Mediation in IP Practice

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WIPO Arbitration and Mediation Center
WIPO Arbitration and Mediation Center

- Established October 1994 as part of the World Intellectual Property Organization (WIPO)
  - WIPO is based in Geneva, Switzerland
  - WIPO has 187 Member States
  - WIPO administers 26 treaties

- WIPO Center facilitates the resolution of commercial disputes between private parties involving intellectual property and technology, through procedures other than court litigation
  - International scope of services
  - Offices in Singapore and Geneva
ADR of IP Disputes requires a specialized ADR provider

- WIPO panel members experienced in IP and technology - able to deliver informed results efficiently

- Services include mediation, (expedited) arbitration, expert determination
  - Parties can shape the process with the help of WIPO Rules (updated 2014), contract clauses
Typical Subject Areas of WIPO Cases

- Contractual
  - patent licenses
  - software and other information technology
  - research and development agreements
  - trademark coexistence agreements
  - patent pools
  - distribution agreements
  - joint ventures
  - copyright collecting societies
  - IP settlement agreements

- Non-contractual infringement of IP rights
Mediation, Arbitration, Expert Determination

- **Mediation**: informal consensual process in which a neutral intermediary, the mediator, assists the parties in reaching a settlement of their dispute, based on the parties’ respective interests. The mediator cannot impose a decision. The settlement agreement has force of contract. Mediation leaves open available court or agreed arbitration options.

- **Arbitration**: consensual 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 and enforceable internationally.

- **Expert Determination**: consensual procedure in which the parties submit a specific matter (e.g. technical question) to one or more experts who make a determination on the matter, which can be binding unless the parties have agreed otherwise.
WIPO ADR Options

WIPO Contract Clause/Submission Agreement

(Negotiation)

Mediation

Expert Determination

(Determination)

Settlement

Award

Expedited Arbitration

Arbitration

Party Agreement

First Step

Procedure

Outcome
"Any dispute, controversy or claim arising under, out of or relating to this contract and any subsequent amendments of this contract, including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims, shall be submitted to mediation in accordance with the WIPO Mediation Rules. The place of mediation shall be [specify place]. The language to be used in the mediation shall be [specify language]."

If, and to the extent that, any such dispute, controversy or claim has not been settled pursuant to the mediation within [60][90] days of the commencement of the mediation, it shall, upon the filing of a Request for Arbitration by either party, be referred to and finally determined by arbitration in accordance with the WIPO Expedited Arbitration Rules. Alternatively, if, before the expiration of the said period of [60][90] days, either party fails to participate or to continue to participate in the mediation, the dispute, controversy or claim shall, upon the filing of a Request for Arbitration by the other party, be referred to and finally determined by arbitration in accordance with the WIPO Expedited Arbitration Rules. The place of arbitration shall be [specify place]. The language to be used in the arbitral proceedings shall be [specify language]. The dispute, controversy or claim referred to arbitration shall be decided in accordance with [specify jurisdiction] law."
Mediation: a Closer Look

- Consensual
- Negotiation between parties
- Facilitated by mediator
- Mediator selected by parties
- Interest-based
- Parties must at least commence mediation, but retain court or arbitration options
- Flexible rules
- Confidential
- Mediator has no authority to decide
- Settlement normally enforceable as a contract
Active WIPO Case Management

- General procedural information, training programs
- Initiation of procedure and subsequent case communication (option of WIPO Electronic Case Facility)
- Neutral appointment in full consultation with parties
  - Over 1,500 specialized neutrals
  - 100 nationalities
  - Mediators, arbitrators, technical experts
  - All areas of IP/IT
  - New neutrals added in function of specific case needs
- Setting fees, financial management
- Availability of procedural guidance to neutral
- Hearing/meeting logistical assistance
**WIPO Electronic Case Facility (ECAF)**

- Easy; Instant; Centralized; Location-independent; Secure

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**WIPO Electronic Case Facility (ECAF)**

**Case: WIPOA20020**

Licensing v. AB Technics Inc.

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>SUBMITTED BY</th>
<th>DATE</th>
<th>SUBJECT</th>
<th>ANNEX</th>
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<tr>
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<td>WIPO AMC Case Manager</td>
<td>04/06/09</td>
<td>Main Case File 3</td>
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<td>21/09/09</td>
<td>Annex 2</td>
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WIPO Cases: Types of Procedure

- Mediation: 57%
- Arbitration: 24%
- Expedited Arbitration: 19%
WIPO Cases: Subject Matter

- Patents: 39%
- Copyright: 8%
- Trademarks: 15%
- IT Law: 17%
- Other: 21%
WIPO Cases: Business Areas

- Information Technology: 32%
- Mechanical: 23%
- Entertainment: 14%
- Life Sciences: 16%
- Other: 10%
- Chemistry: 4%
- Luxury Goods: 1%
<table>
<thead>
<tr>
<th>Country</th>
<th>Characteristic of Legal System</th>
<th>Average Length</th>
<th>Average Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>- Civil Law&lt;br&gt;- No specialized courts (but specialized chambers)</td>
<td>First Instance: 9-12 months&lt;br&gt;Appeal: 18-24 months</td>
<td>€ 10,000-100,000 (1st Inst.)&lt;br&gt;€ 10,000-100,000 (App.)</td>
</tr>
<tr>
<td>Germany</td>
<td>- Civil Law&lt;br&gt;- Specialized courts</td>
<td>First Instance: 8 months&lt;br&gt;Appeal: 15-18 months</td>
<td>€ 4,600-80,400 (1st Inst.)&lt;br&gt;€ 8,000-98,700 (App.)</td>
</tr>
<tr>
<td>Italy</td>
<td>- Civil Law&lt;br&gt;- Specialized courts</td>
<td>First Instance: Few months – 24 months&lt;br&gt;Appeal: 12-18 months</td>
<td>€ 15,000-40,000 (1st Inst.)&lt;br&gt;€ 15,000-25,000 (App.)</td>
</tr>
<tr>
<td>Spain</td>
<td>- Civil Law&lt;br&gt;- Commercial courts</td>
<td>First Instance: 12 months&lt;br&gt;Appeal: 18-24 months</td>
<td>–</td>
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<tr>
<td>UK</td>
<td>- Common Law&lt;br&gt;- No specialized courts</td>
<td>First Instance: 10-12 months&lt;br&gt;Supreme Court: 24 months</td>
<td>£ 100,000-500,000 (1st Inst.)&lt;br&gt;£ 50,000-250,000 (App.)</td>
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<td>China</td>
<td>- Civil Law&lt;br&gt;- No specialized courts (but specialized tribunals)</td>
<td>First Instance: 6 months&lt;br&gt;Appeal: 3 months</td>
<td>Based on the amount of damages&lt;br&gt;RMB 500-1000 where no claim for monetary amount (1st Inst. and App.)</td>
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<td>Japan</td>
<td>- Civil Law&lt;br&gt;- Specialized courts</td>
<td>First Instance: 14 months&lt;br&gt;Appeal: 9 months</td>
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<td>USA</td>
<td>- Common Law&lt;br&gt;- No specialized courts</td>
<td>First Instance: 2-5 years&lt;br&gt;Appeal: 1-2 years</td>
<td>USD 350,000-1,500,000* (1st Inst.)</td>
</tr>
</tbody>
</table>

Source: This chart is based on figures provided in Patent Litigation - Jurisdictional Comparisons, Thierry Calame, Massimo Sterpi (ed.), The European Lawyer Ltd, London 2006.

Settlement in WIPO-Administered Cases

**Mediation**
- Not Settled: 31%
- Settled: 69%

**Arbitration**
- Not Settled: 60%
- Settled: 40%
WIPO 2013 International Survey on Dispute Resolution in Technology Transactions


Place of Survey Respondent
Business Operations

Type of Survey Respondent
91% of respondents conclude agreements with parties from other jurisdictions.

+80% of respondents conclude agreements relating to technology patented in multiple jurisdictions.
# Top Ten Considerations in Choice of Dispute Resolution Clause

<table>
<thead>
<tr>
<th>Domestic Contracts</th>
<th>International Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs – 71%</td>
<td>Costs – 71%</td>
</tr>
<tr>
<td>Time – 59%</td>
<td>Time – 57%</td>
</tr>
<tr>
<td>Quality Outcome – 44%</td>
<td>Enforceability – 53%</td>
</tr>
<tr>
<td>Confidentiality – 33%</td>
<td>Quality Outcome – 44%</td>
</tr>
<tr>
<td>Enforceability – 33%</td>
<td>Neutral Forum – 36%</td>
</tr>
<tr>
<td>Business Solution – 30%</td>
<td>Confidentiality – 32%</td>
</tr>
<tr>
<td>Neutral Forum – 18%</td>
<td>Business Solution – 29%</td>
</tr>
<tr>
<td>None in Particular – 9%</td>
<td>Support Provided by Institution – 9%</td>
</tr>
<tr>
<td>Setting Precedent – 6%</td>
<td>None in Particular – 6%</td>
</tr>
<tr>
<td>Support Provided by Institution – 6%</td>
<td>Setting Precedent – 5%</td>
</tr>
</tbody>
</table>
How Are Technology Disputes Resolved?
Relative Time and Cost of Technology Dispute Resolution

TIME

COST

- Mediation
- Expedited Arbitration
- Expert Determination
- Arbitration

TIME

COST

- Court – Home Jurisdiction
- Court – Foreign Jurisdiction
- Mediation
- Arbitration
- Expert Determination
- Expedited Arbitration

WIPO ADR
Arbitration and Mediation Center
WIPO Tailored ADR for Specific Sectors

- Domain Names (+43,000 cases since 1999)
- Film and Media
- Information and Communication Technology
- Research and Development/Technology Transfer
- Intellectual Property Offices (including mediation option for parties in administrative procedures before IPOS, INPI Brazil)

http://www.wipo.int/amc/en/center/specific-sectors/
Example: WIPO Mediation Option for Trademark Proceedings Instituted in IPOS

- **Areas of Dispute**
  - TM opposition
  - TM invalidation
  - TM revocation

- **Parties to Dispute**
  - Applicants before IPOS
  - Opponents/applicants for invalidation/revocation before IPOS

- WIPO Panel of Neutrals for Disputes Pending before IPOS

- Reduced Schedule of Fees
Example: WIPO Mediation Option for Trademark Proceedings Instituted in IPOS

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.
Further Information


- Contact information, general queries and case filing: arbiter.mail@wipo.int

- Information on procedures, neutrals and case examples: http://www.wipo.int/amc/en/