GAR Global Arbitration Review

The Guide to IP Arbitration - Third Edition

Introduction

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Traditionally, large IP owners have been hesitant about international arbitration – too scary (no prospect of appeal), inferior decision makers (compared with top judges), etc. Now, many are changing their minds. This timely book sets out how arbitration can be tailored to meet the needs of IP owners and dispels some of the myths surrounding its use. It is in four parts that mirror the life cycle of disputes and will be of interest to newcomers and aficionados alike.

Generated: December 4, 2024

Introduction

John V H Pierce and **Pierre-Yves Gunter**

Summary

Having received very positive feedback about the first two editions of this Guide, for which credit goes to the learned authors who contributed chapters and the excellent editorial team at GAR, we have not sought to change the Guide's basic structure and focus; rather, we have sought to update it, where appropriate, and expand its reach into new areas. To that end, most of the chapters in the Guide have been thoroughly revised to address new developments in international IP arbitration since the second edition was published.

One important innovation in this edition of the Guide is that it will be entirely and exclusively digital; in other words, there will be no hard-copy version of the Guide as there was in the past. This change is in response to comments from readers who found the digital version of the Guide was ultimately the most useful and accessible format. While some of us may be sorry to say goodbye to the book format, this move to an exclusively digital format is consistent with our times and affords us considerably more flexibility with respect to the manner of producing the Guide. In particular, this version of the Guide will be published on a rolling basis, with some additional chapters to be added down the road, outside the regular, annual publication timetable.

In addition, we are pleased to be adding several new chapters to the Guide that we hope will be of interest to our readers. First, we are adding two chapters covering additional types of IP disputes that have not been specifically addressed in previous editions: life sciences disputes and licensing disputes – both of which are types of IP disputes that, in our experience, are increasingly subject to arbitration. Second, we are adding a chapter on obtaining various forms of relief in international IP arbitration. We had a similarly focused chapter in our first edition and are pleased to be bringing back this important subject in this third edition.

HISTORICAL LIMITATIONS ON INTERNATIONAL IP ARBITRATION

Historically, most international IP-related disputes were decided before national courts rather than arbitral tribunals. This is, in part, because arbitration is a creature of contract and, in many IP-related disputes (such as disputes over the ownership of IP or the alleged infringement of IP rights), that contractual relationship is missing.

In addition, the laws of some jurisdictions placed limitations on the arbitrability of certain IP-related issues (such as the validity of patents, copyrights or trademarks), viewing disputes over such rights as implicating matters of public policy that should be settled by national courts. Moreover, for companies for whom IP assets are the proverbial crown jewels, the unavailability of appellate review of arbitral awards has often been sufficient to discourage the use of arbitration to resolve disputes over such assets.

GROWTH OF INTERNATIONAL IP ARBITRATION

Times have changed. While some kinds of IP disputes are still predominantly litigated in national courts, the number of IP-related cases going to arbitration continues to grow. Indeed, one noticeable trend in international arbitration in the past several years has been the growing use of arbitration to resolve IP-related disputes. The caseload of the WIPO Arbitration and Mediation Center, while not a perfect proxy, illustrates this trend. As noted in the chapter of this Guide discussing recent trends in WIPO arbitration and mediation, WIPO has seen its caseload increase by 280 per cent over the past five years, and 2023 marked another record year with a 24 per cent increase in case filings from the prior year. As these statistics make clear, the growth of international IP arbitration continues to accelerate.

What accounts for this growth? Recent changes in national laws, in Singapore, Hong Kong and elsewhere, have affirmatively sought to make arbitration more attractive and effective in resolving international IP disputes. And the historical resistance to the arbitrability of IP disputes has given way, in most jurisdictions, to a more liberal and pro-arbitration approach, and to the perception that arbitral tribunals should generally be free to adjudicate IP rights, at least on an ***inter par***tes basis.

Further, arbitral institutions are developing procedures to facilitate the resolution of IP disputes and make arbitration more attractive to users. For example, the Silicon Valley Arbitration and Mediation Center, the Swiss Arbitration Centre, the WIPO Arbitration and Mediation Center, the Singapore International Arbitration Centre, the Japan Intellectual Property Arbitration Centre and the Hong Kong International Arbitration Centre, among others, have worked to make IP arbitration more attractive by creating dedicated panels of arbitrators with the expertise and experience to capably handle IP-related disputes. In addition, most arbitration institutions have adopted mechanisms, such as expedited arbitration or emergency arbitrator protocols, which can be used, for example, by IP owners to seek speedy remedies to protect their IP rights.

THE GENESIS AND ORGANISATION OF THIS GUIDE

The idea for this book emerged from the recognition of these trends and from the fact that IP-related arbitration is very much its own animal within the world of international arbitration. It has a distinct set of features and challenges, which this Guide aims to unpack and explore from a truly global perspective.

To that end, in collaboration with the terrific team at GAR, we have worked to bring together leading practitioners from a wide range of jurisdictions who have expertise and experience both in international arbitration and in IP-related disputes. The response from every corner has been enthusiastic, and we are fortunate to have received contributions from many internationally recognised leaders in the field. These include authors from common law and civil law countries around the world, including the United States, the United Kingdom, India, Japan, South Korea, Germany and Switzerland.

We have divided this Guide into five parts, each covering a set of issues that should be taken into account at different points in the arbitral process. This approach allows for a journey through the life cycle of an arbitration, touching on the most important procedural and substantive issues that may arise in IP-related disputes.

'Part I: Planning for international IP disputes' starts by tackling the essential, threshold question: 'Why arbitrate international IP disputes?' This chapter addresses various perceived advantages of arbitration for IP disputes (such as relative speed and efficiency, resolution in a single forum, neutrality and choice of decision makers, enforceability of awards and confidentiality) before acknowledging some potential perceived limitations of arbitration in this context (such as limited availability of preliminary remedies and injunctive relief, ***inter partes*** versus ***erga omnes*** relief and lack of broad disclosure).

Part I then addresses another threshold issue: arbitrability. This chapter examines the extent to which various kinds of IP disputes can be arbitrated under the national laws of certain key common law and civil law jurisdictions. Part I concludes by exploring specific issues and best practices in the drafting of international arbitration clauses in IP agreements.

'Part II: Strategies and tactics after a dispute has arisen' addresses the various issues that may arise once an IP arbitration gets under way. This begins with a chapter on the strategic considerations that parties should bear in mind during the pendency of an IP arbitration. Issues such as preparing for the arbitration, constituting the arbitral tribunal, managing ongoing business concerns, gathering evidence and navigating the initial procedural conference are all addressed in detail. Part II then moves on to a chapter on confidentiality in international IP arbitration, which is often of particular importance to parties in IP disputes given the usually sensitive nature of the assets at issue. It concludes with a chapter on the mediation of international IP disputes, emphasising the importance of making meditation available to parties in such disputes, in tandem with arbitration, to maximise the chances of reaching a successful resolution.

From these procedural beginnings, 'Part III: Key issues in arbitrating particular kinds of IP disputes' moves on to substance. The next four chapters address certain key substantive issues that arise when arbitrating particular kinds of IP disputes: the first addresses the arbitration of patent, trademark and copyright disputes; the second addresses the arbitration of IP licensing disputes; the third addresses issues arising in the arbitration of life sciences disputes; and the fourth addresses recent trends in WIPO arbitration, including with respect to domain name disputes.

'Part IV: Remedies in international IP arbitration' discusses includes two chapters that explore the remedies that are available to parties in international IP arbitration: the first of these focuses generally on the various forms of relief available in such cases; the second addresses the quantification of damages in international IP arbitration.

Finally, 'Part V: Outlook and Future Directions' is dedicated to an exploration of the future of international IP arbitration. It includes an in-depth analysis of current trends in IP arbitration and some revised predictions about future directions in this interesting and evolving field.

FUTURE EDITIONS AND ACKNOWLEDGEMENTS

In future editions of this Guide, current chapters will be further updated and additional chapters will be added, including on key issues that arise in certain types of IP disputes not covered in this edition. We will also seek contributions from additional authors in some important jurisdictions and regions that could not be covered in this edition. We will always seek ways to improve future editions of this Guide and would welcome, with gratitude, any comments or suggestions from readers as to how that might be achieved.

Finally, some words of thanks and acknowledgement are in order. This book would not have been possible without the creativity and vision of David Samuels (GAR's publisher) and the diligent efforts of the excellent team at GAR. In addition, a book such as this is only as good as its authors. We took great care, for this third edition as for the first two, in assembling the highest calibre of experts in the field of international IP arbitration, and we are enormously grateful for the excellent contributions of each of them.

ENDNOTES

[1] John V H Pierce is a partner at Latham & Watkins LLP, and Pierre-Yves Gunter is a partner at Gunter Arbitration.