ADR for Intellectual Property disputes

Mediation

focusing on
what matters
to your business

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Understanding the basics

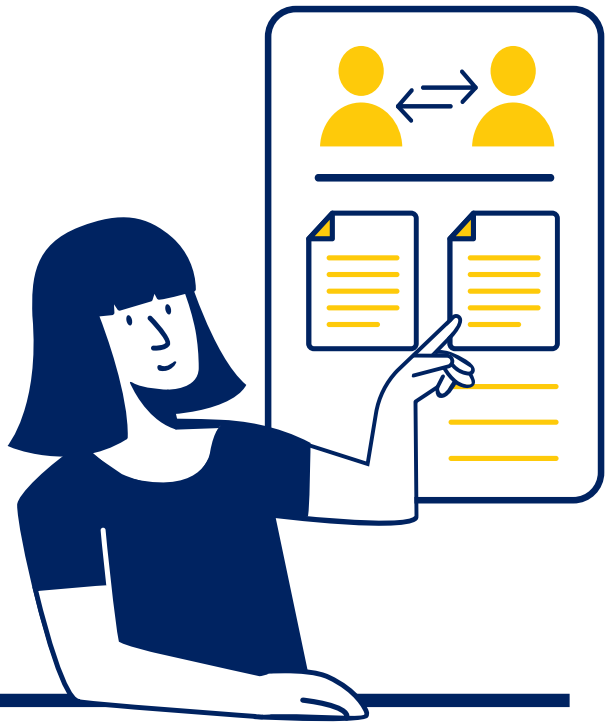
What is ADR?

Alternative Dispute Resolution (ADR) refers to any process where parties to a dispute try to reach an agreement without recourse to traditional litigation, and with the help of a neutral third-party entity. The main types of ADR processes are mediation and arbitration. There are other ADR techniques such as conciliation, expert determination or early neutral evaluation.

What about mediation?

Mediation is one of the best-known methods of ADR and is widely and successfully used to resolve all kinds of disputes.

Mediation is a structured process in which two or more parties to a conflict attempt, on a voluntary basis and with the assistance of a mediator, to reach a friendly agreement on the settlement of their dispute.



Why should you use mediation and other ADR options to resolve intellectual property disputes?

Intellectual property (IP), such as trade marks, designs, patents or copyrights, is an essential business asset. As with other business assets, IP-related disputes can arise when companies infringe your IP rights or, conversely, when they believe you are infringing theirs.

Disputes can lead to time-consuming, unpredictable and costly IP litigation. Costs are incurred not only in terms of the administrative and professional fees required to litigate, but also in terms of the time spent managing ongoing proceedings – valuable time that could instead be spent on productive business activities. In addition, IP is particularly prone to cross-border disputes that require global solutions, and traditional litigation simply encourages battles on multiple fronts.

Mediation and other ADR options can make the resolution process more efficient. In addition, by focusing the needs of the involved parties, ADR provides a cost-effective and tailored mechanism for dispute resolution.

By using mediation and other ADR options, companies can focus on their real business interests to find global solutions that work for them.

What are the benefits of mediation?

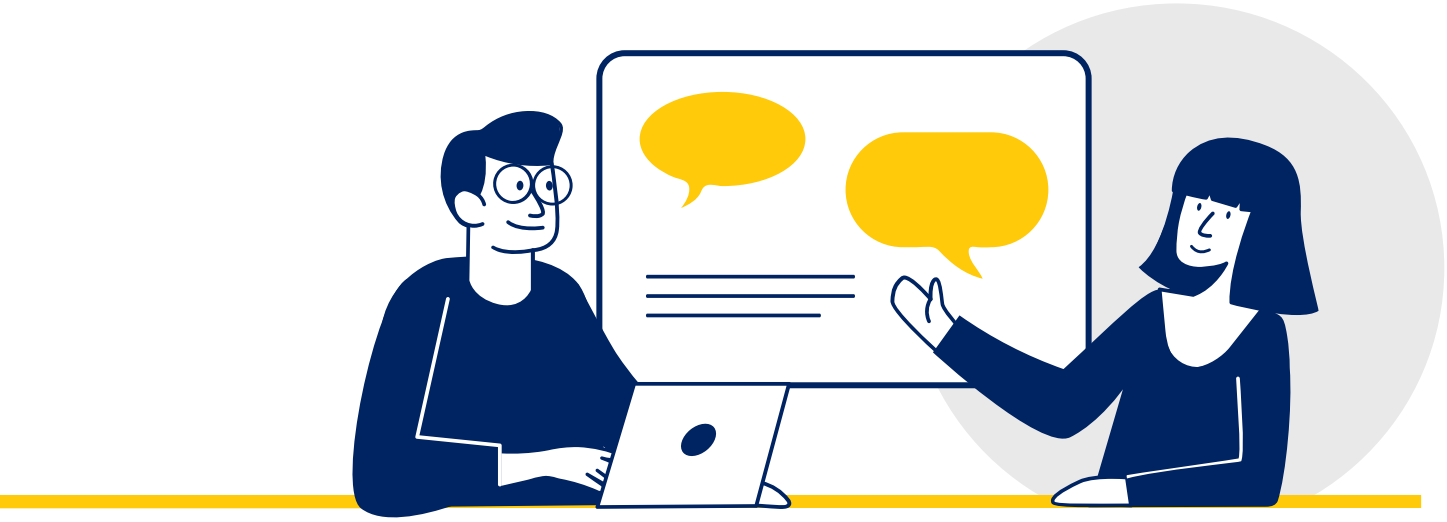
Voluntary

Mediation is a **voluntary process** in which the mediator assists the parties to reach a voluntary, mutually beneficial resolution. The parties have full control throughout the process and can opt out of ADR at any time without any prejudice to other ongoing or future formal proceedings.

Confidential

Mediation provides a **neutral and confidential setting** in which parties can openly discuss their views on the underlying dispute. This approach allows the parties to focus on ideating how to resolve a dispute without being concerned about public disclosure, which is essential in instances where commercial **reputations** and trade secrets are at stake.

All ADR mechanisms –and mediation is not an exception- offer clear benefits to parties in a dispute.



Focused on business interests

Mediation can address the **broader business goals** of the parties and resolve other existing or emerging conflicts between the parties, which would not have been resolved in the court proceedings of a particular case because they simply do not comprise the subject matter of such proceedings.

Thanks to mediation, parties gain a better understanding of their business positions and support mutually satisfactory **win-win solutions.**

Cost-effective

Mediation enables parties to resolve a wide range of disputes in a **single process,** effectively avoiding the expense and complexity of litigation. In addition, the **shorter timeframe,** in which a mutually acceptable solution is identified, significantly reduces the cost of dispute resolution.

Flexible and controlled by the parties

Parties have an **equal say** in the process, and they, and not the mediator, **decide the terms** of the settlement, supporting **predictability**. Parties are generally more satisfied with solutions that they have proposed themselves, as opposed to an outcome that is imposed by a third-party decision maker.

Flexibility makes mediation a quick option. The pace of the process is determined by the parties' wishes and generally takes less time.

Ten reasons why your IP dispute may be suitable for mediation

1 Your dispute is still at an early stage of the conflict

Mediation can be particularly effective if it is considered at the **earliest possible stage** of a dispute.

However, mediation may still prove to be the best solution when a dispute is at an advanced stage, as the parties may prefer to avoid investing further resources, time and effort in court proceedings or other adversarial proceedings.

2 Your dispute is complex or involves several jurisdictions

This is the case when:

- Two or more parties are from **different countries**
- There are **multiple conflicts** between the same parties
- The dispute involves **multiple IP rights** (such as EU trade marks, national trade marks, registered or unregistered designs, copyrights, patents, etc)
- **Third parties** (i.e. parties not involved in the original dispute) are required to join the action

3 A court decision in your dispute would be difficult to enforce

Mediation may also be appropriate in cases where the **enforcement** of a decision taken by the competent authority is **challenging**.

This is relevant in cases where there are insufficient assets or resources to enforce a future court judgment, or where enforcement may have to take place in an unfamiliar jurisdiction (e.g. outside the EU).

4 The other party and you have, or may have, co-existing IP rights in your dispute

Mediation is also appropriate in cases where the IP rights of the parties **already have co-existed or could co-exist.** This could be because the parties to the dispute are interested in different business areas or territories

5 A tailored approach is essential for you

Mediation is appropriate when the emotional and personal aspects of a dispute **require a tailored and flexible approach.**

For example, mediation can be valuable in cases involving **family-owned businesses or former business partners.** In such cases, an experienced mediator can guide the parties in a non-confrontational way to explore solutions that are flexible and beneficial to all involved parties.

6 You and the other party are, or wish to be, engaged in a business venture

If you are interested in **preserving an existing business relationship** or establishing a new one, mediation is a highly suitable dispute resolution mechanism.

7 Confidentiality is important to you

Confidentiality is the cornerstone of the mediation process. Unlike litigation, all information relevant to the mediation, such as the mediation request, the discussions between the parties and the outcome of the mediation, are covered by **strict confidentiality** and cannot be used in court, arbitration, or other formal proceedings unless you and the other party agree

8 You want to preserve your business reputation

Mediation is a convenient dispute resolution mechanism to **protect your reputation** by avoiding public and open conflicts, unnecessary tensions with your business partners, competitors, authorities, etc.

9 A language barrier exists between you and the other party

Mediation is **more flexible** than traditional litigation when it comes to the **language** used during the process. In formal adversarial proceedings, the use of a particular language is usually dictated by strict procedural rules. In mediation, however, you can agree with the other party on the common language to be used during the process. The mediator may also address each party in his or her own language.

10 You want to resolve the dispute quickly

Mediation can be as **time-efficient** as you and the other party want it to be because you own the process.

What are the typical steps in a mediation process?

1 **Initiation**

2 **Choice of the mediator**

3 **Preparing the mediation**

The parties or their legal representatives **submit a request** for mediation in accordance with the specific rules applicable to the pertinent ADR or Mediation centre based on the respective ADR law. Both parties must expressly request mediation for it to proceed.

The parties can choose from a list of mediators offered by the ADR or mediation centre, based on who best **suits the needs** of their dispute. The selection criteria used by most parties include the language spoken by the mediator, the experience of the mediator and the availability of the mediator.

Among other things, the mediator will ask the parties whether they prefer to conduct the mediation offline or online, offer a range of available dates for the mediation, confirm who will participate on behalf of each party during the process, request signatures on the mediation agreement and set a timeframe for receiving a case summary.

The mediator may also **contact the parties** or their representatives individually for a preliminary meeting to explain how the mediation process will unfold, clarify issues and answer questions.

4

Mediation session

Although it is characterised by its flexibility, a typical mediation involves the following **phases:**

• Opening

The mediator presents the details of the session, when the parties and their representatives will meet for the first time to participate in the mediation. The parties are usually asked to make an opening statement summarising their positions and, with the mediator's assistance, they will draw up a list of the issues to be discussed.

• Exploration and negotiation

The exploration consists of a series of meetings during which mediator may alternate between private sessions with each of the parties separately and intermittent joint sessions with both parties.

Negotiations and bargaining will begin when the parties are ready to move from broad ideas to concrete settlement terms. At this stage, the main elements of a **possible agreement** are defined.

• Conclusion

The mediation can have the following two possible outcomes:

> **A settlement is reached:** Agreements must satisfy both parties and be mutually acceptable and sustainable. The settlement agreement will be drafted and signed by the parties.

> **No settlement agreement is reached:** In this case, the parties may choose another ADR process or resume formal or court proceedings.

Glossary

Term	Definition
Alternative Dispute Resolution	Any means or processes, agreed by the parties to a dispute, to reach a settlement without resorting to traditional litigation and with the assistance of a neutral third-party entity. The main types of ADR processes are mediation and arbitration. There are other ADR techniques such as conciliation, expert determination or early neutral evaluation.
Mediation	Structured process, whereby two or more parties to a dispute attempt by themselves, on a voluntary basis, to reach an agreement on the settlement of their dispute with the assistance of a mediator. The process is voluntary, and the decisions are taken in conjunction by the parties.
Conciliation	Process in which a conciliator, normally the case handler[1], suggests possible solutions to the parties to resolve their disputes, in order to facilitate an amicable settlement of their differences. The proposals are discussed, negotiated and fine-tuned with the parties. The process is voluntary, and the decisions are taken in conjunction by the parties.
Expert Determination	The parties to a dispute can appoint an independent expert to provide legal, commercial or technical binding or non-binding opinion on the matter that has been submitted for determination.
Early Neutral Evaluation	The parties to a dispute can appoint a neutral and independent person (evaluator) who expresses an opinion on the merits of the dispute. Early neutral evaluation ensures early assessment of the legal position and the arguments of the parties.
Negotiation	Negotiation, the most straightforward and informal form of ADR, is leveraged to settle disputes between two or more parties directly or through their legal representatives, without the intervention of a neutral third-party stakeholder. On the other hand, the term 'assisted negotiation' refers to a process whereby negotiation is facilitated by a neutral stakeholder or a technology that enables the parties to negotiate in a more favourable environment to reach an agreement.
Arbitration	Process in which a dispute is submitted, by agreement of the parties, to one or more arbitrator(s) who make a binding and incontestable decision on the dispute. The parties consensually appoint the arbitrator(s). International awards are enforced by national courts under the New York Convention.

[1] The case handler of the dispute may have distinct roles depending on the proceedings, for instance, a decision taker in a trade mark opposition or cancellation case, a rapporteur in a trade mark appeal, a judge and so on.

Glossary

Term	Definition
Party/Parties	A party is a person or entity who is directly involved in a dispute (i.e. an inter partes proceeding to resolve an IP dispute). In an ADR process, the agreement of a person or entity, who participates in the ADR process, is necessary to resolve the dispute.
Representative	A legal professional who, depending on the national law, is entitled to represent a party in legal proceedings.
Mediator	A third person who is asked to conduct a mediation by assisting the parties in reaching an agreement, in an effective, impartial and competent way, regardless of the denomination or profession of that third person in the EU Member State concerned and of the way in which the third person has been appointed or requested to conduct the mediation.
Neutral	A third person who conducts and manages an ADR process. The neutral stakeholders of each process are normally referred with the following terms: • Mediator • Conciliator • Arbitrator • Evaluator • Expert
ADR provider	Any public or private entity that manages or administers an ADR process conducted by a third-party stakeholder, regardless of the denomination or profession, who provides service under its auspices in assisting parties to amicably resolve their disputes. Numerous ADR providers in every EU member state offer their services at the national and/or international levels. The providers may be specialised in different fields (e.g. commercial, civil and/or sectorial) and specific types of ADR, the most common of them being mediation and arbitration.
Mediated settlement agreement	A written agreement resulting from a mediation process to resolve a commercial dispute that outlines the terms and conditions agreed by the parties. Mediated settlement agreements are amicable (friendly) in nature. A settlement agreement requires the signature of all parties involved, indicating their mutual consent and acceptance of the terms.
Amicable settlement	A friendly settlement reached by the parties of a legal dispute either as judicial settlement or an out-of-court settlement with or without the intervention of a neutral third party.

For more information

The information provided in this brochure is for awareness raising purposes only. Intellectual Property Offices encourage the friendly settlement of IP disputes and can inform you about the dispute resolution options available to you.

LOGO NIPO
National IPO name

Address
Phone
Email
Website
Additional information of services (if any)

European Union Intellectual Property Office

Avenida de Europa, 4,
03008 Alicante,
Spain

euipo.europa.eu

Additional information of services (if any)

Other Useful Contacts

OPTIONAL PLACE HOLDER for National/ Regional/international ADR centres or others

This brochure is an initiative of the European Cooperation Project 6 – Supporting SMEs (ECP6), which is dedicated to improving the competitiveness of SMEs by raising their awareness of the importance and value of intellectual property rights, and helping them to use these rights more effectively. The project is implemented in collaboration with the central industrial property offices of the EU Member States and in consultation with user associations

ADR for Intellectual Property disputes

A cooperation initiative of the EUIPN European Cooperation Project ECP6 – Supporting SMEs

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