

## Updates to the WIPO Expert Determination Rules

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The World Intellectual Property Organisation (WIPO) Arbitration and Mediation Centre has a proven track record in providing time and cost-efficient alternative dispute resolution (ADR) methods to international commercial entities, financial institutions, and government agencies. The special character of WIPO places its Arbitration and Mediation Centre uniquely in the field of international ADR. Quite often the Centre is called to assist in disputes that involve issues of a technical, scientific or related business nature. Expert determination proceedings are particularly appropriate when such needs arise.

Effective 1 July 2021, the updated WIPO Expert Determination Rules (hereinafter as the 'Rules') are among the most contemporary and comprehensive set of rules on the market. The Rules offer a procedural framework for efficient, neutral, and enforceable determination of technical or scientific issues arising in commercial disputes of all sizes and complexities. What users can expect when opting for WIPO's Expert Determination are COVID-adjusted time and cost-saving measures relevant to the most recent developments in international ADR practices. Parties to international expert determination proceedings are normally located in different jurisdictions. Considering the current travel restrictions across the world, physical attendance at consultations, meetings, and hearings after an intercontinental journey seems to be an almost impossible mission. The updated Rules are, therefore, intended to better serve the needs of commercial entities, financial institutions, and government agencies in these difficult times.

Following the updated Rules, the use of electronic filing of new ADR cases and electronic submissions of case communications is now expressly allowed. It follows that remote meetings and hearings are not only permitted but also strongly encouraged. Articles 14(a) and 14(f) of the Rules provide:

*'Subject to these Rules, the Expert shall conduct the expert determination as it considers appropriate.'*

*'If the Expert considers it necessary, or if agreed between the parties, the Expert may hold any meetings between the Expert and the parties by telephone, videoconference or using online tools, or in any suitable format.'*

In truth, electronic transmission becomes the default option of communications under the updated Rules. Article 3(a)(i) stipulates:

*'Unless the parties have agreed otherwise, or the Center or the Expert has determined otherwise, any notice or other communication that may be or is required to be given under these Rules shall be: in writing and **shall be delivered by email or other means of electronic communication that provide a record thereof**, unless a party decides to use also expedited postal or courier service ...'*  
(Emphasis added)

The Rules enclose an updated version of the Schedule of Fees and Costs. The updated Schedule introduces a 25% reduction on the administration fees that applies if one or both parties to a dispute is a small and medium-sized enterprise (SME). Clause 8 of the Schedule of Fees and Costs outlines:

**'A 25% reduction on the Center's administration fees applies** if a party (or both

parties) to the dispute is (are) named as applicant or inventor in a published PCT application, holders of international registrations under the Hague system or the Madrid system, WIPO Green technology providers or seekers, **or an SME (an entity with less than 250 employees).**’ (Emphasis added)

The WIPO Director-General, Daren Tang, explained the value of this fee-reduction policy: ‘SMEs are the backbone of many economies and key to our economic recovery’. Today, SMEs account for 90% of all companies worldwide and 70% of global employment, making them the engines of the global economy. ‘This initiative is part of [WIPO’s] larger efforts to help SMEs use IP to grow their businesses, by helping them save on business costs when they need to resolve IP-related disputes,’ said Tang.

Past empirical studies have reported that only 18% of all WIPO ADR users have opted for its Expert Determination proceedings. By adopting the 2021 Rules, the WIPO Expert Determination is brought in line with the most recent developments in international expert determination practices, and the appealing fee-reduction policy for SMEs may further expand its potential user base.

Table 1 compares major differences between the 2016 Rules and the 2021 Rules:

World Intellectual Property Organization Expert Determination Rules Table 1		
Rule(s)	1 <sup>st</sup> Jan 2016 version	1 <sup>st</sup> July 2021 version
<b>Article 3(a)(i)</b>	Unless the parties have agreed otherwise, or the Center or the Expert has determined otherwise, any notice or other communication that may be or is required to be given under these Rules shall be: in writing and shall be delivered by expedited postal or courier service, e-mail or other means of communication that provide a record thereof.	Unless the parties have agreed otherwise, or the Center or the Expert has determined otherwise, any notice or other communication that may be or is required to be given under these Rules shall be: in writing and shall be delivered by <u>email or other means of electronic communication that provide a record thereof, unless a party decides to use also expedited postal or courier service.</u>
<b>Article 14(f)</b>	If the Expert considers it necessary, or if agreed between the parties, the Expert may hold: a teleconference, videoconference, web-conference, or a conference	If the Expert considers it necessary, or if agreed between the parties, the Expert may hold <u>any meetings between the Expert and the parties by telephone, videoconference,</u>

	by other means of simultaneous communication between the Expert and the parties; a meeting between the Expert and the parties.	<u>or using online tools, or in any suitable format.</u>
<b>Clause 8 of the Schedule of Costs</b>		<u>A 25% reduction on the Center's administration fees</u> applies if a party (or both parties) to the dispute is (are) named as applicant or inventor in a published PCT application, holders of international registrations under the Hague system or the Madrid system, WIPO Green technology providers or seekers, or <u>an SME</u> (an entity with less than 250 employees).
<b>Costs</b>	<p><u>Amount in Dispute Up to US\$250,000</u></p> <p>Administration Fee US\$250 + Expert's Fees US\$2,500 (10 hours of work inclusive)</p> <p><u>Amount in Dispute Over US\$250,000</u></p> <p>Administration Fee 0.10% of the value of the expert determination, up to a maximum fee of US\$10,000 + hourly Expert's Fees US\$300-\$600 or daily Expert's Fees US\$1,500-\$3,500</p>	<p><u>Amount in Dispute Up to US\$250,000</u></p> <p>Administration Fee US\$250 + Expert's Fees US\$2,500 (10 hours of work inclusive)</p> <p>25% Reduction may apply</p> <p><u>Amount in Dispute Over US\$250,000</u></p> <p>Administration Fee 0.10% of the value of the expert determination, up to a maximum fee of US\$10,000 + hourly Expert's Fees US\$300-\$600 or daily Expert's Fees US\$1,500-\$3,500</p> <p>25% Reduction may apply</p>

Table 2 compares major differences between the WIPO Expert Determination 2021 Rules, the ICC Expert 2015 Rules, and the LCIA Expert Determination Draft Rules (where the Court acts both as the appointing authority and administrator, hereinafter as the 'AAA Rules'):

Expert Determination Rules			
Comparison Table			
Matter	WIPO 2021 Rules	ICC 2015 Rules	LCIA AAA Rules
<b>Means of Communications</b>	<b>Article 3(a)(i):</b> Unless the parties have agreed otherwise, or the Center or the Expert has determined otherwise, any notice or other communication that may be or is required to be given under these Rules shall be: in writing and shall be delivered by <u>email or other means of electronic communication that provide a record thereof, unless a party decides to use also expedited postal or courier service.</u>	<b>Article 2(1):</b> All written communications submitted to the Centre by any party to the expert proceedings, as well as all documents annexed thereto, shall be supplied in a number of copies sufficient to provide one copy for the Centre, one copy for each party and one copy for each expert.  <b>Article 2(2):</b> All notifications or communications from the Centre and the expert shall be made to the last address of the party or its representative for whom the same are intended, as notified either by the party in question or by the other party. <u>Such notification or communication may be made by delivery against receipt, registered post, courier, email or any other means of telecommunication that provides a record of the sending thereof.</u>	<b>Clause 6.2:</b> All communications shall be by fax and/or email, <u>with hard copy following by post.</u>
<b>Location of the Expert Proceedings</b>	<b>Article 14(f):</b> If the Expert considers it necessary, or if agreed between the parties,	<b>Article 5(1):</b> <u>In the absence of an agreement of the parties,</u> the expert,	<b>Clause 4:</b> the Expert to Fix a Date, Time and Venue for a

	<p>the Expert may hold <u>any meetings between the Expert and the parties by telephone, videoconference, or using online tools, or in any suitable format.</u></p>	<p>after consulting the parties, <u>shall determine the location of any physical meeting</u> of the expert and the parties.</p>	<p>Hearing, which shall be no later than [x] days after the latest date on which any written submission may be served, or no later than [x] days after the appointment of the Expert, if no further written submissions are to be filed; otherwise, the Expert to Adopt Such Procedures as the Expert Considers Appropriate</p>
<b>Costs</b>	<p><u>Amount in Dispute Up to US\$250,000</u></p> <p>Administration Fee US\$250 + Expert's Fees US\$2,500 (10 hours of work inclusive)</p> <p>25% Reduction may apply if a party (or both parties) to the dispute is (are) named as applicant or inventor in a published PCT application, holders of international registrations under the Hague system or the Madrid system, WIPO Green technology providers or seekers, or an SME (an entity with less than 250 employees).</p>	<p><u>Appointment and Administration –</u></p> <p>Filing Fees US\$5,000 + Administrative Expenses (from US\$10,000 to US\$50,000 per the amounts in dispute) + Expert Fees Calculated on the basis of the Time Reasonably Spent by the Expert + VAT; Free of Charge Under Exceptional Circumstances</p>	<p>Registration Fees £1,750 + Administration Fees: hourly rate (ranging from £150-£250) + Expert Fees</p>

	<p><u>Amount in Dispute Over US\$250,000</u></p> <p>Administration Fee 0.10% of the value of the expert determination, up to a maximum fee of US\$10,000 + hourly Expert's Fees US\$300-\$600 or daily Expert's Fees US\$1,500-\$3,500</p> <p>25% Reduction may apply if a party (or both parties) to the dispute is (are) named as applicant or inventor in a published PCT application, holders of international registrations under the Hague system or the Madrid system, WIPO Green technology providers or seekers, or an SME (an entity with less than 250 employees).</p>		
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