

L E X

WITNESS

Volume 10 Issue 9 | April 2019

₹65 US \$6 UK £4

expert speak



Hardeep Sachdeva
Senior Partner,
AZB & Partners

P27



Sahil Tandon
Associate,
AZB & Partners



Jyoti Chaudhary
Partner,
Hammurabi & Solomon

P66



Katyani Mahendru
Associate,
Hammurabi & Solomon



Ishani SenGupta
Associate Partner,
S. Jalan & Company

P61



Snehashis Sen
Principal Associate,
S. Jalan & Company



Sindhuja Kashyap
Associate,
King Stubb & Kasiva

P55



Surbhi Singh
Associate,
Singh & Singh

P40

ipr corner



Lucy Rana
Partner,
S.S. Rana & Co.

P24



Isheta Srivastava
Associate,
S.S. Rana & Co.

expert speak



Ajai Nigam
Head-Energy Laws,
Chamber of Nigam & Nigam

P37

let's arbitrate



S. Ravi Shankar
Sr. Partner, Law Senate

P64



India's Extradition Story

A Glimpse of the Bygones!

P08

expert speak



Abhishek Malhotra
Founding Partner, TMT Law Practice
Bagmisikha Puhana
Sr. Associate, TMT Law Practice

P19

expert speak



Niraj Singh
Partner, RNS Associates

P70

expert speak



Varsha Banerjee
Partner, Dhir & Dhir Associates
Kunal Godhwani
Associate, Dhir & Dhir Associates

P32

ADR's Latent Ability to Resolve Intellectual Property Disputes

■ **Surbhi Singh**



he method of resolving disputes through Alternative Dispute Resolution (ADR), is deep rooted in the Indian Culture and instances of the

same can be traced back to the days of Ramayana and Mahabharata. In Mahabharata, Lord Krishna acted as mediator to avert Mahabharata war and in Ramayana, Lord Hanuman and Angad acted as mediator to resolve the dispute with Ravana. However, the mediation in these incidents failed and it can be gathered that it is extremely crucial for the parties to have an open mind and willingness to find a solution and settle the dispute amicably, in order to ensure effectiveness of the ADR mechanism. Considering, the long usage and the potential of ADR, it is suggested that parties before approaching any Court of law should be open to resolve their disputes through the various ADR mechanism.

Intellectual property law (IP) is an extensively complex field of civil law. In the recent years, the degree of complexity involved in IP cases have amplified owing to easy accessibility of the internet, advancement of technology and emergence of new subject matters of protection in IP law. But, the traditional adjudication system struggles to address such upcoming issues in IP law.

Often, when any IP dispute arises, the

concerned parties as well as their attorneys blindly turn towards the traditional path of litigation, failing to consider the tremendous potential of ADR techniques to provide more effective and efficient remedies. In addition, it is pertinent note that in IP disputes parties have high stakes involved in the final outcome and hence, the parties that refer the dispute to the litigation tends to develop concerns not only regarding the delay and the high amount of expenses to be incurred during the proceedings but also regarding the level of uncertainty specially in relation to the outcome of a case and one cannot not ignore the fact that the likelihood of obtaining a one sided decision is more in traditional litigation.

Unlike litigation, ADR encourages parties to reach an amicable settlement. Furthermore, in contrast to litigation, which could be one-sided, the solutions obtained through ADR proceedings favour both the parties. It is important to note that ADR is dynamic in nature, and hence, can be altered accordingly, to meet the changing needs of the society and its people. It provides the parties the freedom to tailor-make the process and rules of the trial, have control over the proceedings as well as encourage the participants to come up with a creative solution which favours both the parties. This enables the parties to preserve their economic resources, valuable time, image of the organization as well as the relationship between the parties.



C-139, Defence Colony
New Delhi - 110024, India
T: +91 11 - 4987 6099
T: +91 11 - 4982 6000 to 6099
E: email@singhandsingh.com



METHODS OF ALTERNATE DISPUTE RESOLUTION

It was pointed out by Lord Younger (Intellectual Property Minister of UK, 2010-2015) "For intellectual property disputes, going through the courts should be the last resort, not the first port of call."¹ ADR does not involve a polarized approach towards dispute settlement, instead comprises of an ocean of opportunities. It includes varieties of method and practices, which can be further altered according to the needs of the parties. The process may range from being facilitative to being evaluative and also may include results that are consensual and binding. Parties should explore the different means of dispute resolution as every method has its own benefits. Methods of dispute resolution such as Negotiation, Mediation, Arbitration and conciliation are

commonly used by parties in India. In addition to the aforesaid, there are other effective methods of dispute resolution, which are prevalent in other jurisdictions such as Med-Arb, Settlement Conference with a Judicial Office, Early Neutral Evaluation, Mini Trials and Summary Jury Trials etc, which can also be adopted by the parties for speedy disposal of IP disputes.

• Med-Arb

Med-Arb is a hybrid of mediation and arbitration, which is extremely beneficial, especially in resolution of commercial disputes which involves multiple and intricate issues. The flexibility in the process provides the parties a window to switch from mediation to arbitration phase, in case parties are not able to resolve their disputes themselves in the initial phase of mediation and requires

intervention of the third party to provide a binding solution.

• Settlement Conference with a Judicial Office

Often judges take active hand in promoting amicable settlement of dispute. Parties approach the court judges in a separate conference or a meeting in order to explore the possibilities of settlement. The settlement talks may be facilitated by the judge who is actually hearing the case in formal litigation process or the case could be referred to another judge or magistrate.

• Early Neutral Evaluation (ENE)

Under ENE usually an expert, who is well-aware of the issues and subject matter of the case is appointed to the make an evaluation of the proceeding, conducted in an abbreviated manner.

After the counsels of both the parties have represent their client's case before the evaluator, he may then ask question in furtherance to simplify the issues involved and thereby by reach a common ground of settlement.

- **Mini Trials**

This settlement device was formulated in a patent infringement case², so as to conduct settlement privately as an alternative to the litigation system. The process incorporates various elements of negotiation, mediation, arbitration and as well as of litigation. The proceedings are presided over by a judge or by the management representatives of the both the parties. The case is then presented in a condensed form by the attorneys of the parties, pursuant which the presiding officer provides an opinion on the case³. It is the prerogative of the parties to accept or deny to be bound by the outcome since the opinion is not binding on the parties and if parties are not able to settle dispute promptly after the evaluation, the presiding officer then attempts to facilitate a settlement by using other ADR methods (such as mediation and arbitration), keeping in view the outcome of the case analysis.⁴

- **Summary Jury Trials**

This mechanism was conceived by Judge Thomas Lambros (the U.S. District Court for the North district of Ohio) while dealing with personal injury matters, suggested that "if the outcome of the case could be predicted with some reasonable certainty then parties would be more inclined towards resolving the

dispute rather than resorting to the formal method of adjudication."⁵ the process includes presentation of claims by both the parties before a jury, which then gives their verdict on the basis of the argument made by the counsel of the parties. The decision of the jury is of non-binding nature.

ADVANTAGES OF ALTERNATE DISPUTE RESOLUTION

Like commercial disputes, IP dispute cases are often brought before formal courts, however; most of them tend to be settled outside the courts before the trial elapses. This is evident from the fact that in 2002, around 7400 cases were disposed of by the federal district court in U.S. and only 2 percent out of the whole bunch of cases actually went through a trial to a verdict sage of a court proceedings. Devoid of any doubt, the use of ADR methods in resolving IP disputes is increasing and this could be attributed to its distinctive features. Choosing ADR over litigation has its own advantages. Some of these include:

- **Confidentiality**

Confidentiality plays a crucial role and is of paramount concern in intellectual property cases involving trade secrets, patents and computer software, where the parties intend to keep such sensitive information confidential and protected. One of the biggest advantages of ADR is that unlike litigation, its process is bound by the terms of confidentiality. The proceedings conducted are private and no transcript or any information is allowed to be accessible by the public.

- **Saves Time**

ADR process saves a lot of time of both the Courts and the parties. In today's scenario courts are overburdened with the cases and as a result of which, cases tend to face delays in reaching a conclusion. More so, in the case of intellectual property where there are multiple issues involved and which require considerable time and consideration by the courts as the issues involved are extremely technical and complex in nature. Also, the intellectual creation tends to have a limited span of life and the subject matter of the intellectual protection is more likely to lose or witness slump in its relevance by the time the IP litigation comes to an end.

- **Cost Effective**

IP disputes require exorbitant amount of money to be spent on litigation. However, in ADR due to its in-built capabilities, the disputes can be to resolved in shorter time frame along with flexibility of rules and procedure, in a lesser amount, which also saves economic resources of the parties. Keeping in view the several benefits of ADR, the Indian Judiciary as well as legislature promote and encourage parties to resolve their dispute through the ADR techniques and the efforts with regards to the same are even evident in the Section 16 of the Court Fees Act,1870. Section 16 of the Court Fees Act,1870 provides for refund of court fees in cases where the matter is referred by the Court to any one of the modes of settlement of dispute referred to in section 89 of the Code of Civil

Procedure, 1908 and the same is thereafter settled by the parties.

- **Flexible Process**

ADR system provides freedom to the parties to customise or tailor the process of dispute resolution, according to the needs and interests of the parties. Unlike in litigation where the parties are bound by the rigid procedures as prescribed under various acts such as Civil Procedure Code, 1908 and India Evidence Act, 1872.

- **Creative Solution**

In ADR the parties have the control over the final outcome of the process, as the settlement is drawn with the consent of both the parties. Unlike litigation where the remedies are limited (such as injunction, damages, litigation cost, restitution etc.) and determined by the third party, the ADR provides the parties a platform to come up with creative solutions or alternatives which would prove to be beneficial for their business.

- **Parties focused process**

Unlike formal adjudication, ADR allows higher degree of participation of the parties in framing the process and as well as the outcome. The parties have the liberty to choose the third-party facilitator (e.g. arbitrator, mediator). Moreover, the interest of third party, lawyer or attorney is eliminated and the focus is on interest of the parties. The parties are the central actors rather than the lawyers or the Judges. Furthermore, since the conclusion is reached by the parties mutually, the parties are more likely to be satisfied and therefore honour and abide by the final outcome.

- **Relations with the parties**

Parties appearing before the formal courts tend to have soar relationships and often transform into bitter enemies, which is likely because of lack of communication among the parties. ADR fosters communication among the parties, encourage their involvement in

the settlement of dispute and eventually, enables them to reach an outcome which is suitable for both. This helps them develop and maintain their business relationship and encourage them to work with the mutual cooperation. In the field of IP such measures bring out better economic benefits for the parties. Moreover, it promotes innovation of technology and development of other intellectual creations, which are socially valuable.

LIMITATIONS OF ALTERNATIVE DISPUTE RESOLUTION

It would not be justified to assume that application of ADR method would serve as a better alternative to litigation in all circumstances. Alternative Dispute Resolution as well comes with certain limitations just like litigation. Here are some of the limitations of ADR.

- **Interim relief/ emergency relief**

Often IP case would involve sensitive



information and may require the parties to take immediate action to ensure complete protection and vindication of the right, as a consequence of which the right holder may be constrained to adopt interim measure. s. Henceforth, the option of interim injunction or emergency relief available in the formal system acts a limitation to the ADR process and also, it is an exception to the perception that ADR provides an early outcome in a dispute as compared to the adjudication process. In the case of ADR by the time a mediator or an arbitrator is appointed, it might get too late to provide such relief. It becomes quite essential for a party in certain circumstances to restrict and prohibit the other party from damaging the evidence or the subject matter of the claim before the purpose of the claim becomes futile.

• Nature of the dispute inducing the need for precedent or publicity

There are certain set of cases which are predominantly judicial in nature, demands judicial interpretation of legislation and statute or setting up of a precedent in particular circumstance where the law is ambiguous. In such cases the courts would be the only competent authority to adjudicate upon such issues. A case may involve a question of law, for instance, in copyright the issue may arise related to subject matter of copyright (Whether a creation of an author falls within the category of subject matter protected under the copyright law). The responsibility of determining such issues are better placed in

the hands of the courts of law, which have the competent judicial authority to do so. Additionally, at times parties tend to come across series of cases involving similar disputes. Therefore, in such scenario, parties instead of taking recourse to different ADR mechanism may settle for adjudication which would ensure complete and public vindication of their rights. The judicial opinion so obtained by the parties would further help in establishing the validity and strength of the claim of the parties.

There is a difference between winning a case and seeking a solution. The ADR techniques unlike traditional adjudication system, primarily aims at a finding creative solution that is acceptable to both the parties and therefore, undoubtedly it is an effective and efficient method of resolving IP disputes. It enables settlement by improving communication, balancing the power between the parties, narrowing of the issues or by providing case planning assistance. Moreover, there are certain situations where ADR fails to resolve disputes. Even in such circumstances it helps the parties to narrow down the issues, which consequently, expedite the trial process. However, it is also crucial to acknowledge that ADR cannot replace litigation in every circumstance. Therefore, while considering any ADR method one must carefully analyse the goals and needs of the parties, facts of the case and determine if the method contains required characteristics which would breed successful results for the parties. [w](#)



Surbhi Singh is currently working with Singh & Singh Law Firm as an Associate under Mr. Sudeep Chatterjee. Her practice areas include Trademark and Drug Regulatory litigation before the Hon'ble Delhi High Court and various other Tribunals.

¹Red Tape Cut For Small Businesses With Intellectual Property Disputes - GOV.UK (Gov.uk, 2017) <https://www.gov.uk/government/news/red-tape-cut-for-small-businesses-with-intellectual-property-disputes> accessed 30 March 2017

²Telecredit Inc. v TRW Inc, No. CV 74-1127-RF (C.D. Cal. 1977), ³ibid, ⁴Ronal L. Olson, 'An Alternative for Large Case Dispute Resolution', (Winter 1980) 6 Litigation 22, ⁵Lambros, 'The Summary Jury Trial', (1984) 103 F.R.D. 463