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“It All Started With a Mouse”: Resolving International Trademark Disputes Using Arbitration

ASHLYN CALHOUN

I. INTRODUCTION

Mickey Mouse (“The Mouse”) remains the figurehead of the multi-billion dollar The Walt Disney Company (“Disney”) almost ninety years after it starred in its first animated short film, “Steamboat Willie,” in 1928. Disney holds both a copyright and a trademark for The Mouse, with The Mouse becoming synonymous with copyright term extension. The Mouse is featured on apparel and home goods sold around the world. The Mouse even has signature waffles, ice cream bars, and holiday themed treats bearing its image sold at Disney’s amusement parks in the United States and abroad. The Mouse is an iconic American treasure, and it is no surprise that Disney is willing to protect its mascot at all costs and in every venue where Disney conducts business. The Mouse has a worldwide brand awareness of 97%, which is higher than Santa Claus. The Mouse is estimated to generate $5.8 billion in revenue for The Walt Disney Company every year. Though no budget seems to be allotted for protecting Disney’s intellectual property rights, the company is notorious for the aggressive protection of its intellectual property.

1. IT ALL STARTED WITH A MOUSE: THE DISNEY STORY (Walt Disney Pictures, Inc. 1989). This is a piece of the oft-cited Walt Disney quote, “I hope we never lose sight of one thing—that it was all started with a mouse.” Walt Disney’s quote was used in reference to the fact that the multi-billion dollar Walt Disney Company, which is now known as a corporate giant, was begun simply as a production company making cartoons around the mischievous antics of a mouse named Mickey.

2. B.A., Illinois Wesleyan University, 2016, J.D. Candidate, University of Missouri School of Law 2019. I want to thank my advisors, the editorial board of JDR, and my friends and family for your constant support and guidance.


6. Jeremy N. Sheff, Basing Brands, 32 CARDOZO L. REV. 1245, 1263 (2011). Brand awareness is integral to trademarks because a trademark is meant to associate a certain good—such as Mickey Mouse cartoons—with a particular source, such as the Walt Disney Company.


8. Id.

an entire unit, The Walt Disney Company Antipiracy Group, dedicated to the protection of the company’s intellectual property rights.\textsuperscript{10}

Protecting such key pieces of intellectual property can involve lengthy and expensive litigation, and Disney is not alone in defending such cases. Every year, intellectual property disputes arise between American-based corporations and individuals or corporations abroad. Since trademarks are attached to various types of traded goods and services, the globalization of trade has led to the internalization of trademarks.\textsuperscript{11} Many companies, including Disney, have expanded their brands to global markets, which has led to an increase in international trademark infringement and counterfeit productions in the global marketplace.\textsuperscript{12} This Comment will address how arbitration can resolve international trademark disputes by examining the nature of both international disputes and trademark disputes. In order to do so, Part II will discuss the nature of domestic and international trademark disputes. Part III will examine the benefits of using arbitration in place of litigation. Finally, Part IV will evaluate the use of arbitration to resolve trademark disputes.

\section*{II. TRADEMARK DISPUTES}

\subsection*{A. The Nature of Trademarks and Trademark Disputes}

Trademark law prevents the unauthorized use of trademarks found in commerce.\textsuperscript{13} A trademark is an identifier used to identify or distinguish goods in commerce.\textsuperscript{14} Distinctiveness is an important part of trademark protection under the Lanham Act which ensures the public can clearly identify a source of goods.\textsuperscript{15} Trademarks such as Mickey Mouse are widely successful because of the mark’s ability to clearly associate a good with the source of the good.\textsuperscript{16} The Walt Disney Company is associated with Mickey Mouse and not with Walt Disney’s original cartoon character, Oswald the Lucky Rabbit, due to the constant association between the company’s name and The Mouse.\textsuperscript{17} Such constant reminders as Mickey’s head shape hidden throughout Walt Disney Company properties serve to solidify Disney as the sole source of Mickey Mouse products and animations.\textsuperscript{18}

Trademark law serves two primary purposes: First, it prevents the deception of consumers; and second, it protects the goodwill of the trademark owner.\textsuperscript{19} The Lanham Act, which sets forth federal trademark law in the United States, was enacted to fulfill the purposes listed above and was designed to protect both registered and

\begin{itemize}
\item \textsuperscript{11} Kitsuron Sangsuvan, Trademark Squatting, 31 WIS. INT’L. L.J. 252, 254 (2013).
\item \textsuperscript{12} Id.
\item \textsuperscript{13} Boris Shapiro, Trademark Arbitration: A First Rate Change For a Second Life Future, 8 CHI. KENT J. INTELL. PROP. 273, 275 (2009).
\item \textsuperscript{14} Id.
\item \textsuperscript{15} Andrea Pacelli, Who Owns the Key to the Vault? Hold-up, Lock-out, and Other Copyright Strategies, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1229, 1252 (2008).
\item \textsuperscript{16} Id.
\item \textsuperscript{17} Id.
\item \textsuperscript{18} See generally STEVEN M. BARRETT, HIDDEN MICKEYS: A FIELD GUIDE TO WALT DISNEY WORLD’S BEST KEPT SECRETS (SMBBooks, 8th ed., 2017) (An entire book aiding guests in finding hidden Mickey head shapes throughout the company’s theme parks).
\item \textsuperscript{19} Shapiro, supra note 13, at 275.
\end{itemize}
unregistered trademarks. In order to bring a prima facie case for trademark infringement, a party must establish that not only was the infringing mark used in commerce, but also that such use would lead to a likeliness of confusion by the consumer. A defendant may counter evidence of use in commerce and likelihood of confusion by presenting several defenses, including the introduction of evidence of fair use, nominative fair use, or abandonment of the mark by the plaintiff. Traditionally, litigation and the threat of litigation through cease and desist letters were the only tools available for parties to enforce trademark rights. However, the globalization of commerce has increased the difficulty for mark holders seeking to enforce their trademark rights, and as a result, alternative dispute resolution (“ADR”) methods arose as an alternative to litigation.

B. Conventional Litigation to Resolve Trademark Disputes

The Walt Disney Company is notorious for the vigorous protection of its intellectual property, especially when it comes to its figurehead, Mickey Mouse. Overtly-litigious tendencies resulted in a series of bad publicity for the company throughout the 80s, as the animation and entertainment giant threatened to sue three daycare centers for infringement. Such stories were chronicled in the Los Angeles Times and the company’s approach was deemed far too aggressive. In 1989, Disney threatened to sue the Academy of Motion Picture Arts and Sciences for using a parody of Snow White during the opening for that year’s Oscars. Though none of these disputes went to court, the bad press surrounding the likelihood of litigation perpetuated Disney’s reputation for the assertive protection of its intellectual property rights, especially when Mickey Mouse is involved.

A trademark owner commonly has two potential courses of action against an alleged infringer of a mark. The trademark owner can send a cease and desist letter or commence a lawsuit. These courses of action are not mutually exclusive, and a trademark owner can send a cease and desist letter to a party while subsequently filing a lawsuit. Sending a cease and desist letter is effective and easy for trademark owners, and can provide evidence of a willful infringement claim if a suit is initiated. However, cease and desist letters hold very little judicial support and

20. Id.
21. Id.
22. Id. at 276.
23. Id. at 276, 282.
25. Id.
26. Id. at 607.
27. Id.
28. Id.
30. Id.
31. Id. at 961.
32. Id. at 960-61.
may be ignored by infringers who believe they have done nothing wrong. Com-
ming litigation is expensive, time consuming, and unpredictable. Additionally, the commencement of a lawsuit can bring the issue to the attention of the public, generating negative press and public backlash. As a result, the ideal method for the resolution of trademark disputes would incorporate flexible, confidential and cost-effective procedure, allowing for a highly specialized adjudication. The use of arbitration for such disputes would satisfy each of the above criteria.

C. The Use of Arbitration to Resolve Trademark Disputes

Generally, trademark protections for marks registered in the U.S. are only available within the U.S. The Lanham Act sets forth federal trademark law within the U.S. and state trademark disputes are often governed by common law. However, there are some international provisions which protect a business’s trademark rights abroad.

The Paris Convention for the Protection of Industrial Property (“Paris Convention”) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”) obligate parties to the Paris Convention and members of the World Trade Organization (“WTO”) to provide minimum standards of protection for trademarks and other pieces of intellectual property. Parties to TRIPS agree to safeguard distinctive trademarks against certain unapproved uses in the progression of trade that would result in a likelihood of confusion. Additionally, some countries have obligations under their constitutions or treaties to protect an individual’s right to freedom of expression both in their own countries and abroad. National trademark laws are generally government regulations of speech, which implicate the right of freedom of expression only if the speech is unprotected, such as in cases of trademark infringement. With the enlargement of trademark rights and the increased protection of free speech, there is an increased number of potential conflicts between laws forbidding the authorized use of another’s trademark and one’s right to freedom of expression. States can, however, decline to enact strong trademark infringement laws without violating their international obligations. Therefore, it is important for parties to an international trademark dispute to determine the applicable laws which will govern their dispute. This is especially important when parties decide to use arbitration, which can come with a variety of procedural laws depending on the arbitral institution through which the arbitration proceeding is taking place.

33. Id. at 961.
34. Id.
35. Doft, supra note 29, at 961.
36. Id. at 963-6.
38. Id.
39. Id.
40. Id.
41. Id. at 407.
42. Id. at 409.
When parties initially agree to arbitrate an international trademark dispute, the parties often include a choice of substantive law clause within the arbitration agreement.43 This clause is drafted into the contract to compel arbitration by the parties.44 However, most agreements to arbitrate do not include a provision specifying which procedural law will be applied during the arbitration, and many fail to state where the arbitration will take place.45 Such provisions are important because the applicable procedural law and the arbitration location (the “loci”) may be critical to upholding the parties’ rights and the subsequent enforcement of the arbitration award in a foreign country.46 Luckily, parties can satisfy the need for both an applicable procedural law and proper location by choosing to arbitrate in a jurisdiction with procedural laws favorable to both parties as well as the nature of the dispute. Parties can choose a jurisdiction whose procedural law is well adapted for international arbitration, and whose courts will not demand to interfere in the arbitration process.47 Additionally, the arbitral award is generally considered to be an award of the place where the decision is issued, and not the place where the agreement is going to be performed nor the country whose substantive law applies to the agreement.48 Therefore, in choosing where the parties wish to arbitrate, those involved in the dispute are likely to consider a country which has adopted the 1958 Convention of the Recognition and Enforcement of Foreign Arbitral Awards, also known as the “New York Convention49,” in order for the award to be enforceable in all countries who are parties to that convention.50

44. Id.
45. Id.
46. Id.
47. Id.
48. Id. at 10-11.
49. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the “New York Arbitration Convention” or the “New York Convention,” “is one of the key instruments in international arbitration. The New York Convention, N.Y. ARB. CONVENTION, http://www.newyork-convention.org/ (last visited on Sept. 10, 2017). The New York Convention applies to the recognition and enforcement of foreign arbitral awards and the referral by a court to arbitration.” Id. It “seeks to provide common legislative standards for the recognition of arbitration agreements and court recognition and enforcement of foreign and non-domestic arbitral awards.” United Nations Commission on Int’l Trade L., *Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, UNITED NATIONS, 1 (1958), http://www.uncitral.org/pdf/english/texts/arbitration/ny-conv/New-York-Convention-E.pdf. “The Convention’s principal aim is that foreign and non-domestic arbitral awards will not be discriminated against and it obliges Parties to ensure such awards are recognized and generally capable of enforcement in their jurisdiction in the same way as domestic awards.” Id. “An ancillary aim of the Convention is to require courts of Parties to give full effect to arbitration agreements by requiring courts to deny the parties access to court in contravention of their agreement to refer the matter to an arbitral tribunal.” Id.
III. EVALUATING THE USE OF ARBITRATION FOR INTERNATIONAL TRADEMARK DISPUTES

Arbitration is a procedure in which a dispute is submitted, by agreement of the parties, to one arbitrator or a panel of arbitrators that renders a binding decision. Generally, once parties have agreed to arbitrate a dispute, a party cannot withdraw.  

A. The Challenges of Resolving International Disputes

There are three main challenges regarding the resolution of international disputes. These three challenges are (1) the fragmentation of international law, (2) the proliferation of international disputes, and (3) the decentralization of international law. International law can often be volatile and uncertain. It is therefore necessary for parties to an international dispute to agree where the dispute will be resolved and the methods that will be used in order to resolve the dispute in a way that is effective and beneficial to both parties.

B. Advantages

The internationalization of many corporations can make it more difficult for trademark holders to fight against infringement. While trademark holders may pursue traditional litigation in order to combat infringement and seek judgment in their home country, the courts of some nations may choose to reject a judgment from a foreign jurisdiction. The use of international arbitration in lieu of traditional litigation can remedy this problem.

When parties attempt to resolve a dispute through arbitration, it must first be determined whether the dispute is arbitrable. Parties often include an arbitration clause within their contract or agreement, but not all types of disputes may be covered by such a clause. For example, parties to a trademark dispute may have envisioned a licensing dispute arising between the parties, but not the infringement of a separate mark not covered by the contract. In the United States, the question of arbitrability of domestic disputes is one which must be resolved by the courts. Courts will not examine the validity of the dispute or the merits of the parties’ claims. Instead, courts only examine the agreement of the parties to arbitrate the

52. Id.
54. See id.
56. Id.
58. Id.
59. Id.
60. Id.
In doing so, courts utilize a three-step inquiry in order to establish whether to oblige arbitration of the dispute. First, the court must decide whether an arbitration agreement between the parties exists. Next, the court must determine whether the specific matter is within the purview of the arbitration agreement. Finally, the court must determine whether legal or equitable factors prevent resolution of the dispute through arbitration. As mentioned above, courts in the United States favor arbitration, and have repeatedly determined that arbitration clauses agreed to by both parties are enforceable as a matter of public policy. Therefore, if two parties to a trademark dispute have agreed to compel the arbitration of any claims arising under the terms of the contract, a court will likely determine that the dispute can be arbitrated.

i. Speed and Cost

Arbitration is favored over traditional litigation because it can save companies time and money. Trademark disputes arise often, and the complexity of trademark disputes can result in high litigation costs. An experienced arbitrator and efficient case management can reduce costs, with companies who choose to use arbitration instead of litigation averaging a total savings of $800,000. Arbitration can resolve complex commercial, licensing, and trademark disputes in 15% of the time commonly necessary to resolve a dispute through litigation. Arbitration enables parties to employ third-party neutrals with expertise in the relevant subject matter, such as trademark infringement or international disputes, which can substantially reduce costs and time by limiting the scope of discovery. Discovery accounts for almost 80% of all legal fees, serving as the largest piece of litigation costs. If a dispute concerns subject matter covered by trademarks in several jurisdictions, arbitration enables parties to resolve the dispute in a single arbitral proceeding rather than multiple court proceedings in various venues. Trademarks can be time-sensitive because the products they protect can have a limited market window or become obsolete very quickly. Arbitration clauses can include a provision requiring a decision to be rendered within a specified period of time, preventing parties from dragging out the dispute in order to harm the opposing party’s trademark rights.

61. Id.
62. Id.
63. Ponte & Brown, supra note 57, at 47-48.
64. Id. at 48.
65. Id.
67. Ponte & Brown, supra note 57, at 48.
68. Id. at 55.
69. Id. at 56.
71. Martin, supra note 51, at 925.
72. Id. at 927.
73. Id.
74. Id. at 926-27.
75. Id. at 928.
76. Id.
The United States Supreme Court has repeatedly affirmed that public policy favors using ADR. The ability to rapidly and inexpensively resolve disputes makes many intellectual property disputes befitting of resolution through ADR. Disputes often arise involving trademarks, especially regarding licensing. These disputes are lengthy and costly, oftentimes involving very complex legal and scientific issues. Arbitrated resolution of conflict allows for a more informal and efficient settlement of disputes, allowing a company’s time and resources to be reallocated to more important tasks. Perhaps the greatest benefit of using arbitration to settle trademark disputes is the ease with which the process may be customized to meet the needs of the parties involved. The parties can choose whichever form of ADR—negotiation, arbitration, mediation, or a combination of two forms—they please, with the purpose of resolving as many issues as possible before potential litigation. The parties can develop and customize the structure of a settlement in order to fit their needs, a task which generally cannot be completed through the courts if parties do not settle before the trial date. Through negotiation of terms, parties who share a history of cooperation can continue business relationships without added animosity.

In addition to decisions by various United States courts, Congress has enacted legislation which encourages the use of arbitration in disputes, which would include those involving trademarks. The Federal Arbitration Act (“FAA”), first enacted by Congress in 1925, permits parties in a dispute to voluntarily submit their disagreement to binding arbitration. Additionally, the FAA makes a written agreement to arbitrate in any maritime transaction or a contract evidencing a transaction involving commerce valid, irrevocable, and enforceable except upon such grounds that exist at law or in equity for the revocation of a contract. Beginning with the Patent Arbitration Act of 1983, parties to a patent validity dispute could submit to voluntary and binding arbitration. Courts have upheld arbitration agreements in intellectual property disputes, deciding that “as a matter of federal law, any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration.”

77. See generally Am. Express Co. v. Italian Colors Rest., 570 US 228 (2013).
80. Id.
83. Id.
84. Id.
85. Id.
87. Id.
88. Dorrain, supra note 82.
90. Id. at 624.
By its very nature, arbitration does not require any particular procedure or method of proceeding, which gives parties flexibility. This flexibility enables accommodations for various commercial practices and expectations as well as the adoption of whichever rules of procedure, evidence, and conduct the parties desire. The flexibility of arbitration allows for a variety of potential remedies. Remedies could include licensing and other innovative agreements which are typically not available as remedies in judicial proceedings.

iii. Forum Selection

Arbitration is a contractual agreement between two parties to settle a dispute. The majority of international arbitration proceedings arise from a prior agreement by both parties to arbitrate a dispute if one arises. This is not surprising, given it is easier for parties to agree to arbitrate a dispute before a potential conflict arises than it is to agree once a dispute has emerged. The agreement to bind oneself to an arbitral agreement also binds the parties to the outcome. Arbitration thus allows one party to establish jurisdiction over another where such jurisdiction may not be possible in the traditional court system. Prior agreement by the parties ensures that awards given after international arbitration may be enforced in countries that have signed the New York Convention. Arbitration awards can be challenged in court, but the basis for setting aside an award are more limited than the basis for reversing trial court decisions. Additionally, using arbitration protects parties from the unpredictability of jury awards, which can often be exorbitant and inappropriate even to those unfamiliar with trademark disputes. The most common form of relief sought in trademark disputes is injunctive relief and other forms of equitable remedies, which are usually dispensed by judges but can be awarded by arbitrators.

The use of international commercial arbitration has become the preferred method of settling disputes of international commerce. In many ways, parties cannot control the litigation process and its outcomes. The parties cannot choose the judge, procedural rules, governing laws, or outcome decided upon in litigation. Arbitration also allows parties to a dispute to bypass the notoriously-backlogged American court system.

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92. Id. at 4-5.
93. Id. at 5.
95. Id. at 165.
96. Id. at 165-66.
97. Id. at 165.
99. Id. at 193-94.
101. Id.
102. Id.
party neutral, arbitration can begin immediately and parties do not have to wait for a court date.\textsuperscript{105} Commercial civil cases, especially those involving intellectual property, can be postponed indefinitely as judges attempt to give priority to other cases.\textsuperscript{106} The use of arbitration enables parties to avoid hometown justice in which courts can give seemingly preferential treatment to a local or well-known corporation.\textsuperscript{107} Instead, parties can choose a neutral jurisdiction in which to conduct the arbitration, or can at least avoid having the national courts of one party resolve the dispute if the arbitration is held in that party’s home country.\textsuperscript{108}

\textit{iv. Privacy}

Entities with many cross-licensed products may wish to keep the arbitration processes secret in order to protect the value of licenses not at issue.\textsuperscript{109} Trademark disputes often involve trade secrets and other proprietary information.\textsuperscript{110} Due to the private nature of arbitration, sensitive information—including trade secrets, financial matters, and even the existence of the dispute itself—can remain confidential if the parties desire.\textsuperscript{111} Confidentiality may be especially important in cases where a party has a weak mark, or one that could easily be infringed.\textsuperscript{112} For many businesses, protecting the subject matter of a dispute from publication is important to promote positive public relations.\textsuperscript{113} Public knowledge about the details of an infringement dispute could be more damaging to a business than a courtroom loss.\textsuperscript{114} For companies such as Disney that are already perceived as engaging in frivolous trademark protection litigation, the confidentiality of such disputes prevents the spread of bad publicity.

Parties wishing to arbitrate a dispute should be aware that while private, arbitration is not guaranteed to be confidential.\textsuperscript{115} Generally, arbitration proceedings are private and do not produce published opinions which become part of the public law.\textsuperscript{116} However, the information revealed during arbitration is not automatically nor necessarily confidential.\textsuperscript{117} Unless the parties to the arbitration contract for a confidentiality agreement, the parties remain free to discuss the arbitration proceedings afterwards.\textsuperscript{118} Corporate parties to arbitration sometimes misperceive the benefits of arbitration’s privacy, assuming that such privacy automatically protects trade and business information disclosed during the proceedings.\textsuperscript{119} Confidentiality

\begin{thebibliography}{99}
\bibitem{105} Id.
\bibitem{106} Id.
\bibitem{107} Drahozal, supra note 94, at 175.
\bibitem{108} Id.
\bibitem{109} Dorrain, supra note 82.
\bibitem{110} McConnaughay, supra note 91, at 4.
\bibitem{111} Id.
\bibitem{112} Sayler, supra note 79, at 66.
\bibitem{113} Martin, supra note 51, at 935.
\bibitem{114} Id.
\bibitem{116} Id.
\bibitem{117} Id.
\bibitem{118} Id.
\bibitem{119} Id. at 1212.
\end{thebibliography}
exceeds privacy by guaranteeing the parties’ secrecy. In arbitration, a confidentiality agreement would preclude the disclosure of any evidence, communications, or other sensitive information regarding or gleaned from the arbitration proceedings. The parties, arbitrators, witnesses, and all others involved in the arbitration process would have to keep confidential everything revealed during the proceedings. This would prevent the disclosure of volatile information to the media or the general public, and it also makes such information inadmissible in future court proceedings. While many institutional arbitration rules preserve the privacy of an arbitrated matter, it is important for parties to consider adopting a confidentiality clause if the parties wish to protect sensitive information.

v. Potential for Highly Specialized Adjudication

Trademark disputes typically include very technical, specialized language with which the average attorney or judge may not be familiar. As briefly mentioned above, the use of arbitration allows parties to choose a neutral third-party arbitrator with experience or expertise in certain fields, such as intellectual property law, science, technology, or business. Many arbitrators are experienced in a specific practice area, which promotes the efficiency of the proceeding and the correctness of the potential outcome. The nature of arbitration allows the parties to agree on a panel of specialized third-party neutrals. For example, a panel of three arbitrators could be used, with one specializing in licensing, a second in trademark law, and a third in international business. Though more costly than having one third-party neutral, a panel of third-party neutrals is beneficial where the dispute involves multiple distinct issues.

Choosing a qualified third-party neutral is important, and this ability to choose is a unique aspect of arbitration not found in litigation. The technical nature of intellectual property law results in a small community of attorneys. This tight-knit disposition allows some parties to receive word-of-mouth recommendations to find third-party neutrals who specialize in certain areas of law. As an additional aid, organizations such as the World Intellectual Property Organization (“WIPO”) have recognized the need for experienced third-party neutrals, and that the effectiveness of arbitration largely depends upon the quality of such third-party neutral. As a result, WIPO, as many other national and international organizations, maintains a database of over 1,500 qualified neutrals from over 70 countries whom parties can choose to assist in dispute resolution.

120. Id. at 1218-19.
121. Schmitz, supra note 115, at 1218.
122. Id.
123. Id.
124. Id. at 1219.
125. Sayler, supra note 79, at 66.
127. Id.
128. Id.
129. Dorrain, supra note 82.
130. Id.
132. Id.
The expertise of the third-party neutral may account for the high settlement rate and satisfaction ratings among those who chose arbitration for intellectual property disputes.\textsuperscript{133} WIPO reports that in recent years, 50% of its arbitrations have ended in settlement.\textsuperscript{134} Current arbitrators report a median of 26 years arbitration experience and a median 175 reported cases, which translates to roughly 6 arbitrated cases per year.\textsuperscript{135} Many experienced commercial arbitrators have extensive experience as sole arbitrators and appear to embrace a more proactive approach to settlement of disputes.\textsuperscript{136} Experienced arbitrators employ a variety of techniques to tailor arbitration processes to the circumstances and needs of the parties, including through the handling of pre-hearing motions and discovery.\textsuperscript{137} Experienced arbitrators report higher rates of settlement in arbitrated cases, with estimated rates of settlement overall varying greatly.\textsuperscript{138}

C. Disadvantages

Though helpful in the resolution of many disputes, choosing arbitration to resolve disputes is not without disadvantages. Many parties decide the potential disadvantages are worth the risk, explaining the wide incorporation of arbitration provisions in commercial contract agreements.\textsuperscript{139} Additionally, many of the disadvantages of arbitration can be avoided through the incorporation of an arbitration clause which addresses each of the potential problems that could arise.\textsuperscript{140} Such problems could include lack of appeal, difficulty in enforcing arbitral awards, bias of experience, and sacrificing justice for efficiency.

i. Lack of Appeal

One of the biggest disadvantages of using arbitration to settle disputes is the limited rights to appeal an adverse ruling or decision by the arbitrator.\textsuperscript{141} Finality has traditionally been praised as an advantage of using arbitration over judicial resolution of disputes, but it can also discourage parties from choosing arbitration.\textsuperscript{142} On the one hand, finality assumes the losing party benefits as much, or more, from the finality as he or she would from winning by enabling the party to move past the arbitration result.\textsuperscript{143} This enables the parties to move past the conflict and continue

\begin{footnotes}
\item[133] Id.
\item[134] Id.
\item[136] Id. at 479.
\item[137] Id.
\item[138] Id. at 480. For example, 22.9\% (30) of participants indicated that more than 50\% of cases within the past year in which the participant was an arbitrator settled prior to award, 15.3\% (20) indicated that more than 50\% of cases within the past year in which the participant was an arbitrator settled prior to the first arbitration hearing.
\item[139] Joel D. Rosen & James B. Shrimp, \textit{Yes to Arbitration, But Did I Also Agree to Class Action and Consolidated Arbitration?}, 30 FRANCHISE L. J. 175, 175 (2011).
\item[140] Schmitz, supra note 115, at 1212-13.
\item[141] See id. at 1226-27.
\item[143] Id.
\end{footnotes}
making money. On the other hand, where the stakes and risks of loss are high, parties may be more reluctant to chance a decision without first having taken advantage of every possible legal procedure. If the amount in dispute is so large that the absence of a mechanism to correct an erroneous result is impossible, parties may be unlikely to submit their dispute to arbitration.

### ii. Difficulty in Enforcing the Arbitral Award

Unlike in formal litigation, once an arbitration decision is made, there is no default mechanism through which the decision is enforced. However, the arbitration decision could be confirmed by a court. Once a court rules for enforcement, failure to abide by the arbitration decision constitutes a contempt of court. In the United States, both the FAA and the Uniform Arbitration Act give courts the jurisdiction to confirm or refuse to confirm an arbitration decision. Internationally, the New York Convention provides for mutual recognition and enforcement of arbitral awards issued in member states and limits the possible defenses that parties can raise when they oppose judicial enforcement of arbitral awards. In international law, the New York Convention can provide better enforcement than a court judgment. A majority of states consider the New York Convention to enjoy a hierarchy above national laws, to form an integral part of domestic law, and to prevail over any contrary provision of the law. The New York Convention is one of the most successful commercial treaties in the world, which suggests that many countries respect the document and enforce its provisions.

### iii. Bias of Experts

Parties to an arbitration may find the arbitrator resolving the dispute to be, in some way, biased or interested in the outcome of the dispute. Within the United States, some jurisdictions have adopted a “reasonable person standard” when determining whether the reported partiality of an arbitrator towards one of the parties justifies the vacation of an arbitration award. Some U.S. jurisdictions have statutory provisions requiring arbitrators to disclose any interest or bias at any stage of the arbitration proceedings, with the potential that a failure to disclose a substantial interest will result in vacating the arbitral award.

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144. Id.
145. Id.
146. Id.
148. Id.
149. Id.
150. Id.
153. Id. at 504.
155. Id. § 2[b].
156. Id.
Abroad, there are concerns that international arbitrators cannot adjudicate with blind justice.\textsuperscript{157} Some parties to international disputes worry that the decisions of international judges reflect ideological and political biases instead of objective legal reasoning.\textsuperscript{158} The expansion of international adjudication of disputes has changed not only the volume of cases but also the depth of covered subject-matters.\textsuperscript{159} International adjudicators must now work to stabilize normative expectations.\textsuperscript{160} The expansion of international conflict has created debates regarding the role and functioning of international adjudicators, with concerns arising over the capacity, independence, neutrality, and impartiality of such adjudicators.\textsuperscript{161} These principles are asserted as the key to domestic judicial proceedings,\textsuperscript{162} with many parties to international disputes expecting such consistencies in dispute resolution procedures.

\textit{iv. Sacrifice of Justice for Efficiency}

The arbitral process promotes efficiency, oftentimes over the promotion of justice.\textsuperscript{163} However, achieving justice is often a time-consuming process.\textsuperscript{164} The purpose of the justice system is not simply to end a dispute.\textsuperscript{165} A court system generally produces two types of service.\textsuperscript{166} The first is the resolution of disputes by determining whether a rule has been violated.\textsuperscript{167} The second is rule formulation by creating rules of law as a byproduct of the dispute-resolution process.\textsuperscript{168} “Court resolution of disputes provides information concerning the likely outcome of future similarly situated disputes.”\textsuperscript{169} This is the system of case law precedent, which is a hallmark of the American legal system.\textsuperscript{170} Arbitration removes the use of precedent decisions from dispute resolution. An arbitrator is not obligated to follow past arbitral decisions and the arbitrator’s decision is not subject to review.\textsuperscript{171} An arbitrator may mete out justice as she sees fit, applying her own sense of law and equity to the facts presented and making an award accordingly.\textsuperscript{172} This can make parties unwilling to choose arbitration, for fear that if they lose, there is no way out of the

\begin{itemize}
\item \textsuperscript{157} Sergio Puig, Blinding International Justice, 56 VA. J. INT’L L. 647, 649.
\item \textsuperscript{158} Id.
\item \textsuperscript{159} Id. at 653.
\item \textsuperscript{160} Id.
\item \textsuperscript{161} Id. at 653-54.
\item \textsuperscript{162} Id.
\item \textsuperscript{163} Wolf, supra note 142, at 308.
\item \textsuperscript{164} Id.
\item \textsuperscript{165} Id.
\item \textsuperscript{166} Id. at 309 (quoting William M. Landes & Richard A. Posner, Adjudication as a Private Good, 8 J. Legal Stud. 235, 235 (1979)).
\item \textsuperscript{167} Id. (quoting William M. Landes & Richard A. Posner, Adjudication as a Private Good, 8 J. Legal Stud. 235, 235 (1979)).
\item \textsuperscript{168} Id. (quoting William M. Landes & Richard A. Posner, Adjudication as a Private Good, 8 J. Legal Stud. 235, 235 (1979)).
\item \textsuperscript{169} Wolf, supra note 142, at 309 (quoting William M. Landes & Richard A. Posner, Adjudication as a Private Good, 8 J. Legal Stud. 235, 235 (1979)).
\item \textsuperscript{170} Id. (quoting William M. Landes & Richard A. Posner, Adjudication as a Private Good, 8 J. Legal Stud. 235, 235 (1979)).
\item \textsuperscript{171} Id. Small exceptions for review may apply, such as in cases where the arbitrator is biased or the dispute is beyond the scope of agreement. See Blum, supra note 154, at 179.
\item \textsuperscript{172} Id. (quoting Silverman v. Benmor Coats, Inc., 461 N.E.2d 1261, 1266 (N.Y. 1984)).
\end{itemize}
binding decision’s effects. Though rare and potentially very difficult, it is not impossible to set aside an arbitration award. Parties can do so in cases of exceptional circumstances, including a showing of bias on behalf of the arbitrator.\footnote{Blum, supra note 154, at 179.}

IV. CONCLUSION

This Comment aimed to demonstrate the advantages in choosing to resolve international trademark disputes through the use of arbitration. Section I examined the success of Mickey Mouse as an internationally recognized trademark in order to discuss the importance of protecting such marks. Section I also briefly discussed the internationalization of business and the increase in trademark infringement that has arisen as a result. Section II explained the nature of trademarks and trademark infringement disputes while also looking at how those disputes can be settled through traditional litigation and arbitration. Section III evaluated resolving international trademark disputes through arbitration. The goal of Section III was to inform the reader about the advantages and disadvantages of using arbitration for international trademark disputes. By discussing the advantages, Section III sought to demonstrate that using arbitration to settle international trademark disputes can be beneficial to both parties. Section III also included a discussion on the disadvantages of using arbitration in order to inform the reader that no method for the resolution of international trademark disputes is without drawbacks.

Trademarks are integral to the identity and success of many companies and organizations. As discussed above, trademarks such as Mickey Mouse are recognized throughout the world as symbols of the accomplishments and distinguishability of a given brand. As trade has become more globalized, so too have trademarks. Protecting trademarks in a way that benefits both parties can protect and help strengthen business relationships abroad. Though arbitration may not be the best method for the resolution of all international trademark disputes, it is important for parties to an international trademark dispute to consider arbitration as a viable option for the resolution of such a conflict.