

ABSTRACT

MEDIATION – THE POWER OF NEGOTIATION, REACHING CONSENSUS

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WIPO Arbitration and Mediation Center

The WIPO Arbitration and Mediation Center (WIPO Center) has offices in Geneva, Switzerland and in Singapore and is part of the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations with 185 member states dedicated to developing a balanced and accessible international intellectual property (IP) system. The WIPO Center was established in 1994 as a neutral, international and non-profit dispute resolution provider specialized in IP, technology and entertainment that offers alternative dispute resolution (ADR) options to enable private parties to efficiently settle their domestic or cross-border disputes.

The WIPO Center offers clauses, rules and neutrals for the following ADR options:

- *Mediation*: a non-binding procedure in which a neutral intermediary, the mediator, assists the parties in reaching a settlement of the dispute.
- *Arbitration*: a neutral procedure in which the dispute is submitted to one or more arbitrators who make a final and binding decision on the dispute.
- *Expedited Arbitration*: an arbitration procedure that is carried out in a short time and at a reduced cost.
- *Expert Determination*: a procedure in which a dispute or a difference between the parties is submitted to one or more experts who make a determination on the matter referred to by the parties. The determination is binding, unless the parties have agreed otherwise.

WIPO Rules and Neutrals

WIPO Mediation, (Expedited) Arbitration and Expert Determination Rules are generally suitable for all commercial disputes, and additionally feature provisions to address specific needs in IP disputes, namely provisions on confidentiality and technical evidence. Parties can draw upon a database of over 1,500 independent WIPO arbitrators, mediators and experts from about a hundred jurisdictions.

Types of Disputes

The WIPO Center has experience with cases involving a wide range of issues, such as trademark co-existence agreements, trademark oppositions and invalidations before Intellectual Property Offices, patent infringement, patent licenses, patent pools, information technology transactions (including telecommunications), distribution agreements for pharmaceutical and consumer products, copyright issues, research and development agreements, art marketing, artistic production, media-related agreements, joint venture agreements, franchising agreements and cases arising out of agreements in settlement of prior multi-jurisdictional IP litigation.



Settlement Rates

WIPO ADR procedures are organized to stimulate positive opportunities for party settlement. Almost 70% of the mediation procedures administered by the WIPO Center have been settled. Even in arbitration, 40% of WIPO cases settle before any tribunal award is issued.

WIPO Model Clauses

Referral to WIPO dispute resolution procedures is consensual and to facilitate party agreement, the WIPO Center provides recommended contract clauses (for the submission of future disputes under a particular contract) and submission agreements (for existing disputes).

Parties may combine mediation with (expedited) arbitration and expert determination in different manners. The most commonly used WIPO ADR clause is "Mediation Followed, in the Absence of a Settlement, by [Expedited] Arbitration", which provides that:

"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 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 referred to arbitration shall be decided in accordance with the law of [specify jurisdiction]." (* The WIPO Expedited Arbitration Rules provide that the arbitral tribunal shall consist of a sole arbitrator.)*

Example of a WIPO Mediation of a Trademark Coexistence Dispute

After a dispute arose between them, a North American company requested mediation with two Italian companies and one Spanish company on the basis of an agreement which the parties had reached for mediation under the WIPO Mediation Rules. The goal of the mediation was to help the parties avoid confusion and misappropriation of their similar trademarks and to regulate future use of their marks. Although Italian was agreed as the language of proceedings, any settlement agreement would be recorded in both Italian and English.

The WIPO Center suggested to the parties potential mediators with specific expertise in European trademark law and fluency in Italian and English. The parties selected an Italian mediator with a trademark practice. The mediator conducted an initial telephone conference with the lawyers of the parties in which he scheduled the mediation timing, and agreed on the procedure.



Two months later, the mediator met with the parties in a two-day session in Milan. The meeting was held in joint session with the exception of two brief caucuses. At the end of the second day the parties - with the assistance of the mediator - were able to draft and sign a settlement agreement covering all of the pending issues in dispute.

WIPO International Survey on Dispute Resolution in Technology Transactions

The WIPO Center designed the International Survey on Dispute Resolution in Technology Transactions (Survey) 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. The Survey was developed with the support of a number of associations in the area of IP, including the International Association for the Protection of Intellectual Property (AIPPI), the Association of University Technology Managers (AUTM), the Fédération Internationale des Conseils en Propriété Industrielle (FICPI) and the Licensing Executives Society International (LESI) and the help of the WIPO Economics and Statistics Division.

The results of this Survey provide a statistical basis to identify trends in the resolution of technology related disputes. Best practices emerge from the Survey which may help guide IP stakeholders in their dispute resolution strategies and the Survey report concludes with a number of observations relevant to such strategies.

The WIPO Center received 393 responses from Respondents based in 62 countries. Ranging from entities of 1-10 employees to entities of more than 10,000, Respondents are active in different business areas, including pharmaceuticals, biotechnology, IT, electronics, telecom, life sciences, chemicals, consumer goods and mechanical.

The core findings of the Survey include the following:

- More than 90% of Respondents concluded agreements with parties from other jurisdictions. 80% of Respondents concluded patent-related agreements with parties from other jurisdictions on technology patented in at least two countries.
- Cost and time are the two principal party concerns in negotiating dispute resolution clauses.
- Court litigation was the most common stand-alone clause (32%) included, followed by (expedited) arbitration (30%) and mediation (12%). Mediation was also included where parties used multi-tier clauses (a further 17% of all clauses).
- Disputes were resolved, in that order, through court litigation, arbitration, mediation, expedited arbitration and expert determination.
- Respondents incurred significantly higher costs and spent more time in court proceedings than in arbitration or mediation

The complete results of the Survey are available at <http://www.wipo.int/amc/en/center/survey/results.html>.

WIPO ADR Services for Specific Sectors

Most WIPO cases are based on parties' inclusion in their contract of ADR clauses referring to the WIPO (Expedited) Arbitration, Mediation or Expert Determination Rules. However, specific areas of IP and technology transactions may benefit from targeted adaptations to the standard WIPO ADR framework, for example in relation to rules, fees and clauses or separate panels of mediators and arbitrators specialized in the relevant subject. As a resource center, the WIPO Center develops, in collaboration with relevant stakeholders and international experts in the respective sectors, operational and legal frameworks for tailored dispute resolution procedures.



The WIPO Center's ADR services for Specific Sectors currently cover various areas including:

- Domain Names
- Intellectual Property Offices
- Research and Development/Technology Transfer
- Film and Media
- Information and Communication Technology

WIPO ADR for Intellectual Property Offices

The WIPO Center provides, at the request of Intellectual Property Offices (IPOs), dispute resolution advice and case administration services to offer parties a more flexible option to resolve pending disputes related to IP rights before IPOs.

Disputes in this area may be related to opposition to registration, invalidation or revocation of IP rights before IPOs, such as trademarks, patents and industrial designs.

To optimize dispute resolution for IPOs, the WIPO Center collaborates with relevant stakeholders and organizations. This may include organization of joint events and training, and establishment of adapted ADR frameworks, and involves for example the following:

Brazilian National Institute of Industrial Property (INPI-BR)

Upon the request of the 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. INPI-BR has designated the WIPO Center as the administrator of mediation cases where one or both parties are domiciled outside Brazil.

Intellectual Property Office of Singapore (IPOS)

In September 2011, a Memorandum of Understanding (MoU) established a framework for collaboration between IPOS and WIPO. Under this MoU, IPOS and the WIPO Center have developed a special procedure to facilitate the resolution of disputes pending before IPOS. A voluntary mediation option applies to all trademark proceedings pending before IPOS, which offers added benefits for parties seeking to settle trademark disputes involving multiple jurisdictions.

Example of a WIPO Mediation of a Trademark Opposition Dispute

A party based in Singapore filed oppositions to three trademark applications filed with IPOS by applicants based in Singapore. The parties were also involved in a dispute regarding two opposition procedures in Malaysia. During the adjudication process before IPOS, the parties agreed to refer the dispute to WIPO Mediation in Singapore.

The WIPO Center provided a list of potential mediators and the parties agreed on a candidate. The parties and the mediator met for one day. With the assistance of the mediator, the parties reached a settlement agreement in which the opponent committed to withdraw and terminate all opposition procedures and undertook not to oppose or challenge applicants' trademark.

**About the author:*

Ignacio de Castro is a Spanish lawyer and an English solicitor. Ignacio holds an LL.M degree from King's College London. Before joining WIPO in 2002, he was on the legal staff at the United Nations Compensation Commission in Geneva and, prior to that, practiced with the law firm Freshfields Bruckhaus Deringer, London in the areas of international arbitration and litigation.