

Conduct of Arbitration Proceedings under WIPO Arbitration Rules

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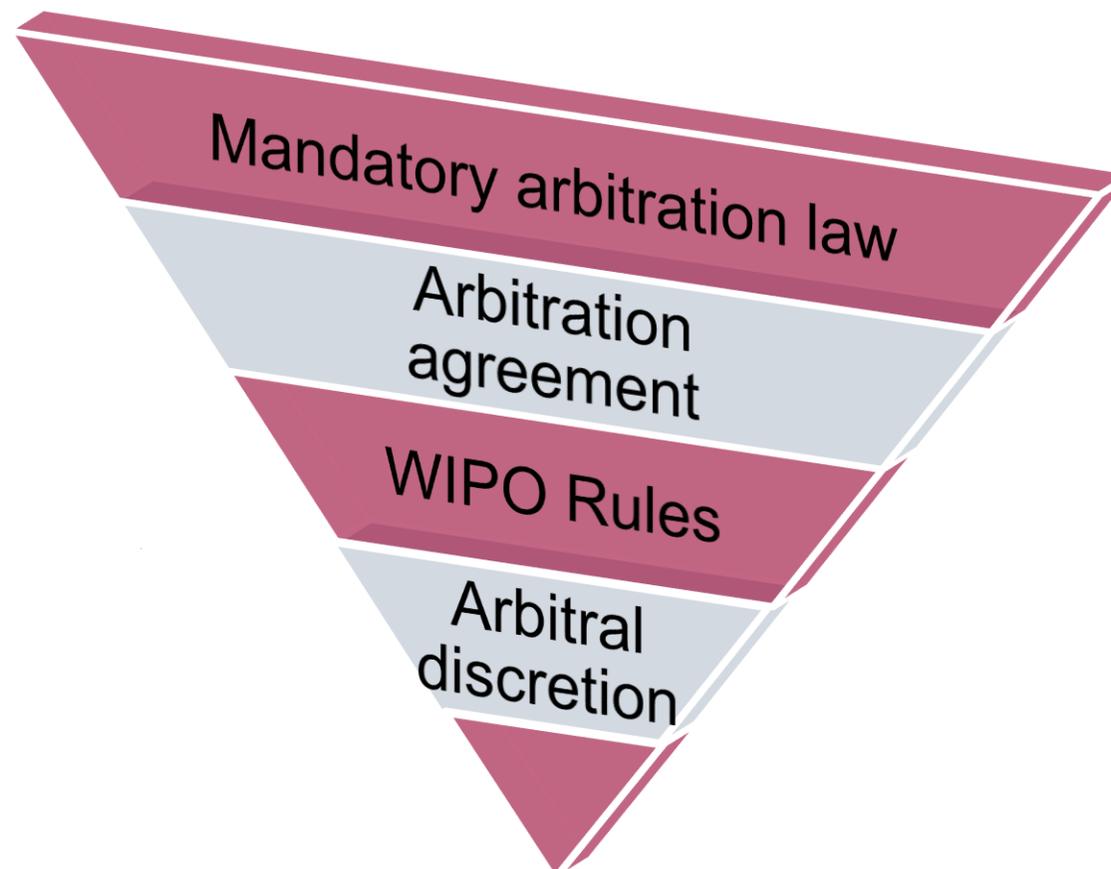
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Hubbard
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Hierarchy of Governing Law and Rules

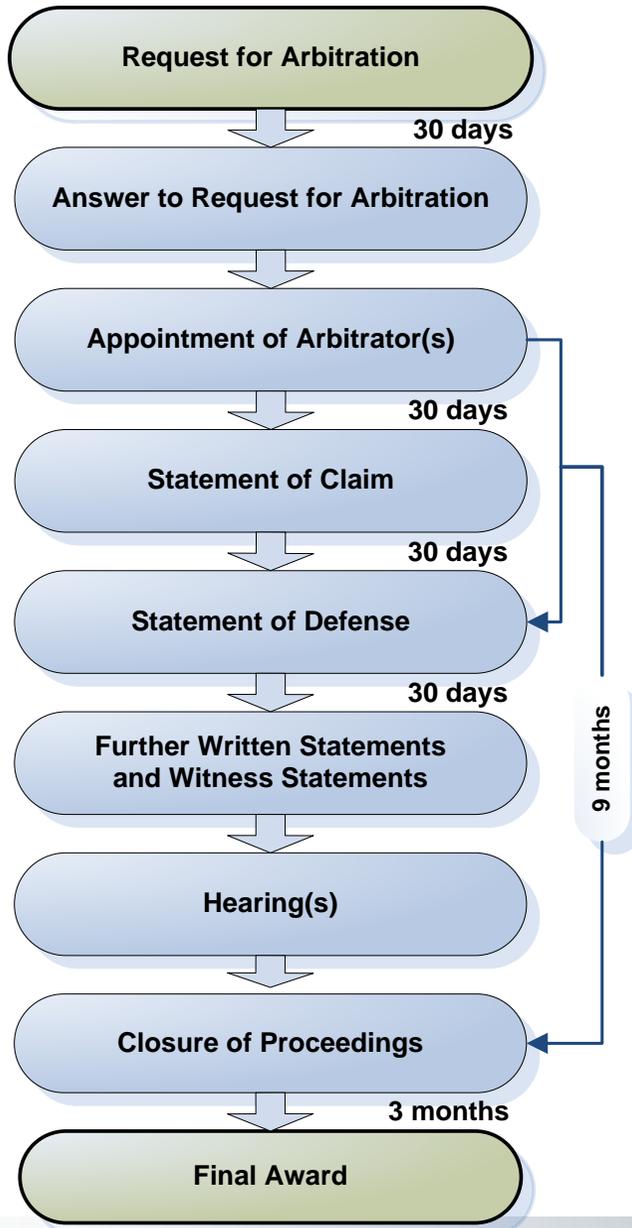


General Powers of the Arbitral Tribunal

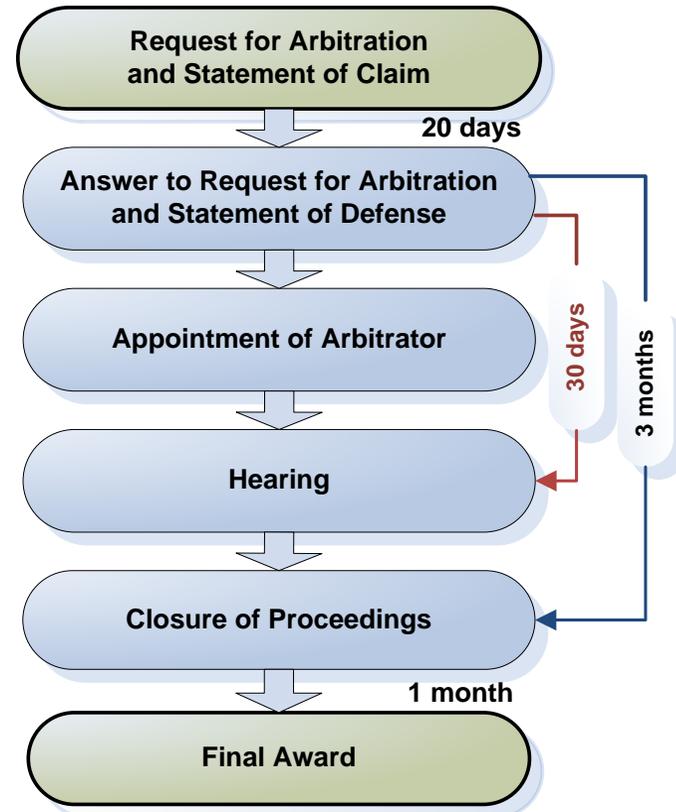
✗ WIPO Rules, Article 37: General Powers of the Tribunal

- (a) Subject to Article 3, the Tribunal may conduct the arbitration in such manner as it considers appropriate.
- (b) In all cases, the Tribunal shall ensure that the parties are treated with equality and that each party is given a fair opportunity to present its case.
- (c) The Tribunal shall ensure that the arbitral procedure takes place with due expedition...

WIPO ARBITRATION



WIPO EXPEDITED ARBITRATION



- One Exchange of Pleadings
- Shorter Time Limits
- Sole Arbitrator
- Shorter Hearings
- Fixed Fees

Number of Arbitrators (Article 14)

✗ Article 14:

(a) The Tribunal shall consist of such number of arbitrators as has been agreed by the parties.

(b) Where the parties have not agreed on the number of arbitrators, the Tribunal shall consist of a sole arbitrator, except where the Center in its discretion determines that, in view of all the circumstances of the case, a Tribunal composed of three members is appropriate.

Appointment Procedures (Articles 15-19)

- ✗ Arbitrators will be appointed following any procedure agreed by the parties: (Article 15(a))
- ✗ If no agreed appointment procedure:
 - ✗ A sole arbitrator is nominated jointly by the parties, failing which appointed by the Center: (Article 16)
 - ✗ For a three-member tribunal, Claimant(s) and Respondent(s) each nominate one arbitrator and those two nominate the third. (Article 17)
 - ✗ For multiple Claimants/Respondents, if Claimants/Respondents' joint nomination is not made, the Center shall appoint one or both arbitrators. (Article 18)
- ✗ If the Tribunal has not been established by the agreed procedure or within 45 days after the start of the arbitration, the Tribunal shall be established by the Center under the default provisions of Article 19: Article 15(b)

Appointment Procedures (Article 19)

- × Article 19 default procedure:
 - × Center sends the parties identical list of candidates
 - × Each party may delete names it objects to and shall rank the remaining candidates; must do within 20 days
 - × Center shall appoint from the lists, taking into account the objections and preferences of the parties
 - × If the lists have no names acceptable to both parties, Center shall appoint directly

Conflicts of Interest (Article 22)

- ✗ Arbitrators shall be “impartial and independent”: Article 22(a)
- ✗ Before accepting appointment, disclosure shall be made of any circumstances that might give rise to “justifiable doubt as to the arbitrator’s impartiality or independence”: Article 22(b)
- ✗ Disclosure is also required of any such new circumstances that might arise after appointment at any stage of the arbitration: Article 22(c)
- ✗ Duty to disclose continues throughout the entire proceeding
- ✗ IBA Guidelines on Conflicts of Interest in International Arbitration

Challenges (Articles 24-29)

- ✗ A party may challenge an arbitrator if circumstances exist that give rise to justifiable doubt as to the arbitrator's impartiality or independence: Article 24(a)
- ✗ Challenges should be made within 15 days: Article 25
- ✗ A party can challenge an arbitrator it appointed only for reasons it learns after the appointment is made: Article 24(b)
- ✗ A party shall have the right to respond to the challenge: Article 26
- ✗ If the other party does not agree or the arbitrator does not withdraw, the decision is made by the Center: Article 29
- ✗ The Center is not required to provide reasons: Article 29
- ✗ The Tribunal may suspend or continue the arbitration proceedings during the pendency of the challenge: Article 27

Pleas as to the Jurisdiction of the Tribunal (Article 36)

- ✗ The Tribunal shall have the **power to hear and determine** objections to its own jurisdiction, including any objections with respect to form, existence, validity or scope of the Arbitration Agreement: Article 36(a)
- ✗ The Tribunal shall have the **power to determine the existence or validity of any contract** of which the Arbitration Agreement forms part or to which it relates: Article 36(b)
- ✗ Jurisdictional objections should be raised **not later than the Statement of Defense**: Article 36(c)
- ✗ Jurisdictional objections can be **decided in a preliminary award** or together with **the final merits award**: Article 36(d)

Preparatory Conference (Article 40)

- × The Tribunal shall, in general within 30 days after its establishment, conduct a preparatory conference with the parties in any suitable format for the purpose of organizing and scheduling the subsequent proceedings in a time and cost-efficient manner: Article 40
- × Often held by videoconference or telephone

Written Submissions

× Typically:

1. Request for Arbitration (Claimant): Articles 6-10

× Description of dispute, claims and relief sought

2. Answer and Counterclaim (Respondent): Articles 11-12

× Response to claims and any counterclaims

3. Statement of Claim (Claimant): Article 41

× Comprehensive statement of facts, legal argument and relief requested

× Evidence: documents and witness statements

4. Statement of Defense (Respondent): Article 42

5. Further Written Statements: Article 43

× Statement of Reply (Claimant)

× Statement of Rejoinder (Respondent)

× Post Hearing Memorials (if agreed/permitted)

Approaches to Evidence

Common Law ./. Civil Law

	Common law	Civil law
General approach	Comprehensive oral hearing prepared by written submissions	Extensive written briefs followed by streamlined oral hearing(s)
Documentary evidence	Extensive discovery / disclosure procedure	Each party to rely on its own evidence; very limited document production
Witness evidence	Written witness statements; cross-examination by opposing counsel during oral hearing	No written witness statements; witness evidence administered by courts; questions by counsel during oral hearing
Expert evidence	Party-appointed experts	Tribunal-appointed experts

The Guiding Principle for Evidence

Article 50

- ✗ The Tribunal shall determine the admissibility, relevance, materiality and weight of evidence.
- ✗ The Tribunal may, at the request of a party or on its own motion, order a party to produce such documents or other evidence as it considers necessary or appropriate.
- ✗ Arbitrators generally do not have subpoena powers to obtain evidence from third parties and/or from outside the State where the arbitration takes place.

Assistance from National Courts in the Taking of Evidence

× Art. 27 UNCITRAL Model Law

- × The arbitral tribunal or a party with the approval of the arbitral tribunal may request from a competent court assistance in taking evidence.

× § 1050 ZPO (Germany)

- × (...) or performance of other judicial acts which the arbitral tribunal is not empowered to carry out.

× The UK Arbitration Act, 1996, s.43

- × A party can apply to the Court for an Order to compel a witness to attend **and** to bring any material documents in his possession.

× U.S. Code § 1782

- × A district court may order a person residing within that District to give testimony or produce documents “for use in a foreign or international tribunal”.

× **P.R. China Consultation Draft of Revised Arbitration Law**

- × Prior to or during the arbitration procedure, parties may request the People’s Court...to take interim measures, including property preservation, evidence preservation, and conduct preservation”.

Disclosure/Discovery of Documents

× Typically:

1. Parties produce documents on which they rely

× WIPO Rules, Arts 41(c); 42(b)

2. Parties exchange requests for documents

3. Parties ask Tribunal to order production of specific documents or categories of documents that have not been produced voluntarily

× WIPO Rules, Art. 50(b)

4. Tribunal must rule – criteria?

× WIPO Rules, Art. 50(b): “the Tribunal may...order a party to produce such documents or other evidence as it considers necessary or appropriate”

× WIPO Rules, Art. 37

Form of Testimony of Witnesses

- ✗ Article 56(d) – testimony can be by written statements
- ✗ Art. 55(a) – at the request of either party, the tribunal will hold an oral hearing and will allow presentation of evidence by witnesses, including expert witnesses
- ✗ Art. 56(c) provides: “Any witness who gives oral evidence may be questioned, under the control of the Tribunal, by each of the parties. The Tribunal may put questions at any stage of the examination of the witnesses.”
- ✗ Art. 56(e) provides that each party is responsible for the practical arrangements, cost and availability of any witness which it calls
- ✗ Art. 56(f) provides that the Tribunal shall determine whether any witness shall retire during any part of the proceedings, particularly during the testimony of other witnesses

Expert Witnesses Appointed by Tribunal

Experts appointed to assist the Tribunal – Article 57

- ✗ Art. 57(a) – the Tribunal can appoint experts after consultation with the parties
- ✗ Art. 57(b) – the Tribunal will provide the expert's report to the parties, who shall be given the opportunity to express, in writing, their opinion on the report
- ✗ Art. 54 contains provisions for dealing with the disclosure of trade secrets and other confidential information
- ✗ Art. 57(c) – the parties can request to question the expert at the hearing
- ✗ Art. 57(d) “The opinion of any expert on the issue or issues submitted to the expert shall be subject to the Tribunal's power of assessment of those issues in the context of all the circumstances of the case, unless the parties have agreed that the expert's determination shall be conclusive in respect of any specific issue.”

Party Appointed Experts

- ✗ Parties can submit testimony from experts they appoint [*IBA Rules on the Taking of Evidence in International Arbitration (2020) Art. 5.1*]
- ✗ Party-Appointed Experts are generally required to appear for testimony at an evidentiary hearing. [*IBA Rules on the Taking of Evidence in International Arbitration (2020) Art.8.1*]
- ✗ Party-Appointed Experts may be ordered by the Arbitral Tribunal to meet and confer to: (a) attempt to reach agreement on the issues within the scope of their Expert Reports; (b) record in writing any such issues on which they reach agreement, any remaining areas of disagreement and the reasons therefor. [*IBA Rules on the Taking of Evidence in International Arbitration (2020) Art. 5.4*]
- ✗ Party-Appointed Experts can be requested to sit side-by-side at the witness table for “witness conferencing” [*IBA Rules on the Taking of Evidence in International Arbitration (2020) Art. 8.4(f)*]

Presentation of Scientific and Technical Evidence (1)

Experiments – Article 51

- × **Art. 51(a)** “A party may give notice to the Tribunal and to the other party at any reasonable time before a hearing that specified experiments have been conducted on which it intends to rely. The notice shall specify the purpose of the experiment, a summary of the experiment, the method employed, the results and the conclusion. The other party may by notice to the Tribunal request that any or all such experiments be repeated in its presence. If the Tribunal considers such request justified, it shall determine the timetable for the repetition of the experiments.”
- × “experiments” shall include tests or other processes of verification.

Presentation of Scientific and Technical Evidence (2)

Site Visits – Article 52

“The Tribunal may, at the request of a party or on its own motion, inspect or require the inspection of any site, property, machinery, facility, production line, model, film, material, product or process it deems appropriate. A party may request such an inspection at any reasonable time prior to any hearing, and the Tribunal, if it grants such a request, shall determine the timing and arrangements for the inspection.”

Presentation of Scientific and Technical Evidence (3)

Agreed Primers and Models – Article 53

- × **Art. 53** The Tribunal may, where the parties so agree, determine that they shall jointly provide:
 - × a technical primer setting out the background of the scientific, technical or other specialised information necessary to fully understand the matters in issue; and
 - × models, drawings or other materials that the Tribunal or the parties require for reference purposes at any hearing.

Disclosure of Trade Secrets and other Confidential Information: Article 54

✗ **What constitutes Confidential Information - Art. 54(a)**

Confidential information shall mean any information, regardless of the medium in which it is expressed, which is:

- i. in the possession of a party;
- ii. not accessible to the public;
- iii. of commercial, financial or industrial significance; and
- iv. treated as confidential by the party possessing it

✗ **Procedure for seeking a Protective Order - Art. 54(b) and (c)**

Hearings: Article 55

✗ **Whether to hold a hearing or hearings - Art. 55(a)**

- ❑ A hearing or hearings could be held, when:
 - i. either party so requests;
 - ii. the Tribunal shall decide whether to hold such a hearing or hearings in the absence of a request;
- ❑ If no hearings are held, the proceedings shall be conducted on the basis of documents and other materials alone.
- ❑ Tribunal shall decide, after consultation with parties, the hearing will be conducted by videoconference, using online tools, or in-person.

✗ **Requirements for hearings - Art. 55(b) to (d)**

The WIPO Rules leave it to the Tribunal and the parties to determine how the hearing is to be conducted (Procedural Order).

Closure of Proceedings: Article 59

- ✗ Tribunal shall declare the proceedings closed when it is satisfied that the parties have had adequate opportunity to present submissions and evidence.
- ✗ Tribunal may decide, on its own motion or upon application of a party, to re-open the proceedings at any time before the award is made, **if it considers necessary owing to exceptional circumstances.**

Dealing with Parties/Counsel Hostile to the Process (1)

✗ Default (Art. 58)

- (a) No Statement of Claim → Terminated;
- (b) No Statement of Defense → Tribunal may proceed and render award;
- (c) “if a party, without showing good cause, fails to avail itself of the opportunity to present its case” → Tribunal may proceed and render award;
- (d) “if a party, without showing good cause, fails to comply with any provision of, or requirement under, these Rules or Direction given by the Tribunal” → Tribunal may draw adverse inferences.

✗ Failure to Pay Required Deposit (Art. 72(e))

“If a party fails, within 15 days after a reminder in writing, to pay the required deposit” → deemed to have withdrawn the relevant claim or counter-claim

Dealing with Parties/Counsel Hostile to the Process (2)

✗ Cost Sanction (Art. 74);

In its award, the Tribunal may, ...order a party to pay the whole or part of reasonable expenses incurred by the other party in presenting its case, including those incurred for legal representatives and witnesses.

✗ Interim Measures (Art. 37, Art. 48).

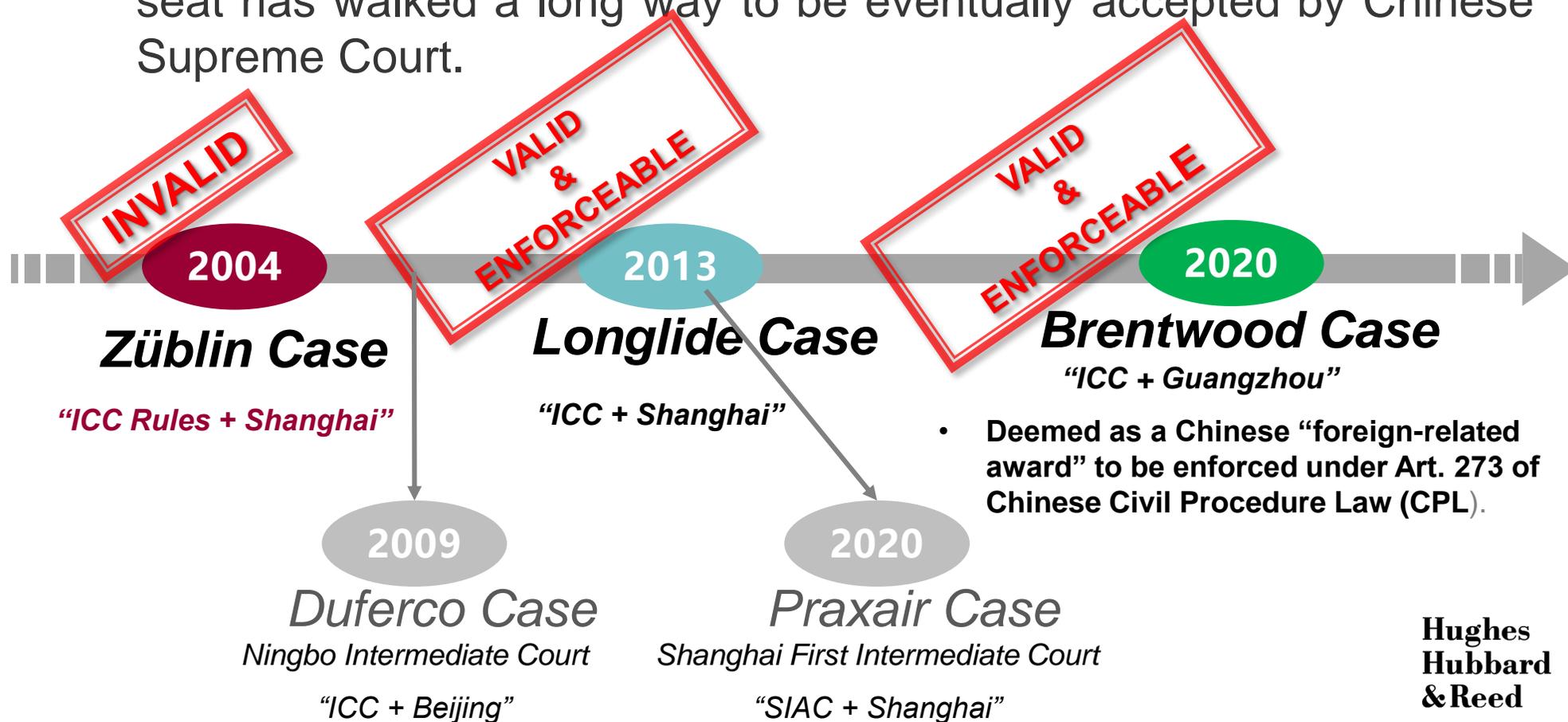
- “provisional orders” or “other interim measures”, “subject to appropriate security”
- “other party to provide security
- “interim award”
- “request addressed to a judicial authority” shall not be deemed “incompatible with” or “waiver of” arbitration agreement.

Dealing with Deposits - Parties Hostile to the Process

- ✗ Deposits (Art. 72 WIPO Rules):
 - Amount determined by Center, half to be paid by each party
- ✗ Half unpaid by one party to be paid by the other party (Art. 72 (c) WIPO Rules)
- ✗ Supplementary deposits may be requested by Center during the proceedings (Art. 72 (b) WIPO Rules)

China Perspective - Is a WIPO Arbitration Clause with Chinese Seat Valid and Enforceable?

- ✗ Arbitration Clause with a foreign arbitration institution + Chinese seat has walked a long way to be eventually accepted by Chinese Supreme Court.



China Perspective - Is a WIPO Arbitration Clause with Chinese Seat Valid and Enforceable?

- ✗ With *Brentwood*, a WIPO arbitration clause with Chinese seat will be considered as Chinese “foreign-related award” to be enforced under Chinese Civil Procedure Law (CPL) and Arbitration Law (AL).

Clause	Nationality	Enforceability
“WIPO Rules + Geneva”	Foreign arbitral award	To be enforced under New York Convention (as stipulated in CPL Art.283)
“WIPO Rules + Shanghai”	Chinese foreign-related arbitral award	To be enforced under Chinese Civil Procedural Law (CPL Art. 273 and AL Art. 71)

China Perspective - Revised PRC Arbitration Law(draft)

- × **Expanding applicable scope of arbitration (Art. 2)**
- × **Explicitly allowing foreign arbitral institutions to “establish business organization and conduct foreign-related arbitration” in mainland China (Art. 12)**
- × **Cancelling the hard rule of selecting an arbitration institution for valid arbitration agreement, and allowing ad hoc arbitration for “foreign-related commercial disputes” (Art. 21, Art. 35, Arts. 91-93)**
- × **Adopting “seat of arbitration” (Art. 27)**
- × **Confirming international standard of the laws applicable to arbitration agreement (Art. 90)**
- × **Recognizing “Kompetenz-Kompetenz” (Art. 28)**
- × **Empowering Tribunal to grant interim measures, and recognizing emergency arbitrator (Arts. 43-49)**
- × **Unifying the bifurcated standards for domestic or foreign-related awards in terms of setting-aside and enforcement (Art. 77, Art. 82)**

China Perspective – HYPO

- ✗ A European tech company (Claimant) and a Sino-US JV (Respondent) consider to draft an arbitration clause referring IP disputes to an IP expert for arbitration in Shanghai in accordance with the WIPO Arbitration Rules.

Elements	Current AL	Revised Draft
Foreign-related dispute?	✓	✓
Administered by WIPO in accordance with WIPO Arbitration Rules	✓	✓
“IP expert” + not selecting institution = ad hoc arbitration?	✗	✓
“arbitration in Shanghai”	✗	✓
Applicable law on the validity of arbitration clause	✗	✓
Arbitrator to grant interim measures	✗	✓
Arbitrator to review its own jurisdictional challenge	✗	✓
Grounds to enforce or challenge future awards etc.	✗	✓

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