

Standing Committee on

ADR

2016



Date: 5th August 2016

REPORT Standing Committee on

ADR

Chair: Rafael ATAB DE ARAUJO
Responsible Reporter: Ari Laakkonen

1) Report on the activities of your Standing Committee during the reporting period

Please provide a general overview of the activities of your Standing Committee over the last 12 months, but please include at least:

a) meetings of the Standing Committee during the reporting period

The initial meeting of the Standing Committee on ADR for this reporting year took place at the AIPPI World Congress in Rio de Janeiro in 2015. The meeting was very productive and was attended by a significant number of members, from multiple jurisdictions.

The Committee had the opportunity to discuss latest developments on ADR and discuss some topics that could be of particular interest to AIPPI members.

One key issue that has been identified was the potential offering of ADR services by Patent and Trademark Offices. Further studies on such additional service provided by certain PTOs should also require a careful review of the positions so far taken by AIPPI on such field. In this regard, it should be noted that AIPPI has already adopted a resolution on arbitration (Q106: "Possibility of arbitration of intellectual property disputes between private parties"), though it has not yet specifically addressed other forms of ADR, in particular mediation.

In addition, the Committee identified the need of closely monitoring the creation of the Patent Mediation and Arbitration Centre ("PMAC") under the Agreement on the Unified Patent Court ("UPC"). A working sub-group for monitoring such activities has therefore been established, led by Committee Member Wendela Hårdemark.

Also, the Committee agreed with the need to continue joining efforts with the Standing Committee on Standards and Patents that led to the successful Panel on the FRAND, during the 2015 AIPPI World Congress. In this regard, discussions on a joint working group between both Committees were initiated, as detailed in the following sections.

b) any external representation on behalf of AIPPI by any member of your Standing Committee

The ADR Standing Committee has not been required to represent AIPPI in any external events or meetings during the reportin year.

- c) any contribution by your Standing Committee to any external consultations

not responded

- d) any studies or analyses undertaken or position papers prepared by your Standing Committee, with a brief summary of the outcome(s)

Having identified the importance of monitoring the progress on the creation of the PMAC under the UPC Agreement, the working sub-group established within our Committee prepared a preliminary report on the latest developments, identifying the most relevant issues and discussions involving the establishment and work of the Centre.

Also, with the publication the first draft of the Mediation Rules under the UPC Agreement, Committee members Wendela Hårdemark and Lorna Brazell prepared an article to be submitted to AIPPI. The article was published on AIPPI e-News of April 2016 and included an overview of the the draft rules, as further detailed in section 2. below.

- e) involvement of your Standing Committee in any other activities of AIPPI, eg Panel Sessions, contribution to Study Guidelines, etc

AIPPI encourages its Standing Committees to join efforts when they share the same interest in certain topics. As mentioned above, following the work in preparation for the FRAND licensing Panel for AIPPI Congress in 2015 (Rio), the ADR SC and the Standards and Patents SC have identified the need of an in-depth look into the use of ADR mechanisms in the context of FRAND-Related Disputes.

The Committees have therefore started discussing setting up a joint working group to review this issue further. The analysis to be performed should include a review on ADR mechanisms currently adopted in IPR Policies of Standard-Determination Organizations, research on relevant case law as well as discussions on advantages and potential risks with the use of ADR mechanisms in such cases.

Furthermore, a in-depth review of the potential adoption of ADR mechanisms in such context should be helpful in assisting AIPPI to determine if it wishes to take any additional action or play any role in the promotion of such adoption.

- f) any other relevant activities

not responded

- 2) Key issues/developments relevant to the Terms of Reference of your Standing Committee during the reporting period

Please include a short summary of any significant case law, legislative or regulatory developments, or policy initiatives, including their relevance and/or any implications for the work of your Standing Committee or for AIPPI more generally

As mentioned, the Preparatory Committee of the Unified Patent Court ("UPC") published, in February 2016, a first draft of the Mediation Rules, under article 35 of the UPC Agreement.

While further reviews are still expected, the draft rules shed light on some points that had been raising discussions and doubts among scholars and practitioners. As detailed in the aforementioned article published in AIPPI e-News of April 2016, by our members Hårdemark and Brazell, the Court shall actively

offer or explore, at any point during the proceedings, the opportunity for the parties to settle their conflicts with the use of mediation.

Although the Patent Mediation and Arbitration Centre will have its seat in Ljubljana and Lisbon and will have a list of Mediators, parties will be free to choose place of mediation and language, as well as a mediator that meets the criteria of neutrality, impartiality and independence.

Confidentiality is a key factor, and the rules provide that any information disclosed during mediation cannot be introduced as evidence in any judicial or arbitral proceedings.

However, there are still some uncertainties based on the draft rules. For instance, under article 2., a patent may not be revoked nor limited through mediation. On the other hand, under the 18th Draft Rules of Procedure of the Unified Patent Court, the UPC shall, after the request of the parties, "*by decision confirm the terms of any settlement or arbitral award by consent, including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent*". This may be an apparent contradiction that will likely have to be addressed in the future.

Also, same article 2 of the Draft Rules establishes that that "the parties may decide on any other disposable right or obligation factually or legally linked to the dispute falling within the exclusive competence of the UPC to be included into mediation". However, in theory, parties should be allowed room to discuss and settle, during mediation, any disputes they may have, irrespective of its association with the dispute within the competence of the UPC.

In addition, the possible role of the PMAC in view of the existence of other long established arbitration and mediation service providers around the world remains to be seen and defined.

Finally, publication of the Draft Rules on Arbitration and the Rules of Operation of the PMAC is still expected and will therefore require close monitoring by our Committee.

3) Any recommendation for AIPPI involvement/action for the next 12 months

This need not be limited to recommendations for your Standing Committee but can be recommendations for AIPPI more broadly. In each case, please explain why such involvement/action is recommended, by whom it should be undertaken and any relevant time frames. For example, please include:

- a) any recommendation for involvement/action in relation to any upcoming or foreshadowed case law, legislative or regulatory developments, or policy initiatives

Latest developments relating to the creation of the Patent Mediation and Arbitration Centre of the UPC should call for close monitoring of the relevant developments. Additional discussions within our Association might be necessary once all draft rules are finally published.

On a different front, we still believe that further studies relating to the use of ADR mechanisms in connection with FRAND-related disputes should be of interest, so that continued cooperation with the between the ADR Standing Committee and the Standing Committee on Standards and Patents should be encouraged.

Finally, a constant monitoring of the developments on the use of ADR mechanisms relating to IP disputes in general should also be important, particularly in connection with the experience of different IP Offices around the world that are already offering certain ADR services.

- b) any other recommendation(s) for AIPPI involvement/action

not responded

4) Outline of the work programme of your Standing Committee for the next 12 months

Please set out specific activities and priorities having regard to the matters in 1) - 3) above, including any relevant time frames

In addition to the continued monitoring of the developments on ADR-related issues around the world, our Committee should particularly focus on the following two tasks:

- Continued monitoring of the creation of the Patent Mediation and Arbitration Center under the Agreement on a Unified Patent Court, exploring the possibility of coordinating efforts with the Standing Committee on the European Unified Patent System;
- Additional review on the use of ADR mechanism in the context of FRAND-related disputes, especially within a joint working group with members of the Standing Committee on Standards and Patents.

Finally, revisiting AIPPI's previous resolutions and publications on ADR-related mechanisms is also a topic of concern and should be listed as one of our Committee's priority, which should be of course further scrutinized during our Committee's next meeting in AIPPI World Congress, in Milan.

Names and Functions of Committee Members

Chair	Rafael ATAB DE ARAUJO	Brazil
Co Chair(s)	Steve BAUER	United States of America
Secretary	Aurélia MARIE	France
Members	Cheryl AGRIS	United States
	Hakan BORGENTHÄLL	Sweden
	Lorna BRAZELL	United Kingdom
	Giovanni CASUCCI	Italy
	Jacques DE WERRA	Switzerland
	Norma S. FÉLIX	Argentina
	Wendela HARDEMARK	Sweden
	Zita HARSÁNYI	Hungary
	Johnathan MESIANO-CROOKSTON	Canada
	Christian A. MEYER	Switzerland
	Paolina TESTA	Italy
Dilek USTUN EKDIAL	Turkey	
Kozo YABE	Japan	