IP Dispute Resolution through Arbitration

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Introduction to IP Arbitration
A. Introduction to IP Arbitration (1)

Types of IP

**Trade marks**
- NOKIA
- Product "208"
- Start-up tone

**Copyright**
- Software
- User manuals
- Ringtones
- Start-up tone
- Images

**Patents and utility models**
- Data-processing methods
- Operating system
- Operation of user interface

**Designs**
- Form of overall phone
- Arrangement and shape of buttons
- Position and shape of screen

**Trade secrets**
- Some technical know-how kept "in-house" and not published
A. Introduction to IP Arbitration (2)

Types of IP

1. Industrial Property (Patents, Utility Models, Industrial Designs, Trademarks, and Geographical Indications)
2. Literary and Artistic Property (Copyrights and Neighboring Rights)
4. Trade Secrets
5. Acts of Unfair Competition
A. Introduction to IP Arbitration (3)

Types of IP Disputes

1. IP disputes arising outside of an existing agreement
   - No pre-existing contractual relationship;
   - IP infringement dispute;
   - IP invalidity dispute;

2. IP disputes arising in connection with an existing agreement
   - Non-disclosure agreements;
   - IP assignment or license agreements;
   - Research & Development (R&D) funding agreements;
   - Joint Venture Agreement (including IP licensing);
   - Distribution Agreement/Franchise Agreement (including IP licensing);
A. Introduction to IP Arbitration (4)

Types of IP Disputes

- **Trademarks**
  - Coexistence
  - Infringements
  - Licenses
  - Oppositions
  - Revocations (17%)

- **Copyright**
  - Art
  - Broadcasting
  - Entertainment
  - Film and Media
  - Infringements
  - TV Formats
  - (9%)

- **Patents**
  - Cross-licensing
  - Infringements
  - Licenses
  - Ownership
  - Patent Pools
  - R&D / Tech Transfer
  - Royalty Payment
  - (25%)

- **ICT**
  - Mobile Apps
  - Outsourcing
  - Systems Integration
  - Software Development
  - Software Licensing
  - Telecommunications
  - (21%)

- **Commercial**
  - Distribution
  - Energy
  - Franchising
  - Marketing
  - Sports
  - (28%)

*Dispute Areas in WIPO ADR Cases as of April 2018*
### A. Introduction to IP Arbitration (5)

**Types of ADR in IP Disputes**

<table>
<thead>
<tr>
<th>APPROACH</th>
<th>EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Assistance-based</td>
<td>Mediation</td>
</tr>
<tr>
<td>2 Recommendation-based</td>
<td>Expert Determination</td>
</tr>
<tr>
<td>3 Adjudication-based</td>
<td>Arbitration</td>
</tr>
</tbody>
</table>

A. Introduction to IP Arbitration (6)

Recent Development of IP Arbitration

1. In the 19th century and the early 20th century
   - Sweden (1834); the United Kingdom (1855); the United States (1928)

2. In the late 20th century and recent developments
   - The increase of caseload at the WIPO Arbitration and Mediation Center;
   - Recent changes of national laws including Singapore and Hong Kong to make arbitration more attractive and effective in resolving IP disputes;
   - The movement from the historical resistance to the arbitrability of IP disputes to a more liberal and pro-arbitration approach; and
   - Introduction and adoption of procedures to facilitate resolution of IP disputes and make arbitration more attractive to users.
A. Introduction to IP Arbitration (7)

Recent Development of IP Arbitration
Why IP Arbitration (IP Arbitration vs. IP Litigation)?
B. Why IP Arbitration (IP Arbitration vs. IP Litigation)? (1)

Top Ten Priorities in Choice of Dispute Resolution Clause
### B. Why IP Arbitration (IP Arbitration vs. IP Litigation)? (2)

<table>
<thead>
<tr>
<th></th>
<th>Court Litigation</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party agreement needed to initiate</td>
<td>✗</td>
<td>✔</td>
</tr>
<tr>
<td>Parties can select specialized neutral</td>
<td>✗</td>
<td>✔</td>
</tr>
<tr>
<td>Neutral is a decision maker</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Confidential</td>
<td>✗</td>
<td>✔</td>
</tr>
<tr>
<td>Efficient for international disputes</td>
<td>✗</td>
<td>✔</td>
</tr>
<tr>
<td>Parties can shape proceedings</td>
<td>✗</td>
<td>✔</td>
</tr>
<tr>
<td>Possibility of appeal</td>
<td>✔</td>
<td>limited</td>
</tr>
<tr>
<td>International enforcement of outcome</td>
<td>limited</td>
<td>✔</td>
</tr>
</tbody>
</table>

Source: Resolving IP and Technology Disputes Through WIPO ADR (2016)
B. Why IP Arbitration (IP Arbitration vs. IP Litigation)? (3)

- Cost of IP court litigation
- Internationalization of creation and use of IP
- Technical and specialized nature of IP
- Short product and market cycles in IP
- Confidential nature of IP
- Collaborative nature of IP creation and commercialization

- Calls for expedient solutions
- Calls for cross-border solutions; consolidate in one procedure
- Calls for specific expertise of the neutral
- Calls for time-efficient procedures
- Calls for private procedures
- Calls for mechanisms that preserve relations

Source: Resolving IP and Technology Disputes Through WIPO ADR (2016)
Considerations in IP Arbitration
C. Considerations in IP Arbitration

1. Considerations before a Dispute Has Arisen
   - Why Arbitrate IP disputes?
   - Arbitrability of IP disputes
   - Drafting arbitration clauses in IP agreements

2. Considerations once a Dispute Has Arisen
   - Strategic considerations once a dispute has arisen
   - Confidentiality in IP arbitration
   - Disclosure issues in IP arbitration
Why IP Arbitration at NCAC?
D. Why IP Arbitration at NCAC? (1)

Case Statistics

25
CASES
REGISTERED AS
OF MARCH 2021

68% 32%
Nature of cases
68% involves only Cambodian or Cambodia-based as a party to
the disputes, while 32% of the total involves at least one foreign-
based party.

Total sum of dispute
$72m
The total sum of in dispute of all cases exceeds USD72
million. In 2020 alone, the total sum in dispute of all cases
received was almost USD 29 million representing around
35% of the total amount in dispute of all cases since the
NCAC received its first case in 2015.

Geographical origin of the parties

Award set aside or refused to recognize and enforce

Award recognized by the HIGH COURT of SINGAPORE

Cases registered by year

Cases registered by sector

46%
46% of proceedings are conducted and awards are
made in English. The rest is in Khmer language.

Nationalities of arbitrators appointed

5 appointments include
women as arbitrators of which
3 appointments appointed a
woman as presiding arbitrator.

Source: NCAC

Bun & Associates
ATTORNEYS AT LAW
D. Why IP Arbitration at NCAC? (2)

Key Features

- Qualified national and foreign arbitrators with IP expertise and experience
- Arbitration Laws and Rules meet international standards with the local context
- Cambodia is a member of New York Convention on the Recognition and Enforcement of Foreign Arbitration Awards
- Offer greater efficiency and flexibility in the arbitration proceedings conducted in Cambodia
- Procedures at NCAC: 1) Normal procedure; 2) Expedited procedure; 3) Emergency arbitrators; 4) Physical or Online
D. Why IP Arbitration at NCAC? (3)

Normal Procedure

1. Notice of Arbitration
2. Answer to Notice
3. Arbitrator Appointment
4. Preliminary Meeting
5. Claimant’s First Submission
6. Respondent First Submission
7. Hearing
8. Post-hearing submission (if any)
9. Award
   - [Recognition and Enforcement] or
   - [Set aside or rectification]

Source: NCAC
D. Why IP Arbitration at NCAC? (4)

Expedited Procedure

- Notice of Arbitration / Application for Expedited Procedure
- Constitution of the Tribunal
- Notice of Response / Approval by the Appointment and Proceedings Committee
- Arbitrator(s) Appointment
- Submissions
- Hearing / On the basis of documents
- Scrutiny
- Final Award

270 Calendar Days

Source: NCAC
Key Takeaways
E. Key takeaways

1. Types of IP disputes arising in connection with an existing agreement:
   - Non-disclosure agreements;
   - IP assignment or license agreements;
   - Research & Development (R&D) funding agreements;
   - Joint Venture Agreement (including IP licensing)
   - Distribution Agreement/Franchise Agreement (including IP licensing)

2. Arbitration Clause/Agreement is a must to initiate any IP arbitration;

3. Key advantages of IP Arbitration: Confidentiality, Party Autonomy, Specific Expertise of Neutral Arbitrators, Enforceability of Arbitral Award, Cost and Time;

4. NCAC has all necessary features and mechanism in place to arbitrate IP disputes under its arbitration rules: Expedited Procedure, Emergency Arbitrator Mechanism and Physical/Online Means.
THANK YOU FOR YOUR ATTENTION!
Sovath co-leads the Dispute Resolution, Corporate Practice Groups and leads the Intellectual Property Practice Group at Bun & Associates. He is a member of the National Commercial Arbitration Centre (NCAC) and a Fellow of the Singapore Institute of Arbitration (SIArb). He assisted the team that drafted the Internal Rules and Arbitration Rules of the NCAC and was the Vice Chairman of the Executive Board of the NCAC (2016-2019) where he has Developed Commercial Arbitration Training Curriculum and Training Materials for NCAC funded by World Bank; and has served as member of the Education and Training Committee, provided commercial arbitration training to prospective arbitrators.

Sovath has particular expertise practicing in intellectual property and provides advice and support for the protection, commercialization, and enforcement of intellectual property rights to a wide range of right holders in various sectors. He has taught various business-law related subjects, including corporate and intellectual property law within and outside Cambodia. He also acted as National Legal Adviser and assisted ministries in Cambodia in drafting new various law.

He is admitted to the Bar Association of the Kingdom of Cambodia and is one of the first selected commercial arbitrators in Cambodia. He is a qualified Trademark Agent in Cambodia, registered with the Ministry of Commerce. Sovath holds a Doctor of Laws (Comparative Law) from Nagoya University Graduate School of Law, Japan.