



WIPO ADR Procedures and Case Experience in R&D and Technology Transfer IP Disputes

Workshop on "Negotiating International R&D and Technology Transfer Contracts - Intellectual Property Rights, Valuation and Dispute Resolution"

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Overview

- WIPO Arbitration and Mediation Center - Caseload and Activities Related to R&D and Technology Transfer
- WIPO Mediation
- WIPO Arbitration
- WIPO Expert Determination

Activities Related to R&D and Technology Transfer Disputes (I)

■ Administration of Disputes related to R&D and Technology Transfer

- Mediation, Arbitration, Expert Determination
- WIPO cases include energy, pharma, biotech, 44% relate to patents

■ Principal WIPO Responsibilities (Case Manager)

- Supervision (jurisdiction under clause, party compliance with rules)
- Facilitate initiation of procedure and subsequent case communication
- Neutral appointment process
- Setting fees, financial management
- Availability of procedural guidance to neutral
- At request, hearing/meeting assistance
- At option of parties: WIPO Electronic Case Facility

■ Two Overriding WIPO Goals

- Efficient process: time and money
- Quality result: fair and enforceable

Activities Related to R&D and Technology Transfer Disputes (II)

■ Expertise in R&D and Technology Transfer Dispute Prevention and Resolution

- Analysis of ADR clauses in R&D agreements, licensing agreements and other contracts concluded e.g. under the Seventh Framework Program EC (FP7)
- Conferences, workshops and training related to Dispute Resolution in International R&D and Technology Transfer

■ Resource Center

- ADR Rules, contract clauses, neutrals database with 1500 arbitrators, mediators and experts from 70 countries
- Procedural guidance in cases and “bons offices”
- Training and conferences

WIPO Mediation and Arbitration Cases Related to R&D and Technology Transfer

Parties involved:

- Large companies
- SMEs
- Research institutes (contract and collaborative research)
- Universities
- Spin-offs

Domestic and International Disputes

- Europe, North America, Asia

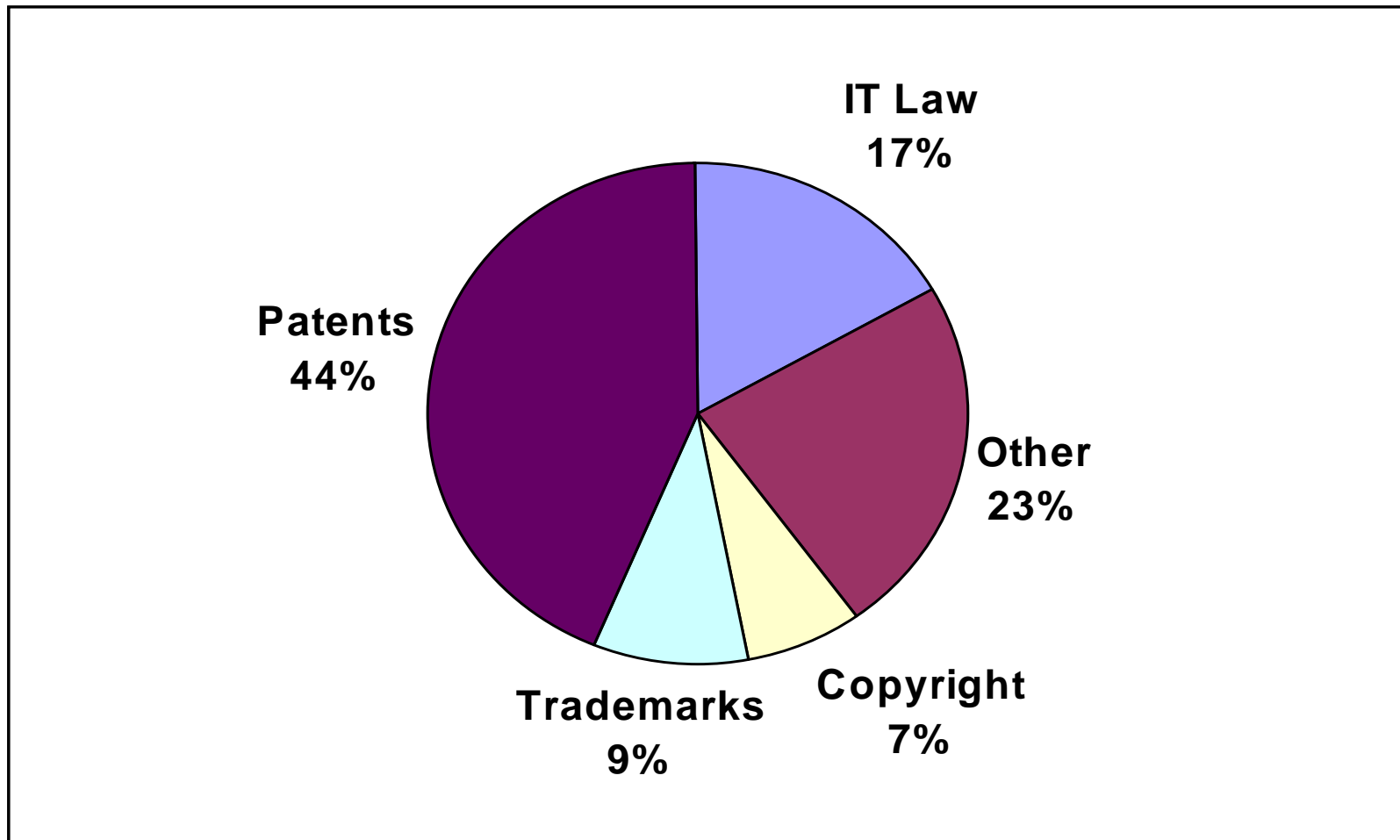
Subject matter e.g.:

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

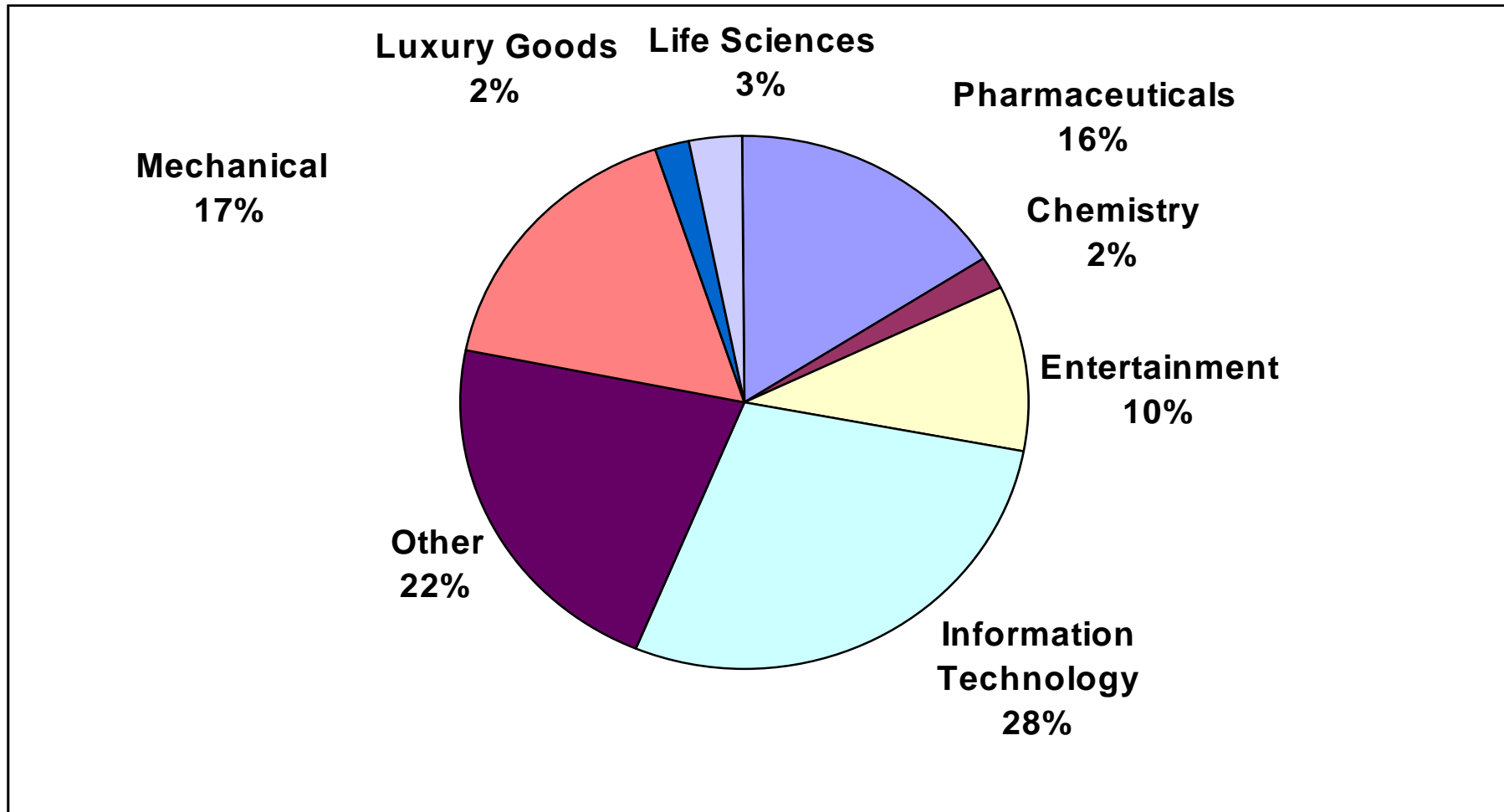
Parties requested e.g.:

- Payment of damages
- Support in negotiating license agreement
- Payment of royalties
- Delivery of products
- Continuation of R&D activities

WIPO Caseload : Subject Matter



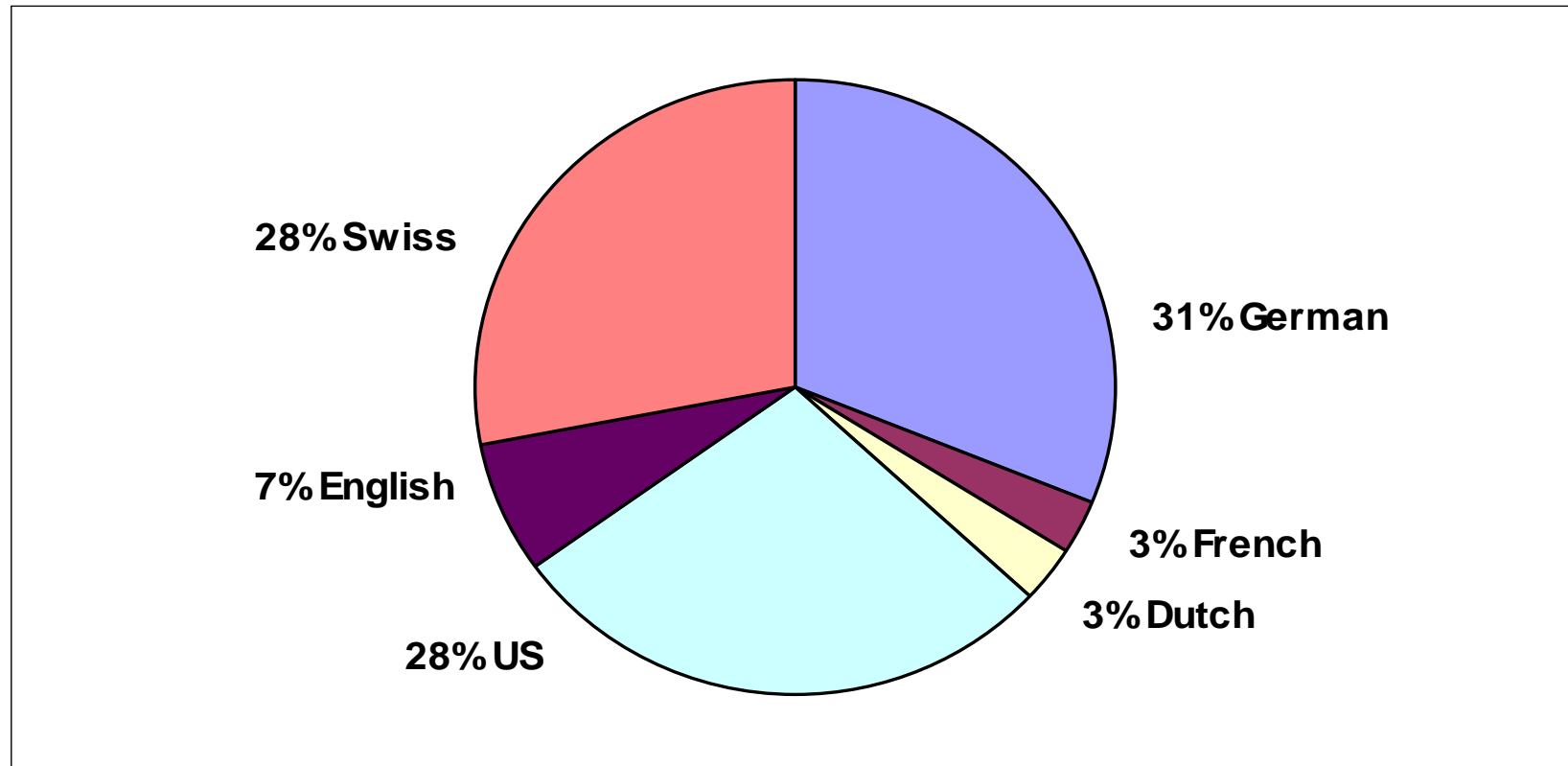
WIPO Caseload : Business Areas



WIPO Caseload : Place of Arbitration

1	Geneva	1	Germany
2	Berlin	2	US
3	New York	3	Switzerland
4	Frankfurt	4	France
5	Los Angeles	5	The Netherlands
6	San Francisco	6	UK
7	Amsterdam		
8	Hamburg		
9	London		
10	Paris		

WIPO Caseload: Substantive Law



Mediation, Arbitration, Expert Determination

- **Mediation:** an informal procedure in which a neutral intermediary, the mediator, assists the parties in reaching a settlement of their dispute, based on the parties' respective interests. The mediator cannot impose a decision. The settlement agreement has the force of a contract.
- **Arbitration:** a procedure in which the parties submit their dispute to one or more chosen arbitrators, for a binding and final decision (award) based on the parties' respective rights and obligations and enforceable as an award under arbitral law.
- **Expert Determination:** a procedure in which the parties submit a specific matter (e.g. technical question) to one or more experts who make a determination on the matter, which can be binding unless the parties have agreed otherwise.

Recommended Clause for Mediation followed by Expedited Arbitration

■ Try mediation before arbitration, at least until

■ lapse of time period

■ termination

■ Combining the benefits

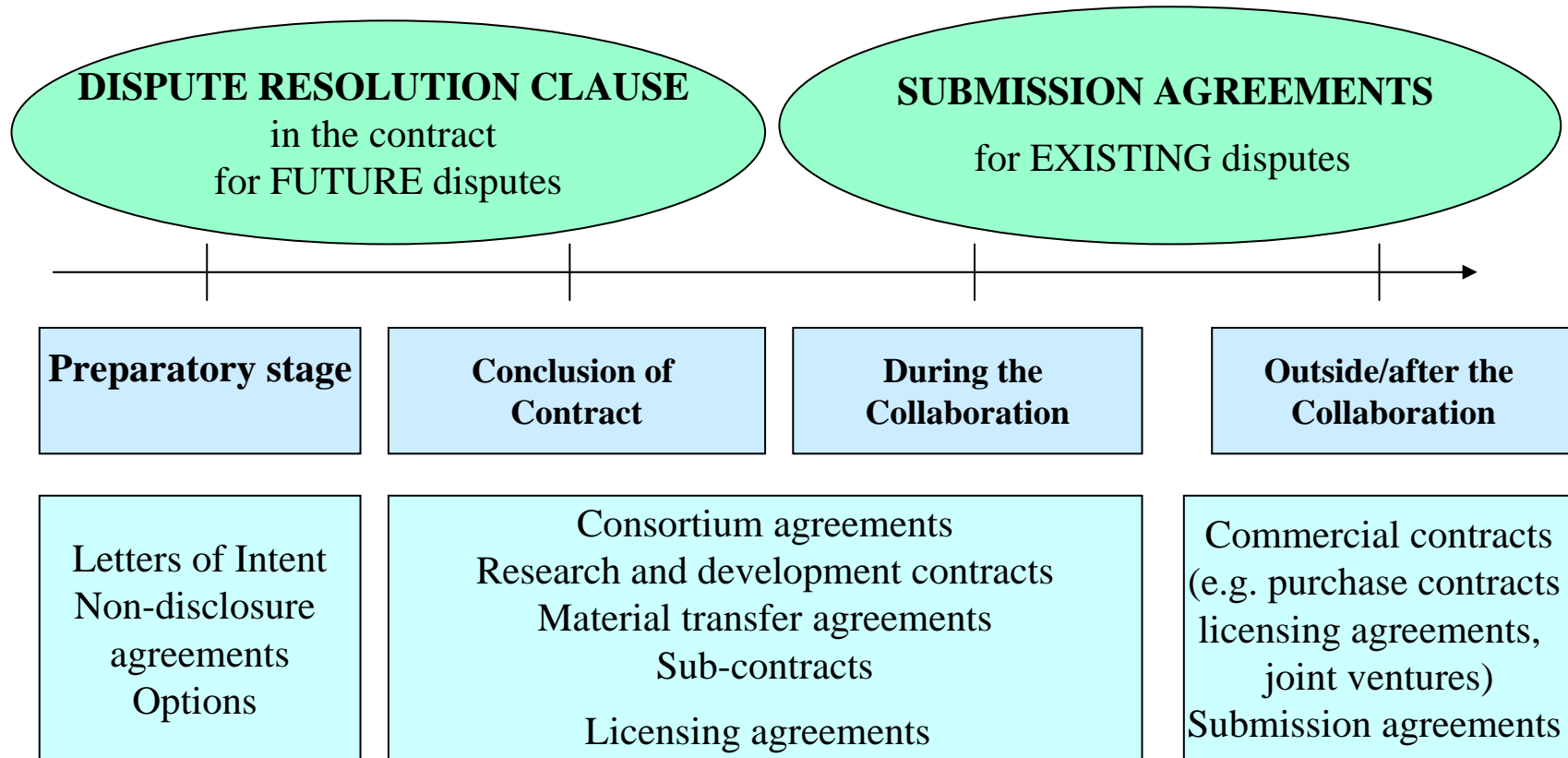
■ arbitration well-prepared

"**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 [specify place]. The **language** to be used in the mediation shall be [specify language]"



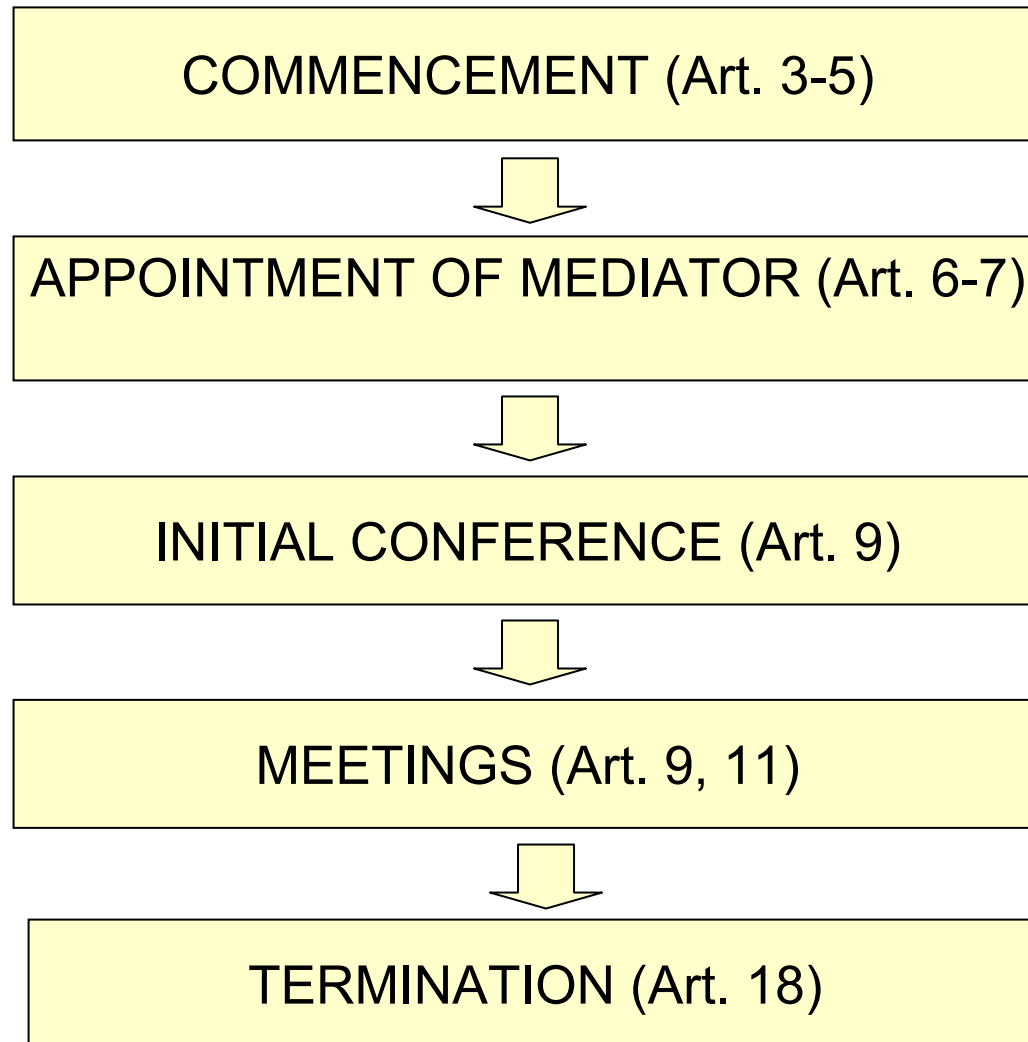
If, and to the extent that, any such dispute, controversy or claim has not been settled pursuant to the mediation within [60][90] days of the commencement of the mediation, it shall, upon the filing of a Request for Arbitration by either party, be referred to and finally determined by arbitration in accordance with the WIPO Expedited 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 Expedited Arbitration Rules. The place of arbitration shall be [specify place]. The language to be used in the arbitral proceedings shall be [specify language]. The dispute, controversy or claim referred to arbitration shall be decided in accordance with [specify jurisdiction] law."

ADR in R&D and Technology Transfer Agreements



- Consistency
- Agreements involving multiple parties

Mediation Process



WIPO Mediation Related to an R&D Agreement in Life Sciences (I)

- R&D agreement for the development of an anti-cancer human antibody between Italian and German company
- 2 years after conclusion of agreement a US company acquired the Italian company
- Shortly thereafter, the German company alleged failure by the US company to make payments required under the R&D agreement
- German company filed court action against the US company claiming breach of contract/ US company filed counterclaims
- After 20 months attempt to settle the dispute through mediation (court referral)

WIPO Mediation Related to an R&D Agreement in Life Sciences (II)

- Parties set up a mediation agreement and filed a joint request for mediation with the WIPO Center
- WIPO Center submitted for the consideration of the parties a list of candidates, meeting the criteria set forth in the mediation agreement
- Parties chose from list experienced US lawyer
- A mediation hearing was carried out in the US two months after the submission to mediation
- As a direct consequence of the mediation and the facilitative role played by the mediator parties settled their dispute shortly after the mediation hearing

WIPO Mediation related to a Patent Infringement Dispute (I)

- Patent infringement dispute
- R&D company holding patents disclosed patented invention to manufacturer during consultancy
- 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 Mediation related to a Patent Infringement Dispute (II)

- 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

General Mediation Developments

- Growing acceptance
 - Corporate dispute policies
 - Corporate pledges
 - Client expectations
 - Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008 on certain aspects of mediation in civil and commercial matters

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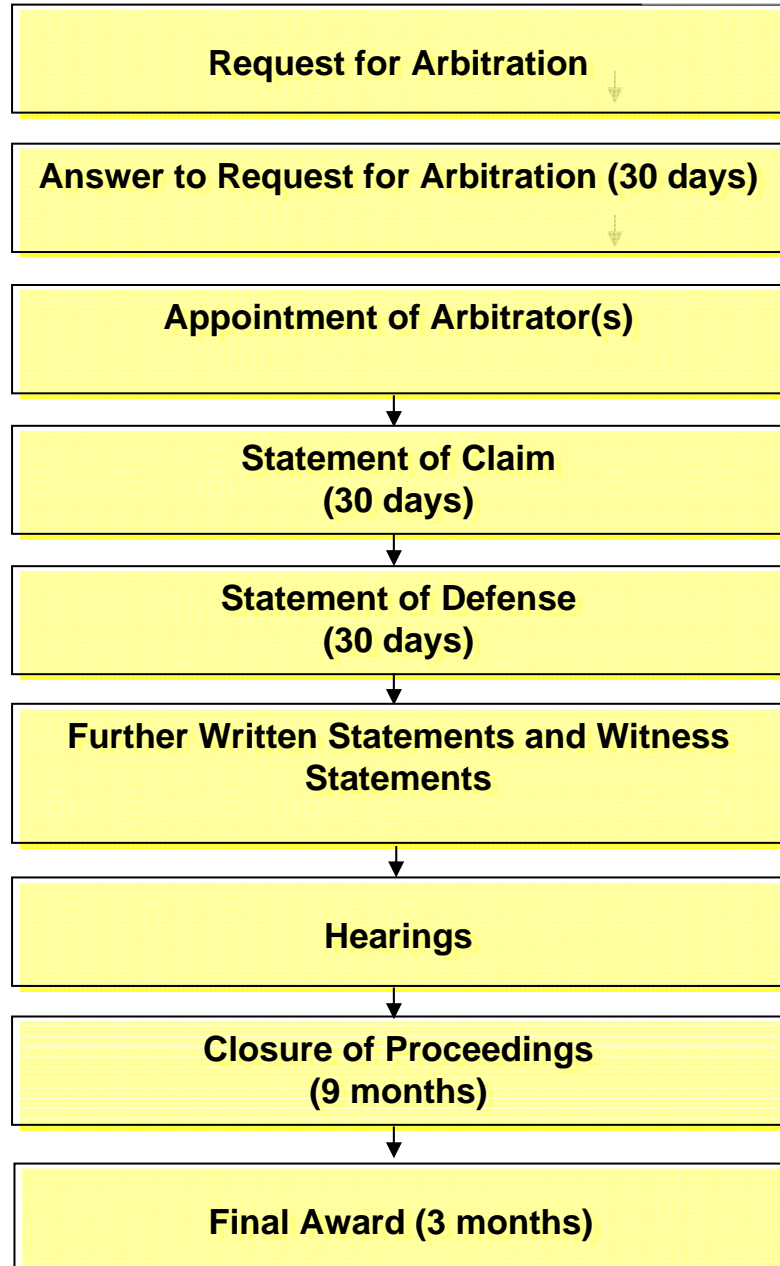
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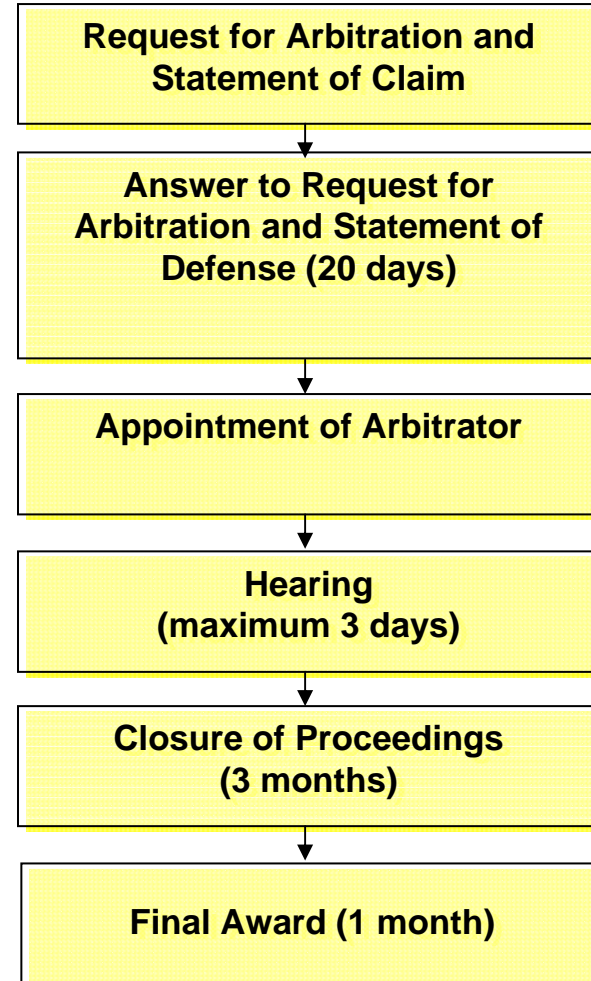


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WIPO ARBITRATION



WIPO EXPEDITED ARBITRATION



- One exchange of pleadings
- Sole arbitrator, Shorter time limits
- Shorter hearings
- Fixed fees

WIPO Arbitration in a R&D Biotech/Pharma Dispute (I)

- European biotech company held several patents for the extraction and purification of a compound with medical uses
- License and development agreement with a large pharmaceutical company with expertise in the medical application of the substance related to its patents
- Development agreement contained a clause referring to WIPO Arbitration Rules
- Biotech company filed request for arbitration alleging that the pharmaceutical company had deliberately delayed the development of a biotech compound

WIPO Arbitration in a R&D Biotech/Pharma Dispute (II)

- Parties chose one out of the Center's list of proposed candidates with experience in biotech/ pharma
- Written submissions
- Three-day hearing in Geneva for examination of witnesses
- On the last day, following a suggestion made by the arbitrator, the parties held a private meeting and agreed to settle their dispute
- Continued to cooperate towards the development and commercialization of the biotech compound

Basic Arbitration Principles

- Voluntary process agreed by the parties
- Binding procedure
- Guaranty of due process
- Cost-effectiveness and expeditious procedure
- Final, no appeal
- Enforceability of the award
 - New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958
 - 145 Member States (all EU Member States)
 - International arbitral awards to be recognized and enforced like final national court judgments (limited grounds to reject enforcement)
- Regulatory Framework

ADR Advantages and R&D/Technology Transfer Needs

■ International

- Cross-border dimension technology transfer, R&D projects, different national laws

■ Neutral Expertise

- Complex questions related to IP and technical issues
- Experienced neutral intermediary (e.g. technical expert)

■ Efficiency

- Large investments in time and money for development and marketing (e.g. of pharmaceuticals), high competitive pressure, short market cycles
- Need for time- and cost-effective procedures

■ Confidentiality

- New technology developments, patentability (existence, content, outcome of ADR procedure is confidential)

■ Preserving Party Relationships

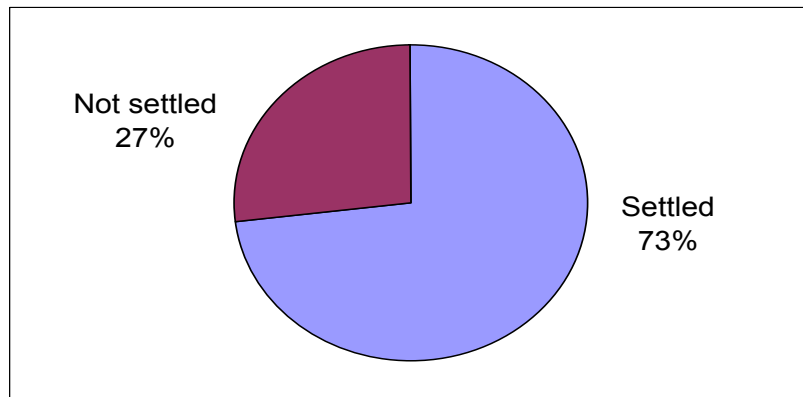
- Long-time collaborations

■ Business Solution

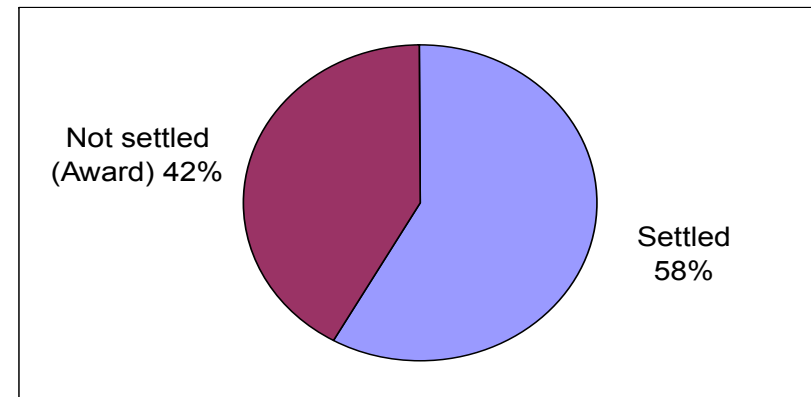
- ADR promotes realizing diverging commercial expectations in industry, research institutes and universities whereas court proceedings are limited to legal solutions

WIPO Caseload : Settlement

Mediation



Arbitration



WIPO Innovation & Technology Transfer Section (ITTS)

■ Part of WIPO Innovation and Technology Sector

- Mission: To effectively support Member States, in particular developing countries and countries in transition, to enhance and strengthen their capacity for *local* development, ownership, accumulation, management, use and commercialization of *IP as an economic asset* for the benefit of their nationals

■ WIPO's approach for the transfer of technology is two-fold and works on two different planes:

- Macro-level: Creation of infrastructure for innovation promotion and technology transfer efficient systems
- Micro-level: Development of professional skills

■ Present and future proposed programs:

- Innovation & technology transfer support structure for national institutions
- IP infrastructure development: IP audit tool, IP strategy and IP asset management in the public sector
- WIPO university initiative
- Innovation networks: R&D networks & IP hubs, TTO networks
- Human capital development: Professional training, IP and technology management, patent drafting, STL, IP valuation, IP marketing, open innovation, IP commercialization

Additional Information

■ WIPO Center

- Website: <http://www.wipo.int/amc/en/>
- Email: arbiter.mail@wipo.int, judith.schallnau@wipo.int
- Telephone: +41 22 338 7256

■ WIPO Workshops

- <http://www.wipo.int/amc/en/events>
- Workshop on "International R&D and Technology Transfer Contracts - Negotiations, Intellectual Property Rights and Dispute Resolution", Alicante, Spring 2011

■ WIPO International Survey on Dispute Resolution in Technology

Transactions: <http://www.wipo.int/amc/en/center/survey/>

■ Thank you!