ALTERNATIVES TO LITIGATION IN IP DISPUTES IN ASIA AND IN FINLAND

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I. INTRODUCTION

Technology changes a society and the ways in which individuals relate and interact with each other. Meanwhile, more innovations are increasingly produced and used globally. Although intellectual property (IP) law is used globally, intellectual property rights (IPR) are still national. IP litigation is still closely tied to the territoriality of both the grant of IP rights and judicial proceedings, resulting in territorial fragmentation of enforcement. This fragmentation adds costs to the judicial settlement of disputes. In this context, a proactive management of IP disputes is a crucial element of IP strategy. As part of a dispute management strategy, alternatives to litigation and judicial enforcement may be considered. Using alternative dispute resolution (ADR) in IP law may allow disputing parties to select not only the methods, but also the forums to resolve disputes. At a glance,

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ADR methods seem to provide an attractive option over litigation, which can be very costly and lengthy.  

Efficiency is not the only reason to consider using ADR methods in IP-related disputes. Dispute settlements have additional social meaning. A country’s judicial system is often at the core of dispute settlement. In a democratic country following the rule of law, the judicial system represents the trust that the society places in the institutions of law and in the public authorities that administer the law. Even as we debate the merits of harmonized rules of litigation and conflict of law for the sake of efficiency in the area of IP, the inadequacy of judicial means to solve disputes touches upon the fundamental value system of that society.

In this context, extra-judicial ADR processes between private parties have stronger cultural and societal implications. Compared to litigation, ADR is supposed to provide flexible and party-driven approaches that counteract the hostile game-like tendencies of litigation. As a corollary, if the society’s culture disfavors adversarial litigation—in other words, is less litigious—one theory is that ADR would flourish in such a society.

Asian countries provide good examples to test this thesis. For example, several commentators have argued that East Asia, particularly Japan, is less litigious than other industrial nations and that there may be a cultural explanation for this phenomenon.

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6. See, e.g., John O. Haley, Litigation in Japan: A New Look at Old Problems,
Similarly, commentators have asserted that there is generally a strong aversion to litigation in Korea. In the mid-1990s, an empirical study done on the perception of law in Korea indicated that Koreans exhibited attitudes of non-litigiousness.

In addition to Asian countries, certain European countries also prefer a less adversarial legal system. Although no specific study has been found concerning the perceptions towards litigation, Finland is not known for its litigiousness either. If the theory of a cultural aversion to litigation holds true, then it follows that Japan and Korea would be more inclined to favor ADR methods than countries that embrace the adversarial process.

In this context, this essay reviews some of the ADR methods in the area of IP law in Japan, Korea, and Finland, and examines the validity of cultural observations in IPR disputes. The purpose of this essay is to survey ADR practices in the area of IP law. Thus, ADR is defined broadly to include diverse forms of extra-judicial means of settling commercial disputes, including arbitration between the private parties. Any dispute settlement mechanisms used in the context of international trade, where at least one of the parties is a government of a nation-state, are excluded from the scope of this essay. Part II gives an overview of the ADR methods as applied to IP disputes in Japan,

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7. See PYONG-CHOON HAHM, THE KOREAN POLITICAL TRADITION AND LAW: ESSAYS IN KOREAN LAW AND LEGAL HISTORY 29-39 (2d ed. 1971); see also PYONG-CHOON HAHM, KOREAN JURISPRUDENCE, POLITICS AND CULTURES 99-100 (2d ed.1986) (describing litigation as “a declaration of war” and asserting that Koreans prefer non-legal dispute resolution to preserve social relations). Many Koreans view the filing of a lawsuit against another as “an act of naked and violent hostility.” Id. at 248.


9. Thus, arbitrations for disputes among nation-states, such as investor-state dispute settlements provided by the International Centre for Settlement of Investment Disputes or the Trade-Related Aspects of Intellectual Property Rights dispute settlements mechanisms, are excluded from this essay.
Korea, and Finland, focusing on patent matters. Part III pays particular attention to the ADR methods used in civil copyright disputes in Japan, Korea, and Finland. Part IV concludes that any adoption of ADR principles in commercial IP infringement disputes must consider various factors. One such factor is the function of the judiciary in IP litigation and how it clarifies the boundaries of intangible property.

II. OVERVIEW OF ADR METHODS AND IPR DISPUTES IN KOREA, JAPAN, AND FINLAND

A. ADR Methods Related to Commercial Infringement of IPR

Not only are the number of IPR increasing, the cost to privately enforce these rights is also rising. While the exact costs of IP litigation vary, depending on the scope and issues of a dispute, a general increase in the costs of IP litigation seemed to be evinced by booming businesses of enforcement agencies. The main business model of IP enforcement agencies is to optimize rights enforcement, including financing litigation. Similarly, so-called non-practicing entities (NPEs) or patent trolls, who do not use the patented inventions, have business models that are tied to the benefits arising out of cost-risky investment in financing patent litigation and enforcement. Even when we are skeptical about the contribution of NPEs to the patent system, their presence highlights the transaction costs related to the use and enforcement of IPR. Cumulatively, observations of cultural aversion to litigation, combined with the often prohibitive expense of a lawsuit, have led to recommendations from various commentators to seek alternative means to litigation to enforce and settle disputes.

However, utilizing ADR methods in IP disputes bring unique challenges. The particular nature of IPR, such as the involvement of

12. See SONG, supra note 8 (describing a survey that documented cultural aversion to litigation in Korea).
public authorities, means that using extra-judicial means of dispute settlement may be more complex. Just as in the case of IPR litigation, there are two important aspects of IPR that may influence the efficacy and usability of ADR methods. The most important question concerns the public regulation of IP law, especially concerning the validity of the rights. In IPR disputes, the validity of the right is the core question that may determine whether an infringement exists. However, IPR validity disputes, especially industrial property rights, such as patents, may require review of the validity of the public administration’s grant of a property right. The result would have an effect on everyone in the world (the *erga omnes* effect). Public authority agencies, such as the Patent and Trademark Offices (PTOs), examine the validity of claims to a right and make the final decision to grant an IPR. In other words, a validity dispute in practice is a review by an administrative agency with decision-making authority.

Accordingly, in some jurisdictions such as Korea, the question concerning the validity of a right is adjudicated separately from the question of infringement by a special court with exclusive jurisdiction over that subject matter. This bifurcation of validity and infringement disputes has created prolonged challenges to various attempts to harmonize the enforcement of patents through international conventions.\(^\text{13}\) Thus, in using ADR methods, the first question is whether the dispute is of such a nature that it may be decided between the private parties, such that the issue is not subject to exclusive jurisdiction. However, even in cases where the outcome of dispute settlement only has an *inter partes* effect, the failure to disseminate the results may have negative implications on the public. The public may be interested in knowing this information if the crucial information raises doubts as to the validity of the right.

Also, the intangible nature of the subject matter of IP disputes may complicate matters concerning the factual elements of rights. Any dispute resolution process, whether through judicial or non-judicial means, must address factual disputes. In some rights, such as

patents, technical facts are so complex that the boundary of a right (e.g., licensing and infringement disputes), as well as the validity of a right, may call for expertise. In others, where subject matter is less complex, the need for technical expertise may be less crucial.

Depending on the types of rights, the standard benefits of using ADR methods over litigation affect IP differently. The five most frequently cited reasons for using ADR methods over litigation include: (1) cost and time efficiency; (2) party autonomy; (3) confidentiality; (4) specialized expert knowledge; and (5) preservation of the relationship between the parties after disputes (non-adversarial nature).14

These benefits may affect particular types of IPR differently or even make them less significant. For example, public authority involvement in a validity examination may prevent the parties from exercising autonomy as to the selection of forums if the outcome of ADR methods is related to the validity of registered rights. Those with patented inventions may be motivated to use ADR methods to protect undisclosed information. However, in cases involving published copyright works (other than software), protecting confidential information may not be as significant. Similarly, although technical expertise, as described above, may be crucial in patent disputes, it may not be so crucial in disputes involving less complex subject matters. In these cases, the prima facie determination may be made based on the visible identification of the subject matter, such as a work of art or visibly perceptible signs (trademarks). In cases where parties are forced into an agreement as a result of one party’s threat to sue, continuity in a party relationship would also vary, depending on whether there is an ongoing collaborative-licensing relationship.

In sum, as IPR include various subject matter ranging from texts and signs to molecules, any recommendations to use ADR cannot be applied uniformly to all categories of rights. Therefore, any dispute resolution process, whether judicial or non-judicial, must take this aspect into consideration.

B. Use of ADR Methods in Patent Disputes in Korea, Japan, and Finland

Depending on who coordinates the dispute resolution process, ADR methods are grouped as private ADR, judicial ADR (e.g., court mediated civil mediation), and administrative ADR. The private ADR method is often facilitated and coordinated by private entities or the parties in the dispute themselves without any involvement or support from the public authorities. The judicial ADR method is a dispute settlement process mediated by the courts and is often part of the judicial process of dispute settlement. In contrast, the administrative ADR method is coordinated and mediated by public administrative agencies based on special laws and statutes. In this regard, institutional ADR methods in the area of patents in Korea and Japan are reviewed and contrasted by the practices in the area of copyright disputes in Korea, Japan, and Finland.

Korea, Japan, and Finland implement all three types of ADR methods in the area of IPR. Their practices reveal the differences in the types of ADR methods, and the role of administrative agencies seems to influence their utilization. ADR methods may include arbitration, mediation, conciliation (including extra-judicial settlement), recommendation, and other forms of non-judicial (extra-judicial) settlement of disputes. Each country implements these methods with varying degrees of formality. Arbitration and mediation may be more formal means of an ADR method. All forms are found and used in varying degree in commercial disputes, including IPR disputes. However, industrial property right disputes (e.g., patents, utility models, designs, and trademark rights), which are subject to examination and registration, may be treated differently from copyright disputes, and the types of ADR processes utilized in settling disputes may be limited in scope.

These three countries commonly use the following three types of institutional ADR methods in the settlement of commercial IPR disputes: (1) commercial arbitration and mediation for industrial property rights; (2) recommendation and conciliation for copyrights; and (3) ADR methods for specific types of disputes, such as domain name and software disputes. This essay examines both commercial and institutional mediation for industrial property rights and institutional conciliation for copyrights.
1. ADR in Industrial Property Disputes in Korea

a. Arbitration

Commercial arbitration is often available only for disputes concerning private rights, which may be settled between the private parties. However, disputes concerning public rights may not be settled through commercial arbitration. This puts disputes concerning industrial property rights, such as patents, in a particular position. As exemplified by the preamble of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, IPR are private rights. However, as illustrated above, the validity of patents and other industrial property rights are subject to public examination, requiring strong public involvement. On the other hand, disputes related to infringement, particularly licenses and the terms of licensing, may be privately settled. Arbitrability of an IP question relates to this aspect of industrial property.

In Korea, the Arbitration Act mainly governs commercial arbitration. Article 1 of the Arbitration Act sets out the purpose of the law, which applies to disputes in private laws. This means that any rights regulated by public laws are not included in the scope of arbitration. Since patents are generally considered rights that are governed by public laws, any disputes that are related to the validity and infringement of patent rights are considered non-arbitrable under Korean law. They must therefore be adjudicated through a dual track system (validity is adjudicated through the Korean Intellectual Property Office (KIPO) and Korea Patent Court and infringement falls under the purview of general courts). However, other issues, such as licensing and contractual disputes concerning patents and technology transfers, are considered arbitrable. Under Korean law, an arbitral


18. Id. art. 1.
award has "the same effect as the final and conclusive judgement of the court" on the parties;\textsuperscript{19} therefore, it may be executed and enforced. As a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards,\textsuperscript{20} Korea is also obligated to recognize and enforce foreign arbitral awards.

The Korean Commercial Arbitration Board (KCAB)\textsuperscript{21} and the Seoul Bar Association’s Arbitration Center mainly conduct institutional commercial arbitration.\textsuperscript{22} The KCAB deals with IP cases and, in principle, so does the Seoul Bar Association as their roster of arbitrators includes patent and trademark experts. Established in 1966, the KCAB is authorized and statutorily empowered to settle any kind of commercial dispute under both the Arbitration Act and its own rules of arbitration.

According to the KCAB's statistics, in 2010, there were sixteen IP contract cases out of 1117 total cases.\textsuperscript{23} Since ADR is a private means of settling a dispute, parties in commercial arbitration have the freedom to appoint any individual as an arbitrator and to choose to be bound by rules of arbitration other than those promulgated by the KCAB. Thus, in principle, parties may choose to arbitrate through other institutions, such as the Korean IP Dispute Center (IPDC) at the KIPO, and appoint one of the IPDC mediators as an arbitrator. The statistics by the KCAB alone do not represent the entire trend of arbitration in IP issues in Korea, but it shows a stark contrast to the litigation trend. In 2010 alone, there were 1162 cases of IP litigation

\bf{19. Id. art. 35.}


filed at the general court and Patent Court; one hundred eighty-four IP infringements claims were filed at the court of first instance in Korea, and 978 cases concerning validity were filed at the Patent Court.24

b. Mediation

Mediation of IP disputes, particularly industrial property, is also available in Korea. As mediation involves a neutral third party and allows the parties to exercise extensive autonomy, it is considered more flexible and creative than arbitration. To benefit from this, since 1995, the Invention Promotion Act has introduced a system of mediation to resolve industrial property disputes particularly through the IPDC, which operates under the KIPO. The IPDC mediation procedure was created in an effort to provide means to settle disputes related to licensing agreements; the procedure is especially beneficial to small and medium-sized enterprises (SMEs) and individual inventors who have relatively less financing for litigation. As mediation is based on consensus, the adoption of findings by the IPDC is not mandatory. Furthermore, unlike arbitration, if one of the parties does not accept the finding, the dispute cannot be settled.

The Invention Promotion Act provides mediation rules for the dispute settlement of industrial property rights. However, Article 44 excludes disputes pertaining solely to the determination of invalidity, nullity, or confirmation as to the scope of a right.25 Furthermore, Article 14 of the IPDC’s Operational Protocol regulates who is eligible to seek mediation. The interested parties must have registered their industrial property with the KIPO before they file their mediation request. They may then request either mediation or the rights to seek


damages regarding the expired rights. The parties must file their request before the statute of limitations for seeking mediation expires.\textsuperscript{26} Those who fail to register their industrial property before requesting mediation are not eligible. Only a right-holder, licensee, holder of right to use, employee-inventor, or others who have direct legal interests in the exploitation of the right may request IPDC mediation.\textsuperscript{27}

The Invention Promotion Act and the IPDC's Operational Protocol regulate the mediation process. IPDC mediators consist of fifteen to twenty persons representing industry, administration, academia, law, and non-governmental organizations. The Commissioner of the KIPO appoints each IPDC mediator. A mediation panel consists of three mediators, who are in charge of fact-finding, coordinating dispute settlements, and making recommendations toward collaborative negotiation.\textsuperscript{28} These recommendations include cross-licensing, strategic alliances, and technology transfer agreements. The mediators are bound by the duty of confidentiality; therefore, the recommendation and mediation records cannot include information concerning the validity and scope of a right, which must be decided by the IP tribunal.\textsuperscript{29} The final settlement agreement reached through IPDC mediation has the effect of a "settlement in court."\textsuperscript{30}

Additionally, special sections in the Korean Patent Act call for administrative ADR. For example, Article 107 of the Act provides for compulsory licensing, which must be awarded by the KIPO, with or
without a consultation process. Further, the KIPO Commission may seek opinions and assistance from the IPDC to mediate the process. Since its inception, the IPDC has mediated one hundred cases and twenty-three cases have resulted in settlement. In 2006, mediation led to a high-profile settlement on behalf of an individual inventor concerning a mobile phone handset invention. In 2008 and 2009, the IPDC dealt with complex questions related to the compulsory licensing of Fuzeon patents held by Roche. However, despite such high-profile cases and interests, statistics show that mediation is underutilized. A lack of mediation usage led the KIPO to engage in an extensive study, which was conducted through a user survey, on the possibility of introducing IP arbitration. The survey revealed that although users were generally aware of the availability of ADR processes and the presence of IPDC-coordinated mediation, they still chose not to use the IPDC service. Despite the effects of mediation compared to judicial settlement, the survey revealed that because mediation is consent-based, the respondents thought that IPDC

32. Id. art. 109.
35. KOREA INST. OF INTELLECTUAL PROP., CHISIKJAESANKWON CHUNGJEAEDO TOIB MIT SILSBANGANE KWANHAN YŎNG’GU [A STUDY ON THE ADOPTION OF IPR ARBITRATION AND MEANS OF IMPLEMENTATION] (2009), available at http://www.kiip.re.kr (follow “Yeongupogoseo” link; then click “Chisikjaesankwon Chungjeaedo Toib Mit Silsibangane Kwanhan Yong’gu”).
36. See id. at 1.
mediation lacked enforceability.\textsuperscript{37} Most respondents thought that the lack of enforceability of the findings in mediation resulted in its lack of use.\textsuperscript{38} However, the survey also revealed that forty percent of the respondents stated that they would still not use mediation, even if it were enforceable.\textsuperscript{39}

c. Reconciliation/Judicial Settlement

In addition to mediation and arbitration, reconciliation, including extra-judicial and judicial settlements, is available as another alternative to litigation.\textsuperscript{40} An extra-judicial private settlement (reconciliation) is done through a settlement agreement or contract. A judicial settlement (court-mediated reconciliation) is an alternative to full adversarial litigation but is often considered part of the litigation process because the court coordinates the processes and civil procedure law regulates procedure for these settlements.\textsuperscript{41} A judicial settlement would include both pre-litigation settlements as well as mid-litigation settlements. It is believed that reconciliations are used most frequently in patent infringement disputes because, as the scope of rights are unclear and sometimes overlapping and the right may be invalidated during litigation, parties are motivated to settle infringement litigation.

2. ADR Methods in Industrial Property Rights in Japan

a. ADR Methods in Japan

Similar to Korea, Japan has its own Arbitration Law that regulates commercial arbitration between private parties.\textsuperscript{42} Additionally, a

\textsuperscript{37} See id.
\textsuperscript{38} Id. at 180.
\textsuperscript{39} Id. at 181.
\textsuperscript{40} Minbeob [Civil Act], Act. No. 9650, May 8, 2009, art. 731 (S. Kor.) (defining “compromise,” a term used interchangeably with “reconciliation”).
\textsuperscript{41} Minsajojŏnbeob [Judicial Conciliation of Civil Disputes Act], Act. No. 11157, Apr. 18, 2012, art. 38 (S. Kor.), available at http://www.law.go.kr/lsInfoP.do?lsiSeq=121951#AJAX (regulating court-mediated civil mediation according to the Civil Procedure Act); Minsasŏnbeob [Civil Procedure Act], Act No. 10373, July 23, 2010, art. 355 (S. Kor.).
\textsuperscript{42} Chūsaihou [Arbitration Law], Law No. 138 of 2003 (Japan), available at
separate law on ADR, enacted in 2004, governs certification and accreditation procedures for ADR organizations to promote trust in the private organizations that provide ADR services.

Japanese Arbitration Law provides that a private arbitration agreement is only valid “when its subject matter is a civil dispute that may be resolved by settlement between the parties (excluding that of divorce or separation).” Consequently, disputes relating to patent infringement may be subjected to arbitration. However, patent validity must be decided by the invalidation proceedings of the Japanese Patent Office and appeals proceedings through the IP High Court.

In 2005, an amendment to the Patent Act now allows invalidity defenses to be raised in infringement litigation. This change has blurred the bifurcation of validity and infringement that has existed in the Japanese patent litigation system. As long as the dispute on validity is raised as a defense or incidentally against the claims of infringement, the issue may be settled as a civil dispute between private parties. This may suggest the interesting possibility that even the patent validity, as far as inter partes effect is concerned, may be settled as private disputes; therefore, it may be subjected to commercial arbitration as well.

Similar to the Korean arbitration process, Japanese commercial arbitration may be instituted through the Japan Commercial Arbitration Association (JCAA), local chapters of bar associations, and the specialized Japan IP Arbitration Center (JIPAC). The JIPAC is currently Japan’s only private-sector ADR organization that specializes in IPR. It has operated for more than twelve years since

44. Chusaihou [Arbitration Law], art. 13(1).
46. See Hayashi Izumi, Choutei, Chusai ni voru chiizai funsou gaiketsu, 64 PATENTO 4, at 4 (2011) (Japan).
47. Id.
the Japan Federation of Bar Associations and Japan Patent Attorneys Association founded it jointly in March of 1998.48

The JIPAC also provides mediation. Two attorneys are appointed as mediators from a roster of mediators, one of which must be a patent attorney.49 However, as it is consent-based, it is also possible to appoint any other person. Also, mediation does not lead to a settlement of disputes if one party refuses to agree to the result.50

In contrast, arbitral awards have the same effect as a final and conclusive judgment and are enforced through the courts.51 At the JIPAC, which handles both mediation and arbitration, the statistics of ADR use were rather dismal. From 2007 to 2009, the JIPAC had nineteen cases.52 In 2009, the JIPAC only mediated or arbitrated five cases.53

b. Hantei System (Administrative Advisory Opinion)

In addition to ordinary private ADR methods, an administrative ADR method exists in Japan for industrial property rights. Notably, the JPO provides an advisory opinion on the scope of industrial property rights.54 As IP disputes often center around the scope of a right based on laws, the JPO may issue a non-binding opinion "on the technical scope of a patented invention,"55 technical scope of a utility model,56 scope of a registered design and similarity,57 and the scope of a trademark right.58

48. Id.
49. Id.
50. Id.
53. Id.
57. Ishōhō [Design Act], Law No. 125 of 1959, art. 25(1) (Japan).
58. Shōhyōhō [Trademark Act], Law No. 127 of 1959, art. 28(1) (Japan).
Advisory opinions can be unilateral or bilateral (in the case of two parties). The law does not require an applicant to have any legal interest in the requested right. It can also be used as evidence of invalidity; therefore, it may provide a useful defense of non-infringement against infringement claims. As all advisory opinions may be made public in the legal gazettes, it is possible that confidential information will be published. The JIPAC also issues similar types of advisory opinions. Further, in areas of industry standard setting, the JIPAC can issue opinions on the essentiality of a technical standard covered by the scope of a patent. Unlike the arbitration process, no statute governs the authority for the JIPAC’s advisory opinions.

Statistics show that individuals use the system of advisory opinions more often than other types of ADR methods. From 2007 to 2009, 203 applications were filed. In 2010 alone, seventy-two applications were filed for the JPO’s advisory opinions. In contrast to only nineteen cases filed at the JIPAC in the same period, the JPO’s advisory opinions seem to be used more commonly. Additionally, the JPO’s advisory opinions seem to have gained not only the public’s trust, but also the court’s trust. In principle, advisory opinions neither bind the parties nor have any authority beyond the JPO’s opinion.

59. See Outline of Services, JAPAN INTELL. PROP. ARB. CENTER., http://www.ip-adr.gr.jp/eng/business (last visited May 7, 2012). In telecommunication technical standard setting, if there is a patent over the standard, anyone who implements the standard into the product would be infringing the patent. See Nari Lee, Standardization and Patent Law—Is Standardization a Concern for Patent Law? (forthcoming), available at http://ssrn.com/abstract=610901. To avoid this, the Standard Setting Organization (SSO) often institutes a policy of declaring and disclosing essential patent claims that may be held by the participating members of SSO. Id. Whether the patent claim that was declared essential is actually essential must be determined through cases that determine the scope of the patent claim. Id. However, if the technical scope concerning the essentiality of the claim can be confirmed ex ante, disputes would be prevented. Id.


However, the parties seem to seek an opinion of the JPO in preparation for, or in combination with, the litigation. Further, as the advisory opinion is published, it seems to be used not only as a way to provide convincing evidentiary documents, but also as an aid to interpret the law. Notably, in a 1998 Japanese Supreme Court decision, the court considered the range of equivalents that the JPO analyzed in its Hantei opinion.62

3. ADR Methods in Finland

There are several types of ADR methods available in Finland. The Finnish Bar Association provides private mediation services.63 Alternatively, if the parties wish, they may utilize publicly provided court mediation.64 Furthermore, a judge dealing with any civil and commercial matter has a duty to determine whether there are possibilities for settlement.65

The mediation service offered by the Finnish Bar Association is the standard type of mediation. An impartial and independent member of the Finnish Bar, trained in the art of mediation and registered under the Mediation Board of the Finnish Bar Association, helps the parties resolve their dispute amicably. This service is available in all types of civil and commercial matters, including IP disputes.

Court mediation is an institutionalized type of mediation where the court handles mediation and the judge acts as mediator. A party wishing to submit a dispute to court mediation must submit an application. The court, however, makes the decision whether to start

mediation. In a case where mediation fails and the case is to be resolved through standard court proceedings, the judge who has acted as mediator cannot sit as a judge in that case.

Arbitration is also available in Finland for IP cases. The Arbitration Act\(^\text{66}\) governs arbitration in Finland, and Finland is a party to the New York Convention.\(^\text{67}\) The law does not preclude disputes arising out of patents. Section 2 of the Arbitration Act provides that "[a]ny dispute in a civil or commercial matter which can be settled by agreement between the parties . . . may be finally resolved through arbitration."\(^\text{68}\) Case law has interpreted that the core issue of determining whether a case is arbitrable depends on whether the dispute can be resolved without the intervention of public authorities.\(^\text{69}\) Consequently, ownership and validity issues of registered rights, such as patents, trademarks, and utility models, are generally not considered arbitrable, while questions concerning infringement, scope of rights, and license-related matters are considered arbitrable.

Finnish law explicitly provides for arbitration in certain types of copyright cases. According to section 54 of the Finnish Copyright Act, certain remunerations and licenses (especially extended collective licenses) are to be handled through arbitration in a case of dispute.\(^\text{70}\) However, although mandatorily provided for, arbitration in these cases is not very common.

Arbitration of patent cases is extremely rare. The types of institutional arbitrations that exist in Japan and Korea, which are not tailored only for industrial property disputes, do not exist in Finland. Thus, those who wish to use commercial institutional arbitration for patent disputes must rely on institutions such as the Arbitration

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67. New York Arbitration Convention, supra note 20 (click on “Status”).
68. Laki vàlimiesmenettelystä [Arbitration Act], § 2 (Fin.).
Institute of the Central Chamber of Commerce of Finland. The Arbitration Institute provides the main institutional arbitration in Finland. According to their 2011 statistics, only three percent of sixty-six arbitration requests filed concerned IPR/License disputes.71

Certain private institutions or government-sponsored bodies provide another type of ADR that renders non-binding recommendations. The Copyright Council is an example of such a body. The purpose of this type of ADR is to resolve the dispute cost-effectively and quickly by issuing recommendations based on the law.

III. ADR METHODS FOR COPYRIGHTS IN KOREA, JAPAN, AND FINLAND

ADR methods for copyright cases also include commercial arbitration. However, unlike industrial property rights, facts concerning copyright disputes are less technical and may even be considered less complicated. Unlike industrial property rights, copyright disputes have less involvement of public law as the matters concerning the existence and validity of the right involve less formality. In other words, it would be expected that ADR methods with fewer formal procedures would be used more in copyright disputes rather than patent disputes. As illustrated below, the scope that ADR methods may cover for copyright disputes also seems to be broader.

A. Copyright Conciliation in Korea and Japan

1. Korean Copyright Commission

The Korean Copyright Commission (KCC) is an institution that assists in the settlement of copyright disputes by providing recommendations. The KCC’s creation merged two earlier committees, the Copyright Deliberation and Conciliation Committee and the Computer Program Protection Committee, both of which were established in 1987. Part of the Korean Copyright Act (Articles 112 through 122)72 and two other regulations (the Presidential Ordinance

72. Chŏjakkwŏn beob [Copyright Act], Act. No. 9785, July 31, 2009, arts. 112-122 (S. Kor.).
Copyright Enforcement\textsuperscript{73} and the Copyright Enforcement Regulation\textsuperscript{74}, have established and governed the KCC. Additional internal regulations by the Copyright Dispute Conciliation\textsuperscript{75} also regulate the activities of the KCC.

The KCC deals with conciliation/recommendation,\textsuperscript{76} settlement mediation,\textsuperscript{77} and arbitration in copyright matters. Although the law does not define it clearly, the scope of ADR methods under the KCC applies to any disputes concerning copyright protection that may be resolved by the private parties.\textsuperscript{78} As the KCC does not exclusively deal with commercial disputes, any disputes related to protections under copyright law may be settled through the KCC's conciliation. Requests may be filed either by the right-holders as well as the users (alleged infringers). Thus, any questions concerning copyright protection (e.g., author's right, moral right, remuneration, neighboring right, and license) may be raised. Additionally, conciliation as to statutory compulsory licenses (such as orphan works) is considered to be within the scope of the KCC.\textsuperscript{79}

Currently, the KCC has eleven panels; it provides a panel of one to three members for each conciliation case. One member of a panel must be a qualified attorney.\textsuperscript{80} The Presidential Decree regulates the procedure of the KCC's conciliation.\textsuperscript{81} A party initiates the

\begin{itemize}
    \item \textsuperscript{73} Chŏjakkwŏn Sihaengryung [Enforcement Decree of the Copyright Act], Presidential Decree No. 21676, Aug. 6, 2009, \textit{as amended} (S. Kor.).
    \item \textsuperscript{74} Chŏjakkwŏn beob Shihaeenggyuchik [Copyright Enforcement Regulation], Ministry Decree No. 37, July 24, 2009, \textit{as amended} (S. Kor.).
    \item \textsuperscript{75} Chŏjakkwŏnpunjaengchojanggyuchik [Copyright Dispute Conciliation], Aug. 13, 2009, \textit{as amended} (S. Kor.).
    \item \textsuperscript{76} The Korean word “Chojŏng” is understood as mediation; however, it may also refer to conciliation or recommendation in other contexts. \textit{Chojŏng Definition}, NAVER ENCYCLOPEDIA, http://100.naver.com/100.nhn?docid=139245 (last visited June 10, 2012).
    \item \textsuperscript{77} The Korean word, “Alsŏn” is understood as conciliation; however, it may also refer to mediation in other contexts. \textit{Alsŏn Definition}, NAVER ENCYCLOPEDIA, http://100.naver.com/100.nhn?docid=107605 (last visited June 10, 2012).
    \item \textsuperscript{78} KOREA COPYRIGHT COMM'N, http://eng.copyright.or.kr (last visited June 4, 2012).
    \item \textsuperscript{79} Chŏjakkwŏn beob [Copyright Act], No. 9785, July 31, 2009, arts. 50, 52, & 89 (S. Kor.).
    \item \textsuperscript{80} \textit{Id.} art. 114(1).
    \item \textsuperscript{81} \textit{Id.} art. 114(2).
\end{itemize}
conciliation process by filing an application. If conciliation fails or the parties do not appear in front of the KCC within the requisite three months from the date the KCC received the application, the KCC may reject the application or consider it withdrawn. In other words, the maximum time the KCC takes for a conciliation process is three months. The conciliation process is, in principle, closed. The outcome of conciliation is a reconciliation recognized by law and has the effect of a final judicial settlement; the judgment may be enforced according to the procedural rules that are used to enforce final decisions.

In addition to the conciliation, the KCC mediates (Alson) civil disputes to reach a civil settlement (Hwahwe), which is acknowledged in the Korean Civil Act, and has the effect of a binding civil settlement contract. But, a civil settlement contract is not enforceable as such. A civil settlement is often considered suitable for disputes with minimal technical facts that may be resolved through a neutral discussion between the parties. While intuitively, it might seem that parties to copyright infringement disputes may use this method more often, it is unclear how much of the civil mediation settlement process is used. However, according to the 2011 statistics, there was only one civil settlement request received by the KCC. In contrast, between 2003 and 2011, the KCC has dealt with 131 cases of conciliation, and thirty-one statutory license cases. These statistics also show that the KCC is used more than the IPDC, which has mediated only thirty-six cases during the same period.

82. Id. art. 115.
85. Id. art. 732.
87. Id. Compare id., with KOREAN INTELLECTUAL PROP. OFFICE, supra note 33, for the difference in statistics.
2. Copyright Conciliation and Mediation in Japan

In addition to the mediation services provided by the JIPAC, conciliation for copyright disputes is also available in Japan under the auspices of the Ministry of Culture. The conciliation process, known as “assen,” is an equivalent of a mediated private settlement, and it is based on the Copyright Act of Japan.88

The Japanese Copyright Act entrusts the Agency for Cultural Affairs to provide assen mediation services for conciliation concerning matters of copyright and neighboring rights. Each case may have up to three conciliators.89 In principle, any party to a dispute arising out of Japanese Copyright Law90 may request mediation from the Agency for a fee, which is currently set as 46,000 yen.91 Conciliation is appropriate for disputes concerning infringement, initial attribution of the right, contract over use rights, or royalty calculations. The conciliator may reject the submission if the case is inappropriate for mediation92 or if there is no prospect for settlement.93 The effect of this assen mediation is that of a civil “wakai” settlement contract;94 therefore, it is necessary to provide further judicial steps to enforce and execute the terms of the settlement. From 1970 to 2008, there have been thirty-four case requests for assen mediation, which results, on average, in less than one case per year.95

89. Id. art. 105.
90. Id. art. 106.
91. COPYRIGHT DIV. AGENCY FOR CULTURAL AFFAIRS SECRETARIAT, ASSENSINSEI NO TEBIKI [APPLICATION PROCESS FOR ASSEN MEDIATION], 4 [hereinafter COPYRIGHT DIV. AGENCY], available at http://www.bunka.go.jp/chosakuken/gaiyou/pdf/assen_sinsei_tebiki.pdf. 46,000 yen equates to approximately $572.90 USD.
92. Chosakukenho [Copyright Law], art. 108(2).
93. Id. art. 109.
94. Minpo [Civil Code], Law No. 89 of 1896, arts. 695-96, amended by Law No. 78 of 2006 (Japan).
95. COPYRIGHT DIV. AGENCY, supra note 91.
B. Copyright Council of Finland

Contrary to the cases in Japan and Korea, the Copyright Council of Finland96 ("Council") has been rather successful and has become well established. The Council is comprised of a body of experts that give free, non-binding recommendations on individual copyright matters.97 The Council typically handles cases that do not involve great sums of money but are, nevertheless, important to the concerned parties. In most cases, there is an underlying dispute (i.e., a situation with an identifiable opposing party), but it is also possible to turn to the Council for undisputed matters.

When the Council was created, there was a need for a fast, simple, and cost-effective procedure in cases concerning the application of copyright law. According to the Government Bill,98 it would not be necessary to provide a procedure that would result in binding decisions.99 An authoritative non-binding opinion on what is right and fair was considered sufficient; the idea put forth in the government bill was that parties in these small cases would accept the recommendations of the Council and would not take the case to court.100 If a party did not accept the Council’s opinion, the option to litigate would still be available.

Today, anyone can turn to the Council with a question on copyright law, and the Council can give—and almost always does give—a reasoned opinion. Furthermore, the Secretary of the Council advises citizens on simple copyright matters. In these simple cases,

96. The "Copyright Council" translates to "Tekijänoikeusneuvosto" in Finnish (author's translation).
97. Tekijänoikeuslaki [Copyright Act], No. 404/1961, § 55 (Fin.), available at http://www.finlex.fi/en/laki/kaannokset/1961/enl9610404.pdf. According to the wording of Article 55, the Council can “assist the Ministry of Education in the handling of copyright matters.” Id. However, in reality, the Council does not have that role. Tekijänoikeusneuvoston Työjarjestys [Rules of Procedure of the Copyright Council], June 21, 1999, § 5 (describing the Copyright Council’s role as only giving opinions) (Fin.).
98. Government Bill 32/1984, at 7 (Fin.); see also Katriina Sorvari, Tekijänoikeusneuvoston lyhyt historiikki in TEKIJÄNOIKEUSNEUVOSTO 25 VUOTTA 13, 26 (Katriina Sorvari ed., 2011) (Fin.).
99. Id.
100. Id.
the Secretary can give advice over the phone or by email. However, in more complex cases, the Secretary advises the caller to contact a lawyer or file an application for an opinion with the Council.

The Council consists of up to fifteen representatives of authors and users.\textsuperscript{101} For example, in 2012 the Council represented the movie industry, the publishing industry, radio and television, museums, and the performing arts.\textsuperscript{102} In appointing members, the Ministry of Culture and Education\textsuperscript{103} seeks to maintain a balance between copyright holders and users.\textsuperscript{104} The Council includes a chairman and a vice-chairman, both of whom must be independent from the interest groups and other lobbying organizations. Independent chairmen have often represented the academia. For example, both the former and the present chairmen are law professors. The Council has a legally qualified secretary, who is employed by the Ministry of Education and Culture. The secretary’s role is to administer the day-to-day activities of the Council and prepare a draft of opinions.

As already stated, the Council consists of persons representing different interest groups (except for the chairman and vice-chairman). In light of this, it is clear that the Council is not independent as required by the principle on division of power. However, this does not mean that the decisions are political in nature. A case may often reveal fundamental differences in opinion between Council members, such as authors and users of rights. However, since the Council has such a broad representation, it is not clear whether all authors favor one side of an opinion and all users favor the other side. For example, what is important for a collecting society\textsuperscript{105} representing authors of literary works, may be of no interest to the music industry. In addition, most cases are clearly “legal” in nature with a limited

\begin{itemize}
\item \textsuperscript{101} Each member of the Council also has a deputy to take part in the proceedings as a substitute when the member would be prevented from participating. See Tekijänoikeusasetus [Copyright Decree], No. 574, Apr. 21, 1995, § 18(1) (Fin.).
\item \textsuperscript{102} Sorvari, supra note 98, at 29.
\item \textsuperscript{103} The Ministry of Culture and Education has the authority to appoint the members. Tekijänoikeusasetus [Copyright Decree], § 18(1) (Fin.).
\item \textsuperscript{104} Sorvari, supra note 98, at 28.
\item \textsuperscript{105} A collecting society refers to a collective licensing organization, collecting and negotiating on behalf of authors and creators. See, e.g., What is Sanasto?, SANASTO.FI, http://www.sanasto.fi/in-english/sanasto/ (last visited Sept. 21, 2012).
\end{itemize}
political dimension. Finally, some of the representatives are both copyright holders and users, such as the representative for both radio and television.

The Council bases its proceedings entirely on written documents; therefore, the Council does not hold oral hearings. This also means that the Council will not have all possible evidence at its disposal. However, the Council’s sole purpose is to interpret copyright law. If there is a factual dispute, the Council does not hear witnesses or have the parties appear in person before the Council. Instead, it takes into account undisputed written evidence and physical objects (such as the objects in dispute, e.g., design objects, texts, websites, photographs, etc.).

Although Council members include a wide range of experts, the Council has the right to hear external experts. In recent years, the Council has consulted several external experts. For example, the Council consulted software-programming experts to determine whether a computer program was a copy of another. The Council consulted architectural experts to figure out whether a designer house was the original in relation to a certain design tradition. The Council has also heard from photography experts to determine whether certain photographs were originals.

Applicants receive Council opinions free of charge. Although each party to a dispute normally carries his or her own legal costs, this procedure is highly cost effective for the applicant because most cases do not involve legal counsel. The Finnish government bears the costs of running the Council’s activities (e.g., the salary of the secretary, remuneration to the chairman, vice-chairman and members, etc.). The Copyright Council’s opinions are seen as a service provided by the Finnish government to its citizens.

106. Tekijänoikeusneuvosto [Finland Copyright Council], Opinion 2011:1 (on file with authors).
Many cases heard by the Council concern the question of the copyrightability of some text, work of art, piece of handicraft, computer program, website, database, or other product. Other cases concern the question of infringement. In these cases, the question may extend beyond a comparison between the protected work and the allegedly infringing embodiment. It may also involve a question of the right to quote, parody, or use the work for transformative purposes. In sum, the case law of the Council covers a very broad range of fundamental copyright issues.

On average, the Council gives between fifteen and twenty opinions a year, which amounts to 440 opinions during its first twenty-five years of operation (1986-2011). Compared to the number of judgments issued by general courts (including district courts, appeals courts, and the Supreme Court), the Council is the most abundant source of copyright decisions in Finland.

Copyright holders (both authors and successors; the figure includes both private persons and corporations) make up the largest group of petitioners (48%) to the Council. For example, the author (or successor), may have turned to the Council to get a reasoned opinion on whether the work created by the author (or author’s predecessor) is protected by copyright or if there has been an infringement. In Finland, as in continental Europe, the threshold for copyright protection is generally higher than in the United Kingdom and United States of America, which is why there may be considerable uncertainty as to the status of an object as a copyrighted work.

The remaining fifty-two percent of applicants consists of users of copyright (26%), public prosecutors (9%), courts (4%), copyright organizations (4%), other lobbyists (5%), government ministries (2%)


111. Bruun & Mansala, supra note 109.
and others (2%).

Users may turn to the Council in order to receive a kind of freedom to operate opinion. For example, one case concerned the question whether certain very well-known pieces of design furniture could be manufactured in, imported to, and/or sold in Finland.

Over half (55%) of all applications are filed after a dispute has already arisen between the copyright holder and a third party. This figure includes both those cases where legal action has been taken to a court of law and those cases where no court or other decision-making body has been utilized. In fact, 64% of the cases involving an actual dispute had not yet been taken to court, to the police, or to the public prosecutor at the time of filing the case with the Council. This means that about 35% of all petitions concerned a purely “private” dispute (meaning that no courts, police or public prosecutors were involved). This clearly shows that the Council also serves a role as a pure alternative dispute resolution body.

The Council also plays a complementary role in the traditional dispute resolution system. Almost 20% of all applications (i.e., 36% of all where there was a dispute) concerned a question already pending before a court, the police, or a public prosecutor.

In Finland, specialist judges do not handle copyright matters. The police and prosecutors might have some expertise, but over the years it has

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112. Id.
113. Tekijänoikeusneuvosto [Finland Copyright Council], Opinion 2006:9 (Fin.), available at http://www.okm.fi/export/sites/default/OPM/Tekijänoikeus/tekijänoikeusneuvosto/tekijänoikeusneuvoston_lausunnot/2006/liitteet/TN_2006-9_edi.pdf. The well-known pieces of design furniture included such iconic pieces as the Barcelona chair by Mies van der Rohe, the Eames Lounge chair by Charles and Ray Eames, the Le Corbusier Chair by Le Corbusier, three different chairs by Arne Jacobsen (Swan, Egg and Model 3107/Series 7), and Finnish design pieces such as Eero Aarnio’s Ball, Pastilli and Pony chairs. Id. The Council found all of the pieces of furniture to be copyrighted, which most likely led to a situation where no importation ever took place. Id.
114. Bruun & Mansala, supra note 109, at 77.
115. See id. at 78.
116. Since 55% of all petitions concern disputes and 64% of all disputes have not been taken to court, the police or a public prosecutor, it follows that 35.2% (0.55 x 0.64) of all petitions concern disputes that have not been taken to court, the police or a public prosecutor.
117. Bruun & Mansala, supra note 109, at 77.
been recognized as good practice to ask the Council for guidance before pursuing the more complex copyright criminal cases. The Council has become a kind of forum of “first instance” in copyright matters before a criminal matter goes to court.\textsuperscript{118} Generalist judges are often inclined to follow Council advice on how to interpret copyright law adopted by the Council, thereby emphasizing the role of the Council as a part of the traditional dispute resolution system.

Administratively, the Council is a government body under the Ministry of Education and Culture (“Ministry”).\textsuperscript{119} The Ministry is responsible for the Council’s budget and for the appointment of the chairman, vice-chairman, members, and deputy members. The secretary of the Council is employed by the Ministry. However, the Council is independent from the Ministry when it makes decisions and handles cases.

The Council holds a meeting once a month and members discuss approximately three to five cases at each meeting. Many cases need to be discussed several times. The cases have become more complex over the years. Questions of copyright law increasingly require substantial discussions on technology and policy, and many of these questions relate to the internet (e.g., Digital Rights Management, Internet Television, website design, etc.). Even the more traditional cases exhibit complex questions.

The total time from filing an application to obtaining the Council’s decision is approximately eight months. This includes the period required for giving other parties a right to be heard. There is no right to appeal the Council’s decision, primarily because the decisions are non-binding. If a party is not happy with an opinion, the only recourse is to file a lawsuit.

IV. ADR IN IPR AND LITIGATION CULTURE—CONCLUDING REMARKS

As discussed above, contrary to the cultural explanation, arbitration or ADR methods are not widely used in the context of IPR disputes in either Korea or Japan. While evidence shows that parties in copyright disputes sometimes use formal ADR methods in Korea

\footnotesize{\textsuperscript{118} Id. at 79.}  
\footnotesize{\textsuperscript{119} Tuukka-Tapani Vähätalo, Tekijänoikeusneuvoston oikeudellinen asema, in Tekijänoikeusneuvosto 25 vuotta 33, 37 (Katarina Sorvari ed., 2011) (Fin.).}
and Finland, less formal methods of conciliation and mediation seem to function better. Despite the Japanese government’s efforts to facilitate ADR methods through the introduction of ADR laws, ADR has not become the preferred method of dispute resolution.

Low usage rates of IP ADR methods may mean two different things: (1) the disputes themselves are minimal, or (2) the ADR processes in IP—at least in that particular form—are not an attractive option to settle disputes. On the first point, the non-litigiousness theory in Korean and Japanese cultures may provide an explanation. Admittedly, this may still be the case in Japan. There are few IP disputes in Japan in general. In 2010, only 631 new civil litigation cases concerning IPR disputes were filed at the district court and 486 cases were disposed.\textsuperscript{120} Only 130 of those cases were appealed to the court of second instances, and 104 of these were appealed to the IP High Court.\textsuperscript{121} ADR statistics are also quite low, suggesting that IP disputes are generally low when compared to a population of more than twelve million. This is so even though both judicial and extra-judicial settlements are available for patent disputes. One author observed that more than fifty percent of IP litigation cases are settled at the court of first instance. In these cases, the court always recommends settlement when the plaintiff establishes a strong prima facie case before the evidentiary hearing on the proof of harm.\textsuperscript{122}

Through the introduction of the IP High Court, the entire litigation procedure itself has become more efficient, and any disputes concerning the validity of the industrial property right are settled through the JPO and IP High Court. The average time for a pending case at the IP High Court in 2010 was 8.5 months.\textsuperscript{123} Consequently, this may explain why arbitration or mediation in IPR is used less in Japan.

\textsuperscript{121} Id.
\textsuperscript{123} See Number of Intellectual Property Appeal Cases Commenced and Disposed, and Average Time Intervals from Commencement to Disposition, INTELL. PROP. HIGH CT., http://www.ip.courts.go.jp/aboutus/stat_01.html (last visited May 26, 2012) for these statistics and more.
In Korea, however, litigation statistics challenge the stereotypical view of the litigation culture. 124 In Korea, where there are both the Patent Court and general courts, there are more litigated cases in general. Nearly one million civil cases, including small claims and IP matters, are filed in general courts. In 2010 alone, 1,162 new IP cases were filed at the court of first instance. 125 Increasingly, disputes are settled through litigation. The disparity between ADR methods and litigation rates seems to contradict the theory that Korea is a non-litigious culture. This is partially illustrated by the fact that structural changes recently implemented in both Korea and Japan may have increased access to legal and judicial services, particularly in the area of IP. 126

Among the practices that this essay has surveyed, two practices seem to stand out—the Japanese Hantei advisory opinion system of the JPO, and the Council in Finland. They are both public in the sense that opinions are published. If a society does not respect the ADR


findings as a source of authority and a reliable interpretation of the law, the users may not trust the ADR institutions as well as other institutions. The Finnish Copyright Council's experience shows that the respect a society has over the opinion of the institution matters. In Finland, many commentators have noted that the opinions of the Council have considerable significance as a source of law.\textsuperscript{127} The opinions clearly have a function of developing copyright law in a small country like Finland. The opinions also have a function of resolving disputes, a function that is of immense importance for individuals and SMEs with limited financial resources. In many cases, an opinion by the Council is likely to be the only possible legal recourse due to the high costs of litigation. By using the ADR process, the applicant receives the Council's reasoned opinion—generated by about fifteen experts—in a timely and cost-effective manner.

The inherent limitation of ADR methods (no validity, scope of right, or infringement cases are addressed) drastically reduces the utility of ADR methods in IP disputes. IP disputes most often concern the boundaries of the right; therefore, when ADR methods cannot define such boundary, it is logical that ADR methods have only limited utility in solving disputes. As validity of the rights is crucial in settling non-contractual IP disputes, it is reasonable that the practices in all three jurisdictions seem to suggest that ADR methods are used more as a way to complement litigation rather than as an alternative. When used to complement litigation, the traditional merits of ADR methods, such as confidentiality and flexibility, may be reduced. While licensing disputes involve trade secrets (know-hows and non-disclosed information), the closed nature of the ADR process may certainly be the important factor. However, in IPR disputes with a high level of administrative decision-making, factors, such as the trust in the institutions that make decisions and deference to the findings of ADR in judicial proceedings seem to matter more.

ADR's limited scope reduces its utility in IPR, especially considering the nature of IPR disputes. Thus, any recommendation for and institutionalization of ADR methods must consider its various functions, which judicial settlement of IPR disputes provides (such as providing a source of laws that clarify the boundary of intangible

\textsuperscript{127} Vähätalo, \textit{supra} note 119, at 53.
One core aspect is that the IPR system is based on the notion of a social contract, which indicates that society as a whole benefits from the disclosure of an invention and diffusion of a creation that IPR incentivize. The very public nature of judicial proceedings leading to authoritative opinions serves as the final and most concrete form of public notice on the boundary of property rights. Considering this, the limited utility of ADR methods in settling IP disputes may be socially desirable as well.