

**ARBITRATION OF INTERNATIONAL
INTELLECTUAL PROPERTY
DISPUTES**

THOMAS D. HALKET
EDITOR

JURIS

Questions About This Publication

For assistance with shipments, billing or other customer service matters, please call our Customer Services Department at:

1-631-350-2100

To obtain a copy of this book, call our Sales Department:

1-631-351-5430
Fax: 1-631-351-5712

Toll Free Order Line:

1-800-887-4064 (United States & Canada)

See our webpage about this book:
www.arbitrationlaw.com

COPYRIGHT © 2012
by JurisNet, LLC

All rights reserved. No part of this publication may be reproduced in any form or by any electronic or mechanical means including information storage and retrieval systems without permission in writing from the publisher.

Printed in the United States of America
ISBN: 978-1-933833-67-5

JurisNet, LLC
71 New Street
Huntington, New York 11743
USA
www.arbitrationlaw.com

TABLE OF CONTENTS

EDITOR'S NOTE	xiii
PREFACE.....	xv
ABOUT THE EDITOR	xix
ABOUT THE CONTRIBUTORS.....	xxi
DEFINED TERMS.....	xxix
CHAPTER 1	1
Introduction	
<i>Thomas D. Halket</i>	
I. History	1
II. International IP Disputes	3
III. The Benefits of Arbitration for International IP Disputes ..	10
A. Preservation of the Business Relationship	11
B. Cost of the Proceedings	12
C. Speed of the Proceedings	17
D. Forum Location Selection—the Arbitral Seat	18
E. Forum Neutrality.....	25
F. Confidentiality of the Proceedings.....	27
G. Sophisticated and Experienced Adjudicators, Particularly with Technology and IP Matters	30
H. Controllable Proceedings Generally	34
I. Controllable Timetable	43
J. Avoidance of the Risk of Inconsistent Judgments	44
K. Possible Limited Preclusive Effect of Award	45
L. International Enforcement of Award	48
IV. Conclusion.....	52
CHAPTER 2	55
Arbitrability of Intellectual Property Disputes	
<i>Steven A. Certilman and Joel E. Lutzker</i>	
I. Introduction	55
II. The Impact of Arbitrability	57
A. What is Arbitrability?	57

ARBITRATION OF INTERNATIONAL IP DISPUTES

B. The Significance of Arbitrability for Intellectual Property Disputes.....	58
C. The Adjudication of Arbitrability	59
III. Arbitrability Issues Arising in IP Disputes.....	66
A. Validity Claims.....	72
B. Antitrust Issues	83
C. Criminal Conduct.....	84
D. Export Controls and other Trade Restrictions	85
E. Other Disputes	87
IV. Country Survey	88
A. United States of America.....	88
B. United Kingdom	90
C. France	91
D. Germany	92
E. Switzerland	93
F. People's Republic of China	94
G. Singapore	94
H. Japan	95
V. Conclusion.....	95
CHAPTER 3	97
The Arbitration Agreement	
<i>Thomas D. Halket and Susan H. Nycom</i>	
I. Introduction	97
II. Importance of the Arbitration Agreement	99
III. Preliminary Issues	101
A. Types of Arbitration Agreements	101
B. When to Draft the Arbitration Provision	102
C. Who Should Draft the Arbitration Provision?	103
D. Sources of Model Agreements.....	104
IV. Specific Drafting Issues.....	107
A. Multi-step Resolution and Alternative Resolution Mechanisms	107
B. Selection of the Administrative Body.....	120
C. Scope of Disputes to Be Referred to Arbitration	124
D. Place or Seat of the Arbitration.....	130
E. Location of the Hearings.....	132
F. The Selection of Arbitrators	133
G. Language of the Arbitration.....	143

TABLE OF CONTENTS

H.	Choice of the Law	145
I.	Confidentiality and Protection of Trade Secrets	150
J.	Permitted Discovery	152
K.	Matters Relating to the Conduct of the Hearings.....	157
L.	Allocation of Fees and Costs	162
M.	Sanctions.....	166
N.	Provisional and Conservancy Measures	169
O.	Limitations on the Bringing of Claims or the Granting of Damages	172
P.	The Award	176
V.	Conclusion.....	181
CHAPTER 4		185
The Rules of Selected Administrative Bodies Relevant to Intellectual Property Disputes		
<i>Frank L. Politano</i>		
I.	Introduction	185
II.	Important Factors in Selecting a Dispute Resolution Provider	186
A.	Preliminary Injunctive Relief.....	186
B.	Confidentiality and Privacy	187
C.	Adjudicators with Subject Matter Experience	188
D.	Discovery	189
III.	Advantages and Disadvantages of Administered Arbitration	189
IV.	Overview of Administrative Body Rules	190
A.	World Intellectual Property Organization.....	190
B.	Internet Corporation for Assigned Names and Numbers Rules.....	197
V.	Supplemental Rules.....	199
A.	The American Arbitration Association	200
B.	International Institute for Conflict Prevention and Resolution	206
C.	The International Chamber of Commerce	209
D.	JAMS	211
E.	The United Nations Commission on International Trade Law	213
F.	The London Court of International Arbitration	214
G.	The Singapore International Arbitration Centre	216

ARBITRATION OF INTERNATIONAL IP DISPUTES

H. Other Arbitral Centers	218
VI. Conclusion.....	219
 CHAPTER 5	223
Choice of Arbitrator	
<i>James Bridgeman</i>	
I. Introduction	223
II. The Constitution and Composition of the Tribunal.....	226
A. Number of Arbitrators	226
B. Arbitrator Selection Procedures.....	230
III. The Qualities and Qualifications of the Arbitrator.....	235
A. Party Choice.....	236
B. Mandatory Qualifications under the Law	237
C. Mandatory and Optional Qualifications under Arbitral Rules.....	239
D. Arbitrator Characteristics and Qualifications for IP Disputes	240
E. Identifying and Selecting the Tribunal	250
IV. The Principles of Independence and Impartiality.....	252
A. The Nature of the Requirement of Independence	253
B. Sources of Information and the Appointee's Duty of Disclosure	264
C. Independence and Impartiality Issues in IP Arbitrations	265
V. Conclusion.....	267
 CHAPTER 6	271
Confidentiality During and After Proceedings	
<i>Laura A. Kaster</i>	
I. Introduction	271
II. Privacy and Confidentiality under Institutional Rules	274
A. The Privacy of the Proceedings	275
B. Confidentiality of the Proceedings.....	277
III. Confidentiality under National Law	288
A. United States Law on Arbitration Confidentiality	289
B. United Kingdom Law on Arbitration Confidentiality ..	302
C. The Law of Commonwealth Countries on Arbitration Confidentiality.....	306
D. Swedish Law.....	309

TABLE OF CONTENTS

E. French Law	310
F. Swiss Law.....	310
IV. Protection of Business and Trade Secrets	312
A. Definition of Business Secrets, Trade Secrets and Confidential Information	312
B. Protective Measures.....	316
V. Remedies	318
A. Remedies under National Law.....	319
B. Remedies before the Arbitration Tribunal	322
VI. Practical Conclusions	322
 CHAPTER 7	 325
Disclosure and Admission of Evidence in the International Arbitration of Intellectual Property Disputes	
<i>Joseph P. Zammit, Todd R. Hambidge and Jamie Hu</i>	
I. Introduction—the Need for Disclosure in Intellectual Property Cases.....	325
II. The Background of Discovery and Disclosure in International Arbitration.....	326
III. General Practices in Modern International Arbitration	330
A. Types of Evidence Admissible in International Arbitration.....	331
B. Depositions and Interrogatories	337
C. Third Party Discovery.....	338
IV. Arbitral Rules Pertaining to Disclosure.....	338
A. London Court of International Arbitration Rules	339
B. AAA/ICDR Rules and Guidelines	341
C. UNCITRAL Rules	345
D. ICC Rules of Arbitration.....	346
E. WIPO Arbitration Rules	346
F. Singapore International Arbitration Centre Rules	347
G. The Rules and Guidelines of the CPR	348
H. JAMS International Rules and JAMS Rules.....	352
I. IBA Evidence Guidelines	355
V. Electronic Document Disclosure.....	359
A. Local National Law and Electronic Document Disclosure	361
B. Arbitral Rules Regarding Electronic Document Disclosure	362

ARBITRATION OF INTERNATIONAL IP DISPUTES

C. The CIArb Protocol for E-Disclosure in Arbitration ...	363
VI. The Seat of Arbitration and Its Effect on Disclosure	365
A. United States' Laws that Aid Disclosure	366
B. The English Arbitration Act of 1996	369
C. The Singapore Arbitration Acts	369
D. French Arbitration Law	371
E. Swiss Private International Law Act.....	371
F. Multinational Laws to Assist with Disclosure	371
VII. Privilege and Its Effect on the Scope of Disclosure	374
A. The Concepts of Privilege among Different Jurisdictions	374
B. Privilege between Clients and Patent Agents	376
C. The Rules of Arbitral Institutions with Respect to Privilege.....	378
D. Proposals to Determine Privilege Issues in International IP Arbitration	381
VIII. Sanctions for Noncompliance with Arbitrator's Disclosure Ruling	382
IX. Conclusion	386
 CHAPTER 8	 389
 Choice of Law	
<i>Theodore J. Folkman and David Lee Evans</i>	
I. Introduction	389
II. Law Governing the Merits	390
A. The Factors used by the Tribunal to Choose the Applicable Substantive Law in the Absence of a Choice of Law by the Parties	391
B. What Substantive Law Will the Tribunal Apply?.....	401
C. Limits on the Parties' Freedom of Choice	420
III. Law Governing the Arbitration	427
A. Law Governing the Arbitration in the Absence of a Choice of Law.....	427
B. Limits on the Parties' Freedom of Choice	430
IV. Law Governing the Arbitration Agreement	431
V. Conclusion.....	433

TABLE OF CONTENTS

CHAPTER 9	437
The Impact of Public Policy Considerations	
<i>Richard Kreindler and Anna G. Tevini</i>	
I. Introduction	437
II. Meaning and Function of Public Policy in International Arbitration	438
A. The Function of Public Policy in International Arbitration Generally	442
B. The Impact of Public Policy Considerations in IP Disputes	444
III. Public Policy Limitations in International Arbitration and their Particular Relevance to Intellectual Property Disputes	446
A. Public Policy Limitations to Arbitration as Means of Dispute Settlement	447
B. Public Policy Limitations to the Applicable Substantive and Procedural Law	455
C. Public Policy Limitations to the Existence and Enforcement of the Arbitral Award	461
D. Public Policy Considerations as Grounds for Vacatur of the Arbitral Award at the Seat of the Arbitration	461
E. Key Issues in Public Policy Limitations on the Validity or Enforcement of Awards	463
IV. Practical Relevance of Public Policy Considerations at Different Stages of the Arbitration	473
A. Prior to Arbitration	474
B. During Arbitration	475
C. Post-Arbitration	476
V. Summary and Practical Considerations	477
CHAPTER 10	479
Provisional and Final Remedies	
<i>John Fellas and Benjamin S. Thompson</i>	
I. Introduction	479
II. Preliminary Relief in Intellectual Property Arbitration	479
A. Available Preliminary Relief	481
B. The Scope of the Power of an Arbitral Tribunal to Grant Preliminary Relief	484

ARBITRATION OF INTERNATIONAL IP DISPUTES

C. Court-ordered Preliminary Relief Pending Arbitration.....	488
D. Requirements for a Grant of Preliminary Relief.....	491
E. Special Issues Arising in International Intellectual Property Disputes.....	495
III. Final Remedies in Intellectual Property Arbitration	497
A. Injunctive and Declaratory Relief.....	498
B. Money Damages	503
C. Costs of Arbitration	507
IV. Conclusion.....	511
CHAPTER 11	513
Enforceability	
<i>Thierry Calame and Martin Aebi</i>	
I. Introduction	513
II. The New York Convention	514
A. Scope of Application of the New York Convention—“Foreign” Arbitral Awards	516
B. Proof of Existence of an International Arbitral Award	518
C. Procedure for Obtaining Recognition and Enforcement of International Arbitral Awards	520
D. Refusal of Recognition and Enforcement	523
III. Recognition and Enforcement of Awards Providing for Specific Performance or Permanent Injunctions	535
IV. Enforceability of Interim Measures.....	539
V. The Preclusive Effect (<i>Res Judicata</i> or Related Principles) of International Arbitral Awards	543
VI. The Duty of Arbitrators to Render Enforceable Awards ...	545
VII. Conclusion.....	547
TABLE OF AUTHORITIES.....	551
TABLE OF CASES.....	571
TABLE OF STATUTES.....	587
INDEX.....	591

TABLE OF CONTENTS

APPENDICES ON CD ROM

CODES OF ETHICS

AAA Code of Ethics for Arbitrators in Commercial Disputes (2004)

IBA Rules of Ethics for International Arbitrators (1986)

IBA Guidelines on Conflicts of Interest in International Arbitration (2004)

INTERNATIONAL CONVENTIONS

European Convention on International Commercial Arbitration (April 21, 1961)

New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (June 10, 1958)

PROTOCOLS AND GUIDELINES

CPR Protocol on Disclosure of Documents and Presentation of Witnesses in Commercial Arbitration (2009)

IBA Guidelines for Drafting International Arbitration Clauses (2010)

IBA Rules on the Taking of Evidence in International Arbitration (2010)

ICDR Guidelines for Arbitrators Concerning Exchanges of Information

RULES

AAA Commercial Arbitration Rules and Mediation Procedures including Procedures for Large, Complex Commercial Disputes (2009)

AAA Supplementary Rules for the Resolution of Patent Disputes (2006)

CIETAC Arbitration Rules (2005)

CPR Non-Administered Arbitration Rules (2007)

CPR Rules for Non-Administered Arbitration of International Disputes (2007)

ARBITRATION OF INTERNATIONAL IP DISPUTES

CPR Rules for Non-Administered Arbitration of Patent & Trade Secret Disputes (2005)

HKIAC Administered Arbitration Rules (2008)

HKIAC Procedures for the Administration of International Arbitration (2005)

ICANN UDRP Rules (2009)

ICC Arbitration Rules (2012)

ICC Arbitration Rules (1998)

ICDR Arbitration Rules (2009)

JAMS Arbitration Rules (2010)

JAMS International Arbitration Rules (2011)

LCIA Arbitration Rules (1998)

SIAC Arbitration Rules (2010)

Swiss Rules of International Arbitration (2006)

UNCITRAL Arbitration Rules (2010)

WIPO Arbitration, Mediation and Expert Determination Rules and Clauses (2002)

STATUTES

English Arbitration Act of 1996

French Code of Civil Procedure, Book Four (Arbitration Legislation of 1981)

Swiss Private International Law Act of 1987, Chapter 12, International Arbitration

UNCITRAL Model Law on International Commercial Arbitration (2006)

United States Federal Arbitration Act

MISCELLANEOUS

Administrative Rules Comparison Table