

Benchmarking of mediation and arbitration rules of institutions comparable to the UPC's Patent Mediation and Arbitration Centre

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This document has been prepared by the EPO at the request and under the supervision of the director of the UPC's Patent Mediation and Arbitration Centre (PMAC), Mr Aleš Zalar, and in close co-operation with experts from the European Patent Lawyers Association (EPLAW), whose practitioner insights and advice have been invaluable.

This benchmarking exercise is based on analytical research focused on collecting and comparing relevant features and best practices of ADR centres worldwide, and is intended to provide insights to assist competent authorities in making decisions on the adoption of the PMAC's arbitration and mediation rules.

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List of abbreviations

AAA	American Arbitration Association
ADR	Alternative dispute resolution
CAPA	Certificat d'aptitude à la profession d'avocat (Certificate of Aptitude for the Legal Profession)
CEDR	Centre for Effective Dispute Resolution
CEPEJ	European Commission for the Efficiency of Justice
CJEU	Court of Justice of the European Union
CMTTP	Certified Mediator Training Program
DIS	German Arbitration Institute
Epi	Institute of Professional Representatives before the European Patent Office
EPLAW	European Patent Lawyers Association
EPO	European Patent Office
EU	European Union
EUIPO	European Union Intellectual Property Office
FRAND	Fair, reasonable, and non-discriminatory (licensing)
GAR	Global Arbitration Review
HKIAC	Hong Kong International Arbitration Centre
HKMAAL	Hong Kong Mediation Accreditation Association Limited
IPDR	IP Dispute Resolution Forum (Munich)
ICC	International Chamber of Commerce
IMI	International Mediation Institute
JAMS	Judicial Arbitration and Mediation Services (USA)
JIPAC	Japan Intellectual Property Arbitration Centre
JPO	Japan Patent Office
LCIA	London Court of International Arbitration
PMAC	Patent Mediation and Arbitration Centre (of the UPC)
RoP UPC	Rules of Procedure of the Unified Patent Court
SAC	Swiss Arbitration Centre
SCC	Stockholm Chamber of Commerce Arbitration Institute
SEP	Standard Essential Patent
SIMC	Singapore International Mediation Centre
SIAC	Singapore International Arbitration Centre
UPC	Unified Patent Court
UPCA	Unified Patent Court Agreement
WIPO	World Intellectual Property Organization

Executive summary

In September 2024, the Administrative Committee of the Unified Patent Court (UPC) appointed the first director of the Patent Mediation and Arbitration Centre (PMAC). Since then, significant progress has been made in laying the foundation for the centre's official opening. One of the key aspects is the creation of rules on mediation and arbitration. With a view to supporting the drafting of rules that will make the centre competitive and attractive, an extensive benchmarking of comparable arbitration and mediation centres across jurisdictions has been conducted. At the same time, the EPO has liaised with a group of selected IP arbitration and mediation experts from EPLAW to identify features that could make the PMAC a more attractive option from a practitioner's point of view.

This document uses a benchmarking methodology through which mediation and arbitration rules of different institutions are compared across the most relevant categories. The results take into account both mediation and arbitration rules collectively and aim to present similarities and differences between the centres. Taking into account the advice received from ADR experts from EPLAW, the benchmarking underlines the relevant best practices for IP arbitration and mediation.

The different benchmarking categories and their respective sub-categories are displayed below, followed by a short summary of the main findings for each category.



Jurisdiction, legal and procedural framework

Jurisdiction must be established in the broadest manner possible to ensure a competitive position for the PMAC as an international ADR centre for patent disputes. This should also include ancillary disputes to patent disputes as well as the possibility of including entire portfolios in the proceedings. In both mediation and arbitration procedures, it is highly desirable that parties have the utmost freedom in their choices in various aspects of handling a dispute. This includes choice as regards the seat of arbitration, location of the hearings and the language of the proceedings. The use of electronic tools for communication is recommended for the sake of procedural efficiency.



Arbitrators and mediators

A key aspect of the functioning as well as the quality of the PMAC is centred in its mediators and arbitrators. It is essential that the neutrals are specialised, including having legal and economic expertise in patent matters. It is crucial for the PMAC to have many renowned experts from a broad range of countries on its list of neutrals. These neutrals must be selected in line with certain minimum criteria. While parties can choose a neutral from the list, they are also free to appoint a neutral of their choice who is not on the list. In addition to a list, the PMAC should also have a code of conduct in which provisions on conflicts of interest are established, in order to ensure impartiality and independence of the neutrals.



Conduct of proceedings

Arbitration and mediation proceedings are designed to be flexible and responsive to the needs of the parties involved, but this flexibility must be balanced with provisions that ensure the efficiency of the proceedings. The benchmarking demonstrates that comparable institutions provide case management tools and preliminary conferences to discuss procedural matters, guaranteeing that the proceedings are conducted in a fair, expeditious and cost-effective manner which also allows for flexibility. To ensure these standards, the PMAC should incorporate similar provisions. Parties retain the right to decide most aspects of the proceedings, including choosing from various ADR procedures offered by the centres. The experts consulted advised that the PMAC rules should not list all possible ADR options¹ exhaustively, but instead allow the parties to freely agree on any procedure which is appropriate for a particular dispute. An exception is the strongly recommended inclusion of a specific expedited arbitration procedure with shorter time limits for rendering the award, which is a standard feature across all comparable institutions' rules. Both mediation and arbitration procedures related to patent disputes should ensure a high level of confidentiality. Confidentiality obligations typically extend to all parties involved and allow disclosure only under exceptional circumstances, such as by court order.

¹ Different ADR options include in particular mixed-mode proceedings (e.g. med-arb, arb-med, med-arb-med) and early neutral evaluation.



SEP/FRAND disputes

Offering specific procedural features for SEP and FRAND disputes could be the PMAC's unique selling point and make it a leading venue for such cases. Benchmarking against institutions like WIPO reveals the possibility of including special provisions for enhanced confidentiality to ensure protection of documents on standards or comparable licences, tailored case management provisions to adequately address the complexity of the procedure, the possibility of appointing neutrals and experts with technical expertise in this field, perhaps drawing from a dedicated list of specialised neutrals. In addition, essentiality checks would represent a part of FRAND disputes that would be crucial in attracting SEP implementers. While other centres merely provide guidance and guidelines on FRAND disputes, an appropriate set of FRAND-specific rules could be prepared with input from stakeholders and put into law.



Effect of proceedings and settlement / award

Some centres include rules on suspension proceedings and limitation periods, but they are typically dependent on the applicable procedural law in the country or the institutions where the proceedings are taking place. Under the arbitration rules of most institutions, awards are final and binding on the parties involved, however the New York Convention must be taken into consideration in respect of the recognition of awards.



Fees

Mediation and arbitration centres typically have three types of fees: registration fee, administrative fee, and arbitrator's/mediator's fee. These can be fixed fees or value-based fees. The fee schedule of the PMAC should guarantee a competitive fee level in comparison to other centres, but at the same time ensure that mediator/arbitrator fees are attractive for renowned professionals in the field. The fees must also ensure the long-term financial stability of the PMAC so that it can ultimately be self-financing. The experts consulted pointed out that the administrative fees charged by institutions do not usually constitute the decisive cost element. Most of the costs of ADR arise from the parties' counsel and neutral fees.

Introduction

The Patent Mediation and Arbitration Centre (PMAC) has its origins in the early stages of the Unitary Patent and Unified Patent Court (UPC) initiatives, which aimed at creating a streamlined, unified system for handling patent disputes across Europe. The idea first took shape in 2007 during discussions of the Working Party on Intellectual Property of the Council of the EU, when the Portuguese delegation, recognising the need for cost-effective alternatives to traditional litigation, proposed the creation of a specialised centre dedicated to the mediation and arbitration of patent disputes.

As discussions progressed, the idea materialised in the early drafts of the Unified Patent Court Agreement (UPCA), which included a provision on the establishment of the PMAC. In anticipation of the UPCA's entry into force, the groundwork for the PMAC began well before 2023. The first draft mediation rules of the PMAC were developed as early as 2015, followed by draft arbitration rules in 2016. By July 2022, the Administrative Committee of the UPC had officially adopted the Rules of Operation of the Mediation and Arbitration Centre, formally integrating the PMAC into the structure of the UPC while also ensuring its independence. This unique concept of a court-adjacent alternative dispute resolution centre was officially introduced with the UPCA's entry into force on 1 June 2023, but the status of preparations for the centre meant that it could not be opened at the same time as the court. Before the UPC opened its doors on 1 June 2023, the primary focus of the implementation works was on the creation of a functional litigation system which fully bound the IT and human resources of the court. The appointment of the PMAC's director and expert committee by the Administrative Committee of the UPC, a crucial step in bringing the centre to life, took longer than expected due to the many operational decisions to be taken regarding the court. Moreover, appropriate facilities at the two locations of the PMAC in Lisbon and Ljubljana had to be found.

In September 2024, the Administrative Committee of the UPC appointed the PMAC's first director, Mr Aleš Zalar, marking the beginning of its transition from visionary concept to operational entity. An important part of the director's mandate is to develop comprehensive mediation and arbitration rules in co-operation with the PMAC's own expert committee² for adoption by the Administrative Committee of the UPC. Furthermore, a roster of highly specialised and experienced mediators and arbitrators needs to be created in co-operation with the expert committee based on criteria accepted by the Administrative Committee.

With a view to assisting this important project, this document provides a benchmarking of best practices in comparable institutions worldwide. Its results may serve as a basis for the drafting of the PMAC mediation and arbitration rules and developing criteria for the selection of neutrals.

² In accordance with Rule 12.5 of the Rules of Operation of the Mediation and Arbitration Centre of the Unified Patent Court, eleven members of the expert committee were appointed by decision of the Administrative Committee dated 17 July 2024.

Methodology

This document employs a benchmarking methodology comparing the arbitration and mediation rules of institutions offering international dispute resolution comparable to that offered by the PMAC. The benchmarking focuses on a number of categories which are considered to be of high importance in the design of mediation and arbitration processes. The results are presented collectively for both mediation and arbitration, with key differences highlighted under each category.

The research involved identifying comparable alternative dispute resolution (ADR) centres based on several criteria, including geographical distribution, the types of proceedings offered, the nature of disputes handled, and provisions of particular relevance to the PMAC. Consequently, in certain categories (e.g. FRAND disputes, criteria for neutrals) rules of different institutions were benchmarked.

In particular, the benchmarking takes into account the arbitration and/or mediation rules of the following centres across different jurisdictions:

Asia

- Hong Kong International Arbitration Centre (HKIAC)
- Singapore International Arbitration Centre (SIAC)
- Japan Intellectual Property Arbitration Centre (JIPAC)
- Singapore International Mediation Centre (SIMC)

Europe

- World Intellectual Property Organization (WIPO)
- European Union Intellectual Property Office (EUIPO)
- International Chamber of Commerce (ICC)
- Swiss Arbitration Centre (SAC)
- London Court of International Arbitration (LCIA)
- German Arbitration Institute (DIS)

USA

- Judicial Arbitration and Mediation Services (JAMS)
- American Arbitration Association (AAA)

Of the centres listed above, the EUIPO and WIPO specialise in the resolution of IP disputes, while others offer general procedures for international and/or commercial disputes.

Regarding SEP/FRAND disputes, the number of centres offering specific options is limited (WIPO, JIPAC).

The following additional centres were taken into consideration:

- Munich IP Dispute Resolution Forum (IPDR)
- Japan Patent Office (JPO)

For topics such as the criteria for the selection of neutrals, supplementary information was sourced from the official websites of additional institutions:

- European Commission for the Efficiency of Justice (CEPEJ)
- International Mediation Institute (IMI)
- Centre for Effective Dispute Resolution (CEDR)
- Stockholm Chamber of Commerce Arbitration Institute (SCC)

The benchmarking categories were selected based on key topics addressed in the arbitration and mediation rules of different institutions.

Data was gathered through a comprehensive analysis of the arbitration and mediation rules in force at the time of preparing this document, with a focus on identifying best practices, key trends and notable differences.

The first drafts of the PMAC's mediation and arbitration rules from 2015 and 2016 were circulated for the first round of public consultations in early 2024. Comments received from user associations formed the cornerstone of the present analysis. The selection of the benchmarking categories and the institutions to be benchmarked was supported by legal experts from EPLAW with extensive ADR experience, who had provided extensive feedback on the first drafts of the mediation and arbitration rules. These experts were also regularly consulted to ensure that the analysis reflected practical insights into IP-related ADR. In addition to their support in the comparative analysis, the input of these experts was instrumental in identifying key aspects which should be considered for inclusion in the PMAC's mediation and arbitration rules.

The findings of this benchmarking analysis may be taken into consideration for the drafting of the PMAC's arbitration and mediation rules and the development of criteria for selecting neutrals, ensuring that the PMAC draws from best practices in the field of international IP dispute resolution.

Benchmarking



1. Jurisdiction, legal and procedural framework

1.1 Jurisdiction

1.1.1 Jurisdiction according to the rules

The mediation and arbitration rules of comparable institutions generally do not provide for a limitation of the centre's jurisdiction to a specific subject-matter or a geographical scope per se, but refer to the provisions of the respective arbitration/mediation agreement. It is thus a matter for the parties to decide which subject-matter they wish to submit to the arbitration/mediation centre for settlement.

As an exception, mediation at the EUIPO can only be requested during *inter partes* proceedings before the EUIPO in relation to EU trade marks or Community designs. However, in addition to disputes relating to EU trade marks and Community designs, the subject-matter of mediation may extend to any other dispute between the parties concerning rights and obligations (see Article 2 of the EUIPO Rules on Mediation).

In the first draft of the PMAC's mediation and arbitration rules from 2015, it was suggested that the jurisdiction of the PMAC be limited to European and Unitary Patents and the tribunal/mediator be allowed to deal with rights and obligations factually or legally linked to a dispute falling within the exclusive competence of the UPC. The mediation rules also excluded the question of the validity of a patent from being mediated.

However, according to the experts consulted, a broad jurisdiction is key in order for the PMAC to become a relevant ADR centre for resolving international patent disputes which is able to compete with other institutions around the world. Giving the PMAC a broad remit and not defining its jurisdiction too narrowly should thus be considered. Essentially, parties should be able to decide on the scope of any dispute submitted to ADR under the PMAC.

Being mindful of the PMAC's primary role to support the UPC by offering a platform for out-of-court settlement of the cases before it, some kind of nexus with the UPC's jurisdiction could be required, such as the dispute being

linked to a Unitary Patent or a European patent that has not been opted out.

Once this nexus is established, however, there should be no limitation as regards geographical scope and subject-matter. Geographically, international patent disputes extend beyond the territories of the UPCA contracting states. SEP/FRAND disputes are a very good example of global patent disputes typically requiring the setting of a global FRAND rate and often also a settlement of the dispute at portfolio level, thus also comprising non-European patents. However, SEP/FRAND disputes are not unique in their international scope, multijurisdictional disputes are common in a range of industries including the medical device, tech and biopharmaceuticals industries.

Furthermore, in a study conducted by the EPO and the EUIPO on "IP rights and firm performance in the EU" (2025), it was found that companies tend to use IPRs as a bundle, and connect and combine their intellectual assets. This allows them to have a stronger position in the market and also results in a better financial performance. This is another reason why a broad jurisdiction and being able to extend the mediation/arbitration proceedings at the PMAC to disputes ancillary to a Unitary Patent or European Patent in dispute, but concerning patent-law questions outside the scope of the UPCA or other IP rights, is crucial for companies. Such disputes could relate to e.g. ownership and inventorship of patents, unauthorised use, unfair competition, disclosure of trade secrets and trade marks. Including such ancillary disputes in the ADR proceedings would give parties more room for manoeuvre in reaching a settlement. (In this context, the question naturally arises of how "ancillary dispute" is to be understood and whether – depending on this understanding – a related dispute, which in fact constitutes the main dispute, would be excluded from the PMAC's jurisdiction.)

Finally, it should be clarified that parties may surrender, limit or consent to the revocation of a patent (Rule 11.2 RoP UPC) in any settlement or arbitral award by consent, and thus the question of validity can be subject

to mediation and arbitration proceedings. However, it should be clarified in the rules that a decision on validity taken in ADR proceedings can only have *inter partes* and not *erga omnes* effect.

1.1.2 Disputes on the question of jurisdiction in arbitration

The jurisdiction of the PMAC should be formulated in a sufficiently clear manner to avoid disputes arising from it.

In mediation, the settlement of disputes on the question of jurisdiction is less relevant. As mediation is in essence a voluntary process requiring a certain level of willingness, the chances of reaching a settlement are very low in any case if one party objects to the jurisdiction of the PMAC.

However, in arbitral proceedings, parties may raise preliminary objections against the tribunal's jurisdiction. Such a challenge may arise for example where a party considers that a particular dispute or part of a dispute is not covered by an arbitration agreement.

The arbitration rules of most institutions provide for the possibility of raising such an objection but include a time limit for it.

Objections against the jurisdiction of the tribunal have to be filed:

- no later than in the statement of defence or, in case of a counter-claim or set-off, in the statement of defence thereto (WIPO, LCIA, SIAC, HKIAC, AAA)

or

- prior to any defence on the merits (SAC)

Objections against the tribunal exceeding the scope of its authority have to be filed:

- promptly after the matter allegedly beyond its authority is raised (WIPO, LCIA, HKIAC)

or

- within 15 days after the matter has been raised (SIAC)

Some centres provide for the possibility of the arbitral tribunal admitting an untimely objection if it is justified (WIPO, LCIA, SAC, HKIAC, SIAC).

Some centres leave it up to the tribunal to make a preliminary ruling on the question of jurisdiction or to decide on such a plea in the final award (WIPO, LCIA, SAC, SIAC, AAA, JAMS).

Others require the arbitral tribunal to decide on the question of jurisdiction once constituted (HKIAC).

At ICC, the arbitral tribunal decides directly on the question of jurisdiction, unless the Secretary General (who heads the Secretariat of the Court) refers the matter to the court (i.e. the body administering the resolution of disputes by arbitral tribunals). In the latter case, any decision regarding the jurisdiction, except as to the parties and claims in respect of which the court has decided that the arbitration cannot proceed, is then taken by the arbitral tribunal itself.

For the PMAC arbitration rules, it has been stressed by the experts consulted that it is desirable to enable the arbitral tribunal to render a preliminary decision on the question of jurisdiction where such an objection is raised. With a view to avoiding delaying tactics, the inclusion of a time limit for raising this objection, e.g. with the respective statement of defence, as provided in the rules of most other institutions, could be considered.

1.2 Initiation of proceedings

Potential avenues that could lead IP disputes to the PMAC are numerous and can relate to different stages of the dispute. However, the following analysis first requires clarification of the terminology in order to avoid misunderstanding. An arbitration or mediation agreement is a broad term that refers to any agreement in which parties consent to resolve their disputes through arbitration or mediation rather than through court litigation. This can take the form of an arbitration or mediation clause (embedded within a contract before disputes arise) or a submission agreement (entered into after a dispute has already arisen). Arbitration or mediation clauses are a more common source of arbitrated or mediated disputes because parties are more likely to agree on ADR at the outset of a relationship when goodwill exists, whereas reaching agreement when a dispute has arisen can be challenging. In any

case, an arbitration or mediation agreement essentially establishes the framework and rules for private dispute resolution, granting arbitrators the authority to decide the matter or obliging the parties to try and settle their dispute in mediation before initiating court proceedings.

Ideally, the foresight of the parties will secure an arbitration or mediation agreement pre-dispute in the form of an arbitration/mediation clause. However as explained above, parties may also agree on mediation or arbitration ad hoc, when a dispute arises.

In a third scenario, the parties are invited to resolve their dispute in an alternative way by courts, when litigation proceedings are already pending. All of these avenues should also be made available to the PMAC. Rule 11.1 RoP UPC already provides that the UPC may propose the use of the PMAC's facilities to the parties in order to settle or explore settlement of the dispute. The RoP UPC and UPCA include various further provisions integrating with Rule 11, such as for example confirmation of the settlement by the court (see Rule 365 RoP UPC), interim hearing (see Article 52(2) UPCA), settlement under Article 79 UPCA and a general provision establishing the PMAC (see Article 35 UPCA).

According to the experts consulted, referrals to ADR by the UPC are to be welcomed due to the neutrality and authority of the referring judge. In particular in mediation, mediation suggested by one party could be seen as a sign of weakness and is thus not often done in practice. Furthermore, the experts suggested that referrals could be made by other national authorities or the EPO. For example referring the PMAC disputes on entitlement which often block any proceedings at the EPO could be considered.

With regard to mediation proceedings, regardless of whether they are initiated by the parties or suggested by a court, the initiation usually requires the parties' pre-dispute or ad hoc agreement. The benchmarked institutions offer various ways for the parties to express the agreement:

- by conclusion of a mediation agreement (WIPO, ICC, LCIA, SIMC)

- in the absence of a mediation agreement, by submitting a written request for mediation to the centre while also sending a copy of the request to the other party (WIPO, LCIA, HKIAC, SIMC, DIS)

- in the absence of a mediation agreement, by submitting a written proposal of one of the parties to the centre, which then notifies the other party (JIPAC, ICC, EUIPO, SAC, SIMC, JAMS)

Of the benchmarked institutions, the EUIPO is the only one that provides for a referral to mediation by the relevant instance of that office. In that case, each party has two months from the notification to consider the proposal and communicate their agreement to participate in mediation to that instance. If an agreement is reached, the parties must submit a written mediation request to the relevant instance of the EUIPO. The request may also be filed on the party's own motion, i.e. without referral from that office. The relevant instance will inform the other party of the request and the mediation will commence only on agreement of both parties.

Similarly, the agreement to arbitrate required for initiation of arbitration proceedings may be conveyed by the parties:

- by concluding an arbitration agreement (AAA, WIPO, ICC, LCIA, SAC, HKIAC, SIAC, DIS, JIPAC)

- in the absence of an arbitration clause, by filing a written submission agreement (AAA)

- by written confirmation of an oral agreement by all parties (JAMS)

As regards arbitration, only the rules of JAMS and AAA provide for a referral to arbitration via court order. As one of the options for commencement of arbitration, JAMS provides for a court order compelling the parties to refer to arbitration. However, at AAA, arbitration pursuant to a court order appears to require the conclusion of an arbitration agreement. That being said, encouragement by the courts to revert to ADR is possible in many jurisdictions, but is normally provided for in the procedural law governing civil proceedings as is the case in the RoP UPC. In light of the parties' fundamental right to access to justice, however, compelling parties to revert to ADR before being granted access to courts

is only possible to a limited extent (see e.g. the criteria for obligatory pre-litigation mediation set by the CJEU in joined cases C-317/08 to C-320/08, *Rosalba Alassini v Telecom Italia SpA and others* and case C-75/16, *Menini and another v Banco Popolare Società Cooperativa*).

All benchmarked centres offering arbitration provide a model arbitration agreement or arbitration clause that the parties can use when drafting their commercial contract. This practice should also be followed by the PMAC. The model arbitration clauses/agreements typically provide for:

- the jurisdiction of the centre (ICC, HKIAC, SIAC, AAA, JIPAC)
- the use of the centre's arbitration rules (WIPO, ICC, LCIA, SAC, HKIAC, SIAC, AAA, JAMS, DIS, JIPAC)
- the number of arbitrators (WIPO, ICC, LCIA, SAC, HKIAC, SIAC, AAA, JAMS, DIS, JIPAC)
- the seat (LCIA, SAC, HKIAC, SIAC, DIS)/place (WIPO, JAMS) of arbitration
- the language of the proceedings (WIPO, LCIA, SAC, HKIAC, SIAC, JAMS, DIS)
- the applicable law (WIPO, DIS)/the governing law of the contract (LCIA)/the law of the arbitration clause (HKIAC)
- the jurisdiction for disputes arising from the arbitration proceedings (JIPAC, JAMS, AAA)

Similarly, most mediation centres (WIPO, ICC, LCIA, SAC, HKIAC, SIMC, AAA, JAMS, DIS) provide a model mediation clause to assist parties. The model mediation clauses typically provide for:

- the use of the centre's mediation rules (WIPO, ICC, LCIA, SAC, SIMC, AAA, DIS)
- the place of mediation (WIPO) or seat of mediation (SAC)
- the language used for the mediation (WIPO, SAC)

ICC also provides different options for a mediation model agreement which include how the centre and its rules can be used by the parties and to what extent.

1.3 Digital procedures

The adoption of digital procedures in ADR and patent litigation is steadily increasing. Electronic communication, videoconferencing, and digital awarding are preferred methods across all benchmarked institutions. Both the UPC and the EPO make extensive use of electronic case management and conduct oral proceedings via videoconference. Article 44 UPCA mandates electronic procedures for filing submissions, stating of evidence, and videoconferencing (see also Rule 4 and Rule 112.3 RoP UPC).

At the EPO, electronic filing of documents is used in the vast majority of cases, with the use of videoconferencing steadily increasing as well.³ Given that many prospective users of the PMAC are likely to be European patent or Unitary Patent proprietors already accustomed to electronic case management and videoconferencing, implementing similar approaches at the PMAC would align with user expectations and promote efficiency.

1.3.1 Means of communication

Electronic submission of documents, along with incoming and outgoing communications via methods such as email or dedicated electronic filing systems, is the preferred approach in the majority of benchmarked institutions. Many of these institutions also offer systems specifically designed for comprehensive digital case management. While some still support fax, its use has declined and is becoming less relevant.

All benchmarked institutions, except for JIPAC, permit electronic communication in arbitration proceedings. In mediation, only the rules of AAA, WIPO, EUIPO, LCIA, SAC and JIPAC explicitly provide for the possibility of electronic communication, while rules of other institutions do not mention it. This generally covers all communications, irrespective of the sender (WIPO, HKIAC, SIAC, AAA), while ICC arbitration rules refer only to the communications and notifications from the secretariat and SIMC mediation rules only to communications by the mediator. JIPAC mediation rules allow only general procedural notifications to be communicated by phone or fax. Although otherwise not

³ In 2021, the EPO conducted approximately 350 opposition oral proceedings per month via VICO. See news item on the EPO website (30.11.2021).

requiring or providing for electronic communication by the parties, SAC arbitration rules stipulate that the secretariat should receive an electronic copy of all communications between the parties and the arbitral tribunal.

The arbitration rules of the LCIA and DIS stipulate electronic transmission of the parties' submissions as the primary means of communication, which can only be deviated from if electronic transmission is not possible (DIS) or with prior approval of the registrar (LCIA). The same provision is included in the LCIA mediation rules.

The term "electronic communication" normally encompasses email (WIPO, HKIAC, SIAC, ICC, DIS, LCIA), fax (HKIAC, SIAC), secured online repository (HKIAC), portable storage device (DIS), electronic filing system (LCIA) or other means of electronic communication (HKIAC, DIS) which provide a record of delivery (WIPO, SIAC, ICC, LCIA). AAA arbitration rules refer to alternative methods of communication or other platforms as directed by the centre or the arbitrator or agreed by the parties. Similarly, under JAMS arbitration rules, the centre or an arbitrator may at any time require electronic filing and service of documents, including through its own electronic filing system.

WIPO, JAMS, AAA and the EUIPO provide their own systems that facilitate digital case management. While JAMS has its own electronic filing system that can be used in arbitration proceedings, the EUIPO provides a comprehensive ADR platform that can be used for electronic communication as well as hearings in mediation proceedings. AAA's WebFile filing platform and WIPO's eADR can be used in both mediation and arbitration proceedings.

1.3.2 Hearings by videoconference

The use of electronic tools, particularly videoconferencing, in hearings, is widely embraced by the benchmarked institutions. The experts consulted highlighted that while videoconferencing can enhance efficiency in ADR proceedings, it should not be mandatory for parties, especially for substantive hearings. The RoP UPC present a balanced approach, allowing interim conferences to be conducted online while requiring substantive hearings to be held in person unless the parties mutually agree otherwise.

The arbitration rules of most benchmarked institutions permit conduct of hearings by videoconference (WIPO, ICC, SAC, AAA, JAMS). The arbitration rules of some centres also permit hearings by telephone (JAMS, ICC, LCIA, AAA, JIPAC) or other appropriate means of communication (ICC, SAC, LCIA, AAA, JIPAC, JAMS). Notably, the arbitration rules of DIS and HKIAC do not seem to permit hearings via electronic means. It is normally the arbitral tribunal which has the authority to determine the format of the hearings, after consultation with the parties (WIPO, SAC, SIAC) and on the basis of the relevant facts and circumstances of the case (ICC). JIPAC requires the agreement of both parties, while JAMS and AAA give the arbitrator/tribunal full authority to decide on the appropriate format of the hearings.

The majority of the mediation rules of the benchmarked institutions do not explicitly provide for online conduct of mediation proceedings (ICC, HKIAC, JAMS, DIS). Nevertheless, under the mediation rules of some institutions, meetings may be convened by videoconference (LCIA, WIPO, AAA, JIPAC), telephone (LCIA, WIPO, AAA) or using other communications technology (LCIA, JIPAC) or online tools (WIPO). SIMC mediation rules do not provide for videoconferencing directly, but do refer to it in the provision regarding costs. Therefore, it can be assumed that meeting by videoconference is possible. The choice of the format of the meetings is usually left to the parties (WIPO, AAA) and transferred to the mediator only in absence of agreement of the parties (WIPO). At the LCIA, the mediator determines the format after consultation with the parties.

The EUIPO offers a uniquely attractive feature in respect of online conduct of the proceedings, namely that mediation is free of charge if conducted online.

The arbitration rules of WIPO, ICC, LCIA, AAA, JAMS as well as the mediation rules of SIMC also provide options for online conduct of the preliminary case management hearing.

Some centres (WIPO, EUIPO, ICC, JAMS and HKIAC) have in recent years developed state-of-the-art facilities to support online as well as hybrid hearings (EUIPO, ICC) in mediation and/or arbitration proceedings.

1.3.3 Signing of the award/notification of the award

According to the mediation and arbitration rules of some centres, electronic means are also utilised for rendering awards by arbitral tribunals and signing settlement agreements.

In the arbitration rules of the LCIA it is provided that the award can be delivered by electronic means. If there is a disparity between the paper and electronic forms, the electronic form is the authoritative version. The arbitration rules of AAA also mention electronic service of the award.

In the mediation rules of the LCIA and SIMC it is stipulated that the settlement agreement can be signed electronically.

Every document filed with the JAMS electronic filing system is deemed to have been signed by the arbitrator, case manager, attorney or declarant who submits the document to the JAMS electronic filing system and must have the typed name, address and telephone number of a signing attorney.

Other comparable institutions do not provide any rules on electronic signing or notification of the award/settlement agreement.

1.4 Seat of arbitration

It is important to distinguish between the seat of arbitration and the location of the hearings (see below 1.5). The seat of arbitration is the geographical location where the arbitration is deemed to have legally taken place and the place where the final award is deemed to have been issued. The seat of arbitration is often relevant for determining *lex arbitri*. Notwithstanding that, the hearings do not have to take place at the seat of arbitration and do not influence the applicable law.

The seat of arbitration is an aspect that parties have the freedom to agree on according to the arbitration rules of most centres (WIPO, LCIA, DIS, AAA, SIAC, HKIAC, SAC). If parties cannot agree, either the centre (WIPO, AAA), the arbitral tribunal (HKIAC, SIAC, DIS) or the court (ICC, SAC) may determine the seat. Some centres' arbitration rules determine a default seat of arbitration (LCIA, HKIAC), which is typically the location of the centre. Experts consulted strongly favour the parties having the ability to select a seat of arbitration, which will typically be

influenced by party-specific considerations (e.g. a neutral venue), convenience or a preference for the courts of a particular jurisdiction to support the arbitration.

None of the mediation rules includes a provision as to the seat of mediation - this aspect is only applicable to arbitration.

1.5 Location of the hearings

The arbitration and mediation rules of most of the benchmarked institutions give parties an opportunity to jointly decide on the location of the hearings. Arbitration rules in particular usually also address situations where parties cannot agree on the location of the hearings. In these cases, it is either the arbitrator/arbitral tribunal or the centre that makes a decision. Generally, mediation rules are more flexible and less prescriptive, and usually take the wishes of the parties into consideration.

All centres allow the parties to state a preference to the arbitral tribunal or arbitrator as regards the location of the hearings which they find to be the most appropriate. In addition to giving parties an opportunity to express their preferences, some centres' rules (LCIA, WIPO, ICC, SAC, JAMS, DIS) also specify that the hearings can take place in person or virtually. Some centres provide for a documents-only arbitration (LCIA, SIAC, DIS). Only JAMS offers its premises for the conduct of the hearing. Contrary to the arbitration rules of the other centres, JIPAC designates the location of the hearings itself and then seeks confirmation by the parties.

In mediation procedures, it is typically up to the parties to choose the location (WIPO, ICC, SAC, SIMC, JAMS) and whether the mediation will be conducted in person or virtually (WIPO). If the parties cannot agree on a location, the mediator (WIPO) or the centre (SIMC, AAA) or both (ICC) will decide. In some cases, failing an agreement by the parties, the mediation will take place at the premises of the centre (SAC, DIS). According to the mediation rules of JIPAC, the director of the centre designates the location of the mediation. For proceedings before the EUIPO, the parties can choose to have them conducted online or on the premises in Alicante. If they choose the latter, the mediation is free of charge. They can also choose to hold it at the EUIPO Brussels premises for which a fee is charged.

The experts consulted repeatedly pointed out that flexibility in mediation and arbitration procedures is a key aspect. Online tools can be an attractive feature available to the parties but should never be imposed on them.

1.6 Language of proceedings

Almost all arbitration centres provide for rules regarding the language of the proceedings (except for AAA, JAMS and JIPAC). The language of the arbitration proceedings is generally agreed on by the parties. In the absence of any other agreement on the language by the parties, some arbitration centres take the language of the arbitration agreement as the default language (WIPO, LCIA). If the parties have not agreed on the language of the proceedings, the language decision is usually entrusted to the arbitral tribunal, either subject to an agreement by the parties (SAC, HKIAC) or automatically (WIPO, ICC, LCIA, SIAC, DIS), taking into account all relevant circumstances (WIPO, ICC, LCIA). Any document submitted in another language must usually be translated into the language of arbitration (see e.g. WIPO, LCIA, JIPAC, SIAC).

For the language of mediation, some centres provide for specific rules (ICC, LCIA, SAC, SIMC) which require an agreement on the language by the parties and, in the absence of such an agreement, entrust either the centre (ICC) or the mediator (ICC, LCIA, SAC) or the centre in consultation with the mediator (SIMC) with choosing the language of mediation.

The experts consulted stressed that the PMAC's rules should be drafted similarly to the rules of other centres, i.e. leaving the choice of language to the parties and, in the absence of an agreement, letting the centre or the arbitral tribunal or mediator determine the language closest to the dispute. They emphasised that this should not be limited to the language in which the patent at dispute was granted.



2. Arbitrators and mediators

2.1 Appointment

As a general rule in arbitration, many institutions provide that arbitrators are appointed by the parties (WIPO, ICC, AAA, DIS, JIPAC).

The parties can also decide the number of arbitrators (WIPO, ICC). Where there is no indication in this regard, the default option is usually to have a sole arbitrator (WIPO, LCIA, SAC).

If the parties fail to reach an agreement on the nomination of arbitrators or if the centre deems that the appointing procedure decided by the parties is not appropriate, the centre/tribunal will proceed with the appointment (WIPO, ICC, SAC, HKIAC, AAA). In the case of an appointment by the centre, the centre can provide both parties with identical lists of possible candidates (DIS, WIPO, AAA) from which they can strike any name or express preferences to facilitate the appointment (WIPO, AAA).

There are several exceptions/specifications to the standard rule that provide for the arbitrator's appointment by the parties. According to the LCIA's arbitration rules, the court alone can appoint arbitrators, taking into account any agreement by the parties. However, according to experts consulted, in practice the LCIA will follow the parties' requests. Pursuant to the arbitration rules of SIAC, any nomination coming from the parties is subject to appointment at the discretion of the president; the latter's decision is final and not subject to appeal. The arbitration rules of both SAC and HKIAC stipulate that the court needs to confirm any designation of arbitration for the appointment to become effective. That being said, it seems unlikely that an agreement between the parties will in practice not be confirmed.

As a general rule in mediation, under the mediation rules of all institutions, except the LCIA, the mediator is nominated by the parties. In some cases, the parties are provided beforehand with a list of mediators prepared by the centre, to facilitate the nomination (EUIPO, WIPO).

The nomination can then be confirmed by the centre (ICC, SAC).

In the absence of a joint nomination by the parties, one of the following procedures applies.

- The centre appoints the mediator directly (HKIAC, ICC, SIMC, JIPAC) or on the parties' request (DIS, through a specific DIS Appointing Committee).
- The centre proposes a list of mediators who are qualified or appropriate based on their qualification to resolve the dispute at issue. The parties can then delete names and express their preferences among the remaining names, from which the mediator is appointed (SAC, ICC, AAA, JAMS).
- The mediation is deemed to have failed (EUIPO).

The LCIA court formally directly appoints the mediator, taking into account nominations, criteria or methods agreed by the parties.

2.2 List of neutrals

Article 35(4) UPCA obliges the PMAC to draw up a list of mediators and arbitrators (neutrals) to assist the parties in the settlement of their dispute. The experts consulted pointed out that flexibility is a crucial aspect of arbitration and mediation procedures, and that the parties must be free to choose someone who is not on the list. Due to their special features, certain disputes (e.g. FRAND disputes) may require appointment of neutrals with special expertise. In order for the PMAC to be an attractive option, it is therefore paramount that the centre offers a list of highly qualified neutrals but does not limit the parties' free choice to appoint or nominate a neutral who is deemed appropriate, irrespective of their inclusion on the list.

The ADR Center Manual⁴ advises the development of a clear policy as to the manner in which arbitrators and mediators are chosen. This may include developing a web-based tool listing arbitrators and mediators, including a brief biography, which parties can use to choose the neutral. Another option is to develop a roster

system which the centre will use to select a neutral. In practice, both approaches are used.

Of the benchmarked institutions, the EUIPO, WIPO, JIPAC, JAMS, SAC, SIMC, SIAC, AAA and HKIAC keep a list of arbitrators and/or mediators who meet certain criteria and may be consulted by the parties or the centre when appointing arbitrators or mediators. The LCIA and SCC only maintain an internal database of neutrals, whereas ICC and SAC provide for a public database, which however is open for registration by anyone offering their ADR services for the payment of a fee. When appointing arbitrators or mediators, some centres are limited to their own lists (AAA, EUIPO, JIPAC), while others can also appoint arbitrators and mediators outside of these lists (HKIAC, LCIA, SCC, ICC, SIMC). With the exception of the EUIPO and WIPO, parties are always free to choose an arbitrator or mediator they deem appropriate, independently of the centres' lists.

2.2.1 Criteria for neutrals

To be considered for inclusion on the lists of the benchmarked institutions, arbitrators and mediators must meet certain minimum criteria, most importantly professional experience and accreditation or training. AAA, for example, requires candidates for arbitrators to have 15 years of senior-level legal, business or other experience, and for mediators to have a minimum of 10 years of senior-level experience in business, industry or a profession, while at HKIAC, five years of full-time arbitration experience is sufficient. WIPO does not set out specific standards but merely refers to professional experience in areas of IP law, dispute resolution and technical or business sectors. Institutions seem to require that arbitrators showcase their capabilities with previous experience and not merely completion of a training course. HKIAC candidates must have drafted at least two arbitral awards, while AAA refers to relevant degrees or licences, and training or experience in arbitration and/or other forms of dispute resolution.

For mediators, in addition to relevant degrees or licences, AAA requires a certificate of completion of a total of at least 24 hours of training in mediation process skills and that the candidate has served as mediator on at least five

4 Alternative Dispute Resolution Center Manual: A Guide for Practitioners on Establishing and Managing ADR Centers, The World Bank Group, 2011. The manual is intended to guide practitioners in establishing new ADR centres or improving existing ADR centres, by summarising best practices and providing case studies and pro forma documents to be used by ADR centres.

cases in the last three years or served informally in the role of mediator on at least four different occasions over the last two years. A membership in at least one business trade or professional association is mandatory as well. At HKIAC, the only requirement for mediators is that they are accredited with HKMAAL. Similarly, EUIPO mediators must be accredited under internationally recognised standards. Further criteria that the centres consider when deciding on inclusion of candidates in their lists of arbitrators or mediators are e.g. honours and awards (AAA), publications (WIPO), memberships in professional associations (AAA, WIPO), employment (EUIPO) and references (HKIAC).

In parallel, standards of further selected institutes that may or may not be specialised in ADR may be used as a basis for identifying trends on minimum requirements for IP dispute resolution professionals. Each institute sets standards around training, experience, accreditation and ethical compliance. According to the ADR Center Manual, neutrals must be properly trained, accredited where relevant, and meet specific minimum qualification standards, along with having a relevant business background. Similarly, the CEPEJ Mediation Development Toolkit suggests that mediators should be officially registered, sworn in or accredited by a recognised organisation. They are expected to be chosen based on their professional qualifications, experience, specialisation, education in conflict management and strict adherence to ethical standards. For inclusion on CEDR panels, mediators are required to hold CEDR accreditation, have experience conducting at least 10 mediations, and complete a minimum of six hours of mediation-specific continuing professional development within the last 12 months. Additionally, they must hold professional indemnity insurance with a coverage of at least £1 million. To achieve certification from IMI, mediators must demonstrate significant hands-on experience, totalling at least 200 hours or 20 mediations, and possess a solid understanding of mediation theory and the practical skills needed to effectively manage mediation processes.

It follows that ADR centres and other institutes predominantly focus on expertise and skills that mediators and arbitrators listed with them possess, rather than their nationality or the jurisdiction they are associated with.

It is desirable for the PMAC to establish some criteria that arbitrators and mediators who wish to be included on its

list must fulfil. Arbitrators could be required to possess a certain number of years of practical experience in European patent litigation. For mediators, no experience in litigation should be required. According to the experts consulted, completion of specific training might be desirable for arbitrators but should only be mandatory for mediators. Mediators could also be required to be accredited with another recognised organisation. However, these criteria should not be too prescriptive and not so narrow that they restrict the experts' access to the list. In addition, it should be considered that, especially for SEP/FRAND disputes, it might be desirable to include experts on the list who have an economic background rather than litigation experience. Regarding the nationality of the experts, it is suggested that, unlike the UPC judges, the list should be open to experts of all nationalities to make the PMAC an attractive option internationally. This would also be in line with a broader jurisdiction of the PMAC, also including patents from other jurisdictions in the dispute if a link to a classic European patent or Unitary Patent can be established (see above under point 1.1).

As regards professionals who might be considered over and above those working as litigators, arbitrators or mediators in private practice, technically qualified UPC judges might be considered to serve as mediators, provided they have received sufficient training. EPO examiners with the required training might be considered as mediators or for expert determination due to their technical expertise.

2.2.2 Process of inclusion on the list

Most centres require the prospective neutrals to submit a request for inclusion on the list (WIPO, LCIA, HKIAC), while some centres also have the option to initiate the process of inclusion themselves (WIPO, HKIAC). At the EUIPO, mediators on the list are staff members who are nominated by its bodies. Candidates must often complete a model profile, stating their experience, training and skills (WIPO, LCIA, SCC, HKIAC). HKIAC also requires the candidates for arbitrators to submit a proposal for an hourly rate. To be included on AAA's list of arbitrators, candidates must also submit a motivation letter and CV.

The responsibility of reviewing and considering the received applications is given either to a dedicated body of the centre (WIPO, HKIAC, AAA) or its senior management (CEDR). While most of the proceedings are

conducted solely on the basis of submitted documents, AAA also provides for a meeting with the candidate. The centres usually have absolute discretion on the admission of the candidate (HKIAC). The process is normally concluded when the applicants are informed about the decision on inclusion. However, CEDR also organises an onboarding process, whereas successful AAA candidates must complete a two-day arbitration course and award writing course, as well as sign a statement on standards and responsibilities. Centres do not usually require payment of a fee to be included on the list and do not specify the duration of admission. Notably, memberships in HKIAC Panel and List of Arbitrators are limited to three and five years respectively.

2.2.3 Accreditation and training

ADR centres may develop their own training for neutrals, which is concluded by certificate of accreditation, or require that neutrals be certified by another established provider. The ADR Center Manual and CEPEJ guidelines on designing and monitoring mediation training schemes outline some key points of training programmes for mediators. They both highlight the importance of employing an external training provider, separate from the accreditation body (i.e. the centre), to ensure independence, however the centre should ensure internal capacity to deliver training. As an example, the ADR Center Manual suggests that a train-the-trainer's course be offered to accredited mediators who are able to train on behalf of the centre. The centre should offer different types of training for inexperienced and advanced mediators, with a mentorship programme designed for beginners. It is essential that the training includes a practical element in the form of mediation of disputes and a final assessment on the basis of which a successful trainee is awarded a certificate. According to the ADR Center Manual and CEPEJ, the minimum duration of any training should be 40 hours (see also CMTP, HKMAAL). The final assessment must include a role play exercise (see also CMTP, HKMAAL) and may additionally include written and oral assessment of mediation knowledge. After accreditation, it is suggested that the centre should provide for further development (see also CMTP), for example in the form of workshops, self-assessments, learning journals etc. CMTP also requires the development of an online platform.

Existing programmes for accreditation of mediators such as CMTP, CEDR and HKMAAL include different

knowledge development (e.g. mediation principles, process, negotiation and conflict resolution theory) and skills development topics (e.g. process management skills, listening skills, communication strategies). HKMAAL also prescribes criteria for the lead trainer responsible for designing and delivering the programme. They should have completed at least 30 cases or 300 mediation hours, conducted mediation in the three years prior to the date of application, and be HKMAAL-accredited. The CEDR training programme includes two final practical assessments; the same is recommended for CMTP and HKMAAL. On completion of the programmes, CEDR and CMTP programmes result in respective accreditation of successful candidates, whereas HKMAAL requires a separate application for accreditation and payment of the fee. CEDR and CMTP also provide further development opportunities for accredited mediators.

Since accreditation is more relevant for mediators, there is not as much emphasis on arbitration training and accreditation. Nevertheless, SCC for example offers a diploma course for international arbitral specialists with at least ten years of experience. The three-day programme is focused on key features of arbitration (e.g. arbitration agreement, interim measures, arbitral award) and Swedish case law. On completion, the participants are awarded an SAA/SCC course diploma.

2.3 Conflict of interest

All benchmarked institutions provide rules on conflict of interest for arbitrators and mediators. While the definitions vary slightly, they generally refer to any bias or any financial or personal interest in the result of the arbitration/mediation or any past or present relationship with the parties or their representatives. The main emphasis is always on impartiality and independence. Some centres provide for rules according to which the future arbitrators and mediators should disclose any conflict in writing (WIPO, ICC, LCIA, HKIAC, JAMS, SIMC, DIS, SIAC). Other centres provide rules for disclosure but do not specify how the disclosure should be executed (SAC, AAA, JIPAC).

Furthermore, some of the centres also have specific sets of rules or guidelines on conflicts of interest which further explain the existing rules on conflict of interest (ICC, HKIAC, SIAC, SIMC, AAA, JAMS, DIS). EUIPO and SAC mediation rules refer to the European Code of Conduct for Mediators.

While not included in the benchmarking, the experts have pointed to the International Bar Association's IBA Guidelines on Conflicts of Interest in International Arbitration as they are widely referenced and used in

international arbitration. These guidelines could be used as model rules for the PMAC rules on conflict of interest, but in general it is not advisable to be too specific on conflict of interest.



3. Conduct of proceedings

3.1 Types of procedures offered

Arbitration and mediation centres can offer a variety of procedures in addition to the standard arbitration and mediation proceedings.

In arbitration, it is common to offer an expedited option to facilitate a quicker and less costly dispute resolution. Among the comparable institutions considered in the benchmarking, JIPAC is the only one that does not include the possibility of an expedited arbitration. All other institutions offer this option, either by incorporating specific provisions directly into the arbitration rules (LCIA, HKIAC, JAMS) or by creating a dedicated annex or separate set of rules for expedited arbitrations (WIPO, ICC, SAC, AAA, DIS, SIAC).

Some institutions also mention specific additional procedures that are offered, including in particular:

- Conciliation (EUIPO, DIS – in separate rules): A conciliator assists the party to reach a mutually agreeable settlement and offers potential solutions to the dispute.
- Expert determination (EUIPO, DIS – in separate rules): An independent expert takes a decision on technical rather than legal issues.
- Early neutral evaluation (JAMS): Confidential and unbiased evaluation given by experienced neutrals to help a party to assess case strengths, refine strategies and decide whether to settle, go to trial or appeal.
- Adjudication (DIS – in separate rules): Alternative dispute resolution method primarily used in planning and implementing major projects, for example in the construction industry.
- Non-binding arbitration (AAA): The award is non-binding on the parties.

— Arbitration-mediation-arbitration, litigation-mediation-litigation (SIMC): Combined forms of alternative dispute resolution to cumulate the advantages of both procedures.

The experts consulted suggested that the choice of procedures should always be left to the parties' discretion, and advised against limiting the available options by including an exhaustive list of procedures in the rules. Instead, adopting a more flexible approach and allowing the parties to select a procedure that best suits their needs would make the PMAC a more attractive option. This could be done for example by providing for a sufficiently flexible process design (e.g. in the case management provisions) and/or by including a non-exhaustive list of possible alternative procedures. In contrast, the experts strongly advised the express inclusion of expedited arbitration either in the arbitration rules or in the form of a separate set of rules dedicated to this type of procedure.

3.2 Case management

With regard to arbitration proceedings, all comparable institutions have provisions on case management powers granted to the tribunal. Tribunals generally have broad discretion and a wide range of powers on how to manage a case. Active case management can ensure efficiency in terms of cost and time, as well as guaranteed fairness of arbitration.

In general, comparable institutions' arbitration rules include two different types of provisions on case management: provisions on case management conferences (see 3.2.1) and provisions on general powers that can be granted to the tribunal to ensure the good functioning of the proceedings (see 3.2.2).

As the process is generally much less formal than arbitration proceedings, the provisions on case management in mediation (3.2.3) are not as

comprehensive as for arbitration, leaving it up to the parties and/or the mediator to design the process as they see fit.

The experts consulted noted that the PMAC arbitration and mediation rules would require more active management provisions than those envisaged in the first draft in order to align with modern arbitration systems, and suggested the addition of a new “Case Management” provision.

3.2.1 Case management conferences in arbitration proceedings

Most of the institutions provide for a preparatory hearing/ case management conference in which the arbitral tribunal establishes a timetable for the proceedings (WIPO, ICC, SAC, SIAC, AAA, JAMS, DIS). Only HKIAC, LCIA and JIPAC do not explicitly mention a hearing, but the preparation of the time schedule in consultation with the parties is still indicated as a duty of the arbitral tribunal.

The majority of institutions include a general provision stating that the procedures and the timetable are to be decided in order to ensure the fair, efficient, timely and economic conduct of arbitration (WIPO, ICC, LCIA, SAC, HKIAC, SIAC, AAA, DIS). Some other institutions add more specific issues to be addressed at the preparatory conference, such as the issues of data protection and cybersecurity (SAC), the exchange of information, attendance of witnesses, pre-marking and admissibility of exhibits, and the form of the award (JAMS), the possibility of using expedited proceedings, mediation or other methods of amicable dispute resolution to seek settlement (DIS).

Some institutions also provide the option of further hearings during the arbitration proceedings, dedicated specifically to discuss procedural issues (SIAC, DIS, JIPAC, SAC).

The experts consulted favoured case management provisions in the PMAC, including a case management conference and ideally some specific patent dispute provisions such as the availability of repeated experiments and analysis much like those provided for in the UPC RoP.

3.2.2 General powers of the arbitral tribunal

The arbitration rules of all the benchmarked institutions

include provisions which give arbitral tribunals the power to conduct arbitration in a manner which they consider expeditious, cost-effective and fair and which ensures equal treatment of the parties.

Arbitral tribunals are very frequently given specific powers concerning the time and schedule management of the proceedings. For example, some tribunals have the power to decide on the duration of different stages of the proceedings and on the order according to which matters should be decided (SIAC, LCIA, HKIAC), expedite the procedure by limiting the length or the content of written statements and testimonies (SIAC) or by employing appropriate technology (LCIA), extend the term of the office (SAC), and bifurcate proceedings (HKIAC, SIAC). Particularly interesting examples of a tribunal's powers are also the option of determining a preliminary issue, which could dispose of all or part of the case (HKIAC), and the option of taking steps to facilitate the amicable settlement of disputes at any time during the arbitration proceedings (SAC).

Other powers given to the arbitral tribunals by different institutions' arbitration rules include for example the power to issue orders concerning confidentiality (ICC, AAA), the power to determine the admissibility, relevance, materiality and weight of evidence (WIPO, SIAC), the power to compel third parties to intervene (JIPAC), the power to order the consolidation of proceedings (WIPO), and the power to decide on the challenge of arbitrators (SAC).

The legislative technique used to regulate this matter differs from institution to institution. Some use a more organised approach of including a detailed list of all the tribunal's powers in a dedicated provision (SIAC, AAA), while others include different powers of the tribunal in related sections of the arbitration rules. The experts consulted advised that the IBA Rules on the Taking of Evidence could be applied to arbitration proceedings in general.

3.2.3 Case management in mediation

With regard to case management in mediation, every institution has a provision in its mediation rules affirming that the mediator and the parties should co-operate to ensure the expeditious and fair conduct of proceedings.

There are three main approaches adopted by the comparable institutions.

— The mediation will be conducted in a manner agreed by the parties. In the absence of such an agreement, the mediator decides on the management of the mediation, taking into account the circumstances of the dispute, the wishes of the parties, budget and time constraints (WIPO, SAC, AAA).

— The mediation is conducted on the basis of an agreement between the parties and the mediator. They jointly agree on a meeting agenda (DIS, ICC, EUIPO).

— The mediator conducts the mediation as they see fit, according to the parties' wishes and the need for a timely conclusion of proceedings (JAMS, LCIA).

Some mediation rules provide for a preliminary conference in order to establish a timetable and discuss the manner and procedure for the conduct of mediation (SIMC, SAC). Alternatively, the mediator defines the timetable after having consulted the parties (WIPO, ICC). In addition, the mediator sometimes has the power to suggest that a party provides additional information or material during the mediation (WIPO).

For both mediation and arbitration proceedings, JIPAC mediation and arbitration rules stipulate that the management of the case is conducted by a "Steering Committee", which appoints a manager for each case.

3.3 Confidentiality

In IP-related ADR proceedings, a high degree of confidentiality is key. It is thus crucial that the proceedings and all documents submitted during mediation or arbitration are covered by the centre's rules on confidentiality.

Taking this into consideration, all benchmarked institutions provide for general confidentiality of mediation proceedings. This includes discussions (SAC, EUIPO, LCIA), documents (HKIAC, LCIA, ICC, AAA, JAMS, EUIPO), negotiations (LCIA, EUIPO) and information about the parties involved (DIS). The content of the settlement agreement is also confidential. ICC rules explicitly exclude from confidentiality the fact that mediation proceedings are taking place. JIPAC mediation rules also permit an agreement between the mediator and a party, which prohibits the mediator from revealing certain information to the opposing party, although it should be noted that this is widespread practice in mediation in any event. At

the EUIPO, this is the default which may only be waived by the originating party's express consent.

Any statements made in the mediation proceedings, proposals from the parties or their willingness to accept a proposal cannot be used in later judicial or arbitral proceedings under any circumstances (LCIA, JAMS). The LCIA mediation rules, however, allow for documents submitted in mediation proceedings to be used as evidence in subsequent arbitration or litigation proceedings if they are admissible and discoverable in any event. Similarly, JAMS rules state that facts, documents and the like, which are otherwise admissible as evidence in arbitral or other proceedings, will not be rendered inadmissible just by reason of their use in mediation.

Participants may also not be called as witnesses in relation to the matter of mediation in any subsequent proceedings arising from or related to it (EUIPO), unless required for enforcement or otherwise required by law (SAC). Under SIMC mediation rules, the mediator may testify about the content of the mediation in subsequent proceedings if this is required by law or agreed in writing between the mediator and the parties.

Furthermore, some institutions provide for privacy of all mediation sessions, meaning that no third parties should be allowed to attend (LCIA), while others permit a different agreement between the parties and the mediator (SIMC). According to SAC mediation rules, an agreement by parties and consent by the mediator is required for any individual other than the parties to attend the sessions, including representatives. Under the rules of SIMC, third parties must sign a confidentiality agreement prior to attending, whereas WIPO rules require all the participants to do so.

While the obligation of keeping the mediation proceedings confidential binds all participants of the proceedings (mediator, parties, experts, representatives, advisors), JIPAC, DIS, and SAC rules extend this obligation to the staff of the centre as well.

The rules of the majority of the benchmarked institutions allow a disclosure of confidential information by agreement of the parties. WIPO mediation rules also require the consent of the mediator, while SAC requires the written consent of all participants. Notably, the rules of the EUIPO, JAMS, DIS and HKIAC do not seem to grant the parties the discretion to agree on disclosure. Almost

all institutions' rules allow disclosure if it is required by law (EUIPO, LCIA, SIMC, SAC, AAA, ICC).

Furthermore, the content of the settlement agreement may be revealed for the purpose of enforcement (EUIPO, SAC, ICC, HKIAC, SIMC) or if required by law (WIPO). ICC rules limit this right to the parties.

The rules of some centres expressly allow disclosure of certain information. For example, DIS mediation rules authorise the centre to publish information on mediation proceedings for statistical reasons. Similarly, the director of JIPAC may disclose a limited amount of certain anonymised information with a limited content for research of disputes relating to IP. JIPAC rules also oblige the centre to co-operate if the party requests disclosure of certain information as proof of whether a settlement agreement has been reached or whether mediation has been conducted.

To safeguard confidentiality, some of the institutions' mediation rules stipulate that no recordings should be made of the mediation process (WIPO, EUIPO, LCIA, AAA). SIMC rules allow recordings only for the purpose of recording the settlement agreement.

The arbitration rules of benchmarked centres generally provide for confidentiality of information concerning the existence of arbitration (WIPO, HKIAC, DIS, JIPAC), documents (WIPO, LCIA, SAC, SIAC, AAA), the award (WIPO, LCIA, SAC, HKIAC, AAA, JAMS, DIS, JIPAC), procedural orders (SAC, DIS), hearings (JAMS), and deliberations of the tribunal (LCIA, SAC, HKIAC, SIAC).

Furthermore, JIPAC arbitration rules allow parties to request that the arbitrator does not disclose certain submitted materials to the opposing party. Before the tribunal decides on the request, the opposing party has a right to be heard. JAMS arbitration rules additionally grant the arbitrator discretion to decide that a person with direct interest may attend the hearing or that any non-party be excluded from any part of the hearing. The possibility of attendance of third parties may also be agreed by the parties. Contrary to the rules of other centres, ICC rules only include a general provision that gives the arbitral tribunal the power to make orders regarding confidentiality on request of any party.

The duty to keep the above information confidential is normally binding on the arbitrators, parties, and representatives. Notably, AAA and JAMS arbitration rules do not refer to the parties' duty of confidentiality. Furthermore, the confidentiality rules of the majority of centres are also binding on the centre's staff (WIPO, SAC, AAA, DIS, JIPAC, JAMS).

The general trend among the centres is that the parties may agree on disclosure of certain information regarding the arbitration. While most of the centres' rules simply refer to an agreement by the parties (AAA, JIPAC, DIS, WIPO, HKIAC), SAC and SIAC rules require that the parties' agreement is express and written. The arbitration rules of almost all the centres allow disclosure of matters related to the arbitration if so required by law, court order (see e.g. SIAC, AAA, JAMS), or needed in order to pursue a legal right (see e.g. LCIA, SAC, HKIAC, SIAC). All arbitration rules allow disclosure for the purposes of court challenge or enforcement of the arbitral award. Some centres also permit the publication of the award or parts of it. Under SAC arbitration rules, an anonymised version of the award may be published only with consent of all parties, whereas HKIAC rules allow publication if there is no objection of the parties within a certain time limit. WIPO rules also allow disclosure of the award by consent of the parties or if the award falls under public domain by court action or legal requirement. DIS requires prior written consent of all parties for publication of the award, and the LCIA also requires consent of the tribunal. Finally, WIPO and DIS enable publication of anonymised statistical data relating to the arbitration, while JIPAC may also disclose information where necessary for "enlightenment" and research.

According to the IAM's Guide to IP Arbitration,⁵ one of the most effective strategies for safeguarding confidentiality in IP-related arbitration proceedings is drafting confidentiality agreements that clearly define the scope of confidential information, its permissible uses, storage methods, security measures, and authorised recipients. These agreements can also include provisions for returning or destroying information, handling third-party disclosure requests, and stipulating confidentiality obligations that extend beyond the conclusion of the contractual relationship. Liquidated damages clauses

⁵ R. W. Wachter, G. Yoon et al., "The Guide to IP Arbitration – Third Edition: Confidentiality in international IP arbitration", 3rd edn., 2022. Available at: IAM Media.

may also be included to address the challenge of proving actual damages in the event of a breach.

When parties cannot reach a negotiated agreement on confidentiality, the arbitral tribunal may intervene and issue protective orders. These orders are typically issued after considering submissions and proposals from both sides. The tribunal's authority to impose confidentiality measures is governed by the law of the arbitration seat and the applicable arbitration rules, both of which usually provide broad discretion. Tribunals may order specific protections, such as redacting documents, restricting access to "attorneys' eyes only", conducting in-camera reviews, or limiting how sensitive information is shared with experts or used during evidentiary hearings.

Procedural orders issued by tribunals generally lose their binding effect once the final award is rendered and the tribunal's mandate concludes. To ensure continued protection of confidential information, parties may ask the tribunal to incorporate these confidentiality provisions into the final award, making them binding even after the arbitration concludes.

Proactively addressing confidentiality during the drafting of contracts or early in the arbitration process is critical. By clearly defining the scope, duration, and enforcement mechanisms of confidentiality obligations, parties can safeguard sensitive information not only during arbitration but also beyond its conclusion.

The experts consulted have also pointed to the benefits of court orders from the UPC on confidentiality for parallel mediation proceedings. In parallel arbitration, however, such orders would typically be made by the arbitral tribunal itself.

3.4 Duration of proceedings

3.4.1 General

The rules of most arbitration centres provide for target deadlines to render the final award, wherever possible.

WIPO arbitration rules provide for a deadline for the arbitration hearing to be completed within nine months of the delivery of the statement of defence or establishment of the tribunal, whichever is later.

Other centres only provide for a deadline for the final award to be rendered, which is:

- 30 days from the date of closing of the hearing or – if oral hearings have been waived – from the parties' last submissions (AAA, JAMS)
- three months after the closure of the proceedings (WIPO, HKIAC) or the last submission from the parties, written or oral (LCIA), whichever is later (DIS)
- six months from the date of the last signature of the tribunal or the parties of the terms of reference (ICC) or
- six months from the date set for the first hearing (JIPAC)

As regards mediation, it is less common for mediation rules to include a target deadline.

Only two centres' rules provide for a soft deadline, aiming for the mediation to be completed:

- within six months of the date of the first hearing with up to three hearings held during that period (JIPAC) or
- within 42 days of the appointment of the mediator and stipulating that their appointment will not exceed three months (HKIAC)

Other rules simply emphasise the need for a speedy settlement (JAMS, SAC) or for the mediator to take certain steps promptly (ICC) and terminate the mediation as expeditiously as practicable (EUIPO), or for the parties to advance the mediation as expeditiously as possible (WIPO).

Others do not provide for any such time limits or any other indications (DIS, AAA, SIMC).

The UPC aims for the final oral hearing to take place within one year and for the decision on the merits to be rendered within six weeks of the oral hearing. As regards arbitration, experts consulted recommend that aiming for an arbitral award to be rendered around the same time could thus be worth considering.

According to the experts consulted, it would be desirable to align the time period for terminating the mediation or arbitration procedure with the time period during which the limitation or prescription periods may be stayed. In case of the UPC, however, there is no maximum time

for the suspension of time limits. According to Rule 11(1) RoP UPC, limitation and prescription periods will be stayed until the end of the mediation process. The stay of proceedings before the UPC is also not subject to a fixed length, but this will be determined in the order to stay or in the order to resume (see Rule 296(2) RoP UPC).

3.4.2 Expedited arbitration

The aim of expedited arbitration is to resolve the dispute in a particularly fast manner. Thus the rules of the centres offering this procedure include specific provisions regarding time limits and conduct of the hearing. The majority of the centres' rules stipulate that if the case cannot be decided solely on the basis of documentary evidence, only one hearing is permitted for the examination of witnesses or experts and oral pleadings (SAC, SIAC, DIS). HKIAC arbitration rules allow for more than one hearing, if deemed necessary. JAMS arbitration rules provide for a discovery cutoff 75 days after the preliminary conference for percipient discovery and 105 days for expert discovery, and require the hearing to commence within 60 days of the cutoff for percipient discovery. According to WIPO expedited arbitration rules, the hearing is to be convened within 30 days of the receipt by the claimant of the answer to the request, whereas under the AAA arbitration rules, hearings are to be scheduled to occur within 30 days of the arbitrator's appointment.

In addition, it is usual practice for the rules to shorten the time for rendering the final award to six months from the date on which the arbitrator received the file from the secretariat (SAC, HKIAC)/the tribunal was constituted (SIAC)/the case management conference was concluded (DIS, ICC). WIPO's expedited arbitration rules stipulate an even shorter period for rendering the award, namely within one month of the closure of proceedings, which should normally occur within three months of the delivery of the statement of defence or establishment of the tribunal. The shortest period is stipulated by the AAA rules which state that the award must be rendered within 14 days of the date of closing of the hearing. Normally, the rules of most centres also allow for the centre (HKIAC, SIAC, LCIA) or arbitrator (JAMS, ICC) to shorten other applicable time limits.

Notably, the LCIA arbitration rules do not include specific provisions for expedited arbitration, but do impose a general duty on the arbitrators to conduct the proceedings in an efficient and expeditious manner. However, the arbitrators are explicitly given the power to dispense with a hearing and limit the length of certain actions (e.g. length of written statements, oral testimonies).



4. SEP/FRAND disputes

The experts consulted have recommended that, in view of the potential of the PMAC to handle global SEP disputes, it would be advisable for it to offer some specific procedural features for arbitration and mediation of SEP/FRAND disputes.

Such a SEP-specific procedural design could function as a unique selling point of the PMAC and significantly contribute to making the PMAC a more attractive option for a number of reasons. First, the PMAC would provide the opportunity of setting FRAND rates globally, thereby eliminating the legal uncertainty arising from divergent decisions across jurisdictions and parallel proceedings. Furthermore, while ADR is currently underexploited in FRAND disputes, arbitration and mediation offer attractive solutions for addressing the complexities

of these cases. ADR allows for the swift and efficient resolution of disputes involving technical, legal and more economic issues, providing a high level of flexibility and the opportunity to design tailor-made procedures. Finally, by subjecting themselves to a FRAND determination in ADR, parties can demonstrate their willingness to grant/take a FRAND licence, possibly serving as a safeguard against injunctions, in accordance with the CJEU's *Huawei v. ZTE* legal framework.

Providing for SEP-specific provisions in the PMAC arbitration and mediation rules would send a clear signal about its readiness to handle these disputes. No other comparable institution offers a similar feature in its arbitration or mediation rules. Although not offering FRAND-specific rules, WIPO provides guidance in the

document “ADR Options for FRAND Dispute Management and Resolution” and some model clauses which can be integrated into an arbitration/mediation agreement. The Munich IP Dispute Resolution Forum (IPDR) offers even more extensive “FRAND ADR Case Management Guidelines”. This benchmarking takes into consideration both WIPO’s options for FRAND disputes and the recommendations contained in the IPDR Guidelines.

4.1 SEP/FRAND-specific procedural design

4.1.1 Aspects to be considered

Some aspects that could be considered for a SEP/FRAND-specific procedural framework are the scope of the dispute, the drafting of tailor-made model clauses, a specific confidentiality regime, specific case management provisions including separate tracks for technical and economic issues and the possibility of carving out the FRAND determination from a dispute pending before the UPC, the appointment of arbitrators, mediators and neutrals, interim measures, the possibility of filing an appeal against (parts of) an arbitral award.

Tailor-made model clauses

WIPO offers model submission agreements for FRAND determination disputes. The IPDR Guidelines recommend a clear definition of the scope of the dispute through the design of FRAND-specific submission agreements. While the experts consulted suggested that it might be helpful if the PMAC offered its own FRAND model clause, they also pointed out the difficulty of drafting a FRAND-specific clause and that the parties are likely to negotiate their arbitration/mediation agreement themselves.

Scope of the dispute

According to the IPDR Guidelines, the scope of the dispute should be defined as precisely as possible, and the parties are invited in particular to consider and agree on the following points.

— Specific SEPs/Portfolio/SEPs sample: Parties can decide to submit to ADR one or several specific SEPs, an entire SEP portfolio or a sample of some patents which are representative of the portfolio (WIPO, IPDR). The parties can also agree on sampling criteria. In the absence of an agreement, the tribunal is entitled to determine the number of patents and the process to be applied to

determine the relevant sample with a procedural order (IPDR). The parties can also include reciprocal patents for cross-licensing in the proceedings (WIPO, IPDR). It is recommended that the award always applies to the whole SEP portfolio (IPDR). In expedited arbitration, the scope should be limited to a small number of SEPs to guarantee the quick resolution of the dispute. This could represent an interesting option for SMEs (IPDR).

— Claims and defences: The parties can agree to admit only specific claims and defences to ADR (e.g. including or excluding essentiality, validity, infringement, enforceability, FRAND determination) to save time and resources, or agree that such arguments may be heard but not be decided on by the tribunal (WIPO, IPDR). The validity of a patent is arbitrable only to a limited extent (see Art. 35(2) UPCA), but an arbitral award on validity by consent is possible (see Rule 11(2) RoP UPC). In the case of parallel ADR and court proceedings, parties can be encouraged to request a stay of the court proceedings, but it is not recommended to suspend court proceedings on validity or infringement of SEPs while a FRAND determination is subject to ADR (IPDR). When validity is included in the ADR proceedings, the patent owner should be entitled to invoke the arbitration agreement if the alleged infringer has initiated revocation actions, subject to the court’s discretion (IPDR).

— Geographical scope: Parties may request a global FRAND rate to be set or agree that such determination is limited to certain jurisdictions and markets (WIPO).

— Methodology to determine FRAND rates: No proposals are made in the model agreements provided by WIPO/IPDR, the choice is left to the parties. If the parties don’t reach an agreement on methodology, the neutral will decide on the matter (WIPO, IPDR). The parties can also agree to determine FRAND rates with a limited temporal or geographical scope and to fix a minimum and maximum rate (IPDR). These indications regarding the scope of FRAND determination should preferably be included in the arbitration agreement.

Case management

The complexity of FRAND disputes requires flexible but robust case management to deal with several procedural aspects.

— The tribunal should be empowered by the parties to order any relevant remedies (e.g. injunctions, measures for preservation of evidence, corrective measures, recall orders from channels of commerce) and deal with post-award developments (IPDR).

— The parties can agree on a detailed procedural schedule with time limits (WIPO, IPDR).

— FRAND disputes usually require a considerable volume of documents to be produced (e.g. regarding an SSO's standardisation process, prior art). It is therefore important to address evidentiary issues (e.g. admissibility, relevance, weight of evidence) at an early stage with a preliminary case management conference (IPDR, WIPO). Written preliminary proceedings, including written witness statements, are recommended in order to focus the oral hearing on the contentious issues (IPDR). WIPO provides a model procedural order for the tribunal to use on evidentiary issues.

— Both IPDR Guidelines and the experts consulted point out that it would be good practice to refer to IBA Rules on the Taking of Evidence.

Appointment of arbitrators/mediators/neutrals

— It is suggested that the parties be provided on request with a list of specialised neutrals with expertise in SEP disputes (WIPO, IPDR), which is otherwise not public. In particular in WIPO FRAND mediation, if the parties wish to involve an expert or a co-mediator with specific expertise in SEPs, the WIPO Center is available to assist with such appointment, drawing candidates from the list of specialised neutrals. However, the experts consulted have repeatedly stressed that parties should not be limited in their choice to such a list.

— Time periods for the appointment procedure and default appointing mechanisms, if no agreement between the parties is reached, should be provided (IPDR, WIPO). This is in line with the general rules on the appointment of arbitrators/mediators/neutrals of comparable institutions (see point 2.1 of this benchmarking).

Confidentiality

— FRAND disputes demand high standards of confidentiality protection. This aspect is particularly crucial when the requests for production of documents

include comparable licences that may be covered by confidentiality/non-disclosure obligations.

— WIPO provides a mechanism that assigns different levels of confidentiality to different categories of documents to ensure a proportionate and appropriate protection.

— Optional special measures for protection to be considered are giving the designation “attorneys’ eyes only” (WIPO, IPDR), the appointment of a confidentiality advisor (WIPO, IPDR), and separate confidentiality protection orders to prevent the disclosure of business secrets to third parties (IPDR).

— Both WIPO and IPDR Guidelines suggest that the parties could agree on disclosure of the methodologies used to determine FRAND terms, given the public interest in having access to this information. However, the experts consulted did not find such an agreement to be realistic and instead agreed that confidentiality should and would be prioritised.

Interim measures

— Parties may provide in the arbitration agreement that preliminary injunctions cannot be ordered by the tribunal but that it may order a party to provide security for the (counter-)claim in an escrow account (WIPO).

— The experts consulted noted that the parties might want to exclude the possibility of the arbitral tribunal issuing an injunction while arbitration on FRAND determination is ongoing, in order to avoid pressure being put on one side and the FRAND determination being affected.

Appeals

— In exceptional cases, parties may provide for the possibility of appealing (parts of) the final award to a different tribunal (WIPO, IPDR). Offering appeal proceedings may be a particularly good option in SEP disputes, as the parties are often hesitant to fix a FRAND rate with a final decision while e.g. the potential market for a particular product cannot yet be clearly defined.

— To avoid delaying tactics, the tribunal could make the appeal subject to the provision of security (IPDR).

— The IPDR Guidelines provide an example of a model appeal clause.

— The experts consulted advised that the scope of the appeal be limited to the renegotiation of a FRAND rate only and that an option be provided for subsequent “baseball arbitration” (each party submits a final offer, and the arbitral tribunal must pick one of these proposals) for the parties in the rules.

— Even if it is not specific for SEP/FRAND disputes, JAMS offers an Optional Arbitration Appeal Procedure.

Expert determination

— Expert determination may be particularly suitable for SEP/FRAND disputes which are limited to the determination of specific aspects, such as the setting of the royalty rate or the overall terms and conditions for a licence. On the other hand, in complex disputes involving infringement, validity or essentiality of patents, procedures allowing for a more detailed discussion and review of the mutual arguments are usually to be preferred (IPDR).

— For the PMAC rules, the option of including an independent binding expert determination and/or non-binding expert determination as an integral part of arbitral proceedings could be considered, especially as regards essentiality checks (see below).

4.1.2 Examples of procedures comparable to FRAND determination

While ADR proceedings involving the setting of FRAND rates are to date not regulated, some similarities may be drawn with existing procedures under certain national laws. In German copyright law, examples are the procedures for the establishment of joint remuneration rules by associations of authors and users and for the establishment of appropriate tariffs in disputes between collecting societies (*Verwertungsgesellschaften*) and users.

Establishment of joint remuneration rules

According to the German Act on Copyright and Related Rights (*Urheberrechtsgesetz*), associations of authors and users should, by mutual agreement, establish the framework and scope of joint remuneration rules in a procedure freely agreed on by them.⁶ If negotiations

on remuneration rules do not take place or if these fail, Sections 36 and 36a of the said act provide for a procedure comparable to the setting of FRAND royalties for the establishment of joint remuneration agreements before an arbitration board (*Schlichtungsstelle*). The main difference with ADR in SEP/FRAND disputes is that the arbitration procedure under these rules is mandatory, although the settlement is not necessarily binding.

The mandatory procedure may only be initiated by a written request of one of the parties, if one of the following (exhaustive) prerequisites is met.

— The other party does not commence negotiations on joint remuneration agreements within three months of the written request of one of the parties to initiate such negotiations.

— Negotiations on joint remuneration agreements do not result in an outcome within one year of the written request to initiate such negotiations.

— One of the parties declares that the negotiations have definitely failed.

The arbitration board is set up by authors' associations together with associations of users of works or individual users of works. It consists of an equal number of members appointed by the parties respectively and an impartial chairperson agreed on by both parties. Irrespective of whether it is initiated by the parties' agreement or unilaterally, the procedure is concluded by submission of a reasoned proposal for settlement from the arbitration board, which sets forth the content of the joint remuneration rules. The proposal is based on a majority vote of the board's members, taking into account the offers and counter-offers of the parties. The proposal is deemed to have been accepted if none of the parties objects within six weeks of receiving it. If the settlement proposal is not objected to within the given time limit, the joint remuneration rule is concluded with the content of the proposal and applies in the same way as joint remuneration rules that were contractually agreed without the involvement of an arbitration board. If the proposal is objected to, the procedure is finished.

⁶ A. Wandtke, W. Bullinger and R. Staats, *UrHR*, 6th edn. 2022, *UrHG* § 36, nos. 25-36, beck-online; Loewenheim *UrHR-HdB/v. Becker*, 3rd edn. 2021, § 29, nos. 115-119, beck-online.

The settlement proposal cannot be enforced because the joint remuneration rules are essentially merely privately established general and abstract regulations from which no claims arise directly. However, the arbitration board's proposals can create certain precedents for later court decisions in similar cases. Even in the event of an objection, the reasoned settlement proposal may nevertheless have effect in that a court may use it as an indication in a legal dispute to determine the appropriate remuneration.

Establishment of appropriate tariffs

The German Act on the Management of Copyright and Related Rights by Collecting Societies (*Verwertungsgesellschaftengesetz*) establishes a similar procedure for resolving disputes between collecting societies (*Verwertungsgesellschaften*) and users regarding the type and number of tariffs.⁷ This arbitration procedure can be initiated voluntarily, but in some cases, it serves as a procedural prerequisite for filing a court action (see e.g. Section 92(1)1).

The proceedings culminate in a settlement proposal by the arbitration board, which must be delivered within one year of initiation. Parties may object to the settlement proposal within one month of notification. If no objection is raised within this period, the settlement is deemed to have been accepted. If either party objects, the dispute may proceed to court, if desired. While a settlement object to is not legally binding, it carries persuasive authority in subsequent court proceedings, particularly regarding the appropriateness of the tariff.

4.2 Essentiality checks

In addition, essentiality checks, i.e. checking that particular patent claims are indeed essential to a particular standard, could be offered either as an integral part of FRAND disputes or as a stand-alone service. Currently, such checks are offered by JIPAC and the Japan Patent Office (JPO) and mentioned as a possible expert determination by WIPO.

The JPO does not have an ADR centre but offers the Hantei-E advisory opinion service for licensing

negotiations, and for negotiations to buy and sell SEPs.⁸ It is intended to be used in pre-litigation to help a party determine whether another party is infringing their patent or whether they themselves are infringing another party's patent. It may also be used in patent litigation as a means of proof. In any case, both parties have to declare that there is a dispute over the essentiality of the patented invention for the implementation of a certain standard. However, according to the JPO, it has issued very few advisory opinions on the essentiality of a SEP under the Hantei-E programme, which was started almost ten years ago. Experts consulted commented that the lack of popularity of the Hantei-E programme may be accounted for by the fact that parties are reluctant to confer the important question of essentiality to a body which does not have extensive experience of what is in effect a patent infringement analysis.

WIPO provides a specific "WIPO Model FRAND Expert Determination Submission Agreement". The parties can request an expert determination on the essentiality of patents for certain standards or on FRAND licensing rates. It can be a stand-alone procedure requested during licensing negotiations jointly by the parties or unilaterally by one party, or be requested in the context of an arbitration procedure. The expert will be appointed from the list of specialised neutrals, but they can also be chosen from candidates who are not on the list ("the WIPO Arbitration and Mediation Center (WIPO Center) shall to the extent possible draw on its list of neutrals for patents in standards").

JIPAC also offers services for the essentiality checks of specific technical standards, and provides a dedicated set of "Procedural Rules for Essential Patent Evaluation". Among other things, they lay out special confidentiality obligations and an appendix that establishes the technical standards for which the centre can conduct essentiality checks.

At the PMAC, such checks should be conducted by proven experts in the field who, depending on the nature of the proceedings, may be appointed either jointly by the parties or unilaterally by the PMAC. Possible cornerstones for essentiality checks to be potentially included in the

⁷ A. Wandtke, W. Bullinger and R. Staats, *UrhR*, 6th edn. 2022, VGG § 92, nos. 1-19; § 95, nos. 1-4; § 105, nos. 1-14.

⁸ R. Bekkers et al., "Pilot Study for Essentiality Assessment of Standard Essential Patents" Luxembourg: Publications Office of the European Union, 2020, 51 ff.

rules and which would have to be subject to an agreement by the parties or an order of the tribunal include:

- whether only single patents should be assessed for essentiality or also larger portfolios
- whether only normative parts of the standard or also optional features should be checked
- whether it is required to select a specific part of the standard to be considered or whether simultaneous

consideration of multiple standards from various SDOs is possible

- whether claim charts have to be submitted
- whether the result of the check is legally binding or non-binding
- whether a specific confidentiality regime should apply



5. Effect of proceedings and settlement / award

5.1 Suspension of proceedings/limitation periods

As pointed out by the experts consulted, the rules on suspension of proceedings and limitation periods are subject to the respective national procedural laws and thus in principle impossible to impose on the parties by mediation or arbitration rules. While some countries' procedural laws may allow an agreement on this matter, it is advisable that the PMAC's arbitration and mediation rules refrain from stipulating provisions that may not be equally enforceable.

Some centres' mediation rules include provisions on limitation periods or the suspension of proceedings.

WIPO mediation rules stipulate that parties must agree on the suspension of limitation periods to the extent permitted by the applicable law or statute of limitations from the commencement of mediation proceedings until the date of termination of mediation. DIS mediation rules also stipulate a suspension of any limitation period during mediation proceedings, which ends at the earliest three months after the termination of proceedings. Under JAMS mediation rules, parties undertake not to initiate arbitration or litigation proceedings while mediation is ongoing, unless this is necessary to toll a limitation period.

The EUIPO provides for a suspension of any other proceedings pending before it *ex officio* where a joint request for mediation has been submitted, or on the parties' request where this is not the case. The LCIA stipulates that parties can initiate or continue other judicial or arbitral proceedings at the same time.

Other centres' mediation rules do not provide any rules on suspension of proceedings or limitation periods (ICC, SAC, HKIAC, SIMC, AAA, JIPAC). Suspension of proceedings or limitation periods are also not regulated under any arbitration rules of the centres.

5.2 Effect of the award

The arbitration rules of most benchmarked institutions stipulate that awards issued under their respective rules are final and binding on the parties involved (LCIA, SAC, SIAC, DIS). WIPO rules, however, use a slightly different terminology, stating that awards are "effective and binding" on the parties, while the ICC rules specify only the "binding" nature of awards.

Furthermore, these institutions presume that, by choosing arbitration under their rules, the parties agree to promptly comply with the award and waive any right to appeal to the extent that such waiver is allowed by applicable law (WIPO, ICC, LCIA, HKIAC, SIAC). JAMS rules, which explicitly allow parties to challenge the award in front of the court that has jurisdiction or to agree at any time to JAMS Optional Arbitration Appeal Procedure, constitute a notable exception.

5.3 Recognition and enforcement

The GAR's Guide to Challenging and Enforcing Arbitration Awards⁹ suggests that there has been a significant rise in challenges and enforcement disputes, reflecting the growing complexity of the arbitration landscape. Modern arbitration laws, in line with the policies of the New York Convention and the UNCITRAL Model Law, typically

exhibit a strong “pro-enforcement bias”. This means that awards are presumed valid and can only be set aside on a narrow range of grounds.

In terms of legal references for enforcement of arbitral awards, only WIPO and JAMS rules make specific references. WIPO-certified copies of awards are considered compliant with Article IV(1)(a) of the New York Convention, whereas JAMS arbitration rules stipulate that any enforcement, confirmation, modification, or vacatur proceedings must adhere to applicable federal law. Notably, the AAA and JIPAC arbitration rules contain no specific provisions regarding the recognition and enforcement of arbitral awards.

In the context of mediation, the prevailing trend is that rules generally do not include provisions on recognition and enforcement. The current practice in the EU is to incorporate enforcement into an arbitration award or

into a court judgment. The procedure varies greatly depending on the EU member state. While there are legal instruments to tackle cross-border enforcement issues in the EU, such as the Mediation Directive, disputes that go beyond EU borders are more difficult to enforce. The Singapore Convention (2020) aims to deal with such cross-border enforcement issues of mediation agreements. It aims to provide a framework similar to the New York Convention for arbitration. Neither the EU nor an EU member state has signed the Singapore Convention yet. A position paper from the ADR Service of the EUIPO¹⁰ argues that joining the Singapore Convention could benefit EU businesses in many ways, specifically in cross-border disputes coming from non-EU countries, generally encouraging mediation in IP disputes and easing mediation enforcement, particularly compared with arbitration. The paper also highlights that the Singapore Convention is compatible with current EU regulations on mediation.



6. Fees

The setting of fees for the PMAC has several objectives. On the one hand, a competitive fee level in comparison with other relevant mediation/arbitration centres around the world has to be ensured with a view to offering a cost-efficient alternative. On the other hand, the level of fees paid to arbitrators and mediators has to be sufficiently high to attract the most knowledgeable and specialised professionals. Ultimately, the fees should enable the long-term financial stability of the PMAC so that – after a transitional period during which the contracting states contribute to the UPC's budget – the PMAC could be self-financing.

In the following section, the basic features of the fee schedules of competitor institutions are presented, without comparing their specific fees. Typically, there are fees which are paid to the respective centre, while separate fees need to be paid to the arbitrators/mediators. According to the experts consulted, the administrative fees charged by institutions do not usually

constitute the decisive cost element. Most of the costs of ADR arise from the parties' counsel and neutral fees.

6.1 Arbitration fees

In most centres' arbitration rules, there are three types of fees: registration fee (sometimes denominated filing fee), administrative fee, and arbitrator's fee.

The amount of the registration/filing fee is typically fixed (WIPO, ICC, LCIA, HKIAC, SIAC, JAMS, DIS, JIPAC). Only SAC provides for a value-based filing fee.

The administrative fees of the centres are usually value-based (WIPO, ICC, SAC, HKIAC, SIAC, AAA). At the LCIA, the administrative fee is based on hourly rates for the work of the secretariat. At JAMS, the administrative fee is set as a fixed percentage of the arbitrator's fee and at DIS, the administrative fee is part of the filing fee. Uniquely, JIPAC's administrative fee is fixed and depends on the

9 S. Saleh and E. Vimal du Monteil, “Awards: Challenges”, *Challenging and Enforcing Arbitration Awards Guide* - 3rd edn., Ed. W. Rowley and B. Siino, London: Law Business Research Ltd, 2024, 24-37. Available at: [Global Arbitration Review](#).

10 Alternative Dispute Resolution Service, “ADR- SAB Working Group 3: position paper on the Singapore Convention on Mediation”, 2022. Available at: [Position Paper Singapore Convention](#).

service provided by the centre (e.g. fee for hearing, fee for award drafting).

Furthermore, AAA offers two options for administrative fees. The first option is a Standard Fee Schedule which is made up of two payments, with a higher filing fee but lower overall administrative fees for cases that proceed to a hearing. The second option is the Flexible Fee Schedule which entails three payments, with a lower initial filing fee, but a slightly higher total of administrative fees for cases that proceed to a hearing.

The presentation of arbitrators' fees is typically of merely indicative nature. The centres' approaches are divided between value-based arbitrators' fees (ICC, SIAC, DIS) and hourly rates (WIPO, LCIA, HKIAC, JAMS). Some centres set an upper limit for the arbitrator's fee (HKIAC, SIAC).

6.2 Mediation fees

In mediation rules, the approaches to fees vary. Some are comparable to the approach of arbitration centres, where there are three types of fees (ICC, LCIA, SAC, AAA, DIS) and some are different, as described below.

The filing fee is fixed in most centres (WIPO, ICC, LCIA, SAC, AAA, DIS, JIPAC). DIS also has an additional fee which is a fixed fee for the nomination of the mediator.

As in arbitration rules, the administrative fee in mediation centres can be either value-based (WIPO, ICC, SAC) or based on hourly rates (LCIA, AAA). JIPAC has other fixed fees in various categories, such as a fee for hearing and settlement agreement fee.

Mediators' fees are typically agreed at an hourly rate (WIPO, ICC, LCIA, SCA, DIS). Hourly rates typically vary from mediator to mediator but are in some exceptions fixed by the centre (ICC) or agreed between the parties and the mediator (SAC). SIMC does not generally disclose its fees in advance but provides a proposal of the fees on request of interested parties.

The EUIPO is an exception to the fee structures, as the mediation is free of charge if conducted online or in Alicante. If it takes place at the EUIPO premises in Brussels, there is a one-off administrative charge.

One centre (JIPAC) offers fee reductions in the mediation procedure for some parties such as individuals, small-scale enterprises or organisations, and high-profile public organisations.

Conclusion

This analysis highlights critical considerations for drafting the arbitration and mediation rules of the PMAC, which could help its establishment as a competitive, internationally recognised arbitration and mediation centre. The findings underscore the importance of adopting best practices and addressing unique aspects of IP-related ADR, as emphasised by the comments received during the public consultation on the draft rules in 2024. Of the many aspects that have been highlighted in this benchmarking to be considered for the revision of the draft arbitration and mediation rules, the following key takeaways should be emphasised.

To achieve international competitiveness and permit a comprehensive resolution of patent-related disputes, the PMAC should have a broad jurisdiction which allows for ancillary disputes regarding e.g. trade marks, trade secrets or questions of ownership of patents to be included in the dispute. To recognise the global nature of many patent disputes, allowing whole portfolios to be included in the proceedings and avoiding a strict limitation to classic European and Unitary Patents only should be considered. Parties should enjoy a high flexibility in defining the scope of disputes, alongside effective mechanisms for managing jurisdictional challenges.

In addition, the PMAC's success will depend largely on the experts willing to act as arbitrators and mediators. Similar to the UPC judges, the degree of specialisation of the neutrals registered with the PMAC is key for the parties' trust in the quality of its services. Therefore, a list of neutrals comprising the most renowned experts in the field should be established, including neutrals with legal or economic expertise in patent matters, the latter being particularly useful for FRAND rate setting, damages assessments and royalty disputes. At the same time, parties should be completely free in their choice of neutrals. The list of neutrals should be a useful tool to support parties in the selection process but should not restrict their choice.

Furthermore, provisions that allow for a flexible and effective case management are strongly recommended. The centre should offer an alternative to patent litigation which is efficient in terms of time and cost due to a functional and adaptable process design and a competitive fee schedule.

Lastly, SEP/FRAND-related disputes represent important potential for the PMAC. They could be particularly suitable for ADR due to the strict confidentiality of the process and the flexibility it offers as regards the process design, e.g. the possibility of dealing with technical and economic aspects of the dispute separately. Introducing SEP/FRAND-specific procedural features which accommodate the particularities of these disputes could make the PMAC a much more attractive option for such cases.

Together, these elements would create a robust framework that meets global standards, appeals to a wide range of patent disputes and could ensure that the PMAC fulfils its potential and becomes a successful and self-financing complement to the Unified Patent Court.

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