WIPO | ADR
Arbitration and Mediation Center

Module 2 – Mediation of Intellectual Property Disputes and WIPO Mediation Rules

Hong Kong Institute of Arbitrators
Matching Grant Scheme: International Arbitration and Mediation for Intellectual Property Disputes Training Program
Online course, January 7, 2022

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WIPO Arbitration and Mediation Center

WIPO ADR
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' 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.

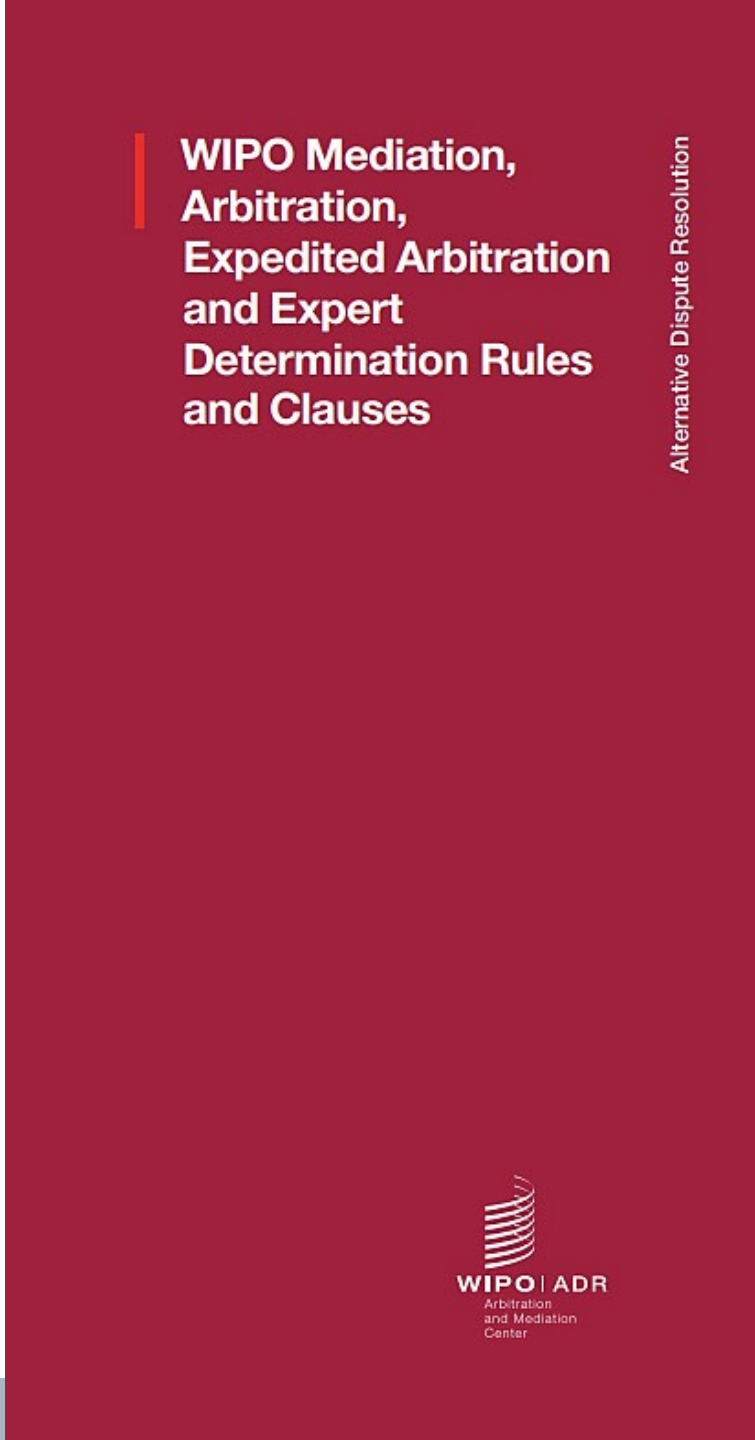
Why Consider WIPO ADR?

- **Cost** of IP court litigation
  - *Calls for expedient solutions*
- **Internationalization** of creation/use of IP
  - *Calls for cross-border solutions; consolidate in one procedure*
  - *Awards enforceable under the New York Convention*
- **Technical and specialized** nature of IP
  - *Calls for specific expertise of the neutral*
- Short product and market cycles in IP
  - *Calls for time-efficient procedures*
- **Confidential** nature of IP
  - *Calls for private procedures*
- **Collaborative** nature of IP creation and commercialization
  - *Calls for mechanisms that preserve relations*

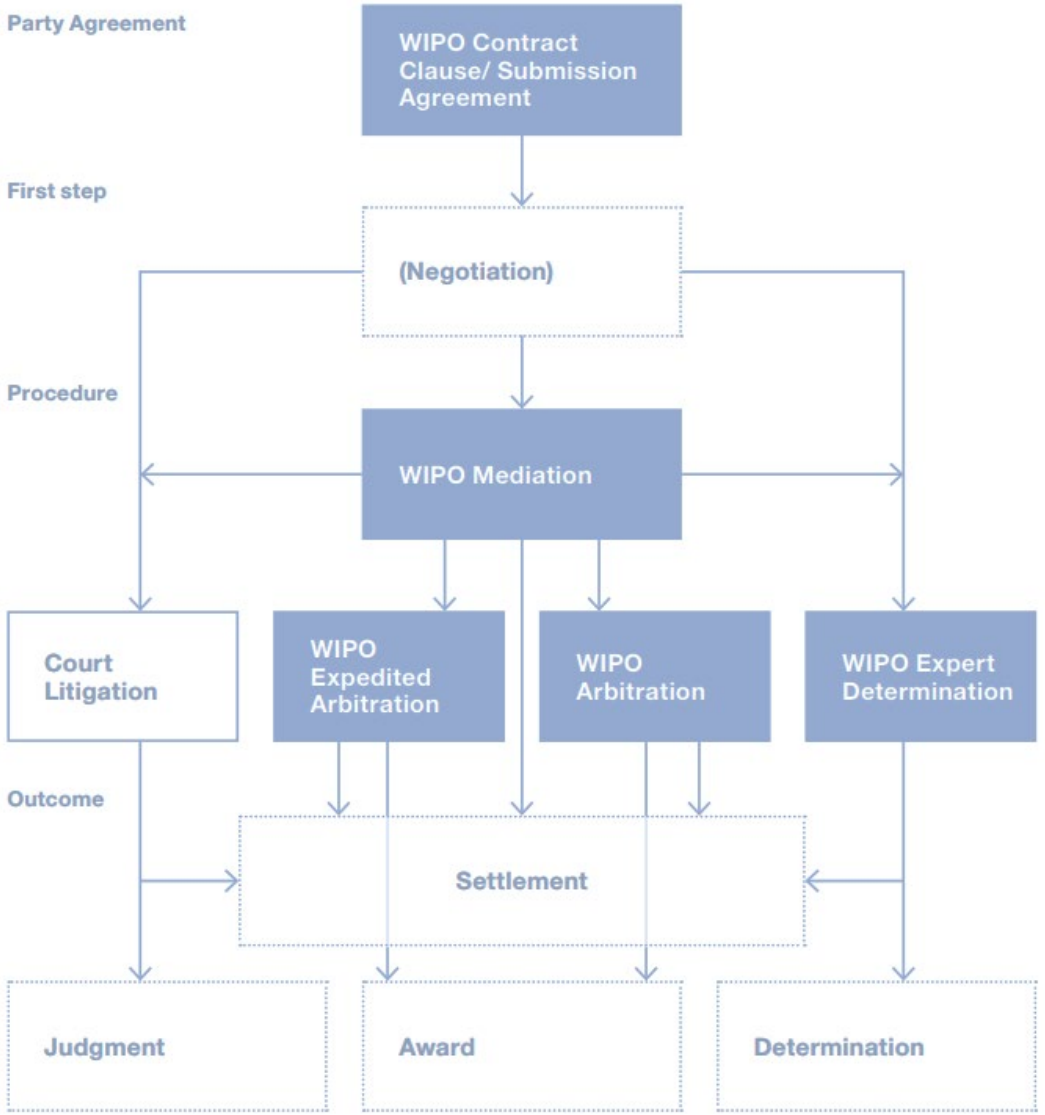
WIPO ADR Rules (2021)

- IP and technology specific elements
- Applicable to all commercial disputes
- Flexibility
  - Pre-structure entire proceeding
  - For most part can be modified by arrangement between mediator or arbitrator and parties
- For domestic and international disputes
- Singapore Mediation Convention
- Electronic filings and online conduct of WIPO ADR proceedings
- Disclosure of third party funding

https://www.wipo.int/amc/en/rules/



WIPO ADR options



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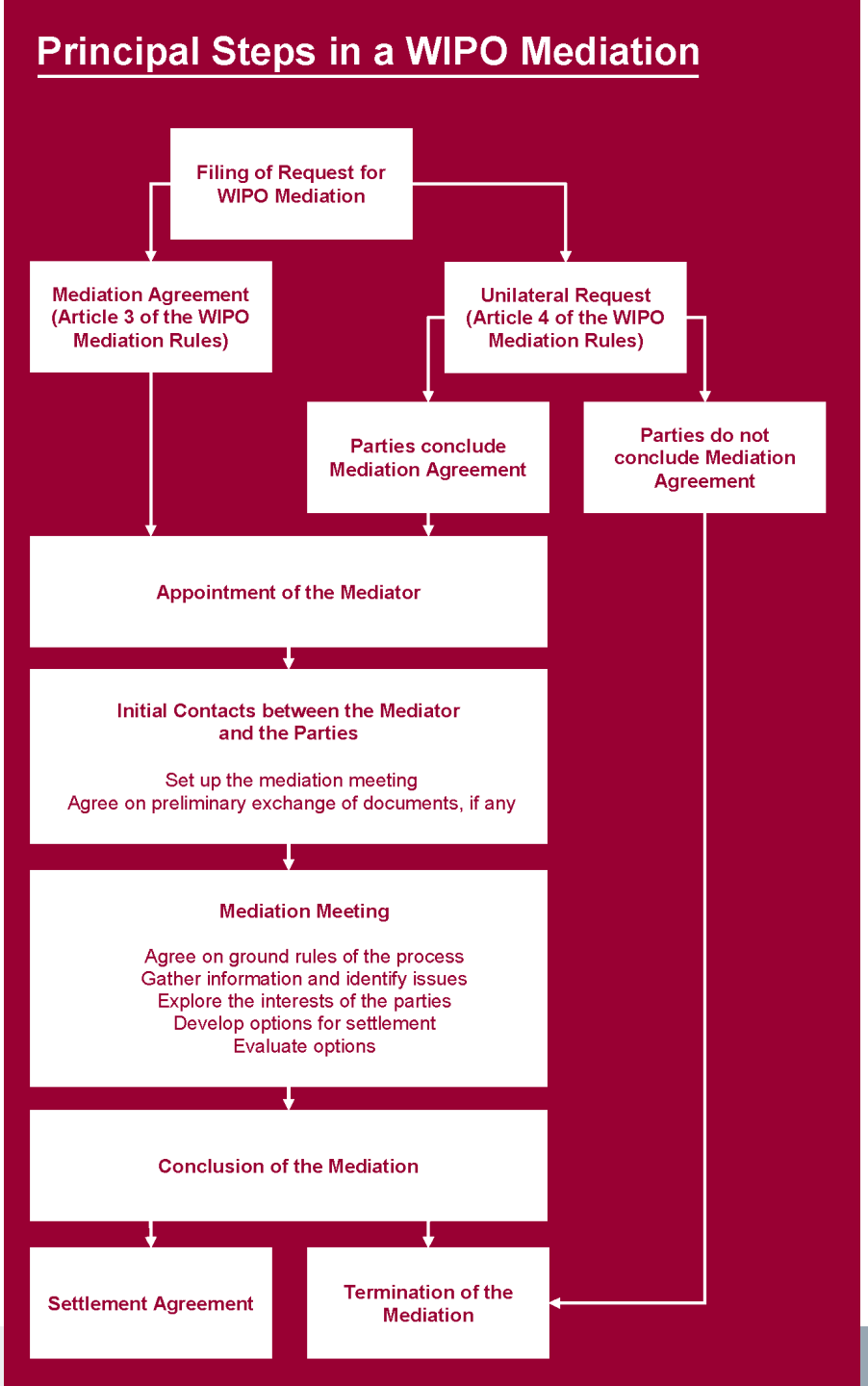
Principal Steps in a WIPO Mediation



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Stages of Mediation

- Preparation
- Opening Session
- Exploration
- Negotiation
- Settlement

Preparing and commencing mediation

- The parties' role
  - Considering ADR options
  - Instructing lawyers on the case
  - Identify mediation goals
  - Be clear about motivations for mediation and willingness to settle
- The counsels' role
  - Preparing the client for the mediation procedure
  - Risk analysis
  - Getting the other party to agree to mediation
  - Preparing the case
  - Identifying required qualifications of the mediator

Submitting the mediation request: the mediation agreement

- Identifying the dispute
- Checking the mediation provisions
- Checking the mediation rules

Request for Mediation pursuant to WIPO Clause (Article 3 WIPO Mediation Rules)

- Submit request for mediation in writing to WIPO Center (copy to other party)
  - Contact details of parties and filing party representative
  - Copy of mediation agreement
  - Brief description of dispute
- WIPO Center informs parties of commencement of mediation

WIPO Mediation clause

- ***Future disputes***

"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]."

- ***Existing disputes***

"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]."

Unilateral Request for WIPO Mediation

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- Request for WIPO Mediation by one party in the absence of a mediation clause (Art. 4 WIPO Mediation Rules)

Request for WIPO Mediation
(Article 4 of the WIPO Mediation Rules)

Note: The requesting party shall complete sections 1 and 2(a). The other party shall complete section 2(b).

1. Parties

Please provide the following contact information:

Requesting Party	Other Party
Name: Country of domicile: Tel: E-mail: Address: Represented by: Tel: E-mail: Address:	Name: Country of domicile: Tel: E-mail: Address: Represented by: Tel: E-mail: Address:

2. Dispute

Please provide a brief description of the dispute:

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 and to the other party.

Place and Date: _____

Signature: _____

b) The other 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 and to the requesting party.

Place and Date: _____

Signature: _____

https://www.wipo.int/amc/en/mediation/filing/

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WIPO Clause Generator

Step 3 – Build your clause: WIPO Mediation followed, in the absence of a settlement, by Arbitration Clause

Mediation

Core Elements
- Place of Mediation
- Language of the Mediation
- Duration of the Mediation Proceedings

Additional Elements
- Qualifications of the Mediator
- Conduct of the Mediation

Arbitration

Core Elements
- Number of Arbitrators
- Place of Arbitration
- Language of Arbitration
- Substantive Law

Additional Elements
- Appointment Procedure
- Qualifications of the Arbitrators
- ECAF
- Evidence
- Time Period of Delivery of the Final Award
- Appeal

The parties should determine where they want the mediation to take place.

○ The place of mediation shall be [specify place] .

Clear | Next

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 [specify timeline] 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 Arbitration Rules. Alternatively, if, before the expiration of the said period of [specify timeline] 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 Arbitration Rules.

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, controversy or claim shall be decided in accordance with the law of [specify jurisdiction].

Step 4 – Download or copy the final result

Download | Copy to clipboard | Print clause

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Negotiating a suitable candidate

- Issues to consider
  - Relationship to clients/law firms
  - Legal/professional background
  - Market reputation
  - References

Role of WIPO Center – selection of the mediator

- Parties, or WIPO Center after consultation with parties (Art. 7 WIPO Mediation Rules)

ARBITRATION AND MEDIATION CENTER

WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION

WIPO LIST OF NEUTRALS

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LLM, Trade Regulation, New York University, New York, 1985;
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M.S., Electrical Engineering, Carnegie-Mellon University, Pittsburgh, 1975;
B.S., Electrical Engineering and Economics, Carnegie-Mellon University, Pittsburgh, 1974.

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University of Michigan-B.S. Engineering (Interdisciplinary Engineering) – December 20, 1982;
University of Michigan-B.S. Economics - December 20, 1982;
University of Chicago-J.D. – June 13, 1986.

Registered to practice before the United States Patent and Trademark Office;

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Appointment of the Mediator (Articles 7-8 WIPO Mediation Rules)

- WIPO List of Neutrals
- Party agreement or list procedure
- Impartiality and independence (Art.8 WIPO Mediation Rules)

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STATEMENT OF ACCEPTANCE AND DECLARATION OF IMPARTIALITY AND INDEPENDENCE

[Name of the Parties]

Case Reference: [...]

I, the undersigned, [...],

1. Declare that I accept to serve as mediator under the WIPO Mediation Rules (the *Rules*) in the case referenced above.

2. Pursuant to Article 7 of the Rules, confirm my neutrality, impartiality and independence from each of the parties and my intention to so remain.

I therefore declare that, to the best of my knowledge, I neither have any direct or indirect, financial or personal interest in the outcome of the mediation, nor any existing or past, financial, business, professional, family or social relationships which are likely to affect my neutrality, impartiality or independence or which might reasonably create an appearance to that effect.

If at any stage during the mediation, there is a change of circumstances so that I become affected by such a financial or personal interest or by any of the said other circumstances, I undertake to promptly disclose such interest or circumstances in writing to the parties and to the Center.

3. Further undertake to respect the confidentiality of the mediation in accordance with Articles 14, 15, 16 and 17 of the Rules.

4. Have taken note of the obligation set out in Article 6(b) of the Rules to conduct the mediation expeditiously.

Place: _____ Signature: _____

Date: _____

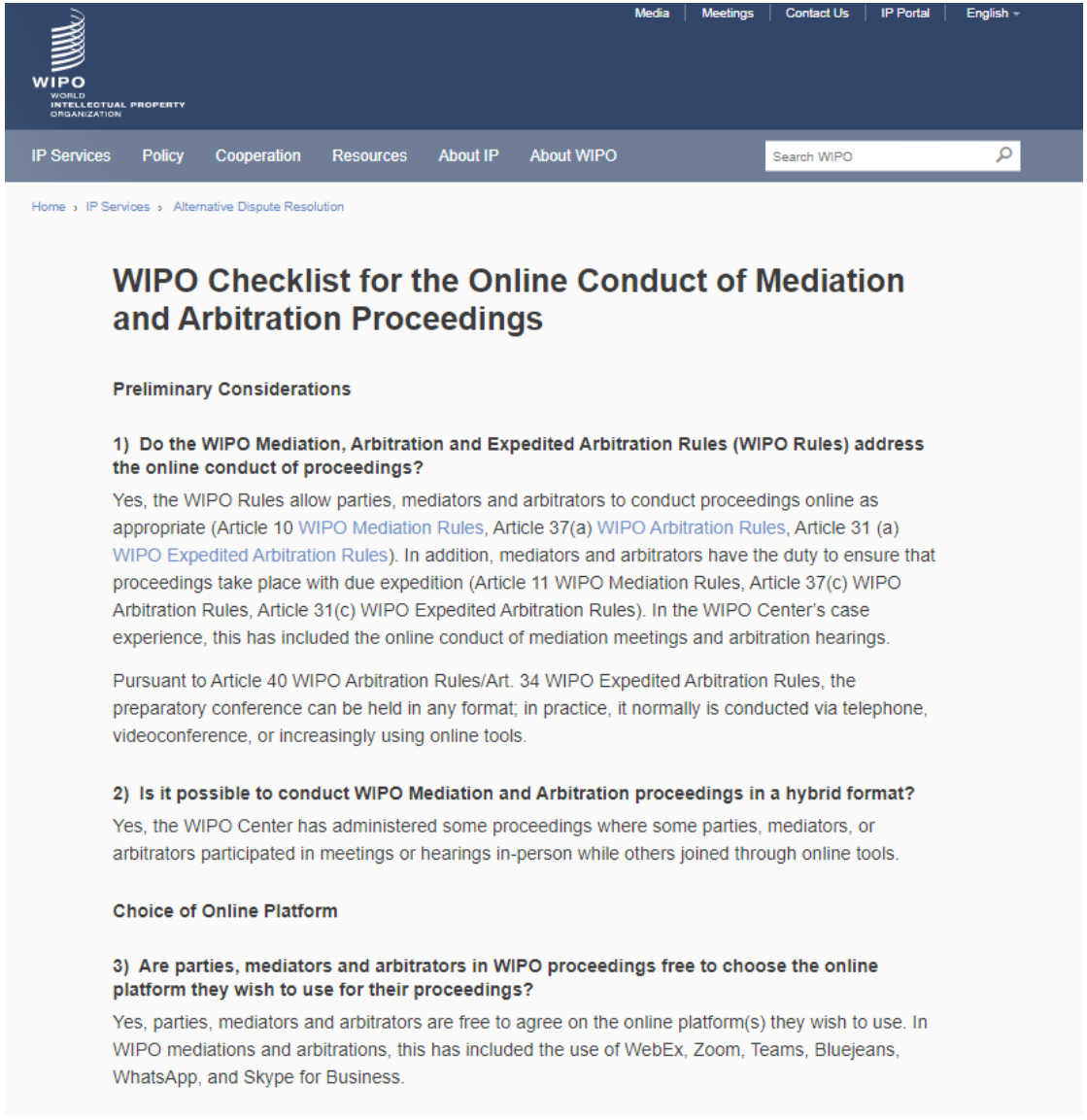
34, chemin des Colombettes
1211 Geneva 20, Switzerland
T +4122 338 82 47 F +4122 740 37 00
domain.disputes@wipo.int
www.wipo.int/amc

Preparing the mediation process with the mediator - initial telephone conferences

- Joint or individual
- Lawyers only or with party representatives
- Developing trust
- How much information

Preparing the mediation process with the mediator - ground rules for mediation

- Dates and timing (Art. 13 WIPO Mediation Rules)
- Personnel
- Facilities
- Confidentiality (Art. 15-18 WIPO Mediation Rules)
  - Potential legal limitations on confidentiality
- Online conduct of mediation
  - Preliminary considerations
    - Parties' consent and preferences
      The choice of software
    - Security and data protection standards
    - Available functionalities
  - Preparation
    - Pre-mediation protocol
    - Practical tips



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WIPO Checklist for the Online Conduct of Mediation and Arbitration Proceedings

Preliminary Considerations

1) Do the WIPO Mediation, Arbitration and Expedited Arbitration Rules (WIPO Rules) address the online conduct of proceedings?

Yes, the WIPO Rules allow parties, mediators and arbitrators to conduct proceedings online as appropriate (Article 10 WIPO Mediation Rules, Article 37(a) WIPO Arbitration Rules, Article 31 (a) WIPO Expedited Arbitration Rules). In addition, mediators and arbitrators have the duty to ensure that proceedings take place with due expedition (Article 11 WIPO Mediation Rules, Article 37(c) WIPO Arbitration Rules, Article 31(c) WIPO Expedited Arbitration Rules). In the WIPO Center's case experience, this has included the online conduct of mediation meetings and arbitration hearings.

Pursuant to Article 40 WIPO Arbitration Rules/Art. 34 WIPO Expedited Arbitration Rules, the preparatory conference can be held in any format; in practice, it normally is conducted via telephone, videoconference, or increasingly using online tools.

2) Is it possible to conduct WIPO Mediation and Arbitration proceedings in a hybrid format?

Yes, the WIPO Center has administered some proceedings where some parties, mediators, or arbitrators participated in meetings or hearings in-person while others joined through online tools.

Choice of Online Platform

3) Are parties, mediators and arbitrators in WIPO proceedings free to choose the online platform they wish to use for their proceedings?

Yes, parties, mediators and arbitrators are free to agree on the online platform(s) they wish to use. In WIPO mediations and arbitrations, this has included the use of WebEx, Zoom, Teams, Bluejeans, WhatsApp, and Skype for Business.

- https://www.wipo.int/amc/en/eadr/checklist/index.html

Preparing the client for the mediation meeting

- Selecting the right team (Art. 9 WIPO Mediation Rules)
- Role of the party representative(s)
- Experts
- Allocating roles
- Levels of authority
- Access to decision makers

Preparing the client for the mediation meeting - party statements

- Setting the tone
- Making sure the other party listens
- The facts
- What you want from mediation
- What you want the mediator to do
- Setting an agenda

Preparing the client for the mediation meeting - party statements

- Written summary of case
- Exchanging statements
- Do you include solutions?
- Additional information for the mediator
  - Status of any settlement discussions
  - Other business between parties
  - Possible business solutions
  - Anticipated fees/costs through trial
  - Upcoming key dates in the underlying litigation

Exchange of documents

- Exchanging statements
- Supporting documents
- Position papers
- For mediator eyes only

Role of mediator

- Art. 14 WIPO Mediation Rules
- Facilitative
- Evaluative
- Combined
- Ethical standards
  - Maintaining party confidences
  - Using what is learned in caucus

Techniques of mediator

- Active listening
- Reframing
- Balancing inequalities
- Managing emotions

Role of counsel

- Avoiding undue focus on legal merits
- Allowing and encouraging party to participate directly
- Understanding each party's real interests underlying demands/issues
- Dividing participation between the team
- Disclosing information
- Technical issues

Role of parties

- Participation in negotiation
- Engaging in mediation with genuine intentions to resolve a dispute
- Knowing BATNA and WATNA and bottom line position well
- Keeping emotions in check
- Being receptive and open to proposals
- Seeking win-win solution with big picture in mind

The mediation meeting

- Opening the mediation
- Individual meetings
- Emotions
- Trust
- Evaluating alternatives to settlement by mediation
  - Best alternative to a negotiated agreement (BATNA)
  - Worst alternative to a negotiated agreement (WATNA)
- Risks for both sides
- Genuine commercial interests

The mediation meeting

- Party Statements
  - Who presents and why?
  - Factual and legal?
  - Brevity
- Identifying the issues in dispute
  - Background
  - Sensitive information
  - Common ground
  - Looking for pinch points
- Exploring the parties' interests
  - Commercial framework
  - Vulnerabilities
  - Hidden agendas
  - Opportunities

Caucus meetings – meetings between mediator and one party alone

- Art. 12 WIPO Mediation Rules
- Clarification
- Messages to send
- Test possible solutions

Exploring solutions

- Open mind and flexibility
- Re-assess BATNA / WATNA
- Breaking deadlock – what are the alternatives?
- Think the unthinkable
- Use new information

Concluding the deal

- Enter into a written term sheet
- It is not binding unless signed by both parties
- Consider a clause that converts the term sheet into the final agreement if a more detailed agreement is not entered into
- Use the mediator to help resolve disputes that arise when going from the term sheet to the detailed agreement

Settlement (Article 19 WIPO Mediation Rules)

- Enforcement
- Full and final settlement – but of what?
- Past, present, future, known or unknown claims
- Choice of law and jurisdiction
- Dispute resolution mechanism
- Confidentiality and publicity
  (Art. 20 and 21 WIPO Mediation Rules)

Party settlement under WIPO Rules

- WIPO Rules
  - Mediation, Art. 14(a): *"The mediator shall promote the settlement of the issues in dispute between the parties in any manner that the mediator believes to be appropriate"*
  - Arbitration, Art. 67(a): *"The Tribunal may suggest that the parties explore settlement, including by commencing mediation, at such times as the Tribunal may deem appropriate"*
  - Arbitration, Art. 67(b): *"If, before the award is made, the parties agree on a settlement of the dispute, the Tribunal shall terminate the arbitration and, if requested jointly by the parties, record the settlement in the form of a consent award"*
- 40% of cases filed with WIPO Center included an escalation clause (e.g., mediation followed by arbitration)
- Vital to the chance of settlement: choosing the right moment
- Settlement agreements tend to include ADR clauses
  - WIPO caseload includes cases based on prior settlement agreements

Advantages of IP Mediation

- Cost effectiveness and speed
- Parties' full control of outcome
- Jurisdictional neutrality
- Suitability to cross border / international disputes
- Confidentiality / privacy of proceedings
- Win-win solutions / continued business relationships
- Procedural flexibility
- Choice of neutral / mediator with suitable expertise / personality

Limitations of IP Mediation

- Contractual basis
  - No obligation to submit to ADR procedure without contract clause
  - Difficult to agree on clause once dispute has arisen
  - Unsuitable for bad-faith infringement (*e.g.* counterfeiting)

- Parties must pay fees of neutrals
  - Crucial importance of getting value for money
  - ADR efficiency and results can make for substantial benefits

- Outcome binding only between the parties (*inter partes)*
  - No public precedent (*erga omnes*)
  - No direct office action (registration, cancellation)

- But: *inter partes* effect proves mostly sufficient

Role of the WIPO Center

- Procedural assistance
  - Information and guidance on ADR
  - Drafting ADR clauses and submission agreements
- Administering cases
  - Under WIPO ADR Rules and under special procedures
  - Containing time and costs
    - WIPO eADR and **online tools**
- Assisting selection and appointment of mediators and arbitrators; negotiating fees
  - 2,000+ WIPO experts from all regions
  - Specialized in IP and technology

WIPO ADR Young

- The WIPO Arbitration and Mediation Center provides a forum for young professionals interested in IP and ADR.
- Become a Member:

https://www.wipo.int/amc/en/center/wipoadryoung/

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Guide to WIPO Mediation

https://www.wipo.int/edocs/pubdocs/en/wipo_pub_449_2018.pdf

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Further Information

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- Rules
  www.wipo.int/amc/en/rules
- Case Filing Guidelines
  www.wipo.int/amc/en/arbitration/filing
- WIPO Neutrals
  https://www.wipo.int/amc/en/neutrals/
- WIPO Online Case Administration Tools
  www.wipo.int/amc/en/eadr