Welcome to the ICDR International Arbitration Reporter.

The Reporter features important awards summaries, statistics, and the latest information on services, initiatives, and other matters of importance to parties and neutrals of the International Centre for Dispute Resolution.

UPCOMING ICDR EVENTS

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ARBITRATION AWARDS UPDATE

Antarctica

The ICDR international arbitration system has been used to resolve disputes in countries around the world and has now had its first case from the world’s southernmost continent, Antarctica. The dispute actually stems from an incident that took place in the Southern Ocean which surrounds Antarctica and was the subject of an episode of the Discovery Channel’s television series “Whale Wars.” The long-running series features the annual campaign conducted by the Sea Shepherd Conservation Society in the Southern Ocean to bring to an end what they believe to be illegal whaling activities conducted by Japan. Japan’s whaling is conducted by its Institute for Cetacean Research and its position is that its annual self-imposed quota of 1000 whales is for research purposes. The case, involving Pete Bethune, founder of Earthrace Conservation, and Sea Shepherd Conservation Society, arose after the Ady Gil vessel was damaged and eventually abandoned in the 2010 Sea Shepherd campaign. The parties through an ICDR arbitration resolved their disputes regarding some outstanding payments and the interpretation of related contractual provisions.
United States – New Jersey

An ICDR award was confirmed in the U.S. District Court of New Jersey acknowledging the discretion that arbitrators have pursuant to the ICDR’s Rules and its Guidelines for the Exchange of Information. The arbitration concerned a dispute for unpaid services that stemmed from a Client Vendor Service Contract between an information technology and services corporation organized under the laws of India and a software and IT consulting corporation with its principal place of business in New Jersey.

The Court noted that during the course of the arbitration the arbitrator had established via procedural orders the process and time frame for the exchange of documents and indicated that any disputes regarding document exchange should be brought to the arbitrator immediately for resolution so as not to delay the proceeding. Following the respondent’s appointment of new counsel in a second procedural order the arbitrator extended the period of time for the exchange of documents but added that there would be no extensions of the schedule without good cause shown. On the new date that submissions were due the respondent requested additional time to obtain information, which request was subsequently denied by the arbitrator. The arbitrator ultimately ruled in favor of the claimant who subsequently brought an action to confirm the award.

In the enforcement proceeding the defendant, among other arguments, challenged the award under 9 U.S.C. §10(a)(3) of the FAA stating that it had been denied the right to a fair trial and had been deprived of the opportunity to present its case. The Court determined that the arbitrator did not act with manifest disregard of the law, stating that “the parties agreed that any dispute that they could not resolve would be decided through arbitration administered by the ICDR in accordance with its International Arbitration Rules” and that Article 28(1) of the ICDR’s Rules states that should the parties fail to designate a set of substantive laws for the tribunal to apply in their agreement, “the tribunal shall apply such law(s) or rules of law as it determines to be appropriate.” The Court added that the “tribunal did not simply make up the law that it decided to apply, but it expressly conducted a choice of law analysis pursuant to the ICDR rules and the parties’ submissions.” The petitioner also argued that the tribunal’s denial of two of its almost 60 document requests left it unable to present its case and warranted vacating the award. The Court noted that the arbitral tribunal considered that the scope of discovery that it allowed went beyond what is generally the international norm as set out, for example, in the ICDR Guidelines and added that in order to set the arbitral award aside under these standards, the denial of the document request must have amounted to a violation of due process or fundamental fairness. The Court concluded that the “denial of these two document requests did not render the proceedings fundamentally unfair and that the petitioner had expansive access to discovery materials, well in excess of the scope of discovery usually permitted in arbitration.” Abu Dhabi Investment Authority v. Citigroup, Inc., No. 12 Civ. 283(GBD), 2013 WL 789642 [S.D.N.Y. Mar. 4, 2013].
The French law firm, Fidal, and the AAA/ICDR, conducted a survey and interviews on a set of French companies. The survey is part of an ongoing initiative undertaken by the AAA/ICDR with similar surveys and interviews conducted in 2003 and 2006 in the United States. The U.S. surveys received 254 responses from corporate counsel on their use of ADR practices such as mediation and arbitration. The interviews explored best and leading practices in corporate dispute resolution. Significantly, the studies found that companies can be characterized as “dispute-wise” according to their conflict management strategy. Those that reported dispute-wise practices—such as integrating legal staff into corporate business planning, embracing a portfolio approach to conflict management, and relying on arbitration and mediation to resolve disputes—were better at preserving business relationships and keeping their legal costs down.

By comparison, the results of the Dispute-Wise study in France basically revealed that:

- French companies have the same economic interest in using Alternative Dispute Resolution methods as North American companies, notwithstanding the difference in the two countries’ judicial systems.
- French companies that were already practicing mediation affirmed that this dispute resolution method allowed them to save time and money as well as protect the value of the company by preserving its business partnerships.
- Like American companies, French companies favor arbitration in international disputes, and prefer institutional to ad hoc arbitration.

The French survey also revealed five best organizational practices of the legal departments of the most “Dispute-Wise” companies:

- Setting up formal or informal dispute management policies
- Providing ADR training to in-house legal teams
- Establishing a system for monitoring business relationships and contracts
- Adopting a strategic approach to using ADR
- Proactively anticipating the use of ADR

The full report examines the attitudes and practice as well as the latest trends of the French in-house counsel interviewed regarding their conflict management policies and their usage of international arbitration and mediation.

The survey authors are Richard Naimark, Senior Vice President, ICDR – AAA; Mark Appel, Senior Vice President, ICDR – EMEA; and Isabelle Vaugon, Partner, Fidal.

ICDR STATISTICS 2012

In 2012, the ICDR administered 996 international cases involving parties from 92 countries. This expanding geographical diversity reflects the global acceptance of the ICDR’s international administrative system composed of its regional administrative teams, its mediation and arbitration rules and its international panel of arbitrators selected from countries all over the world. In 2012, international construction cases continue to be the leading industry using the ICDR’s dispute resolution services and have been the leading type of dispute filed with the ICDR in five of the last six years. Franchising, hospitality, insurance, employment, technology, financial services, pharmaceuticals, energy and legal round out the top 10 types of industries that filed cases with the ICDR in 2012. The ICDR continued to see an increase in its cases being filed online with 185 cases filed through its Webfile system and experienced an increase in the number of international mediations, reaching 105 cases.
The ICDR has continued to see an increase in the use of its Emergency Arbitrator provision which provides parties with access to an emergency arbitrator at the time of filing and since its inception in 2006 has been adopted by arbitral institutions around the world.

As of this writing there have been 28 Emergency Arbitrator Cases.

- 13 Requests for emergency relief were granted (partially or in full).
- 9 Requests for emergency relief were denied.
- 4 Cases settled.
- 2 Requests were withdrawn or closed administratively.

Average time to decision: 21 days. Emergency Arbitrators were appointed within one business day and were nationals from various countries including Canada, Chile, Brazil, Belgium, Singapore, Switzerland, Republic of South Korea, United Kingdom and the United States.

UPDATE ON IMI

It has been a busy and productive year for IMI, with various developments in the global effort to make mediation mainstream.

The consultation period on the draft IMI Mediation Advocacy Certification criteria ended in April. The Taskforce is now finalizing the criteria for this unique certification, for launch in July 2014: [http://bit.ly/19p8zYz](http://bit.ly/19p8zYz)

IMI conducted an online ADR Users Survey, to which over 75 in-house dispute resolution counsel responded, with interesting results. IMI reports that this was the first time that in-house dispute resolution professionals have been asked for their views on many of the issues raised on such an international scale: [http://bit.ly/17EvTOH](http://bit.ly/17EvTOH)

Mark Appel, Senior VP of AAA/ICDR and IMI Treasurer, has retired from the IMI Board, having been a director since IMI was established in 2007. He has been appointed an Honorary Director. Harold Coleman, Executive Director of Mediation.org, a division of the AAA, has joined the Board. Other new board members include Isabelle Hautot, Chair of the Corporate Counsel International Arbitration Group [ICCIAG]; Kimberly Taylor, Senior VP and COO of JAMS; and Lim Seok Hui, CEO of the Singapore International Arbitration Centre. Deborah Masucci, senior in-house counsel with American International Group - AIG, has been appointed Chair-Elect to the Board.

There are nearly 400 IMI Certified Mediators worldwide, and 27 Qualifying Assessment Programs from 19 countries (three of which are also QAPs for IMI Inter-Cultural Certification). An improved web portal design has been completed and is to be officially launched soon.

ICANN AND THE ICDR

The ICDR is currently managing two separate and distinct programs as a result of being selected by the Internet Corporation for the Assignment of Names and Numbers (ICANN) to provide case administrative services.

The first program is the Independent Review Panel (IRP) provider program. The ICDR was designated in 2006, pursuant to ICANN bylaws, to manage a process to: (i) receive requests from affected parties for independent review of ICANN Board actions or inactions alleged to be inconsistent with ICANN’s Bylaws or Articles of Incorporation; (ii) compare the contested Board actions to the Bylaws or Articles of Incorporation; and (iii) declare whether the Board has acted consistently with the provisions of those Bylaws or Articles of Incorporation. This program is currently being revised by ICANN in conjunction with the ICDR, which may create a set panel to consider these challenges to Board actions.

In 2009, the ICDR was selected to act as a Dispute Resolution Service Provider (DRSP) in ICANN’s New generic Top-Level Domain (gTLD) Program. Within this program, all applications submitted to ICANN for the creation of a new gTLD were publicized, and each of these individual strings could be objected to by a third party with standing. The objections must be based on one of four (4) grounds, one of which is String Confusion, which the ICDR, as a selected DRSP, administers.

Within the program the ICDR constitutes an independent expert to hear and provide their determinations of disputes arising from the objections filed. The process is administered in accordance with ICANN’s new gTLD Dispute Resolution Procedure, which incorporates by reference the ICDR’s International Rules for proceedings. Every applicant for a new gTLD is required to agree expressly to the resolution of disputes arising from objections in accordance with the new gTLD Dispute Resolution Procedure (and, by reference, the relevant ICDR rules) when submitting its application to ICANN. To date 67 objections to gTLD applications have been filed under the String Confusion ground. For further questions regarding this program contact Thomas Ventrone at VentroneT@adr.org.
THE ICDR/AAA SAFE HARBOR PROGRAM INFORMATION

Under the European Union’s [EU] Directive on Data Protection (Directive 95/46/EC) and the Member State laws that implement Directive 95/46/EC, personal data may only be transferred outside of the EU to countries that have been formally recognized by the EU as ensuring “adequate” data protection. The Swiss Federal Act on Data Protection (FADP) includes a similar restriction concerning the transfer of personal data outside of Switzerland.

While the United States, the EU, and Switzerland share the goal of enhancing privacy protection for their citizens, the United States takes a different approach than that taken by the EU and Switzerland, and as a result, the U.S. data protection framework has not been recognized by the EU as one that ensures “adequate” data protection.

One of the requirements of the Safe Harbor Privacy Principles is a readily available and affordable independent recourse mechanism for complaints and disputes of residents of the EU and Switzerland to be investigated and resolved with damages awarded where the applicable law or private sector initiatives so provide.

The ICDR/AAA can be selected as a provider of dispute resolution services to satisfy the independent recourse mechanism of this Safe Harbor program. For further information on the ICDR/AAA Safe Harbor program, please visit the ICDR/AAA Safe Harbor web site (see http://go.adr.org/safeharbor), or contact Luis Martinez at MartinezL@adr.org.

THE ICDR/AAA OPENS STATE-OF-THE-ART HEARING LOCATION IN NEW YORK CITY

The ICDR/AAA has opened its new hearing facility and offices in midtown New York City. The new location has eight hearing rooms that can accommodate six–24 parties and representatives. These rooms are outfitted with the latest video and audio technology allowing parties to present evidence and witnesses in-person and remotely. The larger rooms offer booths for translators and available breakout rooms as needed.

"In designing this location, we wanted to combine substance with style in order to ensure our customers, arbitrators and mediators and others participating in the ADR process can focus on the case at hand and know that their cases are located at the highest quality venue," said India Johnson, AAA’s President and CEO.

“Everything about this location has been done with that goal in mind,” Ms. Johnson explained.

The new space also includes a business center for customers as well as a neutrals’ lounge and a café where snacks, coffee, tea and water are provided at no charge. If you are interested in visiting the new facility, contact Luis Martinez at MartinezL@adr.org. To learn more, please visit http://go.adr.org/midtownNYC.

UPCOMING ICDR EVENTS

The ICDR team has scheduled an extensive calendar of events for the fall. For further information on any of these events, or to register, please visit the ICDR’s web site at www.icdr.org and click on Conferences under the Education and Resources tab.

Visit the ICDR booth at the IBA Annual International Conference, Boston.
October 6-11, 2013
The ICDR is an exhibitor at the IBA in Boston. If you are attending the IBA we invite you to pass by the booth and meet the ICDR team.

The ICDR is cosponsoring the Arbitral Women’s Breakfast meeting at the IBA Annual International Conference, Boston.
October 7, 2013
Visit the ICDR at the ABA International Law Section Meeting, London.
October 15-19, 2013
Visit the ICDR/AAA Booth at the ACC Annual Meeting, Los Angeles.
October 27-30, 2013
November 7, 2013
Fifth Annual ICDR & AMCHAM Joint International Arbitration Conference, Sao Paulo.
November 13, 2013
The International Centre for Dispute Resolution (ICDR), the international division of the American Arbitration Association®
(AAA), and the Arbitration Centre of the American Chamber of Commerce (AMCHAM), São Paulo, present their fifth annual international arbitration conference.

The International Conflict Management Conference brings together in-house counsel, transactional and alternative dispute resolution (ADR) attorneys and a panel of judges to explore the latest trends, legal framework and conflict management options for complex and evolving global commercial transactions.

This panel of international business and ADR experts will discuss recent developments, issues, and cases in speculating on what lies ahead for international business and ADR in today’s climate of global commercial transactions. The program also will focus on particular areas of growth and practical advice on how to avoid potential problems and enhance predictability for international business transactions. The conference is simultaneously translated into Portuguese.

**30th ICDR / AAA / ICC / ICSID International Arbitration Joint Colloquium, Paris.**
December 6th, 2013

ICDR International Arbitrator Symposia – “Best Practices” seminar for the ICDR’s International Arbitrators. This symposium is required to be taken once by arbitrators who are members of its international panel. For information on how to apply to the ICDR’s international panel, please visit the ICDR’s web site at [www.icdr.org](http://www.icdr.org) and click on the Services tab and then the arbitrator and mediators tab.

**Oct. 11 Symposium Boston**
**Dec. 2 Symposium New York**
**Dec. 5 Symposium Paris**

**ICDR YOUNG & INTERNATIONAL**

**What is ICDR Y&I?**

ICDR Young & International (Y&I) is a networking group for arbitration and ADR practitioners under the age of 40. The International Centre for Dispute Resolution (ICDR), the international division of the American Arbitration Association (AAA), established the organization in 2004.

The ICDR Y&I has become a preeminent group for young arbitration practitioners, academics, and government lawyers, to meet, exchange ideas, and learn from peers and more senior ADR practitioners. It has over 2,300 associates from 96 countries and has organized more than 85 education and networking events in more than 35 cities around the world.

The ICDR Y&I operates on both a global and regional basis. It cooperates with other international or regional organizations in Europe, the Middle East, Africa, Asia, and the Americas. The group is currently co-chaired by Nicole Dolenz, Adrián Magallanes, Lucy Martinez, and Noradèle Radjai. The group is also represented by a 17-member Global Advisory Board, established in 2007 to better serve the organization’s geographically diverse membership.

**Call For Applications—ICDR Y&I Executive and Global Advisory Boards**

The current Executive and Global Advisory Boards will end their terms later this year. The ICDR is now accepting applications for all positions on the ICDR Y&I Executive Board and the ICDR Y&I Global Advisory Board.

The Executive Board is the ultimate decision-maker for all ICDR Y&I activities. All operations will continue to be steered by the four members of the Executive Board in close coordination with the ICDR.

To better serve ICDR Y&I’s geographically diverse membership, Global Advisory Board members will have an advisory function in the ICDR Y&I decision-making process with a focus on regional network-building through [1] encouraging membership in ICDR Y&I, [2] raising awareness of ICDR Y&I in the broader arbitration and ADR community, and [3] organizing ICDR Y&I events. The number of Global Advisory Board members and the exact regions are not fixed and will depend, to some extent, on the responses received.
Successful candidates for both the Executive Board and the Global Advisory Board will reflect the diversity of the ICDR Y&I membership. Selections will be made by the ICDR in close consultation with the current ICDR Y&I Executive Board. Appointments are expected to be for a three-year term.

If you are interested in being considered for either Board, please send your curriculum vitae and a short personal statement (no more than one page) setting out your vision of how to ensure the continued growth of ICDR Y&I, including specific initiatives for consideration. All applications should be sent directly to Mandy Sawier at SawierM@adr.org to be received by September 13, 2013. All decisions of the ICDR on Board membership are final and no further correspondence will be entered into.

2013 Programs / Associate Registration

Upcoming programs will take place in Miami (September 11), Moscow (September 26), New York (September 26), Boston (October 6), Paris (November 12), Sao Paulo (November 13), Kiev (November 13), Bahrain (November), London (November), and Paris (December).

ICDR Y&I Associates will be notified of program details via email as soon as they are available. To become an Associate of ICDR Y&I, please contact Mandy Sawier at SawierM@adr.org or visit: www.icdr.org

ICDR Y&I Sponsorship

Sponsorship opportunities are still available for many of our programs. It is an easy, economical way to increase the exposure of your firm to a global audience. If you would like ICDR Y&I program sponsorship information, please contact Mandy Sawier at SawierM@adr.org.

Building Young & International ADR Programs Globally

The ICDR and ICDR Y&I are interested in assisting new, young arbitrator development programs in all areas around the world. If you are interested, please contact Mandy Sawier at SawierM@adr.org for more information.

Membership and ICDR Y&I sponsored events are free of charge. For more information, please contact Mandy Sawier at SawierM@adr.org or visit: www.icdr.org

ICDR WEBPAGE

The ICDR recently created their own stand-alone website at www.icdr.org. Previously visitors would be redirected from the www.icdr.org url to a www.adr.org subpage of the American Arbitration Association’s website. The new ICDR site has several enhancements including a unique design and navigation system tailored to the international dispute resolution community around the world. It features separate pages with translated rules, guides and other content in Arabic, Chinese, French, German, Italian, Portuguese and Spanish. Other information, such as how to file a case, upcoming conferences and drafting information, can also be quickly found. While the new ICDR site can now be accessed directly without having to navigate through the AAA site, there are links for users to go back and forth easily between the two sites.

ICDR SIGNS COOPERATIVE AGREEMENT WITH SEOUL IDRC, KOREA.

The ICDR recently participated in the opening ceremony of Seoul IDRC (The Seoul International Dispute Resolution Center) in Korea. Seoul IDRC will provide the office space and hearing facilities for many major arbitration institutions including the ICDR in Korea. Behind the successful launch of the Seoul IDRC was the joint effort by the Korean Bar Association, Seoul City, Korean Commercial Arbitration Board and the Ministry of Justice.

The ICDR’s presence in Korea after opening its first Asia office at Maxwell Chambers in Singapore in 2009, marks the importance of the Asia market and the role Korea plays as one of the major economic powerhouses in Asia. Not surprisingly, the ICDR’s Asia-related cases (with at least one Asian party) have steadily increased from 134 cases in 2006 to 226 (out of 994 ICDR total filings) in 2011 and 201 (out of 996) in 2012.

The ICDR’s unique approaches such as promoting low-cost mediation in all cases and “list-method” for transparent and party-driven arbitrator selection have been accepted very well in Asia. The ICDR’s presence, along with that of other institutions, in Korea at Seoul IDRC shows the potential growth and promising future for the ADR industry in Korea.
BOOKS

The ICDR is the subject of two new textbooks covering every aspect of its administrative system and rules.

A Guide to the ICDR International Arbitration Rules
By Martin F. Gusy, James M. Hosking and Franz T. Schwarz

“Our goal in writing this book was to provide a desk reference to the ever-increasing global ICDR Rules audience on the Rules’ application in practice. Whether an arbitrator sitting under the ICDR Rules, counsel acting in an ICDR arbitration, or an otherwise interested party, the feedback given to us authors within the first year of its publication points at our Guide’s usefulness for each of them.”

To order, please use the following link: http://bit.ly/1cPtjXX

ICDR Awards and Commentaries
Edited by Grant Hanessian

ICDR Awards and Commentaries, edited by Grant Hanessian (Juris Publications), is the first in a planned series of book-length compilations of ICDR arbitration awards and commentaries. The book includes ICDR awards, commentaries and articles by leading international arbitration authorities and summaries of important judicial decisions concerning international arbitration, including decisions regarding enforcement of ICDR awards outside the United States.

To order, please use the following link: http://bit.ly/1elLARW

ABOUT THE ICDR

In 1996 the AAA created the ICDR as a separate division with separate and distinct international procedures, administration, panels of arbitrators and mediators and advisory assistance. The ICDR is managed by ICDR/AAA Senior Vice President Richard Naimark (NaimarkR@adr.org). The ICDR maintains specialized administrative facilities in New York, where a staff of multi-national, multi-lingual attorneys supervises the administration of international cases only. The ICDR also maintains offices in Mexico City and Singapore, and a partnership, full-service dispute resolution centre in Bahrain (see www.bcdr-aaa.org for further information).

The ICDR staff is organized by geographic regions. Case managers report to case supervisors who are in turn managed by Thomas Ventrone (VentroneT@adr.org), Vice President for Case Management, and Christian P. Alberti (AlbertiC@adr.org), Director for Case Management. Queries regarding case-related issues should be addressed directly to the Case Manager.

Separate senior ICDR staff are responsible for education, ADR systems development and panel development activities around the globe and are available to respond to queries related to designing conflict management policies and drafting arbitration clauses. Our team can be scheduled for on-site presentations regarding the ICDR system and its alternative dispute resolution services at no charge. A current list of ICDR regional senior staff, with their geographic areas of responsibility and contact details, are as follows:

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<thead>
<tr>
<th>ASIA</th>
<th>SOUTH AMERICA, CENTRAL AMERICA AND NORTHEAST USA</th>
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<tbody>
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<th>EUROPE, MIDDLE EAST, AND AFRICA</th>
<th>CANADA, MEXICO, AND USA</th>
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INTERESTED IN THE ICDR’S INTERNATIONAL ARBITRATION REPORTER?

For questions regarding this or previous editions of the ICDR newsletter, or additional information about the ICDR, please contact Luis Martinez, ICDR Vice President, at MartinezL@adr.org.

To register to receive this electronic newsletter, please send an e-mail to Jason Cabrera at CabreraJ@adr.org, requesting to be added to the ICDR International Arbitration Reporter mailing list.