



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Final Report on 2021 APEC Workshop on the Potential for Use of Alternative Dispute Resolution (ADR) in the Field of IPR

APEC Intellectual Property Rights Experts Group

March 2022



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of Alternative Dispute Resolution
(ADR) in the Field of IPR**

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APEC Intellectual Property Rights Experts Group

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I. Introduction

This report is the summary report of the *2021 APEC Workshop on The Potential for Use of Alternative Dispute Resolution (ADR) in the Field of IPR* which was held from 29 to 30 July 2021 via video conferencing software. This workshop is in fact one of the main outputs of our APEC project *The Potential for Use of ADR in the Field of IPR*. Basic information concerning this project is provided as follows:

Project title and number	IPEG 01 2020T – The Potential for Use of Alternative Dispute Resolution (ADR) in the Field of IPR
APEC forum	Intellectual Property Rights Experts Group (IPEG)
Proposing APEC economy	Chinese Taipei
Co-sponsoring economies	Canada; Japan; Thailand; the United States
Project Overseer	Name: Chen-Chen Liu Title: Director of Trademark Division Organization: Intellectual Property Office (TIPO)
Outputs	1. To hold a one day and a half international workshop on the potential for use of ADR in the field of IPR 2. The workshop report
Outcomes	1. The participants of the workshop will obtain more accurate and comprehensive understanding of ADR in the field of IPR 2. More IPR disputes are resolved through ADR

The term **ADR** stands for **Alternative Dispute Resolution** which refers to any means of resolving disputes outside of the court, and both arbitration and mediation are well-known examples of ADR. As a specialized agency for the intellectual property rights (hereinafter referred to as IPR, and the intellectual property will be referred to as IP), TIPO continues to promote the system of IPR and find the best way to provide IPR holders with sufficient and proper protective measures.

According to our observation, today, more and more market participants understand the importance of IPR protection, and many of them have successfully obtained patents, trademarks, copyrights, trade secrets, or other types of IPR. However, when market participants discover that their IPR may have been infringed by someone else, they are usually at a loss for how to handle the situation.

To further illustrate, for many IPR holders with limited resources, filing a lawsuit could be a hefty and tough decision to make because the time and money cost of filing

and pursuing a lawsuit can often be substantial. Furthermore, considerations such as the desire to maintain existing business relationships, to avoid public knowledge of disputes, or to secure trade secrets, etc. may also be reasons for IPR holders' hesitation in filing a lawsuit. In other words, initiating litigation to resolve IPR-related disputes may not always be the best or most ideal option for IPR holders in many cases.

On the other hand, market participants who received a cease-and-desist letter from an IPR holder may face immense pressure, especially those who lack sufficient funds to cover the cost of litigation. Therefore, it may be a matter of major importance and urgency to develop a greater understanding of different options available to resolve legal disputes.

In view of the aforementioned facts, we believe it is indeed valuable to explore the potential for use of ADR in the field of IPR. Through such efforts, we aim not only to assist IPR holders in strengthening their ability to protect their rights, but also to help market participants, especially women, youth and MSME business operators to learn about more economically feasible and effective options that can be used to resolve IPR-related disputes.

To attain said objectives, TIPO actively applied for APEC funding in Session 1 of 2020, which granted us the opportunity to hold the workshop. Through this workshop, we hope the participants can gain a more accurate and comprehensive understanding of the use of ADR in the field of IPR.

Furthermore, as we all know, the outbreak and spread of the COVID-19 pandemic have brought huge impacts to our lives. Many programs and social activities had to be suspended, changed, or postponed, and a lot of people may therefore have to face disputes over debt, liabilities, or breach of contracts, etc. In view of said situations, we strongly endorse and support the APEC priority areas of 2020 set by New Zealand, which focus on how to respond to the economic impact of COVID-19, and how to restore the economy afterward. We also hope that the issues to be addressed and discussed in this workshop can help market participants of APEC economies to smoothly recover from the economic impact of COVID-19 by choosing suitable methods to resolve relevant legal disputes.

Even under the challenges posed by the COVID-19 pandemic, the 1.5-day *2021 APEC Workshop on the Potential for Use of Alternative Dispute Resolution (ADR) in*

the Field of IPR was held online through video conferencing software from 29 to 30 July 2021. (The agenda of the workshop is provided in the Annex)

The workshop was rounded off with informative presentations and discussions provided by experienced speakers who are government officials, judges, lawyers, mediators and arbitrators from the Philippines; Singapore; Chinese Taipei; Thailand; the United States and the International Trademark Association (INTA). Various member economies of APEC joined online, including Australia; Canada; Hong Kong, China; Mexico; New Zealand; Peru; Singapore; Thailand; Viet Nam.

In order to help more people to resolve their IPR-related disputes properly by using ADR, the conclusive results and related suggestions attained through the workshop have been compiled into this report. After it is available on the website of the APEC, those who are interested in the mechanisms of ADR can easily access and utilize them. Through these efforts, it is expected that the lasting and positive effects of the workshop can benefit more people in the future.

II. Content of each Session of the Workshop

1. An Introduction to ADR

The presenter of this session is *Ms Angela Yao Lin*, who is the Partner of Lee and Li Attorneys-at-Law in Chinese Taipei. The main content of her presentation is provided below.

1.1. Different options of dispute resolution

ADR compared to the traditional dispute resolution or litigation, for you to imagine that if you're going to have litigation in an economy, is a very time consuming and difficult procedure for the litigants. Because of the drawbacks of the litigation, economies around the world have started to develop alternative dispute resolution mechanisms hoping that we can use more efficient flexible methods which can serve the party's interests better to provide solutions to the disputes.

There are four types of commonly seen dispute resolution mechanisms. The first one is the most traditional litigation. The second one is arbitration. The third one is mediation. The fourth one is the settlement. From litigation to settlement, the litigation, arbitration and mediation are conducted with third-party participation to help the parties to resolve disputes.

When it comes to litigation, we have the judges. As for arbitration, we have a tribunal composed of arbitrators to serve as the roles like judges, and they can help the parties do the judgment. A tribunal would come to a binding arbitral award just like what is in litigation. As for mediation, the mediators will conduct the mediation. However, under the current mediation mechanisms around the world, the mediation recommendations or content provided by the mediators will be approved by both parties, so the mediation will become binding.

From litigation, arbitration to mediation, there is third-party participation. On the contrary, no third-party participation is involved in the settlement. Usually, it is done directly by both parties. The decisions made in litigation and arbitration are binding. As for mediation, a mediator may render non-binding recommendations. But the mediator is not applied to render the recommendation. As for settlement, it's up to the parties to negotiate their disputes to see whether they're able to reach a settlement agreement.

Regarding the relations among the parties, the litigation, arbitration, mediation and settlement are all based on the relationship of determining whether parties are right or wrong. Litigation has the strongest power, followed by arbitration, mediation and settlement. As for maintaining the party's interests, the settlement has the strongest effect because the parties themselves through the settlement negotiation come up with the agreement. So they think this is the best way to protect their interest. The next is mediation, followed by arbitration. And the last is litigation.

It doesn't mean that when it comes to litigation the party's interests are not respected. But rather in litigation and arbitration, actually, the court and the tribunal must act in accordance with laws or follow the governing laws agreed upon by the parties or use the contract to determine the legal relations between the parties. Whether the results meet the interest as expected by the parties is not the focus of the litigation and arbitration.

1.2. Advantages of ADR

Compared to litigation, ADR has many advantages. For example, the procedure is quite flexible. It's different from the court which has to follow the regulations of the court procedure. ADR can provide greater autonomy because of its flexibility and speed. It can help the parties to save a lot of costs. In addition, unlike litigation procedures are public; ADR procedures are confidential which can provide better protection to the parties. Regarding the laws of different economies, because arbitration and mediation are procedures done by individuals, we don't need to think about the jurisdictions of different economies.

1.3. Introduction to different ADR procedures

1.3.1. Arbitration

Most of the time, we say that justice delayed is justice denied because usually, litigation takes a long time. At the final stage of litigation, it may take years or even decades as a result. Why don't we just choose arbitration instead?

Around the world, different economies have their own respective arbitration regulations. The content may not be the same, but in the United Nations Commission on International Trade Law ("UNCITRAL"), they have a model law. It is called UNCITRAL model law on international commercial arbitration. This model law tries to provide a reference for the arbitration law of different economies, so different

economies can follow this model law to enact their respective domestic arbitration law. When parties of a certain economy go to a different economy, they would not feel ambushed, because they know arbitrations of all economies in the world are mostly neutral and are predictable.

The UNCITRAL model law on international commercial arbitration was adopted in 1985 and amended in 2006. In principle, constitutional model law provides a common regulation which can be referenced upon, so model law has covered all stages of the arbitration process. Different economies in terms of their arbitration law are not obliged to be exactly the same as the UNCITRAL model law. If they can use the UNCITRAL model law as a reference or a blueprint for the parties, they can assure that the differences between arbitration laws around the world won't be too big. Over 100 economies in the world have used the UNCITRAL model law as the basis for their respective arbitration law with some adjustments.

UNCITRAL Rules of Arbitration is different from the UNCITRAL model law. UNCITRAL model law is a sample for economies to enact their respective arbitration law. But the Rules of Arbitration is a blueprint for the tribunal to conduct the arbitration procedure. The Rules of Arbitration are about the detailed arbitration procedural rules during the arbitration procedure. Usually, the Rules of Arbitration are widely used in ad hoc arbitration.

Ad hoc arbitration is different from institutional arbitration. Arbitration can be divided into two categories. One is institutional arbitration. There are famous arbitration institutions such as the ICC Stockholm arbitration center and the London Court of International Arbitration. These institutions have their own arbitration rules, so they follow the arbitration rules of their own institutions and this is called institutional arbitration.

As for ad hoc arbitration, it means the parties choose their own arbitrators and decide which arbitration rules to follow in order to conduct the arbitration. This is called ad hoc arbitration. In ad hoc arbitration, there are no institutions to manage the arbitration rules. The parties will have to decide what kind of rules of arbitrations will apply. The UNCITRAL Rules of Arbitration are often adopted by parties during ad hoc arbitration.

As for the international conventions on arbitration, an important piece of legislation is the 1958 New York Convention. The signatories of it are obliged to recognize and

enforce the arbitral awards of the other signatories. Only under certain circumstances stipulated in the convention, the courts can refuse to recognize and enforce the foreign awards. Regarding Chinese Taipei, unfortunately, so far, we are not a contracting party and that's why some foreign parties are concerned about having arbitration in Chinese Taipei. First of all, they don't know if Chinese Taipei's arbitration law is in line with the global trend. Secondly, parties may be concerned that arbitral awards in Chinese Taipei will not be recognized and enforced in other economies.

The major arbitration institutions around the world include the International Chamber of Commerce (ICC), the London Court of International Arbitration (LCIA) and the American Arbitration Association (AAA). These are some of the most prominent and active arbitration institutions around the world. Some of them are based in Asia, whereas some of them are based in Paris, London or the United States. The conduct of arbitration carries no passport. It means that parties from economy A and economy B can opt to proceed with the arbitration in economy A or economy B. They can even go to economy C for arbitration, even if that economy is totally irrelevant to them. Basically, the parties can be free to choose from different seats of arbitration.

Arbitration is very much different from litigation because it is more flexible. But it is similar to litigation in that the tribunal can also reach an arbitral award regarding a given dispute between the parties. This final result or what we know as the arbitral award should be able to be recognized and enforced in other economies. This is why the parties decide to go to arbitration. In the end, they can get a binding and enforceable arbitral award which is very different from the outcome of mediation and settlement.

1.3.2. Mediation

Mediation means that there is a mediator to facilitate both parties to reach a settlement agreement. Its major difference from arbitration or litigation is that the mediation suggestion provided by the mediator is not binding. It takes both parties to reach an agreement for the suggestion to be contractually binding. Also, the main role of the mediator is to form a bridge of communication between both parties. For mediation, it means that the parties may have run into a bottleneck in their negotiations. They can rely on a third party to intervene and help both parties proceed with their mediation. But the role of the mediator is not to tell right from wrong and reach a legally binding suggestion or determination for both parties.

There are two types of mediation: one is adjudicative mediation, and the other one is called facilitative mediation. Adjudicative mediation, as its name suggests, focuses on how both parties can reach a fair and just outcome. In this regard, the role of the mediator is to guide both parties in the process or to offer fair equitable media suggestions to both parties. As for facilitative mediation, it is more rights-based for both parties. The role of the mediator is mainly to facilitate communication between both parties and help both parties to come up with a settlement agreement that is in the interest of the parties.

In fact, mediation has deep cultural roots in eastern economies like China; Hong Kong, China; Japan; Korea; Singapore; or Chinese Taipei. It has enjoyed a deep cultural and historical background in this part of the world. Traditionally, under the so-called Confucianism culture, litigation is something that should be avoided. Litigation should always serve as the last resort, because it may lead to disharmony between ethnic groups. Actually, in the culture or society of this part of the world or of ethnically Chinese, we pay a lot of attention to social, familial or racial harmony or relationships. That is why mediation as an approach to settle disputes is a very much valued approach in eastern society and culture.

As we can see, the Chinese people always focus first on emotions followed by reasonability and then law. From this order of importance, you can tell that mediation enjoys its prominence and can be followed in this cultural context. For mediation, usually, a mediator is intervening to help both parties to reach a contractually binding settlement agreement, but how can we ensure that this contractually binding settlement agreement can be enforced in economies around the world?

This has indeed become a major topic of discussion internationally, because if this settlement agreement cannot be widely enforced and recognized as in litigation or arbitration, this will greatly undermine the party's willingness to submit their case to mediation. The 2018 Singapore Convention on Mediation was established under this context. The goal of this convention is for the settlement agreement to become a binding and enforceable agreement across all the signatory economies. Currently, there are 53 signatories to this convention which came into effect in September 2020.

1.4. ADR in Chinese Taipei

Chinese Taipei enacted the Arbitration Act back in 1998. With this Arbitration Act in place, there are people from other economies who think that the Arbitration Act in Chinese Taipei is not in line with international trends. The speaker would tell them not

to worry because this act is very largely based on the 1958 UNCITRAL model law. Currently, the Chinese Arbitration Association, Taipei (CAA) is currently looking at the 2006 UNCITRAL law in its proposal of the amendment to the Arbitration Act of Chinese Taipei. According to the Arbitration Act, it is applicable to all disputes that can be settled according to the law. In Chinese Taipei, we imposed certain qualifications and training requirements for eligible arbitrators. For one to become an arbitrator, one need to attain certain qualifications.

The longest-standing arbitration institution in Chinese Taipei is the CAA, which has the capability to handle international or cross-border arbitration disputes. Chinese Taipei is currently not a signatory to the New York Convention. In order for international parties to reach an arbitral award based on the Arbitration Act of Chinese Taipei and to mitigate concerns regarding the enforceability and recognizability of our arbitral awards, CAA went on to establish the International Arbitration Center (CAAI) in Hong Kong, China in 2018. Therefore, parties can choose to proceed with the arbitration in accordance with the CAA rules in Chinese Taipei or in CAAI in Hong Kong, China in accordance with their rules. In the end, they will get an enforceable and binding arbitral award.

Last year, Chinese Taipei enacted the Commercial Case Adjudication Act. For cases or disputes valued at over NTD 100 million, the court would usually encourage both parties to recourse to arbitration so that provides an additional incentive for people to adopt arbitration after the enactment of the Commercial Case Adjudication Act. Also in 2017, Chinese Taipei enacted the Sports Act which established a mechanism of arbitration governing the sports. It's not a typical arbitration because under the Sports Act the parties can simultaneously proceed with their arbitration and litigation. Even after the award is rendered, the party may still file or renew a proceeding with the court within 30 days. It's very different from other binding and enforceable arbitral awards.

Actually, a lot of laws and regulations in Chinese Taipei have already been embedded with mediation mechanisms. Some of the laws we signed very often include, for example, the Township Mediation Act, the Code of Civil Procedure, Family Incident Acts, the Arbitration Act, Government Procurement Act and mechanisms related to labor disputes all come with their sets of mediation mechanisms. Parties can resort to these mediation mechanisms under different laws and regulations to really expeditiously deal with their disputes without having to resort to arbitration or litigation.

The CAA is currently the only institution having its own independent mediation center. This mediation center under the CAA would help both parties to handle or settle their dispute. It should be noted that if the mediators of the specific case are qualified arbitrators, the terms successfully concluded and recorded in the mediated agreement by the qualified arbitrators are equally effective compared to the arbitral award and the court ruling.

1.5. Conclusion

In Chinese Taipei, arbitration and mediation are already maturely developed. It's very convenient for the parties to adopt mediation or arbitration to resolve various disputes. The aforementioned various laws and regulations are actually just an illustration of some of the major laws and regulations providing mediation and arbitration. A very important feature of mediation and arbitration is that even without the legal framework or provisions of law, the parties are always free to opt for mediation and arbitration to resolve their disputes. They are very flexible and very efficient dispute resolution mechanisms for the parties.

1.6. Q & A session

• Question 1

There are two different kinds of mediation, the first one is adjudicative, or sometimes we say evaluative mediation, and the other one is facilitative mediation. If we choose CAA to do institutional mediation, which kind of mediation will be used more often by the mediators of CAA? Is it possible to further specify the pros and cons of these two different kinds of mediation?

• Speaker's response

The role of the mediator is to facilitate the discussion of the parties, so as to reach a satisfactory resolution by themselves. The mediator should not consider himself or herself as the person giving instruction or direction to the parties for their resolution. Instead, it should be a bridge so as to facilitate the party's discussion. The speaker, *Ms Angela Yao Lin*, is currently the vice president of the mediation center of the CAA, and the center tries to encourage the mediators and the parties to conduct the mediation under the facilitative approach.

However, in Chinese society, the typical norm of mediation is a kind of adjudicative or evaluative, because the parties usually expect the mediators to give

direction to them or let them know how the mediators think of the resolution of the dispute. In most cases, it may not be easy to conduct the mediation simply by adopting a purely facilitative approach. Perhaps, the most efficient or commonly used way is a combination of facilitative and evaluative mediation so we will see how the parties evolve and expect the mediator to conduct the mediation. If during the process and through the mediator's assistance, the parties actually can have very active and dynamic discussions, we will just follow the facilitative approach. However, if the parties do expect the mediator to give a certain direction, the mediator might let the parties know how he or she thinks about resolving the disputes.

- **Question 2**

What is the actual expense in terms of the procedural cost of ADR? Is it more efficient compared to litigation? What is the difference between different ADR mechanisms when it comes to the cost?

- **Speaker's response**

For mediation, because normally the mediation will be conducted and completed very quickly, it is the most cost-effective method compared to arbitration and litigation. Take Chinese Taipei as an example: we have a three-trial court system here. Most of the dispute will be subject to the third instance. For complicated cases, there're maybe more instances because the case may be remanded to the lower court from time to time. For court fees plus attorney's fees, together it will be much more than the cost for arbitration because, in Chinese Taipei, arbitration proceedings are subject to a statutory time limit which is six months or at most nine months subject to the tribunal's discretion unless it is further extended by the tribunal and the parties. In other words, in Chinese Taipei, an arbitration proceeding will be concluded in six months to nine months at most. This will give you a sense of how much cost it will be saved by arbitration compared with litigations.

2. Mediation & IPR

There are four presenters of this session which are:

- (1) *Atty Christine V. Pangilinan-Canlapan*, Assistant Director, Bureau of Legal Affairs, IPOPHL, the Philippines
- (2) *Tamara Lange*, ADR Program Director, US District Court for the Northern District of California, the United States
- (3) *Zechariah J. H. Chan*, Partner, Lee & Lee, Singapore
- (4) *Huei-Ju Tsai*, Division-Chief Judge, Intellectual Property and Commercial Court, Chinese Taipei

The main content of each presentation is provided below in sequence.

2.1. Presentation made by *Ms Christine V. Pangilinan-Canlapan*

2.1.1. Importance of IP in business

What is the importance of IPR in business? IPR are the most important assets of an organization. It may be a trademark, a patent such as an invention, utility model or industrial design. It may also pertain to copyright and all other IPR such as the trade secret. Why is it the most important asset of an organization? This is because IPR forms part of the goodwill of a business. If you look at the financial statements of companies, you will see an item which pertains to the goodwill of the business. Most of the time, IPR forms part of the goodwill of a business and as such, it is given value by the company as a result. If you have many IPR in your portfolio, in the end, you will increase the value of your company.

Another importance of IPR is that it sets the business apart from its competitors. What are the different IPRs that distinguish a business from that of its competitors? For instance, if you have a product, you may need a trademark in order to distinguish it from the products of your competitors. Another one is that if you have a business, you may want to have your own trade name or business name. This trade name or business name can be the proper subject of a trademark. It can also distinguish your business from that of your competitors.

Furthermore, IP is essential in value and wealth creation as well. If you have IPR under your portfolio, it means that you have the right to exploit or to gain the benefit or monetary value from these IPR. By doing so, you would be creating wealth for your company. Lastly, IPR enhances technology transfer. For example, if you have a

patent which is registered with an IP office, other companies may want to invest in your company or other companies may want to obtain a license from your company in order to share in the benefit of your IPR. Therefore, it enhances technology transfer.

2.1.2. Nature of IP disputes

Why is there a need to discuss mediation on IPR? To answer this question, we can take a look at the nature of IP disputes:

1. IP disputes, most of the time, involve overlapping IPR. You may have one product which at the same time has a different IPR in it. For example, you may have a certain product which may be covered by a trademark. It may also be covered by a patent, such as an invention or industrial design. If you have an industrial design and a trademark, and you also have a utility model, you may have registrations of industrial design, trademark and patent.
2. An IP dispute involves a high cost of litigation. You may consider filing a case in court, but it would entail a high amount of filing fees, not to mention the expenses of your counsel or lawyer.
3. It takes a long time to resolve an IP dispute in the Philippines. Based on our experience, IP disputes which are being filed in court take years to resolve.
4. If you have an IP dispute with a multinational company which exists in other legal jurisdictions, filing an IP dispute would also mean multiple legal jurisdictions.
5. If you win a case in court, it doesn't stop there. When you have a decision in your favor, it would only mean a paper triumph unless you are able to enforce the judgment. Most of the time, there is difficulty in enforcing the judgment.
6. Court hearings do not exclude the public from attending, and it is the same when an IP dispute is being heard in court. Therefore, some confidential information may be disclosed and may reach the knowledge of other people who are not supposed to know about the confidential information. That is to say, using litigation to resolve IP disputes lacks confidentiality.
7. The most common nature of an IP dispute is that there is uncertainty about the outcome. In other words, you cannot determine whether you will be the winner or loser in IP litigation.
8. IP disputes may involve technical issues. For example, a certain patent requires the hiring of an IP expert in order to defend your right properly.

2.1.3. Effect of litigation to IP rights

What is the effect of litigation on IPR? First and foremost, it hinders the exploitation of the IP. You cannot derive benefit from your IP if it is always the subject of IP

litigation. It not only affects your business but also affects your clients because they might lose their confidence in your product if you are always embroiled in IP litigations. Secondly, you cannot expand or improve your product if you have pending IP litigation, reducing your potential for innovation. Thirdly, you may lose revenue and profit once you are embroiled in IP litigation. To be more specific, your clients may not choose your product if they know that it is the subject of an IP dispute.

Fourthly, it may also result in a loss of goodwill. Since IPR form part of the goodwill of a business, if you are embroiled in litigation related to the IPR, especially if it involves infringement or unfair competition, most of the time the result is that you lose the goodwill that you have established for so many years. Lastly, there is an unintended disclosure of trade secrets. The public is not excluded from attending hearings in court, thus there may be an unintentional disclosure of trade secrets or confidential information.

Given this context, what is the relevance of ADR and mediation in IP dispute resolution? IPOPHL believes that an effective IP system requires an efficient ADR mechanism. Protecting IPR does not end in IP registration. After you have registered your IP, you would still have to protect it from infringers or from those people who will copy your IPR or who will abuse your IPR. Thus, an effective and efficient ADR mechanism is necessary because IP litigation takes a long time to resolve. IPR holders must be given an alternative wherein they can settle their disputes and at the same time have a win-win solution for their IP disputes.

2.1.4. What is ADR and what is mediation?

ADR means any process or procedure used to resolve a dispute or controversy other than by adjudication of a presiding judge of a court or an officer of a government agency. The key word here is “other than by adjudication.” Other than filing a case in court, you have to give the IPR stakeholders an alternative by which they can settle their dispute. This is where mediation comes in because it is a voluntary process agreed upon by both parties wherein both of them select a facilitator to assist them in communication, negotiation and reaching a voluntary agreement. This person is known to be the mediator. This definition is derived from the Alternative Dispute Resolution Act of 2004 of the Philippines.

Mediation, as opposed to court litigation, is an interest-based dispute resolution mechanism, while an IP court dispute resolution is based on rights. The court determines who has a better right, while in the mediation the mediator determines

what the interests of the parties are. Based on these interests, he or she will help the parties arrive at a win-win solution, by which the parties can resolve their IP dispute. Knowing the interest of personalities in mediation is necessary. Because, if you do not know this, how can you determine their positions and perspectives? How can you assist them in arriving at an amicable settlement? Challenges arise from the positions and perspectives of personalities involved in mediation.

2.1.5. Who is involved in the mediation?

There are the parties, their counsels and lawyers, the IP office, and the mediator. What are the different interests of these different people? The parties and the lawyers, most of the time, want to win the case of course. The parties also want to be respected as regards their IPR. They would also want to have an early resolution of the case. They want a mechanism which is less costly but more convenient. The interests of the mediator, on the one hand, are to resolve the dispute and to preserve the interest of the parties. The IP office, on the other hand, wants to give the parties an early resolution of the case and to satisfy the needs of the clients.

2.1.6. Features and benefits of IP mediation

1. Mediation saves you time and money

There are minimal fees for using mediation proceedings, and the proceedings do not take a long time as opposed to court litigation where it drags on for years and years.

2. Confidentiality

Mediation adheres to strict confidentiality of information. Only those persons who are authorized will be allowed to attend the mediation proceedings. The confidential information which is obtained during the mediation proceedings cannot be admissible in any adversarial proceedings. The mediator who facilitates the parties in arriving at an amicable settlement cannot be called to testify or be subpoenaed to appear in any court litigation. The mediator is only allowed to make a report about the occurrence of the mediation and whether it was settled or not, rather than the details of what has been discussed and the contents of the settlement agreement.

3. Control by the parties over the process

Mediation is a voluntary process which means both parties must agree to undergo mediation. Moreover, the mediation process is controlled by the parties, which

means they can determine when they would like to meet, what will be discussed, what issues are to be resolved, and what solutions can be made with respect to their IP dispute. They can also have control over whether they want to proceed with the mediation, or they want to terminate the mediation in case they see that the mediation proceeding is not going anywhere.

4. Preservation or creation of the relationship

Most of the time, the parties in an IP dispute have created a business relationship. For example, the parties are the licensor and the licensee, or the owner of IPR and the exclusive distributor. Most of the time, once the IP dispute is successfully settled, it preserves the relationship between these parties. On the other hand, IP mediation can also create a relationship. Such as when the parties in the case do not know each other, for example, in a trademark infringement case, the filer of the case at the end of the mediation proceedings may agree to enter into a licensing agreement with the respondent or to enter into a distributorship agreement with the respondent, where, in both cases, both parties win.

5. Avoidance of pitfalls of IP litigation

IP litigation may involve technical issues which could drag on and on for years in courts, and there is no confidentiality.

2.1.7. Mediation services in IPOPHL

Regarding ADR and mediation in IPOPHL, the office provides an option for the parties for the effective and judicious resolution of IP cases. This is by virtue of our ADR service which is under the Bureau of Legal Affairs of IPOPHL. In 2011, IPOPHL started to offer mediation and arbitration services. In 2014, IPOPHL partnered with WIPO to develop the WIPO Mediation Option. In October 2018, IPOPHL shifted to mandatory mediation. In 2019, IPOPHL implemented Mediation Outside Litigation. In 2020, due to the pandemic, IPOPHL implemented online mediation. In 2021, IPOPHL institutionalized online procedures.

With respect to mediation, there are different mediation services in IPOPHL which include the Mandatory Mediation, IPOPHL-WIPO Mediation Option, and the Medication Outside Litigation.

2.1.7.1. IPOPHL Mandatory Mediation

IPOPHL Mandatory Mediation forms part of the litigation process. This usually happens when the parties have already filed a case at IPOPHL. Once the parties,

especially the respondent, have already filed the answer, the case is referred to mediation and the adjudication proceedings will be suspended.

Mandatory mediation covers IPR violation cases, such as trademark infringement and fair competition. It also covers inter partes cases, such as opposition to an application for trademark registration and petition for cancellation of trademark registration. It also covers issues involving technology transfer payments, as well as the terms of licenses involving authors' rights and the public performances of their works. Lastly, all cases appealed to the Office of the Director-General should undergo mandatory mediation.

Mandatory mediation does not mean that the parties are forced to settle the case. However, what the parties are supposed to do is to submit their case to mandatory mediation, and it is only and still up to them whether they would settle in the end or not. The office is just giving the parties the proper venue and the opportunity to sort out their issues.

Once the case is referred to mediation, the office would have to wait for the respondent to file an answer. It is only when the respondent has filed an answer that the case is referred to mediation. After that, a pre-mediation conference will be held. The office will hold the pre-mediation conference wherein the parties are informed of the consequences or penalties for their failure to appear and pay the mediation fees. They are also informed of the fact that they can be represented by counsel subject to the submission of a Special Power of Attorney and the Secretary's Certificate or Board Resolution.

The most senior officer of the non-attending party should be reachable by phone or other communication devices. This is also where the parties are informed of the WIPO-IPOPHL Mediation Option. After that, the mediation proceedings will commence which will be limited to a 90-day period. Only the parties can request for the extension provided that they feel the case is close to settlement and only need a substantial amount of time in order for them to draft the settlement agreement. After the mediation, the case can either be resolved or not resolved. In either case, it will be referred back to the originating office for appropriate action. If it is settled, the originating office will draft the decision based on a compromise agreement. If it's not settled, the originating office will resume the adjudication proceedings.

2.1.7.2. IPOPHL-WIPO Mediation Option

By virtue of the MOU implemented between the IPOPHL and the World Intellectual Property Organization (WIPO) in 2014, IPOPHL gave birth to its WIPO-IPOPHL mediation option. This is an option available to the parties who undergo mandatory mediation with IPOPHL, wherein they have the option to refer their case to the WIPO Arbitration and Mediation Center (WIPO AMC) for the conduct of the mediation proceedings.

It is advantageous for parties who are seeking redress in related disputes involving multiple jurisdictions to choose IPOPHL-WIPO mediation option. The parties can appoint any mediator from the WIPO panel of international mediators. This list also includes 18 IPOPHL mediators. The mediation fees are also based on WIPO preferential rates. At this time, the WIPO is very generous in waiving its administrative fees of USD 100. They have also lowered the mediators' fees to the same rate as that of the local IPOPHL mediators.

The process for the IPOPHL-WIPO mediation option also follows the same procedure as IPOPHL mandatory mediation. The difference is that during the mandatory mediation, there is a pre-mediation conference. This is where the parties are informed that they have the option to refer their case to the WIPO AMC. Once both parties agree to submit their case to the WIPO, they would have to sign the document agreement and request for WIPO mediation.

After the parties have signed the documents, IPOPHL shall transmit these to the WIPO within five days, and thereafter the mediation proceedings will be conducted by the WIPO itself. It can either go two ways: If it's not settled, it returns back to IPOPHL for the resumption of the proceedings; if it is settled, it will still go back to the IPOPHL for the drafting of the decision based on a compromise agreement.

2.1.7.3. Mediation Outside Litigation

By the name itself, it means that the parties need not file a case at IPOPHL in order to avail of this mediation service. Even if there's no pending case at IPOPHL, the parties can submit their IP dispute to mediation, as long as it involves any dispute relating to an IP issue or matter. All they have to do is that the parties should file a request for the conduct of mediation under this mediation service. Then, just like in mandatory mediation, the parties can be represented by their lawyers subject to the submission of the Special Power of Attorney, Secretary's Certificate or the Board Resolution. It is noted that the Special Power of Attorney, Secretary's Certificate or the Board

Resolution should state specifically that the lawyer or the representative is authorized to enter into an amicable settlement for and on behalf of the principal.

Mediation Outside Litigation is terminated upon the signing of the compromise agreement, or by voluntary termination by the parties, or in case of the non-settlement of the IP dispute in mediation. It is noted that in case the parties are not able to settle their dispute, the non-settlement is not a bar to their submission of the dispute to litigation.

2.1.8. Implementation of online mediation

On 4 May 2020, due to the COVID-19 pandemic and lockdowns being implemented by the government of the Philippines, in order to ensure the continuity of IPOPHL's services, it temporarily implemented the online mediation. All mediation proceedings were conducted online, provided that the parties file their request for the conduct of online mediation.

Based on IPOPHL's experience, there are several benefits of online mediation. For example, it offers valuable options for the participation of the parties, regardless of their locations. The parties can see each other through the screen, just like conducting the mediation proceedings face to face. Meanwhile, this approach can ensure the safety of the participants to the mediation. Furthermore, it saves time, money and effort because the parties need not travel to the IPOPHL to attend the proceedings. Even if it is conducted online, strict confidentiality is still adhered to. Only the authorized parties are admitted into the virtual platform.

Online mediation also provides an opportunity for the principals who are based abroad to participate in the proceedings, which leads to early resolution. When it was still face to face, if the other party suggests or proposes an issue or a solution, the lawyer who attends the mediation may have to discuss with the principal who is abroad. Thanks to the online mediation, the principals themselves are able to attend even if they are abroad. Once the proposal is made by the other party, they can interpose a counter-proposal or agree at that specific instance, thus leading to early resolution. It also encourages the parties to be more candid with their settlement offers.

On the basis of IPOPHL's observation during online mediation, the parties now have more creative ways and ideas of how to resolve and settle the disputes. All accompanying procedures are conducted online for fast and convenient transactions.

Not only the conduct of mediation proceedings is online, but also the payment, which is helpful to lessen the cost of IP dispute resolution. Moreover, due to the fact that the parties do not travel, it became less stressful. They are more open, or they are more appreciative of the proposals of the other parties.

2.1.9. Relevant statistics

According to the statistics of IPOPHL's mediation proceedings, from 2011 to 2017, IPOPHL has a high acceptance rate but not 100%. However, from October 2018 up to the present, IPOPHL has a hundred percent acceptance rate, mainly because it is mandatory. For the settlement rate, despite the fact that IPOPHL has shifted to mandatory mediation in October of 2018, the settlement rates of 2019 and 2020 still reached 25.9% and 30.8% respectively. For 2021, just in the middle of the year, IPOPHL already has a 24.7% settlement rate. IPOPHL is very happy with this, because at least now the parties are seeing the benefits of mediation, rather than going through IP litigation.

Regarding the usual terms of the settlement, sometimes there's an amendment of the trademark application, such as limiting the class of goods or changing the feature or look of the trademark. When the opposer or the filer of the case sees that the term is being followed, he will agree to withdraw the case and thus there's a win-win solution for both parties. In some cases, they have deleted the application. Some mediation led to the drafting of a coexistence agreement; some withdrew their cases, mainly because they had already settled their IP dispute. Sometimes, there's a payment of damages to the injured party; and sometimes there's reimbursement of the applicant's expenses. In a couple of cases, it leads to the licensing for copyright use.

2.1.10. Benefits of Mediation to the Business Environment

What are the benefits of mediation to the business environment? It is a cost-effective option for MSMEs, as these are usually start-up companies which do not wish to be embroiled in IP litigation mainly because they would want to spend more time developing their business rather than attending hearings in court. They prefer mediation rather than IP litigation. It is a win-win solution for both parties, not like in court litigation where one party loses and one party wins. In mediation, both parties go home happy.

There are different types of settlement options from which the parties can choose from. As long as both parties agree on their settlement agreement, and it is not against the law, morals, good customs, public order or public policy, it can be accepted.

Mediation can also encourage business. If IPR holders see that there's an alternative to IP litigation which drags on for years, they would be more willing to engage in business.

Furthermore, mediation can be considered as the counterpart of the Madrid Protocol for dispute resolution, whereas in Madrid Protocol you can file a single trademark application in one economy, and you just choose the other economies in the application form without having to go there to file the trademark application. With the IPOPHL-WIPO mediation option, the parties can undergo mediation with IPOPHL, and choose the IPOPHL-WIPO Mediation Option and it can cover multiple jurisdictions already. Lastly, it can result in licensing and franchising as settlement options.

2.1.11. Conclusion

In conclusion, the speaker quoted from Nelson Mandela, "all conflicts, no matter how intractable, are capable of peaceful resolution."

2.2. Presentation made by *Ms Tamara Lange*

Ms Lange's offices are based in San Francisco, San Jose, Silicon Valley and Oakland. They are responsible for federal cases, including IPR matters from the Oregon border to about halfway through California. They see a great number of trademark, copyright and patent cases, as well as trade secrets matters in the court.

2.2.1. Why mediation

Regarding mediation, *Ms Lange* thinks the best place to begin is with the questions of why they have a court-affiliated mediation program at all, what that offers to the parties, and what the benefit is of having an ADR process in IP matters. Mediation is a facilitated negotiation. The mediator is not a decision-maker, but a facilitator with expertise in the particular area of law, who can help to facilitate negotiation at a higher level and clarify the conversation between the parties, making sure that they understand both the business and legal issues that are being raised, and can integrate those.

When it comes to dispute resolution, it is quite often that what is needed is some flexibility in designing the process. Sometimes, a mediator will help the parties to identify which business representatives need to be present at the mediation. Those might not be the same people who would be involved in the litigation of the case, but they are the people who are going to be necessary to make appropriate business

decisions about mediated settlement. That flexibility also extends to even inviting third parties who are not part of the litigation in our court.

For example, if there is an IPR matter in which multiple cases are pending in government agencies or different jurisdictions of the world, frequently, mediators and parties will invite all of the parties from the various cases to participate in one mediation to see if they can obtain a global settlement in all of the matters that are in dispute between the key parties. In that way, the mediator can help the parties to customize to the needs of the case.

Another core distinction, and the reason why mediation is important, is that it allows for some win-win solutions, business-driven solutions, and the possibility of coming to agreements or settlement determinations that a court could never order. To be more specific, the court would not order issuance of a license, the court would simply determine whether the patent is valid, whether the accused infringement is indeed infringing, and the value ought to be in compensating the plaintiff of the matter.

Lastly, the parties can control the outcome is a particularly key portion of mediation as well. This puts the business interests in the driver's seat because the parties get to determine whether they want to settle or not.

2.2.2. When is mediation not appropriate?

Sometimes, mediation is not appropriate, relevant reasons may include:

1. The parties really need a public policy determination, or political interests drive the need to get a decision from the courts.
2. What the parties want to resolve is not just for that case and they may need to establish precedent to address ongoing issues. For example, the parties may expect to have a precedent about the validity of their own patent, or about the nature of the relationships with employees whom they've accused of taking trade secrets. It might be a legal precedent that is influencing the entire field as well.
3. The parties may not be capable of participating effectively in a negotiation process. In some cases, there are unrepresented parties or self-represented parties who don't have lawyers in the court where *Ms Lange* holds the post. If they are not able to sit down at the table and negotiate with the other party, the court often doesn't involve them in the negotiation process.
4. The parties really want a rights-based solution from the court.

5. There is such a power imbalance that the parties can't effectively negotiate in a fair way.

2.2.3. Common dynamics in IPR cases

Take the early neutral evaluation (ENE) that *Ms Lange* just had in a copyright matter as an example. In the ENE process, she sat as a quasi-judicial officer and an evaluator, and she spent most of the day with a lot of discussion about the law in the court. She was evaluating the merits, and then the parties moved into negotiations and asked for those evaluations in separate conversations in separate meetings with her. There were two parts to that, i.e., an evaluation first and then mediation.

When it comes to mediation in a copyright matter, except conflicts over ownership which are typically seen, often there are long-term consequences if multiple people might be violating a photographer's copyright, a code writer's copyright, or a company's copyright in the code. Frequently in copyright issues, and also in trade secret cases, planning mediation around the timing when expert analysis will be conducted can be a real issue. Without any expert assessment of the extent to which the code has been copied, or the code has been misappropriated, there's very little that the parties can do in the mediation unless they're going to trust one another or to try and have a joint expert sometimes.

The mediator often needs to really spend time early in the case, talking with the lawyers about what is needed in order to be ready to have a settlement discussion. If a party believes that the other side has misappropriated information or copied information impermissibly and taken their code, typically they want a full assessment of the devices on which they were taken or the material which was taken that resulted in the copyright infringement. Normally, it becomes a very expensive process. If the impact and value of being copied are not high, the parties may consider mediation early.

It is quite often to see a copyright claim along with a trade secret case. Silicon Valley is based in the district of *Ms Lange*'s court, so the court has a large number of cases include complaints like an employee has left and taken the trade secrets to the new company or has misappropriated the trade secrets to launch their own competitive competing company. The same thing happens sometimes with consultants. Those are very common situations that arise in the court with IPR matters.

In the trademark context, *Ms Lange's* court often sees cases that are between competitors. In particular, that occurs in advertising and marketing cases, where the parties are coming in and disputing the scope of the protection that their mark provides. The trademarks, designations, particular scopes of work and areas of business are often hotly disputed as well. Through mediation, the parties can have a confidential negotiation about ways that they might adjust to one another. This is again an example of ways in which the parties can resolve a case and protect the trademark. Allowing the other party to develop its business and avoid competition that might result in overlapping use of the mark and the likelihood of confusion.

The assessment of the likelihood of confusion is often hotly debated in these mediations. According to the trademark cases that *Ms Lange* has mediated, there's a lot of time spent on the question of whether there's actual confusion, and the question of what studies will show. But mediations usually occur before any survey has been done, and surveys in trademark litigation of the United States tend to be quite expensive.

Ms Lange had some mediation, for example, where very large corporations in competition with one another are coming in and disputing. Even though they see that it's more efficient to resolve the litigation by settling the case than to each spend hundreds of thousands, or even sometimes millions of dollars, in doing surveys and litigating to trial, they still dispute about whether there's confusion. No one knows early on in the mediation what those studies will show. There's usually just a little bit of information, maybe a few examples of actual confusion of a mark.

Some disputes, not infrequently, are about international versus the domestic use of the mark. Some folks might say, "I'm only using your mark outside the United States, and you only have protection to a certain extent." Disputes about trade dress are frequently seen in the court as well. Those disputes tend to be more local rather than international. However, relevant international disputes do exist. For example, with respect to Napa Valley in Sonoma, there are a very large number of wine cases in *Ms Lange's* court by comparison to most jurisdictions in the United States.

Another vein of common cases may include people complaining shoes, clothing, handbags, etc. are too similar to their product or alleging those are knockoffs or copies of their product, and they have a right to protect their trade dress. In mediation, people can negotiate and work out well. They can come to an agreement to resolve the case by changing the label on a wine bottle, or modifying the design of the shoes, or

in some other way. Often, those cases are resolved with a consent decree that hammers out exactly what the parties will agree to go forward.

In patent cases, since Silicon Valley is in the jurisdiction, there are a fair number of cases involving an inventor or a founder as the plaintiff who tries to prosecute their patents. In general, it is really important to pay attention to the emotional engagement and feeling of pride in the invention, which may have a big influence on the mediation. Furthermore, it is really important to pay attention to and show respect for the inventor, as well as for what may be inventiveness and a new design of the accused infringer. Sometimes, those are very emotional cases. Even though they are fundamentally business cases at one level, people identify with their business and have a great deal of pride in their products, designs and IP inventions.

At the other end of the spectrum are folks who are non-practicing entities (NPEs), and they have a whole set of patents that they're planning to protect. It is common that there's a great deal of frustration in cases concerning NPEs, because the people who are accused of infringing patents by a NPE often have a lot of resentment. It is hard for them to accept that the NPE can ask them to pay for use of the patent while the NPE itself is not practicing.

Mediation is an excellent place to deal with these emotional dynamics, in terms of party satisfaction, for people to come to resolve their dispute. Even if the parties come in very frustrated or very angry, it's a place where they are neutral. The mediator can help them to come to some agreement that doesn't end up with quite so much resentment. The parties have a bit more feeling of having been respected in the process, and as a result, have the experience of feeling respected by the court. That is a big picture of why the court-sponsored mediation is established.

Finally, the other thing that is useful to think about in the United States in patent cases is timing. With respect to what's called the *Markman* hearing at a claim construction, the court identifies and determines how to read the claims in a patent. Parties may argue that they want to mediate after the case is narrowed or resolved through claim construction. At the same time, the court has an interest in having the parties meet earlier because it could be very expensive to get to that point. In addition, it's harder for parties to settle when they have put a lot of time and money into the litigation. That's a question that often comes up for the mediator to try and address that issue.

2.2.4. The importance of focusing on mediation on the business and personal interests in IP cases

When it comes to business cases in mediation, the mediation itself is often about the business interests, and the first task of the mediator is not only to understand the law and the legal disputes, but also to understand what the party's business interests are, and what kind of personal interests might be influencing their willingness to settle a case. Those interests can be anything from the personal investment that the inventor, plaintiff, or former employee has and having created, or produced, or worked on which may include trade secret, patent, copyrighted information, etc.

Sometimes, relative sizes of the parties and the market as a whole, and the extent to which the parties might become competitors are really important information for the parties to think about and look at. From the perspective of the mediators, understanding this information is helpful to them for assisting the parties in finding their profitability effectively.

There are past and ongoing relationships in Silicon Valley and in all kinds of industries among the principals. *Ms Lange* had cases where the competitors were in court and spending enormous amounts of money litigating a trademark dispute because one principal had offended another, and that offense led to filing suit over things that previously had been worked out between the parties without too much rancor or disagreement. Understanding is a big part of the mediator's role, in order to address those issues and help bring a better relationship back to the dynamics between the parties.

2.2.5. Curiosity

Even if the parties are not going to have an ongoing business relationship, resolving the issues of respect is often very important in mediation. The United States is not famous for having a culture of being focused on respect in relationships, but it is very significant in mediation. In this field, we think and talk about that a great deal, because people do make their decisions based on that, even if they're not aware of it, or acknowledging it, and it's not spoken of so much.

Some other important issues are to have an eye on business interests for the parties involved in the licensing history, and the question of whether there are non-infringing options or other ways of addressing the party's interests in continuing on the conduct alleged to be infringing, or a theft of a trade secret based on stolen trade secrets. If the

defendant believes the plaintiff is attempting to shut them down and close their business down, it's very hard for them to settle the case.

There are about 250 mediators on the court's panel who have been vetted and trained. *Ms Lange* continues to do training with them in their current program. Really, the watchword is curiosity. There are many mottos about curiosity from eastern philosophers, but Abraham Lincoln, a former president, is famous for having said "I don't like that man. I must get to know him better." When *Ms Lange* works with the mediators, they talk about the importance of trying to come with curiosity to the parties when people are acting offensively, or being disrespectful to one another, or when they are using sharp elbows, not wanting to engage fairly in the negotiation.

To be more specific, what the mediators are asked to do is to lean in and be more curious about what's driving the defensiveness or the offensive behavior and trying to get to know people better. The same principle as from an English poet of many centuries ago, "if we could read the secret history of our enemies, we should find in each person's life, sorrow and suffering enough to disarm all hostility." It is the true experience of most mediators that when they get to know the people who are in the dispute, they can help them much better. In litigation, they don't get to know the people nearly as well as they do at the mediation table.

It is a real service and an offering both to the court and to the community of litigants and lawyers to offer a judicial alternative process and to have an ADR program. They're grateful to have that in the court, as one of the leading programs in the United States, and to have such a significant group of mediators who do IPR matters for the court and bring their expertise there.

2.2.6. Empathy

Empathy is really one of the other watchwords which are focused on mediating cases including IPR matters. That is really a skill of how to be a truly effective listener, listening not just to the words, but to what is between the words, what is being said or conveyed, not only in body language or in a tone of voice, though those are important, but also in what is not being said in the silence, in the quiet, in the pauses. People practice those skills and learn to become adept at listening in those ways.

Secondly, at expressing what they've understood, it's really striking what a difference it makes for mediated cases, for the mediator to have the skill of reflecting what they understand. More specially, to show they understand the strong feelings the

perspective legally and the justifiable sense of what the right outcomes might be, as well as being able to do that with the other side. The fact that a mediator can hold both of those at one time really can help parties to come to an agreement, where they might otherwise continue to move farther and farther apart, believing that they must match the resentment from one side with more on the other, and then have no choice but to have a win-lose dynamic in front of the court.

The last stage is to seek confirmation, being sure that the speaker has felt understood. This is a process *Ms Lange* expects most folks are experienced either in personal life, or in practice because when you are negotiating with another person, even directly, if you aren't confirming that you've been understood effectively and that you have understood the other side effectively, it's bound to lead to more work.

One-piece that is very useful to know is that psychological studies have shown that when you're working with people who are upset, naming the feeling that is observed is often the most calming intervention. Not knowing if this is true cross-culturally, but it has been established in studies in the US. It can be challenging and risky for the mediator to address that someone feels disrespected, upset, disregarded, hurt, etc., especially in a business context where people are formal and are addressing matters that involve millions of dollars, tens of millions of dollars, hundreds of thousands of dollars in dispute. Nevertheless, it is often very effective to acknowledge the emotional nature of the dispute.

There are some examples of different kinds of emotions. Naming them with granularity, rather than just saying upset or frustrated; to give a lot of detail to it: admiration, confusion, interest..., those kinds of details can be very helpful.

The State of Maryland has a very advanced state court ADR system that does a lot of research on what works in ADR. It's not specific to IPR matters, but they do have some interesting studies showing that this task of reflecting back the party's emotions and interests, explaining to them that you understand, and displaying that you really understand as the mediator what their business interests are, what their underlying personal feelings about the matter are and what they need to get to a self-directed resolution, increases the participants' belief and their ability to make a difference in their dispute, and their ability to resolve it on their own.

This approach increases the parties' satisfaction with the results of the ADR process and the court process, even if they don't settle. In addition, it increases their sense that

the court cares about their case and about them. All of these are outcomes that are very important to a court system, in terms of feeling the respect of the community to have litigants come away from the court process, which in the court includes the ADR process, feeling greater satisfaction with the court, a sense that the court cares about their dispute, and a feeling that they have the ability and agency to make a difference in their dispute.

2.3. Presentation made by *Mr Zechariah J. H. Chan*

2.3.1. Mediation and IPR

As mediation is growing very quickly around the world, this should not be a surprise for anybody now. Just by way of some statistics at the SMC, for example, there was a 187 percent increase in the matters filed for mediation between 2012 and 2016. Why is this? From experience, mediation is very fast and effective. *Mr Zech Chan's* settlement rate, for example, is well above 70%. Where parties settle the matter, most of the settlements were achieved in a single day. For those mediations that did not finish with a settlement, there was usually an offer that was made by one party to the other side, and that could be revisited at some point when the parties are ready to settle.

For mediation, parties have full control over the outcome, and the result is not left to a third party, like a judge or an arbitrator, that you could very well be left with an order which you do not like. In addition, mediation preserves relationships, and it is suitable when parties wish to continue doing business, or maybe even in a family situation, where parties need to continue to engage each other. Furthermore, mediation is confidential. As you can see, there are many benefits of mediation and those are reasons why it's growing around the world now.

Mr Zech Chan has multiple roles in the field of mediation. As an IP professional, *Mr Zech Chan* works with his client, helping them to assess their options and suitability for mediation. If the parties do go for mediation, *Mr Zech Chan* will prepare them for mediation and help them to navigate the mediation process. Typically, the rate of settlement is high. The second hat that *Mr Zech Chan* wears is to promote mediation with organizations such as the International Trademark Association (INTA). The third hat that *Mr Zech Chan* wears is as a mediator and a trainer. This could be at many centers, such as the WIPO or the Singapore Mediation Centre (SMC), or at the State Courts. There is a significant increase in the demand for mediation services.

2.3.2. Brief introduction of INTA and its ADR Committee

Mr Zech Chan volunteers with the INTA which is a not-for-profit association that serves as a trusted and influential advocate for the economic and social value of brands. INTA has a long history and was founded 143 years ago in 1878. It aimed to protect and promote the rights of trademark owners, secure useful legislation, and to give encouragement to all efforts for the advancement and observance of trademark rights. Today, the mission of INTA is to be a global association of brand owners and professionals dedicated to supporting trademarks and related IP to foster consumer trust, economic growth and innovation.

INTA is a large organization. As of 2020, it had 6,284 organization members, which include corporate members like P&G and associate members like Lee & Lee. In terms of influence, based on statistics as of 2013, INTA members contributed around 12 trillion to the global economy. By comparison, the 2013 annual GDP of the top three markets was 16.7 trillion in the case of the US, 17.9 trillion in the case of the EU and 9.2 trillion in the case of China. If all the INTA members were to be put together, they would contribute to global trade as if it were a large economy.

For a not-for-profit organization, INTA relies heavily on volunteers to play a role in furthering its objectives. Regarding the kind of annual meetings that INTA had, it is looking at numbers in excess of 10,000 attendees for each of the annual meetings. On the other hand, more than 3,000 volunteers serve on more than 225 communities, sub-communities and project teams. For volunteers, participation in an INTA committee offers a unique and rewarding opportunity to contribute to the advancement of the objectives, network among peers, and also to raise visibility within the trademark community in the INTA.

INTA committees are organized into three groups by function. With these communities, there are subcommittees and project teams that focus on specific areas. The advocacy group provides guidance and input on INTA policies and advocacy efforts. The resources group produces INTA's global trademark resources for members and other stakeholders and the public. The communications group oversees the communicating and implementation of the strategic initiatives. Many interesting committees allow volunteers to find something that they like. A community term typically lasts for two years. Communities are always oversubscribed to the point that INTA is not able to allocate a committee to every applicant.

Mr Zech Chan has been serving in INTA committees for many years since 2006. He currently leads the ADR Committee in the Asia Pacific. The ADR Committee is one of those that has subcommittees, for example, the ADR Committee has five subcommittees, namely the North America Subcommittee, the Central and South American Subcommittee, Europe, Middle East and Africa Subcommittee, the Asia Pacific Subcommittee, and last but not least, the Online Dispute Subcommittee. The full committee has around 75 volunteers.

What do they do in the ADR Committee? The ADR Committee promotes the worldwide use of ADR, including the use of the Panel of Trademark Mediators, as a cost-effective method of resolving trademark disputes, and they also do other things, such as developing ADR programs, benefits and surveys. Community work includes program content development. To put all that into action, some of the actual work that the ADR Committee has done includes, for example, promoting mediation through the production of mediation webinars, live mediation sessions at the INTA annual meeting, conducting mediation related table topics at INTA events and round tables that were held in Beijing, London and Nigeria.

The ADR Committee leadership also provided comments on the EUIPO mediation survey. Moreover, the Committee developed and distributed a mediation awareness survey to more than 25,000 INTA members. As part of *Mr Zech Chan's* involvement in the ADR committee, he gave a talk alongside the ADR committee leadership regarding the rise and use of online mediation at the INTA leadership meeting.

INTA has a Panel of Mediators composed exclusively of INTA members who specialize in resolving disputes concerning trademarks and related IP through mediation. These members offer mediation services to brand owners. The council, the public and the panel mediators are resources for members who might be looking for mediators or practitioners who have mediation skills and are familiar with IP issues. For example, if parties do not have someone like the WIPO to choose a mediator for them, the parties can use the panel, take a look at the Panel of Mediators, and pick perhaps five mediators each. They would probably find one person both parties are agreeable to mediate their dispute. Behind the actual mediation, there are a lot of services that are required in order for the smooth progress of the mediation.

2.3.3. Collaboration with WIPO

1. Collaboration between WIPO and INTA

Oftentimes, it is useful to have a registrar or a third party to help you work through some of the administrative issues for mediation, like selecting a mediator. You'll be surprised at how every little administrative decision could be. It really helps to have a neutral and trusted third party, like the WIPO in this case. The WIPO AMC basically helps with the provision of ADR options, such as mediation, arbitration, expedited arbitration and expert determination. They handle essentially all types of IP and technology disputes.

Whilst they have a panel of WIPO mediators and arbitrators, they provide this service where parties refer disputes to them. In exchange for the payment of an administrative fee which they collect from the mediator, they are able to arrange all the necessary things for the smooth conduct of the mediation. The administrative fee that they charge for a dispute which amounts to under USD 250,000 is USD 250, which is quite attractive. For large disputes that are greater than USD 250,000, the amount of the administrative fee increases.

There is a synergy between what the WIPO does and what the INTA is looking to provide. For a reasonable administrative fee, the WIPO provides a suite of services to the parties. It is really helpful to have an independent third party to help you make the necessary arrangements. The respective parties can work with the WIPO. WIPO will provide all the services, such as helping you with the procedural assistance or helping you to select a mediator from the INTA panel or the WIPO panel. They will determine the mediator's fees and help you with the financial aspects of the mediation. The parties can focus on the issues arising from the mediation, not the mediation itself. Furthermore, WIPO also provides online communication and mediation tools for the conduct of the mediation.

It was very natural for INTA to enter into collaboration with WIPO AMC to provide the requisite procedural and administrative services for the parties because the INTA doesn't provide these registry services for the handling of disputes. As a sweetener, WIPO provides a 25% discount on its administrative fee for INTA members. This is another way that the INTA and the ADR committee are able to help the members and the community to push, encourage, and promote mediation as an ADR option.

2. Collaboration between WIPO and the Intellectual Property Office of Singapore (IPOS)

The WIPO AMC has an office in Singapore held by the associate legal officer Chiara Accornero. This center has collaboration with the IPOS related to the Enhanced Mediation Promotion Scheme (EMPS), which is a scheme that IPOS provides to encourage parties to choose mediation as an alternative to a hearing for disputes before the IPOS, such as opposition proceedings.

Between 1 April 2019 and 1 April 2022, the EMPS is actually even more attractive than its predecessor. Prior to the introduction of this scheme, IPOS was trying to get the parties to negotiate. Mediation was really just an option that was left to the parties. With this scheme, IPOS effectively encourages the parties to choose mediation. As regard funding, parties in the mediation case can receive funding of up to 10,000 SGD, which is about 7,350 USD, or up to 12,000 SGD if foreign IPR is added to the subject matter of the mediation, regardless of the mediation outcome.

Although there are some conditions attached to the funding, these conditions are actually mainly served to promote mediation. For example, if you want to avail of the funding, you will need to allow a shadow mediator to observe the mediation. As a mediator who has conducted one of these mediations on behalf of the WIPO before, *Mr Zech Chan* thought the shadow mediator who joined was somebody who was fresh out of law school. He had some mediation training, but he didn't have the opportunity to sit in on a real live mediation. For this scheme, he might have the chance to observe a real mediation. That experience was very positive for somebody who is trying to learn more about the mediation process.

Other conditions include the disclosure of the lawyer and agent fees because the IPOS essentially will co-pay 50% of the mediation with respect to lawyer or agent fees. That's why there's this requirement for disclosure. There's also a requirement to provide some feedback from the mediation experience. Last but not least, there is an obligation to agree to be named publicity which means you have to be named as somebody who availed of this funding. However, you don't need to disclose any terms of the settlement.

This is actually a good thing because that has actually generated many success stories that are now available on the IPOS website. If you go to the website of IPOS, you will be able to see many of the parties who have agreed to mediation and indeed settle their disputes through mediation. They shared some of their experiences as to why mediation was helpful and why mediation was useful. You

can go to the IPOS website for more information. If you want to know more, you can also watch a video recording of a talk that *Mr Zech Chan* gave alongside WIPO officer Chiara Accornero, as well as some IPOS Principal Legal Counsel *Ms Sok Yee Tho*, regarding the resolution of IP and technology disputes through WIPO mediation.

2.3.4. The Singapore Convention on Mediation

Moving on to some developments in mediation in Singapore, the United Nations Convention on International Settlement Agreements Resulting from Mediation, also known as the Singapore Convention on Mediation, seeks to emulate the New York Convention in the mediation space. The New York Convention is to arbitration. The Singapore Convention on Mediation is to mediation. It is like the little sister of the New York Convention to strengthen the enforcement of settlement agreements resulting from mediation.

The Singapore Convention on Mediation was sealed and adopted by the UN in December 2018. The first signatories came on board in August 2019. As of 1 September 2019, there were already 53 signatories including China, India, Singapore and the US. The Convention came into force on 12 September 2020, which strengthens the enforcement of international commercial mediation settlement agreements by establishing a harmonized legal framework for the right to invoke settlement agreements as well as for their enforcement. This is quite useful because it allows settlement agreements resulting from mediations to be enforced as orders of the court. There are certainly some requirements for this, but by and large, it is applicable to any mediation that is administered by a designated service provider.

2.3.5. Integrating mediation into the dispute resolution process

Not only is mediation becoming increasingly popular, Singapore's policy makers and the judiciary are also becoming increasingly supportive of mediation. For example, at a lower court called the State Courts, there is a presumption of mediation, where parties have to go for mediation, or other forms of ADR, unless one of the parties opts out. The party that opts out unreasonably may incur cost sanctions. There is a similar idea for Supreme Court cases. By and large, mediation features quite more and more strongly in the dispute resolution system.

However, as a mediator, *Mr Zech Chan* thinks not everyone is fully on board. In the course of mediating disputes, *Mr Zech Chan* has encountered lawyers who were very unhappy with him when he managed to settle a dispute. The reason was that they

probably saw him as the person who took away their litigation business. While that was a very sad day for him, he continues to hold the belief that mediation is good for the parties who are willing to put a stop to the fighting by finding creative solutions together. Nowadays, there are many mediation schemes, centers and tribunals that have been set up in Singapore for mediation.

2.3.6. Conclusion

Singapore Chief Justice *Sundaresh Menon* said that the mediation challenges the conventional wisdom that “cheap” and “good” are mutually exclusive; and its allure lies in its recognition of the increasingly felt desire of disputants for a less costly and adversarial method of dispute resolution and for autonomy in resolving their disputes. *Mr Zech Chan* foresees that the mediation will become even more popular and even more recognized in Singapore in the years to come.

2.4. Presentation made by Judge Huei-Ju Tsai

Three main topics are addressed in this presentation which is: IP cases in Chinese Taipei, the strategies for evaluating whether it is suitable to choose mediation or settlement in a specific case, and the development of the procedure concerning online mediation and settlements.

2.4.1. IP cases in Chinese Taipei

2.4.1.1. Various facets of IP cases in Chinese Taipei

IPR is deeply involved with our life, politics, culture and society. Take COVID-19 as an example, we need to continue to develop and research on medication and medicine. The IP information about the trademark and patent is critically important. TIPO, on its official website, has established a designated session, which provides information for all sectors of the society to understand the latest information about R&D as for technology. Furthermore, the protection of patents or trade secrets is vitally important in the IPR matters as for culture and life. Taking TSMC as an example, this company is playing a leading role in the semiconductor field and market. The number of its applied patents also ranks at the top for many years. As for the protection of trade secrets, TSMC has done a perfect job.

Foreign products, comics, animation and cartoon figures also enter people’s lives in Chinese Taipei. The trademark and copyright issues are therefore very important from the perspective of traditional culture and arts. For example, the Pili puppet theater started from traditional puppet theater and has continued to evolve later. They

appeared on TV and even issued DVDs and have their own programs. Later, they enter the field of the digital world. They even have animations and movies of their own. These cultural creations also showcased the importance of IPR for traditional activities.

Let's take a look at another example. Every March and April, the Matsu pilgrimage has attracted much attention. In addition to religious beliefs, the pilgrimage also drives economic development. On top of that, as for the authorized goods on the official website of Chen Lan Temple, there is a special section for authorized products which covers a wide range, including wearable products, baby and maternity products, medical products, hygiene products, food and safe blessing, special page for pets, and massage products. They're all within the scope of authorization. In addition to their own products, the temple also works with other industries. We understand that IP plays a critical role in the authorized products.

2.4.1.2. Proceedings of IP cases before IPCC

When we have thriving development of IPR matters, inevitably there will be disputes. Disputes may be solved in the courts. The IP and Commercial Court was established on 1 July 2008. The court started with handling IP cases, so the name of the court was the IP Court. Since 1 July 2021, the name of the court has been changed to the IP and Commercial Court (IPCC) which handles two types of cases, including the IP cases, as well as the commercial cases.

Regarding IP cases handled by the IPCC, they cover civil, criminal and administrative cases. When a plaintiff files for civil actions concerning IP to IPCC, IPCC will start the preliminary procedural examination to confirm whether the case meets relevant procedural requirements. Also, the court will evaluate whether the case requires mandatory mediation. If the law requires mediation, there will be mediation. If no mandatory mediation is required, the case belongs to voluntary mediation. The parties will be asked whether they would like to comment on mediation. If yes, they will enter into mediation. If the parties don't want mediation, or if the mediation was not sustained, the case will enter into trial and the judge will trail the case.

During the trial process, the court will see whether the parties are willing to consider mediation or settlement as well. If both parties still cannot reach an agreement, there will be an oral argument followed by a judgment in a court. Over the past year, about 50% of the cases are mediated, and 50% of the cases will enter into trial. Regarding

the state of civil cases terminated at the first instance, mediation sustained accounts for three percent, and settlement accounts for 12%.

In addition to the trials, ADR is also very important. There are three types of ADR. The first type is mediated by the court. The second is administrative ADR, such as mediation committees of the townships and county-administered cities. The third is civil ADR provided by the arbitration associations. When it comes to mediation, mediation institutions are very important. Most of the time, the institutions are not centralized.

The Judicial Yuan established the ADR entities search platform in 2017 which includes 651 institutions in total. If the parties or their lawyers or agents need to use ADR, they can use this platform to look for suitable ADR institutions. There are many categories, such as labor construction and so forth. As for IPR, there's only one institution on this platform. That is the Copyright Review and Mediation Committee under the TIPO. This committee is focused on disputes regarding copyright.

When it comes to all sorts of fields under IPR, there are several specialized technical fields. IPCC also has its own mediators. So far, the court has hired 20 scholars and experts to serve as mediators. Some of the mediators have a legal background, and others have other technical backgrounds. Based on the types of cases, as well as the needs, and the willingness of the parties, the court will arrange suitable mediators with suitable backgrounds to provide settlement or mediation.

2.4.2. Strategies for evaluating whether it is suitable to choose mediation or settlement in a specific case

With respect to the issue of whether the parties would like to enter into trial or would like to meet the circumstances of settlement or mediation, the parties may have their different concerns. Some people think they have solid grounds, and strongly believe that they will definitely win the case. Sometimes, the party doesn't really care about whether they're winning or losing a certain case. What they really care about is that the result of the case may impact the party's competitive status in the industry or the position in the market. On the other hand, for some parties, whether they have legal grounds for winning is not that important, because it is a battle of wills.

All these different concerns mentioned above will impact the factors for mediation or settlement. In Chinese Taipei, there's a special practice: If the case involves infringement of copyrights, trademarks or trade secrets, there will not only be civil

infringement liabilities but there will also be criminal liabilities. When facing the pressure of criminal liabilities, the parties, especially the infringers, are more likely to agree to mediation or settlement. Therefore, in practice, it is quite often that the possible criminal liabilities are used by the right holder to push for settlement with compensation.

Judge Tsai talked about a series of copyright cases. These cases involve two copyright holders who filed actions against different defendants regarding copyrights infringement and civil liabilities and claimed for damage. About 20 to 30 cases entered the IPCC in the beginning. The court conducted a procedural examination to see whether the parties want to enter into mediation. Some cases were mediated. However, many cases though couldn't be mediated. They moved into the trial. Different trial judges would conduct hearings.

During the trials, each case was tried by the trial judge independently. The judge would make the judgment depending on each case and also try to see if the parties would like to reach a consensus. However, under the circumstances, it is quite difficult for the plaintiffs and the defendants to reach a consensus. The judges were discussing these cases. They thought that the rights and interests of the parties were actually quite similar. If each case was handled individually, they might not be able to serve the best interests of the parties. The copyright market might be influenced as well.

As a result, the judges reached a consensus. The division-chief judge coordinated with all of the judges for handling these cases, so the cases could enter into mediation together. Originally, the judges wanted specific mediators to conduct the mediation for the series of cases. However, due to the level three alert of the COVID-19, the mediation process has been suspended.

Despite the case suspension, the judges of each individual case were still working very hard behind the scenes. Eventually, throughout the process, the majority of the cases have been successfully resolved and settled. But the plaintiffs still left only one case unaddressed and unresolved. The parties requested judges to adjudicate for a final ruling. The judges were curious about the reason. Upon further request, the judges realized that the original party of the plaintiffs has a very special strategic consideration, which is the plaintiff's sought to use mediation and trial in parallel or interchangeably.

One of the major disputes involving this case is whether a defendant's act constitutes the so-called “public transmission” under the Copyright Act. If the answer is yes, the defendant's act may constitute infringement; if the answer is no, the defendant is not liable for infringement. Whether the case involves “public transmission” may have ramifications for the business activities of the parties in the music IP market. The plaintiffs would expect that, for this particular unresolved case, the judge in charge could make a final ruling and provide legal opinions on the issue, which could be beneficial for the parties to figure out how should they do business in the market of copyrights in the future.

This is a very special series of cases for *Judge Tsai*, because the parties not only considered the illegal aspects of the cases but also tried to figure out how they can continue to do business in the market of copyrights in the future.

2.4.3. Development of procedures concerning online mediation and settlement

The Judicial Yuan has been promoting the so-called “electronic jurisdictions and actions” over the past year, and primarily focused on E-court utilizing IT technology or technological equipment. For example, all the court records can now be simultaneously displayed on the screen. All the parties present in the court can see the records being transcribed simultaneously. The parties now can also present case files and evidence electronically at the same time. Secondly, the electronic transmission of litigation documents between the court and the parties has also been enabled. In 2015, the Judicial Yuan established relevant platforms to enable the electronic transmission of indictment or litigation documents over the platform.

When it comes to court activities, the courts are now still holding physical hearings. Parties need to come to the court for relevant activities. When the IPCC was founded back in 2008, the Intellectual Property Case Adjudication Act already authorized the court to hear cases through technological equipment, which may enable the live transmission of voice and image upon motion or on its own initiative. This specific provision of the Act gave quite a broad authorization. The parties or relevant persons can join the proceedings anywhere.

But in the past few years, some of the courts have also been concerned whether the party's identity information was correct or not when it comes to board hearings. There are also information security concerns. Traditionally, the courts still prefer that the parties proceed to their nearest court, their nearest prosecutor's office, or correctional

institutions for remote hearing, and connect remotely with the court in charge. This is what we called a closed-end system.

In general courts, they use a point-to-point video conferencing system. There may be the judge, and one of the defendants may be at court number one, whereas the plaintiff and witness may go to court number two which is nearest to them. There's technological equipment connecting the crew participating in this remote hearing. That's the situation for the general courts.

The IPCC has already evolved from a point-to-point system towards a multi-point video conferencing system. That already hit the road many years ago. For example, the IPCC judges may be located at the court, but some of the parties may be situated in some local courts, correctional facilities, or jails which can all be connected through tech equipment in order for the remote hearings to proceed. The parties can simultaneously stream the display of records, electronic files and evidence. This is what we call a classical remote hearing modality.

How does this classical remote hearing proceed? When it comes to court records, or transcripts, or documents related to witness cross-examination requiring party signature, usually, court number one will transmit relevant documents, or fax the document to court number two, and the relevant parties at court number two will sign on this faxed document. Then the staff at court number two would reply or send these signed documents or transcripts back to court number one. After the court session, court number two will sign the original copy of the signed documents and send it back to court number one.

What has been introduced above is how the classical remote hearings proceed, but here comes an emerging remote hearing modality. Because of the COVID-19 pandemic in the past few months, Chinese Taipei has already entered the so-called level three pandemic alert. In principle, during the past few months, all physical court activities or proceedings had to be suspended unless necessary. For some cases, the court can still opt for remote hearings, as long as the legal rights and interests of the parties and other relevant people to the action can be preserved.

That is to say, under the level three pandemic alert, the judge can still opt for remote hearings to proceed. With court activities and a supplement to these procedures, the Judicial Yuan again has already published a series of manuals or overarching guidelines to serve as a reference for the agents, lawyers, or the parties. Usually, the

cases proceed in pretty much the same way as before. The only difference is that the different participants of court activities may be situated in different places, maybe in their houses, in their lawyer's office, or in their own office. Now the courts use the platform called “U-meeting” for the remote proceedings.

For mediation being conducted remotely, there are some special considerations to pay attention to. Firstly, because both parties are now in this mediation process, they may sometimes have to give in to their proposition. Sometimes, one of the parties may have to privately consult his or her agent or lawyers for a legal opinion. Usually, while the main court is the place where most of the parties conduct communication or activities, but in the event of a private exchange, actually they can use the group discussion function of the video conferencing system for the party to discuss with his or her lawyer or agents. Afterward, they can return to the main court to proceed.

Secondly, mediation transcripts need to be signed by the parties according to the law. In a remote hearing context for the signature, the court clerk would send the signature page of the transcript to the parties prior to the hearing. On the day where the exact hearing takes place after all parties have already confirmed the content of the transcript of the settlement, each party can sign the name on the signature page, and then reveal the signed page in front of the camera. The court staff will immediately take a screenshot of this page, and then print that out to attach it to the court dossier. This not only brings the settlements or mediation to a successful close but also completely complies with legal requirements of the court concerning signature.

2.5. Q & A session

- **Question 1**

Can the nature of the disputed trademark be mediated, for example, the trademark which is against public order, or immoral, or slanderous, or deceptive, or indistinctive, or functional?

- **Response provided by *Ms Christine***

Of course, all kinds of IP disputes can be mediated. However, based on our experience in the Philippines, if a trademark is applied for registration at IPOPHL is in violation of any of the laws, or a slanderous one, it will not be allowed for registration at IPOPHL in the first place. But, if the registration was granted for any reason, if a case of dispute is filed, definitely it can still be mediated.

- **Question 2**

Regarding the mediation of patents, it is mentioned that the validity of patent claims can be mediated. Does this mean that if the two parties agreed to a patent claim of a disputed patent, which is different from the actual announced patent claim, during the mediation process, the mediation only covers the consented patent claim validity?

- **Response provided by *Ms Christine***

If there are any patent claims which are in dispute, this can also be covered under mediation.

- **Question 3**

Can Singapore conduct arbitration or mediation on patent validity? Is the effect only extended to the parties?

- **Response provided by *Mr Zech Chan***

The response is similar to what *Ms Christine* mentioned in the sense that the parties are free to mediate the material before them. Certainly, they would not be able to agree to anything that is beyond their scope. To give a concrete example, typically if there is a counterparty that is challenging the patent, it would be within the scope of the applicant to take certain steps to that patent, such as the withdrawal of certain claims, or to agree on certain scope subject to the views of the patent office. So, in general, it is possible for the parties to agree to anything that is within their scope of control.

- **Question 4**

Mr Zech Chan asked *Ms Christine* a question which is provided as follows: Based on your experience, what are the considerations when the parties decide between WIPO mitigation and mandatory mitigation at IPOPHL? How do the parties usually decide between the pros and cons of these two services?

- **Exchange between *Mr Zech Chan* and *Ms Christine***

Ms Christine responded: Actually, the WIPO-IPOPHL option is being given to the parties during the pre-mediation conference in mandatory mediation. However, what we've seen with our cases is that the parties decide to avail of the WIPO-IPOPHL mediation option when the issues or the parties involved in the case cover multiple jurisdictions, such as when one of the parties or both parties has existence in other legal jurisdictions. This is when the WIPO-IPOPHL

mediation is very beneficial. In one of the cases that we've handled, one of the parties to the mediation proceedings is a multinational company with a presence in other jurisdictions as well, not only in the Philippines. Thus, the parties have agreed to undergo the WIPO-IPOPHL mediation option.

Mr Zech Chan added: In the case of Singapore, they don't have this interplay between the WIPO mediation and mandatory remediation. This was quite interesting. From the viewpoint of the psyche and the thinking of the parties, why they would prefer one over the other is a question. Of course, would it be a question of the way that it is conducted? Or is it because parties are just more comfortable to go into WIPO when it is a multi-jurisdiction matter?

Ms Christine responded: She agrees with *Mr Zech Chan* on what he said, but for the cases in the Philippines, what they saw was that the main consideration for choosing the WIPO-IPOPHL mediation option would be the coverage of the jurisdiction. Since it covers multiple legal jurisdictions, parties who have a presence in other jurisdictions may avail of this option.

- **Question 5**

Can either of the speakers comment on how the costs are paid? Which party pays? Is there a certain formula used?

- **Response provided by *Ms Christine***

At IPOPHL, the costs of the mediation are being divided between the two parties, mainly because the mediation process is voluntary. Since they agreed to undergo mediation voluntarily, the costs would have to be borne equally between them. It's 4,000 Pesos for each party. If they avail of the extension, they will have to pay 2,000 Pesos each for the extension. The same goes for the mediation fees. With respect to the WIPO-IPOPHL mediation, the parties would have to equally bear the costs of the mediation fees.

- **Response provided by *Mr Zech Chan***

In the case of Singapore, IPOS doesn't levy a fee in relation to the mediation. In fact, IPOS provides a subsidy of 10,000 SGD or 12,000 SGD, depending on whether there are foreign IP rights involved. This subsidy as the case may go towards defraying the cost of the mediation. It could be in relation to the administrative fee, counsel fee, and so on and so forth, subject to the conditions. This indicates that IPOS is very aggressive in pushing mediation to the parties, not

only are they not leveling a fee or charging a fee. They are actually paying parties to consider mediation, regardless of whether there is a settlement or not.

- **Question 6**

What are the differences among the judicial ADR, administrative ADR and civil ADR?

- **Response provided by Judge Tsai**

These categories are arranged according to who is in charge of the ADR. For example, if it is the court to conduct mediation, it is a judicial ADR. If it is an executive agency in charge of mediation, it is an administrative ADR. If it is the private or civil institution in charge of the arbitration, the procedure belongs to civil ADR. Depending on the provider of the ADR, we have these three categories of ADR. Despite these different categories, their goal is the same, which is to help the parties to reach a settlement through ADR. Nevertheless, the legal effect may be different. If the mediation is conducted by the court, the result of the determination is the same as the court ruling. It can be legally enforceable and binding. If it is conducted by an executive agency, it needs to be reviewed and approved by the court in order to be enforceable. Last but not least, in civil mediation, the effect is only between the parties. It is not as effective as the previous two options. But ultimately, all of the three types are aimed to help the parties to receive the settlement through ADR to resolve the issue at hand.

- **Question 7**

In the practice of Chinese Taipei, the mediation provided by the court with respect to IPR civil actions can be divided into mandatory and non-mandatory mediation. What are some examples of IPR civil cases that require mandatory mediation?

- **Response provided by Judge Tsai**

The definition of mandatory and non-mandatory mediation comes from Article 403 of the Code of Civil Procedure, which stipulates 11 types of cases that are required to proceed with mediation first. If the mediation failed, the court will take over the further procedure. For example, concerning the cases of IPCC, if the plaintiff's dispute amount is lower than 500,000 NTD, according to the aforementioned article, it is required to proceed with mediation before going to the court for adjudication. As to the non-mandatory or voluntary mediation, it is left for the plaintiff to choose.

3. Arbitration & IPR

There are two presenters of this session which are:

- (1) *Wei-Lin Wang*, Director General, Science & Technology Law Institute, Institute for Information Industry, Chinese Taipei
- (2) *Roger Chang*, Partner, Lee and Li Attorneys-at-Law, Chinese Taipei

Main content of each presentation is provided below in sequence.

3.1. Presentation made by *Dr Wei-Lin Wang*

Dr Wang is the Director-General of Science & Technology Law Institute (STLI) under the Institute for Information Industry (III) in Chinese Taipei. The STLI is a think tank which provides the government or other policy-making bodies references for policy formulation. They also help draft the laws and facilitate the process of legislation. In addition, STLI has a very special business that is domain name dispute resolution.

Domain name dispute resolution is a very special ADR mechanism. If a domain name is squatted by someone else, the party can go through court proceedings to get a reply or transfer of the domain name. But this will take a very long time. To quickly solve the problem, economies around the world have a solution. Basically, in Chinese Taipei, we have the Taipei Bar Association and STLI, which can provide ADR through experts. In the event of domain name squatting, if the party has no legitimate right to use the domain name, the domain name can be quickly restored to the legitimate right holder. This is a very good example of using ADR to resolve disputes.

The dispute resolution mechanism is becoming more and more important and diversified. However, among the various ADR mechanisms, the most mature and widely used mechanism is arbitration.

3.1.1. IP disputes

3.1.1.1. Common types of IP disputes

Regarding the types of disputes in the IP field, there are two types of IP disputes. One is a contractual relationship between the parties, such as authorization. There is a dispute between the right holders and the licensee. If there is no contractual relationship between the parties and if it's IP infringement, since there's no contractual relationship, the chance of using arbitration is not high, but not completely

impossible. More specially, arbitration is mainly used to resolve disputes where the parties have a contractual relationship with each other.

There are many types of contracts in the field of IPR. For example, patent licensing is a typical contractual relationship. Moreover, there are research and development agreements, under which the industry works with the universities or schools. If there are disputes with the professor, arbitration can be used. The patent pool is another example. Several patentees are from the patent pool, so the disputes among the patentees or patent pool members, or the dispute between the patent pool and patentees can be resolved through arbitration. Other examples of the IP contracts may include distribution agreements, joint ventures, copyright collecting societies, etc. Since there are many types of IP contracts, arbitration can be used to resolve IP cases in many different scenarios.

Another feature of IP cases is that they are more and more internationalized, especially in terms of patent infringement cases and IPR infringement. For example, there was a case between Micron and UMC. In this case, Micron first filed a lawsuit against UMC in Chinese Taipei, and then filed civil and criminal lawsuits against UMC in the US. In order to fight back, UMC filed a patent lawsuit in China. Since IP cases are more and more internationalized, when the cases enter into litigation, the dispute starts, and the battlefield is not limited to just one jurisdiction.

3.1.1.2. Patent litigation in courts

Most IP litigation cases are patent litigation cases. How much time and money will this kind of litigation cost to resolve a patent dispute? For example, Germany is an economy where time and cost are relatively reasonable. In the first instance, a patent lawsuit in Germany will take 12 months. An appeal lawsuit will take 15 to 18 months. The litigation costs for the first instance, including the court's judgment fees and attorney fees, will be about 50,000 EUR and about 70,000 EUR for the second instance. So, patent litigation in Germany will take two to three years and cost about 120,000 EUR in attorney fees and judgment fees.

In the UK, the first instance will take 12 months, the court of appeal will take 12 months, and the Supreme Court will take 24 months. The cost of litigation is about 550,000 EUR to 1.5 million EUR for the first instance, 150,000 EUR to 1.5 million EUR for the second and third instances. It's quite astonishing.

The US will take even longer. The first instance will take about two years, and the appeal will take more than a year. The most important is that the litigation cost is very high in the US. In the first instance, it is 650,000 USD to 5 million USD; the second instance costs 150,000 USD to 250,000 USD. If a patent lawsuit takes place in the US, it will take several million US dollars and at least three to four years to get a result. Why does it cost so much to file a lawsuit in the US? This is because the US has a very special procedure called discovery. With the judge's permission, both parties are given a period of time to go to the other party's factory or company to collect evidence. It takes a lot of time to review the documents. About half of the attorney fees are spent in the discovery process.

Based on the comparison among different economies, we can reach several conclusions for IP and patent litigations. First of all, patent litigation is very time-consuming. Secondly, patent litigation is very costly. Thirdly, penalization is full of uncertainty. Why is it uncertain? Since IP litigation is becoming more and more internationalized, IP disputes may enter into litigation in multiple jurisdictions at the same time. Decisions in different courts in different jurisdictions might be contradictory, so patent litigation is full of uncertainty. This is the problem of using litigation to resolve IP disputes, especially patent disputes, and using arbitration can be a possible alternative.

3.1.1.3. What is arbitration?

Arbitration is the procedure developed by business people. Because litigation takes a lot of time and money, among business people, they have agreed that due to the contract, if there are any disputes, let's find several experts to make the judgment rather than go to the court. If they think that someone should make compensation, the one will do it. Now, arbitration has become more and more widely used. Not just among business people, but can be used to resolve all civil disputes.

There are several characteristics of arbitration. First of all, the use of arbitration must be consensual. Secondly, both parties can choose their own ideal arbitrators. Each party can at least choose one. Thirdly, arbitration is basically neutral. It means that, in larger arbitration associations, because there are many arbitrators, the two parties can choose an arbitrator who is not from their economies to avoid bias. Fourthly, arbitration is a confidential procedure, which is different from the open procedure provided by the court. In the procedure of arbitration, except for the parties and arbitrators, there are only colleagues from the arbitration association who can assist in the arbitration process. The result of arbitration will never be made public.

The characteristic of confidentiality is particularly important in litigations concerning trade secrets, as trade secrets should not be leaked. There are of course corresponding measures in the courts in different economies to protect trade secrets. For example, the judge can restrict access to the documents, and hold the trial in private. In many economies, judges can order both parties' lawyers not to leak the trade secrets of the other parties as well. However, due to the fact that there are many people in the court, including the parties and the court staff, no matter what measures are taken to protect the secrets, the secrets may be leaked anyway. Arbitration is not open to the public, and the number of people involved is relatively limited. Accordingly, this procedure can be more confidential.

Not only trade secret cases require confidentiality. In many cases, both parties may not want a commercial dispute between them to be known by other people. With respect to cases that require confidentiality, arbitration is a very suitable alternative to litigation.

Lastly, the decision of the arbitral tribunal is final and easy to enforce. More specially, based on the New York Convention, its members will recognize each other's arbitral awards. Thus, the arbitral awards obtained in one member can be recognized and enforced by other members of the New York Convention. It is very fast and effective.

Many important scholars and even important judgments in the UK and the US mentioned the benefits of arbitration. For example, some scholars said that "patent arbitration is an effective, affordable, flexible and private means of reaching solutions." On the other hand, the judge in a case said, "arbitration acts as a speedy and informal alternative to litigation, resolving disputes without confinement to many of the procedural and evidentiary strictures that protect the integrity of formal trials." It means that there are a lot of restrictions on procedures and evidence at a court to protect the fairness of the court. However, the procedures in arbitration are faster than the courts, and they can resolve some unnecessary restrictions. So, arbitration can quickly and effectively resolve the issues for both parties.

The *AT & T mobility* case is an important ruling of the US Supreme Court in 2011. The judge said that arbitration is characterized by lower cost, greater efficiency and speed, and the ability to choose expert adjudicators to resolve a specialized dispute. The judge made it very clear that arbitration is relatively cheaper and faster, and more effective, so both parties can choose experts in different fields to resolve the disputes.

Based on the quotes from the scholars and cases, we all agree that arbitration has many benefits.

3.1.1.4. Why consider arbitration?

When it comes to dispute resolution, the most time-consuming and expensive approach is going to court in foreign jurisdictions. The litigation may occur in many economies at the same time, which will cost more time and money. After that, we have IP litigations in home jurisdictions. In terms of time and cost, the least is mediation. If both parties can accept mediation from the mediators, it saves the most time and money. However, because commercial disputes are usually not easy to be resolved or settled in many procedures, arbitration is actually an option in the middle ground. The cost of time and money is acceptable, and it is a compromise option that can be accepted.

In addition, both parties can choose experts in different fields to proceed with the arbitration. For example, in IP litigation which involves technical aspects, the parties may choose a legal expert and a technical expert in the field of semiconductors. We can have another expert in the legal field. Together they can solve the problem that the judge might not understand the technical background. Also, arbitration provides good confidentiality and can be easily enforced.

These are the benefits of arbitration. In fact, there is another consideration when choosing between arbitration and litigation. Litigation usually takes a lot of time and money. When both parties finish the litigation, it is usually difficult for them to go back to their previous business relationship. As for relationships, arbitration can quickly resolve the disputes between the parties. After that, it is still possible for the parties to restore the previous business relationship. Therefore, maintaining the relationship between the parties is another advantage of arbitration.

Compared to litigation, Chinese Taipei has seen the benefits of arbitration a long time ago. In 1913, we enacted the Rules Governing Commercial Arbitration Institution. In 1961, we enacted the Commercial Arbitration Statute. In 2015, we expanded the Commercial Arbitration Statute into the current Arbitration Law. Due to political factors, we're not able to become a member of the New York Convention, but we recognize arbitral awards made by other economies in the world. Many foreign arbitral awards are already recognized and enforced in Chinese Taipei.

However, because Chinese Taipei is not a signatory to the New York Convention, some foreign companies may wonder whether the arbitral awards made in Chinese Taipei can be enforced in other economies, such as in its home economy. In fact, many economies, such as Germany and Australia, do not require a system for mutual recognition. In other words, they will actively recognize arbitral awards made by other economies, including Chinese Taipei.

Some other economies like China; Hong Kong, China; Korea; the Philippines; and Singapore, in their arbitration law, not only recognize the arbitral awards of members of the New York Convention but also recognize arbitral awards of non-members of the New York Convention. On top of that, Chinese Taipei has signed bilateral trade agreements with many economies. In the bilateral trade agreements, it stipulates that both sides will recognize each other's arbitral awards. Although Chinese Taipei is not a member of the New York Convention, there are still many other ways to address the issue. Arbitral awards of Chinese Taipei can still be recognized and enforced in many other economies.

3.1.1.5. Chinese Arbitration Association, Taipei (CAA)

Currently, in Chinese Taipei, there are several arbitration associations, but the longest-standing, the most historical, comprehensive and the largest scale one is the Chinese Arbitration Association, Taipei (CAA). As some companies are concerned about whether foreign arbitral awards can be widely recognized or enforced in Chinese Taipei, in response, on 7 December 2018, CAA established its first foreign branch, which is the CAA International Arbitration Center (CAAI) in Hong Kong, China. Because the arbitral award is being delivered in Hong Kong, China, which is a signatory to the New York Convention, there shall be no issue of enforcement.

If you are more concerned about cost and time savings, you can apply for arbitration at the CAA in Chinese Taipei. If you are relatively concerned about whether the arbitral award can be recognized and enforced around the world, you can opt for arbitration at the CAAI in Hong Kong, China. By providing both the CAA and CAAI options, we can properly address the issue of arbitral work recognition and provide different alternatives for parties to choose from.

Basically, the organizational structure and procedures of the CAAI are pretty much similar to that of the CAA. It has a council as a commission to supervise the overall general affairs and arbitration businesses. It also comes with the tribunal and a secretariat. Furthermore, there is a special procedure called the case management

conference (CMC). To be more specific, once both parties decide to have recourse to arbitration, of course, the claimant will deliver the statement of claim, whereas the respondents will also submit the statement of defense. Nevertheless, prior to the official hearings, the CAA or the CAAI will hold a CMC, in which the arbitrator would notify both parties about the relevant timetable and some of the procedural housekeeping matters very clearly.

In addition, during the CMC, the arbitrator will also communicate with both parties seriously, helping them to have a good understanding about, for example, how many hearings or sessions will be, how long it will take, what kind of issues will be covered in each session, and what kind of proposals you are expected to deliver. In the very beginning, the arbitrator will make it very clear about these housekeeping matters to both parties, so that's one of the prominent features of both the CAA and CAAI.

Actually, CAA is a very active arbitration body, which maintains cooperative relationships with the AAA, Japan Commercial Arbitration Association (JCAA), as well as the Singapore International Arbitration Centre (SIAC). According to statistics from 2016 to April 2020, the caseload of CAA has been performing quite well. The total caseload has achieved 588 cases, and the total amount in dispute has reached 73 billion dollars.

Unfortunately, among the total cases handled, IP disputes only take up six out of the 588 cases, or one out of a hundred. About the amount in dispute, the IP-related amount in dispute is about 55 million dollars. That is a very surprisingly low and frustrating figure indeed. This means that while arbitration has been relatively recognized in Chinese Taipei or other member economies in the region, IP disputes resolved through arbitration actually take up a relatively low percentage.

There are several potential reasons behind this. First of all, some people think that arbitration procedures cannot lead to injunctive procedures, such as professional attachment, provisional execution or preliminary injunctions. Nevertheless, to some degree, this can be a misunderstanding. According to the Arbitration Act of the Chinese Taipei, while the law does not authorize the tribunal to issue injunctive procedures, you can simultaneously go through arbitration and file for injunctive procedures at the court. Accordingly, there's no issue of a failure to deliver injunctive procedures, or the inability to prevent asset dissipation or to prevent the other party from continuing the manufacturing.

The second concern is that trademarks, patents or IP are actually certificates issued by the government. In contrast, the arbitration tribunal is actually a private institution. It cannot negate or obviate the validity of patents and trademarks. You need to presume the validity of trademarks and patents before you proceed to the arbitration. Actually, in the academia in Chinese Taipei, a lot of members do think the same, that while the tribunal can only handle the settlement between both parties, it cannot cover and determine issues related to the validity of patents and trademarks.

Nevertheless, we hold a different view here, i.e., the arbitration tribunal can still make a determination regarding the visibility of patents, but the determination only applies to the case in question. In other words, even though the determination made by the arbitration tribunal concerning the validity of patents and trademarks cannot overturn the certificate issued by the IPO, it is still effective to the specific case between the parties. Actually, what the tribunal can handle is not very much different from what the court can handle. *Dr Wang* hopes that this kind of explanation can mitigate concerns about whether IP issues can be arbitrated, and further encourages people to use arbitration to resolve IP-related disputes.

Regarding a comparison of different arbitration bodies around the world, in Japan, in particular, there is a special arbitration party called the International Arbitration Center in Tokyo (IACT), which is a relatively smaller arbitration body that specializes in IP-related case arbitration. Its founder is a former US Circuit judge, who invited outstanding IP experts from around the world to found this association in Tokyo, Japan.

Another example is the WIPO AMC. It's a very large organization, capable of handling all kinds of cases and disputes in the IP field. It has two physical tribunals. One is in Singapore; the other is in Geneva, Switzerland. There's one special procedure under the WIPO AMC called the expedited arbitration procedure. The parties can opt for the regular procedure, or the exit expedited arbitration.

For the general arbitration, the lead time is about 30 days. The entire project will take about nine months, and three months are being devoted to the final wrap-up, so that will be the time where you'll get the final award. The total time frame is about 13 months. For expedited arbitration, the lead time is about 20 days, and the arbitration process is about three months. The final stage is about one month. In total, you need only to take four and a half months before you get a final award.

WIPO AMC is specialized in IP and tech disputes. It covers different typologies or modalities of IP cases, but one thing special is copyright-related cases. Copyright disputes cover a variety of subject matters, such as art, TV and broadcasting, collective management, the audio-visual industry, filmmaking and all kinds of media or TV formats. Indeed, it has a huge capability to deal with all sorts of IP-related disputes.

Comparing these strings of the three arbitration associations, they all come with their strings and characteristics. For example, in CAA, we have the CMC where we can already give a clear explanation to stakeholders about the procedure at the case management conference. WIPO has expedited arbitration, under which you can get the arbitral award with the fastest time frame of 4.5 months. IACT has an appeal mechanism as a remedy. Within 20 days of landing the actual reward, the parties can appeal against the award to the tribunal which will go on to deliberate and review the award for a major breach of law or unlawful misconduct. This mechanism is special because, generally, arbitration is not appealable. This trait makes arbitration more efficient, but it could be one of its weaknesses from another aspect.

Each association is proud of its own strengths and characteristics. In terms of time frame, CAA in principle can reach an arbitral award within six months, and WIPO, if you do not opt for the expedited procedure, will take about nine to 13 months. It is one year for the IACT. CAA has proven to be the fastest. In terms of cost, CAA charges a fixed sum. More specially, CAA doesn't charge the arbitrator fee separately. It only charges one fee. If the amount in dispute is below one million NTD, the total cost is only 36,600 NTD. If the amount of disputes is below 5 million NTD, the total fee is about 104,600 NTD.

It's very different from those of WIPO and IACT, because the arbitration fee is agreed by the center. There's no fixed fee structure. It's left for the WIPO AMC to determine the fee based on case circumstances. In addition to the fee of the WIPO AMC, you need to pay a specific or independent arbitrator fee, which charges an hourly rate of 300 USD to 600 USD. For IACT, the hourly rate for arbitrators can be as high as 1,000 USD. The fees charged by WIPO and the IACT are much higher than those of the CAA. In terms of time and cost savings, CAA has proven to be a more expedient, convenient and cost-effective option, compared to the WIPO and IACT.

Dr Wang encouraged different parties to consider CAA or CAAI for arbitration procedures. Finally, in practice, if you decide to opt for arbitration, you need to pay

attention to the following. While both parties have reached an agreement to arbitrate, there are inconsistencies in the interpretation of the scope of the arbitration agreement, as to what can be accepted for arbitration.

3.1.2. Conclusion

Sometimes, people are not sure whether the disputes can be submitted for arbitration. One of the better ways is that if you already choose the arbitration association as the seat of arbitration, you can go to their official website and download a template arbitration clause and write it into your agreement. For example, there is the standard arbitration clause from the CAA and the arbitration plus template of the WIPO. The actual wordings are different. Taking CAA as an example, the required arbitrator number is one or three. You can choose to fill in the arbitration language. It's only optional. For WIPO, it's mandatory to fill out the number of arbitrators, as well as the language to be adopted. These are mandatory fields to be filled in.

Basically, the standard formats for different arbitration bodies are different. The best is to use the exact arbitration standard clause from the arbitration body you choose that will avoid dispute. In practice, most parties involved in arbitration are in a contractual relationship, such as between a rights holder and a licensee. One of the most common reasons for arbitration is that usually the licensee is not willing to pay their royalties on time, or they have some objections about the amount of royalties.

For such cases, the right holders are more willing to use arbitration, because they can really get the payments within a short period of time and save on cost. In contrast, the licensee may be more reluctant. If the dispute is resolved through litigation, maybe they can wait for a long period of time, like three to four years, before making the royalty payment. If it's for arbitration, for example, at the CAA, within six months, the licensee has to make the payment.

In view of this kind of contradictory interests between the parties, *Dr Wang* suggested that, in the beginning, the two parties should write the arbitration clause into the agreement. If there's no arbitration clause in the agreement, it will be too late for the parties to determine on resorting to arbitration. Usually, the licensee will feel more reluctant. Therefore, *Dr Wang* encourages everyone to write into a licensing contract or all kinds of IP contract to include the arbitration clause. Only by doing so, one has something to fall back on if disputes arise for both parties.

3.2. Presentation made by *Mr Roger Chang*

Mr Roger Chang is the Partner of Lee and Li Attorneys-at-Law in Chinese Taipei. In his presentation, he gave thorough specifications on the topic *The Feasibility of IP Arbitration from the Perspective of Current Laws*.

3.2.1. Arbitrability of patent and trademark- legal rights created by agency

What can be put to arbitration? What cannot be put to arbitration? This is the first question that we face when handling the IP dispute. This can be an ethical or legal dispute. Let's take a look at the operation law of Chinese Taipei. Section 2 of Article 1 of the Arbitration Act stipulates that the dispute is limited to those which may be settled in accordance with the law. Arbitration deals with disputes between private parties, so the problem we face is if the dispute of IPR can be settled by the parties.

There are several types of IPR disputes. For example, patents or trademarks include patent rights and trademark rights. They are the rights granted by the Ministry of Economic Affairs based on administrative disposition. Copyright is different. The existence of copyright is not based on the administrative disposition, because it does not require registration. Trade secrets are like copyright.

Can the disputes in the trademarks and patents be put to arbitration? Trademarks and patents are private rights granted by administrative dispositions. Do they belong to disputes that can be settled in accordance with the law? Actually, this is a tough question. Trademark disputes are easier to solve based on *Mr Roger Chang's* observation. Regarding trademark infringements or trademark licensing, the percentage of parties involved in the litigation facing the validity of the trademark is very low. Most trademark disputes will not involve trademark validity.

On the other hand, according to the official figures from the IPCC from Q3 of 2008 to Q2 of this year, a total of 1,626 patent cases were concluded by the court. Among the 1,626 patent cases, 833 cases involved patent invalidity. In other words, 51.2% of the defendants argue over patent validity. When it comes to patent disputes, we immediately face an unavoidable question. If patent validity cannot be arbitrated, meaning the arbitration institution cannot decide whether the administrative disposition is legal or not, it is not very helpful to resolve patent disputes. After all, half of the patent cases will involve the validity of patents.

3.2.1.1. Laws and court practice in the United States

In our arbitration law, patent law and trademark law, they do not specify whether arbitration can be used to resolve IP cases. Let's look at the US legal and judicial systems, and then we can come back to think about this question. In *Beckman Instruments, Inc. v. Technical Develop*, an earlier case in the US Court of Appeals for the Seventh Circuit, the court clearly stated that, because patent involves public interests, patent validity applies not only to the parties involved in the disputes but also to everyone and the public, the US court cannot put patent validity to arbitration. Regarding the disputes in competition law, because in patent disputes, we see the so-called antitrust issues, whether the antitrust disputes can be put to arbitration, at least before 1985, the US court said no.

Nevertheless, Article 294 of the US Patent Law, which was amended in 1983 and came into effect on 27 February 1983, clearly stipulates that any disputes related to patents including patent validity can be arbitrated, if the parties have a written agreement, they can use arbitration to resolve these disputes. In other words, Article 294 of the US Patent Law uses clear written legislation to allow patent validity to be arbitrated. However, Article 294 of the US Patent Law specifically mentioned that, if an arbitration institution wants to deal with patent validity, it must still comply with Article 282 of the US Patent Law which states a patent shall be presumed valid.

It's actually the same in Chinese Taipei. As long as the patent is approved by the authority in accordance with the Patent Act and the Administrative Procedure Act, we will presume that the administrative disposition is effective. Section B of Article 294 specifically stipulates that, when arbitration institutions deal with patent validity, they still are subject to the regulations on patentability under Patent Law. Article 294 stipulates that, if the arbitral award is confirmed, and later the arbitral award is submitted to the same patent court to handle patent validity of the same case, when there are different opinions or different conclusions, the arbitration institution can decide whether the previous arbitral awards should be adjusted.

It could inevitable that there are different awards with respect to the same patent. For example, when the patentee is facing different counterparties or different defendants, it is possible to encounter different evidence and different reasons to attack the patent validity. Accordingly, different awards might occur. Section C of Article 294 deals with the situation when there are different awards. This is a special regulation.

Regarding public interest, Section D of Article 294 stipulates that, if an arbitration institution makes an award regarding patent validity, the patentee must send a notice to the Director of the US Patent and Trademark Office (USPTO). The Director must put the opposition award in the online application archive. In other words, any third parties when looking at the online archive of the patent application will know whether the patent has been confirmed by an arbitration institution that's valid or invalid. This will make information flow more transparent. In order to ensure the parties notify the USPTO Director about the arbitral award, Section E of Article 294 says that, if you do not inform the Director of the results of the arbitral award, the award cannot be enforced.

There are administrative rules with more detailed regulations related to Article 294 of the Patent Law. There is a relatively new case in 2018. The US District Court for the Eastern District of Texas received a case between HTC, a brand from Chinese Taipei, and Ericsson. HTC and Ericsson have signed a licensing agreement. In this agreement, there is a special provision that, if disputes occur, both parties should go to Stockholm, Sweden to resolve it through arbitration by three arbitrators.

The litigation was filed because HTC claimed that Ericsson did not provide reasonable licensing conditions, and HTC believed that there was a problem regarding the calculation of the royalties. Moreover, HTC also added an antitrust claim in the litigation. Ericsson argued that they don't care whatever claims HTC has. Whether it's the calculation of royalties, or fair licensing conditions, or even competition law, the parties have to go back to the arbitration process for resolution, because that was a written article in the patent licensing contract.

The court's attitude was that, since the contract stipulates any disputes between the parties should be resolved by arbitration, if the case would come into arbitration, the court could not litigate a case, because they already signed an arbitration agreement. In the United States, the Patent Law clearly stipulates that all disputes concerning patents including validity can be arbitrated. When the case is put to arbitration, which means the parties have signed an arbitration agreement, the US court will not intervene, and the parties have to go to arbitration. There's no way to resolve it in the court, even if one party regards the violation of the competition law as one of the targets of litigation, the US court still believes that arbitration is required.

This is an interesting decision that was made in 2018. When the District Court for Eastern District of Texas made the decision, the media immediately reported the story.

HTC was ordered to take the competition law dispute to Sweden, based on the Patent Law, based on the patent licensing contract, to go to arbitration.

As for trademark disputes, federal laws do not stipulate whether trademark disputes can be arbitrated, which is different from the patent. The common law does not stipulate whether trademarks can be put to arbitration because what matters is the use of the trademark, registration is not a prerequisite. Sometimes trademark rights are not granted by administrative disposition. The question is not about whether the case can be put to arbitration, but about arbitrability.

For example, in *Necchi Sewing Machine Sales v. Necchi, S.p.A.*, 369 F.2d 579 (2d Cir. 1966), the court found that items including whether the trademark is used without authorization which constitutes infringement, the calculation of damages, handling of the inventory, the cost of arbitration and so forth are all arbitrable. *Cara's Notions Incorporated v. Hallmark Cards*, 140 F.3d 566 (4th Cir. 1998), is another example that the court recognized trademark disputes can be arbitrated.

There is a piece of news for your reference. In 2018, a very famous American singer had disputes over the copyright of his songs. He wanted to resolve the dispute by arbitration. During the arbitration process, the party hoped that the arbitrators must have diversity in skin color and ethnicity. That's a very big difference between arbitration and litigation, because the arbitrators can be selected.

3.2.1.2. Laws and court practice in France

Socie'te' Liv Hidravlika D.O.O v. S.A. Diebolt is a French court case which found that the validity of a patent debated incidentally on the occasion of a contractual dispute can be arbitrated, but it shall only bind the parties. Furthermore, according to the French Code of IP, which was amended in 2011, all IP disputes are eligible for arbitration, which may include patent validity, unfair competition, designs, plant varieties, trademarks and geographical indications, etc. That is to say, France also supports the arbitration system by having written legislation.

Whether it is in the US or in France, it does not mean that an arbitration institution has the power to determine the validity of patents or trademarks. In Article 16 of the Intellectual Property Case Adjudication Act of Chinese Taipei, the court can also make a judgment about patent validity during litigation, but the judgment's effect is only limited to the plaintiffs and the defendants. In contrast, if the decision made by TIPO on patent validity is established, it applies to all.

Accordingly, when we say that the validity of a patent can be arbitrated, we have to be very careful about the logic. You cannot say that the arbitration institution can judge the patent validity. The arbitration institution only sees the patent validity as the point of dispute when resolving the IP disputes, but the determination of patent validity still falls under the jurisdiction of the IP office.

3.2.1.3. Laws and court practice in Switzerland

In 1975, Switzerland deemed that, if an arbitral award is recognized by the court already, the arbitral award will be affected for everyone, not just between the applicants and the respondent. This will change the effect of the arbitral award from relative to absolute effect. This is a more positive approach.

3.2.1.4. Laws and court practice in Germany

Germany still deems that patent validity cannot be arbitrated. Every year, Germany has around 1,000 or more patent-related litigations. Actually, in Germany or the entire industry in Europe, most people think that the litigation regarding patents in German courts is relatively smooth. In terms of using arbitration to resolve IP disputes, arbitration plays a limited and relatively smaller role in Germany. This does not undermine Germany's role as a regional hub for IP dispute resolution. Germany is not only in charge of handling IP disputes in Germany, but actually it has become a regional IP resolution hub for entire Europe. In contrast, arbitration is not as well developed.

3.2.1.5. Laws and court practice in Netherlands and Belgium

Netherlands and Belgium basically adopt a similar approach to the US. They add a similar additional provision in the arbitration act that patent validity can be arbitrated.

3.2.2. Copyrights- rights not created by agencies' decision

The right to copyrights and their protection inherently exists when the work is completed. It's not determined by any administrative agency. There's one inherent issue that there's no such point as validity in copyright, but for example, Article 21 of the Copyright Act in Chinese Taipei has mentioned moral rights. The issue is whether moral rights under copyrights can be submitted to arbitration, and that's a million-dollar question. Of course, copyrights can be arbitrated, but can moral rights be a subject matter of arbitration? Because moral rights are exclusive, it's not transferable. The Copyright Act, it actually separates moral rights from property rights.

It's a big issue. Referring to the Civil Code of France, it is speculated that basically moral rights can be a subject matter in any arbitration agreement. It's actually arbitrable. How about the Civil Code of Germany? It stipulates those economic rights can be arbitrated, but non-economic rights cannot be arbitrated. That's a clearer stipulation. According to the law, moral rights probably cannot be arbitrated under the German context. How about in Switzerland? The law mentioned that basically it can be arbitrated. The laws in Portugal also mention that economic rights or economic property rights can be arbitrated.

There is still a considerable difference in various economies as to whether the so-called moral rights or property rights, in general, can be submitted to arbitration. They have different considerations behind their policies. Here's one interesting delegation case for the Canadian High Court. Back in 2003, they were discussing whether exclusive moral rights can be submitted to arbitration. What's interesting about the case is that there are still some provinces in Canada that still follow a civil law system, such as Quebec, have the concept of moral rights similar to that in Chinese Taipei, but the copyright law of purely common law provinces does not have the concept of moral rights under the civil law system. It happens that the two types of possibilities regarding moral rights coexist in Canada at the same time.

Of course, the High Court ruling in 2003 was based on a lot of grounds, but in the end, it said that while moral rights are part of personality rights, it also contains an economic value and has become a part of the transaction. If we ban artists or the author of moral rights from going to arbitration, is it helping those copyright holders or creators? Or it is actually creating more trouble for them because these disputes could have been arbitrated in the first place? The Canadian High Court finally ruled that moral rights can be arbitrated.

In summary, to support the development of arts and culture, the French Code of IP basically provides that any issue can be the subject matter of arbitration, including rights involving personality rights. In Canada, basically the legislation makes it clear what kind of issues can be submitted to arbitration. It's already clearly stipulated in the law. The US copyright law has no special provisions on the nature of arbitration, which is depending on the court's decision. Basically, the courts have held that the matter is arbitrable, and there is no reason why the copyright dispute would not be arbitrable in the US.

Arbitration covers a wide range of areas. Contentious points of copyright disputes like the ownership of the renewal term rights, claims of infringement, distribution of royalties accumulated can all be submitted to arbitration. In the US judgment *Saturday Evening Post Co. v. Rumbleseat Press*, 816 F.2d 1191 (7th Cir. 1987), the court said that copyrights can be submitted to arbitration. The court also specially mentioned that, if both parties have signed an arbitration agreement, if an arbitration clause is already included in the copyright licensing contract, basically the court does not have the jurisdiction over the litigation in this case. The same goes for patents. If you agree to arbitrate, you must arbitrate.

As to whether moral rights can be arbitrated in Chinese Taipei, Section 2, Article 1 of the Arbitration Act is regarding whether moral rights can be settled. Moral rights cannot be arbitrated in Chinese Taipei. It's just like personality rights cannot be settled. That will pose a major challenge.

3.2.3. Latest WIPO caseload

Since arbitration is confidential, it is hard to really see relevant figures. However, WIPO does provide some relevant numbers. *Mr Roger Chang* handled a case many years ago, in which one party came to Chinese Taipei to enforce an arbitral award made by WIPO, because his respondents' property was in Chinese Taipei. It is worth noting that the WIPO arbitral award really dealt with the validity of patents as well as patent infringement, which is quite interesting.

The caseload of WIPO back in 2011 was 41 cases which included mediation, arbitration, as well as expert determination. Among different kinds of alternative dispute resolution mechanisms, the number became 31 in 2012, 32 in 2013 and 182 in 2020. The number has been growing year after year. Taking into consideration that WIPO actually handles cases from around the world encompassing all kinds of IP disputes, such as trademark, patent and copyright mediation, arbitration, etc., 182 cases per year are not really high.

Under the WIPO arbitration or mediation scheme, there are different subject matters. Back in 2018, patent disputes top the chart at 27%, followed by 23% for ICT, 20% for trademarks, 18% for commercial disputes and 12% for copyrights.

3.2.4. Conclusion

To sum up, if we are talking about whether IP disputes can be arbitrated in Chinese Taipei, given the current situation, it may still be difficult. If the parties really have

agreed to arbitrate the patent dispute, the arbitration may only deal with the dispute regarding private rights other than the validity of the patent, because patent validity is still public in nature and should be left to the realm of administrative agencies. The same holds true for trademarks. Any matters outside of the validity of trademarks should be no problem. Trade secrets, copyright issues can also be possible, but *Mr Roger Chang* has reservations about moral rights. He tends to think that moral rights, under copyrights, cannot be submitted for arbitration.

How can we encourage arbitration as a means to address IP disputes? Taking the Patent Act for example, we might call for an amendment in reference to the legislation in France or the US to make patent validity arbitrable. The courts are able to determine the validity of patents in delegation proceedings. There isn't any difficulty in enforcing the patent validity by referring it to arbitration. It is feasible to do so. Moreover, we can still draw on the experience of the IP Court in the past 10 years, so that the decision of the arbitration body can extend to the validity of the patent between the two parties. The absolute validity of the patent is still left for the IP office to grant or establish. This will be proved to be a well-rounded approach.

3.3. Q & A session

- **Question 1**

When we talk about the advantages of arbitration, we know confidentiality is one. When it comes to the design of the system, is there any method or regulation to better ensure that confidentiality can be protected by the participants or the parties involved?

- **Response provided by *Dr Wang***

In terms of the confidentiality of the arbitral procedure, it's not dependent on the legal requirements. In terms of their design, it already or inherently provides better confidentiality, because the arbitral procedures and awards are not open. In addition, except for the parties, no other people are involved in the procedure. Therefore, arbitration inherently provides better confidentiality than litigation. This is a big advantage because there are more people in the court like the secretaries, police officers, or all sorts of staff. In court, confidentiality is not as good as that of arbitration. Also, the decisions of the court will be posted online.

For cases related to trade secrets, even if the litigations are not public, but some of the trade secret information may be scraped off. Most of the judgments will still

need to be posted online. Structurally, arbitration provides better confidentiality than litigation. Also, arbitration happens between private parties to resolve disputes. Between private parties, they can also reach confidentiality agreements. During the arbitral procedures, both parties can have even more detailed agreements on confidentiality. That provides better flexibility than litigation.

- **Response provided by *Mr Roger Chang***

Mr Roger Chang said that he absolutely agrees with *Dr Wang*. Also, the court has its obligation. Anything entering the court will have to be made public in principle. Unless there are special cases, the judge has to be very careful about drawing the line. If many cases are not made public in court, it also violates the law. Their designs are inherently different because arbitration is made to keep confidentiality, but court cases are made public.

- **Question 2**

We have some cybersquatting happening outside of our jurisdiction. How are we going to prevent cybersquatting or domain name squatting? Is resorting to WIPO the only way to resolve this problem? We are a SME in Chinese Taipei. Are there any institutions or channels that can help us resolve the problem of foreign cybersquatting?

- **Response provided by *Dr Wang***

Dr Wang thinks there are two aspects. If the domain name posts are under the jurisdiction of Chinese Taipei, he has introduced in his presentation that there is an ADR mechanism in Chinese Taipei. If they do not have the legitimate right, or if they are cybersquatting, we can go to the Taipei Bar Association to resolve the problem. If it is proven that no legitimate right is used, of course, we are able to restore the domain name to the legitimate right holder.

But the question is about the domain name dispute that happens outside the jurisdiction of Chinese Taipei. That's beyond our jurisdiction. Maybe we need to go to the US if it's a US domain name. It is believed that economies in the world have adopted practice similar to that of the US. Accordingly, maybe they can help us to resolve the problem there. As for the domain names, ADR is a mature mechanism. That is very helpful to SMEs. Even for large corporations, ADR is a very good option.

- **Question 3**

In *Dr Wang's* presentation, it is mentioned that among the CAA cases, IPR cases account for a smaller percentage; among 588 cases, about six are IPR. Why in comparison the number of IP cases is lower?

- **Response provided by *Mr Roger Chang***

Over a long period, CAA spent a lot of effort promoting using arbitration for IP cases. But in reality, let me give you an example, in Chinese Taipei, if there's a construction dispute, if you go to the court, people may find it strange because we should go to arbitration. As for IP disputes, people may find it weird if we go to arbitration first rather than going to litigation. Because people think that most of the IP disputes would go to court. We need to change our mindset.

There's no problem with arbitrating IP cases in reality because patent and trademark rights are created by administrative disposition. If we do not amend the patent law, the defendants will have very limited space when making the oral argument. This is a very important argument. It's hard to encourage parties to go to arbitration because the defendants do not have enough space for argument.

Another reason is that, when it comes to IP licensing, if it's a big multinational when it comes to dispute resolution, whether it's arbitration or mediation, usually they will not take place in Chinese Taipei. Even the IP licensing agreement stipulates that parties have to use arbitration, but usually, the arbitration will not take place in Chinese Taipei. Even for our domestic brand HTC, when it faces disputes with Ericsson, the dispute includes articles about arbitration, but the provision stipulates that they need to go to Stockholm. That's the reality.

- **Response provided by *Dr Wang***

Dr Wang said he agrees with *Mr Roger Chang*. We need to change our mindset. How to do that? We need to continue to promote the ADR mechanisms. Actually, arbitration is a good way to resolve IP disputes. Arbitration associations and the arbitrators as well should do more to promote this concept. The government can also play a part. For example, regarding the validity of patents and trademarks, can we put them to arbitration? In our laws, actually we can have clear stipulations in our legislation. If we have specific articles stipulating that, it will be very helpful to increase the number of arbitrations.

As for different arbitration associations around the world, I actually made a comparison in terms of the cost. We can provide really good service. We are a very good option compared to other large international associations. We need to keep telling people more about the benefits. If you come to Chinese Taipei for arbitration, it's a good option.

- **Question 4**

From a practical point of view, how are you going to communicate with the client, so that clients would believe that arbitration is actually a good option, and they're willing to include that in their contracts?

- **Response provided by *Mr Roger Chang***

In different industries, they may have different opinions. Now, we're talking about contracts. When we talk about IP licensing, whether the license is one to one or one to many, there are different opinions as well. Litigation is not the best solution to all of the IP cases, but on the contrary, arbitration is also not the ideal option for all. Taking the HTC versus Ericsson as an example, it was about patent licensing. Ericsson chose arbitration, but we have seen that there are many open patent licensing cases online. They would choose litigation. Different industries would customize different needs for themselves.

When they think about whether they should use litigation or arbitration, it is believed that they definitely understand the differences whether it's the cost or confidentiality. They may choose the channel which is better suited to their needs. Maybe that's related to the corporate culture. Maybe some companies would resolve the disputes in a low-key manner, but some other companies would like to set an example. They want to let the whole market know their own stance in the market. Accordingly, it has a lot to do with the corporate culture.

- **Response provided by *Dr Wang***

Compared to litigation, arbitration provides a better option, because it's more cost-effective and faster. That's the two major benefits of arbitration over litigation. Because for litigation, you need to pay huge sums of court fees and attorney fees, and it will take a long time. If that's your major concern, probably the parties would opt for arbitration. What kind of cases usually involves multiple jurisdictions? For example, if you go to the US or the UK, it usually involves a high attorney fee and court fee as well. That will serve as an incentive.

As *Mr Roger Chang* just mentioned, not all cases are suitable for court proceedings. Maybe some cases by nature are more suitable to be submitted for arbitration. That can be a highlight of our promotion. We can focus more on the characteristics of arbitration. If you are more time and cost-sensitive, it is encouraged to up for arbitration over litigation.

4. Online Dispute Resolution & IPR

The presenter of this session is *Mr Phubed Pisanaka*, who is a Legal Officer of Legal Affairs Division under the Department of Intellectual Property, Thailand. The main content of his presentation is provided below.

4.1. An overview of DIP

The Department of Intellectual Property (DIP) under the Ministry of Commerce (MOC) is the IP Office in Thailand, which is responsible for most IPR except plant varieties protection. To be more specific, the DIP not only facilitates the registration for patent, trademark, IC, geographical indication and recorded for copyright but also provides ADR services in relation to IP disputes.

4.2. ADR services provided by DIP

In fact, with respect to the use of ADR in the field of IPR, the DIP is one of the forerunners. In 2002, the DIP started to provide IPR-related ADR services. In order to establish a legal framework to regulate the provision of ADR services, the MOC issued two regulations, which are the “Regulation of Mediating Dispute related to Intellectual Property” and the “Regulation of Arbitration related to Intellectual Property.”

Through the legal framework mentioned above, DIP provides mediation and arbitration services to the public. About 90% of ADR cases in the field of IP are mediation. According to the regulations, the areas of disputes that can be accepted by DIP are very comprehensive, which include disputes in relation to patent, trademark, copyright, layout design of the integrated circuit, trade secret, geographical indication, trade name and plant variety.

Furthermore, some other IPR-related disputes like legal issues concerning business or company names, domain names, Line application profile names, Facebook profiles and pages, etc. are also acceptable objects which can be resolved through ADR services provided by DIP.

In 2021, the government of Thailand took a step further to include a new platform of online dispute resolution (ODR). Through this progression, more people can have opportunities to use the ADR services provided by the government through the technology of the Internet. Presently, this ODR mechanism is provided only for

mediation first. The reason is they are going to have a new arbitration panel, but the procedure was postponed due to the COVID-19 situation in Thailand.

After the introduction of the ODR mechanism, people can access the IP mediation service provided by DIP through three kinds of ODR platforms which are “talkDD,” video conferencing platform “Zoom,” and the video call function of “Line.” The decision of choosing traditional ADR or ODR and the decision of choosing which way to proceed with the ODR will affect the specific procedure taken by DIP to carry out the IP mediation.

To be more specific, the IP mediation procedure (including both traditional ADR and ODR) starts with the requesting party filing an application for mediation and proposing the meeting at DIP. After receiving the request, DIP will invite the requesting party and the counter party (hereinafter referred to as “respondent”) to attend a procedure. It should be noted that mediation is built voluntarily. If the respondent doesn’t respond to this invitation, the case shall be closed. On the contrary, if the respondent does accept the proposed meeting, the meeting will be further arranged, and the parties can decide which way they prefer to proceed with the mediation procedure. Relevant options and correlated procedures are provided as follows:

4.2.1. Traditional procedure

If the parties choose to use the traditional way, i.e., physical way, to proceed with the IP mediation, the requesting party will have three days to provide its statement and invite the respondent to respond in 10 days. If the respondent doesn’t respond to the statement in 10 days, the case shall be closed. In contrast, if the respondent does respond to the statement and accepts to proceed with the mediation procedure, there will be seven days for the respondent to prepare and provide the statement. After that, the mediation process will be started within seven days after the submission of the statement. If the parties successfully reach an agreement or the case is settled. The settlement agreement will be available within three days.

4.2.2. To proceed with the mediation procedure through Zoom or Line

In order to proceed with the mediation through these approaches, three rooms/groups will be established. Each of the parties (the requesting party and the respondent) will have a group, and the third group is established for the mediation process. Under the situation that the disputes are successfully settled through the mediation process, the

parties can review the draft settlement agreement through email. Afterward, if they want to sign the agreement, they can choose to sign at the DIP office or by mail.

4.2.3. To proceed with the mediation procedure through talkDD

TalkDD is an ODR platform provided by the Thailand Arbitration Center (THAC). “Talk” means to talk, and “DD” in Thai means to process things in a good way. Accordingly, “talkDD” means a good way to resolve the conflict. DIP signed an MOU with THAC to use this ODR platform in the field of IPR to make it more convenient to use mediation and arbitration. In order to file a request through this platform, the user needs to register an account on the website (<https://odr.thac.or.th>). After logging in to the platform, there will be several steps for the requesting party to accomplish, which are:

1. Choose the way of resolution

On this platform, there are four options, which are negotiation, mediation, arbitration and conciliation. If you want to mediate with DIP concerning the IPR issues, you have to select conciliation by DIP.

2. Select the case category

The “Intellectual Property” is one of the categories that can be chosen. The requesting party can further select sub-categories which include “Copyright,” “Patent,” and “Trademark.”

3. Provide a case description

On the website, there is a column for the user to type in the case description. Relevant information that is suitable to be put into the column may include the place and circumstance of the dispute, the relief sought, the amount in damages, and so forth. Moreover, the requesting party can also upload additional documents through the website. Both the case description and the additional documents uploaded will be visible to the respondent and the ODR service provider.

4. Invite parties

In order to facilitate further communication between the parties, the requesting party can provide basic information on the platform and add the respondents (including the counter party and its representative, legal representative, and the witness), their roles and contact information to make sure that the invitations will be received by them. Except for the parties of the disputes, the requesting party can also choose the mediator (the conciliator) in this stage. If there is no special

preference for the mediator (the conciliator), the requesting party can ask the platform to make the decision automatically.

Once the aforementioned steps have been accomplished, the ODR platform will send emails to the respondents selected by the requesting party. The respondent will have seven days to respond to the invitation. If it is not responded to in seven days, the request will be dismissed automatically by the platform. If the respondent accepts to proceed with the mediation, the ODR platform will notify the request to selected mediator. With respect to IPR-related disputes, it will be the expert in DIP, and the mediator will have seven days to respond as well.

The mediator will begin the mediation process by outlining the whole process and laying out ground rules to each party of the case. Afterward, the mediator will arrange the ODR meeting (via video conference) for the parties by means of the built-in calendar of the platform within 10 days. The platform will notify each party one day before the date of the video conference.

If the parties can reach an agreement as a result of the mediation, the parties will have four days to sign the settlement agreement. DIP will send a letter of the settlement agreement and close the case. Accordingly, the span of using this ODR platform to accomplish the mediation is at least 21 days.

4.3. The advantages of the ODR

The idea of using ODR is derived from the limitation of traditional ADR. For example, some parties may have difficulty to come to the DIP office, or the meeting time is not fit for all the parties. Both of them can cause the delay of the meeting. Through the use of ODR, we can take advantage of the online platform. The parties can attend the meeting anytime and anywhere. That is the reason why DIP cooperates with the THAC to provide an ODR platform in the field of IPR. The first mediation case conducted through this platform was successfully settled in 2 working days.

In addition, there are several advantages of using ODR, which may include fast and convenience (e.g. you can leave messages or documents to the other party through the platform), cost-saving (e.g. you don't need to go to the DIP office and prepare any hard copies), avoidance of the confrontation (e.g. the party with weaker bargaining power may be more comfortable to express the facts and opinions through the online platform), and more sufficient time to review and make the decision.

4.4. Types of the disputes and mediators of the DIP

ADR services provided by DIP can be used to deal with different types of IPR-related disputes including IPR infringement, claiming for remedies, opposition, withdrawal of the trademark, rights dispute, licensing infringement, breach of licensing agreement, etc., and mediators provided by DIP consist of legal experts, trademark experts, patent experts, international IP experts and industrial property experts.

4.5. How to request for mediation process at DIP?

To start the process, you need to request mediation. There is no standard form for it. You can just write a letter to the Director-General or use the form that DIP provides to send to the Director-General. Some information is required including details of the requesting party and the disputant (respondent) like name or surname, contact information, disputes related to IP, facts, claims, and a request for mediation process by the DIP.

4.6. Roles and duties of the DIP

The role and duty of the DIP are to be the intermediary to facilitate the meeting and the draft agreement. The parties, they should present the facts and provide suggestions for ceasing the dispute beneficially. It is worth noting that since mediation is built on a voluntary basis, the parties still have rights outside the mediation process.

4.7. Statistics concerning ADR services provided by DIP

For the past 10 years, the legal framework of ADR has played a part in helping people to resolve IPR-related disputes. Relevant statistics can refer to the following chart:

Types of disputes	Cases	Results		Ongoing
		Settled	Not settled	
Copyright	370	198	169	3
Trademark	192	113	71	8
Patent	69	33	6	-
Trade Secret	2	-	2	-
Total*	633	344	278	11

* From 1 October 2002 – 31 May 2021

When it comes to ODR, since the ODR platform is newly introduced into the mechanism in 2021, from 1 January 2021 to 31 May 2021, there were only 5 cases in total. Detailed statistics are provided below:

Types of disputes	Cases	Results		Ongoing
		Settled	Not settled	
Copyright	2	1	-	1
Trademark	3	1	1	1
Patent	-	-	-	-
Total*	5	2	1	2

* From 1 January 2021 – 31 May 2021

4.8. Sample of the mediation cases

• Cases 1

There was a case concerning breach of the contract. The requesting party of this case is a videographer (a YouTuber) originally hired by the respondent (a SPA business owner) to make the advertising video. Afterward, both parties agreed to terminate the contract and one term of the termination is that the respondent should pay the requesting party the compensation for 30,000 Baht. However, the respondent only paid 5,000 Baht to the requesting party instead.

One of the clauses of the contract is that the parties need to use mediation to resolve their dispute before going to court. Accordingly, the requesting party filed for the mediation process to get the unpaid 25,000 Baht. The respondent cannot go to DIP for mediation because of the long distance. Therefore, DIP suggested using the ODR platform, which successfully helped the parties to reach an agreement on the payment of the compensation for 25,000 Baht and related interests for 1,500 Baht. The payment will be made in seven monthly installments after the agreement date.

• Cases 2

Another example is a trademark case concerning the likelihood of confusion. The basic fact is that the respondent was an authorized agent/dealer of the instant coffee of the requesting party's trademark. After the authorized agent/dealer contract expired, the respondent made a coffee product, and the packaging is similar to the requesting party's trademark. The requesting party claimed that there is a likelihood of confusion and requested the respondent to (1) stop using the similar trademark on the products; (2) change the business name and the juristic person's name to the name that is not confusing with the requesting party's trademark.

Following the mediation process, the respondent agreed with the requesting party's request, and the parties agreed to make a settlement agreement by themselves. Consequently, the requesting party informed DIP that he's satisfied and requested to withdraw the mediation process.

- **Case 3**

There was a case that the requesting party was a writer who reached a licensing agreement with the respondent concerning the reproduction of a novel in books and e-books. One of the clauses of this contract is that if there are legal disputes related to the agreement, they have to bring the mediation case first before going to court. Afterward, the contract was breached by the respondent and the requesting party terminated the contract. According to the aforementioned clause, the requesting party requests DIP to proceed mediation process before going to court.

Unfortunately, even though the respondent was willing to use the mediation and compensate the requesting party in installments, this case was not successfully settled in the end. The reason was that the requesting party persisted in that the compensation should be paid immediately.

4.9. Q&A session

- **Question 1**

As far as we know, mediators of DIP comprise many experts like trademark experts, patent experts and so forth. Are they trademark examiners or patent examiners? Or they are actually professional mediators.

- **Speaker's response**

They are officers of DIP, their titles are trademark experts, patent experts, etc.

- **Question 2**

Following on the first question, is being the mediator their exclusive duty?

- **Speaker's response**

Taking trademark experts as an example, they also need to review cases like trademark applications, oppositions and so forth.

- **Question 3**

In view of the interface of the ODR platform, conciliation is one of the options. What is the specific content of this approach?

- **Speaker's response**

DIP cooperates with the THAC to provide the ODR service, and the conciliation is listed on THAC's website and platform. From the perspective of DIP, conciliation is the same as mediation.

- **Question 4**

Did DIP research the experiences of any other economies when designing the ODR?

- **Speaker's response**

Mr Phubed mentioned he is working in legal development rather than the field of ADR. Nevertheless, he believes that they already have done some research about the ODR platform of other economies, and they believe ODR should be beneficial not only for the mediators of DIP but also for the parties of the dispute in the field of IP.

- **Question 5**

Besides the ODR platform, is there some other cooperation between DIP and the THAC?

- **Speaker's response**

DIP has signed the MOU with the THAC with respect to the ODR platform. For other areas, maybe DIP will review how to utilize the most benefit of the ODR platform.

- **Question 6**

Except for IPR disputes, can the talkDD platform be used to resolve other kinds of disputes?

- **Speaker's response**

Except in the field of IPR, this platform can be used to resolve other kinds of disputes as well. The panelists of the THAC comprise around 300 people in various fields. It is not limited to IPR.

- **Question 7**

If the applicants use the talkDD and they choose the mediator on that platform, who can be chosen by the applicants (e.g., mediators from the THAC or mediators from DIP or the applicants can choose among mediators from both the THAC and DIP)?

- **Speaker's response**

If the applicants use the talkDD and select that it is an IP dispute, the list of the mediators provided by the platform will be related to the field of IP. Basically, they are IP officers of DIP.

- **Question 8**

Are there arbitrators under DIP?

- **Speaker's response**

Yes, DIP also maintains panelists of arbitrators. Not all arbitrators are officers of DIP. For example, some of the panelists are professors at the university or partners of a law firm, etc. DIP was preparing to publish the new panelists of arbitrators, but the procedure was postponed due to the COVID-19 situation in Thailand.

5. How to Promote ADR in the Field of IPR

There are two presenters of this session which are:

- (1) *Tamara Lange*, ADR Program Director, US District Court for the Northern District of California, the United States
- (2) *Sandy Widjaja*, Senior Legal Counsel, Hearings and Mediation Department, IPOS, Singapore

The main content of each presentation is provided below in sequence.

5.1. Presentation made by *Ms Tamara Lange*

In this session, *Ms Lange* talked on the topic *Promoting ADR in IPR Cases through Court ADR Program Design*, under which she gave more details about the ADR program of the US District Court for the Northern District of California.

5.1.1. ADR program mission

The court ADR program is part of the court process. There is a term in the US called the “multi-door courthouse,” which includes the idea that you could come to the court for ADR, rather than only going to a private mediator outside. The ADR program of the US District Court for the Northern District of California is one of the older ADR programs in the federal courts in California, and there is a system in which the judges can at any time on their own initiative or the recommendation made by the *Ms Lange* (the ADR Program Director), or the request of the parties to refer the case to mediation or another ADR processes of the court.

The goal of the ADR program is to assist parties in resolving their disputes in a just, timely and cost-effective manner, which can be further specified below:

1. Just

The goal is to help the parties to get the information they need and try to get the dispute resolved.

2. Timely

It is expected that this program can help them to settle the case early. Some of the cases of the court are set to 2024 for their trial, which is several years away. Many businesses cannot wait that long, they need to get the resolution sooner.

3. Cost-effective

The process of litigating in the US court is extremely expensive. Therefore, the cost-effective nature of the mediation is a big plus for many parties.

5.1.2. Different dispute resolution processes

There are three dispute resolution processes provided by the court, which are mediation, the settlement conference with a magistrate judge and the ENE. Mediation is by far the most commonly used option under the court ADR program, which is handled by *Ms Lange* as the ADR Program Director, or by one of the 250 neutrals. The neutrals consist of many local luminaries and very knowledgeable attorneys and mediators in the field of IPR. Therefore, they have all different kinds of expertise.

Those neutrals sometimes serve both as mediators and early neutral evaluators. In the ENE process, the evaluator will provide formal early evaluation after a formal joint presentation take place. To be more specific, the evaluator will give essentially what he or she would do if he or she was the judge according to all the evidence provided at that point, how he or she sees this case, how he or she thinks it is likely to come out, and so on and so forth. The ENE was very common when this ADR program first came out, but presently it occupies only a small portion of the program, which is about 6%. Many more cases are referred to mediation.

The settlement conference with a magistrate judge is another substantial category of the ADR program. By consent of the parties, the court can assign the magistrate judges to hear their case. More specifically, the magistrate judges will hear other judges' cases for settlement, rather than their own cases. They essentially are serving as mediators or settlement judges.

Some parties may seek private ADR and opt-out for the court program, which means that there are paying for the price to be in the private ADR. There are quite a lot of IPR matters that do go to private ADR. Sometimes they come to the ADR process in the court, and then go to private ADR, sometimes the other way around. To use private ADR, typically people go to someone who is quite well-known in the field. There are a lot of mediators in the Bay Area in particular. Actually, all over California, there are very robust private mediation practices and communities with many mediators that can be selected by people.

The ADR program of the court requires mediators to donate their time to the court for the first half a day. It is part of their public service, and the parties certainly get the

benefit from it because the first half a day of mediation will be at no cost. The cost of the mediation provided by the private sector is much higher, but some parties feel the need that they want to see the other side commit money into the process before they feel they can engage in the process. That is one of the reasons why people sometimes prefer to go to private processes.

5.1.3. ADR presumption

In the US District Court for the Northern District of California, there is an ADR presumption which means that in most civil cases, parties are presumptively required to participate in one non-binding ADR process. If the judge allows it, the parties are permitted to go to a private provider, go to a private mediation for example. Otherwise, they are required to come to the court process. They have an obligation, before they first meet the judge at the very beginning of the case, to speak to one another in an effort to agree which ADR process they are going to use and in which timing. Furthermore, the court's rules also require them to discuss what information they would need to exchange either informally or through formal discovery in order to be ready for mediation, a settlement conference, or an ENE.

If the parties don't agree with each other, the judge will select for them, unless the judge is persuaded that no ADR is likely to deliver benefits to the parties sufficient to justify the resources devoted to it.

5.1.4. Overview of referrals

Because of the COVID-19, the data for cases filed from 2019 to 2020 may not be very accurate. Therefore, *Ms Lange* provided the data for cases filed from 2014 to 2018. According to the statistics, mediation is the dominant type of the court ADR program which was between 630 to 830 cases per year over the five years.

The second category is the settlement conference with a magistrate judge which went up and down in that span. The number of the settlement conference is a little bit higher now, but the mediation is a little lower during the pandemic period, which is an interesting little fact. It is worth noting that the court has 250 neutrals but only 8 or 9 magistrate judges. So, the caseload of settlement conferences for each magistrate judge is substantial. Many cases go to the settlement conference shortly before trial for the last effort to get a resolution.

5.1.5. The neutrals

It is important to think about who will be trusted as a neutral by the parties and the lawyers. There are three types of neutrals under the court ADR program which are the ADR Program Director, magistrate judges, and volunteer attorneys as mediators and evaluators. *Ms Lange* herself, as the ADR Program Director, is a neutral, a mediator and an evaluator. She does handle some IPR matters. Magistrate judges also handle a lot of IPR matters. They handle these cases when they are the judge of the case or the settlement judge of the case, but they will not play the same role in one case. Magistrate judges' experience across many cases can be very helpful to the parties, which makes it a very useful process.

Furthermore, there are many neutrals under the robust court ADR program. The mediators and evaluators range from retired judges from the US District Court for the Northern District of California, retired judges from other courts to practitioners who are still litigating. Many of whom are respected top litigators in the field of IPR. They all volunteer to donate their time to the court. About half of the panel never charges for their time, and they really see this as a public service to serve the court.

One thing that is critical for designing a program for a court is to think about what the need of the parties is and who the counsel will be. In a court where the volunteers are very sophisticated as *Ms Lange's* court has, it allows the people to feel comfortable to come.

5.1.6. Supervising and training mediators and evaluators

Mediators under the court ADR program are quasi-judicial officers appointed by the court. They are subject to the federal Code of Judicial Ethics, and they will be given substantial training. More specially, except basic training, they also need to accept continuing education over the years including monthly practice groups that are advanced practice to discuss advanced mediation skills on monthly basis. The group is usually between five to 20 mediators, and *Ms Lange* leads the group to discuss mediation cases in court.

In addition, to become a neutral of the court ADR program, there are stringent requirements that need to be met. More specifically, to become a mediator, one has to have at least seven years of practicing experience. For an evaluator, one needs to have at least 15 years of practicing experience. In fact, the panel of *Ms Lange's* court is really prestigious for people to sit on. They accept new members only every three to five years. About 40 hours of introductory training will be provided which is very

extensive. People who are invited to join the panel after the training can then join. The last time they offered the training, they accept about one in eight applicants.

Making it such a selective group really encourages very excellent lawyers to join. Many people do join to be part of the program both because they can mediate in high-level cases and because such excellent continuing education is provided. People really want the opportunity to be part of that. That is a draw, and the feedback from the community is very positive. For example, there was a sophisticated IPR attorney who joined the panel and went on to become an exclusive mediator. It's very successful in the private market, and that draws people in. At the same time, it gives some recognition in the field even for those who want to primarily be litigators. They can continue to litigate, and the experience of the ADR program can be really valuable in their professional career.

5.1.7. Special provisions of the ADR Local Rules concerning IPR

When it comes to the IPR, there are special provisions articulated in the ADR Local Rules, which can be helpful to ensure that the parties are well prepared with sufficient information for the mediation or some other ADR processes. The gist of them is provided as follows:

1. Patent cases

When a claim in a case alleges infringement of a utility patent, or when a party seeks a declaratory judgment that a utility patent is not infringed, is invalid, or is unenforceable, each party must attach to its written ENE statement or its written mediation statement the patent disclosures (asserted claims, infringement contentions and associated documents) that the court's Patent Local Rules require to be served within 14 days of initial case management conference.

2. Copyright cases

To the extent then known or readily available and feasible, a party who bases a claim on copyright must include as exhibits the copyright registration (or, if there is no relevant copyright registration yet, the relevant copyright application) and one or more demonstrative exemplars of the copying and infringement. Such party must also present whatever direct or indirect evidence it has of copying and shall indicate whether it intends to elect statutory or actual damages. Each party in a copyright case who is accused of infringing shall set forth in its written statement the dollar volume of sales of and profits from the allegedly infringing works that it and any entities for which it is legally responsible have made.

3. Trademark cases

To the extent then known or readily available and feasible, a party who bases a claim on trademark or trade dress infringement, or on other unfair competition, must include as an exhibit its registration, if any, exemplars of both its use of its mark and use of the allegedly infringing mark, both including a description or representation of the goods or services on or in connection with which the marks are used, and any evidence it has of actual confusion.

If “secondary meaning” is in issue, such a party must also describe the nature and extent of the advertising it has done with its mark and the volume of goods it has sold under its mark. Both parties must describe in their evaluation statements how the consuming public is exposed to their respective marks and goods or services, including, if available, photographic or other demonstrative evidence. Each party in a trademark or unfair competition case who is accused of infringement must set forth the dollar volume of sales of and profits from goods or services bearing the allegedly infringing mark.

5.1.8. Survey responses

In view of the consequence of relevant surveys conducted before COVID-19, the feedback was really positive. Taking mediation as an example, about 89% of the interviewees responded that the procedures are fair, and about 77% of the interviewees responded that the benefits outweigh the costs of using the mediation. As to the settlement rate, approximately 63% of cases were resolved at or shortly after the mediation session. With respect to the time of the mediation session, relevant statistics are as follows:

Less than 1 hour	1%
1-5 hours	55%
5-10 hours	39%
More than 10 hours	5%

After COVID-19, the court ADR program converted to provide mediation on Zoom very quickly and did a lot of training related to it. The Zoom mediation program is certainly successful, and a great deal of positive feedback has been received.

5.2. Presentation made by *Ms Sandy Widjaja*

5.2.1. IP dispute resolution

In this session, *Ms Sandy* began her presentation with the introduction of different options and facets of IP dispute resolution:

1. Litigation in the court or the adjudication at IPOS

This kind of procedure can be initiated by one party, which is adversarial in nature and aimed at determining legal position rather than interests. The outcome of the dispute will be decided by the judge or hearing officer based on fixed rules of procedure, and the parties cannot choose the judge/hearing officer. In addition, this kind of procedure is public in nature with a right of appeal, and precedents can be established.

2. Arbitration

Just like litigation in the courts or adjudication at IPOS, the outcome of the dispute will be decided by the neutral third party (arbitrators) under the procedure of arbitration. Nevertheless, arbitration is a confidential procedure which is initiated on the consensual base of the parties, and the arbitrators are chosen by the parties as well. In general, the awards given by the arbitrators are binding, final and enforceable under the arbitral law. Generally speaking, arbitration normally forecloses the court option.

3. Expert determination

This is another consensual and confidential option which can be helpful when there is a technical issue in dispute. To be more specific, the parties can submit the technical issue in dispute to one or more experts to make a determination, and they can decide whether the determination is binding or not.

4. Mediation

Mediation is a consensual and confidential procedure as well, but there is not going to be a third party to decide the outcome of the dispute for the parties. To be more specific, under the procedure of mediation, the mediator will assist parties to reach a settlement of their dispute based on the parties' respective interests. Nevertheless, the mediator cannot impose a decision. If the settlement agreement can be reached through mediation, the agreement has the force of the contract. Even if the mediation is not successful, the mediation leaves open court or arbitration options.

Among the different options introduced above, litigation is the default and conventional way to resolve the dispute. Accordingly, other options of dispute resolution are commonly recalled alternative dispute resolutions (ADR). Compared with ADR, many people may be more familiar with litigation since it is the default way to resolve disputes, and that is the reason why more endeavors are needed to raise awareness of other non-conventional options.

It should be emphasized that even though hard efforts are put to encourage the use of ADR, it does not mean that options of ADR are superior to litigation. As we can see, there are pros and cons to each resolution, and the key is to find the best way to resolve the dispute at hand. In other words, all of these options are like tools of the toolbox. If more options are provided, the choices of the parties can be enlarged, which is beneficial for them to find the option which is best suited to the dispute at hand. To strengthen this idea, *Ms Sandy* quoted the insights of *Chief Justice Sundaresh Menon*:

“An ideal system of justice is one that delivers justice that is customised to each type of case, keeping in mind the subject matter, the parties, and the desired outcomes... In this regard, it would perhaps be timely to embrace a paradigm shift and understand “ADR” as a reference to “Appropriate Dispute Resolution” instead.”

Even though ADR may not always be the better choice in each case, the existence of ADR does provide more options and opportunities for the parties to find the most appropriate way to resolve the disputes. One update of the ADR landscape is that the Singapore Convention on Mediation has come into force on 12 September 2020. This agreement aims at establishing a uniform and efficient framework to ease the enforcement of cross-border mediation settlements. As of 13 July 2021, the Convention has been signed by 54 signatories. Thanks to this framework, the settlement agreement reached through mediation can be enforceable in different jurisdictions. Accordingly, more cross-border legal disputes can be resolved through mediation, which is beneficial to facilitate international trade and commerce.

5.2.2. IP disputes peculiarities

Following the brief introduction of different options of dispute resolution, *Ms Sandy* turned to specify that some of the peculiarities of IP disputes make them highly suitable to ADR. For example, IP is territorial in nature. If the parties decide to resolve their dispute through litigation, they may need to navigate through each and

every jurisdiction with respect to different laws, procedures, and languages. Moreover, there is no guarantee of a similar outcome even if the fact and issue are identical in each case. On the other hand, if the parties choose to resolve the dispute through mediation, the procedure can enable the parties to specify the outcome in one setting, which could be helpful to save much time, costs and effort.

In addition, some IP disputes can be highly technical in nature, and there is a need for expertise to resolve the dispute properly. In such a situation, the parties can choose arbitration and select arbitrators who are specialized in relevant fields. Expert determination could be another suitable option in such a situation. Parties can select an expert who is specialized in a specific field of the patent to determine the technical part of the dispute, and the determination can be binding or non-binding.

Last but not least, many of the IP disputes are highly confidential in nature. That is to say, there are certain benefits of being able to obviate the need to publicize technical know-how and some other confidential data. Unlike litigation, which is public in nature, all of the ADR options are confidential in nature.

5.2.3. IPOS offerings

In view of the fact that there are several advantages of using ADR to resolve IP disputes, IPOS has taken measures to promote the use of ADR to resolve disputes before it. For example, mediation has been integrated into IPOS contentions proceedings. Taking trademark opposition procedure as an example, before the final decision has been issued by the IPOS, the parties can choose to resolve their dispute through mediation.

After the close of pleading, IPOS will encourage the parties to consider mediation during “case management conference.” In this early stage, the parties haven’t spent great costs to prepare for the evidence. Furthermore, the mediation that happens in the early stage may assist the parties in accessing the strength of the respective case, which could be helpful to the decision-making process. Another suitable stage that the IPOS may encourage the parties to consider mediation is the “pre-hearing review.” Since the parties have accessed relevant evidence of the case in this stage, they may have a better assessment of their case.

Furthermore, to promote the use of mediation to resolve disputes in IPOS proceedings, the IPOS launched and implemented a Mediation Promotion Scheme (MPS) from 1 April 2016 to 31 March 2019. Under this scheme, if parties in dispute before IPOS

choose to resolve the dispute through the mediation process, the IPOS will fund the mediation costs incurred with any mediation service provider, up to 5,500 SGD per mediation. Each party will receive an equal share of up to 2,750 SGD unless otherwise agreed by the parties involved.

Following the end of the MPS, the Enhanced Mediation Promotion Scheme (EMPS) took up the torch. Under this new scheme, 180,000 SGD has been set aside to support the parties of mediation, which is available from 1 April 2019 for up to 3 years to be disbursed among an estimated 15 cases, until it is drawn down. As we can see, there is a time limit for both MPS and EMPS. Through the positive experiences with mediation as facilitated under the MPS and EMPS, it is expected that the parties in IPOS proceedings will eventually choose the mediation option even without external funding.

Compared with MPS, the funding provided for each mediation case is increased under the EMPS. More specifically, under the new scheme, the cap of the funding is 10,000 SGD per mediation case. In addition, if the dispute before the IPOS covers foreign IPR, the cap of the funding is 12,000 SGD. The funding provided by the IPOS may be used to cover the following items:

- Mediation service provider's fees
- Mediator's fees
- Mediation-related lawyer/agent fees and disbursements (up to 50%)

In order to qualify for the funding provided under the EMPS, several conditions need to be satisfied, which may include:

1. The subject matter of the mediation should be an existing dispute before IPOS.
2. The mediation should take place in Singapore. To be more specific, as long as the mediator is physically in Singapore during the mediation, it is acceptable to involve party representatives who are not able to be present in Singapore during the mediation via video conferencing. Nevertheless, it should be noted that the mediator should be a Singaporean or based in Singapore.
3. The parties should allow a "shadow" mediator to sit in and observe the mediation; or have a co-mediator to assist in the mediation.
4. The parties should disclose their lawyer/agent fees incurred from the start to the end of the IPOS proceedings.
5. The parties should give feedback on their mediation experience.
6. The parties should agree to named publicity, excluding details of the settlement terms.

7. The parties should co-pay at least 50% of their lawyer/agent fees relating to mediation and mediation-related disbursements charged by the party's lawyer/agent.

Through the above requirements, the EMPS can be more beneficial to the development of the mediation system. For example, the participation of the “shadow” mediator is really helpful to cultivate more competent mediators. Another example is that the requirement of named publicity can give concrete, relatable examples to other businesses and individuals and thus encourage them to consider mediation.

In 2019, two companies flew to Singapore for the mediation. One party was from the United States, the other one was from Thailand. The dispute was mediated by a Singaporean IP lawyer. Through the mediation completed in 19.5 hours, the parties not only resolved their dispute before IPOS, but also achieved a global resolution among six jurisdictions (including five ASEAN economies).

The total costs of the mediation process were 11,349.98 SGD which included administrative costs and mediator's costs that the parties should bear. Since this case was relevant to foreign IPR, the parties can have IPOS funding up to 12,000 SGD. Accordingly, all the costs mentioned above were subsidized under the EMPS. In addition, part of the mediation-related lawyer fees and disbursements were defrayed by the funding as well.

Just like what has been mentioned above, one condition of being qualified for the funding is that the parties should give feedback on their mediation experience. In this case, the party from the United States expressed that the success of the mediation is very significant. Apart from settling existing disputes, the settlement ensured the protection of the company's brand image and the rapid development of the business in Southeast Asia. On the other hand, the party from Thailand expressed that it is very glad that mediation in Singapore has helped to resolve the existing disputes and achieved a win-win outcome for all parties.

Another successful example is an earlier case. In 2017, there were two parties in four trademark disputes. One party of the dispute is a major food and beverage business in Singapore and the other party is a relatively well-known entertainment outfit of the UK. A Singapore-based IP lawyer was appointed to be the mediator to assist the parties in resolving their disputes across different jurisdictions. The mediation was completed in one day via video conferencing. As a result, the parties not only

successfully resolved their dispute before IPOS, but also achieved a global resolution. In this case, the total costs of the mediation were 3,450.20 SGD which were fully subsidized under the MPS.

The feedback provided from the parties in this case was really positive. They were very happy with the service received and the result of the mediation. It is also mentioned that the parties would still use the mediation service if they thought it could assist them in settling a dispute in a cost-effective and timely manner even if funding is not available.

The last case mentioned in the presentation was about oppositions filed against trademark applications. The applicant of the oppositions was a Singaporean construction company, and the targeted trademark applications were filed by three commercially related entities based in Indonesia, Malaysia and Singapore. Utilizing the mediation, the parties resolved all outstanding proceedings on a global basis.

There was a one-day mediation session, and the case was settled four months after the commencement of the mediation. This consequence was remarkable because the disputes among the parties had lasted for 20 years. Notably, the mediator of this case can speak Bahasa Indonesia which is helpful to bring parties closer and build trust among them. Accordingly, one advantage of mediation is that parties can choose a mediator who is not only knowledgeable in fields related to the dispute but also familiar with the relevant languages and culture of the parties.

5.2.4. Singapore IP Strategy 2030

With respect to the future, *Ms Sandy* introduced several highlights of the “Singapore IP Strategy 2030 (SIPS 2030)” in her presentation, which is the blueprint of Singapore in the next 10 years.

Objectives of the SIPS 2030 include: (1) to grow Singapore as a global hub for intangible assets (IA)/IP activities and transactions, and (2) to maintain Singapore’s top-ranked IA/IP regime to instill confidence in investors and innovators. In order to attain these objectives, SIPS 2030 comprises three inter-related thrusts which are: (1) attract and grow innovative enterprises using IA/IP; (2) develop good jobs and valuable skills in IA/IP; and (3) strengthen Singapore’s position as an IA/IP hub. One of the goals under the third thrust is to grow international IP dispute resolution in Singapore.

To attain this goal, Singapore keeps on supporting its international dispute resolution institutions. For instance, the Singapore International Arbitration Centre (SIAC) is one of the well-known dispute resolution institutions in Singapore. According to the Queen Mary University of London International Arbitration Survey (2021), Singapore tied in the first place with London as the most preferred seat of arbitration, and the SIAC is the second top arbitral institution in the world and the most preferred arbitral institution in Asia. With respect to IP disputes, SIAC maintains a specialist panel of 26 international IP arbitrators, including the Right Honourable Professor *Sir Robin Jacob*.

On the other hand, Singapore International Mediation Centre (SIMC) provides international mediation services for cross-border commercial disputes (especially in Asia). The panel of the SIMC comprises experienced and respected mediators around the world and experts from various industries.

It is worth noting that there is a partnership between SIMC and SIAC to offer Arb-Med-Arb (AMA) procedures. To be more specific, according to the AMA clause (which can be found in: <https://simc.com.sg/dispute-resolution/arb-med-arb/>), following the commencement of arbitration, the parties still have a chance to resolve their dispute through mediation at the SIMC. If the parties reach a settlement in the course of mediation, it shall be referred to the arbitral tribunal appointed by SIAC and may be made a consent award on agreed terms. Except for the partnership with the SIAC, the SIMC has also cooperates with WIPO to handle IP and tech disputes since Oct 2020.

As to the court system, the Singapore International Commercial Court (SICC) plays an important role in relation to IP dispute resolution. The SICC is a division of the Singapore High Court which has jurisdiction to hear an IP dispute if, amongst others, it is an international personam IP dispute. The panel of the SICC comprises many international judges, and some of them are specialized in IP.

Except supporting dispute resolution institutions in Singapore, welcoming top international dispute resolution institutions to Singapore is an important strategy as well. Presently, many top international ADR institutions are located in the Maxwell Chambers Suites including the International Centre for Dispute Resolution of the American Arbitration Association (AAA), International Court of Arbitration of the International Chambers of Commerce, Permanent Court of Arbitration, and the WIPO AMC, which is its only office outside the Geneva.

Maxwell Chambers Suites is part of the expanded Maxwell Chambers. With respect to the provision of ADR services, the Maxwell Chambers provide a full suite of supporting services and 39 designed hearing and preparation rooms to accommodate in-person, hybrid and virtual hearings. Furthermore, the Maxwell Chambers are open 24/7 which is no doubt helpful to provide service to clients across different time zones.

Other initiatives include: (1) ensuring legislation is responsive to business needs (e.g., the arbitration legislation was amended to clarify that subject matter of an IPR dispute is capable of settlement by arbitration as between parties); (2) building thought leadership in international dispute resolution (e.g., the Singapore Convention on Mediation); (3) Building IP dispute resolution capabilities by working with law schools and professional service providers. In this regard, it is important to convey the importance of the ADR to law school students who are going to be lawyers in the future.

5.3. Q & A session

- **Question 1**

Does IPOS itself provide ADR services?

- **Response provided by *Ms Sandy***

It's an opportunity to clarify that IPOS doesn't provide ADR services. What IPOS does is partner with mediation service providers like WIPO AMC, SMC and SIMC. IPOS encourages parties to choose the service provider that they want. As to why IPOS doesn't provide ADR services by itself, the constraint on the small team could be a reason. There are only five legal counsels on the team. Accordingly, there will be a lot of conflicts if one of us is a mediator. IPOS did have considered providing ADR services before; nevertheless, at this point in time, taking into account that there are many able service providers, IPOS believes it is appropriate to maximize its resources and outsource the cases to service providers.

- **Question 2**

Whether USPTO can be one of the parties of the mediation?

- **Response provided by *Ms Lange***

Ms Lange responded that to her knowledge, they didn't have this kind of case before. Typically, if there is a parallel matter pending before the USPTO concerning the validity of the IPR, it is very common that the case will stay to wait for the decision of the USPTO. Even though some courts may still proceed with the case, often there is a deference to let the USPTO resolve the question first before the litigation proceedings. If there was a case that the USPTO was part of the case, it may not be one of the parties, unless someone is suing the USPTO. If the USPTO was to be involved in any way, the possible situation that she can think of is the party asks and the judge requests the opinion of the USPTO. However, she hasn't seen that happen either.

- **Question 3**

How can acquired distinctiveness be mediated?

- **Response provided by *Ms Lange***

If anything that can be mediated, it is because the parties think it is worthy to discuss how best to resolve the differences. That is to say, the question is not simply about it is A or it is B, or it is distinctive or it is not. Sometimes she would spend time with the parties to have an actual logic map on the whiteboard. The parties can go through all the relevant factors and then multiply them out to see what the risks are. Most of the time, it is a more casual conversation, but it could be useful to the end. Either way, it is really about helping the parties, and the point is to get the business people in the room to think and talk about what is the motivation. It is quite often that their real interest has to do with moving forward and addressing competition concerns rather than winning the lawsuit and determining whether it is distinctive or not.

- **Question 4**

Does IPOS have its own mediators? Or the IPOS has to find mediators from other agencies to go to IPOS for mediation.

- **Response provided by *Ms Sandy***

The answer is no, since IPOS does not conduct mediation, there is no mediation in the IPOS. The parties can choose among institutional mediation service providers. Once a service provider has been selected, it will contact the parties to open the panel.

- **Question 5**

With respect to the ADR program of the US District Court for the Northern District of California, are there cases about ENE that can be shared?

- **Response provided by *Ms Lange***

It is much more common in civil rights cases. That is the common place where ENE is used. Sometimes in IP cases, there is a request to use ENE. The main difference is that we really try to match someone who is very experienced and has a lot of respect from the parties and counsels so that they will present their cases as it is at the moment.

Through the ENE, the parties can present their case and get an actual evaluation. Usually, it is orally and the session is still confidential. The distinguishing feature is that there is no ex parte communication with the evaluator. Even though the procedure is confidential from the court, the parties cannot submit private information to the evaluator which is different from the procedure of mediation.

ENE can be turned into mediation. About half the time, the parties actually don't want the evaluation by the time they get to that point, and they go on to have a settlement discussion. But the ENE helps them to do a more formal presentation of the facts and laws and to know the evaluator's thoughts about the fundamental end of the case and relevant questions. It is a little more focused usually on the legal dispute. So, it is a good fit in some IP matters, but actually, many IP practitioners don't want to use ENE, because many IP disputes are much more emotional than a legal dispute would suggest.

III. Conclusions of the Potential for Use of ADR in the Field of IPR

In session 6 of the workshop, except for the distinguished speakers of the aforementioned sessions, *Ms Ann (Yi-An) Lai*, the partner of Chien Yeh & Associates, Chinese Taipei, also joined the panel to share her insights on issues concerning ADR and IPR.

Many questions were addressed in this session by the panelists, which included but were not limited to whether there are features of IPR which make relevant cases suitable to be resolved through ADR, which type of ADR is more suitable for resolving IPR-related disputes, what can be improved with respect to the extent of using ADR in the field of IPR, the role of lawyers, whether the proper use of ADR can be helpful to market participants with limited resources including women, young people, MSMEs and start-ups, etc. According to the results of the discussion, maybe we can compile several recommendations to be the conclusions of the workshop. The recommendations and relevant specifications are provided as follows:

1. Most of IPR Disputes are Suitable for ADR

Basically, all the panelists believe that most disputes are suitable for mediation or some other ADR. *Ms Angela Yao Lin* mentioned that unless the dispute is constraint by law or by the principle of arbitrability, most disputes are suitable to the ADR. Because of the advantages of ADR including efficiency, cost-saving, procedural flexibility, confidentiality, etc., they are beneficial for the parties for all types of disputes.

In this session, *Ms Angela Yao Lin* also shared her personal experience as a mediator to address the question “whether the proper use of ADR can be helpful to market participants with limited resources including women, young people, MSMEs and start-ups.” She mentioned that in the mediation process, as a mediator, she can help the parties to communicate and find a way to meet their personal interests. Therefore, compared with the arbitration, lawyers are not that required in mediation. This characteristic is helpful to the parties to significantly reduce the cost of mediation, which is no doubt beneficial for people with limited resources to access the dispute resolution.

Ms Christine and *Ms Lange* pointed out the importance of self-determination. If the parties voluntarily agree to undergo mediation, almost all kinds of a dispute involving IPR are suitable for mediation. In this session, *Mr Phubed* also mentioned that the ideal way to resolve the conflict depends on the party's desire or the agreement from both sides. Once they agree with a deal or an offer, that is the main purpose of the ADR.

Mr Zech Chan added an example. In opposition proceeding, typically, the opponent has a specific concern about a particular application, and he is looking to meet those interests perhaps to remove the specifications. Under this kind of situation, maybe the opponent could accept the application to proceed upon certain conditions being met. Nevertheless, it could be impossible for us to understand what these interests are.

However, if they proceed with mediation, it is possible to understand the interests of each party and what is the concern of the opponent would be. Then, it is possible that the applicant may agree to remove the specifications, and the opponent might be very happy to allow the application to continue by withdrawing the opposition. By and large, the mediation allows the parties to come together to discuss their interests and concerns.

Mr Zech Chan also shared his insight on the use of ADR to resolve disputes concerning different types of IPR. He mentioned that it is quite often that we look at IPR issues in terms of trademark issues, patent issues, copyright issues, etc. Indeed, certain issues are very unique like patent registration and trademark registration. Nevertheless, some of the most amazing applications of mediation and ADR actually are in disputes that have a variety of IPR involved.

To further specify his point of view, *Mr Zech Chan* provided a mediation case that he handled to be an example. The dispute was between the three founders. One is based in Guatemala, one is in the UK and another one is in Singapore. Just that alone, you might need three cases in each of these economies to resolve the dispute. Not to mention they have issues concerning copyrights, trademarks, trade secrets, companies set up in different places, and so on and so forth. When three founders came together to start the company, there was a lot of trusts. But you can imagine 18 months down the road; they started to suspect each other of wrongdoing, stealing trade secrets, starting a new company, etc. Everything broke down very quickly.

Because of that, it really needs to come together in a hybrid mediation style (some of them may not really come to Singapore) to really talk through the pain, the anguish, the unhappiness, what they were suffering, relevant issues, etc. to unwind each problem one by one. They have trademarks in so many different economies. Can you imagine if they go to the courts of each of them? It will be too expensive. So, they came together and talked about the way how to resolve the business. As a result, they resolved a lot of trademark issues by agreeing to assignments in particular ways, and they agreed that the copyrights will be assigned to a particular entity.

Of course, it was a very long mediation. It took more than 12 hours, but it allows the parties to look at everything, all the IPR, not just trademarks, patents, or trade secrets. In other words, they can look at all the IPR at one goal and resolve everything in one long sitting. Accordingly, *Mr Zech Chan* would encourage people to start thinking about the dispute holistically. It is not necessary to think about each IPR on itself and on its own. Give it a further opportunity to talk about it holistically and completely to resolve everything in one long sitting. Maybe that's the way.

In this session, *Judge Tsai* raised the dispute concerning family-based business to be an example. This kind of case is mainly about a successful brand established and built up by the founder. After the founder passed away, the offspring started to fight over who had the right to use the trademark. Actually, there is no problem for the court to make a judgment according to the law, but the relationship of the family may be torn apart during the litigation process. In this kind of case, mediation could be helpful to maintain the relationship and find a better option to resolve the dispute of the family. Moreover, if we can invite respected elder members of the family to join the mediation, it will be more likely that the family can reach a perfect solution.

Ms Ann (Yi-An) Lai mentioned that all of the IP disputes are supposed to go to mediation first due to the very nature of the IPR. The nature of IPR can be simplified to “three M” which are “Market cycle,” “Multiple jurisdictions,” and “Market power.” More details are provided as follows:

1. Market cycle

Due to the technological change, the market cycle of many products could be very short, especially for cutting-edge technologies. Litigation may not be suitable for resolving relevant disputes, because it's possible that they haven't reached the outcome from the trial court, they have already lost the edge of the market. Under this kind of situation, mediation could be more efficient to resolve the problematic

situation, and there is no need to fear that they are going to lose their advantage of the market.

2. Multiple jurisdictions

Many IP disputes are international in nature. When it comes to cross-border disputes, they need to decide what the application of the laws is. Unlike arbitration that you need to decide where the seat is in advance, it is not demanded in mediation. All you need is a table and to bring up the parties to come. Since the ODR is emerging, they don't even need a physical table.

3. Market power

IPR is related to economic interests in the market power because it belongs to an intangible asset. The value of the intangible asset largely depends on who exploits it, how to exploit it, and their competitive position. We can imagine that IPR is a kind of empty box; there is no intrinsic usefulness inside is unlike any other material asset. It becomes valuable and useful when the right holder starts to fill in the economic interests of its exploitation based on their market power. If such IPR doesn't have the market power or capacity of exploitation, it doesn't have the economic interests with the real commercial value in reality. It is not a question for the material asset.

Mediation is party interests centered and led by professional mediators who are capable to explore your interests, to analyze the mutual interests, and maybe exploring the potential existing market power. The aforementioned three characteristics of IPR align with mediation which makes IPR disputes suitable to be resolved through mediation.

With respect to arbitration, *Dr Wang* mentioned that there are many trade secret issues concerning former employees in Chinese Taipei. Compared with litigation, using arbitration to resolve these kinds of cases can better maintain the relationship between the parties because it is fast and cost-effective. In contrast, litigation may go on for three or four years, and it is hard to maintain the relationship during this long period. Another similar example is that many companies may expect to keep a long-term relationships with professors or researchers. If there are disputes between them, arbitration can be a suitable option for them in terms of maintaining the relationship.

Some of the attendees are curious about whether it is suitable to resolve IPR issues involving public interests or the authority of public agencies through mediation or

arbitration. More specific questions may include whether the issues concerning the validity of patent or trademark can be mediated or arbitrated, whether the moral right of the copyrights can be mediated or arbitrated, etc.

In response, *Ms Christine* stated that in relation to cases concerning the validity of trademarks, sometimes the parties may agree on modifying the trademark application in order for it to be registrable to the registry office. This is also one way of settling the dispute through mediation. For example, if a certain applicant filed an application for a trademark which the other party thinks is in violation of any of his or her rights, through mediation, they can agree on a certain settlement. The content of it may include the applicant should modify the trademark application in order for it to be acceptable.

Ms Sandy added that all these ADR options are between two parties. So, the other beauty about mediation is even if it's a trademark invalidation case, for example, you can come up with a business solution like deciding to give up the mark in one jurisdiction but keep those of other jurisdictions. Once again, the beauty about mediation is that it's flexible that you can come up with different options instead of facing head-on the issue of potentially invalidating a trademark. With respect to arbitration in Singapore, at least it has been clarified that it is possible to arbitrate IPR matters, but it is only binding between the parties in general. That is the current legal constraint. Therefore, it's still possible to discuss the validity issues and get them arbitrated, but it's just binding between the parties.

As for the moral right of the copyrights, *Ms Sandy* mentioned that, as far as she is aware, she doesn't think there is any constraint on it in general. *Ms Christine* said it can be mediated. As a matter of fact, it is part of the mandatory mediation in the Philippines. *Mr Phubed* said that even though there were no specific cases about it, but he believed that this issue can be resolved through mediation and arbitration.

2. Never Say Never

Ms Lange shared her experience that it is very common for the parties and lawyers to overestimate how strong their case is and underestimating the other party when they first come to mediation. However, they will try to resolve things once they dig in and start mediating. Accordingly, a big project of promoting ADR in IP litigation is to be confident that we know that it works. The lawyers and parties need to come to discuss a confidential place to find out for themselves that this case works. Otherwise,

everyone says this particular case is not suitable for mediation, we will have no case for mediation at all. There will be only litigation outcomes. But that is not what we do. We keep telling them you have to come and talk. You don't have to settle it, but you have to talk.

Mr Roger Chang shared his own experience as an example. There was a time that he helped two American clients to conduct patent litigation in Chinese Taipei. They were two separate cases, but the defendant of each case was a business in Chinese Taipei. The other case only happens in Chinese Taipei. According to the observation of *Mr Roger Chang*, both parties have strong differences in the disputes throughout the litigation process. Therefore, he didn't see any chance for them to go for mediation or successfully reach a settlement through mediation.

Nevertheless, surprisingly, the parties did agree to mediate these two cases in an arbitration and mediation center in San Francisco, and both cases were successfully settled. This consequence was totally beyond *Mr Roger Chang's* expectations and no doubt amazing. Thanks to this experience, he noticed that actually nothing is really impossible.

Actually, it was very close for the mediation of the aforementioned two cases to fail. The mediator of the cases was a gentleman nearly 80 years old. He told all the parties that he had seen so many cases at the courts, and no one can predict the consequence of the judgment with 100% accuracy. Nevertheless, in this meeting room, in this building, you can decide the consequence and avoid the uncertainty. Consequently, they reached a settlement. To base on this experience, *Mr Roger Chang* would suggest that the parties and their attorneys really need to have great communication on issues about whether they are going to have mediation or how to proceed with the mediation. Furthermore, it is worth noting that mediation can be started halfway through litigation. It is not just a retrial option.

3. Different Kinds of Dispute Resolution can be Used in a Hybrid Way

Ms Sandy pointed out that although we talked about mediation, arbitration, expert determination, and so forth. It seems to be quite trendy now to have a "hybrid" option, and that is actually a very good development. Basically, you are able to extract the benefit of the different options by combining different methods of resolving the

dispute.

Ms Ann (Yi-An) Lai introduced the Arb-Med-Arb mechanism in Singapore. Under this mechanism, arbitration initiated in SIAC can be shifted to SIMC to deal with the mediation for eight weeks probably and going to the next phase which is arbitration again. Initiating the arbitration first can in many cases bring both sides to the negotiation table because they are aware that this is a stricter session than medication. However, they can still go to mediation again if the arbitration cannot finalize the decision. The mediation can also give them a good assessment of the strength and weaknesses of the case in that circumstance. If the mediation failed, it will be moved to arbitration afterward.

In Chinese Taipei, we also have this kind of procedure, which is stated in Articles 44 and 45 in the Arbitration Act. Nevertheless, it doesn't really demand to separate these two different sessions (arbitration and mediation) strictly. In Singapore, it is highly demanding that they should be separated, which means that the mediator and the arbitrator cannot be the same person; otherwise, there will be some other challenges to pop up. For example, there are private sessions in a mediation process, but it is hard to imagine that the arbitrators can meet one of the parties privately during the arbitration process since this will affect their neutrality. Moreover, if I am a party of arbitration, I probably would not reveal the bottom line to the arbitrator, but I would do this to the mediator. Accordingly, they are supposed to be separated.

4. Government should Play a Substantial Role in Promoting the Use of ADR, and There are Plenty of Ways to Promote it

Ms Christine shared the experience of the Philippines. Mediation has been institutionalized by the government through the passage of the ADR Act of 2004 and it has also established a specific agency to handle the dissemination of information with respect to the use of ADR as well as the accreditation of the public and private ADR providers. IPOPHL is a publicly accredited ADR provider on IP, and it issued a memorandum circular which requires all of the cases being filed with the IPOPHL to undergo mandatory mediation. This is not to say that the parties are forced to settle the case. What we are doing here is to give the parties the opportunity and the venue to discuss the issues and their different interests in order for them to determine

whether there can be a suitable settlement to their pending IP dispute.

In relation to the issue of why ADR is not sufficiently used in some jurisdictions, one reason could be the lack of awareness campaigns with respect to the existence of ADR mechanisms. In the Philippines, the idea of the people is that if I have a case or if I have a right that I wish to protect, I go to court. They are still far from the knowledge that other than going to the court you have an alternative venue by which you can settle the dispute. Since the government of the Philippines has already institutionalized the use of ADR, all of the courts have court-annexed mediation. So that all cases pending with the courts can undergo mediation.

Furthermore, you also have to inform the public of the benefits of the mediation or any other ADR mechanisms before they can be impressed with the benefit. There should be a paradigm shift from IP litigation to IP dispute resolution. The first instinct of the stakeholders on IP should be I will go to dispute resolution, rather than going to court and fight an IP case. If my case or my dispute is not settled through any of the ADR mechanisms, which there are so many to choose from; then, that's the time I go to court as a last resort only.

In order to achieve the paradigm shift from IP litigation to IP dispute resolution, you have to partner not only with the government but also with the private sector. It's not only a whole-of-government approach. In the Philippines, the government has institutionalized the use of ADR mechanisms in the courts, in administrative agencies, as well as in other agencies of the government. However, the private sector would still have to be informed of the existence of ADR and the benefits of using ADR. In fact, IPOPHL is meeting all of the different chambers of commerce in the Philippines to inform them of the ADR mechanisms that are available for them.

Furthermore, IPOPHL also makes use of social media. Nowadays, even the old ones go to social media. In view of that, IPOPHL establishes ADR awareness through social media as well. It is not only about meeting the different sectors through the virtual platforms but also going to them through social media. Because here is where the government is able to reach people at the grassroots level who also need to be informed of the existence of the ADR mechanisms.

Lastly, IPOPHL trains lawyers in order for them to advocate that more use of IP dispute resolution is better than litigation. IPOPHL has conducted a 36-hour session for lawyers. The whole topic of the 36 hours is about the different types of ADR

mechanisms in IPR. It really helped a lot in informing the lawyers or asking them to join the advocacy for a paradigm shift.

Mr Phubed mentioned that as the ADR in the IP dispute offered by DIP, providing free mediation in the field of IP is also one of the ways to promote the ADR and ODR. Furthermore, the government can promote ADR by organizing webinars, seminars, meetings, sending the benefit of the ADR or ODR platform, and using the benefit of social media, just like what *Ms Christine* said.

Mr Zech Chan said that there is a need to have the government working together. Some government measures are needed to make the ball rolling. In Singapore, it is impossible for you to get to a hearing without having considered mediation along the way. If you are claiming a matter in the state court in Singapore, invariably, you will encounter a form that asks you to sign. Through this form, you have to clarify you have considered mediation and you want, or you don't want a mediation. You will not be able to go to a court hearing and get the judge to hear you without actually looking at this form. This is the same at the Supreme Court. It is one example of how mediation is widespread and entrenched in Singapore.

In order to use ADR on a broad and wide-scale, you do need to find a way to get the parties to confront and consider the use of ADR before they move on to a full trial or full hearing. That is crucial which would help the parties to at least think about using the ADR. Moreover, it would be really helpful to get the parties to interact and at least consider whether they want or they don't want ADR. So don't let the parties go to a hearing without considering ADR.

In addition, *Mr Zech Chan* shared more insights about how to promote mediation. He mentioned that we need an agency to train, accredit, and generate success stories for mediation. For example, both the IPOS and SMC generate successful cases. Some of them are provided through incognito way, which means that you don't have to mention the parties. However, if you can mention the parties without mentioning the terms of the settlement, people who read these stories will know that this is a real story rather than a made-up one. These stories can reveal the real experiences of people who tried this system and let people understand that they can save a lot of cost and time by choosing mediation.

Once you have these things in place, you will find that there will be more traction. People will be interested in ADR, and start to ask, "Can I try?" Gradually, you will

start to see the ball rolling very quickly and people would then say, “Have you tried mediation?” “Why don’t we try mediation before we start?” and so on and so forth even before they are asked by the court.

Ms Sandy pointed out the importance of support from the high up. In Singapore, the Chief Justice is very into ADR. It is important that he is right at the top and he is for the ADR. At the recent India-Singapore Mediation Summit, he shared that access to justice can be more than adjudication, it involves more than the courtroom. Secondly, it is important to have the infrastructure in place. At the court level, there is a presumption of ADR at the state courts, and the Supreme Court highly encourages mediation to the SMC. As you can see, at the lower level and the administrative tribunal level, over the years, we weave mediation into the contentious process and the proceedings. So that people will have to at the very least consider mediation.

Last but not least, as part of our methodology to provide mindset change, we thought that we need to put in the money and let them try for themselves because experience beats anything. There is no point for us to tell them what is good until they experience it. So, we give them the funding and let them try. The feedback from those who have tried is very positive.

Furthermore, just like what *Mr Zech Chan* has mentioned, it would be useful if the people can relate to the success cases to the names, to the brand names that they have seen. That is why IPOS introduced the concept of name publicity. In fact, it is the balance to achieve the funding on the basis that you agree to name publicity. Nevertheless, the term of the settlement will remain confidential, because the key benefit of mediation is that you don't have to worry it is public.

Even if they have achieved some success, they are very conscious of the fact that there is a long road ahead. Accordingly, they continue to strive and consider different options to integrate ADR into every level of society. In conclusion, *Ms Sandy* said that hopefully, one day, she will see the final results that ADR is seen as the first point of contact when we think about justice.

Ms Lange shared her view that the value of ADR also comes from having good experience in ADR. She found in her legal community that the best litigators also see the value of ADR and they are most effective in using it. Under the ADR program, the court brings lawyers to be mediators for the court. To be more specific, they are quasi-judicial officers appointed by the court to mediate, but they have their own

practices many times. This kind of interplay changes the dynamic in the whole legal community because it provides a way of educating the legal community about the value of mediation. Having an instituted program in a court can really help to advance that project with some interplay with the legal community.

In relation to Chinese Taipei, *Judge Tsai* introduced that, in our court system, there are relevant mediation mechanisms and professional mediators in the first and second instance of the courts, including the IPCC. However, in the past, mediation was rarely used in the Supreme Court and the Supreme Administrative Court. Nevertheless, it is worth noting that relevant mediation mechanisms have been established in the Supreme Court this year. To some extent, the judges of the final instance step into the field of mediation can be a good example for the whole legal community.

Dr Wang and *Mr Roger Chang* provided their thoughts about what can be improved concerning ADR mechanisms in Chinese Taipei. They both believe that if the government can amend the laws to clarify the validity of IPR can be arbitrated but the award is only binding between the parties, it will be very helpful. *Mr Roger Chang* took patent dispute as an example, if this problem is not solved, it will always be big trouble for people who consider using arbitration to resolve patent disputes, especially in cases concerning patent infringement. Allowing arbitrators to deal with issues concerning the validity of the patent can be meaningful, and the key reason is that the parties can choose the arbitrators in the arbitration process.

To be more specific, it is quite often that patent cases are related to some very practical understanding of the industries. If the case is trialed by the court, we may need to submit a lot of evidence to persuade the judges and the technical examination officers about why the description of the patent is written this way even if it is a matter of course from the perspective of the industry. On the other hand, under the arbitration process, you can choose the person having ordinary skill in the art (PHOSITA) to be the arbitrator or even the one with experience of the factory. These people could be more helpful to assist the parties in resolving technical issues.

As for how to promote the use of ADR in the field of IPR, *Mr Roger Chang* shared his observation and insight. He stated that, as a matter of fact, the government has already put in hard efforts to promote ADR. Nevertheless, the litigation cost in Chinese Taipei is not that high. It doesn't grow with the commodity prices or with the inflation rate. Since litigation is so economical, it is really difficult to incentivize the parties to opt for a different dispute resolution channel.

Besides enlarging the scope of applying arbitration to cover the validity of IPR, *Dr Wang* added that another thing that the government can do is to respond to the requirements of the ADR institutions more actively. For example, in litigation, if the judge requires a government agency to provide relevant information to the court, normally the government agency will comply with the requirement. Nevertheless, when an arbitration association tries to inquire some information which can be helpful to resolve the case from the government, it is quite often that there will be no response. This is an aspect that can be further improved as well. Maybe an executive order will be enough to attain this goal.

5. Lawyers should Always Consider the Clients' Interests and Help Them to be Well Prepared for ADR

Ms Lange shared her view concerning the role and effect of the lawyers in the ADR process. In the mediation process, it is important to think about how to help the parties to get to the real conversation, what is in the way in terms of the relationships. For example, business relationships, personal animosity, or whatever things need to be worked out. Getting to that could be hard with lawyers at the table carrying out some of the feelings at play, but who are focusing on litigation issues as a way to address it. Therefore, sometimes, it is helpful to really bring the focus to the parties to get at the heart of it. However, it is very rare in IP cases where lawyers are not present in the mediation at least in her court.

Accordingly, the lawyers need to have a better understanding of how to prepare for ADR. That is a different thing than preparing for trial. They need to know their clients and understand their interests in a way that often lawyers don't learn to investigate. Normally, lawyers are focused on investigating and going online to do their legal research and thinking about the best way to make a case, but not necessarily strategically the best way to promote their client's interests in mediation.

Something that could be helpful for us to do as officials, as mediators and as members of the legal community is to help the lawyers understand their role. For example, *Ms Lange* teaches a mediation advocacy course for new lawyers at Berkeley. Sometimes even with the most sophisticated players who have been litigators for many years. That's a training ground for lawyers but it is important to have them there. *Ms Lange* quoted her colleague *Judge Beeler's* words that "it's very important to remember that

the lawyers are people, too, and the lawyers in the room are part of the mediation not just as advocates, thinkers or analysts, but as people with emotions that affect whether the case can settle.”

Judge Tsai shared her thoughts on this issue as well. She thinks the lawyers play an important role with regards to the smooth proceedings of the parties because solid trust relationships with the parties have been established. When the parties are trying to give and take or negotiate with each other, sometimes each party would rely on the lawyer he or she hired. Accordingly, lawyers are definitely critical, and they can contribute to the success of mediation. However, some lawyers may be more assertive and hawkish. To some extent, this kind of personality might affect their willingness to bring their clients to mediation.

Perhaps during the training for lawyers, they should be trained to be able to give legal opinions to defend the best interest of their parties and switch between different roles. That is to say, in addition, to providing legal opinions, he or she should be able to take the client's interest from a strategic point of view and the perspective of the client's mindset.

6. It is Beneficial to Educate People about the Concept of ADR Early on

Judge Tsai pointed out that ADR or mediation need a mindset shift from very early on in our life. So, we should focus on young people. In Chinese Taipei, most of the law schools focus on legal opinions from the court, what the laws say, etc. As for the training for the judges, prosecutors, lawyers, patent agents, etc., the situation is very similar. The content of training for these professionals focuses more on litigation and prosecution, not so much on mediation or arbitration. What we can do in our law schools is to put more effort to include mediation and ADR into the curriculum. In terms of the training for legal professionals or legal agents, it is believed that content concerning mediation will play a very important part in the future.

Dr Wang added that there are more and more universities in Chinese Taipei are opening courses in arbitration and mediation. However, when it comes to private universities, there could be a limitation on the number of students that they need to open the course. Sometimes, not so many students would like to take this kind of course. In view of this situation, a possible solution may be that several universities

can work together to open the courses. By doing so, maybe they can overcome the threshold of the number of students in each course.

Ms Ann (Yi-An) Lai mentioned that it is important to implement mediation education and knowledge into the youth community. In Singapore, some of the NGOs will implement education of mediation into the youth community every year. The participants are probably at the age of 13 to 16. In other words, it's not just about universities or law schools. During the training course, the workshop will simulate disputes that may happen in their school daily lives. For example, a good student has some issues with another student who is a troublemaker. The conflict escalates to physical violence that needs to be settled by the president of the student leader board.

It is not just about enhancing their ADR skills. Since it is a simulation of their daily lives, it can be helpful to the whole society, from the youth to adults, to be aware that mediation is an efficient tool to resolve the problem. Accordingly, with respect to the way that we could do to enhance the ADR, the earlier that we can implement mediation to young adults; the more problem-solving skills can opt-in. Mediation is not like a perplexing theory or convoluted term. Instead, this could be considered as a mindset or consciousness.

Annex - Agenda of the Workshop

July 29, 2021	
Time (UTC/GMT+8)	Topics
9:20-9:40 (20 min)	<i>Opening Remarks</i>
9:40-10:20 (40 min)	Session 1: An Introduction to ADR <ul style="list-style-type: none"> • Presentation Angela Yao Lin, Partner, Lee and Li Attorneys-at-Law, Chinese Taipei (30 min) • Q & A session (10 min)
10:20-10:30 (10 min)	<i>Short Break</i>
10:30-12:30 (120 min)	Session 2: Mediation & IPR <ul style="list-style-type: none"> • Presentation Atty Christine V. Pangilinan-Canlapan, Assistant Director, Bureau of Legal Affairs, IPOPHL, the Philippines (30 min) Tamara Lange, ADR Program Director, US District Court for the Northern District of California, the United States (30 min) Zechariah J. H. Chan, Partner, Lee & Lee, Singapore (30 min) • Case study Huei-Ju (Grace) Tsai, Division-Chief Judge, Intellectual Property and Commercial Court, Chinese Taipei (20 min) • Q & A session (10 min)
12:30-14:00 (90 min)	<i>Intermission</i>
14:00-15:30 (90 min)	Session 3: Arbitration & IPR <ul style="list-style-type: none"> • Presentation Wei-Lin Wang, Director General, Science & Technology Law Institute, Institute for Information Industry, Chinese Taipei (40 min) • Case study Roger Chang, Partner, Lee and Li Attorneys-at-Law, Chinese Taipei (40 min) - <i>The Feasibility of IP Arbitration from the Perspective of Current Laws</i> • Q & A session (10 min)
15:30-15:50 (20 min)	<i>Short Break</i>
15:50-16:50 (60 min)	Session 4: Online Dispute Resolution & IPR <ul style="list-style-type: none"> • Presentation Phubed Pisanaka, Legal Officer, Legal Affairs Division, DIP, Thailand (50 min) • Q & A session (10 min)

July 30, 2021	
Time (UTC/GMT+8)	Topics
9:00-10:00 (60 min)	<p>Session 5: How to Promote ADR in the Field of IPR</p> <ul style="list-style-type: none"> • Presentation <p>Tamara Lange, ADR Program Director, US District Court for the Northern District of California, the United States (25 min)</p> <ul style="list-style-type: none"> - <u><i>Promoting ADR in Intellectual Property Rights Cases through Court ADR Program Design</i></u> <p>Sandy Widjaja, Senior Legal Counsel, Hearings and Mediation Department, IPOS, Singapore (25 min)</p> <ul style="list-style-type: none"> • Q & A session (10 min)
10:00-10:10 (10 min)	<i>Short Break</i>
10:10-11:50 (100 min)	<p>Session 6: The Potential for Use of ADR in the Field of IPR</p> <ul style="list-style-type: none"> • Moderator <p>Chen-Chen Liu, Director, Trademark Division, TIPO, Chinese Taipei</p> <ul style="list-style-type: none"> • Panel <p>Angela Yao Lin, Partner, Lee and Li Attorneys-at-Law, Chinese Taipei</p> <p>Atty Christine V. Pangilinan-Canlapan, Assistant Director, Bureau of Legal Affairs, IPOPHL, the Philippines</p> <p>Tamara Lange, ADR Program Director, US District Court for the Northern District of California, the United States</p> <p>Zechariah J. H. Chan, Partner, Lee & Lee, Singapore</p> <p>Huei-Ju (Grace) Tsai, Division-Chief Judge, Intellectual Property and Commercial Court, Chinese Taipei</p> <p>Wei-Lin Wang, Director General, Science & Technology Law Institute, Institute for Information Industry, Chinese Taipei</p> <p>Roger Chang, Partner, Lee and Li Attorneys-at-Law, Chinese Taipei</p> <p>Phubed Pisanaka, Legal Officer, Legal Affairs Division, DIP, Thailand</p> <p>Sandy Widjaja, Senior Legal Counsel, Hearings and Mediation Department, IPOS, Singapore</p> <p>Ann (Yi-An) Lai, Partner, Chien Yeh & Associates, Chinese Taipei</p>
11:50-12:00 (10 min)	<i>Closing Remarks</i>
12:00	<i>Farewell</i>



2021 APEC Workshop on the Potential for
Use of Alternative Dispute Resolution
(ADR) in the Field of IPR

