CHAPTER – V

Arbitration and Resolution of Intellectual Property Rights Disputes

In today’s world, intellectual property is emerging as one of the most valuable commodities in the global market, as in many ways than one, the global economy has come to be dependent on technology invariably increasing the importance of its protection through Intellectual Property Laws. Resultantly, various nations around the globe have entered into multilateral treaties which have mechanism to increase the protection of intellectual property. Arbitration and Mediation mechanisms have been outlined in recent multilateral agreements with the recognition that traditional litigation is no longer the most viable means of settling international intellectual property disputes.

World Intellectual property Organization (WIPO) Framed WIPO Arbitration Rules which are effective since October 1, 1994. WIPO arbitration rules contains 78 rules.

**Scope of Application of Rules**

Where an arbitration agreement provides for arbitration under the WIPO arbitration rules these rules shall be deemed to form part of that arbitration agreement and the dispute shall be settled in accordance with
these rules, as in effect on the date of the commencement of the arbitration, unless the parties have agreed otherwise.\footnote{WIPO arbitration Rules, Article 2}

**Notices, Periods of Time**

Any notice or other communication that may is required to be given under these rules shall be in writing and shall be delivered by expedited postal or courier service, or transmitted by telex, telefax or other means of telecommunication that provide a record thereof.\footnote{WIPO arbitration Rules, Article 4(a)} A party’s last known residence or place of business shall be a valid address for the purpose of any notice or other communication in the absence of any notification of a change by that party. Communications may in any event be addressed to a party in the manner stipulated or, failing such a stipulation, according to the practice followed in the course of the dealings between the parties.\footnote{WIPO arbitration Rules, Article 4(b)} For the purpose of determining the date of commencement of a time-limit, a notice or other communication shall be deemed to have been received on the day it is delivered or, in the case of telecommunications, transmitted in accordance with paragraphs (a) and (b) of this Article.\footnote{WIPO arbitration Rules, Article 4(c)} For the purpose of determining compliance with a time-limit, a notice or other communication shall be deemed to have been sent, made or transmitted if it is dispatched, in accordance with paragraphs (a) and (b) of this Article, prior to or on the day

\begin{footnotes}
\item[1] WIPO arbitration Rules, Article 2
\item[2] WIPO arbitration Rules, Article 4(a)
\item[3] WIPO arbitration Rules, Article 4(b)
\item[4] WIPO arbitration Rules, Article 4(c)
\end{footnotes}
of the expiration of the time-limit\(^5\). For the purpose of calculating a period of time under these rules, such period shall begin to run on the day following the day when a notice or other communication is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addresses, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period\(^6\). The parties may agree to reduce or extend the periods of time referred to in Articles 11, 15(b), 16(b), 17(c), 18(b) (iii), 41(a) and 42(a)\(^7\). The centre may, at the request of a party or on its own motion, extend the periods of time referred to in Article 11, 15(b), 16(b), 17(b), 17(c), 18(b), 19(b)(iii), 67(d), 68(e) and 70(e)\(^8\).

**Documents required to be Submitted to the center**

Until the notification by the center of the establishment of the Tribunal, any written statement, notice or other communication required or allowed under Articles 6 to 36 shall be submitted by a party to the center and a copy thereof shall at the same time be transmitted by that party to the other party\(^9\). Any written statement, notice or other communication so sent to the center shall be sent in a number of copies equal to the number

\[^{5}\text{WIPO arbitration Rules, Article 4(d)}\]
\[^{6}\text{WIPO arbitration Rules, Article 4(e)}\]
\[^{7}\text{WIPO arbitration Rules, Article 4(f)}\]
\[^{8}\text{WIPO arbitration Rules, Article 4(g)}\]
\[^{9}\text{WIPO arbitration Rules, Article 5(a)}\]
required to provide one copy for each envisaged arbitrator and one for the center\textsuperscript{10}. After the notification by the center of the establishment of the tribunal, any written statements, notices or other communications shall be submitted by a party directly to the tribunal and a copy thereof shall at the same time be supplied by that party to the other party\textsuperscript{11}. The tribunal shall send to the center a copy of each order or other decision that it makes\textsuperscript{12}.

**COMMENCEMENT OF THE ARBITRATION**

**Request for Arbitration**

The claimant shall transmit the request for arbitration to the center and to the respondent\textsuperscript{13}. The date of commencement of the arbitration shall be the date on which the request for arbitration is received by the center\textsuperscript{14}. The center shall inform the claimant and the respondent of the receipt by it of the request for arbitration and of the date of the commencement of the arbitrations\textsuperscript{15}. The request for arbitration shall contain\textsuperscript{16}:

(i) a demand that the dispute be referred to arbitration under the WIPO Arbitration Rules;

(ii) the name, addresses and telephone, telex, telefax or other communication references of the parties and of the representative of the claimant;

\textsuperscript{10} WIPO arbitration Rules, Article 5(b)
\textsuperscript{11} WIPO arbitration Rules, Article 5(c)
\textsuperscript{12} WIPO arbitration Rules, Article 5(d)
\textsuperscript{13} WIPO arbitration Rules, Article 6
\textsuperscript{14} WIPO arbitration Rules, Article 7
\textsuperscript{15} WIPO arbitration Rules, Article 8
\textsuperscript{16} WIPO arbitration Rules, Article 9
(iii) a copy of the arbitration agreement and, if applicable any
separate choice-of-law clause;

(iv) any appointment that is required by, or observations that the
claimant considers useful in connection with, Articles 14 to 20.

The request for arbitration may also be accompanied by the statement
of claim referred to in article 41\textsuperscript{17}.

\textit{Answer to the Request :}

Within 30 days from the date on which the respondent receives the
request for arbitration from the claimant, the respondent shall address to the
center and to the claimant an answer to the request which shall contain
comments on any of the elements in the request for arbitration and may
include indications of and counter-claim or set-off\textsuperscript{18}. If the claimant has
filed a statement of claim with the request for arbitration pursuant to article
10 the answer to the request may also be accompanied by the statement of
defense referred to in article 42\textsuperscript{19}.

\textbf{Representation}

The parties may be represented by persons of their choice,
irrespective of, in particular, nationality or professional qualification. The
names, addresses and telephone, telex, telefax or other communication
references of representatives shall be communicated to the center, the other

\textsuperscript{17} WIPO arbitration Rules, Article 10
\textsuperscript{18} WIPO arbitration Rules, Article 11
\textsuperscript{19} WIPO arbitration Rules, Article 12
party and after its establishment, the tribunal\textsuperscript{20}. Each party shall ensure that its representatives have sufficient time available to enable the arbitration to proceed expeditiously\textsuperscript{21}. The parties may also be assisted by persons of their choice\textsuperscript{22}.

**COMPOSITION AND ESTABLISHMENT OF THE TRIBUNAL**

**Number of Arbitrators**

The tribunal shall consist of such of arbitrations as has been agreed by the parties\textsuperscript{23}. 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\textsuperscript{24}.

**Appointment pursuant to procedure agreed upon by the parties**

If the parties have agreed on a procedure of appointing the arbitrator or arbitrators other than as envisaged in articles 16 to 20, that procedure shall be followed\textsuperscript{25}. If the tribunal has not been established pursuant to such procedure within the period of time agreed upon by the parties or, in the absence of such an agreed period of time, within 45 days after the commencement of the arbitration, the tribunal shall be established or completed, as the case may be, in accordance with article\textsuperscript{26}.

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\textsuperscript{20} WIPO arbitration Rules, Article 13(a)
\textsuperscript{21} WIPO arbitration Rules, Article 13(b)
\textsuperscript{22} WIPO arbitration Rules, Article 13(c)
\textsuperscript{23} WIPO arbitration Rules, Article 14(a)
\textsuperscript{24} WIPO arbitration Rules, Article 14(b)
\textsuperscript{25} WIPO arbitration Rules, Article 15(a)
\textsuperscript{26} WIPO arbitration Rules, Article 15(b)
Appointment of a sole arbitrator

Where a sole arbitrator is to be appointed and the parties have not agreed on a procedure of appointment, the sole arbitrator shall be appointed jointly by the parties. If the appointment of the sole arbitrator is not made within the period of time agreed upon by the parties or, in the absence of such an agreed period of time, within 30 days after the commencement of the arbitration, the sole arbitrator shall be appointed in accordance with article 19.

Appointment of three arbitrators

Where three arbitrators are to be appointed and the parties have not agreed upon a procedure of appointment, the arbitrators shall be appointed in accordance with this article. The claimant shall appoint an arbitrator in its request for arbitration. The respondent shall appoint an arbitrator, within 30 days from the date on which it receives the request for arbitration. The two arbitrators thus appointed shall, within 20 days after the appointment of the second arbitrator, appoint a third arbitrator, who shall be the presiding arbitrator. Notwithstanding paragraph (b), where three arbitrators are to be appointed as a result of the exercise of the discretion of the center under article 14(b), the claimant shall, be notice to the center and to the respondent, appoint an arbitrator within 15 days after the receipt by it of

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27. WIPO arbitration Rules, Article 16(a)
28. WIPO arbitration Rules, Article 16(b)
29. WIPO arbitration Rules, Article 17(a)
30. WIPO arbitration Rules, Article 17(b)
notification by the center that the tribunal is to be composed of three arbitrators. The respondent shall appoint an arbitrator within 30 days after the receipt by it of the said notification. The two arbitrators thus appointed shall, within 20 days after the appointment of the second arbitrator, appoint a third arbitrator, who shall be the presiding arbitrator. If the appointment of any arbitrator is not made within the applicable period of time referred to in the preceding paragraphs, that arbitrator shall be appointed in accordance with article 19.

Appointment of three arbitrators in case of multiple claimants or respondents

Where (i) three arbitrators are to be appointed, (ii) the parties have not agreed on a procedure of appointment, and (iii) the request for arbitration names more than one claimant, the claimants shall make a joint appointment of an arbitrator in their request for arbitration. The appointment of the second arbitrator and the presiding arbitrator shall, subject to paragraph (b) of this Article, take place in accordance with article 17(b), (c) or (d), as the case may be. Where (i) three arbitrators are to be appointed, (ii) the parties have not agreed on a procedure of appointment, and (iii) the request for arbitration names more than one respondent, the respondents shall jointly appoint an arbitrator. If, for whatever reason, the respondents do not

31. WIPO arbitration Rules, Article 17(c)
32. WIPO arbitration Rules, Article 17(d)
33. WIPO arbitration Rules, Article 18(a)
make a joint appointment of an arbitrator within 30 days after receiving the request for arbitration any appointment of the arbitrator previously made by the claimant or claimants shall be considered void and two arbitrators shall be appointed by the center. The two arbitrators thus appointed shall, within 30 days after the appointment of the second arbitrator, appoint a third arbitrator, who shall be the presiding arbitrator34. Where (i) three arbitrators are to be appointed, (ii) the parties have agreed upon a procedure of appointment, and (iii) the request for arbitration names more than one claimant or more than one respondent, paragraphs (a) and (b) of this article shall, notwithstanding article 15(a), apply irrespective of any contractual provisions in the arbitration agreement with respect to the procedure of appointment, unless those provisions have expressly excluded the application of this article35.

**Nationality of Arbitrators**

An agreement of the parties concerning the nationality of arbitrators shall be respected36. If the parties have not agreed on the nationality of the sole or presiding arbitrator, such arbitrator shall, in the absence of special circumstances such as the need to appoint a person having particular qualifications, be a national of a country other than the countries of the parties37.

34. WIPO arbitration Rules, Article 18(b)
35. WIPO arbitration Rules, Article 18(c)
36. WIPO arbitration Rules, Article 20(a)
37. WIPO arbitration Rules, Article 20(b)
Communication between Parties and Candidates for Appointment as Arbitrator

No party or anyone acting on its behalf shall have any ex parte communication with any candidate for appointment as arbitrator except to discuss the candidate’s qualifications, availability or independence in relation to the parties\textsuperscript{38}.

Impartiality and Independence

Each arbitrator shall be impartial and independent\textsuperscript{39}. Each prospective arbitrator shall, before accepting appointment, disclose to the parties, the center and any other arbitrator who has already been appointed any circumstances that might give rise to justifiable doubt as to the arbitrator’s impartiality or independence, or confirm in writing that no such circumstances exist\textsuperscript{40}. If, at any stage during the arbitration, new circumstances arise that might give rise to justifiable doubt as to any arbitrator’s impartiality or independence, the arbitrator shall promptly disclose such circumstances to the parties, the center and the other arbitrators\textsuperscript{41}.

Challenge of Arbitrators

Any arbitrator may be challenged by a party if circumstances exist that give rise to justifiable doubt as to the arbitrator’s impartiality or independence\textsuperscript{42}.

\textsuperscript{38} WIPO arbitration Rules, Article 21.
\textsuperscript{39} WIPO arbitration Rules, Article 22(a)
\textsuperscript{40} WIPO arbitration Rules, Article 22(b)
\textsuperscript{41} WIPO arbitration Rules, Article 22(c)
\textsuperscript{42} WIPO arbitration Rules, Article 24(a)
A party may challenge an arbitrator whom it has appointed or in whose appointment it concurred only for reasons of which it becomes aware after the appointment has been made\(^\text{43}\). A party challenging an arbitrator shall send notice to the center, the Tribunal and the other party, stating the reasons for the challenge, within 15 days after being notified of that arbitrator’s appointment or after becoming aware of the circumstances that it considers to give rise to justifiable doubt as to that arbitrator’s impartiality or independence\(^\text{44}\). When an arbitrator has been challenged by a party, the other party shall have the right to respond to the challenge and shall, if it exercises this right, send, within 15 days after receipt of the notice referred to in Article 25, a copy of its response to the center, the party making the challenge and the arbitrators\(^\text{45}\). The Tribunal may, in its discretion, suspend or continues the arbitral proceedings during the pendency of the challenge\(^\text{46}\). The other party agree to the challenge or the arbitrator may voluntarily withdraw. In either case, the arbitrator shall be replaced without any implication that the grounds for the challenge are valid\(^\text{47}\). If the other party does not agree to the challenge and the challenged arbitrator does not withdraw, the decision on the challenge shall be made by the center in accordance with its internal procedures.

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43. WIPO arbitration Rules, Article 24(b)  
44. WIPO arbitration Rules, Article 25  
45. WIPO arbitration Rules, Article 26  
46. WIPO arbitration Rules, Article 27  
47. WIPO arbitration Rules, Article 28
Such a decision is of an administrative nature and shall be final. The center shall not be required to state reasons for its decision\(^{48}\).

**Pleas as to the Jurisdiction of the Tribunal**

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 examined pursuant to Article 59(b)\(^{49}\). The Tribunal shall have the power to determine the existence or validity or any contract of which the Arbitration Agreement forms part or to which it relates\(^{50}\). A plea that the Tribunal does not have jurisdiction shall be raised not later than in the statement of Defense or, with respect to a counter-claim or a set-off, the statement of defense thereto, failing which any such plea shall be barred in the subsequent arbitral proceedings or before any court. A plea that the tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The tribunal may, in either case, admit a later plea if it considers the delay justified\(^{51}\). The Tribunal may rule on a plea referred to in paragraph (c) as a preliminary questions or, in its sole discretion, decide on such a plea in the final award\(^{52}\).

A plea that the Tribunal lacks jurisdiction shall not preclude the center from administering the arbitrations\(^{53}\).

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48. WIPO arbitration Rules, Article 29
49. WIPO arbitration Rules, Article 36(a)
50. WIPO arbitration Rules, Article 36(b)
51. WIPO arbitration Rules, Article 36(c)
52. WIPO arbitration Rules, Article 36(d)
53. WIPO arbitration Rules, Article 36(e)
CONDUCT OF THE ARBITRATION

Transmission of the file to the tribunal

The center shall transmit the file to each arbitrator as soon as the arbitrator is appointed\textsuperscript{54}.

General Power of the Tribunal

Subject to Article 3, the Tribunal may conduct the arbitration in such manner as it considers appropriate\textsuperscript{55}. In all case, the tribunal shall ensure that the parties are treated with equality and that each party is given a fair opportunity to present its case\textsuperscript{56}. The Tribunal shall ensure that the arbitral procedure takes place with due expedition. It may, at the request of a party or on its own motion, extend in exceptional cases a period of time fixed by these Rules, by itself or agreed to by the parties. In urgent case, such an extension may be granted by the presiding arbitrator alone\textsuperscript{57}.

Place of Arbitration

Unless otherwise agreed by the parties, the place of arbitration shall be decided by the center, taking into consideration any observations of the parties and the circumstances of the arbitrations\textsuperscript{58}. The Tribunal may, after consultation with the parties, conduct hearings at any place that it considers appropriate. It may deliberate wherever it deems appropriate\textsuperscript{59}.

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\textsuperscript{54} WIPO arbitration Rules, Article 37  \\
\textsuperscript{55} WIPO arbitration Rules, Article 38(a)  \\
\textsuperscript{56} WIPO arbitration Rules, Article 38(b)  \\
\textsuperscript{57} WIPO arbitration Rules, Article 38(c)  \\
\textsuperscript{58} WIPO arbitration Rules, Article 39(a)  \\
\textsuperscript{59} WIPO arbitration Rules, Article 39(b)
\end{flushright}
The award shall be deemed to have been made at the place of arbitration\textsuperscript{60}.

**Language of Arbitration**

Unless otherwise agreed by the parties, the language of the arbitration shall be the language of the arbitration agreement, subject to the power of the tribunal to determine otherwise, having regard to any observations of the parties and the circumstances of the arbitration\textsuperscript{61}. The tribunal may order that any documents submitted in languages other than the language of arbitration be accompanied by a translation on whole or in part into the language of arbitration\textsuperscript{62}.

**Statement of Claim**

Unless the statement of claim accompanied the request for arbitration, the claimant shall, within 30 days after receipt of notification from the center of the establishment of the tribunal, communicate its statement of claim to the respondent and to the tribunal\textsuperscript{63}. The statement of claim shall contain a comprehensive statement of the facts and legal arguments supporting the claim, including a statement of the relief sought\textsuperscript{64}. The statement of claim shall, to as large an extent as possible, be accompanied by the documentary evidence upon which the claimant relies, together with a schedule of such documents.

\textsuperscript{60} WIPO arbitration Rules, Article 39(c)
\textsuperscript{61} WIPO arbitration Rules, Article 40(a)
\textsuperscript{62} WIPO arbitration Rules, Article 40(b)
\textsuperscript{63} WIPO arbitration Rules, Article 41(a)
\textsuperscript{64} WIPO arbitration Rules, Article 41(b)
Where the documentary evidence is especially voluminous, the claimant may add a reference to further documents it is prepared to submit.\(^{65}\)

**Statement of Defense**

The respondent shall, within 30 days after receipt of the statement of claim or within 30 days after receipt of notification from the center of the establishment of the tribunal, whichever occurs later, communicate its statement of defense to the claimant and to the tribunals.\(^{66}\) The statement of defense shall reply to the particulars of the statement of claim required pursuant to article 41(b). The statement of defense shall be accompanied by the corresponding documentary evidence described in article 41(c).\(^{67}\) Any counter-claim or set-off by the respondent shall be made or asserted in the statement of defense or, in the exceptional circumstances, at a later stage in the arbitral proceedings if so determined by the tribunal. Any such counter-claim or set-off shall contain the same particulars as those specified in article 41(b).\(^{68}\)

**Further written statement**

In the event that a counter-claim or set-off has been made or asserted, the claimant shall reply to the particulars thereof. Article 42(a) and (b) shall apply *mutatis mutandis* to such reply.\(^{69}\)

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65. WIPO arbitration Rules, Article 41(c)
66. WIPO arbitration Rules, Article 42(a)
67. WIPO arbitration Rules, Article 42(b)
68. WIPO arbitration Rules, Article 42(c)
69. WIPO arbitration Rules, Article 43(a)
The tribunal may, in its discretion, allow or require further written statements 70.

**Communication between Parties and Tribunal**

Except as otherwise provided in these Rules or permitted by the tribunal, no party or anyone acting on its behalf may have any *ex parte* communication with any arbitrator with respect to any matter of substance relating to the arbitration, it being understood that nothing in this paragraph shall prohibit *ex parte* communication which concern matters of a purely organizational nature, such as the physical facilities, place, date or time of the hearings 71.

**Interim Measures of Protection; Security for claims and costs**

At the request of a party, the tribunal may issue any provisional orders or take other interim measures it deems necessary, including injunctions and measures for the conservation of goods which form part of the subject-matter in dispute, such as an order for their deposit with a third person or for the sale of perishable goods. The tribunal may make the granting of such measures subject to appropriate security being furnished by the requesting party 72. At the request of a party, the tribunal may, if it considers it to be required by exceptional circumstance, order the other party to provide security, in a form to be determined by the tribunal, for the

70. WIPO arbitration Rules, Article 43(b)
71. WIPO arbitration Rules, Article 45
72. WIPO arbitration Rules, Article 46(a)
claim or counter-claim, as well as for costs referred to in article 7273. Measures and orders contemplated under this article may take the form of an interim award74. A request addressed by a party to a judicial authority for interim measures or for security for the claim or counter-claim, or for the implementation of any such measures or orders granted by the tribunal, shall not be deemed incompatible with the arbitration agreement, or deemed to be a waiver of that agreement75.

**Preparatory Conference**

The tribunal may, in general following the submission of the statement of defense, conduct a preparatory conference with the parties for the purpose of organizing and scheduling the subsequent proceedings76.

**Disclosure of Trade secrets and other confidential information**

For the purposes of this article, 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 it77. A party invoking the confidentiality of any information it wishes or is required to submit in the arbitration, including to an expert appointed by the tribunal,

73. WIPO arbitration Rules, Article 46(b)
74. WIPO arbitration Rules, Article 46(c)
75. WIPO arbitration Rules, Article 46(d)
76. WIPO arbitration Rules, Article 47(d)
77. WIPO arbitration Rules, Article 52(a)
shall make an application to have the information classified as confidential by notice to the tribunal, with a copy to the other party. Without disclosing the substance of the information, the party shall give in the notice the reasons for which it considers the information confidential. The tribunal shall determine whether the information is to be classified as confidential and of such a nature that the absence of special measures of protection in the proceedings would be likely to cause serious harm to the proceedings would be likely to cause serious harm to the party invoking its confidentiality. If the tribunal so determines, it shall decide under which conditions and to whom the confidential information may in part or in whole be disclosed and shall require any person to whom the confidential information is to be disclosed to sing an appropriate confidentiality undertaking. In exceptional circumstance, in lieu of itself determining whether the information is to be classified as confidential and of such nature that the absence of special measures of protection in the proceedings would be likely to cause serious harm to the party invoking its confidentiality, the tribunal may, at the request of a party or on its own motion and after consolation with the parties, designate a confidentiality advisor who will determine whether the information is to be so classified, and, if so, decide under which conditions and to whom it may in part or in whole be disclosed. Any such

78. WIPO arbitration Rules, Article 52(b)
79. WIPO arbitration Rules, Article 52(c)
confidentiality advisor shall be required to sign an appropriate confidentiality undertaking\textsuperscript{80}. The tribunal may also, at the request of a party or on its own motion appoint the confidentiality advisor as an expert in accordance with article 55 in order to report to it, on the basis of the confidential information, on specific issues designated by the tribunal without disclosing the confidential information either to the party form whom he confidential information does not originate or to the tribunal\textsuperscript{81}.

**Experts appointed by the tribunal**

The tribunal may, after consultation with the parties, appoint one or more independent experts to report to it on specific issues designated by the tribunal. A copy of the expert’s terms of reference, established by the tribunal, having regard to any observations of the parties, shall be communicated to the parties. Any such expert shall be required to sign an appropriate confidentiality undertaking\textsuperscript{82}. Subject to article 52, upon receipt of the expert’s report, the tribunal shall communicate a copy of the report to the parties, which shall be given the opportunity to express, in writing, their opinion on the report. A party may, subject to article 52, examine any document on which the expert has relied in such a report\textsuperscript{83}. At the request of a party, the parties shall be given the opportunity to question the expert at a hearing.

\textsuperscript{80} WIPO arbitration Rules, Article 52(d)
\textsuperscript{81} WIPO arbitration Rules, Article 52(e)
\textsuperscript{82} WIPO arbitration Rules, Article 55(a)
\textsuperscript{83} WIPO arbitration Rules, Article 55(b)
At this hearing, the parties may present expert witnesses to testify on the points at issue\(^{84}\). 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\(^{85}\).

**AWARDS AND OTHER DECISIONS**

**Laws applicable to the substance of the dispute, the arbitration and the arbitration agreement**

The tribunal shall decide the substance of the dispute in accordance with the law or rules of law chosen by the parties. Any designation of the law of a given state shall be construed, unless otherwise expressed, as directly referring to the substantive law of that state and not to its conflict of laws rules. Failing a choice by the parties, the tribunal shall apply the law or rules of law that it determines to be appropriate. In all cases, the tribunal shall decide having due regard to the terms of any relevant contract and taking into account applicable trade usages. The tribunal may decide as *amicable compositeur* or *ex aequo et bono* only if the parties have expressly authorized it to do so\(^{86}\). The law applicable to the arbitration shall be the arbitration law of the place of arbitration. Unless the parties have expressly

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84. WIPO arbitration Rules, Article 55(c)
85. WIPO arbitration Rules, Article 55(d)
86. WIPO arbitration Rules, Article 59(a)
agreed on the application of another arbitration law and such agreement is permitted by the law of the place of arbitration. An arbitration agreement shall be regarded as effective if it conforms to the requirements concerning form, existence, validity and scope of either the law or rules of law applicable in accordance with paragraph (a), or the law applicable in accordance with paragraph (b). 

**Currency and Interest**

Monetary amounts in the award may be expressed in any currency. The tribunal may award simple or compound interest to be paid by a party on any sum awarded against that party. It shall be free to determine the interest at such rates as it considers to be appropriate, without being bound by legal rates of interest, and shall be free to determine the period for which the interest shall be paid.

**Decision-making**

Unless the parties have agreed otherwise, where there is more than one arbitrator, any award, order or other decision of the tribunal shall be made by a majority. In the absence of a majority, the presiding arbitrator shall make the award, order or other decision as if acting as sole arbitrator.

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87. WIPO arbitration Rules, Article 59(b)
88. WIPO arbitration Rules, Article 59(c)
89. WIPO arbitration Rules, Article 60(a)
90. WIPO arbitration Rules, Article 61
Form and Notification of Awards

The tribunal may make preliminary, interim, interlocutory, partial or final awards. The award shall be in writing and shall state the date on which it was made, as well as the place of arbitration in accordance with article 39(a). The award shall state the reasons on which it is based unless the parties have agreed that no reasons should be stated and the law applicable to the arbitration does not require the statement of such reasons.

The award shall be signed by the arbitrator or arbitrators. The signature of the award by a majority of the arbitrators, or, in the case of article 61, second sentence, by the presiding arbitrator, shall be sufficient. Where an arbitrator fails to sign, the award shall state the reasons for the absence of the signature. The tribunal may consult the center with regard to matters of form, particularly to ensure the enforceability of the award. The award shall be communicated by the tribunal to the center in a number of originals sufficient to provide one for each party, the arbitrator or arbitrator and the center. The center shall formally communicate an original of the award to each party and the arbitrator or arbitrators. At the request of a party, the center shall provide it, at cost, with a copy of the award certified by the center.

91. WIPO arbitration Rules, Article 62(a)
92. WIPO arbitration Rules, Article 62(b)
93. WIPO arbitration Rules, Article 62(c)
94. WIPO arbitration Rules, Article 62(d)
95. WIPO arbitration Rules, Article 62(e)
96. WIPO arbitration Rules, Article 62(f)
A copy so certified shall be deemed to comply with the requirements of article IV(1)(a) of the convention on the recognition and enforcement of foreign arbitral awards, New York June 10, 1958.

**Time Period for Delivery of the Final Award**

The arbitration should, wherever reasonably possible, be heard and the proceedings declared closed within not more that nine months after either the delivery of the statement of defense or the establishment of the tribunal, whichever event occurs later. The final award should, wherever reasonably possible, be made within three months thereafter. If the proceedings are not declared closed within the period of time specified in paragraph (a), the Tribunal shall send the center a status report on the arbitration, with a copy to each party. It shall send a further status report to the center, and a copy to each party, at the end of each ensuing period of three months during which the proceedings have not been declared closed. If the final award is not made within three months after the closure of the proceedings, the tribunal shall send the center a written explanation for the delay, with a copy to each party. It shall send a further explanation, and a copy to each party, a the end of each ensuing period of one month until the final award is made.

97. WIPO arbitration Rules, Article 62(g)
98. WIPO arbitration Rules, Article 63(a)
99. WIPO arbitration Rules, Article 63(b)
100. WIPO arbitration Rules, Article 63(c)
Effect of Award

By agreeing to arbitration under these rules, the parties undertake to carry out the award without delay, and waive their right to any form of appeal or recourse to a court of law or other judicial authority, insofar as such waiver may validly be made under the applicable law\textsuperscript{101}. The award shall be effective and binding on the parties as from the date it is communicated by the center pursuant to article 62(f) second sentence\textsuperscript{102}.

Settlement or other ground for termination

The tribunal may suggest that the parties explore settlement at such times as the tribunal may deem appropriate\textsuperscript{103}. 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. The tribunal shall not be obliged to give reasons for such an award\textsuperscript{104}. If, before the award is made, the continuation of the arbitration becomes unnecessary or impossible for any reason not mentioned in paragraph (b) the tribunal shall inform the parties of its intention to terminate the arbitration. The tribunal shall have the power to issue such an order terminating the arbitration, unless a party raises justifiable grounds for objection within a period of time to be determined by the tribunals\textsuperscript{105}.

\textsuperscript{101} WIPO arbitration Rules, Article 64(a)
\textsuperscript{102} WIPO arbitration Rules, Article 64(b)
\textsuperscript{103} WIPO arbitration Rules, Article 65(a)
\textsuperscript{104} WIPO arbitration Rules, Article 65(b)
\textsuperscript{105} WIPO arbitration Rules, Article 65(c)
The consent award for the order for termination of the arbitration shall be signed by the arbitrator or arbitrators in accordance with article 62(d) and shall be communicated by the tribunal to the center in a number of originals sufficient to provide one for each party, the arbitrator or arbitrators and the center. The center shall formally communicate an original of the consent award of the order for termination to each party and the arbitrator or arbitrators.\(^{106}\)

**Award of Costs of Arbitration**

In its award, the tribunal shall fix the costs of arbitration, which shall consist of: (i) the arbitrators’ fees (ii) the properly incurred travel, communication and other expenses of the arbitrators. (iii) the costs of expert advice and such other assistance required by the tribunal pursuant to these rules, and (iv) such other expense as are necessary for the conduct of the arbitration proceedings, such as the cost of meeting and hearing facilities.\(^{107}\) The aforementioned costs shall as far as possible, be debited form the deposits required under Article 70.\(^{108}\) The tribunal shall, subject to any agreement of the parties, apportion the costs of arbitration and the registration and administration fees of the center between the parties in the light of all the circumstances and the outcome of the arbitration.\(^{109}\)

\(^{106}\) WIPO arbitration Rules, Article 65(d)

\(^{107}\) WIPO arbitration Rules, Article 71(a)

\(^{108}\) WIPO arbitration Rules, Article 71(b)

\(^{109}\) WIPO arbitration Rules, Article 71(c)
Award of Costs incurred by a party

In its award, the tribunal may, subject to any contrary agreement by the parties and in the light of all the circumstance and the outcome of the arbitration, 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.\textsuperscript{110}

CONFIDENTIALITY

Confidentiality of the Existence of the Arbitration

Except to the extent necessary in connection with a court challenge to the arbitration or an action for enforcement of an award, no information concerning the existence of an arbitration may be unilaterally disclosed by a party to any third unless it is required to do so by law or by a competent regulatory body, and then only (i) by disclosing no more than what is legally required, and (ii) by furnishing to the tribunal and to the other party, if the disclosure takes place during the arbitration, or to the other party alone, if the disclosure takes place after the termination of the arbitration, details of the disclosure and an explanation of the reasons for it.\textsuperscript{111} Notwithstanding paragraph (a), a party may disclose to a third party the names of the parties to the arbitration and the relief requested for the purpose of satisfying any obligation of good faith or candor owed to that third party.\textsuperscript{112}

\textsuperscript{110} WIPO arbitration Rules, Article 72.
\textsuperscript{111} WIPO arbitration Rules, Article 73(a).
\textsuperscript{112} WIPO arbitration Rules, Article 73(b).
Confidentiality of Disclosures made during the Arbitration

In addition to any specific measures that may be available under Article 52, any documentary or other evidence given by a party or a witness in the arbitration shall be treated as confidential and, to the extent that such evidence describes information that is not in the public domain, shall not be used or disclosed to any third party by a party whose access to that information arises exclusively as a result of its participation in the arbitration for any purpose without the consent of the parties or order of a court having jurisdiction\textsuperscript{113}.

For the purposes of this article, a witness called by a party shall not be considered to be a third party. To the extent that a witness is given access to evidence or other information obtained in the arbitration in order to prepare the witness’s testimony, the party calling such witness shall be responsible for the maintenance by the witness of the same degree of confidentiality as that required of the party\textsuperscript{114}.

Confidentiality of the Award

The award shall be treated as confidential by the parties and may only be disclosed to a their party if and to the extent that (i) the parties consent, or (ii) it falls into the public domain as a result of an action before a national court or other competent authority, or (iii) it must be disclosed in order to

\textsuperscript{113} WIPO arbitration Rules, Article 74(a).
\textsuperscript{114} WIPO arbitration Rules, Article 74(b).
comply with a legal requirement imposed on a party or in order to establish or protect a party’s legal rights against a third party.\textsuperscript{115}

**Maintenance of confidentiality by the center and arbitrator**

Unless the parties agree otherwise, the center and the arbitrator shall maintain the confidentiality of the arbitration, the award and, to the extent that they describe information that is not in the public domain, any documentary or other evidence disclosed during the arbitration, except necessary in connection with a court action relating to the award, or as otherwise required by law.\textsuperscript{116}

Notwithstanding paragraph (a), the center may include information concerning the arbitration in any aggregate statistical data that it publishes concerning its activities, provided that such information does not enable the parties or the particular circumstances of the dispute to be identified.\textsuperscript{117}

**MISCELLANEOUS**

**Exclusion of Liability**

Except in respect of deliberate wrongdoing, the arbitrator or arbitrators, WIPO and the center shall not be liable to a party for any act or omission in connection with the arbitration.\textsuperscript{118}

\begin{itemize}
\item \textsuperscript{115} WIPO arbitration Rules, Article 75
\item \textsuperscript{116} WIPO arbitration Rules, Article 76(a).
\item \textsuperscript{117} WIPO arbitration Rules, Article 76(b).
\item \textsuperscript{118} WIPO arbitration Rules, Article 77
\end{itemize}
The Importance of Alternative Dispute Mechanisms in the IP Regime

Intellectual property disputes tend to be large and complex and often involve high stakes. Resolving these conflicts through traditional litigation processes can sometimes be detrimental to the business interests of both sides to the dispute. The major disadvantages of litigating these disputes can be the (1) prolonged time to arrive at a resolution,119 (2) high cost,120 (3) inflexibility of the result121 (4) lack of control over the outcome, (5) poor predictability of the result, (6) negative publicity and, (7) harm to the business relationship.

In contrast, Alternative Dispute resolution (ADR) process offer numerous advantages over litigation in intellectual property cases. Indeed, ADR is playing a larger role in intellectual property disputes. In many cases, ADR can provide an excellent alternative to traditional methods. Former Chief Justice of the U.S. Supreme Court, Chief Justice Burger once said “that the notion that ordinary people want lack-robed Judges and well dressed lawyers and fine Courtrooms as settings to resolve their disputes is not correct. People with problems, like people with pains, want relief, and they want as quickly and inexpensively as possible.”122

Advantages of ADR in Intellectual Property Cases

The trend of increasing access to ADR in intellectual property disputes now provides for more efficient and economical resolution of these disputes 123 by their nature, intellectual property disputes often involve technical information. Areas of intellectual property, such as patents, often involve issues of law and technology that are rarely addressed by Judges, and thus, the Judges are unfamiliar with these issues. 124 Therefore, the use of ADR, with arbitrator and mediators with experience in the technical field at issue, will save time and effort and will likely lead to more equitable results. The nature of international disputes lends itself to conflicts as a result of diverse legal systems and tribunal procedures. Also, international intellectual property disputes often involve nations that may have very different ideas regarding intellectual property and the level of protection that it should be afforded. 125 Finally, the use of ADR in intellectual property disputes will alleviate the burden that Courts face when disputed technology has gone beyond the scope of the status quo legal systems.

The ADR mechanism conjures up various advantages when the same is applied in resolving various IP disputes. To sum-up, following are the various advantages;

(i) Quick and Efficient resolution.

(ii) Cost Savings.

(iii) Creative, Business-Driven Results.

(iv) Control Over Process and Result,

(v) Better-Informed Decision-Making,

(vi) Maintained, Improved, or New Business relationships.

(vii) Confidentiality

**Forms of ADR Mechanisms**

ADR refers to procedures for settling disputes by means other than litigation.\(^{126}\) ADR Primarily consists of two basic forms-arbitration and mediation, mediation, and other hybrid forms of dispute resolution to settle their disputes without proceeding through the trial process.\(^{127}\) ADR mechanisms varies from country to country. For instance the United States has Sixteen Hybrid forms of ADR’s, but the World Intellectual Property Organisation (WIPO) has just three mechanisms, so ADR mechanisms are highly country specific. Following are the two most commonly used mechanisms.

**Arbitration**

Arbitration serves as one of the most popular and well-known forms of ADR. This binding and final method of private adjudication offers clients

\(^{126}\) Adam Epstein, Alternative Dispute resolution in Sport Management and the Sport Management Curriculum, 12 J. Legal Aspects Sport 153, 154 (2002).

\(^{127}\) Ibid.
an alternative to Courtroom litigation. In arbitration, the parties may select one private arbitrator or a panel of three private arbitrators, who often possess a particular expertise in the area of the dispute.\textsuperscript{128} General rules and regulations on arbitration have been promulgated by various specialized organizations; however, parties may agree to tailor the regulations to fit their individual situations.\textsuperscript{129} depending on the structure the parties have selected. The arbitrations themselves can offer the parties limited discovery, freedom from some or all of the rules of evidence, an opportunity to examine and cross-examine witnesses, and the option to use briefs and oral argument.\textsuperscript{130}

Further modifications can limit the range of possible outcomes. For example, in a “bracketed” or “high/low” arbitration, the parties can agree in advance to maximum and minimum liability amount. In contrast, a “final offer arbitration” requires each party to submit a final offer to the arbitrator who must then choose between the two submissions. The fear that the arbitrator will not accept an excessively inflated (or deflated) figure encourages the parties to submit more moderate proposals and works to drive the parties closer to a mutually acceptable solution.

\textsuperscript{128} Endispute Inc., ADR Processes 4-18 (1994).
Mediation

Mediation provides the distinct advantage of allowing the parties to design their own resolution by means of a mutually agreed-upon solution.\textsuperscript{131} The mediator serves as a facilitator, guiding the parties to reach an agreement. The mediator expands the parties’ available resources by providing an understanding of the complicated issues at hand as well as an unemotional analysis of the underlying problem. Mediation deflects the focus of the dispute away from rights, winners and losers.\textsuperscript{132} Instead, mediation focuses on the parties’ interests and mutual gains. As a result, mediation gives the parties an opportunity to reinforce their relationships with one another.\textsuperscript{133} Parties in mediation may strengthen relationships of trust and respect or terminate the relationship altogether in a manner that minimizes mental anguish as well as monetary costs. Mediation serves as one of the beneficial forms of ADR for resolving intellectual property disputes.

The true nature of intellectual property disputes lies in each party’s interest commitment. Because mediation focuses on the parties’ interests, it is best tailored to handle intellectual property disputes. Mediation focuses on each party’s interest commitment to assist the parties in creating a mutually beneficial agreement.

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\begin{enumerate}
\item\textsuperscript{132} Danny Coraco, Forget the Mechanics and Bring in the Gardeners, 9 U/ Balt, Intell. Prop. L.J. 47, 60 (2000)
\item\textsuperscript{133} Kathy L. Cerminara, Contextualizing ADR in Managed Care: A Proposal Aimed at Easing Tensions and Resolving Conflict, 33 Loy U. Chi. L.J. 547,557 (2002)
\end{enumerate}
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Stated differently, mediation focuses on the parties’ interests to resolve the dispute rather than declare a winner. Mediation thus overcome the shortfalls of arbitration. Mediation allows the parties to design a mutually beneficial solution, where as arbitration only provides a more efficient means of declaring a winner.\textsuperscript{134} Mediation provides a platform where both the owner and infringer may satisfy their interest commitment to some extent.

**ADR IN THE INTELLECTUAL PROPERTY REGIME**

The following is a study as to how ADR mechanisms can be used to resolve various copyright, patents, trade mark and licensing disputes. The following is an in-depth study on how ADR can be imbibed into resolving IP-related disputes.

**ADR in Commercial Copyright and Software Disputes**

A copyright dispute typically involves the issue of whether or not an infringing party has infringed a copyright,\textsuperscript{135} A key issue in such a dispute is usually the question of whether the infringer has unlawfully “copied” or derived his own work from a work protected by copyright.\textsuperscript{136} The dispute typically involves weighting the evidence of the infringing party’s access to the original work and the degree of substantial similarity between the particular expression of the original work and the infringing party’s work.\textsuperscript{137}

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134. Nintendo of Am., Inc. v. Dragon Pac. Int’l, 40 F.3d 1007,1010 (9th cir. 1994)
136. Atari Games, 975 F.2d at 837-38; See, e.g., Ty. Inc. v. GMA Accessories, Inc., 132 F.3d 1167, 1169 (7th Cir. 1997); Repp and K & R Music, Inc. v. Webber, 132 F.3d 882, 891 (2d cir. 1997); Grubb v. KMS Patriots, L.P., 88 F.3d 1, 6 (1st Cir., 1996)
137. Atari Games, 975 F.2d at 844.
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Usually, the case arises in a less than-exact setting, for example, consider the situation where the author of a book sues a movie company alleging that a movie infringed his copyright in the book, or a writer of an old song sues the writer of a new song alleging that the other writer copied his song. Normally, of course, the name of the infringer’s work and any characters as well as the setting, plot and words, are not identical to their purported counterparts in the earlier work. If such were the case, the dispute would in all likelihood be settled quickly. Accordingly, the arbiter of the dispute must decide whether the accused party copied the expression fixed in the earlier work. This is accomplished by examining (1) the accused author’s access to the earlier work; and (2) the degree of similarity between his work and the earlier work. A strong determination on the first element will mitigate the need to find a strong showing on the second.\footnote{138 Shaw v. Lindheim, 919 F.2d 1353, 1361 (9th Cir. 1990)}

Copyright cases are not technical and are usually fairly constrained in scope and complexity. Rarely do these cases require extensive discovery or documentation. Because similarity is viewed from the perspective of the “ordinary observer”, no particular expertise is required or appropriate for deciding these types of cases.\footnote{139 Huup v. siroflex of AM., Incl, 122F.3d 1456, 1464 (Fed. Cir. 1997)} Accordingly, these cases often are amenable to resolution through ADR, but no more or less so than most of the relatively straightforward commercial disputes. Although involving more
complicated subject matter, disputes involving duplication or derivation of computer software and other highly technical issues can also be appropriate candidates for ADR.\textsuperscript{140} As parties recognize the benefit of utilizing an arbiter with a particular technical background and ability to understand the subject matter at hand, ADR becomes a more attractive means of resolution. ADR also provides the parties with the opportunity for far greater protection of trade secrets and other proprietary or sensitive information during the proceeding itself. Unlike a trial ADR allows the parties to determine for themselves the degree to which such information will or will not be made publicly available.\textsuperscript{141} This would likely be considered a substantial advantage in disputes regarding computer software, for example, where continued confidentiality, is often a primary concern.

**ADR in Commercial Patent disputes**

Patent disputes, especially those involving complex technological issues, are often particularly well suited for resolution through ADR for instance, an arbitrator selected by the parties may be better situated to address the technical aspects of an invention. Resolving a patent dispute involves addressing the patent’s validity and subsequent infringement.\textsuperscript{142} To address these issues, the decision maker must examine the technical aspects of the patent, including the claims and specification\textsuperscript{143}

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142. Englel Indus., Inc. v. Lock former Co., 96 F.3d 1898, 1403-04 (Fed. Cir. 1996)
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from the perspective of a person “skilled in the art” of the patent’s subject matter.\footnote{144} Because many of the patents issued and involved in litigation today deal with biotechnology, pharmaceuticals, computer hardware and software (often referred to as “high technology”),\footnote{145} the ability to select a neutral arbitrator, with training sufficient to understand the subject matter at issue, can prove a considerable advantage.\footnote{146}

In cases presenting a more “level playing field” between disputants, many of the typical advantages of ADR over litigation simply become more prominent. Both sides may appreciate the ability to control substantially the amount of time, effort, intrusion and expenses of the litigation. For example, an average patent dispute arbitration rarely exceeds 12 to 15 months, and often concludes within six months. Also since many such patent cases do not require that only one party may be deemed the victor, both parties may appreciate the opportunity to use ADR instead of litigation as a way to find the appropriate middle ground. For example, a mutually agreeable license arrangement benefits both, parties and may be preferable to an all or nothing outcome.

Lastly, patent litigation has a well-deserved reputation for being costly. In patent cases, attorney fees easily can go through the roof,\footnote{147}

145. Ethicon Endo-Surgery, Inc., 90 F.3d 1572, 1574-75 (Fed. Cir. 1996)
146. Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1579 (Fed. Cir. 1996)
ADR allows parties to resolve their disputes in a more efficient manner without significantly depleting their budgets. One expert said that arbitration, conducted with skill and experience, should cost less than 50 per cent of a patent infringement suit.\(^{148}\) As ADR is becoming more popular in patent disputes, specific materials are now available to assist the practitioner, ensuring a more successful process.\(^{149}\)

**ADR in Commercial Trade mark and Trade Dress Disputes**

Trade mark and trade dress disputes typically involve a question of “likelihood of confusion.”\(^{150}\) Trade mark Plaintiffs are often involved in claims that allege that the Defendant’s mark is confusingly similar to the Plaintiff’s mark. The trade dress complainant often argues that the Defendant’s packaging presents his product in a manner that misleads the public to believe it is the Plaintiff’s product.\(^{151}\) In both instances, a key issue is the likelihood that consumers will be confused about the source of the involved products.\(^{152}\)

Issues often requiring resolution in both types of cases can include: the degree of distinctiveness obtained by the Plaintiff’s mark or trade dress; actual or likely confusion by consumers; similarity of the opponents’ products or product categories; similarity of the marks or trade dress;

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149. Tom Arnold, Contracts to Arbitrate Patent and Other Commercial Disputes, CPR's Alternatives to the High Cost of Litigation, December, 1992.
150. L.A. Gear, Inc. v. Thom McAn Shoe Co. 988 F.2d 1117, 1132 (Fed. Cir. 1993).
151. L.A. Gear, 988 F.2d at 1128; Roulo v. Russ Berrie & Co., 886 F.2d 931, 935 (7th Cir. 1989).
152. Roulo v. Russ Berrie & Co., 886 F.2d 931, 935 (7th Cir. 1989).
sophistication of the relevant potential buyers and of the marketing channels used by the parties and the Defendant’s intent in choosing his mark or trade dress. Many such cases, however, arise where the parties have an ongoing business relationship. The parties in the dispute may, for example, have a license or franchise relationship existing prior to or unrelated to the existing prior to or unrelated to the dispute. Often, a reasonable resolution may involve modification of the existing license from one party to other, or the creation of an additional agreement. In such situations, there is a substantial benefit to avoid outright litigation not only in terms of time and expense saved, but also in being able to formulate the solution that best meets the needs of the parties and the situation. This also helps prevent the parties from escalating the dispute into a purely aggressive “seek and destroy” approach, which easily could destroy any potential for future collaboration. Although trade mark and trade dress disputes do not present complicated scientific or technical issues to a Court of law, they do require an understanding of equally complicated legal rules, consumer perception and surveys, and market data. Thus, disputing parties may prefer to resort instead to ADR for handling their conflict, ADR presents clear advantages that warrant consideration before most such disputes are pursued in Court.

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ADR in Commercial Trade Secret and Unfair Competition Disputes

Misappropriation of a trade secret involves the acquisition of trade-secret information through a breach of an obligation on confidentiality or through illegal or otherwise improper means.\textsuperscript{154} The accused party must have actual or constructive notice that the information qualifies as a trade secret,\textsuperscript{155} Trade secret protection covers business information that provides a competitive advantage and that is kept secret and protected to a degree reasonable under the circumstances.\textsuperscript{156} Often, a former employee currently working for a competitor may be involved in such a dispute between the old and new employers. Claims of unfair competition may include unlawful, unfair or fraudulent business activity and unfair, deceptive, false or misleading advertising. Such claims are of the intertwined with related trade secret, breach of contract or trade mark issues.\textsuperscript{157} By the very nature of the issues involved, usually at least one party in a trade secret dispute is very concerned about maintaining the secrecy of the trade secret or other confidential or proprietary information. Unfair competition disputes may also present such concerns, depending on the exact nature of the claim. To the extent that confidentiality and the secrecy of the procedure are important, ADR may be a particularly appropriate alternative to litigation.

\textsuperscript{154} Integrated Cash Management, Serv. V. Digital Transactions, 920 F.2d 171,173 (2d Cir. 1990)
\textsuperscript{155} Phillips v. Frey, 20 F.3d 623,632 (5th Cir. 1994)
\textsuperscript{156} Kweanee Oil Co. v. Bicron Corp., 416 U.S. 470, 484 (1974)
\textsuperscript{157} Qualitex Co. v. Jacobson Prods., Co., 514 U.S. 159, 174 (1995); Rock & Roll Hall of Fame & Museum, Inc. v. Gentile Prods., 134 F.3d 749, 758-59 (6\textsuperscript{th} Cir. 1998)
Trade secret and unfair competition issues also tend to involve parties that prefer a rapid resolution of their dispute, which often involves time-critical issues. For example, a trade secret, once disclosed without a requirement of confidentiality, loses its trade secret protection; an advertisement, by its nature, usually has a limited life span. In either situation, the parties often prefer a resolution as soon as possible. Again, ADR presents alternatives that can address this concern, as ADR methods generally proceed faster than litigation.

Trade secret and unfair competition cases often involve technical subject matter issues that may be difficult for a Judge or jury to understand fully. For example, an unfair competition claim could be based on a competitor’s comparative advertisement that is allegedly false and misleading. A key issue could be whether, in fact, the competitor’s product is reasonably better, faster, more complete, safer, long-lasting or in any other manner significantly superior to the Plaintiff’s product. Just as with the patent cases discussed above, parties to these cases may also prefer to select a neutral arbitrator with the background and training best able to understand the underlying subject matter, facts, and claims. Use of such an expert relieves the parties of the need to educate the fact finder, and helps to streamline the dispute resolution process by affording the parties greater control over expenditures of time, effort and money.

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ADR in Commercial Intellectual Property Licensing Disputes

Companies increasingly try to capitalize and maximize the value of their intellectual property by entering into licensing agreements. Often, such licenses include a provision for resort to ADR for resolution of any disputes that may develop regarding the intellectual property and the licensing relationship. Such licenses, however, may also give rise to issues implicating the underlying subject matter. For example, one issue could be whether and to what extent a license covers the source code and/or object code of a particular computer program and, therefore, subjects the software product to royalties, if in fact, the product is permitted at all. Because the licensing agreement typically focuses in part on adequately describing the scope and substance of what is being licensed, such issues may also benefit from an arbiter’s understanding of the technical subject matter, as discussed above with regard to the underlying and complex matters often involved in patent disputes.

Accordingly, when entering into an intellectual property licensing agreement, both parties must carefully consider the identity and potential complexity of issues that could arise when deciding whether or not to include an ADR clause in the contract.

161. Rhone-Poulanc Specialties Chimiques v. SCM Corp., 769 F.2d 1569, 1572 (Fed. Cir., 1985)
If the parties decide to include an ADR clause, it may be advantageous to consider issues such as the type of ADR available or the scope of discovery permitted at the time the contract is entered into rather than belatedly when a dispute arises. One advantage of agreeing on the use and format of ADR at this early stage is that attorneys and business executives can establish fair rules of conduct, which will prove advantageous if a dispute does arise. Parties must take extra care, however, when determining the procedure used to resolve future conflicts at a time when the nature and exact subject matter of a possible dispute is not yet known. Thus, if the drafters of the ADR clauses appropriately consider possible ADR situations, and draft their agreement accordingly, the parties to an intellectual property licensing agreement may be to set the stage for economical, efficient and reasonable resolution of any conflict that may arise later. Additionally, agreeing in advance to ADR can relieve the parties from later concern that the other side will perceive the suggestion of ADR as sign of a weak case.

**ADR in International Intellectual Property Disputes**

The nature of international disputes lends itself to conflicts as a result of diverse legal systems and tribunal procedures. Also, international intellectual property disputes often involve nations that may have very different ideas regarding intellectual property and the
level of protection that it should be afforded;\textsuperscript{162} so therefore, the dispute mechanisms provided by General Agreement on Tariffs and trade (GATT) and WIPO stand as the benchmark for the method and procedures to be followed when resolving international disputes.

**FUNDAMENTAL PROBLEMS OF INTERNATIONAL IP DISPUTES**

One of the fundamental problems in international intellectual property law disputes is the myriad conceptual differences in the way in which different nations view intellectual property rights. For instance, until the recent ratification of the GAT,\textsuperscript{163} which resulted in dramatic changes in domestic patent law in the United States,\textsuperscript{164} the domestic law required that patent applications be maintained in secret, and disclosure not be made until the granting of the patent. The secrecy of pending applications distinguished domestic law from foreign patent registration procedures, where disclosure occurs at the time of filing. Mechanisms employed under international agreements, that include ADR provisions, may provide better means for protecting intellectual property in less developed nations, and industrialized nations may then decide to enter the markets in these nations. Complex issues, such as choice of law or jurisdiction, will no longer be problematic when dispute settlement procedures are outlined in multilateral agreements.

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\textsuperscript{163} General Agreement on tariffs and Trade-Final Act Embodying the results of the Uruguay Round of Multilateral Trade Negotiations, April 15, 1994.

\textsuperscript{164} Intellectual Property; GATT Bill Brings Major Reforms to Domestic Intellectual Property Law, Daily Report For Executives, December 5, 1994, at 231.
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For instance, when mediation is used in international intellectual property disputes, it is more problem solving than being right determinative. The fact the mediation focuses on solving the problem and not on the rights of the individuals is the key to its effectiveness in dispute settlement. One of the fundamental problems with intellectual property disputes is the existence of different views that developed and under-developed countries have with respect to intellectual property rights. By focusing on problem solving and not exclusively on the rights of each party, settlement may be reached through compromise.

It can with certainty be stated that most intellectual property cases would benefit in someway from the wide range of ADR mechanisms, which could be either by settlement, narrowing the issues, improved communication, or case-planning assistance. One of the key benefits of ADR is the ability of the parties to select a process suitable for their case and to tailor the process to their needs. Thus, to obtain the most beneficial result from ADR, lawyers should help their clients make informed decisions in selecting a suitable ADR process and in customizing it for their case, and should thoroughly prepare themselves and their client to participate meaningful in the ADR proceeding.

An epitome for a conclusion would be to resonate the words eloquently stated by Abraham Lincoln, that “part of the role of an attorney is to persuade your neighbours to compromise whenever you can. Point out
to them how the nominal litigant winner is often a real loser-in fees, expenses and waste of time”. Presently, many intellectual property attorneys and their clients do not regularly consider ADR as a means for resolving their disputes. ADR processes are relatively new in India to the intellectual property field and should be used more frequently.