parties. |
| Republic of Korea | Korea Creative Content Agency (KOCCA) | KOCCA administers ADR proceedings concerning content related rights in the Republic of Korea. In case of international disputes KOCCA also |

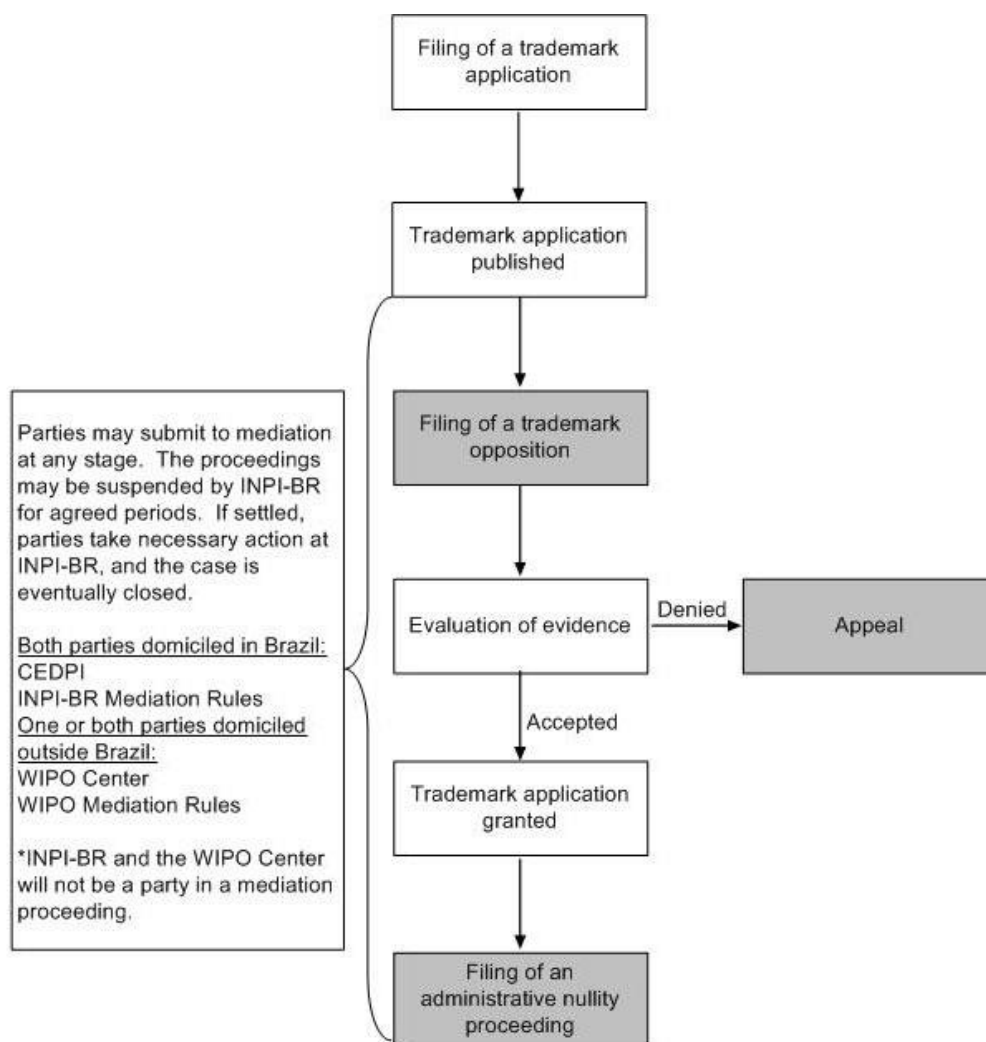
³⁰⁵ World Intellectual Property Organization 'WIPO Alternative Dispute Resolution (ADR) for Intellectual Property Offices' <<http://www.wipo.int/amc/en/center/specific-sectors/ipos/>> accessed June 23, 2015

| | | |
|-----------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | offers a WIPO mediation option to potential parties. Under certain conditions, parties to WIPO mediation under WIPO-KOCCA collaboration can benefit from a subsidy scheme for fees and costs provided by KOCCA. |
| Singapore | Intellectual Property Office of Singapore (IPOS) | <p>The WIPO Center has participated in the development and organization of a mediation option for trademark proceedings and an expert determination option for patent proceedings pending before IPOS.</p> <p>IPOS has designated the WIPO Center, through its Office in Singapore, as the administrator of such mediation and expert determination cases.</p> |
| United Kingdom | Intellectual Property Office (IPO) of the United Kingdom | <p>The mediation option offered by the IPO of the United Kingdom aims to help parties to solve pending intellectual property disputes, including unregistered copyright and design rights, as well as registered rights such as patents, trademarks and registered designs.</p> <p>The WIPO Center is one of the dispute resolution services providers of mediation services for intellectual property disputes pending before the IPO of the United Kingdom.</p> |

A.2 IPO-Connected Mediation and Conciliation

A.2.1 Brazilian National Institute of Industrial Property (INPI-BR)

In Brazil, INPI-BR has offered mediation services for trademark oppositions, appeals and administrative nullity proceedings since July 15, 2013. Parties can choose to refer their dispute to mediation at any stage of the proceedings before INPI-BR, which are conducted in the following manner:



Mediation services are provided by different ADR institutions, depending on where the parties are domiciled.³⁰⁶ If one or both parties are domiciled outside of Brazil, the dispute shall be referred to the WIPO Center and administered according to the WIPO Mediation Rules. Parties can submit an application for mediation to the WIPO Center during the INPI-BR proceedings.³⁰⁷ However, if both

³⁰⁶ World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Mediation for Proceedings Instituted in the Brazilian National Institute of Industrial Property (INPI-BR)' <<http://www.wipo.int/amc/en/center/specific-sectors/inpibr/>> accessed February 24, 2015

³⁰⁷ The Agreement and Request for WIPO Mediation in INPI-BR Proceedings can be found in English and Portuguese on the WIPO Center's website. See World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Mediation for

parties are domiciled in Brazil, then the dispute shall be referred to the Center for Intellectual Property Protection (CEDPI) and administered according to the INPI-BR Mediation Rules. Parties can submit an application for mediation to the CEDPI during the INPI-BR proceedings.

For parties that opt for WIPO Mediation, the WIPO Center will administer the proceedings and also assist in the appointment of an appropriate mediator, as it maintains an open-ended Panel of Mediators for INPI-BR mediations, including mediators from Brazil with intellectual property expertise.³⁰⁸

Parties participating in WIPO Mediation can request for the proceedings before the INPI-BR to be extended for an additional 90 days to account for the mediation.³⁰⁹ If the parties are able to reach a settlement through the mediation, the terms of the settlement can be recorded in a contractual agreement. However, if the parties do not reach an agreement, or if the mediation is terminated for any reason,³¹⁰ the dispute will return to INPI-BR.³¹¹

As of 2015, the fees for WIPO Mediation in respect of disputes referred from INPI-BR are as follows:³¹²

| Administration Fees | Mediator's Fees | |
|----------------------------|------------------------|-----------------------|
| USD 250 | USD 200 per hour | USD 2,750 per case(*) |

(*) Indicative rates for 20-25 hours of preparation and mediation

Proceedings Instituted in the Brazilian National Institute of Industrial Property (INPI-BR) (World Intellectual Property Organization) <<http://www.wipo.int/amc/en/center/specific-sectors/inpibr/>> accessed February 24, 2015

³⁰⁸ The list of mediators on the Panel can be accessed on the WIPO Center's website. See World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO/INPI-BR Panel of Mediators for Intellectual Property Disputes Pending before INPI-BR' (World Intellectual Property Organization) <<http://www.wipo.int/amc/en/center/specific-sectors/inpibr/panel/>> accessed February 24, 2015

³⁰⁹ Parties can also request for an additional 90 days extension.

³¹⁰ If one party fails to appear for a WIPO Mediation, the mediation can be terminated. See Article 18, WIPO Mediation Rules.

³¹¹ World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Mediation for Proceedings Instituted in the Brazilian National Institute of Industrial Property (INPI-BR)' <<http://www.wipo.int/amc/en/center/specific-sectors/inpibr/>> accessed February 24, 2015

³¹² World Intellectual Property Organization Arbitration and Mediation Center, 'Schedule of Fees and Costs - WIPO Mediation in INPI-BR Proceedings' <<http://www.wipo.int/amc/en/center/specific-sectors/inpibr/fees/>> accessed February 24, 2015

A.2.2 Dirección Nacional de Derecho de Autor (DNDA) (Colombia Copyright Office)

In Colombia, DNDA has offered conciliation services for disputes involving copyright and related rights since 2012.³¹³ Conciliations at DNDA are administered according to its Internal Conciliation and Arbitration Rules, which are based on Colombia's laws on conciliation.³¹⁴

Requests for conciliation can be filed by one or both parties to the dispute. The parties can choose to appoint their own conciliator for the hearing from the list of conciliators provided by the DNDA. Otherwise, DNDA can either appoint one of its internal officers as the conciliator,³¹⁵ or choose an external conciliator that satisfies its requirements and has been previously registered in that list.

If a party fails to attend the conciliation hearing, the conciliator can issue a certificate that can be submitted in subsequent court proceedings. If the parties are able to reach a settlement, the terms of the settlement will be recorded by the conciliator in a certificate that is enforceable as a court judgment. The conciliator will issue a certificate stating the outcome of the mediation in the event that no settlement is reached.

As of 2015, all conciliation hearings at the DNDA are conducted free of charge.³¹⁶

Pursuant to a collaboration agreement signed with WIPO, DNDA has designated the WIPO Center as administrator of ADR cases where one or both parties are primarily domiciled outside Colombia.

³¹³ Dirección Nacional de Derecho de Autor, 'Center for Conciliation and Arbitration – History' (Dirección Nacional de Derecho de Autor) <<http://derechodeautor.gov.co/historia-centro-de-conciliacion>> accessed February 25, 2015

³¹⁴ Dirección Nacional de Derecho de Autor, 'Center for Conciliation and Arbitration – Rates' (Dirección Nacional de Derecho de Autor) <<http://derechodeautor.gov.co/tarifas>> accessed February 25, 2015

³¹⁵ DNDA internal officers are appointed as conciliators through a rotation system. A list of conciliators at the DNDA can be viewed at the website for the Programa Nacional de Conciliación. See Ministry of Justice and Law, 'Centro de Conciliación y Arbitraje de la Dirección Nacional de Derecho de Autor "FERNANDO HINESTROSA"' (Programa Nacional de Conciliación) <http://conciliacion.gov.co/portal/conciliadores_centro/Centroid/3390> accessed February 25, 2015

³¹⁶ Dirección Nacional de Derecho de Autor, 'Center for Conciliation and Arbitration – Rates' (Dirección Nacional de Derecho de Autor) <<http://derechodeautor.gov.co/tarifas>> accessed February 25, 2015

A.2.3 Korea Copyright Commission (KCC)

In the Republic of Korea, KCC has offered mediation services for copyright disputes since 1988, and has provided court-annexed mediation services at the Seoul District Court since 2013.³¹⁷ As of September 2014, KCC has administered a total of 1,658 mediation requests.³¹⁸ Mediations at KCC are administered according to the KCC Conciliation Rules and the Copyright Act.

Requests for mediation can be filed by one or both parties to the dispute, and KCC procedures will be generally completed within three months.³¹⁹ The Copyright Act provides that information disclosed during the mediation is confidential, and cannot be admitted by the parties in subsequent litigation or arbitration proceedings.³²⁰

If a party fails to attend the mediation, the mediators can issue a certificate that can be submitted in subsequent court proceedings. If the parties are able to reach a settlement, the terms of the settlement will be recorded by the conciliator in a certificate that is binding and enforceable by the parties in the same way as a court order.³²¹

As of 2014, the fees for a mediation case at KCC are as follows:³²²

| Value of Dispute | Mediation Fees |
|-------------------------------------------|-----------------------|
| Less than KRW 1 million | KRW 10,000 |
| KRW 1 million to less than KRW 5 million | KRW 30,000 |
| KRW 5 million to less than KRW 10 million | KRW 50,000 |
| More than KRW 10 million | KRW 100,000 |

³¹⁷ KCC has provided similar mediation services for copyright claims litigated at the Seoul District Court since 2013. See Lee Hae Wan, 'Introduction of KCC ADR System and Achievements' in World Intellectual Property Organization Arbitration and Mediation Center and the Korea Copyright Commission, 2014 WIPO-KCC Copyright Mediation Workshop (2014) 62

³¹⁸ Lee Hae Wan, *ibid.*, 60

³¹⁹ Lee Hae Wan, *ibid.*, 56

³²⁰ Articles 115 and 116, Copyright Act of 1957, Republic of Korea; Lee Hae Wan, *ibid.*, 54

³²¹ Article 117, Copyright Act of 1957, Republic of Korea; Lee Hae Wan, *ibid.*, 52

³²² Lee Hae Wan, *ibid.*, 54

KCC can also refer disputes to the WIPO Center for mediation. KCC and the WIPO Center makes available below form to facilitate the submission of disputes to WIPO mediation,³²³ and offer discounted fees for such referrals.³²⁴

| Administration Fees | Mediator's Fees |
|----------------------------|----------------------------------|
| USD 100 | USD 100 per party ³²⁵ |

³²³ Information on the Request for Mediation for KCC disputes is available at <<http://www.wipo.int/amc/en/center/specific-sectors/kcc/>>

³²⁴ Lee Hae Wan, 'Introduction of KCC ADR System and Achievements' in World Intellectual Property Organization Arbitration and Mediation Center and the Korea Copyright Commission, 2014 WIPO-KCC Copyright Mediation Workshop (2014) 136

³²⁵ Parties are entitled to two mediation sessions with a maximum of two hours per session. A fee of USD 100 per party will be charged for each additional hour

WIPO-KCC Collaboration Request for WIPO Mediation

1. Parties

Please provide the following contact information:

| Requesting Party | Responding Party |
|----------------------------------------------------------------|----------------------------------------------------------------|
| Name: Country of domicile: Tel: E-mail: Address: | Name: Country of domicile: Tel: E-mail: Address: |
| Represented by (if applicable): Tel: E-mail: Address: | Represented by (if applicable): Tel: E-mail: Address: |

2. Dispute

Please provide a brief description of the dispute:

3. Submission to WIPO Mediation

a) The requesting party agrees to submit the above-described dispute to mediation in accordance with the WIPO Mediation Rules.

Please sign this form and submit it to arbiter.mail@wipo.int.

Place and Date: _____

Signature: _____

b) The responding party agrees to submit the above-described dispute to mediation in accordance with the WIPO Mediation Rules.

Please sign this form and submit it to arbiter.mail@wipo.int.

Place and Date: _____

Signature: _____

- For more information to resolve copyright and related disputes under the WIPO-KCC collaboration, please refer to <http://www.wipo.int/amc/en/center/specific-sectors/kcc/>.

A.2.4 Korea Creative Content Agency (KOCCA)

KOCCA is a governmental organization in the Republic of Korea affiliated with the Ministry of Culture, Sports and Tourism, and dedicated to fostering Korean cultural content industry. According to the Content Industry Promotion Act of Korea, the Content Dispute Resolution Committee (KCDRC) of KOCCA provides mediation for the resolution of the disputes arising out of the use of content.

KCDRC Mediation Rules allow one party to file a mediation request unilaterally without the consent of the other party, but the mediation will only be commenced with the consent of both parties. The settlement agreement resulting from KCDRC mediation is enforceable with the same effect as a final court judgment. Since the establishment of KCDRC in 2011, it has been receiving an increasing number of mediation requests; in 2014 it administered 108 mediation requests.

To promote alternative dispute resolution of content disputes in the Republic of Korea, KOCCA and the WIPO Center concluded a Memorandum of Understanding in September 2012. Pursuant to this collaboration agreement, parties have the option of submitting international disputes to WIPO Mediation. KOCCA and the WIPO Center make available the form below to facilitate such submission, and offer discounted fees for such referrals.³²⁶

| WIPO Center's Administration Fee | | Mediator's Fees | |
|------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard WIPO Mediation | WIPO Mediation Referred by KOCCA | Standard WIPO Mediation | WIPO Mediation Referred by KOCCA |
| 0.10% of the value of the mediation, up to a maximum fee of USD 10,000 | USD 100 | USD 300 – USD 600 per hour USD 1,500- USD 3,500 per day (Indicative rates) | USD 100 per party (includes 2 sessions of mediation with a maximum of 2 hours per session) Additional hours: USD 100 per hour per party |

³²⁶ Information on the Request for Mediation for KOCCA disputes is available at <<http://www.wipo.int/amc/en/center/specific-sectors/kocca/>>

WIPO-KOCCA Collaboration Request for WIPO Mediation

1. Parties

Please provide the following contact information:

| Requesting Party | Responding Party |
|----------------------------------------------------------------|----------------------------------------------------------------|
| Name: Country of domicile: Tel: E-mail: Address: | Name: Country of domicile: Tel: E-mail: Address: |
| Represented by (if applicable): Tel: E-mail: Address: | Represented by (if applicable): Tel: E-mail: Address: |

2. Dispute

Please provide a brief description of the dispute:

3. Submission to WIPO Mediation

a) The requesting party agrees to submit the above-described dispute to mediation in accordance with the WIPO Mediation Rules.

Please sign this form and submit it to arbiter.mail@wipo.int.

Place and Date: _____

Signature: _____

b) The responding party agrees to submit the above-described dispute to mediation in accordance with the WIPO Mediation Rules.

Please sign this form and submit it to arbiter.mail@wipo.int.

Place and Date: _____

Signature: _____

- For more information to resolve content disputes under the WIPO-KOCCA collaboration, please refer to <http://www.wipo.int/amc/en/center/specific-sectors/kocca/>.

A.2.5 Intellectual Property Office of the Philippines (IPOP HL)

In the Philippines, IPOP HL has offered mediation services for intellectual property disputes since 2010. Mediation is mandatory for the following types of intellectual property disputes administered by IPOP HL:³²⁷

- administrative complaints for violation of intellectual property rights and/or unfair competition
- *inter partes* cases, such as trademark opposition and cancellation proceedings
- disputes involving technology transfer payments
- disputes relating to the terms of a license involving the author's rights to public performance or other communication of his work
- cases on appeal to the Office of the Director General from decisions of the Bureau of Legal Affairs and the Documentation, Information and Technology Transfer Bureau³²⁸
- all other cases which may be referred to mediation during the settlement period declared by the Director General

Mediation services for disputes pending before IPOP HL can be provided by different ADR institutions, depending on the nature of the dispute.³²⁹ Generally, disputes can be referred to the IPOP HL Alternative Dispute Resolution Services (ADRS) for mediation, to be administered according to the IPOP HL Mediation Rules.³³⁰ Since 2011, IPOP HL has mediated some 800 cases.

Since April 2015, where one or both parties are domiciled outside of the Philippines, the dispute can also be submitted to the WIPO Center to be administered in accordance with the WIPO Mediation Rules. Parties can submit an application for mediation to the WIPO Center after their case has been referred to IPOP HL for mandatory briefing on the mediation options.³³¹

To submit the dispute to mediation, IPOP HL makes available to parties an Agreement and Request for Mediation / Mediator's Report as follows:

³²⁷ Intellectual Property Office of the Philippines, 'Office Order No. 154' http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015, 1

³²⁸ In these cases, the mediator who mediated the dispute at the Originating Office will not be called on to mediate the case, unless both parties agree otherwise. See Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015, 1

³²⁹ Intellectual Property Office of the Philippines, 'Supplemental Guidelines to Office Order No. 154, s. 2010' <<http://www.wipo.int/export/sites/www/amc/en/docs/ipophlofficeorder154.pdf>> accessed May 12, 2015

³³⁰ Intellectual Property Office of the Philippines, 'Alternative Dispute Resolution' <<http://www.ipophil.gov.ph/index.php/services/ip-cases2/alternative-dispute-resolution>> accessed February 25, 2015

³³¹ World Intellectual Property Organization Arbitration and Mediation Center, 'Agreement and Request for WIPO Mediation in IPOP HL Proceedings' <http://www.wipo.int/export/sites/www/amc/en/docs/ipophl_agreementrequest.doc> accessed April 21, 2015



Alternative Dispute Resolution (ADR)
Services Bureau of Legal Affairs

WIPO Arbitration and Mediation Center

AGREEMENT AND REQUEST FOR MEDIATION / MEDIATOR'S REPORT

ORIGINATING OFFICE: _____
Hearing Officer: _____

Opposer,

-vs-

Respondent-Applicant.

IPC CASE NO: _____
Opposition to:
Application No. _____
TM: " _____ "

DATE REFERRED: _____
60 days FROM REFERRAL: _____
90 days FROM REFERRAL: _____

PRE-MEDIATION STAGE

| DATES | OPPOSER | COUNSEL | RESPONDENT | COUNSEL | STATUS |
|-------|---------|---------|------------|---------|--------|
| | | | | | |
| | | | | | |
| | | | | | |

BRIEFER: _____
SIGNATURE OVER PRINTED NAME/DATE

CONSENT TO SUBMIT DISPUTE TO MEDIATION:

The parties agree to undergo mediation with the assistance of a Mediator and commit to follow the protocols, fees and guidelines of the proceedings established by:

- IOPHL
 the WIPO Arbitration and Mediation Center

OPPOSER /DATE

RESPONDENT- APPLICANT/DATE

MEDIATION SESSIONS

| OR NO. (OPPOSER): _____ | | | OR NO. (RESPONDENT): _____ | | |
|-------------------------|---------|---------|----------------------------|---------|--------|
| DATES | OPPOSER | COUNSEL | RESPONDENT | COUNSEL | STATUS |
| | | | | | |
| | | | | | |
| | | | | | |

EXTENSION

| OR NO. (OPPOSER): _____ | | | OR NO. (RESPONDENT): _____ | | |
|-------------------------|---------|---------|----------------------------|---------|--------|
| DATES | OPPOSER | COUNSEL | RESPONDENT | COUNSEL | STATUS |
| | | | | | |
| | | | | | |

ACTION TAKEN/STATUS:

- SETTLED (with following Attachment/s)
 Agreement
 Withdrawal of the Complaint
 Undertaking

- NOT- SETTLED
 BACK TO ORIGINATING OFFICE
 Awaiting Compromise Agreement

Recommendation: _____



TERMINATED, FOR OTHER REASONS: Compromise

- Refused to mediate (Opposer/Respondent)

- briefing without briefing

- Discontinued Mediation: _____

- Non-appearance of parties (complainant/respondent)

- Party/ies not fully authorized to enter into Compromise Agmt.

- Other reason/s: _____

(i) *ADRS Mediation*

For mediations administered by ADRS, ADRS will inform the parties of the date and time of the mediation, which will be conducted at ADRS's premises. Parties must have the necessary authority to offer, negotiate and accept any settlement reached during the mediation. ADRS will brief the parties on the mediation process, and assist in the selection and appointment of the mediator from ADRS's list of mediators. Parties will also be required to sign an agreement to mediate to show their sincerity

and commitment towards the mediation process.³³² All statements made in the mediation will be confidential and will be inadmissible in any subsequent proceedings, unless otherwise provided for by law.³³³

If the party initiating the claim fails to attend the mediation, the case may be dismissed. If the opposing party fails to attend the mediation, he may be declared to be in default. The absent party may be required to reimburse the other party up to treble the costs incurred, including any lawyers' fees.³³⁴

If the parties successfully reach a settlement, the mediator is to refer the settlement agreement to the Originating Office³³⁵ which will approve the agreement, unless the agreement is found to be contrary to law, public policy, morals or good customs, in which event it will be returned to the parties for amendment. An approved settlement agreement will have the effect of an official decision on the case, and will be enforced accordingly.³³⁶ If the parties are unable to reach an agreement within 60 days from commencement, the mediation will normally be terminated. The case will then be referred to the Originating Office and the parties may choose to refer their dispute to arbitration or proceed with pre-trial proceedings.³³⁷

As of 2015, fees for a mediation case administered by ADRS are as follows:³³⁸

| Initial Payment | Additional Mediation Session |
|------------------------------------|------------------------------|
| PHP 4,000 per party ³³⁹ | PHP 2,000 per party |

(ii) *WIPO Mediation*

For parties that opt for WIPO Mediation, the WIPO Center will administer the proceedings and also assist in the appointment of an appropriate mediator.³⁴⁰ The parties' proceedings before IOPPHL will be suspended for 60 days to allow the parties to proceed with the mediation.³⁴¹ If the party initiating

³³² In the event that the person with the necessary authority is not present in person, either the mediator or IOPPHL must be able to reach him by phone or any such communication facility during the mediation session. See Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015

³³³ Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015

³³⁴ Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015

³³⁵ IOPPHL will refer the settlement agreement to the office from which the dispute originated. Such originating office may be any one of the Documentation, Information and Technology Transfer Bureau, the Bureau of Legal Affairs or the Office of the Director General. See Intellectual Property Office of the Philippines, 'IOPPHL's ADR Procedure' <http://www.ipophil.gov.ph/images/IPCases/ADR/3.a_IOPPHL_s_ADR_procedure.pdf> accessed June 23, 2015

³³⁶ Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015, 2 – 3

³³⁷ If the parties are unable to resolve the dispute within 60 days of its referral to the IPO Mediation Office, the mediation will be terminated. A 30-day extension can be granted if the parties and the mediator make a joint application to the Originating Office. Intellectual Property Office of the Philippines, 'Office Order No. 154' <http://www.ipophil.gov.ph/images/IPCases/ADR/Office_Order_No._154_rules_of_procedure_for_mediation.pdf> accessed February 25, 2015, 3

³³⁸ Intellectual Property Office of the Philippines, 'Schedule of Fees' <http://www.ipophil.gov.ph/images/IPCases/ADR/6_Schedule_of_Fees.pdf> accessed March 10, 2015

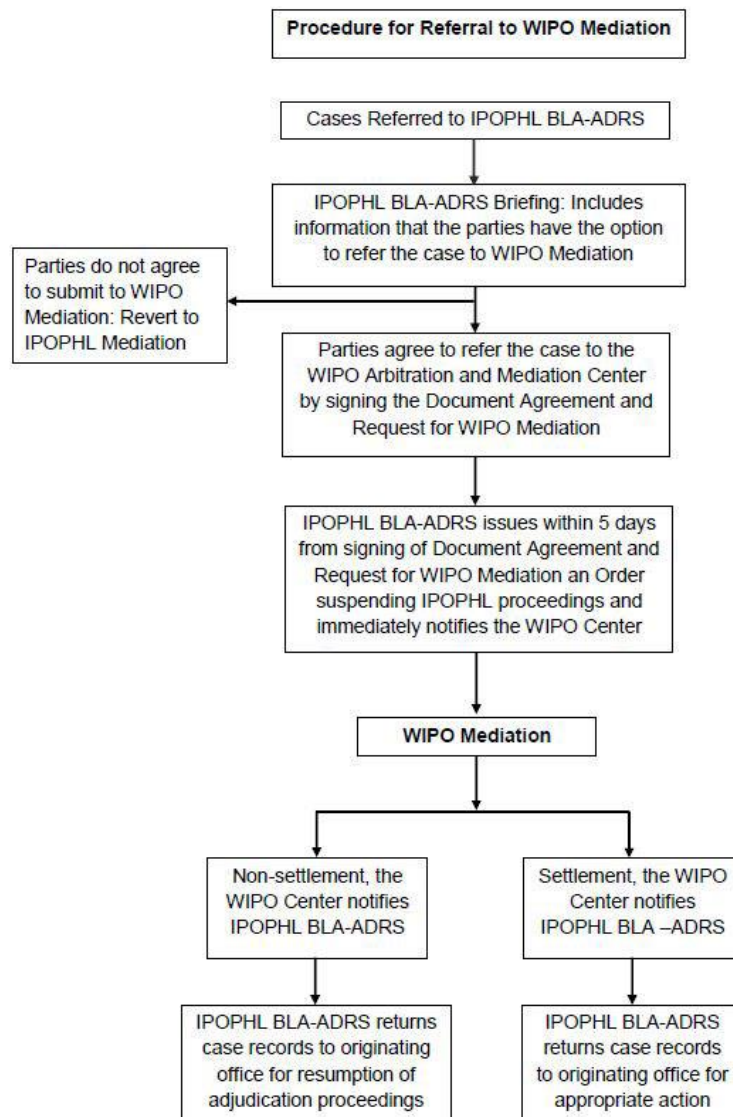
³³⁹ Parties will be entitled to two mediation sessions with a maximum of two hours per session

³⁴⁰ An indicative list of mediators can be found at WIPO's website. See World International Property Organization Arbitration and Mediation Center, 'WIPO/IOPPHL Panel of Mediators' <<http://www.wipo.int/amc/en/center/specific-sectors/ipophil/panel/>> accessed April 21, 2015

³⁴¹ The parties may request for the suspension to be extended by 30 days

the claim fails to attend the mediation, the case may be dismissed. If the opposing party fails to attend the mediation, he may be declared to be in default.³⁴²

The WIPO Center will notify ADRS of the outcome of the mediation. Where the parties successfully reach a settlement, ADRS will submit the settlement to the Originating Office for approval, and an approved settlement agreement will have the effect of an official decision on the case. Where the mediation is unsuccessful, ADRS will refer the dispute to the Originating Office and the parties may choose to refer their dispute to arbitration or proceed with pre-trial proceedings.



³⁴² Intellectual Property Office of the Philippines, 'Supplemental Guidelines to Office Order No. 154, s. 2010' <<http://www.wipo.int/export/sites/www/amc/en/docs/ipophofficeorder154.pdf>> accessed May 12, 2015

As of 2015, the fees for WIPO Mediation in respect of disputes referred from IPOPHL are as follows³⁴³:

| Administration Fees | Mediator's Fees |
|----------------------------|----------------------------------|
| USD 100 | USD 100 per party ³⁴⁴ |

³⁴³ World Intellectual Property Organization Arbitration and Mediation Center, 'Schedule of Fees and Costs - WIPO Mediation in IPOPHL Proceedings' <<http://www.wipo.int/amc/en/center/specific-sectors/ipophl/fees.html>> accessed March 10, 2015

³⁴⁴ Parties are entitled to two mediation sessions with a maximum of two hours per session. A fee of USD 100 per party will be charged for each additional hour

A.2.6 Intellectual Property Office of Singapore (IPOS)

In Singapore, IPOS has offered mediation services for trademark opposition, invalidation and revocation proceedings before IPOS since January 2012 in conjunction with the WIPO Center. Parties can agree to refer such disputes to the WIPO Center for mediation in accordance with the WIPO Mediation Rules.

Parties may submit to WIPO Mediation at any time before a final decision is issued by IPOS, and IPOS will proactively inform parties about the possibility to submit their dispute to WIPO Mediation at an early stage of the proceedings, after parties have filed their pleadings. At that point, IPOS will suspend the proceedings and send the parties a letter asking them to consider submitting their dispute to mediation administered by the WIPO Center, and to notify IPOS of their decision within one month from the date of the letter.³⁴⁵

Where parties choose to submit to WIPO Mediation, they may set aside 30, 60 or 90 days for the mediation. If the parties are able to fully settle their dispute, the initiating party is to inform IPOS in writing within two weeks that the matter has been settled, and the parties are to take the necessary steps to close the proceedings before IPOS. If the mediation settlement affects the disputed trademark application or registration in any way, then the parties must comply with the relevant procedures to give effect to the settlement.³⁴⁶

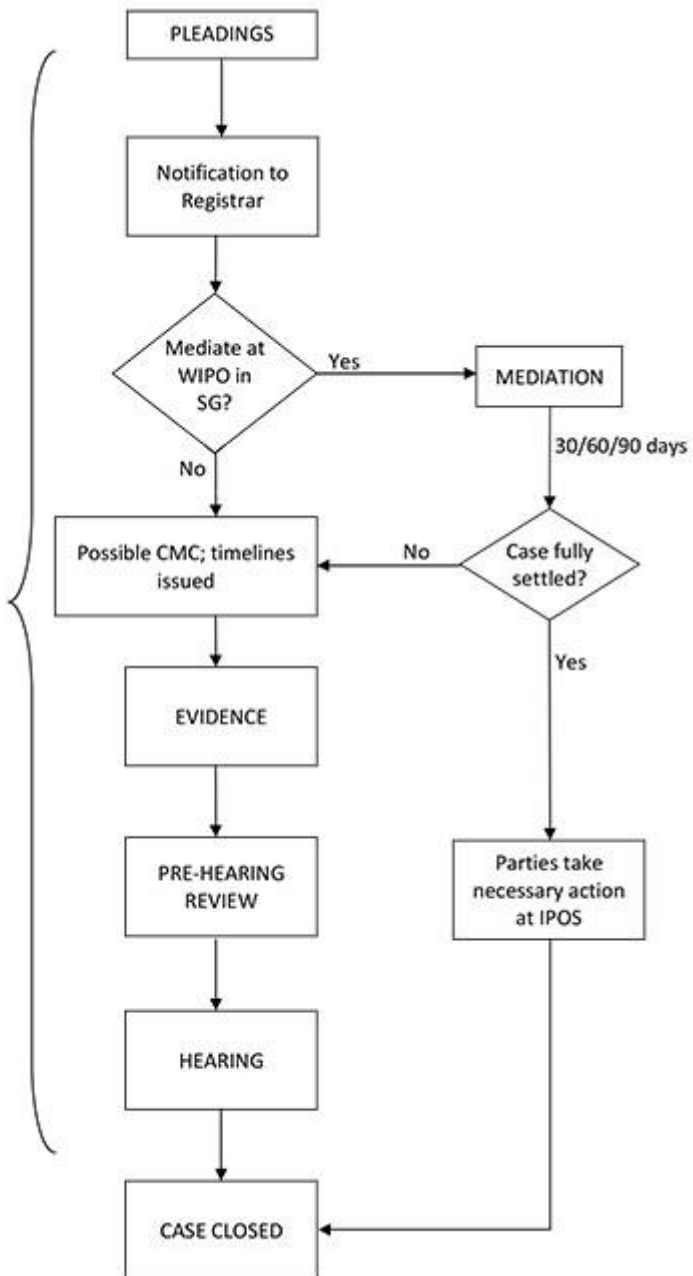
If the parties are unable to fully resolve their dispute, the initiating party is to inform IPOS in writing of such within two weeks, and the remaining issues will be returned to IPOS for adjudication.³⁴⁷

³⁴⁵ Intellectual Property Office of Singapore, 'Mediation Option for Trade Mark Proceedings' (Intellectual Property Office of Singapore, January 12, 2015) <<http://www.ipos.gov.sg/Services/HearingsandMediation/ResolvingDisputes/MediationOptionforTradeMarks.aspx>> accessed March 10, 2015

³⁴⁶ Intellectual Property Office of Singapore, *ibid.*

³⁴⁷ Intellectual Property Office of Singapore, *ibid.*

Parties may submit to mediation at the WIPO Center Office in Singapore at any stage. The proceedings may be suspended for agreed periods. If settled, parties take necessary action at IPOS, and the case is eventually closed.



As of June 2015, the fees for WIPO Mediation in respect of disputes referred from IPOS are as follows³⁴⁸:

| Administration Fees | Mediator's Fees | |
|----------------------------|------------------------|-----------------------|
| SGD 500 | SGD 400 per hour | SGD 5,500 per case(*) |

(*) Indicative rates for 20-25 hours of preparation and mediation

³⁴⁸ Intellectual Property Office of Singapore, 'Mediation Option for Trade Mark Proceedings' (Intellectual Property Office of Singapore, January 12, 2015) <<http://www.ipos.gov.sg/Services/HearingsandMediation/ResolvingDisputes/MediationOptionforTradeMarks.aspx>> accessed March 10, 2015

A.2.7 Intellectual Property Office of the United Kingdom (UK IPO)

In the United Kingdom, UK IPO has offered mediation services since 2006³⁴⁹ for the following types of disputes:³⁵⁰

- Infringements of intellectual property rights
- Disputes regarding intellectual property licensing
- Trademark opposition and invalidation proceedings on relative grounds
- Disputes over patent entitlements
- Copyright licensing disputes between collecting societies and users of copyright material

Parties who wish to engage in mediation can enter into a mediation agreement and submit it to UK IPO. The mediation agreement will confirm that both parties agree to use one of UK IPO's accredited mediators, and share the costs associated with the mediation. If a settlement is reached during the mediation, the mediator can help the parties record it in writing.³⁵¹ The WIPO Center is one of the dispute resolution service providers of mediation for intellectual property disputes pending before UK IPO.

³⁴⁹ Intellectual Property Office of the United Kingdom, 'Intellectual Property Office Mediation Service' (British Library, March 25, 2013) <<http://www.bl.uk/bipc/aboutus/news/ipmediation.html>> accessed March 10, 2015

³⁵⁰ It should be noted that trademark disputes concerning the distinctiveness of the mark, trademark opposition and invalidation proceedings on absolute grounds, and disputes involving IPO decisions (e.g. refusal of a patent application or request for extension of time) may not be suitable for mediation. See Intellectual Property Office of the United Kingdom, 'Intellectual Property Mediation' (GOV.UK, May 3, 2014) <<https://www.gov.uk/intellectual-property-mediation>> accessed March 10, 2015

³⁵¹ Intellectual Property Office of the United Kingdom, 'Intellectual Property Mediation' (GOV.UK, May 3, 2014) <<https://www.gov.uk/intellectual-property-mediation>> accessed March 10, 2015

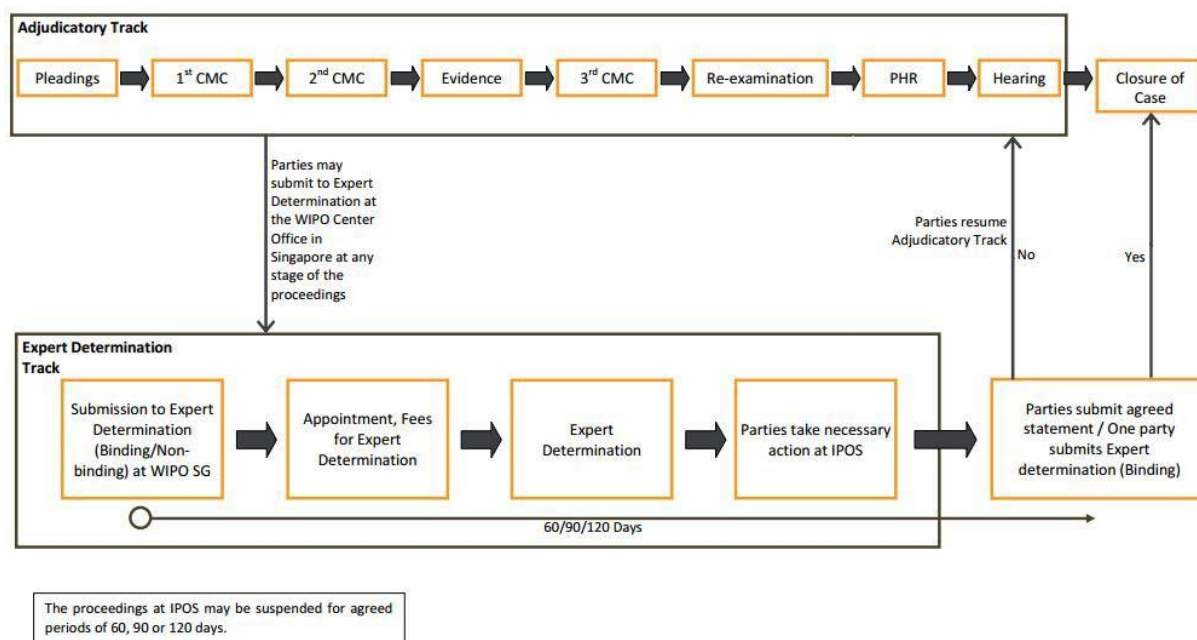
A.3 IPO-Connected Expert Determination

In Singapore, IPOS has offered expert determination services for contentious patent proceedings before IPOS in conjunction with the WIPO Center since April 1, 2014. Parties are allowed to submit their dispute to WIPO Expert Determination at any stage of the patent proceedings before IPOS.

If the parties wish to proceed with WIPO Expert Determination, they must submit an Agreement and Request for WIPO Expert Determination in IPOS Patent Proceedings to the WIPO Center. The WIPO Center will administer the proceedings and assist in the appointment of an appropriate expert.³⁵² Parties can request for the proceedings before IPOS to be suspended for 60, 90 or 120 days to account for the expert determination hearing.³⁵³

If a party having agreed to WIPO Expert Determination does not attend the hearing, the expert can continue with the hearing and draw the inferences that he deems to be appropriate.³⁵⁴ Otherwise, the expert will issue his determination at the end of the hearing.

Once the WIPO Expert Determination has been completed, the parties have one month to communicate the relevant results of the expert determination to IPOS in an agreed statement; otherwise, either party may submit the expert determination to IPOS. IPOS will give effect to the expert determination to the extent that it is relevant to the patent proceedings, provided that the parties have agreed that it is binding, and that it accords with the terms of the Agreement and Request for WIPO Expert Determination in IPOS Patent Proceedings.³⁵⁵



³⁵² World Intellectual Property Organization Arbitration and Mediation Center, 'WIPO Expert Determination for Proceedings Instituted in the Intellectual Property Office of Singapore (IPOS)' <<http://www.wipo.int/amc/en/center/specific-sectors/ipos/expert-determination/>> accessed March 10, 2015

³⁵³ Intellectual Property Office of Singapore, 'Expert Determination Option for Patent Proceedings' (Intellectual Property Office of Singapore, September 1, 2014) <<http://www.ipos.gov.sg/Services/HearingsandMediation/ResolvingDisputes/ExDOptionforPatents.aspx>> accessed March 10, 2015

³⁵⁴ Article 14, WIPO Expert Determination Rules. See Appendix B.3

³⁵⁵ The agreed statement can contain facts, legal consequences and the parties' decision on how they wish to proceed. To this end, the parties can decide to withdraw from a patent revocation application, surrender the patent or amend the patent specification. See Intellectual Property Office of Singapore, *ibid.* <<http://www.ipos.gov.sg/Services/HearingsandMediation/ResolvingDisputes/ExDOptionforPatents.aspx>> accessed March 10, 2015

As of 2015, the fees for WIPO Expert Determination in respect of disputes referred from IPOS are as follows³⁵⁶:

| Administration Fees | Expert's Fees | |
|----------------------------|----------------------|-----------------------|
| SGD 500 | SGD 400 per hour | SGD 5,500 per case(*) |

(*) Indicative rates for 20-25 hours of preparation and expert determination

³⁵⁶ Intellectual Property Office of Singapore, 'Expert Determination Option for Patent Proceedings' (Intellectual Property Office of Singapore, September 1, 2014) <<http://www.ipos.gov.sg/Services/HearingsandMediation/ResolvingDisputes/ExDOptionforPatents.aspx>> accessed March 10, 2015

Appendix B: WIPO Center References

B.1 WIPO ADR Rules

The following ADR rules applied by the WIPO Center in ADR cases it administers may be accessed through the following links to the WIPO Center's website.

| | |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| WIPO Mediation Rules | http://www.wipo.int/amc/en/mediation/rules/newrules.html |
| WIPO Expert Determination Rules | http://www.wipo.int/amc/en/expert-determination/rules/newrules.html |
| WIPO Expedited Arbitration Rules | http://www.wipo.int/amc/en/arbitration/expedited-rules/newrules.html |
| WIPO Arbitration Rules | http://www.wipo.int/amc/en/arbitration/rules/newrules.html |

B.2 Fees for ADR Services under WIPO Rules

B.2.1 Mediation

| Administration Fees ³⁵⁷ | Mediator's Fees (*) | |
|------------------------------------------------------------------------|----------------------------|---------------------------|
| 0.10% of the value of the mediation, up to a maximum fee of USD 10,000 | USD 300 – 600 per hour | USD 1,500 – 3,500 per day |

(*) Indicative rates

³⁵⁷ The value of the mediation is determined by the total value of the amounts claimed by the parties. Where the monetary value of the mediation is not indicated, or where the dispute concerns issues that are not quantifiable in monetary amounts, an administration fee of USD 1,000 shall be payable, subject to adjustment. See World Intellectual Property Organization Arbitration and Mediation Center, 'Schedule of Fees and Costs' <<http://www.wipo.int/amc/en/mediation/fees/>> accessed February 24, 2015

B.2.2 Expedited Arbitration and Arbitration

| Type of Fee | Amount in Dispute | Expedited Arbitration | Arbitration |
|---------------------------|---------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Registration Fee | Any amount | USD 1,000 | USD 2,000 |
| Administration Fee | Up to USD 2.5M | USD 1,000 | USD 2,000 |
| | Over USD 2.5M and up to USD 10M | USD 5,000 | USD 10,000 |
| | Over USD 10M | USD 5,000 +0.05% of amount over USD 10M up to a maximum fee of USD 15,000 | USD 10,000 +0.05% of amount over USD 10M up to a maximum fee of USD 25,000 |
| Arbitrator(s) Fees | Up to USD 2.5M | USD 20,000 (fixed fee) | As agreed by the Center in consultation with the parties and the arbitrator(s) |
| | Over USD 2.5M and up to USD 10M | USD 40,000 (fixed fee) | |
| | Over USD 10M | As agreed by the Center in consultation with the parties and the arbitrator | Indicative rate(s): USD 300 to 600 per hour. |

B.2.3 Expert Determination

| Administration Fees ³⁵⁸ | Expert's Fees (*) | |
|------------------------------------------------------------------------------------|--------------------------|---------------------------|
| 0.10% of the value of the expert determination, subject to a maximum of USD 10,000 | USD 300 – 600 per hour | USD 1,500 – 3,500 per day |

(*) Indicative rates

Where one of the parties is named as an applicant or inventor in a published Patent Cooperation Treaty application, a holder of an international registration under the Hague or Madrid system, or a

³⁵⁸ The value of the expert determination is determined by the total value of the amounts claimed by the parties. Where the monetary value of the expert determination is not indicated, or where the dispute concerns issues that are not quantifiable in monetary amounts, an administration fee of USD 1,000 shall be payable, subject to adjustment. See World Intellectual Property Organization Arbitration and Mediation Center, 'Schedule of Fees and Costs' <<http://www.wipo.int/amc/en/expert-determination/fees/index.html>> accessed March 10, 2015

WIPO GREEN technology provider or seeker, the WIPO Center will provide a 25% reduction on its administration and registration fees.³⁵⁹

B.3 Sample WIPO ADR Clauses and Agreements

The WIPO Center provides sample contract clauses for the submission of future disputes and submission agreements for existing disputes on its website at <http://www.wipo.int/amc/en/clauses/index.html>. These sample clauses and agreements allow parties to submit their dispute to WIPO Mediation, Expert Determination, Expedited Arbitration and/or Arbitration (or combinations of these procedures), and are also available in Arabic, Chinese, English, French, German, Japanese, Korean, Portuguese, Russian and Spanish.

B.4 Specialized WIPO ADR Services for Specific Industries

Specific areas of intellectual property transactions may benefit from targeted adaptations of the standard WIPO ADR framework, for example in relation to rules, fees and clauses. Such adaptations promote efficiency gains through ADR processes that reflect legal and business standards and needs of the area. The WIPO Center's ADR services for Specific Sectors currently cover the following areas:³⁶⁰

- Art and Cultural Heritage
- Energy
- Film and Media and Entertainment
- Franchising
- Information and Communication Technology
- Intellectual Property Offices
- Life Sciences
- Patents in Standards
- Research and Development/Technology Transfer
- Sports
- Trade Fairs

³⁵⁹ World Intellectual Property Organization Arbitration and Mediation Center, 'Schedule of Fees and Costs' <<http://www.wipo.int/amc/en/mediation/fees/>> accessed March 10, 2015

³⁶⁰ Further information is available at <<http://www.wipo.int/amc/en/center/specific-sectors/>>

Appendix C: Sample WIPO Center Information Document - Referring Intellectual Property and Technology Court Cases to WIPO ADR

Where intellectual property and technology disputes are pending before the courts of [specify jurisdiction], alternative dispute resolution (ADR) procedures can offer additional benefits in bringing such cases to a successful conclusion.

ADR may present a suitable opportunity for cases pending before the courts where the parties are willing to explore settlement or need the assistance of an expert in a technical or scientific matter. The WIPO Center administers cases referred to ADR by national courts as well as by other adjudicative bodies, including Intellectual Property Offices.

WIPO Mediation

In a mediation procedure, a neutral intermediary, the mediator, helps the parties to reach a mutually satisfactory settlement of their dispute. Any settlement is recorded in an enforceable contract. Mediation is an efficient and cost-effective way of settling a case while preserving, and at times even enhancing, the relationship of the parties.

The principal characteristics of mediation are:

- Mediation is a non-binding procedure controlled by the parties
- Mediation is a confidential procedure
- Mediation is an interest-based procedure

Parties involved in proceedings pending before national courts may submit their dispute to WIPO Mediation by filing their agreement for WIPO Mediation with the WIPO Center.

Recommended Model Submission Agreement to WIPO Mediation

"We, the undersigned parties, hereby agree to submit to mediation in accordance with the WIPO Mediation Rules the following dispute:

[brief description of the dispute]

The place of mediation shall be [specify place]. The language to be used in the mediation shall be [specify language]."

Upon receiving the agreement to WIPO Mediation, the WIPO Center will contact the parties regarding the appointment of the mediator and the applicable fees. While the parties are free to identify a suitable candidate for such appointment themselves, the WIPO Center is available to assist with the provision of a shortlist of qualified candidates taking account of the requirements of the case.

WIPO Arbitration

Arbitration is a procedure in which a dispute is submitted, by agreement of the parties, to one or more arbitrators who make a binding decision on the dispute. In choosing arbitration, the parties opt for a private dispute resolution procedure instead of going to court.

The principal characteristics of arbitration are:

- Arbitration is consensual
- The parties choose the arbitrator(s)
- Arbitration is neutral
- Arbitration is a confidential procedure

-
- The decision of the arbitral tribunal is final and easy to enforce

Parties involved in proceedings pending before national courts may submit their dispute to WIPO Arbitration by filing their agreement for WIPO Arbitration with the WIPO Center.

Recommended Model Submission Agreement to WIPO Arbitration

“We, the undersigned parties, hereby agree that the following dispute shall be referred to and finally determined by arbitration in accordance with the WIPO Arbitration Rules:

[brief description of the dispute]

The arbitral tribunal shall consist of [a sole arbitrator][three arbitrators]. The place of arbitration shall be [specify place]. The language to be used in the arbitral proceedings shall be [specify language]. The dispute shall be decided in accordance with the law of [specify jurisdiction].”

Upon receiving the agreement to WIPO Arbitration, the WIPO Center will contact the parties regarding the appointment of the arbitrator(s) and the applicable fees. While the parties are free to identify suitable candidates for such appointment themselves, the WIPO Center is available to assist with the provision of a shortlist of qualified candidates taking account of the requirements of the case.

The WIPO Center also offers WIPO Expedited Arbitration services, a form of arbitration that is carried out in a shortened time frame and at a reduced cost.

WIPO Expert Determination

Expert determination is a consensual ADR service offered by the WIPO Center in which a technical, scientific or related business issue between the parties is submitted to one or more experts who make a determination on the matter.

The principal characteristics of expert determination are:

- Expert determination is consensual
- The parties choose the expert(s) with relevant expertise
- Expert determination is neutral and flexible
- Expert determination is a confidential procedure
- The determination of an expert is binding, unless the parties agree otherwise
- Expert determination is a flexible procedure

Examples of matters that may benefit from expert determination include:

- the valuation of intellectual property assets or the determination of royalty rates;
- the interpretation of the claims of a patent;
- the extent of the rights that are covered by a license;
- the assessment of damages.

Parties involved in proceedings pending before national courts may submit their dispute to WIPO Expert Determination by filing their agreement for WIPO Expert Determination with the WIPO Center.

Recommended Model Submission Agreement to WIPO Expert Determination

“We, the undersigned parties, hereby agree to submit to expert determination in accordance with the WIPO Expert Determination Rules the following matter:

[brief description of the matter referred to expert determination]

The determination made by the expert shall [not] be binding upon the parties. The language to be used in the expert determination shall be [specify language].”

Upon receiving the agreement to WIPO Expert Determination, the WIPO Center will contact the parties regarding the appointment of the expert and the applicable fees. While the parties are free to identify a suitable candidate for such appointment themselves, the WIPO Center is available to assist with the provision of a shortlist of qualified candidates taking account of the requirements of the case.