



# The Importance of IP Mediation: Advantages and Limitations

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## INTRODUCTION

### “Mediation” means:

- a structured process, however named or referred to, whereby two or more parties to a dispute attempt by themselves, on a voluntary basis, to reach an agreement on the settlement of their dispute with the assistance of a mediator.
- This process may be initiated by the parties or suggested or ordered by a court or prescribed by the law of a Member State.
- It excludes attempts made by the court or the judge seized to settle a dispute in the course of judicial proceedings concerning the dispute in question (conciliation).



# INTRODUCTION

## Definition of Mediation

- **Focus on commercial interests and business solutions**
- **Flexibility**
- **Attendance of all parties and their legal representatives**
- **Confidentiality of the parties and the mediator**



## COMPLEX NATURE OF IP CONFLICTS

- **Possible concurrent rights: Trademarks, patents, designs, copyrights, etc.**
- **Multiple legal and jurisdictional issues (infringement, ownership..)**
- **Parallel proceedings (IP portfolio)**
- **Need close and intense monitoring and coordination – often involving a team of experts (effort, resources and costs)**
- **Stakes are high and risks are significant**
- **Enforcement can be problematic**
- **Parallel proceedings**



## PROCEEDINGS BEFORE IP OFFICES

- **Patents, Trademarks, designs, utility models and sometimes copyrights are obtained by registration at an IPO**
- **Trademark opposition (RG and, in some countries, AG – incl. bad faith)**
- **Trademark cancellation or invalidation (RG and, in some countries, AG – incl. bad faith)**
- **Patent invalidation: lack of novelty/ inventive step/ enabling disclosure and added subject-matter**
- **Designs invalidation: not new or no different overall impression**
- **Copyright disputes usually focus on ownership**



## PROCEEDINGS BEFORE IP OFFICES

- **Possibility of conflicts between different IP rights – e.g. an earlier copyright or design may invalidate a trademark**
- **Trademarks may be revoked in EU and US for not being used five years after grant**
- **Trademarks rectification and entitlement proceedings (registration in name of agent)**
- **Focus only on legal matters. No consideration of “personal issues”**
- **Dispute appears in the public domain**



## COURT PROCEEDINGS

- **Infringement actions (counterfeiting, parallel imports, ...)**
- **Interim injunctions**
- **Enforcement (variable efficacy)**
- **Contractual disputes (licences, franchises, transfers, distribution agreements)**
- **Counterclaims for invalidation or revocation**
- **Involvement of local lawyers**
- **Court proceedings appears in the public domain**



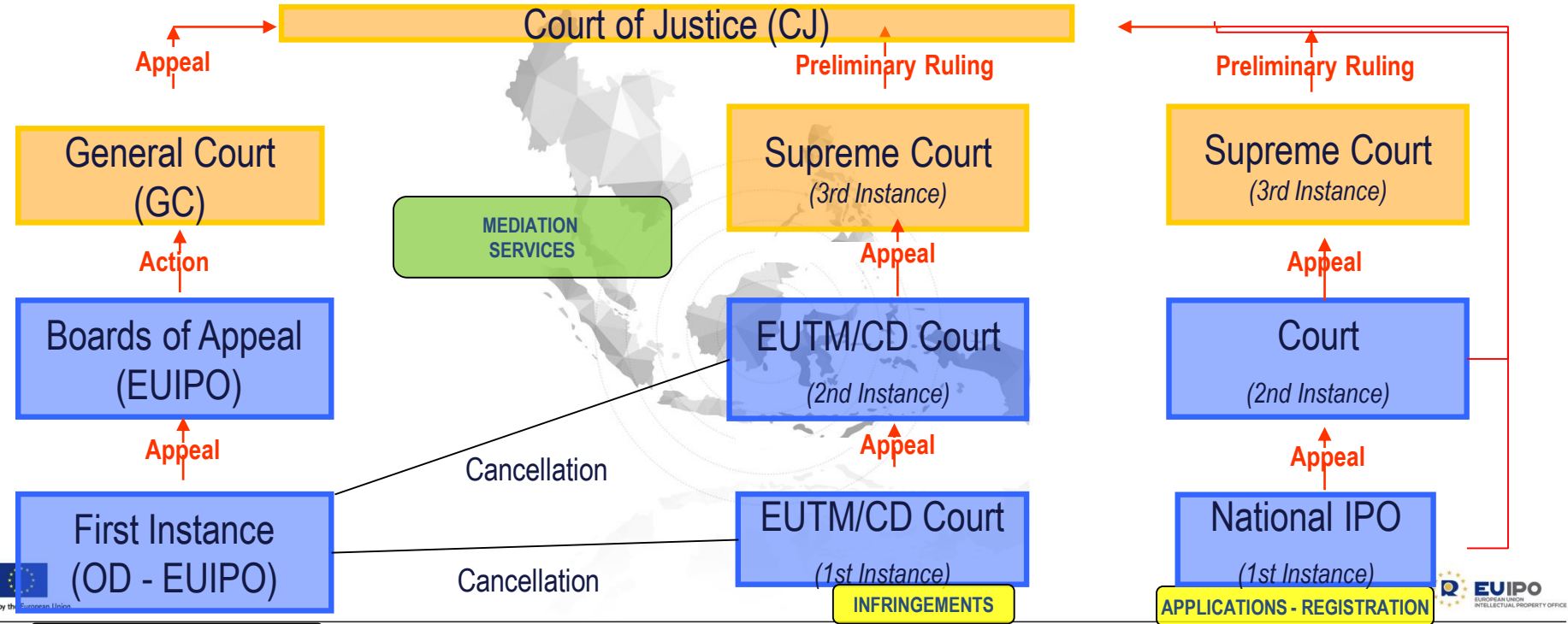
## COURT PROCEEDINGS

- **Need to prove facts (evidence)**
  - ✓ lawyers and paralegals investigating and assembling client's version of the story,
  - ✓ expert evidence,
  - ✓ witnesses
- **Pre-emptive cancellation actions**
  - ✓ Declaration of non-infringement
  - ✓ EUIPO cancellation action filed by defendant to infringement claim
- **Forum shopping risk**
- **Lawyers, time, expense and uncertain outcomes**
- **Focus only on legal matters. No consideration of “personal issues”**





# JURISDICTIONAL SYSTEM OF PROTECTION OF EUTM/RCD



## STATISTICS

- **EUIPO Boards of Appeal have taken more than 30,000 decisions since 1998.**
- **Some 2,700-3,000 appeal decisions are taken every year by the EUIPO Boards of Appeal.**
- **The General Court and Court of Justice have handed down some 3,500 decisions regarding trade mark and design judgments.**
- **EUTM, CD Courts and other National Courts and national appeal bodies have also issued hundreds of thousands of judgments in trade mark and design registration and infringement cases.**



# RISKS AND SIDE EFFECTS OF THIS SYSTEM

## TIME ISSUES

- **BABY-DRY: 23 years**  
Trade mark filed in 1996 , case still pending at the Boards.
- **FREIXENET: 16 years**  
Trade mark filed in 1996 and registered in 2012.
- **ARCOL/CAPOL: 14 years**  
Trade mark filed in 1996 and registered in 2010.
- **Peek & Cloppenburg: 14 years**  
Trade marks filed in 2000, last judgment in 2014.



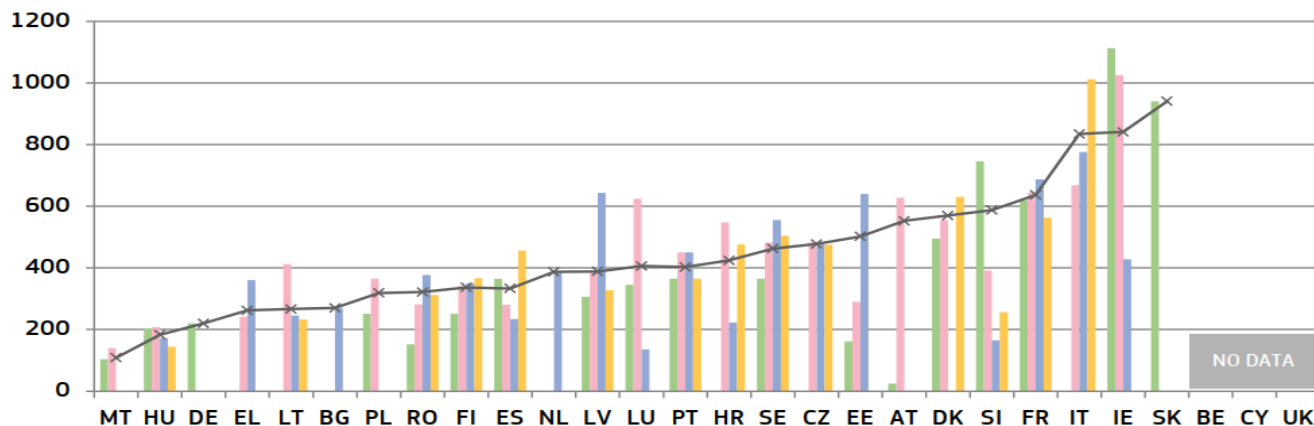
# AVERAGE LENGTH OF INFRINGEMENT CASES

**Figure 18**

**EU trademark: Average length of EU trademark infringement cases (\*) (1<sup>st</sup> instance/in days)**

2013 2015 2016 2017 — Average 2013, 2015-17

Source: European Commission with the European Observatory on infringements of intellectual property rights



(\*) **FR, IT, LT, LU:** a sample of cases used for data of certain years. **BG:** estimation by courts used for 2016. **PL:** estimation by courts used for 2015. Particularly long cases affecting the average reported in **EE, IE, LV and SE.** **EL:** data based on weighted average length from two courts. **ES:** cases concerning other EU IP titles are included in the calculation of average length. **DK:** data from all trademark cases - not only EU - in Commercial and Maritime High Courts.



## IP MEDIATION – LIMITATIONS

- **Not available in ex parte proceedings;**
- **Not always suitable for counterfeiting and piracy cases;**
- **Both parties involved must be open for mediation and be ready for compromises (“give and take approach”);**
- **Not suitable for legal clear cut and straight forward cases;**
- **Depending on the mediation service used, additional fees and lawyers cost may occur.**



## IP MEDIATION – ADVANTAGES

- **Cost and time-effective;**
- **Confidential process;**
- **Process tailored to the needs of the parties and flexibility;**
- **Focused not only on legal issues but primarily on the parties' business interests;**
- **Possibility to include parallel IP disputes pending between the same parties.**
- **Agreements resulting from mediation are more likely to be complied with voluntarily and are more likely to preserve an amicable and sustainable relationship between the parties.**



## IP MEDIATION – EVALUATING SUITABILITY

- **Identical or similar proceedings in other countries (national/EU/worldwide).**
- **Conflicts between the same parties but with regard to other IP rights: patents, designs, copyright, domain names, etc.**
- **Longstanding relations between the parties: licensee – licensor; agent/representative – trade mark owner, manager – company owner, family relations, etc.**
- **Parties has already negotiated but without success.**
- **Each party has strong and weak legal points.**
- **Parties are doing business in different areas.**





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