

IP Mediation: Government Funding and Key Developments in Singapore

What is Mediation?

When parties are engaged in a dispute over their IP rights, the outcome of a case is determined by the facts of the dispute and the applicable law. However, mediation is an amicable way of resolving a dispute that allows parties to engage in a dialogue that is guided by their interests. When parties are engaged in a dialogue that is focused on their interests, this often results in a settlement that aligns with the interests of both parties. Furthermore, mediation generally results in time and cost savings for parties, as parties have control and certainty over the process to discuss and formulate a win-win solution for both parties.

The mediator plays a neutral role to assist parties in reaching a settlement of the dispute and unlike an arbitrator or a judge, the mediator does not issue a decision or force parties to accept an outcome that they may not like or agree with. The mediator's role is to facilitate communication between parties and guide them to focus on their underlying interests, with the aim of reaching a resolution which is mutually acceptable.

In a mediation, information disclosed by parties must be kept strictly confidential and cannot be provided outside the context of the mediation, including in court or arbitration. This element of confidentiality is important in mediation, as it allows parties to negotiate more freely and productively without fear of publicity. Furthermore, in IP disputes where commercially sensitive IP rights such as patents and know-how may be in contention, confidentiality would be beneficial to protect the interests of parties.

Mediation is also well-suited for resolving cross-border IP disputes which involves IP rights in different jurisdictions, as mediation provides a platform for parties to resolve their global disputes collectively.

Mediation in Proceedings before IPOS

Parties that are engaged in IP disputes before the Intellectual Property Office of Singapore (“**IPOS**”) can request for mediation at any time before IPOS decides on the outcome of the case. After the pleadings have been filed by parties, IPOS specifically sets aside time for parties to consider their dispute resolution options by requiring parties to submit a Notification to Registrar to indicate whether parties are open to resolving the dispute by other means, such as negotiation and/or mediation. If parties are open to mediation, they may indicate their intention to submit the dispute to mediation along with their choice of mediation service provider. Parties are also required to indicate the period that they wish to set aside for mediation (i.e. 30, 60 or 90 days). In most cases, the Registrar will generally suspend proceedings for mediation to take its course. If the period for mediation is extended, parties may request for a further suspension which is subject to the Registrar's satisfaction that a further suspension is justified.

Enhanced Mediation Promotion Scheme

To encourage parties to explore mediation, IPOS has launched the Enhanced Mediation Promotion Scheme (“**EMPS**”) which sets aside S\$180,000 in funding for parties with ongoing disputes before IPOS that undergo mediation. EMPS is available from 1 April 2019 for up to 3 years to be disbursed among an estimated 15 cases, or until the amount of S\$180,000 has been drawn down.

The funding from EMPS covers:

- (i) fees charged by the mediation service provider;
- (ii) mediator's fees; and
- (iii) up to 50% of mediation-related lawyer/agent fees and mediation-related disbursements charged by the party's lawyer/agent.

Where the subject matter of mediation is limited to IP rights in Singapore, the EMPS funds parties' mediation costs up to S\$10,000 per mediation case. If foreign IP rights are also part of the subject matter of mediation, the funding increases to S\$12,000 per mediation case.

To qualify for funding under EMPS, the following conditions must be satisfied by parties:

- (i) Parties have an existing dispute before IPOS which is the subject matter of a mediation on or after 1 April 2019 and no later than 31 March 2022 (or until the available funding is drawn down, whichever is earlier);
- (ii) The mediation takes place in Singapore. This may include the use of video-conferencing to involve party representatives who are not able to be present in Singapore during the mediation, as long as the mediator is physically in Singapore during the mediation, and is a Singaporean or is based in Singapore;
- (iii) Parties allow a "shadow" mediator to sit in and observe the mediation, or have a co-mediator to assist in the mediation;
- (iv) Parties disclose their lawyer/agent fees incurred from the start to the end of the IPOS proceedings;
- (v) Parties give feedback on their mediation experience;
- (vi) Parties agree to named publicity, excluding details of the settlement terms (such as the quantum of the settlement), but is likely to include the identity of the parties, the nature of their disputes, the countries spanned by their disputes, the duration of their disputes, the parties' comments on the mediation process and any advice they have for other facing disputes. The purpose of the named publicity is to give concrete, relatable examples to other businesses and individuals and thus encourage them to consider mediation;
- (vii) Parties co-pay at least 50% of their lawyer/agent fees relating to mediation and mediation-related disbursements charged by the party's lawyer/agent.

Under EMPS, parties are allowed to select any mediation service provider that is an organisation, including the following mediation service providers.

Mediation Service Providers

1. World Intellectual Property Organization Arbitration and Mediation Center ("WIPO Center")

The WIPO Center is the only global mediation provider that specialises in IP and IT disputes. WIPO Mediation may be used to resolve IP related commercial disputes, including trade mark, patent, copyright and related rights, designs, plant varieties and geographical indications. The WIPO Center's Singapore office was established in 2010 and is readily accessible to parties that are in Singapore. The WIPO Center can help parties to shortlist potential mediators who meet their criteria and the requirements of the dispute.

The WIPO Center continues to receive and administer mediation cases during the Covid-19 pandemic by offering complimentary videoconferencing facilities to parties.

2. Singapore Mediation Centre ("SMC")

Established in 1997, SMC is the pioneer for the use of mediation as the mainstream mechanism for dispute resolution in Singapore. To date, over 4,500 cases have been mediated since SMC's inception and of which, over 70% were settled. As SMC has a panel of professional mediators with legal and industry expertise, SMC is well-placed to manage mediations for businesses and provide cost-effective and timely solutions.

3. Singapore International Mediation Centre (“SIMC”)

SIMC was established in 2014 and is an independent, not-for-profit institution that aims to provide world-class mediation services targeted at parties engaged in cross-border commercial disputes, particularly those doing business in Asia. If a party is interested in mediation, SIMC can assist to approach the counter-party to help them consider mediation for the dispute at hand.

To promote access to mediation during the Covid-19 pandemic, SIMC has introduced discounted fixed fee arrangements for mediations which may be conducted online.

Enforcement of Mediated Settlement Agreements

In recent years, there have been two key developments in the legal landscape in Singapore which provide more robust enforcement of mediated settlement agreements.

Firstly, the Mediation Act 2017 came into force on 1 November 2017 and one of its key features is that it allows parties to apply to court to record their mediated settlement agreement as an order of court. This allows the agreement to be directly and immediately enforceable as an order of court should there be a breach of its terms subsequently. Before a mediated settlement agreement can be recorded as an order of court under the Mediation Act 2017, certain requirements must be met, including that the mediation must have been administered by a designated mediation service provider or conducted by a certified mediator. WIPO, SMC and SMIC are designated mediation service providers and hence mediated settlement agreements arising from mediations administered by WIPO, SMC and SMIC can be enforced as an order of court under the Mediation Act 2017.

Secondly, the Singapore Convention on Mediation (“SCM”) was signed in Singapore in August 2019 and entered into force on 12 September 2020. The SCM facilitates the enforcement of cross-border commercial mediated settlement agreements, as businesses can apply directly to the courts of countries that have signed and ratified the treaty to enforce mediated settlement agreements across borders. In the past, such agreements would have to be enforced as contracts in accordance with each country’s domestic process. The harmonisation and simplified enforcement framework under the SCM translates into time and cost savings for parties, which is especially important for businesses during the Covid-19 pandemic.

If you have any queries, please do not hesitate to contact us.

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