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THE BENEFITS OF ALTERNATE DISPUTE RESOLUTION FOR INTERNATIONAL COMMERCIAL AND INTELLECTUAL PROPERTY DISPUTES

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As global commerce continues to expand, the volume of cross-border disputes regarding commercial and intellectual property¹ disputes has increased substantially. Contract, business and intellectual property disputes are protected by laws which might vary from region to region. The question naturally arises as to the proper forum to handle international litigation between parties located in different countries and across cultural divides. Alternative Dispute Resolution (“ADR”) allows interested parties to explore options, beyond traditional judicial intervention, to handle global commercial and intellectual property disputes.

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¹ Intellectual Property is a creation that comes from a person’s mind, such as an idea, invention, or process. *See* MERRIAM-WEBSTER’S LEARNER’S DICTIONARY (2016); *See also What is Intellectual Property*, WIPO WORLD INTEL. PROP. ORG, <http://www.wipo.int/about-ip/en/> (last visited Jul. 31,2016) (“Intellectual property... refers to creations OF the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.”).

This article provides an overview of the benefits of ADR to international intellectual property and commercial disputes, and argues that ADR and the support of world intellectual property organizations offers a proper medium to address the unique substantive and procedural issues of international litigation.

I. What is Alternative Dispute Resolution?

ADR is an all-encompassing term which refers to multiple non-judicial methods of handling conflict between parties.² Examples of ADR are mediation, arbitration, neutral evaluation, negotiation, and conciliation.³

1. Arbitration is the “submission of a dispute to one or more impartial persons for a final and binding decision” on a dispute.⁴ It is a simplified version of a trial involving limited discovery and streamlined rules of evidence.⁵ The arbitration is heard and decided by an arbitral panel. Arbitration hearings can last for a day to several weeks. The panel then deliberates and issues a written decision, or arbitral award, which is usually binding on the parties, but is not public record.⁶ Arbitration requires a certain level of consent between the parties, though said consent may long predate any dispute.

² See *Alternative Dispute Resolution*, LEGAL INFO. INST., https://www.law.cornell.edu/wex/alternative_dispute_resolution (last visited July 5, 2016) (“Alternative Dispute Resolution (“ADR”) refers to any means of settling disputes outside of the courtroom... [including] early neutral evaluation, negotiation, conciliation, mediation, and arbitration.”).

³ *Id.*

⁴ *Arbitration*, AM. ARBITRATION ASS’N., https://www.adr.org/aaa/faces/services/disputeresolutionservices/arbitration?_afLoop=1360132749030108&_afWindowMode=0&_afWindowId=1bgj9hi42t_186#%40%3F_afWindowId%3D1bgj9hi42t_186%26_afLoop%3D1360132749030108%26_afWindowMode%3D0%26_adf.ctrl-state%3D1bgj9hi42t_230 (last visited July 12, 2016) (hereinafter “Arbitration”).

⁵ See *ADR and Mediation About ADR and Mediation*, INT’L TRADEMARK ASS’N., <http://www.inta.org/Mediation/Pages/AboutADRandMediation.aspx> (last visited July 5, 2016) (hereinafter “About ADR and Mediation”) (“parties to this ‘quasi-litigation’ procedure may contractually limit the issues subject to the arbitration as well as the procedural aspects of the process.”)

⁶ See *Alternative Dispute Resolution*, NEW YORK STATE UNIFIED COURT SYSTEM, https://www.nycourts.gov/ip/adr/What_Is_ADR.shtml (last visited July 5, 2016) (hereinafter “What is ADR”) (“Arbitration is less formal than a trial and the rules of evidence are often relaxed. In binding arbitration, parties agree to accept the arbitrator’s decision as final, and there is generally no right to appeal. In nonbinding arbitration, the parties may request a trial if they do not accept the arbitrator’s decision.”).

2. Mediation is a process whereby a neutral third-party, called a mediator, intervenes in a dispute to help the parties amicably and informally resolve a dispute.⁷ Mediators are individuals trained in negotiations that attempt to work out a settlement or agreement that both parties accept or reject.⁸ Mediation is usually non-binding and relatively non-adversarial, offering parties a methodology to address disagreements while continuing in an economically viable relationship, without the cost of litigation.⁹
3. Neutral Evaluation is a relatively non-adversarial process in which the parties submit their position to a third-party neutral through a confidential evaluation session. The neutral examines the evidence, listens to the parties' positions, and provides the parties his or her evaluation of the case.¹⁰ Evaluation is simpler and less costly than litigation or arbitration, and is especially useful when parties require the answer to a technical question quickly.
4. Negotiation is a less formal method, whereby parties meet in good faith to discuss and address the dispute with the goal of reaching a mutually agreeable resolution. Negotiation can take place with or without lawyers or neutrals.¹¹ The lack of formality and structure works best with parties that are willing and able to work together to address substantive issues.

⁷ See About ADR and Mediation, *supra* note 6.

⁸ See *id.* ("Mediation is a nonbinding process in which parties to a dispute work with an impartial third party ('neutral' or 'mediator') who helps them to reach a settlement. The mediator does not decide the case but rather facilitates a consensual agreement among the parties to the dispute. Except under some court-mandated programs, mediation is a consensual effort: both parties must agree to it. It often is employed after it becomes apparent that direct negotiation between adversaries will not resolve the dispute efficiently.").

⁹ *Id.*

¹⁰ See What is ADR, *supra* note 7 ("Neutral Evaluation: a neutral person with subject-matter expertise hears abbreviated arguments, reviews the strengths and weaknesses of each side's case, and offers an evaluation of likely court outcomes in an effort to promote settlement. The neutral evaluator may also provide case planning guidance and settlement assistance with the parties' consent.").

¹¹ See *Dispute Resolution Reference Guide*, DEP'T OF JUST. OF CAN., <http://www.justice.gc.ca/eng/rp-pr/csj-sjc/dprs-sprd/res/drrg-mrrc/03.html> (last visited July 5, 2016).

5. Restorative Justice is primarily a procedure to address criminal actions, and involves creating a process focusing on the needs of all stakeholders, including the victim, the offender, and the community. A mediated dialogue is created between offenders and victims, which foster accountability, forgiveness, and social reintegration for both parties. Restorative justice attempts to create long-term resolution for crime and social issues.¹²

6. Summary Jury Trials is a less formal non-binding process whereby each side presents an abridged case to a jury. A Summary Jury Trial gives parties a preview of a potential verdict should the case go to trial.¹³

The variety of ADR methodologies allows for adaptability to address issues between parties. Rather than applying the ridged structure of traditional court, the parties have the flexibility to choose the method which will best meet their needs. The less confrontational nature of negotiations and mediation allows parties to resolve problems in ongoing business relations without the need of a fact finder, evidentiary and legal review, determination of underlying claims, or substantive procedural requirements. Neutral evaluation allows parties to obtain a preliminary determination of potential issues prior to the actual litigation, without the requirements of a full trial and devoid of legal matters. Arbitration and summary jury trials allow for a more thorough review and determination of legal and factual issues, while protecting confidentiality and streamlining the process. Meanwhile, complex social issues can be addressed by restorative justice, which allows the community, the victim and the perpetrator to focus on the root cause of a sociological issue.

¹² See *Working Definitions of Restorative Justice*, NAT'L INST. OF JUST. (Dec. 3, 2007), <http://www.nij.gov/topics/courts/restorative-justice/pages/definitions1.aspx>.

¹³ See What is ADR, *supra* note 7 (“Summary Jury Trials (SJT): In this adversarial dispute resolution process, each side presents its case in a shortened form to a jury. The jury then makes a decision, which is advisory only, unless parties request that it be a binding decision. A summary jury trial gives parties a preview of a potential verdict should the case go to trial. SJTs are available in limited jurisdictions.”).

II. Alternative Dispute Resolution & International Commercial and Intellectual Property Disputes:

Intellectual property rights are only as strong as the means to enforce them. In that context, arbitration and mediation, as private and confidential procedures, are increasingly being used to resolve disputes involving intellectual property rights, especially when the parties involved are from different jurisdictions.

Clear statutory basis exists for the arbitration of intellectual property disputes. Public Law 97-247, which allows voluntary arbitration of patent disputes, including validity and infringement, became effective on February 27, 1983.¹⁴ Under the statute, arbitration awards are enforceable, though binding only on the parties to the arbitration, when notice of an award is filed with the Commissioner of Patents and Trademarks.¹⁵

Though authorized under the law, until fairly recently the general consensus was that ADR, and arbitration in particular, was not the proper venue for intellectual property disputes.¹⁶ As intellectual property rights, such as patents, are granted by national authorities, it was argued that disputes regarding must be resolved by a public body within the national system.¹⁷ Just as First Amendment and Due Process rights are constitutional rights and thus generally not considered ripe for arbitration, so too were intellectual property disputes thought of as not appropriate for ADR.

Over the last decade, there has been significant headway in the arbitration of intellectual property disputes. Domain name and cybersquatting issues are now to a large extent handled by

¹⁴ Pub. L. No. 97-247, *96 Stat. 321* (1982), <http://uscode.house.gov/statutes/pl/97/247.pdf>.

¹⁵ *See also* Patent Law Amendments Act of 1984, [Pub. L. No. 98-622, tit. III, 98 Stat. 3383 \(1984\)](#) (codified at 35 U.S.C. 135(d)) (arbitration of patent interferences); The Semiconductor Chip Protection Act of 1984, Pub. L. No. 98-620, tit. III, 98 Stat. 3347 (1984) (codified at 17 U.S.C. 901 et seq.) (Sanctions litigation of royalties payable for innocent infringement of chip product rights unless resolved by voluntary ADR).

¹⁶ William Grantham, *The Arbitrability of International Intellectual Property Disputes*, 14 *BERKELEY J. INT'L LAW* 173 (1996), <http://scholarship.law.berkeley.edu/bjil/vol14/iss1/4>; Chris Neumeyer, *Think Patent Arbitration Can't Work? Think Again*, *IPWATCHDOG* (June 10, 2013), <http://www.ipwatchdog.com/2013/06/10/think-patent-arbitration-cant-work-think-again/id=41447/>.

¹⁷ Grantham, *supra* note 17, at 180-195.

arbitration, which streamlines the process.¹⁸ Furthermore, more and more “industrial property,” including for example copyrights, patents, trade secrets, trademarks, geographical indications and appellations of origin for products, and the industrial design and topographies of semiconductors, are being handled through arbitration forums.¹⁹

There is also a growing movement to address art law disputes through arbitration. ADR allows for more sensitivity towards cultural issues, as well as complete confidentiality of the proceedings, thus minimizing the publication of questions to claims of title and very real damage to valuation arising from litigation.²⁰

III. Analysis of Benefits & Risks Favor Alternative Dispute Resolution of International Matters:

It is respectfully submitted that a review of the advantages and disadvantages of ADR demonstrates that it is an ideal means of addressing international disputes.

Single Streamlined Procedure. Many international disputes consist of complex inter-related claims litigated in multiple forums across vast distances, languages and cultures.²¹ Multiple litigation cites may be necessary to allow for complete litigation of a given matter, since a court in New York may lack jurisdiction over a patent in Denmark. For instance, a dispute concerning agricultural testing devises may be simultaneously litigated in Australia, United States and England.

¹⁸ WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION, ANNUAL REPORT OF THE DIRECTOR GENERAL TO THE WIPO ASSEMBLIES, 9 (2015), http://www.wipo.int/edocs/pubdocs/en/wipo_pub_1050_15.pdf (“Since WIPO administered the first Uniform Domain Name Dispute Resolution Policy (UDRP) case in 1999, total WIPO case filings have passed the 32,000 mark, encompassing over 60,000 domain names. The 2,015 domain name cases received by WIPO in 2015 so far are 3.9% above the number of cases received in the same period in 2014. Total WIPO cybersquatting case filings in 2014 increased by 2%, with 2,634 cases lodged by trademark owners alleging abuse of their mark.”).

¹⁹ *Id.*

²⁰ See, e.g., Anne Laure Bandle, *Alternative Dispute Resolution and Art-Law - A New Research Project of the Geneva Art-Law Centre*, 6 J. INT'L COMMERCIAL L. & TECH. 28, 28-41 (2011).

²¹ Kimberly Hicks, *Parallel Litigation in Foreign and Federal Courts: Is Forum Non Conveniens the Answer?*, 28 REV. LITIG. 659, 660 (2009).

Another dispute regarding Israeli and Luxemburg financiers of a domestic hotel may result in multiple lawsuits across three continents.

ADR offers a single procedure to address complex international matters. Through ADR, the parties can agree to resolve in a single procedure a dispute involving intellectual property that is protected in a number of different countries, thereby avoiding the expense and complexity of multi-jurisdictional litigation, and the risk of inconsistent results. This is particularly true through the Arbitration and Mediation Center of the United Nation's World Intellectual Property Organization ("WIPO"), which has over seventy member countries that consent to the jurisdiction of arbitrations conducted through the center.²²

Control. ADR affords parties the opportunity to exercise greater procedural control over the way their dispute is resolved than in court litigation.²³ In contrast to court litigation, the parties themselves may select the most appropriate decision-makers for their dispute, and in doing so they may choose the applicable law, place and language of the proceedings.²⁴ Increased party autonomy can also result in a faster process, as parties are free to devise the most efficient procedures for their dispute, which can result in material cost savings.²⁵

Confidentiality. Litigation in court is a public affair, with limits on control of the dissemination of information.²⁶ More and more courts are moving away from permitting protective

²² *Member States*, WIPO Arbitration & Mediation Center, WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/members/en/> (last visited July 30, 2016).

²³ What is ADR?, *supra*, note 7; see also Edna Sussman and John Wilkinson, *Benefits Of Arbitration For Commercial Disputes*, DISP. RESOL. MAG., March 2012,

²⁴ See *id.*

²⁵ See *id.*

²⁶ Richard I. Janvey, *'Confidential' Settlement Agreements in NY? Think Again*, LAW360 (Mar. 28, 2013), <http://www.law360.com/articles/427899/confidential-settlement-agreements-in-ny-think-again>; *Rules Governing The Courts Of The State Of New Jersey, Rule 1:38. Public Access To Court Records And Administrative Records*, N.J. R. 1:38-11; Eric A Weiss and Debra L. Slifkin, *Enforceability Of Rule 26(c) Confidentiality Orders And Agreements*, 49 FEDERATION OF INSURANCE & CORPORATE COUNSEL 2 (Winter 1999).

orders in the discovery process, with a substantial burden to demonstrate a need for confidentiality during trial.²⁷

In contrast, ADR offers true confidentiality of all matters. Because of its private and contractual nature, the parties can agree to complete confidentiality of the proceeding.²⁸ There are no public records or need for hearings regarding anonymity. The parties can control at the onset how information is treated and what, if anything, is made public. This allows the parties to focus on the merits of the dispute without concern about its public impact, and may be of special importance where commercial reputations and trade secrets are involved.

Complete Neutrality. While the neutrality of the Judiciary is presumed, cultural and legal biases are harder to control. ADR can be neutral to the law, language and institutional culture of the parties, thereby avoiding any home court advantage that one of the parties may enjoy in court-based litigation, where familiarity with the applicable law and local processes can offer significant strategic advantages.²⁹

Finality of the Awards. Unlike court decisions, which can generally be contested through one or more rounds of litigation and appeals, arbitral awards are usually confirmed by the court without incident and are not normally subject to appeal.³⁰ However, a growing number of venues are allowing for a limited right of appeal to a second appellate panel.³¹

²⁷ *See id.*

²⁸ *See* What is ADR?, *supra*, note 7.

²⁹ *See id.*

³⁰ Sheila Carpenter, *Appealing Arbitration Decisions: Practice Tips for Young Lawyers*, AM. BAR. ASSOC. (Sept. 5, 2014), <http://apps.americanbar.org/litigation/committees/adr/articles/summer2014-0914-appealing-arbitration-decisions-practice-tips-young-lawyers.html> (“ . . . the [FAA] provides very few grounds for appealing arbitration awards, primarily serious misconduct or fraud by the arbitrators, and . . . the courts disfavor such appeals, particularly preaward appeals. Thus, appeals of arbitration awards should be rare; successful appeals *are* rare.”) (internal quotations omitted, emphasis in original).

³¹ The following is a non-conclusive sampling of forums that have developed arbitration appellate practice: (1) JAMS (<https://www.jamsadr.com/appeal/>); (2) AAA (<http://go.adr.org/AppellateRules>); (3) FOSFA (<http://www.fosfa.org/document-library/rules-of-arbitration-and-appeal-january-2012/>); and (4) CPR (<http://www.cpradr.org/RulesCaseServices/CPRRules/AppellateArbitrationProcedure.aspx>).

Enforceability. Arbitration awards are generally granted the same level of recognition as judgments. The United Nations Convention for the Recognition and Enforcement of Foreign Arbitral Awards of 1958, known as the New York Convention, provides for the recognition of arbitral awards on par with domestic court judgments without review on the merits.³² As of May 2015, the New York Convention has 156 state parties, which greatly facilitates the enforcement of awards across borders.³³

Speed and Cost. Generally, arbitration is more cost efficient and faster than litigation.³⁴ Both factors arise from the streamlined procedures of arbitration, as well as the fact that the arbitration panel, in the author's experience, generally has a significantly smaller docket than members of the judiciary.³⁵

Injunctive Relief. Arbitration awards are traditionally limited to factual and legal issues, thus traditionally precluding injunctive relief.³⁶ However, ADR forums are capable of issuing injunctive relief if the arbitration clause or the agreed upon forum rules provides for such.³⁷ No longer must a party seek a preliminary injunction relief from a court prior to filing the arbitration.

While arbitration panels have long had the power to direct a party to cease an activity as part of the final award, they now can grant interim relief as well.³⁸ The recently amended WIPO

³² See *Contracting States*, NEW YORK ARBITRATION CONVENTION, <http://www.newyorkconvention.org/countries> (last visited Jul. 8, 2016).

³³ *Id.*

³⁴ About ADR, *supra*, note 6; Hon. L. Anthony Gibson, J.S.C., *The Increasing Appeal of Private Arbitration and a Brief Look at Some of the Downside*, Rutgers J.L. & PUB. POL'Y (April, 2015), <http://www.rutgerspolicyjournal.org/increasing-appeal-private-arbitration-and-brief-look-some-downside>.

³⁵ Aimee Egan, *Consumer Arbitration Preserves Access To Justice For Consumers With Smaller-Value Disputes*, METROPOLITAN CORPORATE COUNSEL (Mar. 1, 2009), <http://www.metrocorpcounsel.com/articles/11069/consumer-arbitration-preserves-access-justice-consumers-smaller-value-disputes>.

³⁶ See David Attisani & Jennifer Brennan, *An Elephant in the (Arbitration) Room — The Power of Panels and Its Outer Limits (Part II)*, 16 ARIAS QUARTERLY 1 (First Quarter, 2009), <https://www.choate.com/uploads/113/doc/attisani-brennan-arias-quarterly-the-power-of-panels-and-its-outer-limits-part-2.pdf>.

³⁷ See *id.*; See also Stephen P. Bedell & Louis K. Ebling, *Equitable Relief in Arbitration: A Survey of American Case Law*, 20 LOY. U. CHI. L. J. 39 (1988); *Another Look at Remedies in Arbitration*, FINDLAW, <http://corporate.findlaw.com/litigation-disputes/another-look-at-remedies-in-arbitration.html> (last visited July 31, 2016).

³⁸ See *id.*

Arbitration Rules expanded the powers of Arbitrators to include injunctive relief.³⁹ Under WIPO Arbitration Rules, an applicant may seek immediate relief, provided a full arbitration is initiated within 30 days of the interim application.⁴⁰ It must be noted that an injunctive order is generally not enforceable to third parties without an Order of a Court since the panel lacks jurisdiction over the third party.⁴¹ If the enjoined party or its affiliates fails to comply with a preliminary injunction by a WIPO Panel, a supplemental court action might be necessary.

³⁹ WIPO Arbitration R. Art. 48 - Interim Measures of Protection and Security for Claims and Costs:

(a) 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.

(b) At the request of a party, the Tribunal may order the other party to provide security, in a form to be determined by the Tribunal, for the claim or counter-claim, as well as for costs referred to in Article 74.

(c) Measures and orders contemplated under this Article may take the form of an interim award.

(d) 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 Agreement.

WIPO Arbitration Rules, WIPO Arbitration & Mediation Center, WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION (Jun. 1, 2014), <http://www.wipo.int/amc/en/arbitration/rules/#cond2>.

⁴⁰ WIPO Arbitration R. Art. 49 - Emergency Relief Proceedings ...

(b) A party seeking urgent interim relief prior to the establishment of the Tribunal may submit a request for such emergency relief to the Center. ...

(c) The date of commencement of the emergency relief proceedings shall be the date on which the request referred to in paragraph (b) is received by the Center....

(i) The emergency arbitrator may order any interim measure it deems necessary. The emergency arbitrator may make the granting of such orders subject to appropriate security being furnished by the requesting party. Article 48 (c) and (d) shall apply mutatis mutandis. Upon request, the emergency arbitrator may modify or terminate the order.

(j) The emergency arbitrator shall terminate emergency relief proceedings if arbitration is not commenced within 30 days from the date of commencement of the emergency relief proceedings....

(l) Unless otherwise agreed by the parties, the emergency arbitrator may not act as an arbitrator in any arbitration relating to the dispute.

(m) The emergency arbitrator shall have no further powers to act once the Tribunal is established. Upon request by a party, the Tribunal may modify or terminate any measure ordered by the emergency arbitrator.

Id.

⁴¹ Sandeep Adhipathi, *Interim Measures in International Commercial Arbitration: Past, Present and Future*, LLM THESES AND ESSAYS (Aug. 1, 2003), http://digitalcommons.law.uga.edu/cgi/viewcontent.cgi?article=1000&context=stu_llm.

Preliminary relief may also be found in several other ADR forums.⁴² If a particular arbitration forum does not afford preliminary injunctive relief, assistance can generally be found in federal court, provided jurisdiction is available,⁴³ and many state courts.⁴⁴

The benefit in seeking a preliminary injunction from an arbitration panel is found in the New York Convention, which requires the recognition and enforcement of foreign arbitration awards.⁴⁵ Thus, while a preliminary injunction by a federal court is limited in geographic scope, an interim order by an arbitration panel may apply globally. Even if a party is forced to seek enforcement of the Panel preliminary injunction in Court, the full scope of the Order of the panel would be enforceable in any state or federal court.⁴⁶

⁴² See *Intern. Arbitration Rules of AAA-ICDR, Art. 16*, Int'l Dispute Res. Procedures, ADR.ORG (Jun. 1, 2009) https://www.adr.org/aaa/ShowPDF;jsessionid=Q6F3PXhf8pXPBtCSvyQQvyJGxt1VpxzzQGvD3JxczZWn8hTGvKl.H!924145485?doc=ADRSTG_002008; see also *2012 ICC Rules of Arbitration of the International Court of Arbitration of the International Chamber of Commerce, Art. 29*, INT'L CHAMBER OF COMMERCE (Jan. 1, 2012) http://www.iccwbo.org/products-and-services/arbitration-and-adr/arbitration/icc-rules-of-arbitration/#article_29 (providing for an emergency arbitrator in situations that cannot wait for an arbitral tribunal).

⁴³ See *Teradyne, Inc. v. Mostek Corp.*, 797 F.2d 43 (1st Cir. 1986) (Debtor enjoined from disposing of assets pending arbitration); see also *Roso-Lino Beverage Distribs., Inc. v. The Coca-Cola Bottling Co.*, 749 F.2d 124 (2d Cir. 1984) (Reversed denial of preliminary injunction, finding referral of dispute to arbitration did not strip district court of power to grant injunctive relief); see also *Erving v. Virginia Squires Basketball Club*, 468 F.2d 1064 (2d Cir. 1972) (Affirmation of preliminary injunction enjoining basketball player from playing for another club pending arbitration); see also *Ortho Pharm. Corp. v. Amgen, Inc.*, 882 F.2d 806 (3rd Cir. 1989) (biotechnology company ordered to withdraw request to FDA pending arbitration); see also *Merrill Lynch, Pierce Fenner & Smith, Inc. v. Bradley*, 756 F.2d 1048 (4th Cir. 1985) (Uphold injunction preventing former employee from using records or soliciting clients pending arbitration); see also *Performance Unlimited, Inc. v. Questar Publishers Inc.*, 52 F.3d 1373 (6th Cir. 1995) (Finding as matter of law district court has power to enter preliminary injunction while dispute subject to arbitration); see also *Sauer-Getriebe KG v. White Hydraulics Inc.*, 715 F.2d 348 (7th Cir. 1983), *cert. denied* 464 U.S. 1070 (1984) (Transfer of assets enjoined until termination of arbitration); see also *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Salvano*, 999 F.2d 211 (7th Cir. 1993) (Recognized equitable power of court to grant injunctive relief in arbitrable dispute); see also *PMS Distrib. Co. v. Huber & Suhner, A.G.*, 863 F.2d 639 (9th Cir. 1988) (Arbitration agreement does not strip court of authority to issue injunction).

⁴⁴ See N.Y. C.P.L.R. § 7501-7514 (2012).

⁴⁵ *Enforcing Arbitration Awards under the New York Convention*, United Nations Publication Sales No. E.99.V.2, 17, UNCITRAL.ORG (1999), <https://www.uncitral.org/pdf/english/texts/arbitration/NY-conv/NYCDay-e.pdf>.

⁴⁶ See *id.* at 20.

Appellate Review. Since arbitrations are not court proceedings, it is generally assumed no appellate review exists.⁴⁷ However, with planning and a carefully worded agreement, parties can realize all the benefits of arbitration (cost and time savings, finality, confidentiality, etc.) while providing for an appellate process. When drafting such an agreement, based upon the author's experience, consideration should be given to several points, including:

- A. Requiring a reasoned decision by the initial tribunal;
- B. Defining the issues that can be reviewed on appeal;
- C. Where the appellate tribunal will be seated;
- D. The number and qualifications of the arbitrator(s);
- E. The method of appointment of the arbitrators;
- F. What constitutes the record on appeal;
- G. Deadlines;
- H. Whether there is to be oral argument; and
- I. Evidentiary standards.⁴⁸

Several arbitration forums have adopted rules, regulations and panels for review of arbitration decisions by an appellate panel.⁴⁹ These rules create an appeal of an arbitration award to a panel of neutrals with appellate backgrounds.⁵⁰ The scope of review is limited to material and prejudicial errors of law or erroneous determinations of fact.⁵¹

⁴⁷ See What is ADR?, *supra*, note 7.

⁴⁸ See *Guide to Arbitration Clauses*, AHLA DISP. RES. SVC, 9-11 https://www.healthlawyers.org/Events/Programs/Materials/Documents/LTC15/r_drucker_mcdonald_guide_to_arbitration.pdf (last visited July 29, 2016).

⁴⁹ *Optional Arbitration Appeal Procedure*, JAMS, <http://www.jamsadr.com/appeal/> (last visited Jul.8, 2016); *Optional Appellate Arbitration Rules*, AM. ARB. ASSOC. (Nov. 1, 2013) <http://go.adr.org/AppellateRules>; International, *CPR Arbitration Appeal Procedure and Commentary*, INT'L. INST. FOR CONFLICT PREV. & RES., <http://www.cpradr.org/RulesCaseServices/CPRRules/AppellateArbitrationProcedure.aspx>.

⁵⁰ *Id.*

⁵¹ *Id.*

Discovery. The degree to which a party may obtain discovery is depended upon the arbitration agreement, rules of the forum, and discretion of the arbitration panel.⁵² Though discovery is limited in arbitration, third-party discovery is available. The Federal Arbitration Act (“FAA”), which is applicable to domestic and certain international commercial arbitrations, is the primary source of authority to compel discovery from third parties during arbitration.⁵³ Section 7 of the FAA expressly provides arbitrators with authority to issue subpoenas to compel the attendance of witnesses and the production of documents at the hearing. Though the FAA does not expressly provide that arbitrators may compel third-party pre-hearing discovery, case law exists to authorize subpoenas to compel pre-hearing document production.⁵⁴

Consent. ADR's voluntary nature makes it less appropriate if one of parties is extremely uncooperative, which may occur in the context of an extra-contractual infringement dispute. A significant amount of case law has developed as to when a party demonstrates consent to arbitrate, and thus a basis to compel or require arbitration.⁵⁵

Legal Precedent. As a general rule, decisions in court litigation have precedential effect, while those in arbitration do not. However, a growing number of international arbitration forums are starting to internally cite to past decisions within the forum,⁵⁶ particularly regarding

⁵² See *Discovery*, National Rules for the Resolution of Employment Disputes, Amer. Arb. Assoc., ADR.ORG (Jan. 1, 2004) https://www.adr.org/aaa/ShowPDF;jsessionid=MMThQt6f3qE15AJb-7w28Y8aHGcUkz_fVw8jOmX4iZD aRMTEPE2l-936312917?doc=ADRSTG_004394 (“The arbitrator shall have the authority to order such discovery, by way of deposition, interrogatory, document production, or otherwise, as the arbitrator considers necessary to a full and fair exploration of the issues in dispute.”)

⁵³ See Sean T. Carnathan, *Discovery in arbitration? Well, it depends...*, 10 ABA BUSINESS LAW TODAY 4 (March/April 2001) <https://apps.americanbar.org/buslaw/blt/bltmar01carnathan.html>; Joseph L. Forstadt, *Discovery in Arbitration*, ADR & THE LAW 52 (20th ed., 2006) <http://www.stroock.com/siteFiles/Pub428.pdf>.

⁵⁴ American Federation of Television and Radio Artists AFL-CIO v. WJBK-TV, 164 F.3d 1004, 1009 (6th Cir. 1999).

⁵⁵ See Andrea Marco Steingruber, *The Mutable and Evolving Concept of ‘Consent’ in International Arbitration - Comparing rules, laws, treaties and types of arbitration for a better understanding of the concept of ‘Consent,’* 2 OXFORD U. COMPARATIVE L. FORUM (2012), <http://ouclf.iuscomp.org/articles/steingruber.shtml#fn0sym>.

⁵⁶ See Gilbert Guillaume, *The Use of Precedent by International Judges and Arbitrators*, 2 J. INT. DISP. SETTLEMENT 5, (2011), <http://jids.oxfordjournals.org/content/2/1/5.full.pdf>.

cybersquatting disputes. There is also a growing argument in the legal community that arbitration awards should receive precedential value.⁵⁷

In review of the aforementioned issues, it is clear ADR offers a means of addressing international disputes with all the required procedural safeguards.

IV. ADR Forums:

Nearly as important as the determination to use ADR for the resolution of an issue is the decision as to the proper forum for a particular dispute. Intellectual property disputes demand not only optimal procedural skills on the part of the decision-maker, but also specialized knowledge within the areas of patents, trademarks, copyright, designs or other form of intellectual property that is the subject of the dispute.⁵⁸ In the author's opinion, and supported by the following analysis of the leading ADR forums for international matters, while several reputable forums exist to address international commercial disputes, only one exists which provides the expertise and support for cross-border intellectual property matters.

World Intellectual Property Organization Arbitration and Mediation Center:

WIPO Arbitration and Mediation Center (the "Center") was established in 1994 by the United Nations to provide ADR for international intellectual property and commercial disputes. The Neutrals appointed by WIPO are specialists in the all aspects of intellectual property law, both domestic and foreign.⁵⁹ The Center enables private parties to efficiently settle their domestic or

⁵⁷ See W. Mark C. Weidemaier, *Toward A Theory Of Precedent In Arbitration*, 51 WILLIAM & MARY L. REV. 1895 (2010); see Gabrielle Kaufmann-Kohler, *Arbitral Precedent: Dream, Necessity or Excuse?*, 23 ARBITRATION INT'L 357 (2007).

⁵⁸ William Grantham, *The Arbitrability of International Intellectual Property Disputes*, 14 BERKELEY J. INT'L LAW. 173 (1996) <http://scholarship.law.berkeley.edu/bjil/vol14/iss1/4>; Joseph P. Zammit & Jamie Hu, *Arbitrating International Intellectual Property Disputes*, Amer. Arb. Assoc., ADR.ORG (Nov. 2009 - Jan. 2010) https://www.adr.org/aaa/ShowPDF?doc=ADRSTG_012015.

⁵⁹ *Neutrals*, WIPO Arbitration & Mediation Center, WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION <http://www.wipo.int/amc/en/neutrals/> (last visited July 22, 2016) (hereinafter "Neutrals").

cross-border intellectual property, commercial and technology disputes via mediation, arbitration, expedited arbitration, expert determinations, and domain name dispute resolution.⁶⁰

An increasing number of cases are being filed with the Center under the WIPO Arbitration, Expedited Arbitration, Mediation and Expert Determination Rules.⁶¹ The subject matter of these proceedings includes contractual disputes (e.g. patent and software licenses, trademark coexistence agreements, distribution agreements for pharmaceutical products and research and development agreements) and non-contractual disputes (e.g. patent infringement). WIPO disputes have involved parties based in different jurisdictions including Austria, China, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, the Netherlands, Panama, Spain, Switzerland, the United Kingdom and the United States of America. The Center makes available a general overview of its caseload as well as descriptive examples of mediation and arbitration cases.⁶²

Where the Center is called upon to appoint a neutral in the context of a pending procedure, the Center, taking into account the specific characteristics of the dispute, makes available detailed database profiles of suitable candidates.⁶³ Parties can draw upon a growing database of over 1,500 independent WIPO arbitrators, mediators and experts from 70 countries, ranging from seasoned dispute resolution generalists to highly specialized practitioners and experts covering the entire legal and technical spectrum of intellectual property.⁶⁴

International Centre for Dispute Resolution of the American Arbitration Association:

⁶⁰*Background*, WIPO Arbitration & Mediation Center, WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/amc/en/center/background.html> (last visited July 22, 2016).

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Neutrals*, *supra* note 60.

⁶⁴ *Id.*

The American Arbitration Association (“AAA”) is a not-for-profit organization, headquartered in New York, created in 1926 to act as a forum for alternative dispute resolution.⁶⁵ The International Centre for Dispute Resolution (“ICDR”) was created in 1996 as the global component of AAA, and provides conflict-management services in more than 80 countries with a staff fluent in 12 languages.⁶⁶

The AAA and ICDR obtained some expertise in handling intellectual property disputes through the transfer of assets of the National Patent Board (“NPB”).⁶⁷ The AAA administers patent disputes pursuant to the AAA's Supplementary Patent Rules, unless the written agreement of the parties specifies use of the NPB Rules, which provide for a non-binding decision.⁶⁸

JAMS International:

H. Warren Knight, a former California Superior Court Judge, founded JAMS f/k/a Judicial Arbitration and Mediation Services, Inc. in 1979 in Santa Ana, California.⁶⁹ JAMS and ADR Center in Italy created JAMS International to provide mediation and international arbitration of cross-border and domestic disputes and ADR services worldwide.⁷⁰ JAMS International is headquartered

⁶⁵ *AAA Mission & Principles*, Amer. Arb. Assoc., INT’L CTR. FOR DISP. RES., https://www.adr.org/aaa/faces/s/about/mission?_afzLoop=151986764488784&_afzWindowMode=0&_afzWindowId=null#%40%3F_afzWindowId%3Dnull%26_afzLoop%3D151986764488784%26_afzWindowMode%3D0%26_adf.ctrl-state%3Dunyf28gth_735 (last visited July 22, 2016); *About the American Arbitration Association (AAA) and the International Centre for Dispute Resolution (ICDR)*, Amer. Arb. Assoc., INT’L CTR. FOR DISP. RES., (hereinafter “*About the AAA & the ICDR*”), https://www.adr.org/aaa/faces/s/about?_afzLoop=1748345913326198&_afzWindowMode=0&_afzWindowId=oxq6vyc1o_59#%40%3F_afzWindowId%3Doxq6vyc1o_59%26_afzLoop%3D1748345913326198%26_afzWindowMode%3D0%26_adf.ctrl-state%3Doxq6vyc1o_103 (last visited July 22, 2016).

⁶⁶ *About the AAA & the ICDR*, *supra*.

⁶⁷ *Intellectual Property/Licensing*, Commercial, Amer. Arb. Assoc., INT’L CTR. FOR DISP. RES., https://www.adr.org/aaa/faces/aoe/commercial/intellectualpropertylicensing?_afzLoop=1749076630338624&_afzWindowMode=0&_afzWindowId=oxq6vyc1o_100#%40%3F_afzWindowId%3Doxq6vyc1o_100%26_afzLoop%3D1749076630338624%26_afzWindowMode%3D0%26_adf.ctrl-state%3Doxq6vyc1o_132 (last visited July 22, 2016).

⁶⁸ *Id.*

⁶⁹ *About the JAMS Name*, JAMS, <http://www.jamsadr.com/about-the-jams-name/> (last visited July 22, 2016); Hon. H. Warren Knight, Biography In Memoriam, JAMS, <http://www.jamsadr.com/knight/> (last visited July 22, 2016).

⁷⁰ *JAMS International*, <http://www.jamsinternational.com/> (last visited July 22, 2016); *See also* JAMS International Arbitration Rules, JAMS (Aug. 1, 2011), <http://www.jamsadr.com/international-arbitration-rules/>.

in London, England, with additional locations in the EU.⁷¹ As of the date of this article, JAMS International has a total of fourteen designated panelists.⁷²

JAMS maintains a list of nearly three hundred neutrals, many of whom are retired judges throughout the United States, who handle a wide variety of matters.⁷³

London Court of International Arbitration:

The London Court of International Arbitration (“LCIA”) was founded in April 5, 1883, when the Court of Common Council of the City of London set up a committee to draw up proposals for the establishment of a tribunal for the arbitration of domestic and trans-national commercial disputes arising within London.⁷⁴

The LCIA is made up of approximately thirty-five members plus representatives of associated institutions and former presidents, to provide and maintain a balance of leading practitioners in commercial arbitration from the major trading areas of the world. The principal functions of LCIA are appointing tribunals, determining challenges to arbitrators, and controlling costs.⁷⁵

Permanent Court of Arbitration:

The Permanent Court of Arbitration (PCA) was established in 1899 by the Convention for the Pacific Settlement of International Disputes during the first Hague Peace Conference, at the initiative of Czar Nicolas II of Russia “with the object of seeking the most objective means of ensuring to all peoples the benefits of a real and lasting peace, and above all, of limiting the

⁷¹ *Id.*

⁷² JAMS Panelist *JAMS International's panel of arbitrators and mediators*, International ADR Panelists, JAMS International, <http://www.jamsinternational.com/panellists/london> (last visited July 22, 2016).

⁷³ *About JAMS*, JAMSadr.com, <https://www.jamsadr.com/about-jams/> (last visited July 22, 2016).

⁷⁴ *History*, LCIA Arbitration & ADR Worldwide, LCIA.ORG, <http://www.lcia.org/LCIA/history.aspx> (last visited July 22, 2016).

⁷⁵ *Organisation*, LCIA Arbitration & ADR Worldwide, LCIA.ORG, <http://www.lcia.org/LCIA/organisation.aspx> (last visited July 22, 2016).

progressive development of existing armaments.”⁷⁶ The PCA was formally established in Article 20 of the 1899 Convention:

“With the object of facilitating an immediate recourse to arbitration for international differences which it has not been possible to settle by diplomacy, the signatory Powers undertake to organize a Permanent Court of Arbitration, accessible at all times and operating, unless otherwise stipulated by the parties, in accordance with the rules of procedure inserted in the present Convention.”⁷⁷

Currently one hundred nineteen countries are members to the PCA.⁷⁸ The PCA provides administrative support for arbitrations involving international disputes between “various combinations of states, state entities, international organizations and private parties.”⁷⁹ The cases at PCA span a range of legal issues involving territorial and maritime boundaries, sovereignty, human rights, international investment, and international and regional trade.⁸⁰

International Court of Arbitration of the International Chamber of Commerce:

The International Court of Arbitration (“ICA”) was founded in 1923 by Étienne Clémentel, the first president of the International Chamber of Commerce (“ICC”) and a former French Minister of Finance.⁸¹ The central purpose of the ICC was to provide a forum to resolve business conflicts among internationally trading companies and commercial disputes.⁸² Since its

⁷⁶ *History*, PERMANENT COURT OF ARBITRATION, <https://pca-cpa.org/en/about/introduction/history/> (last visited July 22, 2016).

⁷⁷ *Id.*

⁷⁸ *Introduction to the PCA: Member States*, PERMANENT CT. OF ARBITRATION, <https://pca-cpa.org/en/about/introduction/member-states/> (last visited July 8, 2016).

⁷⁹ *Dispute Resolution Services*, PERMANENT COURT OF ARBITRATION, <https://pca-cpa.org/en/services/> (last visited July 8, 2016).

⁸⁰ *Arbitration Services*, PERMANENT COURT OF ARBITRATION, <https://pca-cpa.org/en/services/arbitration-services/> (last visited July 8, 2016).

⁸¹ *About ICC: A Word from our Secretary General*, INT’L CHAMBER OF COMMERCE, <http://www.iccwbo.org/about-icc/> (last visited July 8, 2016).

⁸² *The Int’l Court of Arbitration*, SWITZERLAND INT’L CHAMBER OF COMMERCE, <http://www.icc-schweiz.ch/en/arbitration/the-international-court-of-arbitration> (last visited July 8, 2016).

establishment, the ICC “has administered more than 13,000 international arbitration cases that have involved parties and arbitrators from more than 100 countries.”⁸³

Singapore International Arbitration Centre:

The Singapore International Arbitration Centre (“SIAC”) is a not-for-profit non-governmental organization created in 1991 “to meet the demands of the international business community for a neutral, efficient and reliable dispute resolution institution in Asia.”⁸⁴ The SIAC experienced international pool of over four hundred 400 arbitrators from forty jurisdictions, and appointments are made on the basis of our specialist knowledge of an arbitrator's expertise, experience, and track record.⁸⁵ Matters before the SIAC concern disputes regarding supply and procurement agreements, construction matters, treaty disputes, engineering contracts, software agreements, real estate and maritime contracts.⁸⁶

WIPO Arbitration & Mediation Center Provides the Best Forum for Alternate Dispute Resolution of International Intellectual Property Matters:

WIPO Arbitration and Mediation Center offers the best forum for the resolution of international intellectual property disputes. While the other forums analyzed above all provide excellent service with outstanding pools of arbitrators, WIPO provides the expertise of neutrals focused on intellectual property issues. WIPO offers parties a large pool of neutrals with a wide range of expertise in all facets of intellectual property, including patents, trademarks, copyrights and

⁸³ *Id.*

⁸⁴ *Singapore Int'l Arbitration Centre*, SINGAPORELAW.SG, <http://www.singaporelaw.sg/sglaw/arbitration-adr/arbitration-adr-institutions/singapore-international-arbitration-centre> (last visited July 8, 2016).

⁸⁵ *About Us*, SINGAPORE INT'L ARBITRATION CENTRE, SIAC, <http://www.siac.org.sg/2014-11-03-13-33-43/about-us> (last visited July 8, 2016).

⁸⁶ *Profile of Cases*, SINGAPORE INT'L ARBITRATION CENTRE, SIAC, <http://www.siac.org.sg/2014-11-03-13-33-43/facts-figures/profile-of-cases> (last visited July 8, 2016).

moral rights.⁸⁷ PCA, ICA and SIAC are focused on trade, maritime, commerce and construction matters, while LCIA, JAMS and ICDR are focused on broad commercial disputes.

V. Conclusion:

Alternative Dispute Resolution offers cross-border parties viable opportunities beyond traditional judicial intervention. Recent advancements in the arbitration process allow private and confidential proceedings without sacrificing enforceability, injunctive relief or right of appeal within the arbitration forum of determinations. Finally, of the forums which handle international dispute resolution, WIPO Arbitration and Mediation Center offers the broadest support with a wide specter of Neutrals and specialists concerning all forms of intellectual property.

⁸⁷ *Neutrals*, WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/amc/en/neutrals/> (last visited July 8, 2016).