—Chapter 7—

DISCLOSURE AND ADMISSION OF EVIDENCE IN THE INTERNATIONAL ARBITRATION OF INTELLECTUAL PROPERTY DISPUTES

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I. Introduction—the Need for Disclosure in Intellectual Property Cases

Intellectual property disputes may be extremely complex and technical, and much of the information necessary to mount an effective claim or defense may be in the exclusive possession of the adverse party or of non-parties. For example, in a dispute over royalties due under a patent license, the sales of the licensee will only be revealed in its private financial records or, in the same dispute if an inequitable conduct defense is raised, the knowledge of the licensor-patentee of the prior art may be relevant but may only be disclosed in the patentee's internal email.

The parties in IP litigation in United States courts take for granted that they will be able to obtain broad discovery[1] of documents and information in the possession of their adversary and non-parties in order to prove their cases. This is true because the liberal discovery provisions of the Federal Rules of Civil Procedure, or state law counterparts, apply. But such assumptions are incorrect, and potentially dangerous, when parties have agreed to have their IP disputes resolved by arbitration, particularly if the arbitration is international in character.[2]

When deciding whether, and how, to submit such disputes to resolution by arbitration, the parties are well advised to ensure that they

[1] "Discovery" is defined as "[c]ompulsory disclosure, at a party's request, of information that relates to the litigation." BLACK'S LAW DICTIONARY 533 (9th ed. 2009).

[2] *See supra* this ch. 1 for a discussion of the factors that may make an arbitration international as opposed to purely domestic.

have a firm grasp of the pertinent rules and practices of the various arbitral institutions that administer international IP arbitrations, the constraints imposed by local law at the proposed seat or seats, and how they may agree to disclosure rules to serve their objectives. Agreeing to arbitration without considering such issues may be a recipe for disaster. This is particularly so for an international IP dispute.

By its very name, international arbitration seeks to resolve disputes that cross territorial borders and legal jurisdictions. In most cases it brings together parties from different countries and judicial systems and seeks to supply them with a neutral tribunal to resolve their dispute. Because the parties come from different places, both geographically and philosophically, they may have very different views on how the proceeding should be conducted. This may be apparent in a number of the aspects of an international IP arbitration, but it is probably most notable with respect to discovery or disclosure.

This chapter seeks to provide practitioners of differing legal backgrounds with guidance regarding general disclosure practices in modern international arbitration, arbitral rules pertaining to disclosure, issues related to electronic discovery, the impact of the arbitral seat on disclosure, the effect of privilege on disclosure, the sanctions that may be imposed for failure to comply with disclosure obligations and the impact of all of the foregoing on the resolution of international IP disputes.

II. The Background of Discovery and Disclosure in International Arbitration

International arbitration brings together diverse views on discovery and disclosure. As is widely known, the United States' concept of discovery is by far the broadest among all jurisdictions. For United States attorneys, discovery is the formal pre-trial procedure used by parties to a lawsuit to obtain information. Discovery encompasses the deposition of witnesses, written interrogatories, requests for admissions, document production requests and requests for inspection. In the United States federal courts, parties "may obtain discovery regarding any non-privileged matter that is relevant to any party's claim or defense"[3] and the court may order discovery of any

[3] Fed. R. Civ. P. 26(b)(1).

documents or other tangible things which appear "reasonably calculated to lead to the discovery of admissible evidence."[4] American-style discovery may include seeking production of documents or oral examination of non-parties.[5]

In contrast, those from civil-law countries often do not know the precise meaning of the term "discovery," or have very little experience coping with American-style "discovery." The civil law system usually follows the principle that each party has the burden of establishing its own case and should not be coerced to assist the opposing side by producing evidence adverse to its own interest.[6] In most countries, American-style discovery is viewed as an affront to the privacy and confidentiality that private parties expect for their business information. Moreover, liberal discovery is viewed as inconsistent with speed and economy, which are frequently viewed as two of the major benefits of arbitration.[7]

Historically, international arbitration evolved largely in civil law countries and, therefore, mainly adopted procedural rules bearing resemblance to those of civil law origins.[8] International arbitration's civil law roots are also reflected in the rules of major international arbitral institutions, which provide little to no guidance on how to

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[4] *Id.*

[5] John Lorn McDougall & Meghan L. Thomas, delivered at the Commercial Bar Association (COMBAR) North American Meeting: Thoughts on Discovery in International Arbitration, at 3 (June 2, 2006), *available at* http://www.fmc-law.com/Publications/ADR_thoughts%20on%20discovery%20in%20intl%20arbitration_JLMc.aspx.

[6] Bernardo M. Cremades, *Managing Discovery in International Arbitration*, 57 DISP. RESOL. J. 72, 74 (Nov. 2002-Jan 2003).

[7] Some legal scholars take the view that the word "discovery" should be avoided in international arbitration. *See* REDFERN & HUNTER 40 ("The US practice of 'discovery' (a term which is not used in international arbitration, and for which there is no real equivalent outside the US) describes a process of seeking out and collecting pre-trial evidence."); *see also id.* at 393, n.65 ("the process known as 'discovery' has no place in international arbitration").

[8] Eric Bergsten, *The Americanization of International Arbitration*, 18 PACE INT'L L. REV. 289, 293 (2006) ("[I]nternational commercial arbitration developed essentially as an adaptation of the civil law rules of procedure, and not those of the common law known in the United States and England.").

handle prehearing documentary or oral discovery.[9] Consequently, there is no tradition of liberal discovery, let alone American-style discovery, in international arbitration.

In the early and mid 20th century, the civil law countries of Switzerland and France were considered the most popular sites for arbitral tribunals and institutions.[10] In 1958, the United Nations Conference on International Arbitration adopted the New York Convention to further promote the practice of international arbitration by facilitating the enforcement of foreign arbitral awards in signatory states.[11] The United States' failure to ratify the New York Convention until 1970 may help explain why the United States was a less desirable forum for international arbitration than continental Europe, and why disclosure in international arbitration does not more closely resemble American-style discovery.[12]

Since United States ratification of the New York Convention in 1970, American companies and American lawyers have become more frequent participants in international arbitration. Naturally, American lawyers tend to use American litigation tactics and techniques in international arbitration.[13] This has led to pressure for arbitration procedures more akin to those of the common law, and particularly to the American brand of common law. As discussed *supra*, the attitudes toward disclosure of a common law practitioner and a civil law practitioner are so radically different that this has led to disclosure wrangling and increased tension during international arbitration, which

[9] *See infra* this ch. 7.

[10] Kevin T. Jacobs & Matthew G. Paulson, *The Convergence of Renewed Nationalization, Rising Commodities, and "Americanization" in International Arbitration and the Need for More Rigorous Legal and Procedural Defenses*, 43 TEX. INT'L L. J. 359, 365-66 (Summer 2008).

[11] New York Convention arts. I *and* V (The New York Convention requires signatory states to recognize the arbitral awards rendered in other contracting countries, subject to only a few exceptions.).

[12] W. Laurence Craig, *Some Trends and Developments in the Laws and Practice of International Commercial Arbitration*, 30 TEX. INT'L L. J. 1, 11-13 (Winter 1995).

[13] Jacobs & Paulson, *supra* note 10, at 368.

in turn seriously undermines the speed and economy of the arbitral proceeding.

In recent years there has been a growing attempt to meld elements of both the civil law and common law traditions. In the area of disclosure, the IBA Evidence Guidelines represent the most significant effort to date to bridge the gap,[14] and today they are commonly adopted for use in many, if not the majority, of international arbitrations. The IBA Evidence Guidelines are generally considered to be a successful harmonization of expansive procedural rights of the common law system and the more limited civil law procedures.[15] For instance, Article 3, which governs document disclosure, requires parties to produce documents on which they rely and provides means for parties to request additional documents from the other side by submitting a request to produce. However, the request to produce must identify each requested document or a category of document with a significant degree of specificity and indicate why the production of the document is necessary.[16] By borrowing features from both legal traditions, the IBA Evidence Guidelines allow limited disclosure from an adversary, as well as from non-parties;[17] however, the degree of disclosure is far more restrictive than that found with American-style discovery.

The IBA Evidence Guidelines also reflect the current trend of modern international arbitration. In practice, the procedure of an international arbitration rarely is adopted from the rules of procedure of a particular nation.[18] It generally follows a hybrid of common law and civil law procedures by allowing limited disclosure, such as document production, but no depositions, even of party witnesses unless both

[14] The IBA Evidence Guidelines were created in 1983, followed by two subsequent revisions in 1999 and 2010 respectively. The recently updated IBA Evidence Guidelines will be discussed in detail *infra* in this ch. 7.

[15] McDougall & Thomas, *supra* note 5, at 5.

[16] IBA Evidence Guidelines art. 3(3).

[17] IBA Evidence Guidelines art. 3(9).

[18] Serge Lazareff, *Foreword*, to WRITTEN EVIDENCE AND DISCOVERY IN INTERNATIONAL ARBITRATION: NEW ISSUES AND TENDENCIES 5, 5 (Teresa Giovannini & Alexis Mourre eds., 2009). *See also supra* ch. 1.

parties agree.[19] Apart from striking a balance among different legal traditions, the narrower scope of disclosure is also consistent with the expedited nature of arbitration.

III. General Practices in Modern International Arbitration

International arbitration is a creature of private contract. Consequently, parties have great control over arbitral proceedings. They may choose the applicable law, select arbitral tribunals, and tailor the procedural rules, including those relating to disclosure, to suit their specific needs.[20] In *ad hoc* arbitration, the parties may stipulate a set of procedural rules to govern discovery issues of the arbitral proceeding, such as the scope of document production and the tribunal's power to appoint experts and inspect the subject matter of the dispute.[21] In an arbitration administered by an institution, the parties adopt the institution's procedural rules.[22]

Once the arbitration commences, the arbitral tribunal assumes control of the arbitral procedures.[23] The arbitral tribunal should follow the procedural framework dictated by the parties. Within that framework, the tribunal has considerable discretion to determine the arbitral procedures, including issues related to disclosure.[24] This

[19] Nathan D. O'Malley & Shawn C. Conway, *Document Discovery in International Arbitration – Getting the Documents You Need*, 18 TRANSNAT'L L. 371, 371 (2005).

[20] Joseph P. Zammit & Jamie Hu, *Arbitrating International Intellectual Property Disputes*, MEALEY'S INT'L ARB. REP. Vol. 24, No. 6 (June 2009). The parties' power to control the arbitral procedure, however, is not unfettered. The procedure that they establish is constrained by the law of the seat of arbitration, as well as the provisions of the international conventions on arbitration which were designed to ensure the fairness of the arbitral proceedings. *See* REDFERN & HUNTER 363-64.

[21] REDFERN & HUNTER 315.

[22] *Id.* at 364.

[23] *Id*.

[24] Murray Lee Eiland, *The Institutional Role in Arbitrating Patent Disputes*, 9 PEPP. DISP. RESOL. L. J. 283, 297 (2009).

aspect is evidenced by many institutional rules, for example, Article 20 of the ICC Rules, which provides that the arbitral tribunal shall establish the facts of the case "by all appropriate means" and may decide to appoint experts, hear witnesses, and order the parties to provide evidence, among other things.[25]

A. Types of Evidence Admissible in International Arbitration

International tribunals are likely to admit any form of evidence to help establish the facts necessary for resolving the dispute.[26] Generally, evidence may be classified into four categories: documents, witnesses, experts, and inspection of the subject-matter of the dispute.[27] Each of these is considered below.

1. Documents

In international arbitration, documentary evidence is perceived as the most favored form of evidence. Documentary evidence supports one of international arbitration's chief goals, namely speed, because the presentation of documents is less time consuming than oral testimony. Further, documentary evidence is regarded as more reliable

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[25] *See, e.g.*, ICC Rules art. 20 – Establishing the Facts of the Case. *See also infra* this ch. 7.

As this book went to press a new version of the ICC Rules had just been promulgated. *See* www.iccwbo.org/policy/arbitration/index.html?id=28796. This new version of the ICC Rules goes into effect on January 1, 2012, and is available at http://www.iccwbo.org/uploadedFiles/Court/Arbitration/other/2012_Arbitration%20and%20ADR%20Rules%20ENGLISH.pdf. All references in this chapter to the ICC Rules are to those which were in effect as of 2010. A comparison of those ICC Rules to the ones which will be effective as of January 1, 2012, is contained in the editor's note which immediately follows the list of defined terms. In addition, the table of rules in the Appendix covers the new rules rather than the old ones.

[26] REDFERN & HUNTER 386.

[27] Julian D.M. Lew, *Document Disclosure, Evidentiary Value of Documents and Burden of Evidence*, in WRITTEN EVIDENCE AND DISCOVERY IN INTERNATIONAL ARBITRATION: NEW ISSUES AND TENDENCIES, 11, 11-14 (Teresa Giovannini & Alexis Mourre eds., 2009).

than witness testimony because the truth of witness testimony is often not effectively challenged by cross-examination.[28]

In an international arbitration, the arbitral tribunal is more likely than not to limit disclosure to documents relevant to the issues in dispute and necessary for their resolution,[29] as opposed to the more liberal standard applicable in United States litigation of any document "relevant to any party's claim or defense . . . [which] need not be admissible at the trial [so long as it] appears reasonably calculated to lead to the discovery of admissible evidence."[30] It is also usual for each party to produce in an arbitral proceeding documents upon which it relies to support its case.[31]

Each party, however, is seldom satisfied with the documents initially produced by the opposing side and will frequently request additional documents from the opposing party. The requested documents may be disadvantageous or even harmful to the party that is in possession of those documents. Consequently, each party will likely be reluctant to turn over those documents to the other side and a disclosure dispute may arise. In this situation, each party will seek help from the tribunal to compel or resist document production.[32]

In a complex international IP dispute, such as those involving a multinational patent dispute, the parties' requests for documents are often very broad and may involve special documents such as correspondence with patent agents. In that event, an arbitral tribunal faces a great challenge in determining the extent and degree of disclosure. The tribunal normally follows the "proportionality" principle by granting disclosure commensurate with the size, scope and monetary value of the dispute, and also considers the relative significance of the issue to the whole dispute.[33]

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[28] REDFERN & HUNTER 389.

[29] Peter Ashford, *Documentary Discovery and International Commercial Arbitration*, 17(1) AM. REV. INT'L ARB. 89, 93 (2006).

[30] Fed. R. Civ. P. 26(b)(1).

[31] REDFERN & HUNTER 390.

[32] *Id.* at 392-95.

[33] Ashford, *supra* note 29, at 93.

In practice, to effectively resolve these types of disputed requests, arbitral tribunals employ multiple techniques.[34] A tribunal, in many instances, arranges a case management meeting with the parties and their attorneys to reach an agreement regarding most categories of requested documents in dispute. The tribunal then rules on the remaining issues after each party presents its argument in a hearing.[35]

To facilitate an arbitral tribunal's decision making process, a "Redfern Schedule" (so-called because its use was suggested by Alan Redfern) may be used. The schedule is essentially a spreadsheet, which contains in the first column a list and description of the documents requested; in the second column the justification for the request; in the third column the requested party's reasons for refusing the request, such as non-existence of such document, lack of relevance, proportionality and privilege; and a final column for the tribunal to record its decision.[36] The schedule may certainly be adjusted to suit the circumstances of individual cases. Additional columns may be inserted as needed; for example, a column may record a party's rebuttal contentions.[37] Redfern Schedules help the parties and the tribunal clearly define the documents and issues in dispute. The use of a Redfern Schedule may make a case management meeting dispensable, saving time and cost.[38]

2. Witnesses

Witness testimony is another source of evidence in international arbitration. In general, anyone may testify before a tribunal.[39] The witness testimony may be given orally and/or in writing. Each party may submit written statements of witnesses in the form of a signed

[34] REDFERN & HUNTER 394.

[35] *Id.* at 395.

[36] *Id.* at 395-96.

[37] Ashford, *supra* note 29, at 99.

[38] REDFERN & HUNTER 395-96.

[39] Lew, *supra* note 27, at 12. *See* IBA Evidence Guidelines art. 4(2) ("Any person may present evidence as a witness, including a Party or a Party's officer, employee or other representative.").

statement or sworn testimony.[40] Frequently, witness statements serve as the direct testimony of the witness at the hearing. An arbitral tribunal may also hear the oral evidence of witnesses at a hearing, but due to pragmatic considerations it is not considered essential.[41] There are contrary views on the use of oral testimony in a question and answer format and subject to direct and cross examination. Those accustomed to common law tradition often find such procedures essential to the fact finding process, while those from a civil law background usually claim that such procedures make the arbitral proceeding lengthy, inefficient and costly.

An arbitral tribunal may exercise its discretion in determining the evidentiary weight to be given to witness evidence. Uncorroborated witness testimony or testimony from an interested witness is generally given less weight compared to witness testimony challenged by cross examination or testimony from a disinterested witness.[42]

3. Expert Witnesses

Expert witnesses play a particularly important role in IP arbitrations, giving testimony on complex scientific and technical issues that may be outside of the experience of many arbitral tribunals. For example, to make accurate findings of fact in a patent dispute, an arbitral tribunal often needs expert assistance to gain an adequate understanding of the technology and patent in dispute.

Aiding a tribunal's understanding of complex issues are two different types of experts: party appointed experts and tribunal appointed experts.[43] A major problem associated with party appointed experts is that parties usually present conflicting expert evidence,

[40] REDFERN & HUNTER 402.

[41] *See, e.g.*, Dalmia Dairy Industries Ltd. v. National Bank of Pakistan [1978] 2 Lloyd's Rep. 223, 269 ("The dispute being essentially, and indeed exclusively, of a legal nature, I have reached the conclusion that it was completely unnecessary to collect testimonies and hear witnesses as the Defendant requested . . . .").

[42] REDFERN & HUNTER 404.

[43] *Id.* at 406.

especially on complex technical matters,[44] and it may be virtually impossible for the tribunal to make a meaningful evaluation of the technical issues involved when facing such contradictory expert testimony. To clarify the issues, the tribunal may examine party appointed experts or appoint its own experts.[45] The tribunal's power to appoint experts may be conferred directly, by the express language in the arbitral agreement, or indirectly through the incorporation of institutional rules of arbitration.[46] For instance, the IBA Evidence Guidelines provide that the tribunal may, after consulting with the parties, appoint an independent expert and establish the terms of reference.[47]

In recent years, "hot tubbing" or "concurrent evidence" has attracted attention as a constructive approach to resolve disagreements among expert witnesses.[48] In a hot tubbing proceeding, rather than presenting their opinions in isolation, experts are allowed to give evidence simultaneously, and the tribunal chairs a discussion between them. Experts may question each other and, with the tribunal's permission, the parties may direct questions to experts.[49] Hot tubbing can help the tribunal resolve expert opinion conflicts in several ways. Since the experts can respond to a question at the same time, it may effectively identify the issue where the experts truly disagree. In the situation where the tribunal may be confused with respect to a particular matter, it may ask experts from both sides to clarify the issue directly. In addition, experts are less likely to provide vague or misleading answers under the pressure of simultaneous peer scrutiny.[50] Hot tubbing is routinely used in Australian Courts and international arbitration proceedings and has worked quite well.[51] In practice, when

[44] *Id.* at 408.

[45] *Id.* at 406.

[46] *Id.* at 407.

[47] IBA Evidence Guidelines art. 6(1).

[48] Matthew Arnold & Baldwin, *United Kingdom: Hot Tubbing* (April 21, 2010), *available at* http://www.mondaq.com/article.asp?articleid=98758.

[49] *Id.*

[50] *Id.*

[51] *Id.*

expert witnesses have opposing views of the same facts, a tribunal may consider hot tubbing as a possible solution.

Expert evidence is generally furnished initially in the form of written reports in advance of the hearing. The IBA Evidence Guidelines, for example, contain a specific provision governing the contents of a party-appointed expert report.[52] Such an expert report would normally include background information, such as the expert's name, address, relationship with any party, and a statement of opinion and the facts upon which the opinion is based.[53] When conflicting opinions are presented, expert witnesses must make themselves available to the tribunal for further examination.[54] At the evidentiary hearing, an expert witness may present his opinion by oral testimony, the substance of which should be disclosed to the other side in advance. In practice, however, an arbitral tribunal may allow an expert witness to offer oral evidence beyond that contained in the previously submitted written report, provided that the opposing side is given sufficient opportunity to reply by presenting its own further expert evidence.[55]

4. Inspection of the Subject Matter in Dispute

The last source of evidence during an international arbitration is inspection of the subject matter in dispute by the tribunal itself.[56] Such inspections are often used in connection with large construction, engineering or technical disputes.[57] A number of institutional rules contain specific provisions governing inspection of the subject matter. For example, Article 50 of the WIPO Rules provides that "the Tribunal may, at the request of a party or on its own motion, inspect or require the inspection of any site, property, machinery, facility, production

[52] IBA Evidence Guidelines art. 5(2).

[53] *Id.*

[54] REDFERN & HUNTER 409.

[55] *Id.*

[56] *Id.* at 411.

[57] Lew, *supra* note 27, at 13.

line, model, film, material, product or process as it deems appropriate."[58]

B. Depositions and Interrogatories

As mentioned above, depositions and interrogatories, which are common discovery devices in United States litigation, are not frequently used in international arbitration, unless parties expressly agree in advance to their use.[59] A majority of arbitral institutions do not provide rules on depositions or interrogatories. Two exceptions are the AAA and the CPR. Under the AAA Commercial Arbitration Rules, arbitrators have the discretion to order depositions or interrogatories "upon good cause shown and consistent with the expedited nature of arbitration" in large, complex commercial disputes.[60] Similarly, the AAA Patent Rules provide that the arbitral tribunal may address whether, and the extent to which, depositions may be introduced during a preliminary hearing.[61] The CPR's rules for intellectual property disputes state that each party has the right to a certain number of interrogatories and depositions.[62] Therefore, in practice, if parties wish to obtain depositions or propound

[58] WIPO Rules art. 50.

[59] Witness statements or expert reports can function in lieu of a deposition and achieve some of the same purposes as a deposition, including providing information on the evidence a party must rebut, locking a witness in to his or her story and as a basis for impeachment of a witness who deviates from his or her story during cross examination.

[60] AAA Large Case Procedures L-4 (d) ("At the discretion of the arbitrator(s), upon good cause shown and consistent with the expedited nature of arbitration, the arbitrator(s) may order depositions of, or the propounding of interrogatories to, such persons who may possess information determined by the arbitrator(s) to be necessary to determination of the matter.").

[61] AAA Patent Rules Rule c(14) ("whether, and the extent to which, any sworn statements and/or depositions may be introduced").

[62] CPR IP Rules Rule 11.

interrogatories in an arbitral proceeding, they may elect the AAA Rules[63] or the CPR IP Rules to govern the arbitral procedure.

C. Third Party Discovery

Since an arbitral tribunal derives its power exclusively from the parties who voluntarily submit to its jurisdiction, the tribunal generally does not have the authority to compel a non-party to produce documents or appear as a witness.[64] To request a third party to testify as a witness or seek documents that are in the possession or control of third parties, an arbitral tribunal must seek the assistance of the courts if the third parties do not cooperate.[65] When the third party is located in a jurisdiction other than the seat of arbitration, however, a request must be submitted to the courts of that jurisdiction to aid discovery.[66] Therefore, it is a matter of local law whether the court will assist a party or an arbitral tribunal compelling discovery from third parties.[67]

IV. Arbitral Rules Pertaining to Disclosure

With few exceptions,[68] neither arbitral rules (whether institutional or *ad hoc*) nor the IBA Evidence Guidelines provide for the wide-ranging discovery found in common law countries such as the United

[63] Although the parties to an international dispute may adopt the AAA Rules, normal AAA procedures would invoke the AAA's international rules, the ICDR Rules, in the absence of an express specification of the commercial rules. ICDR Rules art. 1(a).

[64] *See* Ashford, *supra* note 29, at 107; Lew, *supra* note 27, at 24.

[65] Lew, *supra* note 27, at 24.

[66] Robert H. Smit, *Towards Greater Efficiency in Document Production before Arbitral Tribunals-A North American Viewpoint* in DOCUMENT PRODUCTION IN INTERNATIONAL ARBITRATION – 2006 SPECIAL SUPPLEMENT 93, 98 (2006).

[67] *Id.* The effect of local national law on third party discovery will be discussed in detail *infra* in this chapter 7.

[68] *See* AAA Rules and AAA Patent Rules which provide some of the aspects of disclosure more akin to that found in United States litigation.

States, where essentially all relevant, non-privileged matter is discoverable, even if inadmissible.[69] To the extent that such rules address disclosure at all, they tend to rein it in to some degree, by setting forth particular requirements as to who may request the documents, how specific they must be when identifying the documents that they seek and even requiring explanation as to how such documents will be of assistance to their case. Indeed, many institutional and *ad hoc* arbitration rules do not provide clear guidelines as to how disclosure should be conducted at all and, therefore, provide the tribunal with even greater discretion over the disclosure process.

The admission and disclosure of this wide range of evidence make confidentiality important in the international arbitration of intellectual property disputes, especially where disclosures may include trade secrets, sales revenues, advertising expenditures and business strategies. Although the rules of many arbitral institutions expressly address the issue of confidentiality,[70] it is not addressed by every set of institutional rules.[71] Given the importance of confidentiality in an intellectual property dispute, parties may prefer to expressly address the issue in their underlying agreement to arbitrate.

A. London Court of International Arbitration Rules

The LCIA currently operates under rules that took effect in 1998.[72] Rule 22.1 permits the tribunal to seek disclosure on the application of

[69] "Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense—including the existence, description, nature, custody, condition, and location of any documents or other tangible things and the identity and location of persons who know of any discoverable matter. For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action. Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." Fed. R. Civ. P. Rule 26(b)(1).

[70] *See, e.g.*, IBA Evidence Guidelines art. 3(13). *See also supra* this ch. 6.

[71] *See, e.g.*, UNCITRAL Rules.

[72] *See* http://www.lcia.org.

any party or *sua sponte*,[73] but requires that before seeking such disclosure, the parties must be provided a reasonable opportunity to state their views regarding the disclosure sought.[74] The LCIA Rules expressly grant the tribunal the power to order disclosure "on the application of any party or of its own motion" to conduct inquiries it deems "necessary or expedient"[75] and to order that property be made available for inspection.[76] Rule 22.1(e) permits the tribunal "to order any party to produce to the Arbitral Tribunal, and to the other parties for inspection, and to supply copies of, any documents or classes of documents in their possession, custody or power which the Arbitral Tribunal determines to be relevant."

The LCIA Rules do not specify any requirements for the document request or the disclosure sought under the request, nor do they expressly contemplate third party disclosure.[77]

Article 20 of the LCIA Rules addresses witnesses, specifying that the tribunal may require a party to give notice of each witness it wishes to call and the subject matter that will be addressed by the witness[78] and that the tribunal has the discretion to determine whether a witness may testify.[79] A testifying witness may be questioned by the parties and the tribunal.[80] Witness testimony may be presented by written statement.[81]

Article 21 of the LCIA Rules states that on party request or *sua sponte*, any expert "shall, after delivery of his written or oral report to the Arbitral Tribunal and the parties, participate in one or more hearings at which the parties shall have the opportunity to question

[73] LCIA Rules art. 22.1(e).

[74] *Id.* at art. 22.1.

[75] *Id.* at art. 22.1(c).

[76] *Id.* at art. 22.1(d).

[77] *See id.*

[78] *Id.* at art. 20.1

[79] *Id.* at art. 20.2.

[80] *Id.* at art. 20.5.

[81] *Id.* at art. 20.3.

[him]."[82] Parties may use their own experts and the Tribunal may appoint its own expert.[83]

B. AAA/ICDR Rules and Guidelines

1. ICDR Rules

The ICDR Rules have a number of provisions that cover various aspects of disclosure among the parties to the dispute. As of 2008, the ICDR Rules were supplemented by the ICDR Guidelines. Neither the ICDR Rules, nor the ICDR Guidelines expressly contemplate third party disclosure.

The ICDR Rules specify that the tribunal may order a party to deliver to the tribunal and to the other parties a summary of the documents and other evidence on which the party in question intends to rely.[84] Further, the tribunal may order parties to produce other documents, exhibits or evidence at any time during the proceedings.[85]

At least fifteen days before the hearings, each party must provide the tribunal and other parties with the names and addresses of any witnesses it intends to present, the subject of their testimony, and the language in which the testimony will be given.[86] Witness testimony may also be given in the form of a signed written statement.[87] The tribunal has the power to determine the admissibility, relevance, materiality and weight of the evidence.[88]

The tribunal may appoint one or more independent experts to report to it on specific issues,[89] and the parties shall provide the expert(s) with any relevant information or produce for inspection any

[82] *Id.* at art. 21.2.

[83] *Id.* at art. 21.1.

[84] ICDR Rules art. 19(2).

[85] *Id.* at art. 19(3).

[86] *Id.* at art. 20(2).

[87] *Id.* at art. 20(5).

[88] *Id.* at art. 20(6).

[89] *Id.* at art. 22(1).

relevant documents or goods that the expert may require.[90] The expert shall provide his report to the tribunal, which is then communicated to the parties.[91] A party may examine any document on which the expert has relied in his report.[92] Parties may question the expert at hearing and also present their own expert witnesses to testify on the point at issue.[93]

2. ICDR Guidelines for Arbitrators Concerning Exchanges of Information

In 2008, the ICDR adopted the ICDR Guidelines, which stated that arbitration should be "a simpler, less expensive, and more expeditious process" than litigation and provided procedures to achieve this objective.[94] To this end, the ICDR Guidelines stated: "Depositions, interrogatories, and requests to admit, as developed in American court procedures, are generally not appropriate procedures for obtaining information in international arbitration."[95] To maintain civil law style disclosure, the ICDR Guidelines further state that while parties may advise the tribunal regarding their views on the appropriate level of information exchange, "the tribunal retains final authority to apply the [ICDR Guidelines]."[96] As adopted, the ICDR Guidelines apply to all ICDR cases commencing after May 31, 2008, unless the parties agree otherwise in writing.[97]

The ICDR Guidelines address documents generally and electronic documents, inspections, privilege, costs and compliance specifically. They provide that prior to the hearings, the parties shall exchange all of

[90] *Id.* at art. 22(2).

[91] *Id.* at art. 22(3).

[92] *Id.*

[93] *Id.* at art. 22(4).

[94] ICDR Guidelines.

[95] *Id.* at ¶ 6(b).

[96] *Id.* at ¶ 1(b).

[97] *Id.* at Introduction.

the documents on which they intend to rely.[98] Upon a party's application, the tribunal may require a party to make documents available to another party, which are not otherwise available to the party seeking the documents, that are "reasonably believed to exist and to be relevant and material to the outcome of the case."[99] The ICDR Guidelines require that requests for documents "contain a description of specific documents or classes of documents, along with an explanation of their relevance and materiality to the outcome of the case."[100] Further, the requesting party must "justify the time and expense that its request may involve, and may condition granting such a request on the payment of part or all of the cost by the party seeking the information."[101] Further, "[t]he tribunal may, on application and for good cause, require a party to permit inspection on reasonable notice of relevant premises or objects."[102] The ICDR Guidelines also specifically address disclosure of electronic documents, allowing production in the most convenient and economical form and requiring that requests for electronic documents be "narrowly focused and structured to make searching for them as economical as possible."[103]

3. AAA Commercial Arbitration Rules

Although the AAA established the ICDR, with its own institutional rules to handle international arbitrations, the parties to an international arbitration may, nevertheless, elect to utilize the AAA's rules for domestic United States commercial arbitration.[104] Disclosure procedures under these rules, as would be expected, more closely resemble American-style discovery, but neither the AAA Rules nor the AAA Patent Rules contemplate third party discovery.

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[98] *Id.* at ¶ 2.

[99] *Id.* at ¶ 3(a).

[100] *Id.*

[101] *Id.* at ¶ 8(a).

[102] *Id.* at ¶ 5.

[103] *Id.* at ¶ 4.

[104] AAA Rules.

Several AAA Rules address issues of disclosure. Rule 31 allows for broad disclosure, leaving it to the tribunal to determine admissibility, relevance, materiality and privilege.[105] Similarly, Rule 32 gives the tribunal great latitude in admitting and weighing evidence.[106] Rule 33 provides the mechanism by which the tribunal may inspect or investigate in connection with the arbitration, and if "one or all parties are not present at the inspection or investigation, the arbitrator shall make an oral or written report to the parties and afford them an opportunity to comment."[107]

Rule 21 specifies that the Tribunal may direct the production of documents and other information and the identification of witnesses to be called.[108] Further, "[a]t least five business days prior to the hearing, the parties shall exchange copies of all exhibits they intend to submit at the hearing.[109]

In addition to these rules that apply to all commercial arbitrations under the AAA Rules, the AAA has additional rules for particular types of arbitrations. Notably, depositions are expressly available if the parties agree to use the AAA Large Case Procedures or those procedures otherwise apply.[110]

Further, the AAA also has supplementary patent rules—the AAA Patent Rules—that automatically apply and supersede the AAA Rules.[111] Whereas the AAA Rules provide for a preliminary hearing upon request of a party, under the AAA Patent Rules "[a]s promptly as practicable after the selection of the arbitrator(s), a preliminary hearing shall be held among the parties and/or their attorneys or other representatives and the arbitrator(s)."[112] "The arbitrator shall have the authority to resolve any differences between the parties over the issues

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[105] *Id.* at Rule 31.

[106] *Id.* at Rule 32.

[107] *Id.* at Rule 33.

[108] *Id.* at Rule 21(a).

[109] *Id.* at Rule 21(b).

[110] AAA Large Case Procedures L-4(d).

[111] *See* AAA Patent Rules, Rule (a).

[112] *Id.* at (c).

addressed during this hearing."[113] The AAA Patent Rules provide that the initial disclosures may include the disclosure of asserted claims and preliminary infringement and invalidity contentions, any document relating to the claims and contentions, and, if applicable, final contentions of both parties.[114]

Thus, the AAA Patent Rules contemplate initial disclosure of the patents, claims charts, reduction to practice, the purported infringement, etc. While such initial disclosures are not mandatory under the AAA Patent Rules, their express inclusion indicates the great likelihood that they will be required, at least with respect to the particulars of the patent infringement claims. Further, the rules indicate that during the pre-trial conference, parties should consider the identification of witnesses and experts and the subject matter upon which they will testify and also discuss expert reports.[115]

C. UNCITRAL Rules

The UNCITRAL Rules were designed for *ad hoc* arbitrations and, not surprisingly, are the most often adopted rules for such arbitrations.[116] While the UNCITRAL Rules specify that each party has the burden of proof to support its claim or defense,[117] they do not provide for a party to seek documents from his adversary in support of such claim or defense.[118] The tribunal may require a party to "produce documents, exhibits or other evidence within such a period of time as the arbitral tribunal shall determine."[119] Thus, under the UNCITRAL Rules, documents need only be produced to support a party's case or upon an order of the tribunal. The tribunal is provided complete discretion to determine whether adversaries should receive any

[113] *Id.*

[114] *Id.*

[115] *Id.* at (c)(12)-(13).

[116] *See* http://www.uncitral.org.

[117] UNCITRAL Rules art. 27(1).

[118] *Id.*

[119] *Id.* at art. 27(3).

evidence in advance of hearings or any additional information that the producing party will not rely upon. The rules do not expressly contemplate third party disclosure.

With respect to witnesses and experts, the UNCITRAL Rules specify that upon party request or *sua sponte*, the Tribunal "shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument."[120] Witness testimony may be presented by written statement.[121] "The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered."[122]

D. ICC Rules of Arbitration

The specific ICC Rules regarding evidence are found in Article 20. The ICC Rules do not specifically address production of documents or other evidence.[123] Under the ICC Rules, the arbitrator is given the power to "proceed within as short a time as possible to establish the facts of the case by all appropriate means."[124] The tribunal is not limited in how it establishes the facts and may do so by requiring parties to provide additional evidence, by hearing lay and expert witness testimony and by appointing its own expert witnesses for testimony.[125] The ICC Rules do not expressly contemplate third party disclosure.

E. WIPO Arbitration Rules

The WIPO Rules permit the tribunal and the parties to seek documents and property for inspection and testing.[126] The WIPO

[120] *Id.* at art. 17(3).

[121] *Id.* at art. 27(2).

[122] *Id.* at art. 27(4).

[123] ICC Rules art. 20.

[124] *Id.* at art. 20(1).

[125] *Id.* at art. 20(3)-(5).

[126] WIPO Rules arts. 48(b) and 50; WIPO Expedited Arbitration Rules arts. 42(b) and 44.

Rules do not specify any requirements for the request or the disclosure sought under the request, nor do they expressly contemplate third party disclosure. Further, the WIPO Rules provide that, where the parties agree, the tribunal may determine that they shall jointly provide a technical primer, models, drawings or other materials so that the tribunal may better understand the matters in issue.[127]

Article 54 specifies that the tribunal may require parties to identify potential witnesses and the subject matter upon which they intend to testify.[128] The tribunal has the discretion to determine whether witnesses or experts should be heard[129] and, along with the parties, may question witnesses at hearing.[130] Testimony may be submitted in written form, which the tribunal may condition upon the witness being made available for oral testimony.[131]

F. Singapore International Arbitration Centre Rules

The SIAC Rules do not devote a particular section to disclosure; rather, disclosure is addressed in Rule 22 ("Witnesses") and Rule 24 ("Additional Powers of the Tribunal"). Under Rule 22.1, the tribunal has the power to require a party to disclose the identity of its witnesses and the subject matter that they will address.[132]

While Rule 24 addresses several powers, it addresses disclosure-related issues in sections (d), (e), (g), and (i), granting the tribunal the power to:

> d. conduct such enquiries as may appear to the Tribunal to be necessary or expedient;
>
> e. order the parties to make any property or item available, for inspection in the parties' presence, by the Tribunal or any expert;

[127] WIPO Rules art. 51; WIPO Expedited Arbitration Rules art. 45.

[128] WIPO Rules art. 54(a); WIPO Expedited Arbitration Rules art. 48(a).

[129] WIPO Rules art. 54(b); WIPO Expedited Arbitration Rules art. 48(b).

[130] WIPO Rules art. 54(c); WIPO Expedited Arbitration Rules art 48(c).

[131] WIPO Rules art. 54(d); WIPO Expedited Arbitration Rules art. 48(d).

[132] SIAC Rules Rule 22.1.

> g. order any party to produce to the Tribunal and to the other parties for inspection, and to supply copies of any document in their possession or control which the Tribunal considers relevant to the case and material to its outcome;
>
> i. direct any party to give evidence by affidavit or in any other form.[133]

Thus, Rule 24 permits the tribunal to conduct wide ranging disclosure and allows it to do so *sua sponte*. The SIAC Rules do not expressly preclude a party from requesting the tribunal's exercise of these powers, nor do they expressly contemplate third party disclosure.

The appearance of a witness may be refused or limited at the tribunal's discretion[134] and any testifying witness may be questioned by the parties or the tribunal.[135] Expert witnesses may be appointed by the tribunal and are subject to questioning by the parties and the tribunal at hearing.[136] The tribunal may direct the testimony of witnesses to be presented in written form.[137]

G. The Rules and Guidelines of the CPR

The CPR has several sets of rules that may be applicable to an IP dispute, including its domestic rules, its international rules and its patent and trade secret dispute rules. It also has a protocol on the disclosure of documents and presentation of witnesses.

1. CPR Rules and CPR International Rules

With respect to disclosure, the CPR Rules and the CPR International Rules only differ in use of the term "discovery" in place of "disclosure." Accordingly, it is necessary to discuss only one of

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[133] *Id.* at Rule 24.

[134] *Id.* at Rule. 22.2.

[135] *Id.* at Rule 22.3.

[136] *Id.* at Rule 23.

[137] *Id.* at Rule 22.4.

those sets of Rules.[138] Disclosure is specifically addressed in Rule 11, allowing for broad disclosure and leaving control over the process largely to the tribunal.[139] Rule 12, "Evidence and Hearings," also addresses disclosure.[140] Under Rule 12.1, unless the tribunal determines otherwise, the parties are required to identify their witnesses and provide one another with the evidence upon which they rely.[141] Further, under Rule 12.3 the tribunal may require the parties to provide additional evidence.[142] Third party disclosure is not expressly contemplated.

Upon party request or *sua sponte*, a hearing shall be held.[143] Witness testimony may be presented orally or by written statement.[144] The rules expressly contemplate a pre-hearing memorandum containing: (a) a statement of facts; (b) a statement of each claim being asserted; (c) a statement of the applicable law; (d) a statement of the relief requested; and the "evidence to be presented, including documents relied upon and the name, capacity and subject of testimony of any witnesses to be called, the language in which each witness will testify, and an estimate of the amount of time required for the party's examination of the witness.[145]

2. CPR IP Rules

The CPR IP Rules were specifically designed for patent and trade secret disputes and expressly provide for greater disclosure than is found with the CPR Rules or the CPR International Rules. While the

[138] The citations are to the text of the International Rules.

[139] CPR International Rules, Rule 11.

[140] *Id.* at Rule 12.

[141] *Id.* at Rule 12.1.

[142] *Id.* at Rule 12.3.

[143] *Id.* at Rule 12.2.

[144] *Id.*

[145] *Id.* at Rule 12.1.

CPR IP Rules provide that the parties should work together to determine the scope of disclosure,[146] some disclosure is automatic:

> 4.1 Each party, based on the information then reasonably available to it, shall provide to the other without awaiting a request:
>
> (a) a copy, or a description by category and location, of all documents, data compilations, and tangible things in the possession, custody or control of the party that are relevant to facts known or reasonably believed to be in dispute, including but not limited to, documents that are to be relied on by the party; and
>
> (b) a computation of damages claimed by the disclosing party.[147]

Further, the rules specifically provide for interrogatories and depositions.[148] The CPR IP Rules use the term "discovery," which is appropriate given their American discovery expansiveness:

> Discovery shall be limited to that for which each party has a substantial, demonstrable need, taking into account material received by each party . . . and shall be conducted in the most expeditious and cost-effective manner. . . . [T]he parties shall attempt to agree on the scope of discovery to which each party will be entitled . . . . Absent agreement by the parties to the contrary or good cause shown, interrogatories will be limited to 10 interrogatories per party (including subparts). Depositions will similarly be limited to 5 depositions per party lasting no more than 8 hours per deposition.[149]

As seen with CPR Rule 12.2, CPR IP Rule 12.2 requires the parties to identify their witnesses and provide the evidence that will be relied upon at hearing.[150] Similarly, Rule 12.3 also states that the tribunal

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[146] CPR IP Rules, Rule 11.

[147] *Id.* at Rule 4.1.

[148] *Id.* at Rule 11.

[149] *Id*.

[150] *Id.* at Rule 12.2.

may require the parties to provide additional evidence.[151] The tribunal may determine whether witnesses should be heard at hearing and may determine the manner in which they are examined.[152] The CPR IP Rules do not expressly contemplate third party disclosure.

3. CPR Protocol

In 2009, the CPR issued the CPR Protocol to provide "guidance in the form of recommendations as to practices that arbitrators may follow in administering proceedings before them, including proceedings conducted under the CPR Rules or under other *ad hoc* or institutional rules."[153] With respect to document disclosure, the CPR Protocol notes arbitration's "appreciation for the need for speed and efficiency," and limits disclosure "only as to items that are relevant and material and for which a party has a substantial, demonstrable need in order to present its position."[154] "CPR arbitrators should supervise any disclosure process actively to ensure that these goals are met."[155] The CPR Protocol recognizes the value of electronic information, but states that wide-ranging production of electronic information should be granted only upon a showing of extraordinary need.[156] Requests for back-up tapes and deleted files may only be granted if the requesting party can demonstrate a reasonable likelihood that files were deliberately altered or destroyed in anticipation of litigation or arbitration.[157] In making rulings on the disclosure of documents and information, the tribunal should consider the timing of disclosure, the burden versus benefit, and whether documents have been improperly withheld.[158]

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[151] *Id.* at Rule 12.3.

[152] *Id.* at Rule 12.5.

[153] CPR Protocol.

[154] *Id.* at section 1(a).

[155] *Id.*

[156] *Id.* at section 1(d)(1).

[157] *Id.*

[158] *Id.* at section 1(e).

The CPR Protocol provides that witness testimony may be in the form of a written statement, if that statement is signed and contains an affirmation of truth and the witness appears for examination at the evidentiary hearing.[159] The parties may agree or the tribunal may direct that the witness statement shall serve as the direct testimony of the witness.[160] Depositions may be taken, but should only be permitted "where the testimony is expected to be material to the outcome of the case" and where certain exigent circumstances apply.[161] The tribunal may appoint neutral experts.[162] Parties may also appoint their own experts.[163] Expert reports must be signed, set forth the facts considered and conclusions reached, and contain a *curriculum vitae* describing the expert's qualifications.[164] Any expert who has submitted a report must appear at a hearing before the tribunal unless the parties agree otherwise and the tribunal accepts this agreement.[165]

H. JAMS International Rules and JAMS Rules

1. JAMS International Rules

Under the JAMS International Rules, the tribunal "may conduct the arbitration in whatever manner it considers appropriate . . . with a view to expediting the resolution of the dispute."[166] The tribunal may decide whether the parties will present written statements,[167] may "exclude cumulative or irrelevant testimony or other evidence,"[168] and,

[159] *Id.* at section 2(a)(1)-(2).

[160] *Id.* at section 2(a)(3).

[161] *Id.* at section 2(c).

[162] *Id.* at section 2(e).

[163] *Id.*

[164] *Id.* at section 2(e)(2).

[165] *Id.* at section 2(e)(4).

[166] JAMS International Rules art. 20.1.

[167] *Id.* at art. 20.2.

[168] *Id.* at art. 20.3.

unless the parties agree otherwise, has the power to "identify the issues and to ascertain the relevant facts and the law or rules of law applicable to the arbitration, or to inquire into the merits of the parties' dispute."[169]

Each party has the burden of proving the facts relied upon to support its claim or defense[170] and, on party request or *sua sponte*, the tribunal may hold hearings.[171] If the tribunal requires a hearing, it is empowered to determine the manner in which witnesses are examined.[172] The tribunal may require either party to identify its witnesses and the subject matter of their anticipated testimony.[173] Witnesses testifying by written statement may be required to appear for cross-examination.[174]

The tribunal may summon witnesses and compel the production of "relevant documents by subpoena or other compulsory process where authorized to do so,"[175] may order the "parties to exchange and produce documents, exhibits or other evidence it deems appropriate,"[176] and "will determine the admissibility, relevance, materiality and weight of the evidence offered[,] . . . tak[ing] into account applicable principles of legal privilege."[177] Similarly, the tribunal may limit or refuse the appearance of any witness, on the grounds of "redundance and irrelevance."[178] The tribunal may appoint its own experts, who, upon party request, may be questioned at a hearing.[179]

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[169] *Id.* at art. 20.4.

[170] *Id.* at art. 25.1.

[171] *Id.* at art. 23.1.

[172] *Id.* at art. 23.4.

[173] *Id.* at art. 24.1.

[174] *Id.* at art. 24.4.

[175] *Id.* at art. 24.2.

[176] *Id.* at art. 25.2.

[177] *Id.* at art. 25.4.

[178] *Id.* at art. 24.3.

[179] *Id.* at art. 24.7.

2. JAMS Rules

Although JAMS has rules specifically created for international arbitrations, the parties to an international arbitration may elect to utilize JAMS' rules for domestic U.S. commercial arbitration.[180] Rule 16 of the JAMS Rules specifies that on party request or *sua sponte*, a preliminary conference will be conducted, which may address disclosure issues such as the exchange of information, the schedule for disclosure, the hearing and any pre-hearing exchanges of information, exhibits, motions or briefs and the attendance of witnesses.[181] Exchanges of information are governed by Rule 17, which, unless modified by the tribunal, requires "an initial exchange of all relevant, non-privileged documents, including, without limitation, copies of all documents in [the parties'] possession or control on which they rely in support of their positions and names of individuals whom they may call as witnesses at the Arbitration Hearing, within twenty-one (21) calendar days after all pleadings or notice of claims have been received."[182] Rule 17 further specifies that this disclosure obligation is ongoing, requiring parties to supplement witness lists and produce additional documents as they learn of them or their relevance. The JAMS Rules specifically provide for at least one deposition per party.[183]

Should the parties proceed under expedited procedures, additional restrictions on disclosure apply.[184] Document requests are "limited to documents that are directly relevant to the matters in dispute or to its outcome" and are "reasonably restricted in terms of time frame, subject matter and persons or entities to which the requests pertain."[185] Rule 16.2 specifies that requests with very broad phraseology such as "all documents directly or indirectly related to" are improper.[186] Without a showing of compelling need, electronic disclosure is limited

[180] JAMS Rules.

[181] *Id.* at Rule 16.

[182] *Id*. at Rule 17(a).

[183] *Id.* at Rule 17(c).

[184] *Id.* at Rules 16.1-16.2.

[185] *Id.* at Rule 16.2(b).

[186] *Id.*

to "sources used in the ordinary course of business," production is "made on the basis of generally available technology in a searchable format," and the description of custodians is "narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute."[187]

The JAMS Rules require that, at least 14 days before the hearing, the parties must provide one another and the tribunal with a witness list describing the anticipated testimony of each witness, any written expert reports that may be introduced at hearing, and a list of all exhibits intended to be used at hearing.[188] The tribunal has the power to summon witnesses and subpoena documents for production from the parties, as well as third parties.[189] The tribunal may require that each party submit concise written statements of position, including summaries of the facts and evidence a party intends to present, discussion of the applicable law and the basis for the requested award or denial of relief sought.[190]

I. IBA Evidence Guidelines

In 2010, the IBA adopted its amended IBA Evidence Guidelines, which provide what might be considered a middle ground between common law discovery and civil law disclosure. The IBA Evidence Guidelines have become popular in international arbitration, not only as rules that the parties may adopt to govern the proceeding, but also as informal guidelines for the tribunal.[191] Parties may agree to the applicability of the IBA Evidence Guidelines in their arbitration agreement or at the time that a dispute arises or, if the parties have not agreed, the tribunal may adopt the IBA Evidence Guidelines as part of the procedural rules of the arbitration.[192] As stated in their Preamble,

[187] *Id.* at Rule 16.2(c)(i)-(iii).

[188] *Id.* at Rule 20(a).

[189] *Id.* at Rule 21.

[190] *Id.* at Rule 20(b).

[191] IBA Evidence Guidelines, Foreword.

[192] *Id.* at Preamble ¶ 2.

the IBA Evidence Guidelines "are designed to supplement the legal provisions and the institutional, *ad hoc* or other rules that apply to the conduct of the arbitration."[193] Because the rules are to be adopted for use before various arbitral tribunals, they "are not intended to limit the flexibility that is inherent in, and an advantage of, international arbitration, and Parties and Arbitral Tribunals are free to adapt them to the particular circumstances of each arbitration."[194]

The IBA Evidence Guidelines allow the tribunal to request documents believed to be relevant and material to the outcome of the case,[195] provide for parties to produce all documents upon which they rely[196] and provide for additional disclosure through a request to produce.[197] Parties seeking additional disclosure must submit their request to produce to the tribunal and the request must contain:

> (a) *(i)* a description of each requested Document sufficient to identify it, or *(ii)* a description in sufficient detail (including subject matter) of a narrow and specific requested category of Documents that are reasonably believed to exist; in the case of Documents maintained in electronic form, the requesting Party may, or the Arbitral Tribunal may order that it shall be required to, identify specific files, search terms, individuals or other means of searching for such Documents in an efficient and economical manner;
>
> (b) a statement as to how the Documents requested are relevant to the case and material to its outcome; and
>
> (c) *(i)* a statement that the Documents requested are not in the possession, custody or control of the requesting Party or a statement of the reasons why it would be unreasonably burdensome for the requesting Party to produce such Documents, and *(ii)* a statement of the reasons why the

[193] *Id.* at Preamble ¶ 1.

[194] *Id.* at Preamble ¶ 2.

[195] *Id.* at art. 3.3(b).

[196] *Id.* at art. 3.1.

[197] *Id.* at art. 3.2.

> requesting Party assumes the Documents requested are in the possession, custody or control of another Party.[198]

The tribunal determines whether the requested documents must be produced and the time within which they must be produced.[199] If the documents are in a foreign language, the IBA Evidence Guidelines require the production of a translation with a copy of the original document.[200]

The IBA Evidence Guidelines also empower the tribunal, upon a party's request, "to take whatever steps are legally available to obtain the requested Documents" from third parties.[201] As with a request to produce from a party, the request for third party disclosure must identify the requested documents in sufficient detail and state why such documents are relevant and material to the outcome of the case.[202] Upon review of the request for third party disclosure, the tribunal determines whether to seek such disclosure.[203] Additionally, upon application by a party or *sua sponte*, the tribunal may inspect "any site, property, machinery or any other goods, samples, systems, processes or Documents, as it deems appropriate."[204] Although silent with respect to the depositions, interrogatories, or requests to admit found in common law jurisdictions, the IBA Evidence Guidelines do not expressly prohibit their use.

The IBA Evidence Guidelines also provide that the tribunal may order each party to submit a written statement by each fact witness on whose testimony it relies.[205] Each witness statement must contain:

> (a) the full name and address of the witness, a statement regarding his or her present and past relationship (if any)

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[198] *Id.* at art. 3.3.

[199] *Id.* at arts. 3.4-3.8.

[200] *Id.* at art. 3.12(d).

[201] *Id.* at art. 3.9.

[202] *Id.*

[203] *Id.*

[204] *Id.* at art. 7.

[205] *Id.* at art. 4.4.

with any of the Parties, and a description of his or her background, qualifications, training and experience, if such a description may be relevant to the dispute or to the contents of the statement;

(b) a full and detailed description of the facts, and the source of the witness's information as to those facts, sufficient to serve as that witness's evidence in the matter in dispute. Documents on which the witness relies that have not already been submitted shall be provided;

(c) a statement as to the language in which the Witness Statement was originally prepared and the language in which the witness anticipates giving testimony at the Evidentiary Hearing;

(d) an affirmation of the truth of the statement; and

(e) the signature of the witness and its date and place.[206]

Similarly, the IBA Evidence Guidelines require that if a party relies on an expert for evidence on specific issues, that expert must submit an expert report containing:

(a) the full name and address of the Party Appointed Expert, a statement regarding his or her present and past relationship (if any) with any of the Parties, their legal advisors and the Arbitral Tribunal, and a description of his or her background, qualifications, training and experience;

(b) a description of the instructions pursuant to which he or she is providing his or her opinions and conclusions;

(c) a statement of his or her independence from the Parties, their legal advisors and the Arbitral Tribunal;

(d) a statement of the facts on which he or she is basing his or her expert opinions and conclusions;

(e) his or her expert opinions and conclusions, including a description of the methods, evidence and information used in arriving at the conclusions. Documents on which the

[206] *Id.* at art. 4.5.

Party-Appointed Expert relies that have not already been submitted shall be provided;

(f) if the Expert Report has been translated, a statement as to the language in which it was originally prepared, and the language in which the Party-Appointed Expert anticipates giving testimony at the Evidentiary Hearing;

(g) an affirmation of his or her genuine belief in the opinions expressed in the Expert Report;

(h) the signature of the Party-Appointed Expert and its date and place; and

(i) if the Expert Report has been signed by more than one person, an attribution of the entirety or specific parts of the Expert Report to each author.[207]

Should the tribunal elect, it may appoint one or more experts, who may request that a party "provide any information or to provide access to any Documents, goods, samples, property or site for inspection."[208] The expert's authority to request this information is the same as the tribunal's authority.[209] "The Parties and their representatives shall have the right to receive any such information and to attend any such inspection."[210]

V. Electronic Document Disclosure

Today, electronic documents make up the bulk of documents and cost involved in disclosure in many arbitrations. Parties, particularly parties to international transactions, frequently conduct most or all of their business in electronic form. It is to be expected that IP related transactions follow, if not lead, this trend as many of these transactions are between technology companies. Depending on a company's document retention and data back-up policies, vast numbers of

[207] *Id.* at art. 5.2.

[208] *Id.* at art. 6.3.

[209] *Id.*

[210] *Id.*

documents may be saved on workplace computers and company-issued laptops and PDAs. These documents may then be subsequently stored on back-up tapes, adding time and expense to the process of reviewing such documents and producing them to an adversary.[211] Relevant documents may also exist on employees' home computers, personal PDAs, and on email servers used with personal accounts. Further, electronic documents are often sent to many employees, all of whom may retain a copy of the same documents, increasing the number of relevant documents exponentially. The number of relevant documents may further increase from the practice of drafting, commenting on and saving several iterations of a document before arriving at the final version.

A simple example can give a picture of the scope of the problem. Assuming the average employee sends or receives 50 emails a day, in a not very large company with 50 employees, 2500 different electronic documents will be created each day. No doubt many will be in part copies of others, but each will have a unique file address and therefore must be considered as a different document for discovery purposes. Multiplying this number by an average work year of 240 days, the company would have about 600,000 new e-documents in its files each year. In a relatively small IP dispute involving conduct only stretching three or four years, the searchable document pool would run over 2,000,000 e-documents. And this only counts the originals of each document; such things as back-up tapes, PDAs and home files could multiply this number several times over.

Compounding the problem are issues such as metadata and spoliation. Metadata are the hidden but retrievable information computers add to most files regarding things like the identity of the originating computer, date and time of origination, scope and times of modification and so on. Whether or not documents need be produced with their original metadata intact can be a contentious issue. Another potentially contentious issue is spoliation or the destruction of electronic documents. Electronic documents are easily destroyed. In

[211] It should be noted that backup tapes copy all of the data on whatever is being backed up. Therefore, if a company backs up its data nightly, then the majority of data on each back-up will be identical (Monday's back-up records everything up to Monday, Tuesday's back-up includes everything on Monday's back-up, plus whatever data was saved on Tuesday and so on.).

fact, many computer operations do so automatically. Relevant documents may be lost if planning is not in force from the beginning of the arbitration.

A. Local National Law and Electronic Document Disclosure

The presence of relevant electronic data in numerous geographic locations presents a further issue when those locations are in different countries. Various national laws can restrict or regulate the production of electronic documents. A given law may apply to information in both written and electronic documents or just to electronic data, but the impact of any such law is usually more pronounced with electronic documents, because of their usual greater numbers and because they frequently are found to include regulated information. Indeed, one major category of such local national laws covers any data which includes personally identifiable information. For example, to protect personal data,[212] the European Union adopted Directive 95/46/EC, which limits the ability to transfer such data to countries with lower data protection standards than the European Union,[213] such as the United States.[214] The United States also has several privacy laws that

[212] Article 2(a) of the European Directive 95/46/EC defines personal data as "any information relating to an identified or identifiable natural person ('data subject'); an identifiable person is one who can be identified; directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural, or social identity." Council Directive 95/46, 1995 O.J. (L. 281) 31.

[213] Note that the directives set minimum standards for member states to comply with by 1998. Accordingly, all member states have adopted their own national laws regarding the transfer of personal data to non-member states, which may be more exacting than the directive.

[214] Through the safe harbor negotiated between the United States Department of Commerce and the European Union, data may be exported to the United States, under certain conditions. Because compelled disclosure in arbitration would not necessarily ensure the requisite level of privacy protection or individual access to personal information required for safe harbor protection, it is unlikely that such disclosure would be protected by the safe harbor.

may be implicated by the production of electronic documents containing personal data.[215] Similar laws exist in other countries.[216]

B. Arbitral Rules Regarding Electronic Document Disclosure

Despite the additional issues posed by electronic documents, most arbitral rules generally do not specifically address their disclosure. Instead, to the extent that disclosure is covered, electronic documents are likely included in provisions permitting a party or tribunal to request or order disclosure of documents generally. Where arbitral rules do not address electronic documents, parties cannot be certain as to the required format for electronic document production or what limitations they may impose on their search and production – leaving the door open to even higher costs relating to the electronic disclosure process.

Given the cost involved with electronic document production, the IBA Evidence Guidelines and ICDR Guidelines specifically address electronic documents. Article 3.12(b) of the IBA Evidence Guidelines states:

> Documents that a Party maintains in electronic form shall be submitted or produced in the form most convenient or economical to it that is reasonably usable by the recipients, unless the Parties agree otherwise or, in the absence of such agreement, the Arbitral Tribunal decides otherwise.

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[215] Although other state and federal laws may also apply, two examples of United States laws protecting personal information are the Health Insurance Portability and Accountability Act ("HIPAA") and the Gramm-Leach-Bliley Act ("Gramm-Leach"). HIPAA's Privacy Rule limits and conditions the use and disclosure of medical records and other personal health information without authorization. *See* 42 U.S.C. § 1320d-6. Gramm-Leach limits a financial institution's ability to disclose customer's personal financial information and also limits the ability of companies receiving such information (that are not financial institutions) from disclosing this information. 15 U.S.C. § 6802.

[216] *See, e.g.*, Privacy Act, Act No. 119 (1988) (Australia); Personal Information Protection and Electronic Documents Act, S.C. 2000, c.5 (Canada); Personal Information Protection Law, Law No. 57 (2003) (Japan).

Similarly, Article 4 of the ICDR Guidelines states:

> When documents to be exchanged are maintained in electronic form, the party in possession of such documents may make them available in the form (which may be paper copies) most convenient and economical for it, unless the Tribunal determines, on application and for good cause, that there is a compelling need for access to the documents in a different form. Requests for documents maintained in electronic form should be narrowly focused and structured to make searching for them as economical as possible. The Tribunal may direct testing or other means of focusing and limiting any search.

Although the ICC created its Task Force on Production of Electronic Documents in Arbitration in 2008, it did not issue a report until the time that this book went to press. While the ICC and other institutions may informally apply similar rules to those promulgated by the IBA and ICDR, the parties will not know the extent or form of electronic document disclosure that may be required until they sit before their tribunal. It is likely that leaving such power over disclosure and cost to the tribunal may prove unacceptable to some parties.

C. The CIArb Protocol for E-Disclosure in Arbitration

Understanding the increasing prevalence of electronic documents in international arbitration, and the lack of specific guidelines regarding their production, the CIArb issued its Protocol for E-Disclosure in Arbitration in 2008.[217] The CIArb Protocol is intended: (1) "to achieve early consideration of disclosure of documents in electronic form . . . for the avoidance of unnecessary cost and delay;" (2) "to focus the parties and the Tribunal on e-disclosure issues for consideration, including the scope and conduct of e-disclosure;" and (3) "to address e-disclosure issues by allowing parties to adopt [the CIArb] Protocol as part of their agreement to arbitrate a potential or existing dispute."[218] Under the CIArb Protocol for E-Disclosure in Arbitration, parties are to consider at an early stage:

[217] Chartered Institute of Arbitrators, Protocol for E-Disclosure in Arbitration.

[218] *Id.* at p. 1.

i. whether documents in electronic form are likely to be the subject of a request for disclosure . . ., and if so;

ii. what types of electronic documents are within each party's power or control, and what are the . . . systems and media on which they are held;

iii. what (if any) steps may be appropriate for the retention and preservation of electronic documents, having regard to a party's electronic document management system and data retention policy and practice . . .;

iv. what rules and practice apply to the scope and extent of disclosure of electronic documents in the arbitration . . . .;

v. whether the parties have made, or wish to make, an agreement to limit the scope and extent of electronic disclosure of documents;

vi. what tools and techniques may be usefully considered to reduce the burden and cost of e-disclosure (if any), including:

(a) limiting disclosure of documents or certain categories of documents to particular date ranges or to particular custodians of documents;

(b) the use of agreed search terms;

(c) the use of agreed software tools;

(d) the use of data sampling; and

(e) the format and methods of e-disclosure;

vii. whether any special arrangements with regard to data privacy obligations, privilege or waiver of privilege in respect of electronic documents disclosed may be agreed; and

viii. whether any party and/or the Tribunal may benefit from professional guidance on IT issues relating to e-disclosure having regard to the requirements of the case.[219]

[219] *Id.* at § 3.

The CIArb Protocol for E-Disclosure in Arbitration requires that requests for electronic documents be "narrow and specific," describe how the document is "relevant and material to the outcome of the case," state that the document is not in the possession of the requesting party, and state why the documents are assumed to be in the possession of the other party.[220] The arbitral tribunal reviews the request, considering "(i) reasonableness and proportionality; (ii) fairness and equality of treatment of the parties; and (iii) ensuring that each party has a reasonable opportunity to present its case" when determining whether to order disclosure of the requested electronic documents.[221]

Notably, the CIArb Protocol for E-Disclosure in Arbitration has several provisions that help reduce costs for electronic disclosure. First, it states that unless there is a particular justification for doing so, "it will normally not be appropriate to order the restoration of back-up tapes; erased, damaged or fragmented data; archived data or data routinely deleted in the normal course of business operations."[222] Second, the disclosure of electronic documents "shall normally be made in the format in which the information is ordinarily maintained or in a reasonably usable form."[223] Third, "[a] party requesting disclosure of metadata . . . shall be required to demonstrate that the relevance and materiality of the requested metadata outweigh the costs and burdens of producing the same, unless the documents will otherwise be produced in a form that includes the requested metadata."[224]

VI. The Seat of Arbitration and Its Effect on Disclosure

While arbitration is free from many of the strictures of litigation, it is not completely free from the local laws of its seat. A tribunal may not violate local laws – including those with respect to disclosure. If particular documents are somehow protected by a right of privacy, confidentiality, or privilege under local law, the tribunal cannot order

[220] *Id.* at § 4.

[221] *Id.* at § 6.

[222] *Id.* at § 7.

[223] *Id.* at § 8.

[224] *Id.* at § 9.

production of such documents.[225] Although some national laws may restrict the production of relevant documents, other laws may assist in the disclosure process.[226]

A. United States' Laws That Aid Disclosure

In the United States, the FAA permits an arbitral tribunal to utilize the federal courts to summon parties and third parties to appear and produce "any book, record, document or paper which may be deemed material as evidence in the case."[227] Should the witness fail to appear, he may be punished by the court as if he failed to attend a matter before the court.[228] It should be noted, however, that United States law is currently unsettled with respect to whether the FAA permits pre-hearing discovery from third parties[229] and whether the territory

[225] As discussed *supra* in the context of electronic documents, both European Union and United States' laws protect personal data. A tribunal sitting in these jurisdictions, therefore, must comply with various personal data protection requirements.

[226] For example, French courts may grant assistance in aid of domestic arbitrations, but will not aid foreign arbitral tribunals. Reinmar Wolff, *Judicial Assistance by German Courts in Aid of International Arbitration*, 19 AM. REV. INT'L ARB. 145, 149 (2008).

[227] 9 U.S.C. § 7.

[228] *Id*.

[229] *Compare* Life Receivables Trust v. Syndicate 102 at Lloyd's of London, 549 F.3d 210, 216-17 (2d Cir. 2008) ("[W]e join the Third Circuit in holding that section 7 of the FAA does not authorize arbitrators to compel pre-hearing document discovery from entities not party to the arbitration proceedings.") *and* Hay Group, Inc. v. E.B.S. Acquisition Corp., 360 F.3d 404 (3d Cir. 2004) (holding that the FAA did not authorize the issuance of a pre-hearing discovery subpoena upon a third party) *with* In re Security Life Ins. Co. of America, 228 F.3d 865, 870-71(8th Cir. 2000) ("hold[ing] that implicit in an arbitration panel's power to subpoena relevant documents for production at a hearing is the power to order the production of relevant documents for review by a party prior to the hearing"); *see also* Report of The International Commercial Disputes Committee of the Association of the Bar of the City of New York, *Obtaining Evidence from Non-Parties in International Arbitration*

encompassed by the subpoena power is limited by the Federal Rules of Civil Procedure.[230] Thus, the ability to use the FAA in aid of disclosure may be limited depending on where the tribunal sits in the United States.

Through 28 U.S.C. § 1782, a party may be allowed to use United States federal courts to order document discovery and depositions, perhaps even without seeking the permission or assistance of the arbitral tribunal. Section 1782(a) provides:

> The district court of the district in which a person resides or is found may order him to give his testimony or statement or to produce a document or other thing for use in a proceeding in a foreign or international tribunal . . . . The order may be made pursuant to a letter rogatory issued, or request made, by a foreign or international tribunal or upon the application of any interested person and may direct that the testimony or statement be given, or the document or other thing be produced, before a person appointed by the court. . . .[231]

Use of 28 U.S.C § 1782 with respect to private international arbitrations has been questioned by the Second[232] and Fifth[233] Circuit

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in the United States, 20 AM. REV. INT'L ARB. 421 (2010) (detailing the varying interpretations of the FAA by United States courts).

[230] *Compare* Dynegy Midstream Servs., LP v. Trammochem, 451 F.3d 89 (2d Cir. 2006) (holding that the FAA did not authorize nationwide service of process such that the arbitrators in a New York arbitration could not use the FAA to subpoena documents located in Texas) *with* In re Security Life Ins. Co. of America, 228 F.3d 865, 872 (8th Cir. 2000) (holding that the production of documents under the FAA does not require "compliance with Rule 45(b)(2)'s territorial limit . . . . because the burden of producing documents need not increase appreciably with an increase in the distance those documents must travel.").

[231] 28 U.S.C § 1782(a).

[232] *See* Nat'l Broadcasting Co., Inc. v. Bear Stearns & Co., Inc., 165 F.3d 184, 191 (2d Cir. 1999) ("Congress did not intend for [28 U.S.C. § 1782] to apply to an arbitral body established by private parties.").

[233] *See* Republic of Kazakhstan v. Biedermann Int'l, 168 F.3d 880, 883 (5th Cir. 1999) ("[W]e conclude that the term 'foreign and international tribunals' in § 1782 was not intended to authorize resort to United States

Courts of Appeals.[234] Although it did not directly overrule these Second and Fifth Circuit Court decisions, the United States Supreme Court's holding in *Intel Corp. v. Adv. Micro Devices, Inc.*, 542 U.S. 241 (2004),[235] has been considered by several federal district courts to indicate that the provision may be used in pursuit of discovery in private international arbitrations.[236] Accordingly, the ability to use 28 U.S.C. § 1782 in connection with an international intellectual property arbitration may depend largely on the jurisdiction where the person or evidence is located in the United States.[237]

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federal courts to assist discovery in private international arbitrations."); *see also* El Paso Corp. v. La Comision Ejecutiva Hidroelectrica Del Rio Lempa, 341 F. App'x 31 (5th Cir. 2009).

[234] The Second Circuit Court of Appeals encompasses the states of Connecticut, New York, and Vermont; whereas, the Fifth Circuit Court of Appeals encompasses the states of Louisiana, Mississippi, and Texas.

[235] The Court in *Intel* held that 28 U.S.C. § 1782's '"proceeding in a foreign or international tribunal"' extended to a quasi-judicial agency acting as a "first-instance decisionmaker." *Id.* at 247-48.

[236] *See* In re Application of Babcock Borsig AG, 583 F. Supp. 2d 233, 240 (D. Mass. 2008) (concluding that the ICC is a "tribunal" within the meaning of 28 U.S.C. § 1782(a)); In re Hallmark Capital Corp., 534 F. Supp. 2d 951 (D. Minn. 2007) (holding 28 U.S.C. § 1782 applicable in aid of discovery for an Israeli arbitration proceeding); In re Roz Trading Ltd., 469 F. Supp. 2d 1221 (N.D. Ga. 2006) (holding 28 U.S.C. § 1782 applicable in aid of discovery for arbitration before the International Arbitral Centre of the Austrian Federal Economic Chamber).

[237] It has been argued that 28 U.S.C § 1782 should not apply to arbitrations seated in the United States, even if they involve foreign parties or other foreign elements. International Commercial Disputes Committee of the Association of the Bar of the City of New York, *The Thorny Issue of Obtaining U.S. Discovery in Aid of International Arbitration*, MEALEY'S INT'L. ARB. REP. Vol. 23, No. 5 (May 2008). This view has been criticized because it would arbitrarily disadvantage international arbitrations seated in the United States by making less discovery available than if the arbitration was seated anywhere else in the world. For detailed discussion, *see* Joseph P. Zammit & Mary Ann C. Ball, *Should There Be Unique Restrictions on the Use of 28 U.S.C. § 1782(a) To Obtain Discovery In International Arbitration?*, MEALEY'S INT'L. ARB. REP. Vol. 25, No. 3 (Mar. 2010).

B. The English Arbitration Act of 1996

Where the witness and seat of arbitration are located in the United Kingdom, a party may utilize the English Arbitration Act of 1996 to aid the production of witnesses and documents. Upon permission from the tribunal or with the consent of the other parties, the English Arbitration Act permits a party to use U.K. courts to "secure the attendance before the tribunal of a witness in order to give oral testimony or to produce documents or other material evidence."[238] Accordingly, this law may be used to secure the testimony and documentary evidence of an adversary or third party. [239] Although the English Commercial Court has held that the English Arbitration Act may not be utilized to aid disclosure, some have posited that it may be used, so long as the pre-hearing request contains sufficient specificity, such that it seeks a document known to exist that will prove a factual contention.[240]

C. The Singapore Arbitration Acts

Singapore has a "dual track regime" with respect to national laws of arbitration.[241] The Singapore Arbitration Act (the "SAA") may be used to aid disclosure where the witness and seat of arbitration are located in Singapore.[242] The SAA grants Singapore courts the power to make orders regarding: (b) "discovery of documents and interrogatories;" (c) "giving of evidence by affidavit;" and (f) "samples to be taken from, or any observation to be made of or experiment conducted upon, any property which is or forms part of the subject-

[238] Arbitration Act, UK ST 1996 c. 23 pt. I § 43(1).

[239] BNP Paribas v. Deloitte & Touche LLP [2003] EWHC 2874 (Comm), (QB), 1 Lloyd's Rep 233.

[240] *See* Shawn C. Conway and Nathan D. O'Malley, *Document Disclosure in International Construction Arbitration*, 23 Const. L.J. 105, 111 (2007).

[241] Lawrence G.S. Boo, *The Framework and Practice of ADR in Singapore*, *available at* http://www.aseanlawassociation.org/9GAdocs/w4_Singapore.pdf.

[242] Singapore Arbitration Act, Cap. 10, § 3 (Revised Edition 2002).

matter of the dispute."[243] While, under its own terms the SAA does not apply to international arbitrations, parties may elect to have the SAA apply to their arbitrations.

Alternatively, the Singapore International Arbitration Act (the "SIAA") may be used in an international arbitration, which is not necessarily seated in Singapore. Under the SIAA, the Singapore High Court is granted "the same power of making orders . . . as it has for the purpose of and in relation to an action or matter in the court."[244] Such power is specified as including the power "to make orders or give directions to any party for . . . discovery of documents and interrogatories."[245] Of course, the court must have jurisdiction over a party for it to have jurisdiction and for the order to have any effect.

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[243] *Id.* at § 28(2).

[244] International Arbitration Act, Cap. 143A (Revised Edition 2010), § 12(6). "All orders or directions made or given by an arbitral tribunal in the course of an arbitration shall, by leave of the High Court or a Judge thereof, be enforceable in the same manner as if they were orders made by a court and, where leave is so given, judgment may be entered in terms of the order or direction."

[245] *Id.* at 12(1). Section 12, entitled "Powers of arbitral tribunal," states:

> (1) Without prejudice to the powers set out in any other provision of this Act and in the Model Law, an arbitral tribunal shall have powers to make orders or give directions to any party for—
>
> (a) security for costs;
> (b) discovery of documents and interrogatories;
> (c) giving of evidence by affidavit;
> (d) the preservation, interim custody or sale of any property which is the subject matter of the dispute;
> (e) samples to be taken from, or any observation to be made of or experiment conducted upon, any property which is or forms part of the subject-matter of the dispute;
> (f) the preservation and interim custody of any evidence for the purposes of the proceedings;
> (g) securing the amount in dispute;
> (h) ensuring that any award which may be made in the arbitral proceedings is not rendered ineffectual by the dissipation of assets by a party; and

D. French Arbitration Law

On January 13, 2011, France adopted a new statute on arbitration, which entered into force on May 1, 2011. Under the new statute, until an arbitral tribunal is constituted, a party may apply to a court "for measures relating to the taking of evidence or provisional or conservatory measures."[246] Accordingly, it appears that parties may not resort to judicial assistance in disclosure once the arbitral tribunal has been constituted.

E. Swiss Private International Law Act

Swiss arbitration law also provides for judicial assistance in the taking of evidence. "If the assistance of state judiciary authorities is necessary for the taking of evidence, the Arbitral tribunal or a party with the consent of the Arbitral tribunal, may request the assistance of the state judge at the seat of the Arbitral tribunal."[247]

F. Multinational Laws to Assist with Disclosure

In addition to these country-specific laws, numerous countries are parties to the Hague Convention on the Taking of Evidence (the "Hague Convention") and/or have adopted the UNCITRAL Model Law. The Hague Convention allows the use of the courts of signatory nations[248] to aid disclosure.[249] Under the Hague Convention, "a judicial authority of a Contracting State [may] request the competent authority of another Contracting State . . . to obtain evidence, or to

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(i) an interim injunction or any other interim measure.

[246] French Arbitration Law; Decree No. 2011-48, J.O.R.F., art. 1449 (January 14, 2011).

[247] SPILA art. 184(2) (1987).

[248] Among others, France, Germany, Switzerland, the United Kingdom and the United States have ratified the Hague Convention.

[249] *See* Conway & O'Malley, *supra* note 240, at 111-12.

perform some other judicial act."[250] Notably, this process involves the use of a local court, so the requesting party must have access to the local court under that jurisdiction's law. Seeking evidence under the Hague Convention, therefore, does not involve a direct request to a court in the jurisdiction where the evidence is located[251] and may take considerable time.[252] It should be noted, however, that some nations implementing the Hague Convention have declared that they "will not execute Letters of Request issued for the purpose of obtaining pre-trial disclosure of documents as known in Common Law countries"[253] and others, while permitting pre-trial disclosure, have applied limitations to what they will permit under the Hague Convention.[254]

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[250] Hague Conference on Private International Law, Hague Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters, art. 1 (entered into force 7 October 1972) U.N.T.S. 37/1976.

[251] Use of the Hague Convention entails filing a Letter of Request with a local court, which transmits the request to a Central Authority in the relevant Contracting State. If the Central Authority determines that the Letter of Request complies with the Convention, it then transmits the request to the relevant court.

[252] *See* Reinmar Wolff, Judicial Assistance by German Courts in Aid of International Arbitration, 19 AM. REV. INT'L ARB. 145, 146-47 (2008).

[253] Hague Convention, *supra* note 250, at art. 23. For example, Germany, Italy, and Spain have adopted this language in its entirety, therefore precluding use of the Hague Convention for pre-trial discovery.

[254] France permits use of the Hague Convention for pre-trial discovery "when the requested documents are enumerated limitatively and have a direct and precise link with the object of the procedure." *See* http://www.hcch.net/index_en.php?act=status.comment&csid=501&disp=resdn (providing French Declarations and Reservations to the Hague Convention). Switzerland permits use of the Hague Convention for pre-trial discovery unless:

> (a) the request has no direct and necessary link with the proceedings in question; or
>
> (b) a person is required to indicate what documents relating to the case are or were in his/her possession or keeping or at his/her disposal; or
>
> (c) a person is required to produce documents other than those mentioned in the request for legal assistance, which are

The UNCITRAL Model Law is not a multinational convention; rather it is a local law on arbitration that has been adopted by a number of nations to govern arbitral proceedings which are seated in the adopting country. The UNCITRAL Model Law states:

> The arbitral tribunal or a party with the approval of the arbitral tribunal may request from a competent court of this State assistance in taking evidence. The court may execute the request within its competence and according to its rules on taking evidence.[255]

Legislation based on the UNCITRAL Model Law has been adopted by over sixty countries,[256] including Canada, Germany, Hong Kong, Japan and Singapore. While the United States has not adopted legislation based on the UNCITRAL Model Law, several states have done so, including California, Illinois, Louisiana and Texas.[257]

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probably in his/her possession or keeping or at his/her disposal; or

(d) interests worthy of protection of the concerned persons are endangered.

See http://www.hcch.net/index_en.php?act=status.comment&csid=561&disp=resdn (providing Swiss Declarations and Reservations to the Hague Convention). The United Kingdom permits use of the Hague Convention for pre-trial discovery, but not if the Letter of Request merely seeks to find what documents may be in the possession of another party (*i.e.*, a fishing expedition). *See* http://www.hcch.net/index_en.php?act=status.comment&csid=564&disp=resdn (providing UK Declarations, Notifications, and Reservations to the Hague Convention).

[255] UNCITRAL Model Law art. 27.

[256] *See* http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/1985Model_arbitration_status.html (providing an updated listing of countries that have adopted UNCITRAL Model Law based legislation).

[257] *See id.* It should be noted that other countries, not identified as having adopted legislation based on the UNCITRAL Model Law, may have similar laws that assist with disclosure. For example, SPILA art. 184(2) provides: "If the assistance of state judiciary authorities is necessary for the taking of evidence, the Arbitral tribunal or a party with the consent of the Arbitral tribunal, may request the assistance of the state judge at the seat of the Arbitral tribunal; the judge shall apply his own law."

VII. Privilege and Its Effect on the Scope of Disclosure

Generally speaking, where disclosure is permitted, it is limited to the production of relevant documents.[258] However, this universe of documents which are subject to production may be further limited. The effect of privacy laws has already been discussed. Other limitations on production stem from the concept of privilege. Indeed, perhaps the most important limitation may be found with the application of privilege, such as attorney-client privilege and attorney work product privilege, to particular documents and communications.

The law governing the attorney client relationship in international arbitration, particularly the nature and scope of the attorney-client privilege, is largely unsettled. Arbitral institutions currently lack specific rules regarding the privilege issues that may frequently arise during disclosure. In addition, various legal traditions have different concepts of the scope of privilege, even if it is recognized. Due to a lack of harmonization, communications or documents protected under the law of one jurisdiction may not be protected under the laws of another. Meanwhile, documents produced without restriction in one country may be inaccessible through disclosure elsewhere. As a result, applying the attorney-client privilege imposes great challenges to parties participating in international arbitration. The issue of privilege may be further complicated by the disparate treatment of the communications between clients and intellectual property professionals, such as patent agents, who may lack legal credentials. This additional privilege issue is unique in the context of arbitrating intellectual property disputes.

A. The Concepts of Privilege among Different Jurisdictions

In the United States, the attorney-client privilege is designed "to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice."[259] It is well established that

[258] *See, e.g.,* Fed. R. Civ. P. 402 (with exceptions, "[a]ll relevant evidence is admissible").

[259] Upjohn Co. v. United States, 449 U.S. 383, 389 (1981).

communications between an attorney and his client for the purpose of giving or receiving legal advice are considered confidential and privileged from disclosure in judicial proceedings. The attorney client privilege also extends to communications between in-house legal counsel and a corporate client.[260] The privilege vests in the client, not the attorney. Similar protections also exist in other common law countries, known as "solicitor-client privilege" in Canada, "legal professional privilege" in the United Kingdom and "client legal privilege" in Australia.[261] Likewise, Singapore, another common law jurisdiction, also protects communications between a party and the party's lawyers from disclosure.[262]

In the United States, an attorney's work is also privileged under the attorney work product doctrine, which provides qualified protection for materials prepared by or for an attorney in anticipation of litigation.[263] The work product doctrine was established to prevent "unwarranted inquiries into the files and the mental impressions of an attorney"[264] because "it is essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel."[265]

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[260] *Id*.

[261] Michelle Sindler & Tina Wüstemann, *Privilege Across Borders in Arbitration: Multi-jurisdictional Nightmare or a Storm in a Teacup?* in 23(4) ASA BULLETIN 610, 614 (2005), *also available at* http://www.arbitralwomen.org/files/publication/3408101136647.pdf.

[262] Section 131 of the Singapore Evidence Act provides that "[n]o one shall be compelled to disclose to the court any confidential communication which has taken place between him and his legal professional adviser unless he offers himself as a witness, in which case he may be compelled to disclose any such communications as may appear to the court necessary to be known in order to explain any evidence which he has given, but no others." Evidence Act, Cap. 97 (1997).

[263] Javier H. Rubinstein & Britton B. Guerrina, *The Attorney-Client Privilege and International Arbitration*, 18 (6) J. INT'L ARB. 587, 591 (2001); Hickman v. Taylor, 329 U.S. 495 (1947); *see also* Fed. R. Civ. P. 26 (b) (3).

[264] Hickman v. Taylor, 329 U.S. 495, 510 (1947).

[265] *Id.*

Unlike common law countries, civil law countries treat the attorney-client privilege as a "professional secret."[266] This concept differs from the common law attorney client privilege in several aspects. First, professional secret is rooted in professional ethics and often reflected in the penal codes. For example, the French penal code provides that it is an offense to reveal another person's secret."[267] Professional secret applies not only to attorneys, but also to other professionals. Unlike common law attorney client privilege, professional secret is vested in the attorney, not the client, thus it cannot be waived by the client.[268] Further, an attorney's breach of professional secret may be sanctioned under criminal law.[269] Second, the communications protected as professional secrets are not the same as those protected by common law privilege. For instance, in France, correspondence between attorneys is considered confidential and may not be disclosed to a client.[270] Conversely, communications with in-house counsel have been held not protected by privilege by the European Court of Justice.[271]

B. Privilege between Clients and Patent Agents

Jurisdictions vary on whether attorney-client privilege extends to communications between a client and a patent agent. In the United States, a patent agent is an individual registered to practice patent law before the United States Patent and Trademark Office (the "USPTO"),

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[266] Rubinstein & Guerrina, *supra* note 263, at 591.

[267] *See* CODE PÉNAL [C. PÉ] art. 226-13 (Fr.)

[268] Rubinstein & Guerrina, *supra* note 263, at 592.

[269] Sindler & Wüstemann, *supra* note 261, at 615-16.

[270] Rubinstein & Guerrina, *supra* note 263, at 592.

[271] Communications with in-house counsels were held not to be privileged by the European Court of Justice. *See* AM & S Europe Ltd. v. Commission, [1982] E.C.R. 1575 (AM & S). On September 14, 2010, the European Court of Justice issued its decision in the case of *Akzo Nobel Chemicals Ltd. v. Commission* (Case C-550/07 P) and reaffirmed its long-standing position that under European Union law, communications with in-house lawyers within a company or a group are not protected by the legal professional privilege in the context of EU competition investigations.

but not licensed to practice general law by any bar in the United States. A patent agent prosecutes patent applications before the USPTO and his duties encompass drafting claims, responding to objections to claims, and possibly conducting an appellate hearing before a panel of administrative law judges.[272]

Due to a patent agent's extensive activities in a patent prosecution proceeding, it is not surprising that a disclosure dispute relating to communications with patent agents may arise in a patent infringement case. At least one United States court has held, in a suit for patent infringement, that a plaintiff properly asserted the attorney-client privilege over communications with its patent agent.[273]

While some United States jurisdictions extend the attorney-client privilege to United States patent agents,[274] this privilege is not necessarily extended to communications with foreign patent agents. At least one United States court has applied the law of the foreign patent agent's country to determine whether communications with that patent agent were privileged. In 2006, the United States District Court for the Southern District of New York affirmed a magistrate judge's finding that communications between a client and Swiss patent agents were not covered by attorney-client privilege under Swiss law,[275] which creates

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[272] Sperry v. Florida, 373 U.S. 379, 383, 397-400 (1963).

[273] Mold-Masters Limited v. Husky Injection Molding Systems, No. 01-C1576, 2001 WL 1268587 (N.D. Ill. Nov. 15, 2001). The court held that "where legal advice is sought from a patent agent in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance permanently protected from disclosure by himself or by the patent agent, except the protection be waived." *Id.* at *5

[274] It should be noted that the United States federal cases split on whether privilege exists for non-attorney patent agents in light of *Sperry v. Florida*. While some jurisdictions, such as the District of Illinois, extend the attorney-client privilege to registered patent agents (*see* Mold-Masters Limited v. Husky Injection Molding Systems, 2001 WL 1268587 (N.D. Ill. 2001)), several other jurisdictions, such as the District of Delaware, deny the applicability of privilege to client-agent communications absent an attorney's supervision (*See* Willemijn Houdstermaatschaapij BV v. Apollo Computer Inc., 707 F. Supp. 1429, 1446 (D. Del. 1989)).

[275] In re Rivastigimine Patent Litigation, 239 F.R.D. 351, 83 U.S.P.Q.2d 1923 (S.D.N.Y. 2006).

a professional secrecy obligation for patent agents, not an absolute evidentiary privilege comparable to United States attorney-client privilege. The court found that under Swiss law a court may order disclosure if the need for information outweighs the secrecy obligation.[276]

It is common for a corporation to seek patent protection internationally, so as to protect intellectual property in the markets where a corporation conducts business or plans to conduct business. To obtain patent protection in various countries, extensive communications with patent agents of different jurisdictions will occur. Disclosure disputes in multi-national patent infringement arbitrations will inevitably arise because each jurisdiction has different laws governing the privilege status of patent agents: some may grant patent agents absolute attorney-client privilege, as in the United States, some may grant less protection on the ground of professional secrecy, such as with Switzerland, and some may not extend privilege protection at all.[277]

C. The Rules of Arbitral Institutions with Respect to Privilege

Unlike a national court, which typically has a set of rules or law governing privilege issues, a lack of standardized rules on privilege in international arbitration adds another layer of complexity to the disclosure process. A majority of institutional arbitration rules provide little guidance for the arbitral tribunal to determine attorney-client privilege or professional secret issues. Although many institutional arbitration rules empower the arbitral tribunal with considerable discretion to determine the admissibility, as well as the relevance and

[276] *Id.* at 1930.

[277] For example, a number of Canadian decisions have held that communications between non-lawyer patent agents and their clients are not privileged. *See* Lumonics Research Ltd. v. Gould et al. (1983), 70 C.P.R. (2d) 11 (FCA) ("It is clear that, in this country, the professional legal privilege does not extend to patent agents. The sole reason for that, however, is that patent agents, as such are not members of the legal profession. That is why communications between them and their clients are not privileged even if those communications are made for the purpose of or giving legal advice or assistance.").

weight of the evidence, they are completely silent on the issue of privilege.

For example, the UNCITRAL Rules provide that "[a]t any time during the arbitral proceedings the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such as period of time as the arbitral tribunal shall determine,"[278] and "[t]he arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered."[279] The UNCITRAL Model Rules, however, do not mention the issue of privilege, nor of professional secret. Likewise, the LCIA Rules grant the arbitral tribunal significant flexibility to determine the admissibility of evidence, but do not contain any specific provision governing the issue of privilege.[280]

The WIPO Rules are specifically tailored to arbitrate disputes involving intellectual property and have rules governing disclosure of trade secret and other confidential information.[281] Nonetheless, similar to UNCITRAL and LCIA, the WIPO Rules do not address privilege or professional secret issues whatsoever.

Some of the institutional arbitration rules explicitly mention privilege issues; however, none of them addresses the question of which communications should be covered by attorney client privilege. The IBA Evidence Guidelines explicitly acknowledge privilege as a ground for evidence exclusion, but set forth no standard as to what constitutes the applicable legal rules on privilege.[282] The ICDR Rules

[278] UNCITRAL Rules art. 27(3).

[279] *Id.* at art. 27(4).

[280] Art. 22.1 of the LCIA Rules states: "Unless the parties at any time agree otherwise in writing, the Arbitral Tribunal shall have the power, on the application of any party or of its own motion, but in either case only after giving the parties a reasonable opportunity to state their views: . . . (f) "to decide whether or not to apply any strict rules of evidence (or any other rules) as to the admissibility, relevance or weight of any material tendered by a party on any matter of fact or expert opinion; and to determine the time, manner and form in which such material should be exchanged between the parties and presented to the Arbitral Tribunal."

[281] WIPO Rules art. 52.

[282] Article 9(2)(b) provides that "[t]he Arbitral Tribunal shall, at the request of a Party or on its own motion, exclude from evidence or production

provide that the tribunal has the power to determine the admissibility, relevance, materiality and weight of the evidence offered by any party and "shall take into account applicable principles of legal privilege, such as those involving the confidentiality of communications between a lawyer and client."[283] The AAA Rules use exactly the same language as the ICDR Rules.[284] Similar to the IBA Evidence Guidelines, neither the ICDR Rules nor the AAA Rules provide any further clarification on "applicable principles of legal privilege."

Major arbitral institutions follow the same principle when framing the rules on document and evidence production. In general, the arbitral tribunal has great latitude to handle evidentiary matters. While some arbitral institutions implement rules that recognize privilege as a shield to document production, no arbitral rules characterize exactly what constitutes privileged evidence. In the situation where parties have different perceptions of privilege, no arbitral rules address how to handle and solve such a discrepancy in the arbitration proceedings.

Moreover, none of the major arbitral institutions provides rules regarding the relationship between a client and a "non-attorney" intellectual property professional, such as a patent agent. Even the WIPO Rules, which are widely recognized as particularly suitable for resolving intellectual property disputes, contain no specific provision on the disclosure of communications between patent agents and clients. As a result, a lack of rules on privilege creates ambiguity and uncertainty for parties and attorneys when they prepare and conduct international intellectual property arbitration, given the impact of privilege rules on the admissibility of evidence and their overall effect on arbitration strategy.

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any Document, statement, oral testimony or inspection for any of the following reasons: . . . (b) legal impediment or *privilege* under the legal or ethical rules determined by the Arbitral Tribunal to be applicable." IBA Evidence Guidelines art. 9(2)(b) (emphasis added).

[283] ICDR Rules art. 20(6).

[284] Rule 31(c) of the AAA Rules states: "The arbitrator shall take into account applicable principles of legal privilege, such as those involving the confidentiality of communications between a lawyer and client."

D. Proposals to Determine Privilege Issues in International IP Arbitration

In view of a lack of harmonization between different jurisdictions and the absence of standardized international arbitration rules regarding privilege, some scholars have proposed the "most-favored rule" approach, which allows the tribunal to apply the law most favorable to privilege among the laws of the relevant jurisdictions.[285] According to this approach, each party "would be protected by the traditional privileges to which it is accustomed, there would be no unfair surprises."[286] The ICDR has incorporated this most-favored rule into its guidelines for arbitrators concerning the exchange of information: "The tribunal should respect applicable rules of privilege or professional ethics and other legal impediments. . . . [and,] to the extent possible[,] apply the same rule [of ethics and privilege] to both sides, giving preference to the rule that provides the highest level of protection."[287] Despite some shortcomings in connection with this approach—notably that it would undermine the tribunal's ability to establish the facts—some scholars regard this rule as the most appropriate approach to tackle privilege issues during international arbitration, absent a uniform international privilege standard.[288]

Although the most-favored rule seems to be a suitable approach in the current state of affairs, it should be noted that privilege cannot be relied upon as a blanket shield against disclosure. As stated in one international arbitral proceeding by a tribunal seated in the United States, "privilege should not be extended beyond the scope necessary to achieve its purpose."[289] Some arbitral institutions, such as the ICC,

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[285] Guido Santiago Tawil & Ignacio J. Minorini Lima, *Privilege-Related Issues in International Arbitration*, in WRITTEN EVIDENCE AND DISCOVERY IN INTERNATIONAL ARBITRATION: NEW ISSUES AND TENDENCIES 29, 41 (Teresa Giovannini & Alexis Mourre eds., 2009).

[286] Rubinstein & Guerrina, *supra* note 263, at 599.

[287] ICDR Guidelines ¶ 7.

[288] Tawil & Lima, *supra* note 285, at 43.

[289] Virginia Hamilton, *Document Production in ICC Arbitration* in DOCUMENT PRODUCTION IN INTERNATIONAL ARBITRATION – 2006 SPECIAL SUPPLEMENT 63, 77 (2006).

adopt a restrictive view when determining the scope of privilege.[290] Some scholars also propose the "least-favored rule" approach, which benefits the tribunal's finding of facts.[291] As a uniform set of rules on privilege has yet to achieve consensus, this issue is largely left to the discretion of the arbitral tribunals.

VIII. Sanctions for Noncompliance with Arbitrator's Disclosure Ruling

As a fact-finder in an international arbitration, an arbitral tribunal may order a party to produce certain evidence under its control. The issue of sanctions for noncompliance thus arises if the party refuses to comply with the tribunal's disclosure order. Such obstructive behavior can frustrate a tribunal's ability to establish the true facts and circumstances of the case in an efficient and accurate manner. It can also greatly undermine the tribunal's authority and its ability to generally manage the proceedings. To overcome this difficulty, an arbitral tribunal must have the power or means to sanction uncooperative conduct in disclosure.

National courts have full judicial power conferred by the state to sanction a party who resists the court's disclosure order, with the party generally facing severe consequences.[292] In contrast, arbitral tribunals do not inherently possess the sweeping judicial power to penalize a

[290] *Id*.

[291] Tawil & Lima, *supra* note 285, at 44.

[292] For instance, the court in Singapore has the discretion to make any order it sees fit. The court may strike out the defaulting party's pleadings or even subject the non-complying party or person to imprisonment. In comparison, breaching a discovery order in arbitration is subjected to a less severe sanction than in court proceedings in Singapore, *e.g.*, imprisonment is certainly not one of the available sanction measures. *See* Michael Hwang & Andrew Chin, *Discovery in Court and Document Production in International Commercial Arbitration-Singapore* in DOCUMENT PRODUCTION IN INTERNATIONAL ARBITRATION – 2006 SPECIAL SUPPLEMENT 33, 35-36, 41 (2006).

party who is uncooperative in the production of evidence.[293] Since arbitration is a creature of private contract, an arbitral tribunal derives its power from the parties' agreement, which may contain an arbitral provision explicitly granting the tribunal authority to employ certain measures to compel disclosure.[294] In reality, however, arbitration clauses seldom contain such a provision.[295]

The parties often choose institutional arbitration rules to apply to arbitration. Most institutional rules contain general provisions granting the arbitral tribunal full discretion to order disclosure as it sees fit.[296] Only a few of them, however, address the issue of how to deal with the situation where a party declines to obey the tribunal's disclosure order.

For example, the WIPO Rules provide:"If a party, without showing good cause, fails to comply with any provision of, or requirement under, these Rules or any direction given by the Tribunal, the Tribunal may draw the inferences therefrom that it considers appropriate."[297] Unlike the IBA Evidence Guidelines,[298] which explicitly mention adverse inferences as a sanction measure against the uncooperative party, the WIPO Rules permit the tribunal to draw appropriate

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[293] Philip D. O'Neill, *The Power of Arbitrators to Award Monetary Sanctions for Discovery Abuse*, 60 DISP. RESOL. J. 60, 60 (Nov. 2005 – Jan. 2006).

[294] *Id.* at 62-63.

[295] *Id.* at 63-64.

[296] For example, Article 48 (b) of the WIPO Rules provides that "[a]t any time during the arbitration, the Tribunal may, at the request of a party or on its own motion, order a party to produce such documents or other evidence as it considers necessary or appropriate and may order a party to make available to the Tribunal or to an expert appointed by it or to the other party any property in its possession or control for inspection or testing." Similarly, Article 27 (3) of the UNCITRAL Rules provides: "At any time during the arbitral proceedings the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such a period of time as the arbitral tribunal shall determine."

[297] WIPO Rules art. 56(d).

[298] *See infra* this ch. 7.

inferences, but do not specify what constitutes appropriate inferences.[299]

On the other hand, where a party fails to produce evidence, the UNCITRAL Rules only allow the tribunal to "make the award on the evidence before it."[300] The provision is completely silent on potential sanctions against the uncooperative party. On its face, there are no negative consequences for a party declining to provide evidence adverse to its interest.

Other institutional rules provide limited guidance, if any, with respect to an arbitrator's sanction power. The rules of most arbitral institutions, such as the ICC, do not speak to the subject at all. No arbitral rules expressly allow the tribunal to issue monetary sanctions, such as fines or attorney's fees. Drawing adverse inferences, therefore, is likely the most that any rules will permit an arbitral tribunal to undertake when confronted with a party refusing to cooperate with disclosure requests.[301]

The IBA Evidence Guidelines contain provisions allowing the arbitrators to draw adverse inferences as a sanction against a party who fails to produce evidence as ordered. Article 9(4) of the IBA Evidence Guidelines states that "if a Party fails without satisfactory explanation to produce any document requested in a Request to Produce to which it has not objected in due time or fails to produce any document ordered to be produced by the Arbitral Tribunal, the Arbitral Tribunal may infer that such document would be adverse to the interests of that Party." The tribunal is also allowed to draw adverse inferences in cases where a party refuses to produce non-document evidence, such as testimony.[302]

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[299] WIPO Rules art. 56(d).

[300] UNCITRAL Rules art. 30(3).

[301] Vera Van Houtte, *Adverse Inferences in International Arbitration*, in WRITTEN EVIDENCE AND DISCOVERY IN INTERNATIONAL ARBITRATION: NEW ISSUES AND TENDENCIES 195, 195-217 (Teresa Giovannini & Alexis Mourre eds., 2009).

[302] Article 9(6) of the IBA Evidence Guidelines provides that "If a Party fails without satisfactory explanation to make available any other relevant evidence, including testimony, sought by one Party to which the Party to whom the request was addressed has not objected in due time or fails to make available any evidence, including testimony, ordered by the Arbitral Tribunal

Some national legislation may also apply to an arbitrators' sanction power.[303] For example, the English Arbitration Act provides four optional sanctions:

> If a party fails to comply with any other kind of peremptory order, then, without prejudice to section 42 (enforcement by court of tribunal's peremptory orders), the tribunal may do any of the following: (a) direct that the party in default shall not be entitled to rely upon any allegation or material which was the subject matter of the order; (b) draw such adverse inferences from the act of non-compliance as the circumstances justify; (c) proceed to an award on the basis of such materials as have been properly provided to it; (d) make such order as it thinks fit as to the payment of costs of the arbitration incurred in consequence of the non-compliance.[304]

The English Arbitration Act authorizes the tribunal to order "the payment of costs of the arbitration incurred in consequence of the non-compliance,"[305] in addition to adverse inferences in the event of default.

The laws of other jurisdictions, such as the FAA in United States, are silent on the issue. In practice, however, it is also unclear how often arbitrators would feel comfortable invoking state arbitral statutes to justify imposing monetary penalties for non-compliance with disclosure orders, especially during the pendency of an international arbitration.[306]

In short, it is probably a truism that an arbitral tribunal has limited power to impose sanctions against a party obstructing document disclosure. Absent a specific statute of the seat, drawing adverse inferences is likely to be the most the arbitral tribunal may do in an

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to be produced, the Arbitral Tribunal may infer that such evidence would be adverse to the interests of that Party."

[303] O'Neill, *supra* note 294, at 67-68.

[304] English Arbitration Act § 41 (7).

[305] *Id.*

[306] Among other things, the tribunal may feel that sanctioning a party during the course of the proceedings may be interpreted by the party in question as evidence of partiality.

international arbitration. In any event, even if authorized by law when issuing any form of sanction for non-compliance, the tribunal should exercise great care to ensure fairness to the parties. The tribunal should consider the parties' particular legal culture and provide advance notice of the consequences for refusing to comply with the disclosure order.

IX. Conclusion

The scope and availability of discovery are usually of significant importance to one or both parties in an international IP dispute. But the availability and scope are hardly guaranteed. The variation in the rules of the arbitral institutions, the scope of privilege and the ability to use national courts for disclosure purposes suggest the complexity of the general landscape faced by a party entering the disclosure process in an international IP arbitration. While the foregoing discussion indicates the flexibility arbitral tribunals have in ordering disclosure, it also suggests potential uncertainty as well. There are nevertheless steps which the parties may take to eliminate, or at least reduce, the problems that may arise, including:

The parties should not overlook disclosure issues when drafting arbitration clauses or agreeing to arbitration once a dispute arises.[307]

While discovery is only one of the issues which may be affected by the choice of the administering body or seat, discovery should not be ignored when making those choices.

Discovery of electronic documents, which is common in IP disputes, is an especially thorny, and costly, problem. Parties should recognize that they share common interests in managing the production of these types of documents to keep it in bounds. The parties in particular should discuss the format for the production of electronic documents and whether metadata is to be included.

A party should take appropriate steps to avoid charges of spoliation (with the resulting possibility that the tribunal may draw an adverse inference because of the spoliation) by implementing holds on the regular destruction of potentially relevant documents (both hard copy and electronic) until it is clear that the tribunal will not order the production of such documents.

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[307] *See supra* this ch. 3.

DISCLOSURE AND ADMISSION OF EVIDENCE

It is far from certain that documents produced during the arbitral proceedings as well as the evidence adduced at the hearings themselves will be afforded confidential treatment.[308] In light of the fact that IP arbitrations often involve highly sensitive technical or business trade secrets, the parties are well advised to adopt a protective agreement restricting the uses a party can make with information supplied by the other party.

[308] While the tribunal and administering body are in almost all circumstances bound to maintain such information in confidence, there typically is no such obligation applicable to the parties themselves. *See supra* this ch. 6.