

Course: Intellectual Property Law-Cambodia

Lecture 12: IP Disputes and Mediation under WIPO

Lecturer: PHAN Daro

darophan@puc.edu.kh

Brief History of WIPO

- Paris Union 1883
- Berne Union 1886
- International Bureau combined 1893
- WIPO Convention 1967
- UN Specialized Agency 1974
- 193 Member States (as of end of October 2023)

Basic Facts about WIPO

WIPO's Mission:

To promote the protection of IP rights worldwide and extend the benefits of the international IP system to all member States

WIPO's Mandate

- WIPO is dedicated to developing a balanced and accessible international intellectual property (IP) system, which rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.

Promotion of IP through:

- Norm setting - Preparing for new treaties and developing and administering treaties that are in force
- Registration activities
- IP for development
- Other Services
 - Alternative dispute Resolution mechanisms
 - Arbitration and mediation

IP for Development

- Legal Framework
- IP administration
- Enforcement and IP education
- National IP strategies - IP cross cutting
- Users - creators, inventors and innovators, businesses, public research institutions identify, protect, exploit and manage their IP assets more effectively.

IP Dispute Resolution

Mediation & Arbitration

An 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**. A settlement agreement can be enforced as a **contract**.

Mediation leaves **open litigation** or **agreed arbitration options**.

Arbitration

A more formal 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 internationally enforceable under arbitral law.

As a private alternative, arbitration normally forecloses court options.

Expedited Arbitration

Expedited Arbitration

An arbitration procedure that is carried out in a shorter time and at a reduced cost.

The arbitral tribunal will normally consist of a sole arbitrator.

What is arbitration?

Traditionally **arbitration** is the best known alternative to court **litigation**. It is a procedure in which a dispute is submitted, by agreement of the parties, to one or more **arbitrators** for a **binding** decision.

Arbitration is **consensual**

Arbitration can only take place if both parties have agreed to it. This is achieved by their inclusion in their contract of **an arbitration clause** or, for already existing disputes, their conclusion of a submission agreement.

Parties choose the arbitrator

Under the WIPO Rules, **the parties can select the arbitrator(s)** by themselves. Alternatively, the WIPO Center will suggest to the **parties potential arbitrators** with relevant expertise.

What is arbitration?

Arbitration is neutral

In addition to their selection of arbitrators of appropriate nationality, parties are able to choose such important elements as **the applicable law, language and place of arbitration**. This allows them to ensure that **no party enjoys a home court advantage**.

Arbitration is confidential

The WIPO Rules specifically protect the **confidentiality** of the existence of the arbitration, of any **disclosures** made during that procedure, and of the award. The WIPO Rules also allow a party to request the arbitral tribunal to **restrict access to trade secrets** or other **confidential information** that it submits to the tribunal.

The decision of the arbitral tribunal is final and enforceable

Under the WIPO Rules, the parties agree to carry out the decision of the arbitral tribunal without delay. While the vast majority of arbitration awards are complied with voluntarily, if need be international awards are enforceable by national courts under the “**New York Convention**”. Over 160 States are party to this Convention

Why consider arbitration?

Arbitration is an attractive dispute resolution option where any of the following are important priorities for either or both of the parties:

- minimizing the costs entailed in resolving the dispute
- maintaining control over the dispute-resolution process
- choosing an arbitrator(s) with expertise in the area of the dispute
- achieving a timely outcome
- maintaining confidentiality about the dispute
- obtaining a final and internationally enforceable award

Arbitration can be an efficient alternative to court litigation. This can be especially true when a dispute involves parties from more than one jurisdiction. In an international context, litigation may involve multiple proceedings under different laws, with risk of conflicting results.

Arbitration, on the other hand, entails a single proceeding under the law determined by the parties.

This does not mean that arbitration will be the best solution for all disputes.

Court litigation may be the preferred approach where public precedent is desired; or, mediation may suit parties seeking to find a business solution rather than a legal solution to their dispute.

What is expedited arbitration?

While arbitration generally offers efficiency benefits, the **WIPO Expedited Arbitration Rules** specifically allow the procedure to be conducted in a shortened timeframe and at reduced cost.

Notably, there is, in principle, **only one exchange of pleadings**. There is a sole arbitrator, thus avoiding the potentially more lengthy appointment and decision-making process of three-member tribunals, and the associated additional expense. Proceedings should be declared **closed within three months** of either the delivery of the Statement of Defense or the establishment of the tribunal, whichever occurs later.

Expedited arbitration may be less suited for **complex patent disputes** that often require extensive production of evidence, expert analysis, or longer hearings.

WIPO Center case experience shows that WIPO Expedited Arbitration is particularly appropriate for **copyright, software, R&D, and trademark disputes**.

When to consider expedited arbitration?

- The value in dispute does not justify the cost of more extensive procedures
- A limited number of issues are in dispute
- The parties need a final and enforceable decision in a short period
- The parties wish to commence with an ambitious time/cost framework, subject to case developments

Route to WIPO Arbitration and WIPO Expedited Arbitration

Referral to WIPO Arbitration and Expedited Arbitration is consensual

Parties refer disputes through a **contract clause** (for the submission of future disputes under a particular contract) or, in the absence of a contractual relationship, through a **submission agreement** (for existing disputes).

In the absence of prior agreement, parties may still agree to WIPO Arbitration or Expedited Arbitration after a dispute has arisen.

Parties can shape the arbitration process via the clause, for example by identifying the number of arbitrators, place and language, as well as applicable law.

Recommended WIPO contract clauses and submission agreements

WIPO makes available the following recommended clauses and submission agreements for arbitration:

- arbitration
- expedited arbitration
- mediation followed, in the absence of a settlement, by expedited arbitration

The WIPO Center also offers recommended clauses for its other ADR procedures:

- mediation
- expert determination

<https://www.wipo.int/amc/en/clauses>

<https://amc.wipo.int/clause-generator/>

WIPO case experience

Arbitrators deal with a wide variety of subject matter under the WIPO Arbitration and Expedited Arbitration Rules.

WIPO arbitrations have involved patents, trademarks, ICT, copyright, entertainment, and more general commercial matters such as franchising and distribution.

Where does a WIPO arbitration take place?

The parties are free to decide **where their arbitration meetings or hearings** take place, often for their convenience as well as that of the arbitrators and witnesses. This is true regardless of the chosen legal place of arbitration, which is not necessarily linked to the physical location of the proceeding.

If the parties do decide to conduct their arbitration in Geneva, WIPO will provide them with meeting and party retiring rooms free of charge (that is, at no additional cost to the administration fee payable to the WIPO Center). If the parties choose to conduct their arbitration in a different location, the WIPO Center can assist them in arranging suitable meeting facilities.

The parties and the arbitrator(s) are always free to make use of WIPO's online case administration tools – including a secure electronic docket (eADR) and videoconferencing facilities, free of charge.

All case information filed in WIPO eADR is protected to ensure confidentiality.

How much does a WIPO arbitration cost?

While a well-managed arbitration offers cost advantages over court litigation, certain fees are payable in an arbitration:

- the registration and administration fees of the WIPO Center; and
- the fees of the arbitrator(s). These are negotiated when the arbitrator(s) is appointed, usually calculated on an hourly rate that takes into account the circumstances of the dispute such as its complexity and value, as well as the experience of the arbitrator(s) and the location of the parties

<https://amc.wipo.int/adr-fee-calculator/>

**WIPO Arbitration
Rules, Schedule of
Fees and Costs**

July 2021

PRINCIPAL STEPS IN A WIPO ARBITRATION

<https://www.wipo.int/amc/en/arbitration/rules/index.html>

1. Commencing the arbitration process

A WIPO arbitration is commenced by the claimant submitting to the WIPO Center a Request for Arbitration.

The date of commencement of the arbitration is the **date on which the Request is received by the WIPO Center**.

The Request should contain **summary details** concerning the dispute, including the names and communication details of the parties and their representatives, a copy of the arbitration agreement, a brief description of the dispute, the relief sought, and any requests or observations relating to the appointment of the tribunal.

2. Arbitrators

In order to avoid decision deadlocks, the arbitral tribunal will consist of either **one or three arbitrators**. When choosing between these two options, parties should weigh considerations of cost and efficiency, noting also the value and complexity of the dispute.

Appointment of sole arbitrator

A sole arbitrator is to be nominated jointly by the parties. In the absence of such agreement, appointment will be made in accordance with the so-called **list procedure** described in Article 19 of the WIPO Arbitration Rules

Appointment of three-member tribunal

Typically, a two-step process will be followed:

First, each party is required to **appoint one arbitrator** (Article 17(b)).

The two arbitrators thus appointed shall jointly **appoint the presiding arbitrator**.

If the presiding arbitrator is not appointed within 20 days, appointment will be made in accordance with **the list procedure**. Article 18 contains special appointment provisions for cases involving multiple claimants or respondents.

Appointment of the arbitrator where the list procedure applies

The WIPO Center sends a **shortlist of potential candidates** to each party, with detailed profiles setting out their qualifications. Each party may delete names of candidates it objects to and rank the remaining candidates in the order of preference.

The rankings must be returned to the WIPO Center within 20 days, failing which all candidates are deemed acceptable.

The WIPO Center makes the appointment from the shortlist, taking into account the preferences and objections expressed by the parties.

3. Impartiality and independence of WIPO Arbitrators

The WIPO Center places great value on the professional integrity of its arbitrators.

Under the WIPO Arbitration Rules, Article 22, **each arbitrator**, including any party-appointed arbitrator, is required to be **impartial and independent**.

A prospective arbitrator must, before accepting appointment, **disclose any matter that might give the appearance of partiality or lack of independence**, and this disclosure duty continues throughout the course of the arbitration.

If at any stage during the arbitration circumstances arise that **give rise to justifiable doubts as to an arbitrator's impartiality or independence**, either party may challenge the arbitrator

4. The power of the tribunal

Article 37 of the WIPO Arbitration Rules gives broad powers to the tribunal to “conduct the arbitration in such manner as it considers appropriate.”

Certain **powers of the tribunal** are explicitly listed in the WIPO Arbitration Rules, including:

- to hear and determine objections to its own jurisdiction, and to determine the existence or validity of any contract of which the arbitration agreement forms part (Article 36(a) and (b))
- to organize a preparatory conference (Article 40), to set the schedule of the proceedings, to extend deadlines (Article 37(c)), to allow or require further written statements (Article 43), to accept amendments to claims or defenses (Article 44)
- to order the joinder of an additional party to the arbitration (Article 46), or to consolidate a new arbitration with a pending proceeding (provided all parties and any appointed tribunal agree) (Article 47)
- to order interim measures, including injunctions (Article 48)
- to determine the admissibility and relevance of evidence, and to order a party to produce documents or other pieces of evidence (Article 50)
- to classify certain information as confidential (Article 54)
- to hold hearings (Article 55)
- to render a final binding award (Articles 61

5. Conducting the arbitration

The Statement of Claim must be filed within 30 days of the establishment of the tribunal and the Statement of Defense must be filed within 30 days of receipt of the Statement of Claim.

The tribunal may schedule further submissions. Soon after it has been established, the tribunal will hold preparatory discussions on, inter alia, case schedule, hearing dates, evidence and confidentiality stipulations (Articles 40-48).

In most cases, a hearing is held for the presentation of evidence. If the parties and tribunal agree, the hearing may also be held through online means of communication. If no hearing is held, the proceedings are conducted based on the documents and other evidence (Articles 55-57).

WIPO Jurisdiction

In a WIPO Arbitration involving patents and trademarks protected in several countries, the claimant raised a jurisdictional objection concerning a counterclaim to withdraw trademark opposition proceedings.

The claimant argued that such a counterclaim was not covered by the arbitration agreement in the license agreement.

Pursuant to Article 36(a) of the WIPO Arbitration Rules, the three-member tribunal issued a partial award confirming its jurisdiction to decide this counterclaim

6. Evidence in WIPO Arbitration proceedings

The tribunal has broad powers to determine the admissibility, relevance, materiality and weight of evidence before it (Article 50).

In order to facilitate the taking of technical evidence, the WIPO Arbitration Rules include specific provisions on certain types of evidence, such as experiments (Article 51), site visits (Article 52), or agreed primers and models (Article 53)

7. Multiparty proceedings

Not infrequently, WIPO arbitrations and expedited arbitrations involve multiple claimants and/or respondents.

Several provisions of the WIPO Rules address such scenarios, including the method of appointment of three arbitrators where agreed in case of multiple claimants or respondents (Article 18), the joinder of additional parties (Article 46), and the consolidation of arbitration proceedings (Article 47).

Any order of joinder or consolidation requires prior agreement by all parties, and takes into account the stage reached in the arbitration proceedings.

8. Confidentiality maintained in a WIPO arbitration

IP and technology disputes often turn on sensitive technical or business information. The WIPO Rules offer a comprehensive treatment of all aspects of confidentiality (Articles 75- 78), including:

- the existence of the arbitration as such;
- any disclosures made during the arbitration; and
- the award

In addition, the WIPO Rules specifically address the protection of trade secrets and vest tribunals with a broad range of powers to deal with party requests for protective orders of specific information being submitted in the proceedings (Article 54)

9. Interim relief or emergency relief

Under the WIPO Rules, the tribunal can issue any provisional orders or take other interim measures it deems necessary at the request of a party. In WIPO cases, tribunals with some regularity address such requests for interim relief. As examples, the WIPO Rules mention injunctions and measures for the conservation of goods.

The tribunal may require the requesting party to furnish appropriate security as a condition for granting the interim relief

The WIPO Rules clarify that a party has the right to request interim relief from a national court at any time and that such requests shall not be deemed incompatible with the arbitration agreement

Prior to the establishment of the arbitral tribunal, instead of approaching a court, parties may call upon a WIPO emergency relief procedure, for decision by a separate arbitrator specifically appointed for this initial purpose (Article 49)

10. Closure of proceedings

When the tribunal considers that the parties have had adequate opportunity to present submissions and evidence, it will declare the proceedings closed.

This should happen within nine months of either the delivery of the Statement of Defense or the establishment of the tribunal, whichever occurs later.

The final award should be delivered by the tribunal within three months of the closure of the proceedings.

11. Settlement

Parties who have reached a settlement in the course of an arbitration, including through mediation, may wish to have the terms of their settlement confirmed in the form of a “consent award”, which will be easier to enforce than a contract between the parties.

Article 67 of the WIPO Arbitration Rules expressly recognizes and facilitates this option.

12. Remedies

As a general matter, subject to the respective claims requested by the parties, the tribunal can grant the remedies that are provided for under the law applicable to the substance of the dispute.

In WIPO arbitrations, remedies awarded by tribunals have included:

- monetary compensation, including damages, interest (Article 62), and costs (Articles 73 and 74);
- injunctions;
- declaratory relief; and
- specific performance.

Can an award be appealed?

Under Article 66, an arbitral award is deemed to be final. Such finality is generally perceived as one of the advantages of arbitration.

A party can challenge the award in the courts at the place of arbitration in order to have the award declared invalid, or “set aside.”

However, under the arbitral laws of most countries, the possibility of setting aside an award is limited to certain narrowly defined grounds. Most national laws do not foresee an appeal on the merits.

Implementing an arbitral award

Most WIPO arbitral awards are implemented voluntarily.

Where legal enforcement proves necessary, parties need to have recourse to a national court in the jurisdiction where they wish the award to be enforced.

For foreign arbitral awards, i.e., awards sought to be enforced in a state other than the state of the place of arbitration, parties can rely on the New York Convention, which is enforced by more than 160 states worldwide.

As such, this Convention provides a unique advantage for resolving disputes through arbitration by comparison to court litigation.

WIPO Domain Name Dispute Resolution

The WIPO Center offers a special procedure that allows trademark owners to resolve cases of abusive domain name registration and use (“cybersquatting”).

The WIPO Center is the leading global provider under the WIPO-initiated Uniform Domain Name Dispute Resolution Policy (UDRP).

<https://www.wipo.int/amc/en/domains>

References

WIPO. *Guide to WIPO Arbitration*. Switzerland: WIPO Publication, 2020.

“WIPO Arbitration Rules.” Accessed November 3, 2023.
<https://www.wipo.int/amc/en/arbitration/rules/index.html>.