



ALTERNATIVE DISPUTE RESOLUTION (ADR)

The [International Trademark Association](#) (INTA) is a not-for-profit organisation of trademark owners and practitioners from more than 190 countries throughout the world, with offices in Brussels and Shanghai, and headquartered in New York. Representing the trademark community since its foundation in 1878, INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. INTA's membership includes more than 5000 trademark owners and professionals, with more than 1000 companies, law firms, and trademark attorneys based in the 27 Member States of the European Union.

We thank the Commission for this opportunity to provide some comments in view of the forthcoming Communication on intellectual property rights (IPR), particularly as regards the section on alternative dispute resolution (ADR). ADR is a pragmatic approach to dispute resolution that can save money and time and help find the best solution for all parties involved.

While ADR is not a solution for every case and should only be engaged in on a voluntary basis, INTA encourages parties to consider mediation as a first step in resolving most intellectual property conflicts. We take the view that mediation is appropriate for most intellectual property conflicts, including:

- Trademark and service mark infringement
- Opposition and cancellation proceedings before patent and trademark offices
- Trademark license and other contract disputes
- International trademark disputes
- False advertising and trade disparagement
- Unfair competition proceedings
- Consumer protection proceedings
- Disputes involving domain names, corporate names and other trade names
- Right of privacy and right of publicity
- Misappropriation
- Patent, design right and copyright disputes
- Database rights

It is our belief that mediation works because a neutral party who may have expertise in trademark/IPR law, as well as experience in mediating disputes, is in a position to facilitate the parties to consider multiple perspectives. The mediator will often assist in generating options that will bring about mutual gain and can help direct the parties towards their own voluntary solutions. The mediation process can be tailored to the case at hand in terms of procedure and formality. It is a process which is flexible and adaptable, with the goal of a sensible final resolution which is agreed to by all parties.

In this paper, we set out our views on possible actions that the EU could consider on ADR and provide an overview of INTA's own model. We would be delighted to provide you with additional information as necessary.

Suggested Community actions in relation to IT Disputes

1. An EU-wide quality recognition scheme of existing ADR/mediation systems

Schemes such as the European Consumer Centres Network (ECC-Net) which provides consumers with a one-stop information and advice service when shopping across borders (including assistance accessing an appropriate ADR scheme) show the contribution that an EU-wide approach can make to ensure that companies, particularly small-to-medium sized enterprises (SMEs), are fully aware of the advantages offered by ADR.

Apart from its role encouraging businesses to sign up to ADR bodies, an EU-wide approach could facilitate both the collection of information on the functioning of the different ADR schemes at the national level and the exchange of best practices.

2. The creation of an EU-wide list of experts to act as mediators/arbitrators

In determining whether an EU-wide list should be created, it should be observed that a number of other institutions and organisations also provide similar information and services.

The UK Intellectual Property Office has established its own mediation scheme for users which includes the availability of a list of possible mediators. These take the form not only of individuals but also commercial mediation providers.

INTA has developed an ADR model to provide customised options for parties with conflicts involving trademark and related issues. Through our ADR programme, INTA provides an EU-wide list of our trained [Panel of Neutrals](#) who are experts in trademark and related laws, as well as [ADR materials and resources](#) such as mediation guidelines and sample agreements.

In order to more thoroughly evaluate the need for the creation of a Commission-supported, EU-wide list of mediators, it would be necessary to clarify and/or define a number of aspects including:

- The functions to be fulfilled by these experts , e.g. simply providing information about the availability of ADR for IPR matters in their various jurisdictions or serving as mediators for IPR disputes
- The criteria for being placed on the list
- The management of the database / list, either at the national or EU level and by whom
- Leveraging their national experiences at EU level

Also, INTA suggests that such a list, if created, should be for information purposes only and should not be considered a system for certifying mediators or excluding qualified mediators who may not be on the list, as there will continue to be private-sector services and lists, such as INTA's, available.

3. Research into the Cultural Differences which impact on the use of mediation across the EU

There is little doubt that there are significant cultural differences in the way in which mediation is perceived and operated across the EU. We believe it is important that national and cultural differences are identified and emphasised in defining the roles, rules and procedures involved in the mediation process. Mediation, while an obvious and beneficial part of ADR in national disputes, is also an attractive option in relation to

transnational disputes, where different legislative regimes often mean that in IT disputes, solutions can only be determined by national courts on a territory-by-territory basis. Mediation offers the possibility of agreed solutions across any number of jurisdictions.

4. Further consideration of the impact of providing for the suspension of periods of prescription or limitation.

While the draft directive provides for periods of prescription and limitation periods to be suspended, we believe that close scrutiny should be given to the way in which such suspension can be invoked and in particular brought to an end. It is envisaged that any suspension will come to an end one month after the mediation is terminated, or will come to an end “where one or both of the parties or the mediator declares it has terminated or effectively withdraws from it”. Such a provision runs a risk of considerable uncertainty in the subsequent calculation of periods of prescription or limitation. In the case of a mediator, it draws into question the duties and obligations and the role of the mediator.

5. A Community Recommendation on best practice in ADR/mediation procedures

When considering such an approach it would be worth assessing the impact of the following pieces of EU legislation:

- Commission Recommendation of 4 April 2001 on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes
- Commission Recommendation of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes

INTA takes the view that the success of the procedure will partly lie on the correct application of principles such as:

- Impartiality
- Transparency
- Effectiveness
- Fairness

INTA's ADR MODEL

A brief explanation of INTA's ADR model and its key features may be helpful for the Commission in its deliberation.

Where to Begin?

Step 1 - Selecting the ADR Process

Once familiar with the various ADR options, either party to a dispute can contact the other, offering to resolve the dispute through a mutually acceptable ADR proceeding using the INTA programme. If the parties are not yet engaged in litigation, the complaining party should notify the second party of its position along with an offer to use the INTA Programme.

Step 2 - Using the INTA ADR Programme

When initiating an ADR proceeding, a Neutral is selected from the INTA [Panel of Neutrals](#). The selected Neutral will be involved in a discussion of the ADR process to the extent requested by the parties, and will agree with the parties as to their fees, dates and places for the meetings and other procedural matters. The Neutral also can help the parties decide on issues such as any limited or targeted discovery, the length and content of any written submissions, and time frame for the presentations or confidentiality.

Step 3 - Costs and Fees

There is no fee payable to INTA. Neutrals set their own professional fees, which are disclosed to the parties during the Neutral selection process. The parties pay the Neutral directly. Neutrals also are reimbursed directly by the parties for related expenses, e.g., travel, lodging, copying, telephone, postage, etc.

As part of their ADR agreement, the parties should agree on a division of costs. Generally, costs are shared equally by both parties. In adjudicative proceedings such as arbitration, the award may require that the loser pay all fees and costs.

ADR Pledge

To further promote mediation within its ADR Program, INTA offers pledge forms for [law firms](#) and [brand owners](#) that, once signed, signify a party's commitment to resolve disputes outside traditional litigation channels. (Copies of both types of pledge forms are attached.)

If the signatory is a law firm, the pledge will commit the firm to spread the knowledge of mediation within its organization, keep its personnel abreast of the role of mediation in dispute resolution and the most advanced mediation techniques, and regularly train for mediation.

Accordingly, the law firm pledge means that appropriate intellectual property lawyers in a firm will be knowledgeable about ADR and, in particular, familiar with the INTA Panel of Neutrals, as well as with the applicable INTA mediation guidelines and mediation rules.

The pledge also commits the law firm, when appropriate, to have its responsible attorney discuss with the client the availability of ADR procedures so that the client can make an informed choice concerning resolution of the dispute.

If the signatory is a brand owner, the pledge represents the company's policy that in the event of a non-urgent, non-counterfeiting-related trademark dispute between the signatory and another company, that either has made or will make a similar statement, the signatory is prepared to explore with that other party resolution of the dispute through negotiation or ADR techniques. Of course, if either party believes that the dispute is not suitable for ADR techniques, or if such techniques do not produce results satisfactory to the disputants, either party may proceed with litigation or other proceedings as the case may require.

Each pledge provides that a list of the signatories will be published on the INTA website in order to alert third parties in potential or actual disputes to the fact that the signatory, be it a brand owner or a law firm, has shown a commitment to consider mediation as a method of dispute resolution.

Additional ADR Resources

Publicly available on INTA's website, INTA's additional ADR resources include:

- **The ADR Hotline:** a group of individuals that have volunteered to answer questions about the availability of ADR for trademark matters in their various jurisdictions.
- **The Panel of Neutrals (PON):** a group of individuals who have met specific criteria outlined by INTA to serve as mediators and arbitrators in trademark disputes.
- **Guidelines, rules, sample clauses and model agreements:** available in a variety of languages including English, Croatian, German, Portuguese and Russian.
- **INTA ADR Committee**

ADR Hotline

INTA provides an online resource for learning about ADR in various jurisdictions around the world. INTA members whose names appear on the webpage have volunteered to answer questions about the availability of ADR for trademark matters in their various jurisdictions. Each volunteer is prepared to give a half hour of his / her time to answer questions of a general nature after performing a conflict check if required in his / her jurisdiction.

If an individual or organisation is seeking information on a certain jurisdiction, they can locate an INTA volunteer from that country and contact them directly with inquiries. INTA Volunteers are experienced trademark litigators (with ten or more years of experience in trademark law) who are also experienced in using ADR in trademark cases and who have volunteered to share their knowledge with fellow INTA members.

This is a free service that is designed to educate and promote mediation and help members receive general information on mediation; it is not intended to be used for legal advice.

Volunteers are listed [on the website](#) by geographic region. Here are the volunteers in [Europe](#).

Panel of Neutrals

The INTA Panel of Neutrals is an international panel of neutral mediators who are both expert in trademark (and IPR) matters and unfair competition law and trained in the art of mediating disputes. Many mediators on the panel are fluent in various languages and understand the mediation standards for different regions of the world.

The INTA PON are highly experienced in trademark and unfair competition law and skilled in facilitating or resolving disputes in this field. All panelists have been specially trained in ADR procedures and are kept up to date through INTA workshops and publications, and other accredited training organisations.

When initiating an ADR proceeding, an individual or organization may contact a Neutral from the PON. The selected Neutral will be involved in a discussion of the ADR process to the extent requested by the parties, and will agree with the parties as to his / her fees, dates and places for the meetings and other procedural matters. The Neutral also can help parties decide on issues such as any limited or targeted discovery, the length and content of any written submissions, time frame for the presentations or confidentiality.

Like the ADR Hotline, the Panel of Neutrals is also organised by region, i.e. [Europe & Central Asia](#).

Mediation Guidelines

- The [INTA Mediation Guidelines](#) set out in simple terms the general characteristics of mediation.
- They give practitioners guidance on when mediation may be appropriate and tips on how to start the process.
- In addition, they discuss the advantages and implications of mediation for the progress of any dispute. The guidelines also give an overview of how the different stages of mediation are likely to proceed.

Rules

- Once the parties have agreed to mediate, they can agree to use the [INTA Mediation Rules](#).
- The rules cover the specific procedural and formal aspects of how a party initiates mediation and selects a mediator, how the parties and mediator should conduct the

mediation, and how the mediation may be brought to an end, including the possibility of a settlement agreement.

- This document determines the duties of the mediator.
- There are strict confidentiality obligations to be observed by all participants in the mediation, which are designed to ensure that parties may enter into the mediation process confident that, in the unlikely event that mediation does not succeed, the position of any party will not be prejudiced by the mediation process.

Sample Clauses

- [Examples of clauses](#) dealing with mediation are provided that can be used by the client in contracts before disputes have arisen.

Model Agreement

- A [sample agreement](#) between the parties and the mediator is provided for use once the parties have agreed to mediate and have selected a mediator.
- It is designed to be used with the INTA Mediation Rules which establish the general duties and obligations of the mediator.
- The agreement itself explains in detail the obligations on the mediator and any firm with which he/she is associated regarding conflicts of interest.
- It also contains the details of the fee for the specific mediation in question that will be inserted into the agreement by the parties once agreed with the mediator.

INTA ADR Committee

In addition to its ADR Hotline as well as the PON, INTA has an **Alternative Dispute Resolution Committee** which promotes and expands the worldwide use of ADR as a cost-effective method of resolving trademark disputes.

The Committee consists of the following subcommittees:

- **Corporate Outreach Subcommittee:** Promotes the use of ADR and the Panel of Neutrals to companies, including INTA Regular members.
- **External Partnering Subcommittee:** Promotes the use of ADR and the Panel of Neutrals to other associations and organizations with whom INTA might partner.
- **Government Outreach Subcommittee:** Promotes the use of ADR and the Panel of Neutrals to courts, boards and agencies.
- **Law Firm Outreach Subcommittee:** Promotes the use of ADR and the Panel of Neutrals to law firms, including INTA Associate member law firms.
- **Neutrals Standards & Measurement Subcommittee:** Develops and implements training for the Panel of Neutrals (the Panel), as well as methods of measuring and tracking usage of the Panel and other methods of ADR.

2 October 2007

Contact

INTA Europe Representation Office
11, rue des Colonies
B-1000 Brussels – Belgium
t. 32 2 517 6103
f. 32 2 517 6500
csleszynska@inta.org