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International arbitration and IP disputes

by Kiera Gans, Barry Fletcher, Federica Bocci and Joshua Wan, DLA Piper

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This practice note considers the role of international arbitration in the resolution of IP disputes, looking at the common characteristics of IP transactions and related disputes, the arbitrability of IP-related disputes, as well as the potential advantages and disadvantages of choosing international arbitration as a method of dispute resolution for IP-related disputes.

Scope of this note

Intellectual property (IP) is pervasive and often disruptive, and the protection and enforcement of IP rights is frequently a top priority for businesses and organisations across all sectors and industries.

Those advising IP rights holders should consider how to resolve IP-related disputes most effectively and efficiently. In some circumstances, litigating IP-related disputes before national courts is the most viable (or indeed only) solution. However, international arbitration may offer an attractive alternative for commercial parties in appropriate circumstances, particularly for the resolution of cross-border, multi-jurisdictional IP disputes.

In short, a cost-effective and sophisticated IP protection and enforcement strategy should make appropriate use of all available dispute resolution alternatives, including international arbitration.

This note considers the role of international arbitration in the resolution of IP disputes. It considers:

- Common characteristics of IP transactions and related disputes.
- The arbitrability of IP-related disputes.
- Potential advantages and disadvantages of choosing international arbitration as a method of dispute resolution for IP-related disputes.

IP transactions and related disputes

Before considering the potential advantages and disadvantages of choosing international arbitration to resolve IP-related disputes, as well as the arbitrability of such disputes, it is important to understand both:

- The key features of disputes concerning or related to IP rights.
- The transactional and other contexts that involve IP rights and give rise to IP-related disputes (both directly and indirectly).

Framework for IP disputes

The potential for IP-related disputes arises, broadly, in two principal contexts:

- **Contractual.** Where there is an agreement concerning or relating to IP or IP rights, such as a licence agreement. The agreement usually prescribes how to resolve any disputes, including the applicable governing law (or laws) of the contract and the methods and fora for dispute resolution.
- **Non-contractual.** Where there is no pre-existing agreement between the disputing parties. For example, challenges to the ownership or validity of an IP right, including a third-party challenge to, or infringement of, an IP right.

International arbitration generally requires all parties to agree to arbitrate to establish the jurisdiction of the arbitral tribunal to determine the parties' dispute(s) and render an enforceable award. As such, the use of international commercial arbitration to resolve IP-related disputes is more likely to arise in the first context described above. In the second context, where there is no pre-existing contractual relationship, the parties would

need to reach a standalone agreement after the onset of their dispute to submit a dispute to arbitration.

There is another context in which IP related disputes might arise and that is in the context of Investor-State Dispute Settlement (ISDS). The basis of consent to arbitration in the investment treaty context differs from the contractual consent that typically provides arbitral tribunals with jurisdiction in the commercial arbitration context. In the investment treaty context, states most commonly provide advance consent to arbitrate relevant disputes within the text of international investment agreements (IIAs) (including bilateral investment treaties (BITs) and multilateral investment treaties), which investors accept by electing to refer a dispute to arbitration. For a further discussion of ISDS generally, see Practice note, Investment treaty arbitration: overview.

These cases involve some type of state action that invalidates or impairs the value of IP rights.

Frequently encountered categories of IP-related contractual relationships include:

- The licensing of IP rights, including the sub-licensing and sub-contracting of licensed rights (see Intellectual Property Licensing Toolkit and Intellectual Property Licensing Toolkit (International)).
- The assignment or transfer of specific IP rights (see Practice note, Intellectual Property: Assignments and Transfers).
- Mergers and acquisitions and other transactions involving the sale and purchase of IP rights (see IP and IT in M&A Transactions Toolkit (International)).
- Joint ventures and strategic alliances between two or more parties that give rise to or involve the use of IP rights. For an overview of IP issues in a cross-border joint venture, see Practice note, Intellectual Property (Joint Ventures): Cross-Border.

Features of IP-related transactions and disputes

IP-related agreements or disputes often share common features. There are several relevant factors to consider when assessing whether international arbitration is a suitable method of dispute resolution for an IP-related dispute. For example:

- **Technical and specialised nature of IP and IP rights.** If the dispute concerns patents (for example, a patent infringement and revocation dispute), it is likely that lawyers, experts, and adjudicators with relevant experience and expertise would best understand the subject matter. It is common for legal practitioners involved with technical IP-related disputes to have a science, technology, engineering or mathematics (STEM) background.
- **Collaborative nature of IP creation and commercialisation.** Commercial parties frequently collaborate on the creation, development, sale and distribution of IP (or part of that cycle). In most cases, preserving the relationship between the parties for future dealings is a priority while the parties attempt to resolve their disputes.
- **Short product and market cycles in IP.** Goods and services underpinned by IP and protected by IP rights have a wide range of product and market life cycles, but globalisation and competition can increase pressure to shorten these life cycles to maintain market position. Ideally, parties should resolve any disputes that arise quickly and efficiently so as not to distract and divert the parties from their core activities.
- **Speed and urgency.** IP infringements can and do occur at speed and in far corners of the world. In addition to obtaining final and binding relief against IP infringers, it is often important for rights holders to be able to take steps to protect their IP on an urgent basis, pending final resolution of the matter. This typically takes the form of interim relief from a court or arbitral tribunal.
- **Multiple IP rights and multiple forums.** A project, transaction or agreement may deal with multiple forms of IP, and disputes may arise in relation to multiple IP rights. At the same time, with IP and IP-related contracts spanning multiple jurisdictions, the disputes that arise often have cross-border effects and features, leading to parallel and overlapping proceedings in different jurisdictions.
- **Legal complexity.** A cross-border dispute involving one or more IP rights may involve consideration of multiple IP laws from all relevant jurisdictions and their application to the facts of the case. The method of dispute resolution, legal counsel and adjudicators must be competent to deal with the legal challenges posed by such complexity.
- **High value of IP and IP rights.** The value attributed to an organisation's IP rights can be considerable; indeed, they may be the organisation's most valuable assets. IP valuation is an important exercise and may assist with various matters such as the licensing and sale of IP rights and entering joint ventures or other collaborative arrangements. IP valuation may also inform decision-making regarding any action required to protect IP rights. Such disputes are often of significant financial and other value to the parties.

Examples of IP disputes resolved by commercial arbitration

Examples of IP disputes referred to commercial arbitration include:

- **A patent arbitration** under a WIPO arbitration clause in a memorandum of understanding (MoU) between two European pharmaceutical companies. The parties entered into a joint development agreement and a patent licence option agreement to develop a cancer treatment. Disputes arose and the parties entered the MoU, settling a contractual dispute and agreeing to refer specific issues regarding sub-licence revenues and the assignment of rights to disputed patents to arbitration (see WIPO Arbitration Case Examples: A WIPO Arbitration relating to a Joint Development Agreement of a Medical Treatment).
- **A patent arbitration** under an AAA-ICDR arbitration clause in a patent licence agreement between US companies and a Taiwanese company. The dispute concerned claims made by the US companies that the Taiwanese company had failed to make royalty payments relating to its use of IP (see InterDigital Technology Corporation and IPR Licencing, Inc. v. Pegatron Corporation, ICDR Case No. 50-494-T-00620-11).
- **A trade mark arbitration** under a WIPO expedited arbitration clause in a trade mark licence and supply agreement for a medical product. The parties agreed to permit an affiliate company to commercialise the product as a sub-licensee. The parties' later attempts to renegotiate the agreement failed, and the licensor terminated the contract. The sub-licensee applied for and was granted a trade mark for a medical product with similar functions to the product forming the subject matter of the initial agreement. The sub-licensee (and the initial licensee) used this trade mark to market their medical products. The licensor commenced expedited arbitration proceedings for trade mark infringement (see WIPO Arbitration Case Examples: A WIPO Expedited Arbitration relating to Trademark Infringement of a Licensed Medical Product).
- **A breach of confidentiality and theft of trade secrets arbitration** under an ICC arbitration clause in a manufacturing agreement between a US party and a Chinese party, under which the claimant was to provide the respondent with confidential and patented information on the design of cargo and gear transportation products. The respondent was to manufacture, test and deliver the products to the claimant. The claimant alleged breach of confidentiality and theft of trade secrets (see *Let's Go Aero, Inc. v. Forcome Co., Ltd.*, 2023 WL 2253209 (ICC 2022)).
- **A copyright arbitration** under a WIPO arbitration clause in a broadcast rights distribution agreement between a TV distribution company and an international sports federation, which related to the exclusive broadcast distribution of sports to TV audiences in Asia-Pacific (see WIPO Arbitration Case Examples: A WIPO Broadcast Rights Distribution Agreement Arbitration).

ISDS and IP

To encourage inbound investment by foreign investors, states have entered (and continue to enter) into treaties (or other agreements) under which they grant substantive legal protections to qualifying investments made by qualifying foreign investors from the other contracting state(s).

IIAs typically define what is meant by the term "investment" by reference to a list of tangible and intangible assets. IP rights are sometimes recognised expressly as assets qualifying as "investments" under IIAs. For example, the Bahrain-Japan BIT (in force September 2023) defines an investment as every kind of asset owned or controlled, directly or indirectly, by an investor, including, among other things, "intellectual property rights, including copyrights and related rights, patent rights and rights relating to utility models, trademarks, industrial designs, layout-designs of integrated circuits, new varieties of plants, trade names, indications of source or geographical indications and undisclosed information" (*Article 1(a)(vii), Bahrain-Japan BIT*).

Some IIAs (including the Bahrain-Japan BIT and the Australia-Uruguay BIT) limit the protections afforded to IP investments in connection with the issuance of compulsory licences granted under IP rights in accordance with the TRIPS Agreement. The Hong Kong, China SAR-Mexico BIT (in force June 2021) is an example of another related category of carve out, where the state parties can derogate from the protection of non-discriminatory treatment with respect to IP rights, provided the derogation is consistent with the TRIPS Agreement.

For further discussion on the definition of investment, see Practice note, Definition of investment in international investment law.

There have been only a few investor-state arbitrations in which IP rights have been the focus. By way of example, in *Bridgestone Americas, Inc. and Bridgestone Licensing Services, Inc. v Republic of Panama (ICSID Case No. ARB/16/34)*, an ICSID tribunal rejected a claim by US investors that a judgment of the Panamanian Supreme Court in a trade mark dispute constituted denial of

justice, breaching fair and equitable treatment provisions contained in the US-Panama Trade Promotion Agreement (TPA). The tribunal also decided that a Bridgestone trade marks licensee who had not participated in the impugned court proceedings did not have standing as a qualifying investor to bring a claim under the TPA (see Legal update, ICSID tribunal rejects denial of justice claim against Panama).

The intersection between IP, investment law and ISDS raises interesting questions and challenges, which are likely to play out as and when more investment claims concerning IP rights directly are brought against states.

Arbitrability of IP disputes

As discussed in Practice note, Arbitrability in international arbitration, certain types of disputes are not arbitrable because national law deems them incapable of being resolved through arbitration. For public policy reasons, some cases raise matters that the state believes should be reserved to, and resolved by, its national courts.

There is no international treaty or code that defines which disputes are arbitrable. Instead, arbitrability varies by jurisdiction depending on specific legal regimes and public policy considerations.

The relevance of arbitrability

Where parties agree to arbitrate, it is important to determine whether their disputes are capable legally of being settled by arbitration. If not, this affects the validity of the arbitration process and any resulting award.

Arbitrability is a jurisdictional question affecting the validity of an award. An award made without jurisdiction is likely to be set aside on application to the courts of the seat of the arbitration, or courts elsewhere may refuse to recognise or enforce it, on grounds that the subject matter of the dispute was not capable of settlement by arbitration.

The issue of arbitrability of IP disputes may arise:

- Before a national court in an application to stay litigation in favour of arbitration based on the parties' prior agreement to arbitrate.
- During contested proceedings for the recognition and enforcement of an arbitral award on grounds that an award determined claims that were not arbitrable.
- Before an arbitral tribunal, for example, as an objection to jurisdiction due to lack of arbitrability.

Relevant law for determining questions of arbitrability

Both national courts and international arbitral tribunals consider the applicable law of the parties' arbitration agreement in determining the relevant law for addressing questions of arbitrability.

In the absence of express party choice of the applicable law of the arbitration agreement:

- A national court determines the applicable law of the arbitration agreement (with approaches differing between jurisdictions, for example, by applying conflicts of laws principles or other legal rules), and may, depending on the context, apply its own law and public policy considerations. Typically, the law of the arbitration agreement is either the substantive law applicable to the contract containing the arbitration clause or the law of the seat of the arbitration.
- An arbitral tribunal normally applies the law of the legal seat of the arbitration or the substantive law applicable to the contract containing the arbitration clause. An arbitral tribunal may also consider the law of any probable place(s) of enforcement of the award, as the tribunal is usually concerned with the enforceability of any eventual award.

For more information, see Practice notes, Which laws apply in international arbitration?: Law governing the arbitration agreement and Arbitrability in international arbitration: Which law governs issues of arbitrability?.

Type of IP-related disputes which are arbitrable

While there exists a trend towards the arbitration of IP disputes, there is no universal agreement on the arbitrability of such disputes.

WIPO offers the following high-level perspective on arbitrability in the context of IP disputes:

> "Traditionally, arbitrability, the question of whether the subject matter of a dispute may be resolved through arbitration, arose in relation to arbitration of certain IP disputes. As IP rights, such as patents, are granted by national authorities, it was argued that disputes regarding such rights should be resolved by a public body within the national system. However, it is now broadly accepted that disputes relating to IP rights are arbitrable, like disputes relating to any other

> type of privately held rights. Any right of which a party can dispose by way of settlement should, in principle, also be capable of being the subject of an arbitration since, like a settlement, arbitration is based on party agreement. As a consequence of the consensual nature of arbitration, any award rendered will be binding only on the parties involved and will not as such affect third parties."

(See WIPO: Why Arbitration in Intellectual Property?.)

Leading commentary on this topic highlights the different approaches to arbitrability adopted in different jurisdictions as follows:

- **Disputes concerning the validity or subsistence of registered IP rights.** These are inarbitrable under some, but certainly not all, national laws due to the traditionally held view noted in the WIPO statement above.
- **Other types of disputes involving registered IP rights, such as infringement claims.** These are broadly arbitrable under most national laws.
- **Disputes involving unregistered IP rights.** These are broadly arbitrable under national laws.

(*Gary Born, International Commercial Arbitration (Kluwer Law International, 3rd ed, 2021), Chapter 6: Nonarbitrability and international arbitration agreements* and *Nigel Blackaby and Constantine Partasides, Redfern and Hunter on International Arbitration (Oxford University Press, 7th ed, 2023), Chapter 2: Agreement to arbitrate*.)

It is also broadly accepted, based on the principle of privity of contract and limited exceptions, that tribunal awards on IP matters bind the parties to the arbitration only and potentially those who claim through or under them, but do not bind third parties (see, for example, *International Commercial Arbitration: Chapter 6: Nonarbitrability and International Arbitration Agreements* and *Trevor Cook and Alejandro Garcia, International Intellectual Property Arbitration, Arbitration in Context Series, Vol 2 (Kluwer Law International, 1st ed, 2010), Chapter 10: The making, setting aside, recognition and enforcement of arbitral awards, paragraphs 273-329*). For example, in the US, in the context of patent disputes, a statute provides expressly as follows:

> "An award by an arbitrator shall be final and binding between the parties to the arbitration but shall have no force or effect on any other person."

(35 U.S.C. § 294.)

For further discussion of this topic, see Practice note, Arbitrability in international arbitration.

Approach taken in England and Wales

The law of England and Wales adopts a permissive approach to the arbitration of disputes relating to registered and unregistered IP rights.

There is, nevertheless, no reference to the arbitrability of IP disputes in the Arbitration Act 1996 (AA 1996), which, broadly speaking, governs arbitrations seated in England, Wales and Northern Ireland. The AA 1996:

- Does not define arbitrability.
- Acknowledges that the English and Welsh courts may refuse to recognise or enforce an arbitral award that is in respect of a matter which is "not capable of settlement by arbitration" (that is, it is not arbitrable).
- Does not exclude any rule of law as to matters that are not capable of settlement by arbitration.

As for legislation governing different IP rights, the Patents Act 1977 (PA 1977) includes provision for arbitration of the following:

- Oppositions to applications for compulsory licences under patents: the Comptroller General of Patents may order arbitration of the whole proceedings, or any question of fact arising in them, if either:
  - the parties consent; or
  - the proceedings require "a prolonged examination of documents or any scientific or local investigation which cannot in the opinion of the comptroller conveniently be made before [the comptroller]" (*section 52, PA 1977*).
- Disputes regarding the use of patented inventions in service of the Crown in certain defined respects (*section 58, PA 1977*).

Otherwise, the authors are not aware of any broader statutory provisions on the general arbitrability of patents or other IP rights.

Under the common law, the judiciary of England and Wales has demonstrated a permissive approach to the arbitration of IP-related disputes. For example, see:

- *AJA Registrars Ltd and another v AJA Europe Ltd [2020] EWHC 883 (Ch)* (discussed in Legal update, Court grants stay of IP claims in favour of arbitration under section 9 of Arbitration Act 1996 (Chancery Division)).
- *Nokia Technologies v Oneplus Technology (Shenzhen) [2022] EWCA Civ 947* (discussed in Legal update, UK SEP action not stayed in favour of Chinese FRAND proceedings (Court of Appeal)).

- *Unwired Planet International Ltd and another v Huawei Technologies (UK) Co Ltd and another [2020] UKSC 37* (discussed in Legal update, UK court can award global FRAND licences (Supreme Court)).
- *Lifestyle Equities CV and another v Hornby Street (MCR) Ltd and others [2022] EWCA Civ 51* (discussed in Legal update, Court finds law governing arbitration agreement also determines whether agreement binds non-parties (English Court of Appeal)).
- *NWA and others v NVF and others [2021] EWHC 2666 (Comm)* (discussed in Legal update, Non-compliance with pre-arbitration mediation requirement is a question of admissibility not jurisdiction (English Commercial Court)).

The English courts have also encouraged arbitration in the FRAND licensing context in several cases, including:

- *Optis Cellular Technology LLC v Apple Retail UK Ltd [2022] EWCA Civ 1411*.
- *Nokia Technologies v Oneplus Technology (Shenzhen) [2022] EWCA Civ 947*.

For more information, see Practice note, FRAND Arbitration: Challenges Facing Courts in FRAND Cases.

Approach taken in the US

Federal statutory law, 35 U.S.C. § 294(a), expressly provides that parties can agree to arbitrate both pending and future patent disputes, either by including an arbitration provision in a contract between them that involves a patent, or by agreeing to arbitrate an existing patent dispute. The same statute provides that, consistent with various other jurisdictions, and the nature of arbitration itself, any award is "binding and final between the parties to the arbitration but shall have no force or effect on any other person" (35 U.S.C. § 294(c)). For more information, see Practice note, Arbitration Clauses in Patent License Agreements: When Do Patent Claims Fall Within the Scope of an Arbitration Clause?. However, there are specific requirements for enforcement of awards issued in these cases; 37 CFR 1.335 requires registration of arbitral awards at the US Patent and Trademark Office (USPTO).

While there is no similar statute governing trade mark, trade secret, or copyright claims, courts of various states have largely recognised that these claims, including issues of validity, are generally arbitrable. For example, see:

- *Gingiss Intern., Inc. v. Bormet*, 58 F.3d 328, 332 (7th Cir. 1995), where the court held that a franchisor's federal trade mark infringement claim against a holdover franchisee was arbitrable because the franchise agreement stated that "all disputes and claims relating to any provision" of the franchise agreement were subject to arbitration. See also *Givenchy S.A. v. William Stuart Indus. (Far East) Ltd.*, 1986 WL 3358, at *3 (S.D.N.Y. Mar. 10, 1986) (holding that federal trade mark disputes are arbitrable).
- *McMahan Sec. Co. v. Forum Capital Markets*, 35 F.3d 82, 89 (2d Cir. 1994), where the court held that misappropriation of trade secrets and copyright claims were arbitrable. See also *Polyflow, L.L.C. v. Specialty RTP, L.L.C.*, 993 F.3d 295, 305 (5th Cir. 2021) (holding that "trade secret allegations are arbitrable").
- *Kamakazi Music Corp v. Robbins Music Corp.*, 684 F.2d 228, 231 (2d Cir. 1982), in which the court found "no public policy against arbitration of this claim for the infringement of a valid copyright"). See also *Lorber Indus. of California v. Los Angeles Printworks Corp.*, 803 F.2d 523, 525 (9th Cir. 1986) ("[T]he validity of copyrights and their infringement are arbitrable").

Approach taken in Germany

IP disputes are generally arbitrable, including trade mark, copyright, and patent claims (*section 1030(1), German Code of Civil Procedure* (GCCP)). However, the arbitrability of disputes concerning the existence or validity of patents (for example, nullity declarations, revocations or compulsory licences under section 81 of the Patent Act) is less clear:

- In contrast with patent infringement claims, patent validity claims are traditionally considered non-arbitrable, with exclusive decision-making competence assigned to the Federal Patent Court (*section 1030(3), GCCP*, in connection with *section 65, Patent Act*). This approach is based on the argument that the validity of a patent right is granted through the Patent and Trademark Office and not private parties.
- However, the *Munich I Regional Court (05.05.2021 - 21 O 8717/20)* held *obiter dicta* that the exclusive competence of the Patent and Trademark Office and the Federal Patent Court did not mean that the parties were deprived of all powers of disposal regarding a patent. For example, a patent holder can waive their patent, which would cause it to lapse (*section 20(1), Patent Act*). Therefore, it should be possible for a party to apply to the competent patent authority for revocation of a patent in the light of an arbitral award.

Approach taken in Italy

In Italy, any disputes concerning disposable rights are capable of being arbitrated (*article 806, Italian Codice di*

Procedura Civile (CPC)). However, there is no definition of disposable rights in Italian law.

In 1984, the Italian Supreme Court distinguished between the following:

- Actions declaring trade mark validity.
- Actions in which the court declares trade mark validity only *incidenter tantum* (purely incidentally, with no tangible effect).

(*Italian Supreme Court, 18 April 1984 n. 2541.*)

The Italian Supreme Court affirmed that the former type of declaration produced *erga omnes* (universal) effects and was not arbitrable. In contrast, the latter type of declaration was effective only as between the parties and was therefore considered arbitrable.

Article 63 of the Code of Intellectual Property (CPI, enacted by Legislative Decree n. 30 of 10 February 2005) provides that rights arising from industrial inventions are alienable and transmissible and therefore arbitrable, under article 806 of the CPC. However, article 64 of the CPI excludes the arbitrability of disputes concerning "the ascertainment of the existence of the right to the equitable premium, rent or price" for industrial inventions made by an employee within an employment relationship (see Practice note, Inventor Remuneration (Italy)).

Under article 819 of the CPC, arbitrators can decide *incidenter tantum* all relevant issues involved in the dispute, even if they are not arbitrable per se, provided that the relevant award shall not have *res judicata* effect with regard to those issues.

Approach taken in Switzerland

Any claim involving an economic interest can be the subject of arbitration proceedings in Switzerland (*Article 177(1), Swiss Federal Act on Private International Law* (PILA)). IP disputes are considered arbitrable without restriction. When interpreting the PILA, Swiss courts have not read limitations into it, despite the exclusive competence of the Federal Patent Court over patent matters. Swiss practice even accepts that arbitral awards determining the validity of patents may have *erga omnes* (universal) effect as the Swiss patent register can be amended in the light of these awards (Swiss Federal Office of Intellectual Property, 15 December 1975, cited in Swiss Review of Industrial Property and Copyright (1976), paragraph 38).

Approach taken in China

Article 2 of the PRC Arbitration Law provides that contractual and other disputes over rights and interests are arbitrable. Therefore, infringement of IP rights is generally arbitrable in China. However, article 3(2) of the PRC Arbitration Law provides that parties cannot arbitrate issues that are to be determined by administrative bodies. The Trademark Review and Adjudication Department and the Re-Examination and Invalidity Department of the China National Intellectual Property Administration (CNIPA) are the administrative bodies governing validity of IP rights in China. Therefore, validity of IP rights, specifically trade mark and patent rights, is not arbitrable in China.

As for copyright, the situation is less certain. Copyright subsists and is protected on creation of a work, and its subsistence, strictly speaking, does not rely on any registration with or confirmation by any administrative body. Therefore, article 3(2) of the PRC Arbitration Law does not appear to preclude the arbitration of copyright subsistence claims. The authors are not aware of any other laws and regulations prohibiting the arbitration of issues relating to copyright subsistence. Article 60 of the PRC Copyright Law provides that disputes over copyright are arbitrable, however, it presently remains unclear whether a subsistence issue falls within the definition of disputes over copyright as there are no laws, regulations, or legal precedents addressing this issue.

The following Chinese court decisions provide examples of approaches taken to the issue of arbitrability:

- In *Shandong Kangbao Biochemical Science and Technology Company Ltd v Beijing Huayu Tongfang Chemical Technology Development Company [(2020) Supreme Court Zhi Min Xia Zhong No. 111]*, the Supreme Court ruled that, despite the contracts arbitration clause, patent ownership disputes exceed the scope of contractual disputes and inherently fall under the jurisdiction of the courts. The ruling emphasised that such disputes do not derive from a contractual breach but from actions in affirming the ownership of technology and, therefore, do not fall under the scope of arbitration clauses.
- In *Jinhua Junda Bags Company Ltd v Elf Cultural Products (Guangzhou) Company [2022 Yue 01 Min Ta No. 49]*, the Guangzhou Intermediate People's Court held that disputes arising from breach of contract on the right to use or not to use trade marks are arbitrable under Chinese law.
- In *Wemade Company., Ltdv Qusheng Information Technology (Shanghai) Company Ltd [(2018) Hu 73 Minzhong 363]*, the Shanghai Intellectual Property Court held that Wemade's claim regarding the ownership of the trade marks arose from a software licensing agreement and was essentially a breach of contract claim, which is subject to the parties' arbitration agreement.

Approach taken in Hong Kong

Hong Kong amended the Arbitration Ordinance (Cap. 609) Part 10A, via the Arbitration (Amendment) Ordinance 2017, to provide that:

- Disputes over IP rights (including but not limited to validity, infringement, and the scope of IP rights) can be resolved by arbitration in Hong Kong.
- It is not contrary to public policy to enforce arbitral awards involving IP rights.
- Parties are not precluded from using arbitration to settle their IP disputes only because the relevant IP legislation does not mention the settlement of disputes by arbitration.

Intellectual property rights (IPR) are broadly defined, to include, among others, patents, trade marks, designs, copyrights, geographical indications, domain names, rights in confidential information, trade secrets or know-how, the right to protect goodwill by way of passing off or similar action against unfair competition, or any IPR of whatever nature (so that new types of IPRs which may emerge in the future can be covered).

IP disputes under the Arbitration Ordinance include:

- A dispute over the enforceability, infringement, subsistence, validity, ownership, scope, duration or any other aspect of an IPR.
- A dispute over a transaction in respect of an IPR.
- A dispute over any compensation payable for an IPR.

IP-related awards do not have *erga omnes* (universal) effect. They only bind the parties and persons claiming through or under any of the parties (Intellectual Property Department of the Hong Kong Special Administrative Region: FAQs).

Approach taken in Singapore

Singapore amended the Arbitration Act (Cap. 10; Section 52B) and the International Arbitration Act (Cap. 143A; Section 26B) (via the Intellectual Property (Dispute Resolution) Act 2019) to clarify that:

- IP disputes are arbitrable in Singapore.
- It is not contrary to public policy to enforce arbitral awards involving IP rights.

IP disputes are defined under both the Arbitration Act and International Arbitration Act as:

- A dispute over the enforceability, infringement, subsistence, validity, ownership, scope, duration or any other aspect of IPR.
- A dispute over a transaction in respect of an IPR.
- A dispute over any compensation payable for an IPR.

Covered IP rights under the statutes are broadly defined to include, among other IP rights, patents, trade marks, copyrights, and trade secrets.

Under both amended Acts, IP rights-related awards only bind the parties and persons claiming through or under any of the underlying contracts.

Advantages and disadvantages of using international arbitration to resolve IP disputes

As noted above, because arbitration is ultimately a creature of contract, parties, including those from different jurisdictions, can craft bespoke dispute resolution procedures. For example, this includes the ability to:

- Maintain the confidentiality of the arbitral proceedings and any resulting award(s) (to the extent possible under applicable law(s)).
- Choose decision makers with specialised expertise.
- Obtain awards that are readily enforceable around the world.

However, this customisation comes with certain potential disadvantages, as parties who choose arbitration over litigation (generally) forego:

- The right to a substantive appeal.
- The ability to establish precedent in recurring disputes or for disputes with other parties involving the same IP rights.

Choosing arbitration may also affect a party's ability to obtain preliminary injunctive relief that is immediately enforceable.

For general discussion on selecting the right dispute resolution clause for your transaction, see Practice note, Choosing the right dispute resolution clause for your cross-border transaction.

Advantages of international arbitration for IP disputes

Confidentiality

Often, the most important advantage of arbitration over litigation is the ability to preserve confidentiality. In the IP context, there is often a heightened need to protect

the confidentiality of commercially sensitive information, including trade secrets, business know-how, business and marketing plans, customer lists, or other confidential information, which could be used to obtain a competitive edge. Even the disclosure of contractual terms that reveal pricing or other licensing terms could reveal sensitive information that prejudices a party in future negotiations by impeding their ability to negotiate for certain licensing terms in the future, which could significantly harm their competitive standing.

The need for confidentiality is especially acute in trade secrets disputes in litigation under US law. Because protecting a trade secret requires maintaining confidentiality and demonstrating an "independent economic value", it is important to establish that the information has been kept secret. In the US, practitioners have observed that, in recent years, it has become increasingly difficult to seal court records owing to a trend supporting transparency and therefore arbitration can be useful for this reason.

While preserving confidentiality in court litigation can sometimes be achievable (although the availability of protective or confidentiality orders and redaction varies between jurisdictions), preserving confidentiality is often easier in arbitration. Generally, national courts recognise and uphold arbitral party confidentiality agreements as expressions of party autonomy. Also, while statutory authority regarding arbitral confidentiality is not commonly found internationally, courts in several jurisdictions, including, for example, England and Wales, have recognised an implied obligation of arbitral confidentiality as a matter of law (Russell on Arbitration (Sweet & Maxwell, 24th ed), Chapter 5: The Conduct of the Reference: Privacy and the Obligation of Confidentiality).

Certain arbitral institutions, including the International Centre for Dispute Resolution (ICDR) and the London Court of International Arbitration (LCIA), have also adopted rules that automatically provide for confidentiality of certain aspects of the arbitration. But even where arbitration rules do not include default provisions in favour of preserving confidentiality, many give broad discretion to the tribunal to make orders protecting confidential information. For example, article 22(3) of the ICC Rules 2021 provides that the tribunal has the authority to make orders concerning the confidentiality of the arbitration and may take measures for protecting trade secrets and confidential information on request of a party. For a form of confidentiality order, see Standard document, Confidentiality order: international arbitration.

However, the choice of arbitration over litigation does not totally exclude the possibility of disclosure of confidential information regarding the arbitral proceedings or the underlying substance of the parties' dispute. Court proceedings adjacent to the arbitration may require disclosure, including to obtain provisional relief and to challenge or enforce an award.

On the other hand, there may be times when publication or publicity rather than confidentiality is an advantage. For commercial reasons, a rights holder may want to announce and demonstrate that it is enforcing its rights. Likewise, a party accused of infringement may wish to use the threat of publication as leverage, particularly given that these types of claims may attract additional parties willing to challenge the validity of the IP right.

For further discussion of confidentiality in arbitration, see Practice notes, Confidentiality in US arbitration and Confidentiality in English arbitration law.

Selecting specialised neutral decision makers

Another key advantage of arbitration is the ability to select, or influence the selection of, decision makers (here, arbitrators) with particular experience or specialised expertise. This can be a particularly important consideration in disputes involving IP rights, which tend to involve complex issues, often in the highly technical fields of science, technology, engineering, and medicine. Having a suitably qualified and experienced tribunal in place to determine IP disputes is generally desirable to parties.

Many leading arbitral institutions and organisations maintain panels of arbitrators who have specialised in resolving IP disputes. These include:

- The International Institute for Conflict Prevention and Resolution (CPR).
- The Silicon Valley Arbitration and Mediation Center.
- The American Intellectual Property Law Association.
- The Singapore International Arbitration Centre (SIAC).
- The Hong Kong International Arbitration Centre (HKIAC).
- The WIPO Arbitration and Mediation Center.

At the same time, certain IP disputes may give rise to geopolitical sensitivities, particularly where nationally strategic matters are involved. The ability to select arbitrators who have nationalities different to those of the parties, and who (unlike national courts) have no links or connections to the underlying jurisdictions involved, may increase confidence in the fairness of the process and in

the outcome, as the decision makers are perceived to be, and may, in fact, be more neutral and independent.

Nevertheless, some parties may be more comfortable with judges from particular jurisdictions (including their own) that they know to be familiar with and have deep experience of the types of issues involved in their dispute:

- In the US, for example, there are certain courts or tribunals such as the US Court of Appeals for the Federal Circuit (Federal Circuit), the US Patent Trial and Appeal Board (PTAB), and the US Trademark Trial and Appeal Board (TTAB) that have jurisdiction to hear certain types of IP disputes.
- Similarly, in England and Wales, the Chancery Division of the High Court of Justice includes a dedicated Intellectual Property List, which includes sub-lists for the Patents Court and the Intellectual Property Enterprise Court (for more information, see Practice notes, Intellectual property disputes: selecting the appropriate forum and Intellectual Property Enterprise Court: overview).
- In Italy, the larger court districts such as Milan and Rome have specialised court divisions dedicated exclusively to managing IP-related disputes. It can be difficult to replicate this expertise among even experienced arbitrators, even though panels of specialised arbitrators are widening.

It is typically easier to have both parties accept a preference for national courts where the courts of that jurisdiction are known to respect the rule of law, and where neither party can choose or otherwise influence the judge allocated to their case.

Limited disclosure and flexibility of process

Another benefit of arbitration is that most arbitral rules are designed specifically to allow flexibility in the procedure governing the arbitration. This flexibility of process allows arbitration to accommodate the practices and procedures of parties from different legal traditions.

The ability to tailor procedures is perhaps most acute in the context of available document disclosure, which is often needed to develop an evidentiary record in support of the claims and defences, but where there can also be a wide disparity as to the expectations of international litigants. Whereas parties may be subject to broad disclosure obligations in court litigation in certain common law jurisdictions, disclosure procedures in international arbitration are often streamlined. Depositions (see Patent Litigation Deposition Toolkit), interrogatories (see Interrogatories Toolkit (Federal): Intellectual Property & Technology), and requests to admit (see Standard document, Patent Litigation: Requests for Admission (Patent Owner to Accused Infringer)) (common tools for US litigators) are rare in international arbitration.

In other jurisdictions the disparity between arbitration and litigation may be less stark, and the disclosure available in arbitration might even be more expansive than what would otherwise be available in certain courts (see Quick Compare Chart, Patent Litigation – Discovery). In England and Wales, for example, patent case disclosure has become more restricted in recent years, and must be justified. Further, in infringement actions, the alleged infringer usually provides a product and process description (which sets out in some detail relevant elements of their product or process) in lieu of disclosure. In validity actions, the court usually limits disclosure (if any) to documents within a four-year window.

If parties select arbitration, they should ensure that the flexible and perhaps more cost-efficient procedures in arbitration are used in a way that still allows for the efficient resolution of their disputes. For example, most federal courts in the US require litigants in patent cases to make a standard set of disclosures, which includes detailed information about how or where each aspect (or integer) of a patent claim is found in an accused product or process. Similarly, parties alleged to have infringed patents must disclose in detail the basis for any challenge to the validity or enforceability of the patent. In trade secret cases, claimants often must identify the trade secret with particularity early in the case. In arbitration, parties may not be able to obtain such detailed disclosures from their adversaries and may find it difficult to force this exchange of information early in the proceedings unless the proceedings involve arbitrators and parties who understand and specifically plan for the need to obtain core documents necessary to the IP dispute early in the process (see also Arbitration procedures and IP disputes).

Difficulties may also result where a party needs to obtain information from third parties in arbitration. Seeking evidence from third parties in international arbitration is often challenging given that arbitration proceedings bind only the parties to the arbitration, and the availability of third-party discovery depends on the jurisdiction in which the arbitration is seated, or the party holding the document is located. However, while both US and English courts, for example, allow parties to seek witness testimony and documents in aid of arbitrations seated within their jurisdictions, this process is not straightforward. In the US, an arbitrator may issue

a subpoena to a third party, but the arbitrator has no enforcement authority. As a result, enforcement of the subpoena must be brought in the US courts, a process that increases costs and potentially causes delay, and can be complicated depending on where the arbitration is legally located and where the third-party resides. For more information, see Practice note, Compelling Evidence from Non-Parties in Arbitration in the US.

For further information on document production in international arbitration, see Practice note, Document Production in international arbitration.

Finally, parties in arbitration may also be able to tailor the scope of what is arbitrated and the tribunal's award. For example, in a dispute regarding how much is owed under a licence, the parties could request that the arbitrator limit the award to a finding as to any amount owed and not make a finding on whether the licensed patents were valid or infringed. Such a limited award could be advantageous to both a patentee and a licensee. This is because if a court rules on infringement or invalidity, it could:

- Find no infringement of the patent, giving third party competitors guidance as to how to design around the patent.
- Declare the patent invalid, so third parties would be able to sell competing products to the detriment of the licensee.

Global enforceability of arbitration awards

Another important benefit to parties of arbitrating IP disputes is the ability to enforce arbitration awards around the world through a streamlined process. Particularly when dealing with international counterparties, or where there is a risk that a counterparty may not voluntarily comply with an arbitral award, parties should consider the enforceability of an arbitral award in different jurisdictions at the outset.

Arbitration agreements and arbitral awards made by a tribunal seated in a state that is a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) can generally be enforced under the national laws of any of the many signatory states to the New York Convention (see Checklist, New York Convention enforcement table: status). Under the New York Convention, states must, in summary, recognise and enforce foreign arbitration awards in the same way they do domestic awards by essentially converting the foreign arbitration award into a judgment enforceable by a national court. Furthermore, enforcement proceedings are generally summary proceedings in which courts do not examine the merits of the award.

In contrast to enforcing arbitration awards, cross-border recognition and enforcement of court judgments is often more difficult, and there is no comparable international treaty that allows for streamlined enforcement of foreign judgments. The Hague Judgments Convention entered into force on 1 September 2023. While a treaty with significant potential, the Hague Judgments Convention does not currently have the same jurisdictional coverage as the New York Convention, which means that parties may need to invest more time and cost when it comes to multi-jurisdictional enforcement. While the US signed the Hague Convention on Choice of Court Agreements in 2009 and the Hague Judgments Convention in March 2022, it has not ratified either of them, so they are not in force in the US. Therefore, the ability to quickly enforce an international arbitration award could save parties to international IP disputes considerable time and expense in comparison to litigation.

Although grounds for refusing enforcement of arbitration awards under the New York Convention are limited and narrow, particular caution is warranted with respect to whether a dispute is arbitrable, as courts may refuse to enforce awards where the dispute is considered inarbitrable as a matter of public policy or local law. There are some jurisdictions where IP disputes are inarbitrable (see Arbitrability of IP disputes). Parties should therefore take note of the issues the tribunal is to decide and how it should fashion relief to withstand challenges to enforcement.

Moreover, even though many common law jurisdictions allow for arbitration of all IP disputes, awards determining infringement and validity may be enforceable only as between the parties to the arbitration. Therefore, to the extent a party wishes to seek relief that affects the rights and obligations of third parties, arbitration may not be the most effective procedure.

For more information on enforcing arbitration awards, see Practice notes, Enforcing arbitral awards under the New York Convention 1958: overview, Enforcing arbitration awards in England and Wales and Enforcing Arbitration Awards in the US.

Disadvantages and challenges of international arbitration for IP disputes

Complications involving non-signatories

Because arbitration is a creature of contract, in general, only signatories to an arbitration agreement (or parties bound to the agreement by contract or agency law) can be compelled

to arbitrate. However, in an IP context, parties often enter contractual relationships that span several different agreements and involve many different counterparties, including third-party vendors or sub-licensees. (See, for example, *DotC United, Inc. v. Google Asia Pac. Pte. Ltd.*, 2023 WL 2838108 (N.D. Cal. Apr. 7, 2023).)

Where some agreements in a suite of connected contracts provide for arbitration and other agreements do not, parties may find themselves having to refer a portion of a dispute to arbitration, while having to litigate another portion of the dispute. In case of dispute on the appropriate forum to determine an issue, the outcome may depend on the approach favoured by the court or tribunal dealing with the matter and may itself lead to parallel satellite litigation. Accordingly, at the outset counsel should give care and consideration to understand:

- Which parties are likely to play a part in any future dispute.
- Whether and how to bring them into an arbitration, either as part of the original agreements or after the dispute arises.

Indeed, including arbitration provisions in, for example, technology contracts at the outset, or, alternatively, inviting all parties to a dispute to voluntarily submit to arbitration in the absence of an arbitration agreement, could be an effective means by which to consolidate all the relevant claims and parties. Similarly, whereas global patent litigation may involve cases in multiple courts in several different jurisdictions, which may lead to a risk of conflicting and potentially inconsistent decisions, the parties could mitigate this risk and reduce costs by submitting the dispute to arbitration.

On the other hand, for a well-funded party, suing, and therefore forcing the other side to defend, in multiple jurisdictions and multiple actions, might be part of a larger strategy. That party might not want to agree to arbitration.

Parties should also be aware that arbitration may not always be the most cost-effective procedure depending on the type of dispute. Particularly where disputes involve multiple parties, arbitration costs could be substantial. For certain types of claims, for example, for unpaid royalties, simple debt collection actions in court may be quicker and less expensive, depending on the national courts involved and the standard timelines to reach resolution, although fast-track arbitration procedures, and offerings aimed at resolving SME disputes, may provide viable options in this regard.

Importantly, as discussed above, an arbitral award generally only binds the parties to the arbitration (and, sometimes, those claiming through or under them). Therefore, to the extent an award finds that, for example, a patent is invalid, that award would generally only prevent the patent holder from enforcing it against the opposing party in the arbitration. The patent holder could still enforce the patent against third parties, including for example, under third-party licensing agreements.

For more information on multi-party and multi-contract issues in arbitration, see Practice notes, Multi-party and multi-contract issues in arbitration and Drafting multi-party arbitration clauses.

Urgent interim measures

In IP disputes, it is sometimes critical for parties to seek interim or emergency relief to preserve their rights pending final resolution of their claims, such as to stop an ongoing patent infringement or to prevent disclosure of a trade secret. Although the leading arbitration rules include procedures for obtaining interim relief (whether granted by emergency arbitrators or by regular arbitral tribunals), litigation may be more advantageous than arbitration in this regard. A tribunal's lack of coercive power to order certain injunctive relief or directly enforce its orders often requires parties to resort to local courts for enforcement of interim relief. Many of the leading arbitration rules expressly preserve the right of parties to seek urgent interim relief from national courts (see Practice note, Interim, provisional and conservatory measures in international arbitration).

Within the Italian legal framework, for example, the CPI (*articles 129 and 130*) has a dedicated process for obtaining evidence on an urgent basis in cases of IP infringement. The primary purpose of this mechanism is the collection and preservation of evidence pertaining to IP infringement for subsequent legal proceedings. A party can only invoke this where there is an infringement of IP rights and not, for example, where there are only claims related to unfair competition. Importantly, the party seeking the search order has a degree of discretion in selecting the specific evidence to be collected during the search, which sets this procedure apart from an exhibition order, which is a tool available in ordinary Italian legal proceedings. In an exhibition order, the responsibility for providing the requested documents or items rests with the party asked to exhibit them before the court.

For more information on interim measures in arbitration, see Practice notes, Interim, provisional and conservatory measures in international arbitration, The arbitral tribunal

and English court's supportive powers: interim injunctions and receivers and Interim, Provisional and Conservatory Measures in US Arbitration.

Lack of appellate review

A further critical consideration is that parties in arbitration generally give up the right to an appeal on point(s) of law, as in most jurisdictions, arbitration awards are not subject to substantive appellate review. Furthermore, the standards for the successful set aside, modification, or non-enforcement of arbitration awards tend to be extremely high. The grounds for challenging awards are difficult to establish and generally based on some unfairness in the arbitration process or evidence that the tribunal is not impartial and independent. Defences to enforcement of awards, particularly of New York Convention awards, are also very restricted.

Given the high stakes often involved in IP disputes, parties may wish to appeal a decision involving a company's key assets. This is especially true in patent cases. In the US, certain types of decisions in patent litigation, such as claim construction decisions, are appealed to the Federal Circuit, which is a sophisticated and specialised court that hears all patent appeals (see Practice note, Patent Claim Construction: Overview).

On the other hand, the lack of appellate review may allow parties to achieve a binding resolution more quickly and potentially at less cost. In arbitration, parties can select their decision-makers, choosing arbitrators with specialised knowledge and expertise (see Selecting specialised neutral decision makers). Therefore, where parties can design a bespoke dispute resolution mechanism to address their dispute, the right to an appeal may be less important than achieving a final resolution expeditiously. Also, some arbitral rules allow for an appeal to an appellate arbitral tribunal (for examples of US institutional rules that offer this, see Article, Optional Appellate Arbitration Rules: Are They Good For Your Case?). From a practical perspective, parties to IP disputes may wish to bear in mind the lack of appellate review when it comes to appointing the tribunal and agreeing to appoint a tribunal of three members rather than a sole arbitrator may reduce the risk of any error of law.

Limited ability to make precedent

Parties may also wish to consider whether it is important for the decision in their case to bind other parties. As mentioned above, arbitration awards generally bind only the parties to the arbitration, or third parties claiming through or under them. Furthermore, owing to the confidentiality that generally attaches to international arbitration proceedings, most awards are not publicly disclosed and the tribunal's determination on a particular issue may not even reach interested parties. Therefore, if a party wishes to establish a precedent for disputes that arise repeatedly, or to deter parties from infringing their IP rights, they may wish to pursue litigation over arbitration to obtain a public court decision.

Arbitration procedures and IP disputes

As discussed above, one of the hallmarks of arbitration is the ability for parties to select a specific set of procedures that best suits their dispute. In this regard, there are several arbitration procedures that are particularly relevant for the resolution of IP disputes.

Expedited procedures

Expedited arbitration procedures can be particularly useful for the efficient resolution of IP disputes. By way of example, WIPO provides standalone **expedited arbitration** rules (see *WIPO Expedited Arbitration Rules 2021*). Many other leading arbitral institutions, including the ICDR, ICC, SIAC and HKIAC have developed similar expedited procedures aimed at condensing the length of proceedings and reducing costs that could be used to quickly and cost effectively resolve IP disputes.

For further information, see Practice note, Expedited procedures in international arbitration.

Summary determination and dispositive motions

Summary determination in international arbitration, also referred to as early or summary dismissal or disposition, refers to the determination of unmeritorious claims or defences at an early stage in the proceedings. Summary determination can be used in IP disputes to narrow the scope of dispute, reduce costs, and potentially encourage early settlement discussions. For example, in patent infringement claims, where claim construction has been held to be purely a matter of law, an early determination or dispositive motion on the interpretation of the scope of a patent may facilitate an early resolution of the parties' dispute. Summary determination can be rarer in arbitration, but this has changed in the last decade, with many arbitral institutions introducing new provisions permitting arbitrators to summarily determine claims and defences during the arbitration (see Practice note, Summary determination in international arbitration).

However, parties and arbitrators have expressed concern that early determination or resolution of issues or claims could render awards susceptible to being set aside (see Practice note, Summary determination in international arbitration: Need for express procedures in arbitral rules: due process concerns and the risk to enforcement). Nevertheless, courts in the US, for example, have generally upheld arbitral awards based on dispositive motions and, in England and Wales, the courts have rejected an argument that a summary judgment process by arbitrators necessarily amounts to a denial of due process (see *Travis Coal Restructured Holdings LLC v Essar Global Fund Ltd [2014] EWHC 2510 (Comm)*). Also, the Bill to amend the English AA 1996, which was progressing through the UK Parliament in 2024, included an express power for arbitral tribunals to make awards on a summary basis where a party has no real prospect of succeeding on a claim or issue, or a party has no real prospect of succeeding in the defence of a claim or issue. However, the Bill's passage was interrupted by the dissolution of Parliament following the call for the general election in May 2024. It remains to be seen whether the new government will reintroduce the Bill (see Reform of English Arbitration Act 1996: tracker).

To insulate an award based on a summary determination from a subsequent challenge, counsel may consider certain procedural safeguards:

- Where possible, parties should aim to apply the same standards to an application for summary determination as would be applied in the courts of the seat of arbitration.
- Parties seeking summary determination of claims should ensure that the opposing party has received any relevant disclosure in advance of a dispositive motion.
- Parties should agree in advance that the tribunal should issue a reasoned award that explains why a full evidentiary hearing was not necessary.

Procedures tailored for IP disputes

Some arbitral institutions have crafted rules and procedures that are tailored to specific types of IP disputes. For example, the AAA has published Supplementary Rules for the Resolution of IP Disputes, which provide detailed guidelines for the content of initial disclosures by the parties in patent infringement disputes.

By incorporating rules or guidelines governing detailed initial disclosures at the onset of the dispute, arbitration procedures that are tailored to the specific type of IP dispute at issue can be used to force the parties to put their cards on the table, therefore narrowing the contested issues and facilitating more efficient resolution of the dispute (see Limited disclosure and flexibility of process).

Many institutions also offer specialised arbitrators for IP disputes (see Selecting specialised neutral decision makers).

Tribunal-appointed experts and technical advisers

National laws and international arbitration rules often permit arbitral tribunals to appoint experts to report in writing to the tribunal and the parties on specific issues in the arbitration (for example, the arbitration rules of the LCIA, SIAC, HKIAC and ICDR). While this is not a practice that is frequently encountered in international commercial arbitration, there is significant scope for such experts to be appointed to assist tribunals in technical IP-related disputes, including in cases where the arbitrator(s) are comfortable with the particular type of IP dispute but would benefit from independent and impartial input on discrete technical issues.

In addition, UNCITRAL Working Group II (Dispute Settlement) is working currently on a model clause on technical advisors who may be appointed by arbitral tribunals in appropriate cases (see Working Group II: Dispute Settlement). The role of such an adviser is limited to explaining technical matters orally or in writing to the tribunal as the need arises in proceedings, which contrasts with the role of an expert who provides expert opinion evidence on issues in the case. The appointment of such an adviser may be relevant and useful in suitable IP disputes referred to arbitration.

Confidentiality advisers

Arbitration typically affords parties greater opportunities to keep the details of their dispute confidential (see Confidentiality). The WIPO rules provide for the use of confidentiality advisers (see *article 54(d)-(e)*) to assist the tribunal, which may be helpful in certain disputes, especially to protect trade secrets. Likewise, parties may ask that a final award be issued without reasons to protect confidentiality and material concerned with IP rights and trade secrets that may otherwise then be disclosed in enforcement proceedings.