

Arbitration of patent disputes Case studies #1 and #2

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Arbitration case studies

Case #1

The dispute


- The claimant: a creative SME
- The respondent: an industry leader in its field
- Discussion between the parties for a possible transfer of the technology developed by the claimant to the respondent, within the framework of a Confidentiality Agreement
- Eventually, the respondent says that he is not interested in the claimant's technology
- But the respondent files several patent applications in this technological area
- Two arbitration proceedings beforehand and multiple proceedings (including criminal) before national courts




Arbitration case studies

Case #1

The arbitral framework



- ICC arbitration
- Place of arbitration ("seat"): Paris
- The arbitral tribunal
 - ▶ A distinguished professor of law (specializing in arbitration) appointed by the claimant (country A)
 - ▶ A top notch patent litigator appointed by the defendant (country B)
 - ▶ A modest patent litigator appointed as chairman by the two arbitrators (country A)
- Law applicable to the case determined by the Confidentiality Agreement (law of country B)




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Arbitration case studies

Case #1

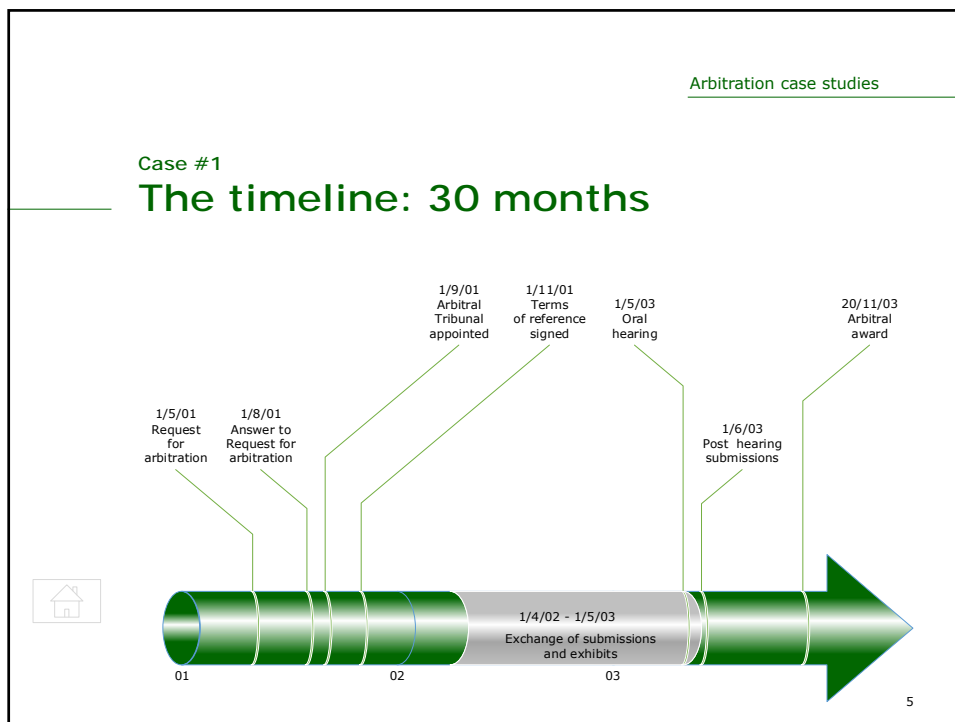
The proceedings




- The Claimant
 - ▶ 4 submissions (250 pages)
 - ▶ 300 factual exhibits (3000 pages)
 - ▶ 100 legal exhibits (1000 pages)
- The Respondent
 - ▶ 3 submissions (500 pages)
 - ▶ 150 factual exhibits (2000 pages)
 - ▶ 60 legal exhibits (400 pages)
- The tribunal
 - ▶ 3 procedural orders
 - ▶ 1 claim chart



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- Arbitration case studies
- Case #1
Legal issues
- 
1. Production of exhibits
 2. Jurisdiction and admissibility
 - i. Waiver of the arbitration agreement
 - ii. Relief sought outside the scope of the arbitration agreement
 - iii. Inadmissibility (*res judicata*, limitation period)
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Arbitration case studies

Case #1

Legal issues



3. Liability
 - i. Validity of the agreement (EU antitrust law)
 - ii. Violation of the Confidentiality Agreement
4. Claims concerning the ownership of the patents filed by the respondent
 - i. Claim for a declaration of ownership of the patents
 - ii. Claims for ordering the claimant to transfer the ownership of the patents




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Arbitration case studies

Case #1

The award



- 113 pages
- Decision on production of exhibits
- No waiver of the arbitration agreement
- Relief sought within the scope of the arbitration agreement
- Claims admissible (no *res judicata*, no limitation)
- Agreement does not violate EU antitrust law
- Respondent violated the Agreement in filing the Patents
- Orders Respondent to transfer the Patents to Claimant



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Case #1

The aftermath

- Action for setting aside the award before the court of appeal of Paris
- Request from both parties for interpretation, correction and additional award
- Additional award (addendum to the initial award)
- Action for setting aside the additional award before the court of appeal of Paris
- **Settlement!**



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Case # 2

The dispute

- The claimant: an industry leader in its field (country A)
- The respondent: a research centre (country B)
- Agreement between the parties for a joint common development
- After the end of the common development, the respondent files several patent applications in this technological area
- The claimant considered that these patent applications covered a technology developed in common, such that
 - ▶ it is entitled to **co-ownership** of the patents,
 - ▶ or, in the alternative, that, under the joint common development agreement, it is entitled to a **right of access** to the patented technology
- Several proceedings before national courts




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Arbitration case studies

Case #2

The arbitral framework



- ICC arbitration
- The arbitral tribunal
 - ▶ A lawyer specializing in arbitration appointed by the claimant (country C)
 - ▶ A patent litigator appointed by the respondent (country D)
 - ▶ A lawyer specializing in arbitration appointed as chairman by the two arbitrators (country E)
- Applicable law under the joint development agreement: law of country E (incidental discussion: is a vindication claim governed by the law of the agreement or by the law of the patent?)




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Arbitration case studies

Case #2

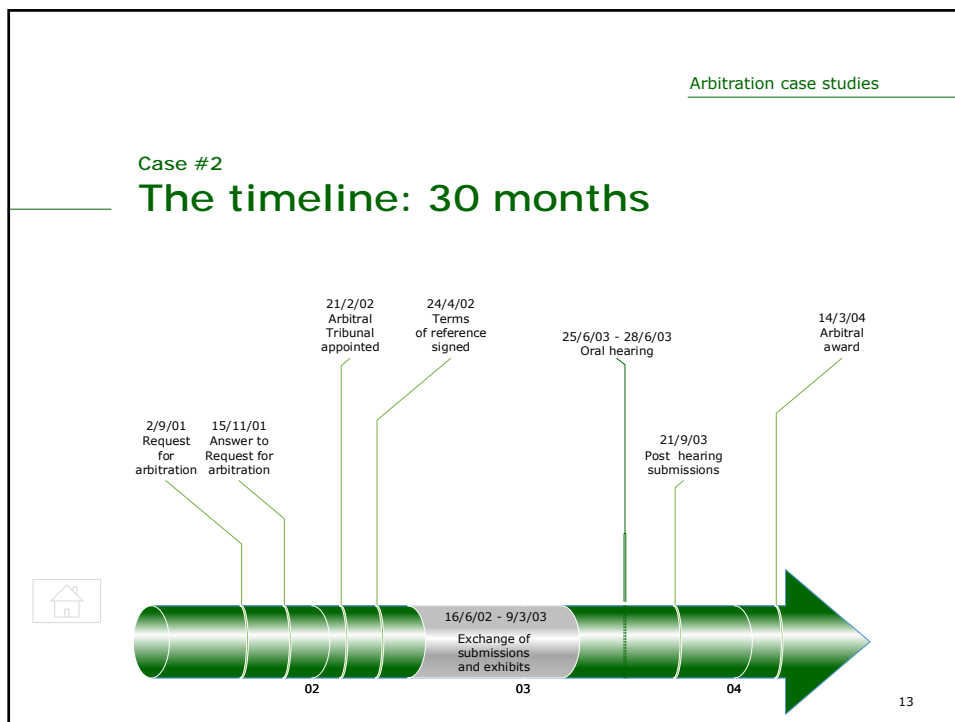
The proceedings




- The Claimant
 - ▶ 3 submissions (430 pages)
 - ▶ 45 factual exhibits (1200 pages)
 - ▶ 40 Legal exhibits (280 pages)
 - ▶ 6 witness statements (125 pages)
 - ▶ 4 expert reports (250 pages)
- The Respondent
 - ▶ 3 submissions (370 pages)
 - ▶ 60 factual Exhibits (1100 pages)
 - ▶ 70 Legal Exhibits containing 800 pages
 - ▶ 4 witness statements (75 pages)
 - ▶ 4 expert reports (200 pages)
- The Tribunal
 - ▶ 4 procedural orders (including a Redfern schedule)



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- Arbitration case studies
- Case #2**
Legal issues
- 
1. Technical comparison between the results of the joint common development agreement and the patented technology
 2. Co-ownership of the patent
 - i. Law applicable to the claim for ownership
 - ii. Statute of limitation makes the claim for ownership inadmissible (too late)
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Case #2

Legal issues



3. Right of access to the patent confirmed
 - i. The infringement suits brought by the respondent against the claimant were initiated in breach of the joint development agreement
 - ii. The respondent is ordered to withdraw these infringement suits and to refrain from initiating similar suits



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Case #2

The award



- 146 pages
- The patented technology was related to the results of the joint common development agreement
- The claim for co-ownership of the patent was filed too late and made inadmissible by statute of limitation
- The infringement suits brought by the respondent against the claimant were initiated in breach of the joint development agreement
- The respondent was ordered to withdraw these infringement suits and to refrain from initiating similar suits



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Case #2

The aftermath

- The arbitral tribunal received no information about the aftermath of the case...
- **No news is good news**



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Thank you



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