

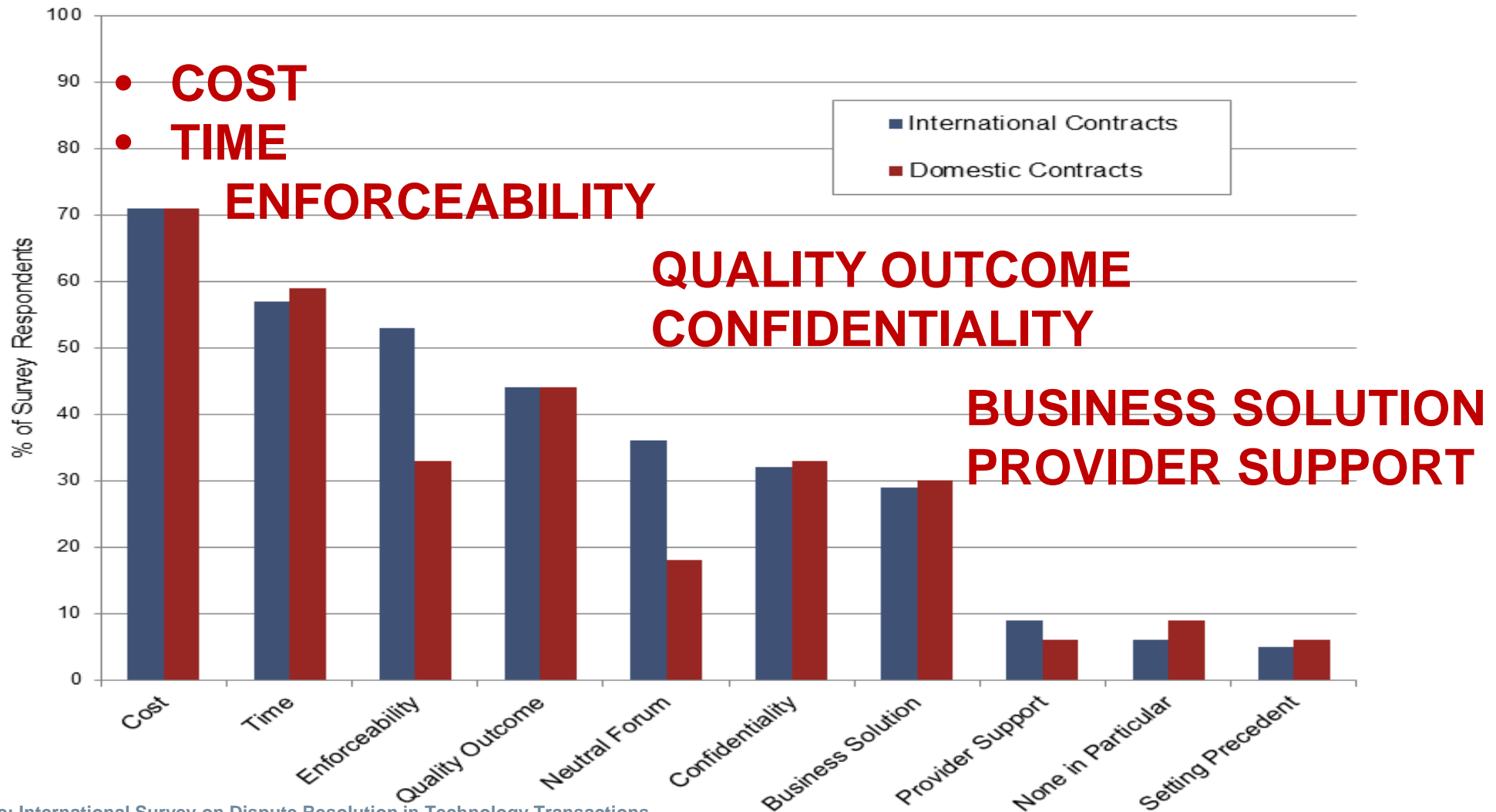


■ WIPO Mediation and Arbitration of Life Sciences Disputes

Conference on IP Dispute Resolution in Life Sciences
Bonn, November 10, 2016

Judith Schallnau, Legal Officer, WIPO Arbitration and Mediation Center

Main Considerations for Dispute Resolution Options



WIPO Arbitration and Mediation Center

- Provision of time and cost-effective alternative dispute resolution (ADR) services for commercial, IP and related disputes
- International
- Specialized
- Not-for-profit
- Case administration - mediation, (expedited) arbitration, expert determination, domain names
- Ressources
- Part of WIPO



WIPO Cases In the Area of Life Sciences

Parties involved

- Large companies (pharmaceutical, diagnostics, chemical, manufacturer of healthcare products)
- SMEs
- Research organizations
- Universities
- Start-ups / Spin-offs

Remedies

- Damages
- Payment of royalties
- Delivery of products
- Re-negotiation of agreements
- Continuation of R&D activities

Subject matter

- Trademark infringement
- Patent license agreements
- License option agreement
- Patent infringement
- Illegal use of Design
- R&D collaboration agreements

Domestic/International Disputes

- Europe, North America, Asia

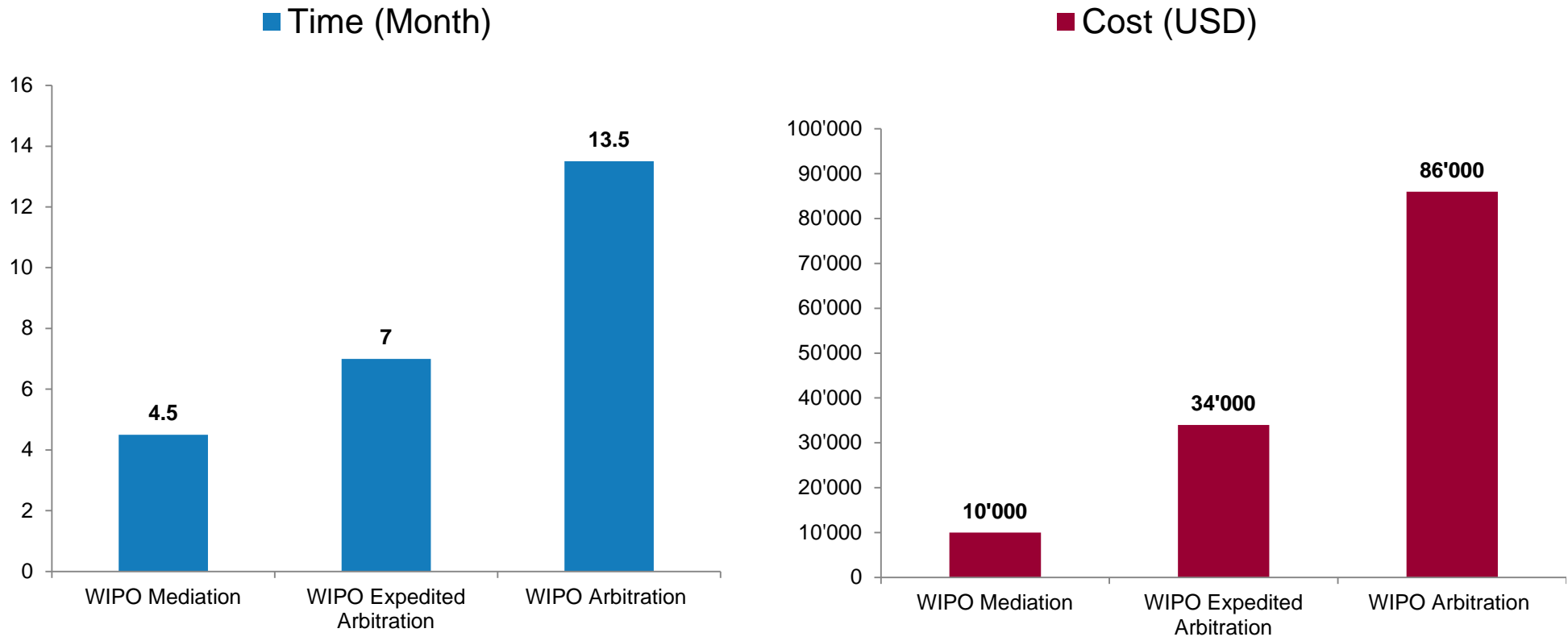
Time and Costs – Patent Litigation in Life Sciences

- “Compilation of Practitioner’s Views” 2015/2016
- Examples:

Switzerland	Civil Law Unified Litigation Specialized courts	Swiss Federal Patent Court	Nullity: 1.5 years; Infringement: 2 years; Preliminary injunction: 4 months-1 year	CHF 100,000-150,000 CHF 100,000-300,000 CHF 80,000-160,000
		Swiss Federal Supreme Court	6-8 months	CHF 40,000-80,000
India	Common Law Unified Litigation	District Court	3-5 years	EUR 25,000-150,000
		High Court	3-5 years	EUR 20,000-500,000
		Supreme Court	3-5 years	EUR 20,000-100,000
United States of America	Common Law Unified Litigation Specialized court of appeal Jury trial	District Courts	24-40 months	USD 4-6 Mio
		Court of Appeals for the Federal Circuit	1 year	USD 1 Mio
		Supreme Court	1 year	USD 1 Mio
		USPTO–PTAB	18 months from filing	USD 500,000-600,000
		Inter Partes Review Post Grant Review	18 months from filing	USD 500,000-600,000

http://www.wipo.int/export/sites/www/amc/en/docs/schallnau_ssrn.pdf

WIPO Case: Typical Time and Cost



Mediation

- Voluntary informal process agreed by the parties
- Neutral intermediary - mediator
- Assists the parties in reaching a settlement of their dispute
- Settlement based on the parties' respective interests
- Mediator cannot impose a decision
- Settlement agreement has the force of a contract

Arbitration

- Voluntary process agreed by the parties
- One or more chosen arbitrators
- Arbitral tribunal renders a binding and final decision (award)
- Award based on the parties' respective rights and obligations
- Guaranty of due process
- Award enforceable under arbitral law
 - New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 - 156 Member States

Expert Determination

- Voluntary process agreed by the parties
- One or more experts
- Specific matter (e.g. technical question)
- Determination binding unless the parties have agreed otherwise

WIPO Case Support

- Supervision (compliance with rules)
- Facilitate procedure

- Time- and cost-efficient
- Quality result
 - Due process
 - Enforceability

- Appointment arbitrators/mediators/experts
- Finance management
- Procedural assistance (e.g., ECAF, hearings)

WIPO LIST OF NEUTRALS BIOGRAPHICAL DATA

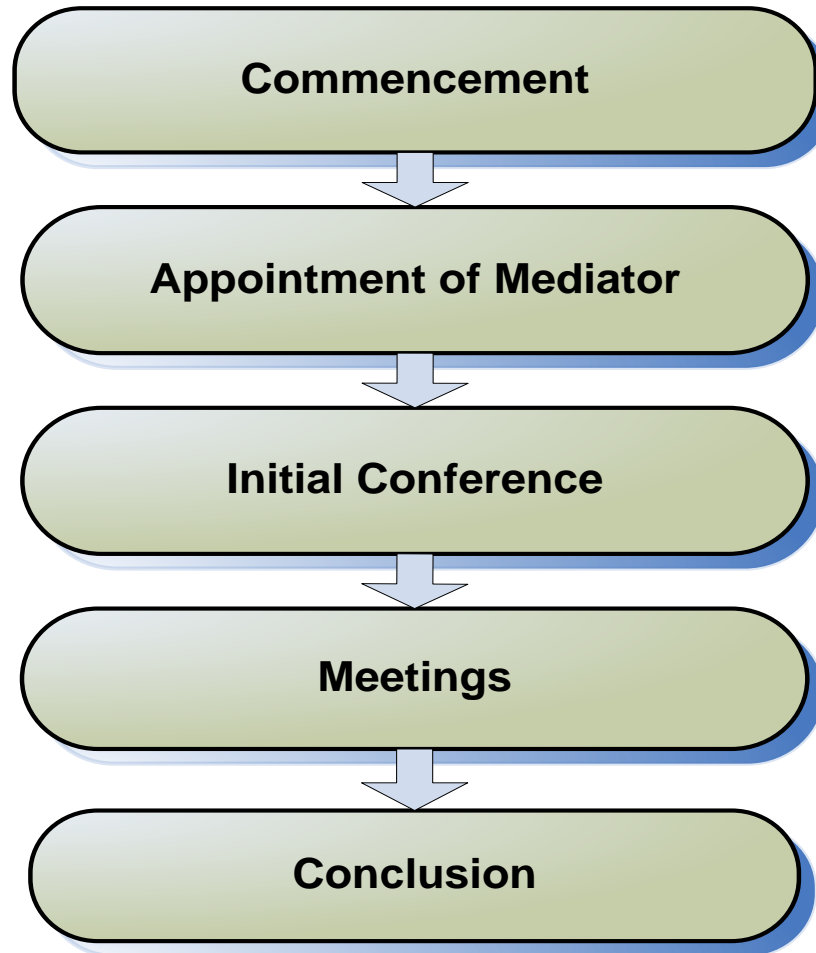
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EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

WIPO Mediation



WIPO Life Sciences Mediation

- R&D company holding patents disclosed patented invention to manufacturer during consulting contract
- No transfer or license of patent rights
- Manufacturer started selling products which R&D company alleged included patented invention
- Negotiation patent license failed
- Parallel infringement proceedings in several jurisdictions?
- Parties submitted to WIPO Mediation

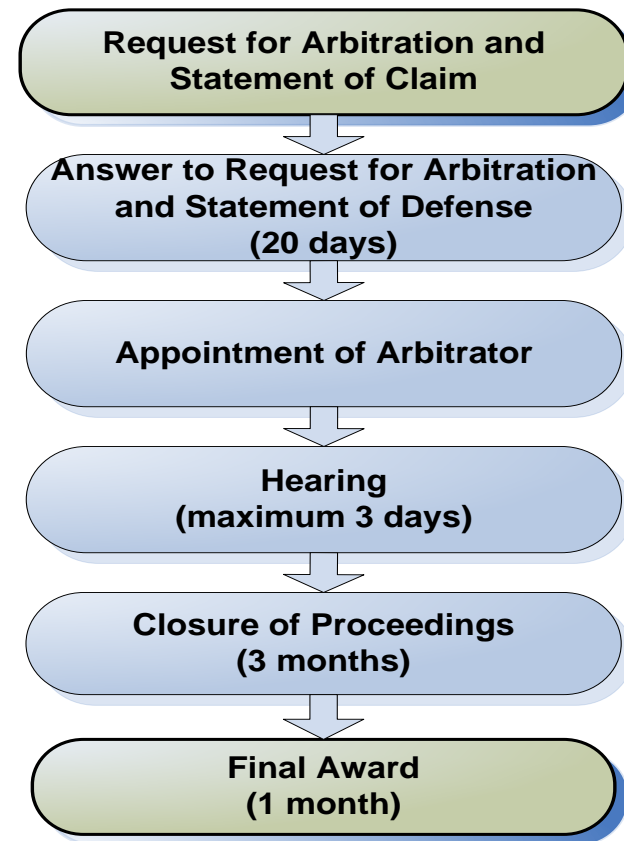
WIPO Life Sciences Mediation

- WIPO appointed an experienced mediator with expertise in the subject matter of the dispute
- Parties and mediator met during one week
- Settlement agreement reached, including grant of license for royalties, and a new consultancy agreement
- Process duration: 4 months
- Mediator fees: USD 24,000

WIPO ARBITRATION



WIPO EXPEDITED ARBITRATION



- One Exchange of Pleadings
- Shorter Time Limits
- Sole Arbitrator
- Shorter Hearings
- Fixed Fees

A WIPO Patent Arbitration in the Pharmaceutical Sector (I)

- Asian and European pharmaceutical companies
- Patent license agreement
- Commercialization of product for treatment of auto-immune diseases, e.g. arthritis

- Dispute:
 - Duration of liability for licensee to pay royalties
 - Interpretation of provision relating to SPCs

WIPO Patent Arbitration in the Pharmaceutical Sector (II)

- Dispute resolution clause: WIPO Arbitration
- Place of arbitration: Zurich, Switzerland
- Applicable law: Swiss law
- Three arbitrators
- Preliminary procedural hearing
- 2-day hearing in Zurich
- Arbitral proceedings lasted 18 months

WIPO Trademark Arbitration in the Pharmaceutical Sector (I)

- Three pharmaceutical companies based in Europe
- Trademark license and supply agreement (medical product to treat bone-related disease)
- Renegotiation of license after some years failed, licensor terminated contract; licensee registered trademark for a product with similar functions as licensor's product
- Dispute:
 - Termination license agreement; registration of new trademark / infringement previously licensed TM

WIPO Trademark Arbitration in the Pharmaceutical Sector (II)

- WIPO Expedited Arbitration
- Place of arbitration: Geneva, Switzerland
- Applicable law: French law; Language: French
- WIPO Center list of candidates
- One-day hearing
- Arbitral award - 8 months after commencement

Routes to ADR

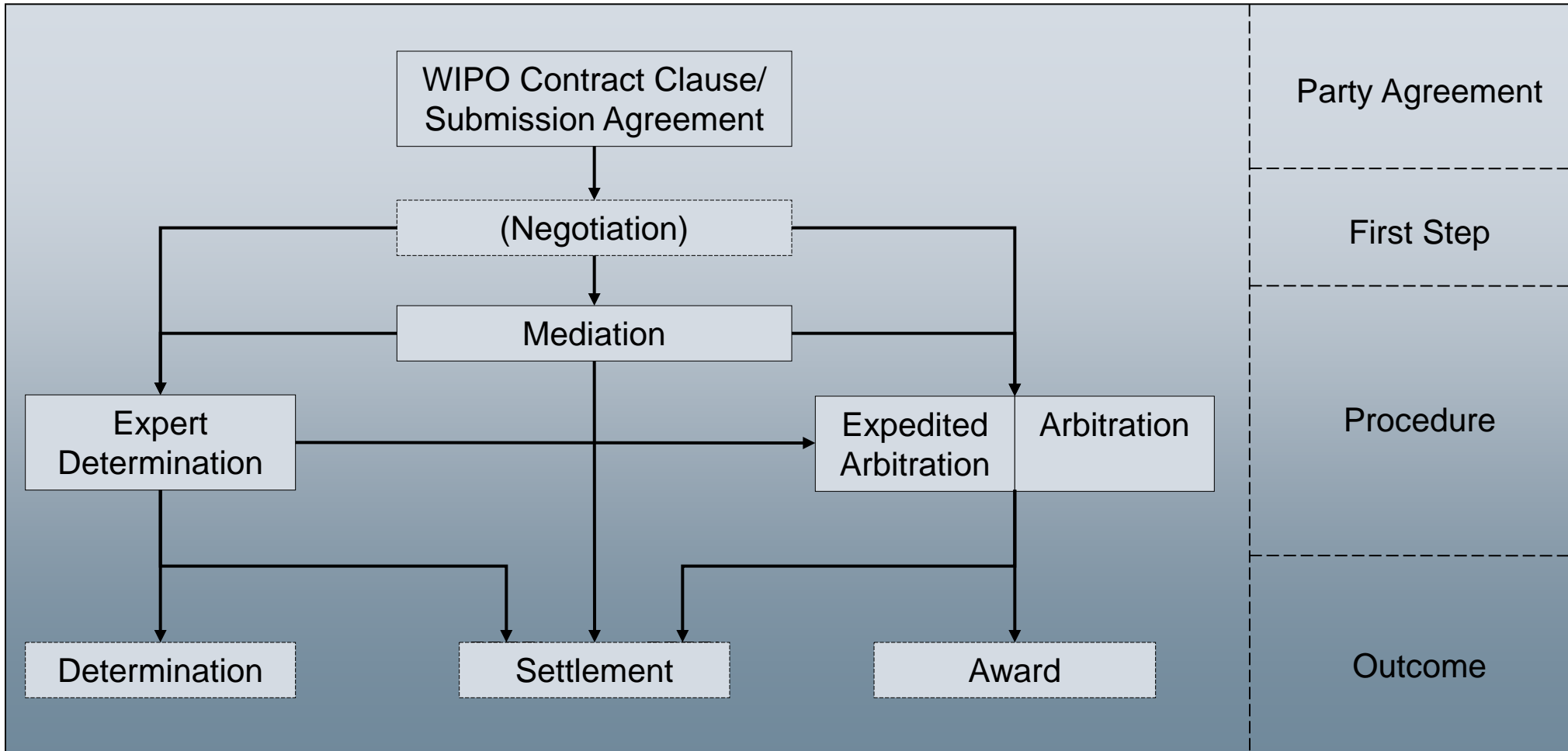
- Model clauses: <http://www.wipo.int/amc/en/clauses/index.html>
 - Contracts dispute resolution clauses
 - Submission agreements (e.g., infringement cases)
- Unilateral Requests (Mediation; new); Court referrals

Model Clause - Mediation followed by Arbitration

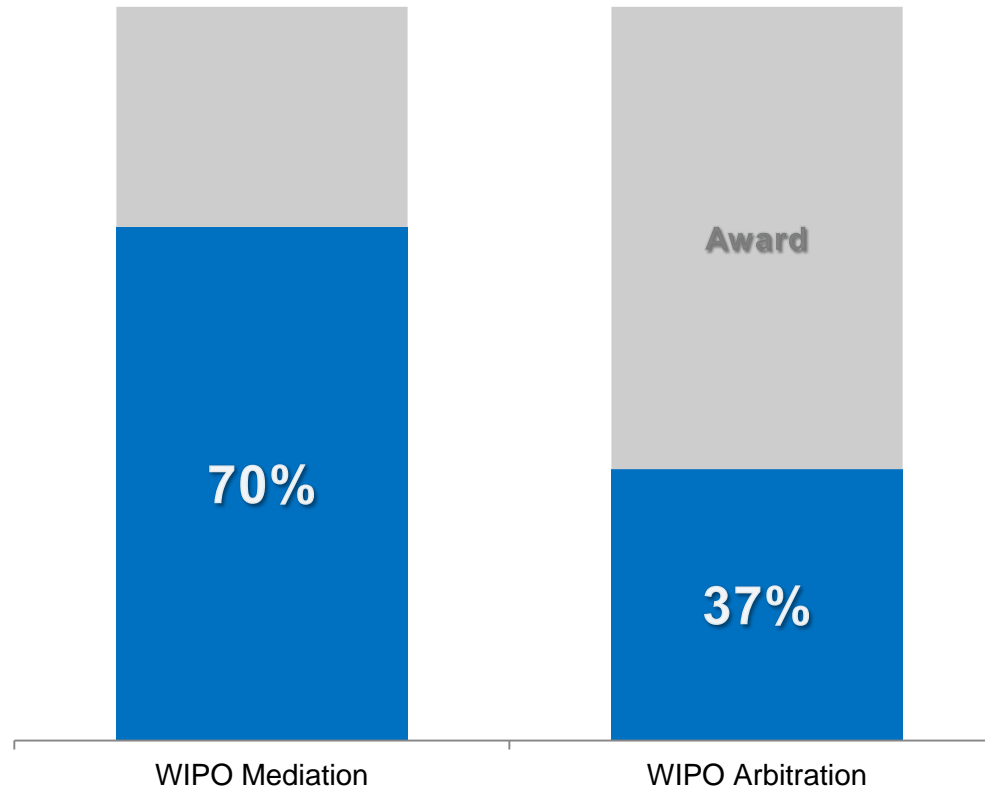
"Any dispute, controversy or claim arising under, out of or relating to this contract and any subsequent amendments of this contract, including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims, shall be submitted to mediation in accordance with the **WIPO Mediation Rules**. The **place** of mediation shall be []. The **language** to be used in the mediation shall be [English]"

If, and to the extent that, any such dispute, controversy or claim has not been settled pursuant to the mediation within [60][90] days of the commencement of the mediation, it shall, upon the filing of a Request for Arbitration by either party, be referred to and finally determined by arbitration in accordance with the WIPO Arbitration Rules. Alternatively, **if, before the expiration of the said period of [60][90] days, either party fails to participate or to continue to participate in the mediation**, the dispute, controversy or claim shall, upon the filing of a Request for Arbitration by the other party, be referred to and finally determined by arbitration in accordance with the **WIPO Arbitration Rules**. The **arbitral tribunal** shall consist of [a sole arbitrator/three arbitrators]. The **place of arbitration** shall be []. The **language** to be used in the arbitral proceedings shall be [English]. The dispute, controversy or claim referred to arbitration shall be decided in accordance with [] **law**."

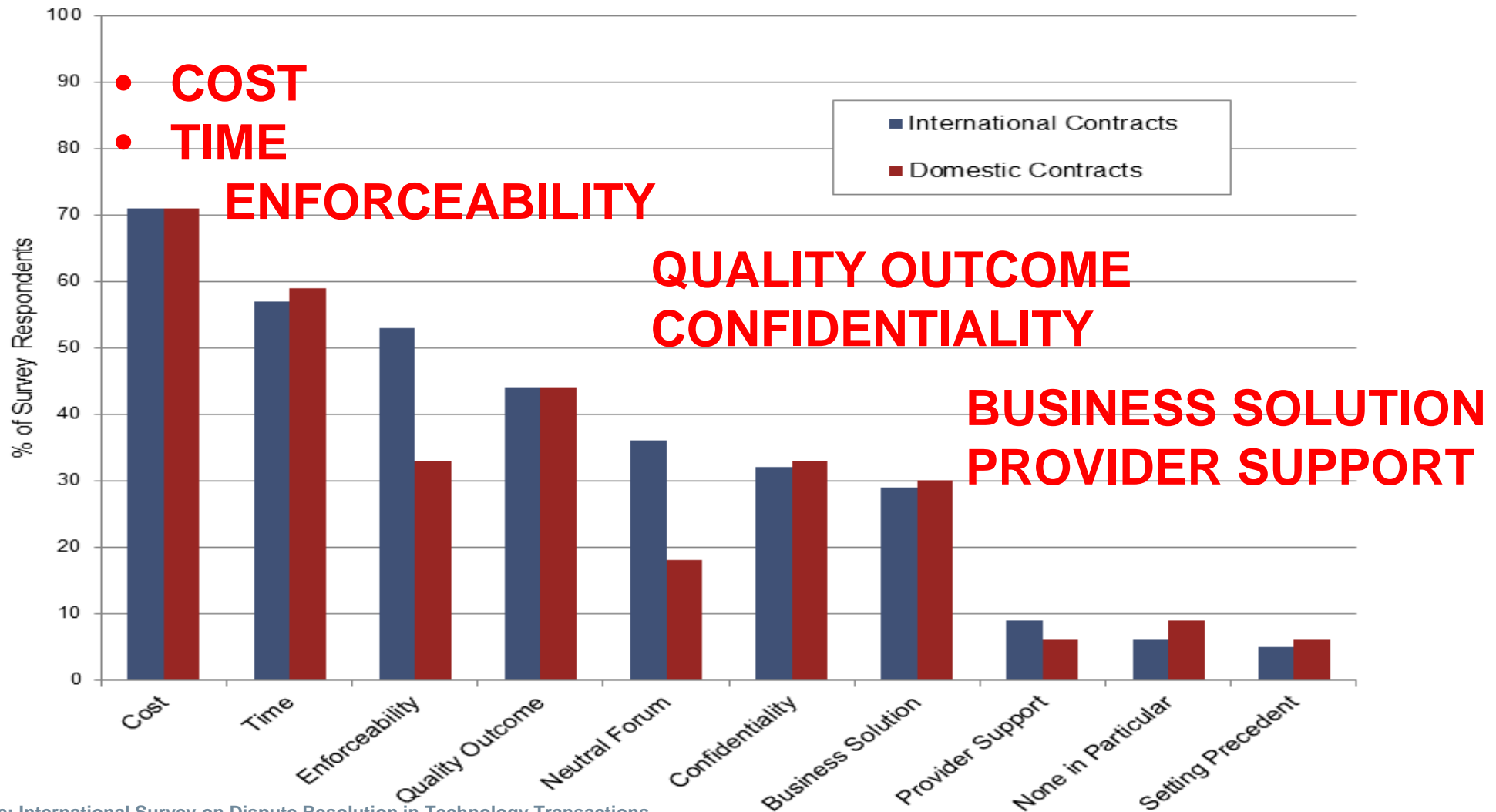
WIPO ADR Options



Settlement Rates in WIPO ADR Cases



Main Considerations for Choosing ADR?



Further Information

- Queries and case filing:
arbiter.mail@wipo.int, judith.schallnau@wipo.int
- Model clauses:
www.wipo.int/amc/en/clauses/
- Info on procedures, neutrals and case examples:
www.wipo.int/amc/

Thank You