

## Arbitrating IP Disputes: the 2014 WIPO Arbitration Rules

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*There is a growing interest in resolving intellectual property rights disputes through arbitration rather than in state courts. The internationalization of commercial relations, one of the most significant drivers of the growth of international arbitration in general, encompasses intellectual property relationships as well.*

*In 2014, the World Intellectual Property Organization Arbitration and Mediation Center revised its arbitration rules. The revision is part of a wave of recent updates of institutional arbitral rules. After briefly introducing the WIPO Center as an arbitral institution, this article assesses the features of the WIPO Rules that make them suitable for the particular challenges of IP-related disputes. A second part reviews the salient new aspects of the WIPO Rules from a comparative perspective.*

Key Words : International Arbitration, World Intellectual Property Organization Arbitration and Mediation Center, WIPO Arbitration, WIPO Rules, WIPO Center, Intellectual Property, IP Arbitration, IP Disputes

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## I . Introduction

In March 2014, the World Intellectual Property Organization ("WIPO") Arbitration and Mediation Center ("WIPO Center") revealed the revision of its Mediation, Expert Determination, and (Expedited) Arbitration Rules, which entered into force on 1 June 2014.<sup>1)</sup>

There is a growing interest in resolving intellectual property rights disputes through arbitration rather than in state courts. The internationalization of commercial relations, one of the most significant drivers of the growth of international arbitration in general, encompasses intellectual property relationships as well. For example, a recent WIPO survey among 393 Intellectual Property (IP) stakeholders from 62 countries indicated that some 90% of respondents had concluded technology agreements with parties from other jurisdictions in the past two years, and 80% of these agreements related to technology patented in at least two different jurisdictions.<sup>2)</sup> Judicial and legislative developments in a number of countries, including in Korea and the European Union, promote this trend.<sup>3)</sup>

To date, the WIPO Center has administered approximately 350 mediation, arbitration and expert determination cases, the majority of which were filed in the past few years.<sup>4)</sup> WIPO arbitrations typically involve international intellectual property and information technology disputes. For example, 39% of the Center's caseload has been patent disputes, 21% information technology disputes and 15% involved disputes over trademarks.<sup>5)</sup>

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1) WIPO Arbitration Rules (revised in 2014). Available at [www.wipo.int/amc/en/rules/newrules.html](http://www.wipo.int/amc/en/rules/newrules.html) (last visited Aug. 21, 2014). [hereinafter WIPO Rules]

2) See Results of the WIPO Arbitration and Mediation Center International Survey on Dispute Resolution in Technology Transactions (March 2013). Available at [www.wipo.int/amc/en/center/survey/results.html](http://www.wipo.int/amc/en/center/survey/results.html).

3) See Gyooho Lee, Keon-Hyung Ahn & Jacques de Werra, *Euro-Korean Perspectives on the Use of Arbitration and ADR Mechanisms for Solving Intellectual Property Disputes*, 30 *Arbitration International* 1, 91 (2014).

4) See WIPO Caseload Summary (2014). Available at [www.wipo.int/amc/en/center/caseload.html](http://www.wipo.int/amc/en/center/caseload.html) (last visited Aug. 21, 2014).

5) *Id.* The Center states that disputes have covered "artistic production finance agreements, art marketing agreements, consultancy and engineering disputes, copyright issues, distribution agreements for pharmaceutical products, Information Technology agreements including

The 2014 revision of the WIPO Rules include provisions addressing consolidation, joinder, and emergency relief, a mandatory preparatory conference, and certain changes in the procedures for appointing arbitrators.<sup>6)</sup> It is part of a wave of recent updates of institutional arbitral rules, including the Korean Commercial Arbitration Board Rules in 2011<sup>7)</sup>, the ICC Rules<sup>8)</sup> and the Swiss Rules<sup>9)</sup> in 2012, the HKIAC Administered Arbitration Rules<sup>10)</sup> and SIAC Rules in 2013<sup>11)</sup>, and the LCIA Rules in 2014<sup>12)</sup>.

After briefly introducing the WIPO Center as an arbitral institution, we assess the features of the WIPO Rules that make them suitable for the particular challenges of IP-related disputes. A second part of this article reviews the salient new aspects of the WIPO Rules from a comparative perspective.

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*software licenses, joint venture agreements, patent infringements, patent licenses, research and development agreements, technology transfer agreements, telecommunications related agreements, trademark issues (including trademark coexistence agreements), TV distribution rights, as well as cases arising out of agreements in settlement of prior court litigation."*

- 6) "WIPO Rules" refers to the regular arbitration rules. The Mediation, Expedited Arbitration, and Expert Determination Rules will not be addressed. However, but for the rules governing time limits, the expedited arbitration rules and the regular arbitration rules are largely identical. We will also not address the rather minor changes to the appointment of arbitrators.
- 7) See Rules of International Arbitration of the Korean Commercial Arbitration Board (2011). Available at [www.kcab.or.kr/jsp/kcab\\_eng/law/law\\_02\\_ex.jsp](http://www.kcab.or.kr/jsp/kcab_eng/law/law_02_ex.jsp) (last visited Aug. 21, 2014). [hereinafter KCAB Rules]
- 8) See ICC Rules of Arbitration (2012). Available at [www.iccwbo.org/Products-and-Services/Arbitration-and-ADR/Arbitration/Rules-of-arbitration/Download-ICC-Rules-of-Arbitration/ICC-Rules-of-Arbitration-in-several-languages/](http://www.iccwbo.org/Products-and-Services/Arbitration-and-ADR/Arbitration/Rules-of-arbitration/Download-ICC-Rules-of-Arbitration/ICC-Rules-of-Arbitration-in-several-languages/) (last visited Aug. 21, 2014). [hereinafter ICC Rules]
- 9) See Swiss Rules of International Arbitration (2012). Available at [www.swissarbitration.org/sa/en/rules.php](http://www.swissarbitration.org/sa/en/rules.php) (last visited Aug. 21, 2014). [hereinafter Swiss Rules]
- 10) See Hong Kong International Arbitration Centre Administered Arbitration Rules (2013). Available at [www.hkiac.org/en/arbitration/arbitration-rules-guidelines](http://www.hkiac.org/en/arbitration/arbitration-rules-guidelines) (last visited Aug. 21, 2014). [hereinafter HKIAC Rules]
- 11) See Arbitration Rules of the Singapore International Arbitration Centre (2013). Available at [www.siac.org.sg/our-rules/rules/siac-rules-2013](http://www.siac.org.sg/our-rules/rules/siac-rules-2013) (last visited Aug. 21, 2014). [hereinafter SIAC Rules]
- 12) See London Court of International Arbitration Rules (as revised and effective on 1 October 2014). Available at [www.lcia.org/Dispute\\_Resolution\\_Services/lcia-arbitration-rules-2014.aspx](http://www.lcia.org/Dispute_Resolution_Services/lcia-arbitration-rules-2014.aspx) (last visited Aug. 21, 2014). [hereinafter LCIA Rules].

## II. The WIPO Center in Geneva and Asia

WIPO is a United Nations specialized agency established in 1967 with some 187 member states. Among other things, it administers international conventions and agreements designed to protect and promote intellectual property.<sup>13)</sup> WIPO's international patent, trademark, and design systems allow the filing of a single application to protect or register intellectual property in multiple jurisdictions. WIPO also offers databases to search for protected intellectual property in certain member states.<sup>14)</sup>

WIPO entered the area of dispute resolution in the early 1990s. In 1994, the WIPO Center passed their first sets of arbitration, expedited arbitration, and mediation rules. These three sets of rules were revised in 2002, and now again in 2014.<sup>15)</sup> In 2007, the Center introduced an expert determination procedure.<sup>16)</sup> The WIPO Center is also the leading institution administering disputes about Internet domain names – or “cybersquatting” – under the Uniform Domain Name Dispute Resolution Policy and the WIPO Supplemental Rules.<sup>17)</sup> The WIPO Center has sought to develop arbitration procedures and other services for specific intellectual property sectors. For example, it recently made available model submission agreements for disputes relating to fair, reasonable and non-discriminatory (FRAND) terms.<sup>18)</sup> The WIPO Center has its headquarters in Geneva, Switzerland and an office in Singapore.<sup>19)</sup> Arbitrations are administered either from Geneva or Singapore. The Center offers various support services, for

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13) See Convention Establishing the World Intellectual Property Organization, July 14, 1967 21 U.S.T. 1749; 828 U.N.T.S. 3.

14) See WIPO IP Services, Available at [www.wipo.int/services/en/](http://www.wipo.int/services/en/) (last visited Aug. 21, 2014).

15) See WIPO Press Release, Mar. 17 2014. Available at [www.wipo.int/pressroom/en/articles/2014/article\\_0003.html](http://www.wipo.int/pressroom/en/articles/2014/article_0003.html).

16) See 2007 WIPO Expert Determination Rules. Available at [www.wipo.int/amc/en/expert-determination/rules/](http://www.wipo.int/amc/en/expert-determination/rules/) (last visited Aug. 21, 2014).

17) See Rules for Uniform Domain Name Dispute Resolution Policy. Available at [www.icann.org/resources/pages/rules-be-2012-02-25-en](http://www.icann.org/resources/pages/rules-be-2012-02-25-en) (last visited Aug. 21, 2014). The WIPO Center has processed over 27,000 such cases. Because these disputes are specific and do not resemble a typical international commercial arbitration, we will not discuss them further herein.

18) Heike Wollgast & Ignacio de Castro, *WIPO Arbitration and Mediation Center: New 2014 WIPO Rules, WIPO FRAND Arbitration*, 32 ASA Bulletin 286, 290 (2014).

19) WIPO's Singapore office is situated at Maxwell Chambers.

example hearing rooms and caucus rooms. Where the proceedings are held at WIPO in Geneva, the rooms are provided free of charge and in Singapore, rooms are available at preferential rates.<sup>20)</sup> The Center also offers a secure online case docket called "electronic case facility".<sup>21)</sup>

The Center opened the Singapore office in May 2010. Parties may file their requests for arbitration either with the Singapore or the Geneva office. Center statistics show that approximately 10% of the mediation, (expedited) arbitration and expert determination cases include one Asian-domiciled country (in decreasing order of magnitude, China, Singapore, Japan, Indonesia and Malaysia). Cases with Asian parties mainly concern subject matters centered in Asia including holders of IP-rights based there. Singapore law was the substantive law applicable in 25% of cases involving an Asian party.

In other Asia-related efforts, the WIPO Center has established joint dispute resolution procedures to facilitate the alternative dispute resolution of intellectual property disputes pending before various national intellectual property offices (IPOs) in Asia, including the Republic of Korea, Indonesia, the Philippines and Singapore. For example, the Intellectual Property Office of Singapore (IPOS) offers a voluntary mediation of trademark disputes as well as an expert determination of patent disputes before IPOS under WIPO Rules. The Center indicates that it has administered several mediation cases referred by IPOS. The Center has also collaborated with governmental agencies and organizations in the Republic of Korea.<sup>22)</sup>

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20) See Role of the Centre. Available at [www.wipo.int/amc/en/center/role.html](http://www.wipo.int/amc/en/center/role.html) (last visited Aug. 21, 2014).

21) WIPO Electronic Case Facility (ECAF), available at [www.wipo.int/amc/en/ecaf/index.html](http://www.wipo.int/amc/en/ecaf/index.html) (last visited Aug. 21, 2014).

22) For example, it has concluded Memoranda of Understanding with certain Korean ministries. See e.g., IPR MOU for Cooperation in the Field (May 9, 2012). Available at [www.kocca.kr/notice/report/1775118\\_3332.html](http://www.kocca.kr/notice/report/1775118_3332.html) (last visited Aug. 21, 2014). It has also exchanged letters of cooperation with the Federation of Korean Information Industries, has organized workshops, and given presentations in the fields of mediation and arbitration before and in co-operation with Korean associations and agencies. See e.g., [museum.or.kr/session2013/2013\\_kma\\_schedule.pdf](http://museum.or.kr/session2013/2013_kma_schedule.pdf) (last visited Aug. 21, 2014), and [www.wipo.int/amc/en/events/workshops/2013/arbitration/](http://www.wipo.int/amc/en/events/workshops/2013/arbitration/) (last visited Aug. 21, 2014).

### III. IP-specific aspects of arbitrations administered under the WIPO Rules

#### 1. Introduction

As a preliminary matter, the *arbitrability* of intellectual property disputes has been the subject of extensive debate.<sup>23)</sup> However, as has been noted,<sup>24)</sup> the issue is likely not one of high practical relevance today for at least three reasons: first, there is a clear trend toward a liberal approach to permit parties to resolve IP-related disputes by arbitration;<sup>25)</sup> second, many IP-related arbitrations are eminently contractual, for example disputes arising from license agreements, and do not require the kind of adjudications of registered rights which may in certain jurisdictions give rise to arbitrability concerns;<sup>26)</sup> third, even where the validity of a registered right must be adjudicated, the principal limitation to an arbitral tribunal's power – in most jurisdictions<sup>27)</sup> – is that it can

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23) Trevor Cook & Alejandro Garcia, *International Intellectual Property Arbitration*, 51 (2010); David Rosenthal, *IP & IT Arbitration in Switzerland*, in *Arbitration in Switzerland – the Practitioner's Guide*, 66 (Manuel Arroyo ed., 2013); Gary Born, *International Commercial Arbitration*, at 943, 947 & 991 – 993 (2nd ed., 2014); Jean-François Poudret & Sébastien Besson, *Comparative Law of International Arbitration*, ¶ 355 (2007); Stefan Liniger, *Immaterialgüterrechtliche Streitigkeiten vor internationalen Schiedsgerichten mit Sitz in der Schweiz*, at 51 (2002); Emmanuel Gaillard & John Savage, *Fouchard Gaillard Goldman on International Commercial Arbitration*, ¶¶352 & 583 (1999).

24) Patrick Rohn & Philipp Groz, *Drafting Arbitration Clauses for IP agreements*, 7 J. of Intellectual Prop. L. 652, at 653 (2012).

25) WIPO Arbitration and Mediation Center, *Update on the WIPO Arbitration and Mediation Center's Experience in the Resolution of Intellectual Property Disputes*, Les Nouvelles, Journal of Licensing Executives Society International, 52 (March 2009), also stating that the issue of arbitrability has never been raised in any arbitration administered by the WIPO Center.

26) For the situation in Korea, see Gyoocho Lee, Keon-Hyung Ahn & Jacques de Werra, *supra* note 3, at 103, (explaining a distinction between claims relating to the infringement of rights and the validity of rights, but pointing out that the Korean Supreme Court's 2012 decision in *LG Electronics* may have opened the door for arbitral tribunals to decide intellectual property validity questions).

27) Switzerland is an exception and adheres to one of the most liberal approaches in this respect, in that "*the federal trademark and patent registrar will strike out a patent or trademark pursuant to an arbitration award*," Kamen Troller, *Specific Aspects of Intellectual Property Disputes – the Swiss Perspective*, in *Objective Arbitrability – Intellectual Property Disputes* 155, at 159 (ASA Special Series No. 6, 1994). *See also* David Rosenthal, *IP & IT*

render an award with *inter partes* effect only, not with effect *erga omnes*.<sup>28)</sup> In sum, while the importance of objective arbitrability may have diminished, parties to a contract that may give rise to an intellectual property dispute should agree on a seat of arbitration in a country with a liberal approach – such as the seats of WIPO-administered arbitrations in Switzerland and Singapore – and should be mindful of the issue when considering enforcement of an award in a more restrictive jurisdiction.

From a procedural practical point of view, the WIPO Rules are particularly suitable to intellectual property disputes in several respects.

## 2. Confidentiality

Arbitrations concerning IP-related disputes, perhaps even more so than other commercial disputes, frequently involve highly sensitive technical or business information. To prove a claim, a party may have to disclose such information to the other party, the tribunal, and the parties' witnesses and experts, risking the loss of the commercial value of the information through unintended or even deliberate dissemination.<sup>29)</sup>

Contrary to common belief, confidentiality remains a concept that is not well understood in international arbitration. The International Law Association noted in 2012 that "*many users of international commercial arbitration assume when choosing arbitration that arbitration is inherently confidential. This assumption is not warranted because many national arbitral rules and arbitral rules do not currently provide for confidentiality and those that do vary in their approach and scope (including the persons affected, the duration and the remedies)*".<sup>30)</sup>

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*Arbitration in Switzerland*, in *Arbitration in Switzerland – the Practitioner's Guide*, edited by Manuel Arroyo 93 (2013).

28) Jacques De Werra, *Arbitrating International Intellectual Property Disputes: Time to Think Beyond the Issue of (non-) Arbitrability*, RDAI/IBLJ 299, 303 (2012).

29) See Heiner Kahlert, *Confidentiality in Arbitration – A Tale of Doves, Chromatics and European Divides*, 2 EIAR 27, 38-39 (2013). See also Julian D.M. Lew, *Arbitration of Intellectual Property Disputes*, 5 ARIA (1994).

30) ILA *Commercial Arbitration Committee's Report and Recommendations on "Confidentiality in International Commercial Arbitration"* Resolution No 1, The 74th Conference of the International Law Association held in The Hague, The Netherlands, 15-20 August 2010, 1.

The WIPO Rules are among those institutional arbitral rules that are particularly extensive both in their subjective scope (which participants are covered?) and in their substantive reach (what information is covered?).<sup>31)</sup>

Personally, the WIPO confidentiality provisions apply to the parties, the arbitrators, and the WIPO Center.<sup>32)</sup> A provision unique to the WIPO Rules makes parties responsible for the maintenance by their witnesses (which should be understood to include fact and expert witnesses) of the same confidentiality as the party itself.<sup>33)</sup> In practice, parties should implement this obligation by procuring confidentiality obligations from witnesses and experts; although Art. 76(b) of the WIPO Rules refers to a witness "*called by a party*", it is properly understood to include witnesses whom a party does not call formally but only confers with such as consulting expert witnesses and witnesses of fact who do not submit witness testimony.

Substantively, the WIPO confidentiality provisions cover the existence of the arbitration, all evidence submitted during the arbitration, and the arbitral award.<sup>34)</sup> There are limited exceptions with respect to the existence of the arbitration – such as where disclosure is required by law or where 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 party*"<sup>35)</sup> – and with respect to the award, which may be disclosed among other things in order to comply with a legal requirement or to establish or protect a legal right.<sup>36)</sup>

The WIPO Rules also afford the arbitral tribunal broad discretion in designing measures to protect confidential information. Art. 54 of the WIPO Rules allows parties to request information to be classified as confidential and for the arbitral tribunal to take measures to protect such information, including limiting access to certain individuals only, a concept familiar from certain state court protective

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31) Nigel Blackaby, Constantine Partasides et al., *Redfern and Hunter on International Arbitration*, 144-145 ¶¶ 2.172-2.176 (5<sup>th</sup> ed., 2009); Gary Born, *supra* note 23, 2803.

32) See WIPO Rules, *supra* note 1, Arts. 75-78.

33) See *Id.*, Art. 76(b).

34) See *Id.*, Arts. 75(a), 76(a) & 77.

35) See *Id.*, Art. 75(b).

36) See *Id.*, Art. 77 (iii).

orders.<sup>37)</sup> Art. 54(d) of the WIPO Rules goes further and allows in exceptional circumstances the appointment of a confidentiality advisor who may decide whether to classify the information as confidential and under which conditions and to whom it may be disclosed. The adviser in effect steps into the shoes of the arbitral tribunal, which may be desirable in a situation in which one party does not wish even the arbitral tribunal to see certain information. Finally, Art. 54(e) of the WIPO Rules provides for the confidentiality advisor to report to the arbitral tribunal on specific issues without disclosing the underlying confidential information either to the opposite party or to the arbitral tribunal.<sup>38)</sup>

While these provisions put the WIPO Rules among the most comprehensive and restrictive institutional arbitral rules on the subject of confidentiality, two caveats are in order. First, the WIPO Rules do not contain a sanctioning mechanism. Any breach of the confidentiality obligations would presumably have to be pursued before the constituted arbitral tribunal, or, following the rendering of the award, in a separate contractual action. Second, a number of legal and regulatory disclosure requirements may make at least the existence of the arbitration and/or the award a matter of public record. This includes actions to enforce or set aside the award, disclosure requirements for publicly listed companies, but also IP-specific requirements like having to deposit the award with national offices.<sup>39)</sup>

### 3. IP-specific evidentiary rules

Arbitration rules typically afford the arbitral tribunal broad discretion in how it conducts the taking of evidence. The WIPO Rules are unique in that they provide specific rules regarding measures or means of presenting or replicating (scientific) evidence that will be more often relevant in IP-related disputes,

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37) See Woodrow Hartzog, *Reviving Implied Confidentiality*, 89 Indiana Law Journal 763, 801 (2014); Adam M. Josephs, *The Availability of Discovery Sanctions for Violations of Protective Orders*, The University of Chicago Law Review 1355 (2013).

38) The WIPO Center has advised that this provision has to date not been applied. The rule would seem to risk a violation of fundamental procedural guarantees.

39) See 35 U.S.C. §294(d), (requiring deposit of an arbitral award on a U.S. patent in the patent's publicly accessible prosecution history).

including experiments, site visits, and primers and models.<sup>40)</sup>

#### 4. Procedural speed

The sometimes excessive duration of arbitral proceedings is increasingly perceived as a problem,<sup>41)</sup> and one that may be particularly relevant in disputes concerning intellectual property whose commercial value can be acutely time-dependent. While the major arbitral institutions have reacted in a number of ways such as, for example, requiring arbitrators to disclose their overall time commitments prior to accepting a new case,<sup>42)</sup> emphasizing the need for early case management,<sup>43)</sup> and permitting sanctions for dilatory tactics,<sup>44)</sup> few non-expedited arbitration rules contain actual deadlines for the parties' submissions beyond the answer to the initial notice of or request for arbitration, which is usually submitted to the institution and not to the (not-yet constituted) arbitral tribunal. The WIPO Rules are one of the few exceptions<sup>45)</sup> in this respect: Articles 41-43 provide for deadlines of 30 days for the Statement of Claim following constitution of the arbitral tribunal, respectively 30 days for the Statement of Defense following receipt of the Statement of Claim, and a further 30 days for any Reply. The WIPO Rules thus call for front-loaded proceedings and disfavour "retaining" arguments or evidence for a second round of briefs, in

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40) See WIPO Rules, *supra* note 1, Arts. 51-53.

41) PWC and Queen Mary, 2013 International Arbitration survey, 5. Available at [www.pwc.com/gx/en/arbitration-dispute-resolution/assets/pwc-international-arbitration-study.pdf](http://www.pwc.com/gx/en/arbitration-dispute-resolution/assets/pwc-international-arbitration-study.pdf) (last visited Aug. 21, 2014). See Amir Ghaffari & Emmylou Walters, *The Emergency Arbitrator: The Dawn of a New Age?* 30(1) *Arbitration International* 153, 155, 165-166 (2014); Karl Heinz Böckstiegel, *Party Autonomy and Case Management – Experiences and Suggestions of an Arbitrator*, *SchiedsVZ*, 2-6 (2013); Ulrike Gantenberger, *Methods of Reducing Costs in International Commercial Arbitration*, *SchiedsVZ*, 17-19 (2012); Klaus Peter Berger, *The Need for Speed in International Arbitration*, 25 *Journal of International Arbitration* 595 (2008); Gary Born, *supra* note 23, at 2124.

42)) See *e.g.*, ICC Rules, *supra* note 8, Art. 11(2).

43)) See below, section 4.2.

44) See *e.g.*, Art. 28(5) ICDR International Dispute Resolution Procedures; See also IBA Guidelines on Party Representation In International Arbitration, Guideline 26 and IBA Rules on the Taking of Evidence, May 2013, Art. 9(7).

45) See HKIAC Rules, *supra* note 10, Art. 21 (stipulating 45 days each for the Statement of Claim and Statement of Defense). See also LCIA Rules, *supra* note 12, Art. 15.2-3 (stipulating 28 days each for the Statement of Claim, the Statement of Defense, and the Reply).

that both the Statement of Claim and the Statement of Defence are to be "*comprehensive statements of the facts and legal arguments*" and should "*to as large an extent as possible, be accompanied by the evidence upon which* [either party] *relies*".

Of course, the parties may agree on longer deadlines, and the arbitral tribunal retains full discretion as to the manner in which it conducts the arbitration, which includes the ability to extend these deadlines in "*exceptional cases*".<sup>46)</sup> Nevertheless, parties should be aware of this feature of the WIPO Rules which may afford the Claimant some leverage in pressing for a fast arbitration. In more complex cases, however, the 30-day deadline for the Statement of Defence in particular may appear unrealistic, respectively would not seem sufficient to allow the responding party a "*fair opportunity to present its case*."<sup>47)</sup>

## 5. Arbitrator expertise – list procedure

The selection of arbitrators may be particularly challenging in IP-related disputes, where there may be to some extent competing preferences for candidates well versed in the applicable law, in conducting arbitrations, and with the necessary technical expertise to understand the subject matter of the dispute.<sup>48)</sup> The WIPO Center by its own account maintains a list of approximately 1,500 arbitrators, mediators and experts from 70 jurisdictions, which includes dispute resolution generalists as well as practitioners and experts in IP-specific fields.<sup>49)</sup> This list is confidential and not publicly accessible.

The WIPO Center selects candidates principally from this list where it is called upon – in the event the nomination of an arbitrator by the parties fails – to appoint an arbitrator pursuant to Article 19 of the WIPO Rules. It applies a so-called "list procedure", by which the WIPO Center provides the parties with a list of candidates, whereupon parties are invited to number the candidates in

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<sup>46)</sup> See WIPO Rules, *supra* note 1, Art. 37(c).

<sup>47)</sup> *Id.* at Art. 37(b).

<sup>48)</sup> With respect to the idea of agreeing to particular arbitrator qualifications already in the arbitration agreement, see Patrick Rohn & Philipp Groz, *supra* note 24, 660.

<sup>49)</sup> See Neutrals, [www.wipo.int/amc/en/neutral](http://www.wipo.int/amc/en/neutral) (last visited Aug. 21, 2014).

order of preference. The WIPO Center will then appoint a candidate taking into account the preferences of the parties.<sup>50)</sup>

## IV. Main changes in the 2014 WIPO Rules

### 1. Introduction

The revised WIPO Rules entered into force on 1 June 2014 and apply to all WIPO arbitrations commenced on or after that date irrespective of the date of conclusion of the arbitration agreement.

The declared aim of the 2014 revision was "*to be light, with a focus on accommodating certain external developments in arbitration law, including taking account of the 2010 revision of the UNCITRAL Arbitration Rules.*"<sup>51)</sup> In addition, the revised WIPO Rules "*formalize certain WIPO Center practice that has emerged over the years.*"<sup>52)</sup> Overall, the revisions are modest, yet to the point. They introduce concepts adopted recently in revisions of other arbitration rules, albeit in a somewhat conservative manner. We will focus below on the four principal changes: the preparatory conference, the new rules on joinder and consolidation, and emergency relief.

### 2. The preparatory conference

The need for proactive arbitration case management has been widely recognized.<sup>53)</sup> Article 40 of the revised WIPO Rules provides for a mandatory preparatory conference to take place within 30 days of the establishment of the arbitral tribunal. So far, the preparatory conference was optional, and the WIPO Center has found that it "*has proven an important catalyst for the time and cost efficiency of proceedings.*"<sup>54)</sup> In the preparatory conference, the arbitral tribunal

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50) Heike Wollgast & Ignacio de Castro, *supra* note 18, 288.

51) The 2014 WIPO Mediation, Arbitration, Expedited Arbitration and Expert Determination Rules. Available at [www.wipo.int/amc/en/rules/newrules.html](http://www.wipo.int/amc/en/rules/newrules.html) (last visited Aug. 21, 2014).

52) Heike Wollgast & Ignacio de Castro, *supra* note 18, 287.

53) Karl Heinz Böckstiegel, *supra* note 41, 3-4.

and the parties shall schedule the subsequent proceedings in a time and cost-efficient manner. In addition, Article 57 encourages the arbitral tribunal and the parties to discuss already at the stage of the preparatory conference the appointment of a tribunal-appointed expert, should one be deemed necessary. In the Center's experience so far, however, tribunal-appointed experts are rarely appointed, the parties rather resorting to appointing their own experts, as is common in international arbitration in general.<sup>55)</sup>

A formal requirement for early consultation with the aim of organizing the arbitration was also introduced or heightened in other recent rule revisions. The 2011 KCAB rules provide for an optional "*preparatory conference*" following the Respondent's Answer, the 2012 ICC Rules require a "*case management conference*" when drawing up the Terms of Reference or as soon as possible thereafter, the 2013 SIAC rules a "*preliminary meeting*" as soon as practicable after the tribunal is constituted, the revised LCIA Rules a meeting within 21 days of tribunal constitution, and the 2012 Swiss Rules and the 2013 HKIAC Rules the drawing up of a provisional timetable at an "*early stage*", albeit no case management conference as such.<sup>56)</sup>

### 3. Joinder

As business relationships become more complex and multi-faceted, arbitrations involving more than two parties and/or more than one arbitration agreement have been a focus of many recent scholarly writing and arbitral rule revisions.<sup>57)</sup>

54) See *supra* note 51.

55) See e.g. J. Martin Hunter, 'Experts' in *International Arbitration*, Kluwer Arbitration Blog (Feb. 7, 2011), [kluwerarbitrationblog.com/blog/2011/02/07/experts-in-international-arbitration](http://kluwerarbitrationblog.com/blog/2011/02/07/experts-in-international-arbitration).

56) See KCAB Rules *supra* note 7, Art. 15(2); ICC Rules *supra* note 8, Art. 24; SIAC Rules *supra* note 11, Art. 16.3; LCIA Rules *supra* note 12, Art. 14.1; Swiss Rules *supra* note 9, Art. 15.3; HKIAC Rules *supra* note 10, Art. 13.2.

57) See Nathalie Voser, *Multi-party Disputes and Joinder of Third Parties*, in 50 Years of the New York Convention: 14 ICCA International Arbitration Conference 343, 410 (2009); Irene M. Ten Cate, *Multi-Party and Multi-Contract Arbitrations: Procedural Mechanisms and Interpretation of Arbitration Agreements under U.S. Law*, 15 ARIA 133, 158-159 (2004); Gary Born, *supra* note 23, 221-231; Nigel Blackaby, Constantine Partasides et al., *supra* note 31, ¶¶ 2.51-2.54; Stavros L. Brekoulakis, *Third Parties in International Commercial Arbitration* (2008); Julian D. M. Lew, Loukas A. Mistelis & Stefan Michael Kröll, *Comparative International Commercial*

The revised WIPO Rules include a new Article 46 that permits the arbitral tribunal, upon the request of a party, to join an additional party. Joinder under the WIPO Rules requires the consent of all parties, including the additional party to be joined. The request must be filed with the Request for Arbitration or the Answer, or at the latest fifteen days after the requesting party became aware "*of circumstances that it considers relevant for a joinder*", although the Parties should address a joinder request as early in the proceedings as possible.<sup>58)</sup> In any event, before ordering joinder, the arbitral tribunal is to take into account "*all relevant circumstances, including the stage reached in the arbitration*". While not explicitly provided for in the rules, the WIPO Center points out that "*unless agreed otherwise by all parties, the agreement by the additional party to join the arbitration will need to comprise that party's agreement to any appointments of arbitrators already made in the proceedings.*"<sup>59)</sup>

Article 46 is a comparatively middle-of-the-road joinder provision in three respects: first, it requires the consent of all parties. By contrast, the LCIA rules and the SIAC rules only require the consent of the applicant party and the party to be joined.<sup>60)</sup> The HKIAC Rules do not require consent but limit joinder to additional parties "*bound by an arbitration agreement*" under the HKIAC Rules giving rise to the arbitration.<sup>61)</sup> The Swiss Rules appear to go further and permit the arbitral tribunal to join a third party "*after consulting with all of the parties, including the person or persons to be joined, taking into account all relevant circumstances.*"<sup>62)</sup> In other words, strictly speaking the wording of Article 4(2) of the Swiss Rules might suggest that joinder is permitted without the consent of the parties, yet in practice we are aware of no case where a party was joined against its will and without the parties' consent.<sup>63)</sup>

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Arbitration, 377 – 409 (2003).

58) Heike Wollgast & Ignacio de Castro, *supra* note 18, 288.

59) *See supra* note 51.

60) *See* LCIA Rules, *supra* note 12, Art. 22,1(viii); SIAC Rules *supra* 11, Art. 24(b).

61) *See* HKIAC Rules, *supra* note 10, Art. 27.1.

62) Swiss Rules, *supra* note 9, Art. 4.2.

63) *See* Philippe Bärtsch & Angelina M Petti, Art. 4, in Swiss Rules of International Arbitration, Commentary, edited by Tobias Zuberbühler, Christoph Müller, and Philipp Habegger, 2<sup>nd</sup> ed, 2013; Gabrielle Nater-Bass, *How to Work with the Swiss Rules: The Counsel's Perspective*, in The Swiss Rules of International Arbitration – Five Years of Experience, edited by Rainer

Second, Article 46 of the WIPO Rules permits any third party to be joined, not only parties to the arbitration agreement between the original parties. At the same time, only a party to the arbitration may request joinder, not a third party. This approach strikes a middle ground. The Swiss Rules are more expansive in that the third party itself may request joinder. The HKIAC and SIAC joinder provision follow a more restrictive approach in that only additional parties to the arbitration agreement, and not any third party, may be joined.<sup>64)</sup>

Third, there is no joinder prior to the constitution of the arbitral tribunal. The WIPO Rules require an order permitting joinder by the fully-constituted arbitral tribunal. That means not only that no joinder is possible prior to the constitution of the arbitral tribunal, but also that joined parties will not participate in the constitution of the arbitral tribunal. The LCIA, SIAC and Swiss Rules adopt the same solution; by contrast, pre-constitution joinder is possible under the HKIAC and the ICC Rules.<sup>65)</sup>

#### 4. Consolidation

Article 47 permits the Center to consolidate a new arbitration that "*concerns a subject matter substantially related to*" another arbitration pending under the WIPO Rules or involving the same parties. Consolidation requires the consent of all parties and any appointed arbitral tribunal involved.

This rule adopts a fairly conservative approach along the spectrum of solutions adopted in recent arbitration rule revisions.

The SIAC Rules, in line with the UNCITRAL Arbitration Rules, do not contain any explicit provision on consolidation. The LCIA Rules permit an arbitral tribunal to order consolidation either with the consent of all parties and the LCIA Court or without the consent of the parties where there are multiple arbitrations involving the same parties under one or multiple compatible arbitration agreements, and only one arbitral tribunal has been appointed (or the tribunal

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Füeg 61 (2009).

64) HKIAC Rules, *supra* note 10, Art. 27.6 & 27.1; SIAC Rules, *supra* note 11, Art. 24.1(b).

65) In fact, under the ICC Rules, post-constitution joinder is excluded unless all parties otherwise agree. *See* ICC Rules, *supra* note 7, Art. 7(1).

appointed in the different arbitrations is the same).<sup>66)</sup> The HKIAC Rules are similar but disregard whether or not arbitral tribunals have already been appointed, because where HKIAC decides to consolidate two or more arbitrations, the parties shall be "*deemed to have waived their right to designate an arbitrator*," *HKIAC may revoke the appointment of any arbitrator already designated or confirmed*", and HKIAC will appoint the tribunal for the consolidated proceedings.<sup>67)</sup>

The ICC and Swiss Rules permit consolidation without consent of all concerned parties or confirmed arbitrators under certain circumstances. Specifically, under Articles 10(b) and 10(c) of the ICC Rules, the ICC Court may consolidate two or more ICC arbitrations where all of the claims in the arbitration are made under the same arbitration agreement, or where the arbitrations involve the same parties and disputes in connection with the same legal relationship, and the arbitration agreements are compatible. Article 4(1) of the Swiss Rules is even broader and permits the Swiss Chambers' Arbitration Institution's Arbitration Court to consolidate two or more Swiss Rules arbitrations after having taken into account all relevant circumstances, "*including the links between the cases and the progress already made in the arbitral proceedings*."

## 5. Emergency Relief Proceedings

The need to provide for the ability to grant urgent relief even before an arbitral tribunal has been constituted – captured under the heading "emergency arbitral relief" – has featured prominently in international arbitration discourse in recent years.<sup>68)</sup> Most recent revisions of major institutional arbitral rules provide for emergency relief.<sup>69)</sup> The WIPO Rules, too, have now adopted this feature.

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<sup>66)</sup> LCIA Rules, *supra* note 12, Art. 22(1)(x).

<sup>67)</sup> HKIAC Rules, *supra* note 10, Art. 28.6 & 28.1.

<sup>68)</sup> See Amir Ghaffari & Emmylou Walters, *supra* note 41, 155; Denis Brock & Laura Feldman, *Recent Trends in the Conduct of Arbitrations*, 30 Journal of International Arbitration 177, 190 (2013); Ben Giaretta, *Duties of Arbitrators and Emergency Arbitrators under the SIAC Rules*, 8 Asian International Arbitration Journal 196 (2012); Christopher Boog, *Swiss Rules of International Arbitration – Time to Introduce an Emergency Arbitrator Procedure?* 28(3) ASA Bulletin 462 – 477 (2010); Nigel Blackaby, *supra* note 31, ¶¶ 6.264-6.270; Emmanuel Gaillard & John Savage, *supra* note 23, 681, ¶ 1248.

However, to avoid surprise, the emergency relief provisions by default only apply to arbitrations arising out of arbitration agreements entered into on or after 1 June 2014. This is an exception to the general rules set out in Article 49(a) according to which the revised rules apply to all arbitrations commenced on or after 1 June 2014, irrespective of the date of the arbitration agreement.<sup>70)</sup>

Article 49 permits a party to seek emergency relief prior to the establishment of the arbitral tribunal. The request must be filed with the WIPO Center, which upon payment of the initial deposit of USD 10'000 shall promptly (normally within two days) appoint a sole emergency arbitrator. The Center shall also immediately inform the counterparty. The emergency arbitrator may order any interim measure it deems necessary. There is no fixed schedule within which the emergency arbitrator must render a decision; however, the emergency relief proceedings must be terminated if no arbitration is commenced within 30 days of the date of commencement of the emergency relief proceedings. Once the arbitral tribunal is established, the emergency arbitrator shall have no further powers to act. Any interim measures ordered by the emergency arbitrator remain in place during the arbitration, but are subject to the arbitral tribunal's modification or termination. Unless both parties agree, the emergency arbitrator may not serve as an arbitrator in any arbitration relating to the dispute.

Article 48(d) preserves the parties' option to request interim relief, or the implementation of tribunal-ordered interim measures, from a state court. Article 49(i) makes clear that this option also is available with respect to relief ordered by the emergency arbitrator.

The provisions concerning the emergency arbitrator are in line with best practice and the comparable rules contained in other recently revised institutional arbitral rules. What remains debatable is to what extent state courts in different jurisdictions will allow emergency arbitrator decisions to be enforceable.<sup>71)</sup>

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69) See HKIAC Rules, *supra* note 10, Art. 41; LCIA Rules, *supra* note 12, Art. 9A-9C; SIAC Rules, *supra* note 11, Art. 26; Swiss Rules, *supra* note 9, Art. 42; ICC Rules, *supra* note 8, Art. 29 & Appendix V.

70) Art. 29(6)(b) ICC Rules provides for a similar transitory provision, whereas other sets of rules such as the Swiss Rules or the SIAC Rules do not contain special transitory provisions for emergency arbitrator reliefs.

71) See Christopher Boog, *Interim Measures in International Arbitration*, in Arbitration in

## V. Conclusion

In conclusion, the changes constitute a welcome update to the already well-established and well-received WIPO Arbitration Rules. They provide a soft-touch revision that takes into account the specific needs of parties to IP-related disputes. Parties to international contracts concerning IP-matters are well-advised to consider adopting the WIPO Rules.

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