



FEDERAL ARBITRATION, INC.

RULES

FOR

ARBITRATION

AND

MEDIATION

Effective February 23, 2015

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INTRODUCTION

Federal Arbitration, Inc. (FedArb) is a private arbitration and mediation service providing high quality, efficient arbitrations based on party-agreed legal principles in civil disputes of significant complexity. FedArb Rules incorporate the best of federal litigation procedures and protections together with the advantages of arbitration, require respect for mandated deadlines and other measures that ensure efficiency. FedArb's default procedures are those used in the federal courts of the United States, developed over time by expert and experienced judges and practitioners, and familiar to parties and counsel. Parties may, however, vary these procedures as they choose, and arbitrators (and mediators) are required to adhere to party-selected options.

FedArb's Participating Arbitrators and Mediators administer its cases, with the assistance of FedArb personnel. Disputes concerning the FedArb Rules, and enforcement of FedArb standards are entrusted to a Council, modeled on the Judicial Councils in the federal system. The FedArb Council is composed of distinguished former federal judges, with authority under FedArb's contracts with its Participating Arbitrators and Mediators to enforce the FedArb Rules. FedArb has thus far adopted Supplemental Rules in three areas: construction, employment, and patents. We see no need for separate sets of rules on these (and future) areas, since most procedures and principles apply equally to all areas of arbitration and mediation. Further information about FedArb and its objectives is available at www.fedarb.com.

RULE 1 - GENERAL PRINCIPLES

RULE 1.01

By agreeing to arbitrate or mediate under the auspices of FedArb, all parties agree to be bound by and to comply with the FedArb Rules, and to accept and abide by the authority conferred herein upon FedArb, the FedArb Council, and Participating Arbitrators and Mediators. By agreeing to arbitrate or mediate in accordance with the FedArb Rules, parties are presumed to have agreed to arbitrate or mediate under the auspices of FedArb. The FedArb Rules may be amended from time to time by FedArb. While FedArb adopts supplemental rules for specific purposes or substantive fields, those rules are made part of this single set of rules.

RULE 1.02

The purpose of FedArb's activities is to provide parties agreeing to accept FedArb's services with dispute resolution procedures that satisfy all applicable international, federal and state law, including the Federal Arbitration Act and state laws pertaining to arbitration, and that result in the issuance of Awards enforceable through judicial proceedings within the United States and in all other States that are Parties to the New York Convention of 1958 and other applicable international agreements to which the United States is a party. No rule or practice or decision

of FedArb, the FedArb Council, or any Participating Arbitrator shall be construed or applied to conflict with any such applicable, governing law.

RULE 1.03

Subject to all legally required limitations, and consistent with these Rules, the parties to all FedArb proceedings are entitled to choose the place of arbitration, the arbitrator or arbitrators, the applicable law and procedural rules, and all other aspects of the proceedings. FedArb provides a private service, and its governing intent is to satisfy its customers consistent with applicable laws, ethical practices, and the contractual understandings established by these Rules and the contracts for services performed.

RULE 1.04

Unless otherwise agreed by the parties to a proceeding, the Federal Rules of Civil Procedure (FRCP) and the Federal Rules of Evidence (FRE) shall be applied in all FedArb proceedings to the extent their application is consistent with these Rules, and is feasible in the judgment of the Arbitrator or Panel of three Arbitrators (hereinafter “Panel”) appointed to determine disputes. An Arbitrator or Panel may not vary any applicable time limit on any action required of that Arbitrator or Panel, and may not seek any extension of a time period from the parties to an arbitration except through FedArb. Any party may decline any request for extension of time limitations, and such decisions will be conclusive unless an extension is determined to be necessary by FedArb or the FedArb Council in the interests of justice.

RULE 1.05

Where these Rules call for an action to be taken by FedArb, such action may be taken only by the FedArb Case Manager in charge of the matter, or his/her supervisor or other official authorized by FedArb to make such decisions. FedArb policies, including fee schedules and services performed, will be established by FedArb and reviewed by its Board of Directors, acting pursuant to its bylaws and applicable law. FedArb selects Arbitrators and Mediators for both the trial and appellate lists of Participating Arbitrators, and for the list of Participating Mediators, that FedArb maintains.

The Chairman of FedArb's Board of Directors will (subject to the Board's authority) approve the nominations of Participating Arbitrators, and will designate five Participating Arbitrators to act as the FedArb Council. Participating Arbitrators will be eligible to serve as Members of the FedArb Board of Directors, and only Participating Arbitrators will be eligible to serve as Members of the FedArb Council. Service by Participating Arbitrators on the FedArb Board of Directors and/or Council shall be compensated in accordance with contracts between FedArb and such individuals, but such compensation shall not be related to the amount of work performed by them as arbitrators, nor shall they be permitted to participate in any

matter bearing upon a FedArb proceeding in which they are currently serving as arbitrators either at the trial or appellate levels.

RULE 1.06

FedArb fees as defined in Rule 15 will be set in accordance with the FedArb fee schedule or by agreement between FedArb and a party or parties.

RULE 2 - AGREEMENT TO ARBITRATE

RULE 2.01

Parties seeking to arbitrate may do so either in advance in a contract or other written agreement, or after the dispute arises. Any agreement to arbitrate disputes under the FedArb Rules, unless otherwise specified in the agreement to arbitrate, will constitute an agreement to proceed in accordance with these Rules, under FedArb administration, and in accordance with the procedures, practices, and financial terms in effect at the time the dispute is commenced.

RULE 2.02

Parties wishing to agree in advance to arbitrate disputes that may arise between them under the FedArb Rules with FedArb administration may do so by including the following language in their written agreements (or other language to the same effect):

“The Parties to this contract agree that all disputes arising out of or in connection with, or in the application of, any of its provisions shall be fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration.”

RULE 2.03

Parties wishing to agree to arbitrate any dispute that has already arisen between them under the FedArb Rules and with FedArb administration may do so in writing by using the following language (or other language to the same effect):

“The Parties to this agreement acknowledge that the dispute described below has arisen between them and they agree to have the dispute, and all issues related to it, fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration.”

RULE 2.04

Parties agreeing to have disputes determined under FedArb administration should attempt to agree in advance on the following questions, among others: place of arbitration; applicable law; number of arbitrators and their qualifications and

method of selection; whether the Arbitrator or Panel shall determine arbitrability; and whether to reserve the right to an appeal as provided in Rule 12, below.

RULE 3 - COMMENCEMENT OF ARBITRATION

RULE 3.01

A party or parties may initiate an arbitration by submitting to FedArb a Notice of Arbitration which shall include the following:

- (a) the full names, descriptions, and addresses of the parties;
- (b) a brief description of the facts giving rise to the dispute;
- (c) the relief sought;
- (d) a request that the dispute be resolved by arbitration under the auspices of FedArb;
- (e) identification of the agreement pursuant to which arbitration is demanded, with a copy of the relevant portions of such agreement attached to each copy of the Notice of Arbitration;
- (f) a statement of Claimant's position as to the place of arbitration and the applicable law and the reasons therefore;
- (g) the fee for initiating an arbitration required by the fee schedule in effect at the time of the filing; and
- (h) such other relevant information as the party or parties giving notice deem necessary.

RULE 3.02

Upon determining that a Claimant has satisfied all the requirements for commencing an arbitration under these rules, including payment of the required deposit, FedArb will send a copy of the Notice of Arbitration to the Respondent or Respondents named therein.

RULE 3.03

An arbitration proceeding shall be deemed to commence upon the execution by the parties and FedArb of an agreement to arbitrate under the auspices of FedArb, or in the case of a demand to arbitrate, when FedArb receives a Notice of Arbitration.

RULE 3.04

Within twenty (20) days from receipt of a Notice of Arbitration, the Respondent or Respondents named therein shall file with FedArb an Answer containing the following information:

- (a) Respondent's full name, description, and address;
- (b) A statement of Respondent's position with regard to the claims advanced in the Notice of Arbitration, including the arbitrability of such claims;
- (c) A statement of Respondent's position with regard to the place of arbitration and the applicable law, and the reasons therefor;
- (d) Any Notice of Counterclaim or Responsive Pleading that Respondent wishes to file, which shall include the information required for the filing of a Notice of Arbitration; and
- (e) The filing fee required by the fee schedule in effect at the time any counterclaim is filed.

RULE 3.05

Upon determining that a Respondent has satisfied all the requirements under these Rules for filing an Answer, or an Answer and Counterclaim and/or Responsive Pleading, FedArb shall send a copy of the Answer, and any Counterclaim and/or Responsive Pleading, to the Claimant or Claimants named therein. Claimants may file a Reply to the Answer, or to the Answer and Counterclaim and/or Responsive Pleading, within 20 days of its service.

RULE 3.06

Service of process under these Rules shall be deemed to have been made, and notice thereby given, when the document at issue is served in accordance with the FRCP. Service of process shall be considered complete when a document is sent in writing by registered mail, courier, facsimile transmission, telex, telegram, email, electronic communication, or any other means of communication that results in a reliable record of the sending, or actual notice. Notices shall be sent to the address or electronic address specified by the recipient in writing or by electronic communication, or when no address is specified to the business or residence address of the recipient.

RULE 3.07

All time periods referred to in these Rules shall commence as of the time service of process would be complete under the FRCP.

RULE 3.08

A party may amend or supplement a claim, counterclaim, or defense to the extent allowed by the FRCP and applicable law, except that no amendment shall be allowed that would fall outside the scope of the agreement to arbitrate unless agreed to by all parties.

RULE 3.09

Parties to a FedArb proceeding may use the FedArb secure website in conducting the arbitration, unless otherwise agreed with FedArb.

RULE 4 - JURISDICTION OF THE ARBITRATION PANEL**RULE 4.01**

If any party raises an issue concerning the existence, validity, or scope of the arbitration agreement, FedArb will allow the arbitration to proceed, without prejudice to the admissibility or merits of the issues, if the FedArb Arbitrator or Panel is satisfied that a prima facie case exists that the parties have agreed to arbitrate the dispute. If the FedArb Arbitrator or Panel concludes that no prima facie case of an agreement to arbitrate exists, the parties shall be notified that the arbitration cannot proceed, without prejudice to the right of any party to present the matter at its own expense to the FedArb Council for authoritative review, or to apply to a court having jurisdiction to determine whether the dispute is subject to an agreement to arbitrate.

RULE 4.02

If any party fails to take part in an arbitration proceeding commenced under these Rules, at any stage, the arbitration shall proceed notwithstanding such failure so long as sufficient funds are provided by the participating party or parties to cover all the costs, expenses and fees of the proceeding.

RULE 4.03

A valid agreement to arbitrate will confer jurisdiction upon FedArb to process the dispute to final resolution under its Rules, regardless of any claim that the underlying contract is invalid. The Arbitrator or Panel appointed in such cases shall determine the rights of the parties, including the validity of the underlying contract, unless otherwise specified by the parties.

RULE 4.04

An agreement to have all or part of any dispute handled in the form of a class action, or a judicial order to that effect, shall be sufficient to confer jurisdiction on any FedArb Arbitrator or Panel to handle the matter in the manner requested by the parties, subject to state or federal law. Where no such agreement exists, or where class action procedures are precluded by the parties to an agreement,

FedArb Arbitrators and Panels shall consider themselves as lacking jurisdiction to apply class action procedures in the absence of an authoritative judicial ruling requiring or authorizing otherwise. Except to the extent modified by the parties, class actions will be handled by FedArb Arbitrators or Panels in the same manner as they are handled under FRCP 23, including certification, notice, and settlement. The obligation of confidentiality will be modified during this process to the extent necessary for class action procedures to be properly implemented under the circumstances; the parties may maintain as high a level of confidentiality of such proceedings as they consider desirable, consistent with applicable law. The costs of class action certification, notice, and other related procedures will be treated in the same manner as they are by U.S. federal courts under the FRCP, and all anticipated charges shall be collected by FedArb in advance of an Arbitrator or Panel permitting each stage of such processes to commence. Consolidation of claims shall be permitted only where agreed to or authorized by all parties, and in accordance with FRCP standards and applicable federal or state law. The parties shall be free to agree on limitations on the fees to be paid class-action counsel, or counsel in consolidated proceedings, beyond lodestar levels calculated on the basis of actual work performed.

RULE 5 – REPRESENTATION

RULE 5.01

Each party may be represented or assisted in any FedArb proceeding or appeal by persons of the party's choice.

RULE 5.02

Each party shall notify all other parties and FedArb in writing of the name, address, and function of each person it chooses as a representative or assistant.

RULE 5.03

Every representative or assistant of a party, by accepting such assignment, agrees to comply with the FedArb Rules and all applicable legal and ethical requirements for representatives and assistants in arbitrations or mediations.

RULE 6 - SELECTION OF ARBITRATORS

RULE 6.01

Arbitrations under the FedArb Rules shall be decided by a sole Arbitrator, or where agreed by the parties, by a Panel of three arbitrators, selected in the manner provided by these Rules from FedArb's list of Participating Arbitrators. A party or parties may nominate as an arbitrator in a FedArb proceeding any person who agrees to become a Participating Arbitrator. FedArb may permit any qualified person to act as an arbitrator in a FedArb administered proceeding on an ad hoc basis.

RULE 6.02

The parties shall attempt to agree on an Arbitrator or Panel of three arbitrators in the following manner:

- (a) Where a single Arbitrator is to be selected, the parties will have twenty days from the time an Answer or an Answer and Counterclaim and/or Responsive Pleading is filed to agree on any Participating Arbitrator or other qualified person to hear and decide their claims.
- (b) Where a Panel is to be selected, the party or parties on each side of the dispute shall each designate an Arbitrator within twenty days from the time an Answer or an Answer and Counterclaim and/or Responsive Pleading is filed to serve as a neutral, party-appointed Arbitrator; the parties shall thereafter attempt to agree on a third Arbitrator during the next twenty days to serve as Chair, or shall authorize the party-appointed neutral arbitrators to do so.
- (c) In the event the parties to an arbitration cannot agree on a single Arbitrator, or on the third member of a Panel, within the time required or otherwise agreed, the Arbitrator or third Panel member shall be selected by FedArb or the FedArb Council within twenty days from the time it is notified of the parties' inability to agree from among Participating Arbitrators eligible for appointment, taking into account the views of the parties with regard to particular qualifications or experience.
- (d) Upon the request or agreement of all the parties to a dispute, FedArb will administer a process by which the parties collectively select the Arbitrator, the Chair of the Panel, or all three members of the Panel.

RULE 6.03

Where multiple parties are involved in a matter, the multiple Claimants, and/or multiple Respondents, shall jointly propose or reject arbitrators. In the event that multiple Claimants or Respondents are unable to agree on the choice or acceptability of arbitrators within the applicable time periods, FedArb shall attempt for a period no longer than ten days to arrange a method acceptable to them, failing which the FedArb Council will act on behalf of such parties.

RULE 6.04

A party to a FedArb proceeding may consult unilaterally in advance with any potential Arbitrator to ascertain the individual's qualifications and availability to serve as a party-appointed Arbitrator in the matter. A party may also consult with its party-appointed Arbitrator to discuss the selection of the Chair of an arbitration Panel. All communications allowed under this Rule shall be strictly restricted to

discussions of suitability and availability, and to a general description of the controversy and the issues presented. No substantive discussion of the merits of the issues is permitted in such exchanges. No party may contact, directly or indirectly, an individual the party or the parties wish to consider appointing as sole Arbitrator or as Chair of an Arbitration Panel or as a member of an Appellate Panel; FedArb will undertake all necessary contacts with such individuals at the request of one or more of the parties.

RULE 7 - ARBITRATOR ETHICS AND CONDUCT

RULE 7.01

Each person appointed to act as an Arbitrator in a proceeding or an appeal under these Rules must be, and must remain throughout the arbitration or appeal, independent of the parties involved, and must act impartially on all issues.

RULE 7.02

Before accepting appointment as an Arbitrator in any matter under the FedArb Rules, each person shall sign the FedArb Statement of Independence, and shall disclose in writing to the parties any facts or circumstances of such a nature as reasonably to call into question the person's independence or impartiality. A party shall have ten days from receipt of the written disclosure to object to the nominee's appointment as an Arbitrator. Objections must be in writing, filed with FedArb, and served on the other parties, and must state the evidence and/or reasons upon which the objection is based.

The failure of a party to object to the appointment of an Arbitrator based on any facts or circumstances known to the objecting party within ten days of the party's having known or learned of such facts or circumstances will be conclusively considered to be an acceptance by that party of the Arbitrator involved as independent and impartial.

RULE 7.03

If an Arbitrator appointed under the FedArb Rules learns of any facts or circumstances during an arbitration or an appeal conducted under these Rules, which a prospective Arbitrator would be required to disclose before appointment, the Arbitrator shall immediately upon learning of such facts or circumstances disclose them in writing to FedArb and the parties. A party may object for cause to an Arbitrator on the basis of such disclosure, or upon the discovery at any time during the proceeding of facts or circumstances warranting disqualification of the Arbitrator, in the manner provided by these Rules.

RULE 7.04

Persons serving as FedArb Arbitrators must agree to abide by the standards of conduct applicable to judges serving in the federal courts of the United States, except with regard to compulsory, non-case-related disclosure of financial

interests. The parties to a proceeding shall disclose to all prospective arbitrators the companies and other persons or organizations having an interest in the outcome, including counsel. A person selected to serve as an Arbitrator must reveal in writing to FedArb and the parties any interest he/she has in, or relationship with, any of the entities or persons disclosed.

RULE 7.05

If a challenged Arbitrator voluntarily resigns, a replacement will be selected as soon as practicable in the same manner by which appointments are made under the FedArb Rules.

RULE 7.06

If a challenged Arbitrator declines to resign, the FedArb Council will determine as expeditiously as possible whether the Arbitrator should be disqualified, on the basis of such submissions and proceedings as the FedArb Council considers necessary. FedArb shall inform the parties and the Arbitrator of the Council's decision on challenges in writing no later than ten days after all evidence and argument on such matter is submitted, which decision shall be final and not appealable within FedArb or to any court, except to the extent required by controlling law.

RULE 7.07

In the event a proceeding is delayed, or is authoritatively determined to have been invalid, due to an ethical violation by an Arbitrator or any FedArb official, the sole and exclusive remedy for such delay or invalidity will be to require FedArb to provide arbitration services at its own expense that offset any delay in processing the matter.

RULE 7.08

An Arbitrator or Panel may suggest that the parties to a proceeding explore settlement, but may not do so repeatedly and may not insist upon such discussions. All exchanges between parties concerning mediation shall be confidential, and shall be subject to the FRE provisions governing settlement discussions. Any request by a party or parties for assistance in exploring settlement and/or the appointment of a mediator shall be made to FedArb, and not to an Arbitrator or Panel serving in the matter. FedArb personnel will attempt to assist the party or parties in securing mediation services on separate terms.

RULE 8 – VACANCIES

RULE 8.01

A vacancy resulting from resignation, incapacity, death, or challenge of an Arbitrator shall be promptly filled under the same rules by which appointments are originally made.

RULE 8.02

As soon as a vacancy is filled, the proceeding shall continue to the extent practicable from the point it had reached at the time the vacancy occurred. Any party may, however, request that reconsideration or rehearing of any issue or issues is necessary for good cause. In that event, the Arbitrator or Panel will determine within 10 days of such request whether and to what extent reconsideration or rehearing is necessary to ensure a full and fair hearing.

RULE 9 - CHALLENGES TO JURISDICTION

RULE 9.01

Any challenge to the jurisdiction of FedArb over a matter, other than challenges based on governing law that are not subject to waiver, shall be made no later than the filing of an Answer or Reply to Counterclaim and/or Responsive Pleading.

RULE 9.02

The Arbitrator or Panel appointed to decide matters in which jurisdictional objections are raised shall hear and determine all timely challenges to jurisdiction, as well as to the existence, validity, or scope of the arbitration clause of the contract or other agreement invoked as the basis for jurisdiction. For purposes of deciding jurisdiction, the arbitration clause shall be considered separable from any contract of which it forms a part.

RULE 10 - CONDUCT OF PROCEEDINGS

RULE 10.01

No party to a FedArb arbitration, and no witness or representative of or assistant to any party, shall have any ex parte communication with any Arbitrator serving in that proceeding with respect to any matter related to the proceeding.

RULE 10.02

Unless the parties otherwise agree, the place of arbitration shall be fixed by the Arbitrator or Panel. The Award shall be deemed made at the agreed or designated place of arbitration, though hearings or meetings, including conferences via telecommunications or the Internet, and the signing of the final Award, may take place wherever convenient.

RULE 10.03

All arbitrations supervised by FedArb will be conducted in English. In the event the parties desire that an arbitration be conducted in a foreign language but under FedArb Rules and administration, arrangements must be made with FedArb on separate terms for the necessary translations or other services associated with such a proceeding.

RULE 10.04

Unless all the parties otherwise agree, all papers, exchanges, hearings, and decisions in any FedArb proceeding shall be and shall remain confidential, except to the extent that the information has been previously disclosed, or disclosure is necessary in connection with a judicial challenge to or enforcement of an Award, or disclosure is required by law.

RULE 10.05

Within ten days of appointment to a dispute, the Arbitrator or Panel shall confer with the parties and establish a schedule for the conduct of the proceeding, consistent with the FRCP, except as varied by the parties.

RULE 10.06

The Arbitrator or Panel shall closely supervise discovery, and if necessary may appoint an Arbitration Master for that purpose, on terms acceptable to the parties and FedArb. Arbitration Masters must be approved as qualified by FedArb before being appointed to a matter, and must be acceptable to the parties. An Arbitration Master shall have authority to convene the parties, to hear discovery disputes and pre-trial motions, and to recommend to the Arbitrator or Panel the resolution of such disputes or motions in writing. The parties shall receive notice of and shall be permitted to monitor all exchanges between an Arbitration Master and the Arbitrator or Panel appointed to decide the matter.

RULE 10.07

The Arbitrator or Panel will decide any motion submitted by the parties no later than thirty days after submission, and will decide the merits of proceedings within thirty days of the closing of the record in the case, which shall not be delayed beyond the filing of the final post trial brief and any argument that is sought and agreed to by the parties. The parties, or the Arbitrator or Panel with FedArb's approval, may determine that a motion or other request for a ruling is so complex as to require a greater time period for adjudication. The parties may vary any deadline. However, no Arbitrator or Panel may seek an extension of any deadline from the parties directly, but may do so only through the FedArb Case Manager or other FedArb personnel. FedArb will authorize extensions of time only upon the consent of all parties to the arbitration. In the event one or more parties refuse to agree to a requested extension of time that FedArb considers necessary and appropriate, FedArb may seek the extension from the FedArb Council within the applicable deadline. Upon such an application, the FedArb Council may grant the extension requested, despite the objection of one or more parties, only if the Council finds an extension is in the interests of justice, and only to the extent necessary under the circumstances.

RULE 10.08

Unless otherwise agreed by the parties, the Arbitrator or Panel shall have all the authorities available to judges of the federal courts of the United States in connection with the management of the prehearing process and the hearing, including the authority to issue preliminary injunctions and other forms of interim measures, and to consider and decide motions to dismiss and for summary judgment, subject to jurisdictional or other limitations imposed by the parties.

RULE 10.09

The Arbitrator or Panel shall have the powers to sanction the parties and counsel that are conferred upon the federal courts by the FRCP, including FRCP Rule 11, unless modified by the parties. Any party or attorney upon whom a sanction is imposed may seek review of its legal propriety by the FedArb Council within 10 days of its imposition. The FedArb Council will review the legal propriety of the sanction in accordance with applicable law, and issue its decision within 10 days of the filing of all papers related to the request for review. The FedArb Council's decision will be final and not appealable within FedArb or to any court, except to the extent required by law.

RULE 10.10

The Arbitrator or Panel may issue orders or make arrangements to extend special protection for the confidentiality of proprietary information, trade secrets, or other sensitive information disclosed in discovery or otherwise.

RULE 11 - THE AWARD**RULE 11.01**

The Award shall be in writing and shall describe the relief, if any, granted to the parties, and the decisions on the issues presented. The Parties to any arbitration under the FedArb Rules agree that, upon application of any party, judgment shall be entered upon the Award by any court having jurisdiction to do so. Unless the parties agree otherwise, the Arbitrator or Panel shall also issue an opinion in writing that may be incorporated into the Award by reference, and that should include the findings, reasons, and conclusions upon which the Award is based. The Award shall state the date upon which it is made, which will be considered the date signed by the Arbitrator or the last of the Arbitrators if issued by a Panel. The Award shall also state the place of the arbitration, though that need not be the place at which the Award is signed.

RULE 11.02

The Award shall be signed by the Arbitrator, or if issued by a Panel shall be signed by at least two of the three Arbitrators on the Panel. Awards issued by a Panel may be accompanied by a dissenting opinion, which may be filed with or after the filing of the Award, but which shall not constitute part of the Award.

RULE 11.03

Draft copies of the proposed Award shall be provided to FedArb through the FedArb Case Manager for review within thirty days of the closing of the record in a case, unless an extension of time is agreed by the parties or granted by FedArb or the FedArb Council, subject to the limitations provided in Rules 1.04 and 10.07. FedArb shall review the Award and suggest any changes that may be necessary or desirable as to its form. The Award shall be returned to the Arbitrator or Panel with FedArb's recommendations within five working days of receipt by FedArb of the draft. Executed copies of the Award shall thereafter be delivered by the Arbitrator or Panel to FedArb, which shall send them to the parties after all amounts due for FedArb services, arbitrator compensation, and expenses have been received by FedArb.

RULE 11.04

Within ten days of receipt of the Award, or of the discovery within one year of the Award of facts necessary to ascertain errors in the Award, any party may request the Arbitrator or Panel or FedArb Case Manager to correct any ministerial errors in the Award, such as typographical or computational mistakes. Any dispute concerning the propriety of any correction to an Award shall be presented to the original Arbitrator or Panel for final decision, or if they are unavailable, to the FedArb Council. The parties to FedArb proceedings agree that FedArb and its appointed Arbitrators shall have continuing jurisdiction to correct ministerial errors in Awards, and to perform such other tasks as they may be required or permitted to perform under governing law.

RULE 12 - ARBITRATION APPEALS**RULE 12.01**

The parties to an arbitration under the FedArb Rules may agree at any time to an appeal under the FedArb Rules. Where such agreement has been reached, a party may commence an appeal from the Award of an Arbitrator or Panel by filing with FedArb a timely notice of appeal in accordance with the Federal Rules of Appellate Procedure (FRAP). The FRAP and applicable law shall govern the FedArb appellate process unless the Appellate Panel appointed to decide the appeal determines the FRAP cannot practically be applied in a particular situation, or all the parties agree on another rule. The FedArb system shall provide for interlocutory appeals or actions in the form of mandamus or other special reviews in the same circumstances as they are allowed within the federal system or when specifically agreed to by the parties to a particular proceeding.

RULE 12.02

The Appellate Panel shall be chosen from the FedArb list of Participating Arbitrators in the same manner provided in these Rules for the selection of Arbitrators or Panels.

RULE 12.03

The Appellate Panel shall, within ten days of being formed, establish time periods for the filing of briefs by the Appellant and Respondent, and for oral argument, consistent with any schedule agreed to by the parties. If the parties cannot agree on a schedule for briefing and oral argument, the Appellate Panel's schedule shall provide for the filing of all briefs within ninety days of its scheduling order. Appeals will be decided in an opinion issued no later than thirty days after oral argument, or after the final brief submitted, whichever is later.

RULE 12.04

The Appellate Panel may approve the Award issued by the Arbitrator or Panel, or may correct any aspect of the Award that would be within the power of a U.S. Court of Appeals to correct. Unless otherwise agreed, errors of law will be subject to correction to the same extent as in the federal courts of the U.S., and findings of fact will be subject to correction when found to be clearly erroneous. The Appellate Panel may instruct the Arbitrator or Panel as to corrections that should be made in the original Award, if any, or as to further proceedings that are necessary on remand.

RULE 12.05

The Arbitrator or Panel shall implement the instructions of the Appellate Panel as soon as practicable after the issuance of the appellate decision, but unless otherwise agreed by the parties in not more than thirty days thereafter. An Award issued pursuant to such instructions shall be submitted to FedArb for its approval as to matters of form, and shall become final as soon as it is issued in the form approved by FedArb. FedArb shall provide the Award to the parties only after receipt by FedArb of all amounts due for fees and services. Further appeals may be taken within the FedArb system, in the same manner as are allowed in the U.S. courts, or as agreed by the parties, until the Award becomes final.

RULE 13 - FAILURE TO COMPLY AND DEFAULT**RULE 13.01**

If a party fails to comply with any order of an Arbitrator, Panel, Appellate Panel, or the FedArb Council, the entity making the order may fix a period for compliance not to exceed seven days, and thereafter in the event of noncompliance shall impose appropriate remedies, including costs, attorneys' fees, and/or an Award on default. Absent good cause, a party that fails to comply with any order issued pursuant to these Rules agrees to pay and shall be required to pay all the costs, fees, and damages caused by its failure to comply.

RULE 13.02

Prior to the entry of an Award based on noncompliance or default, the Arbitrator, Panel, or Appellate Panel having jurisdiction shall require the non-defaulting party

or parties to support their contentions by producing relevant evidence and legal argument, and shall award such relief as is warranted by all the circumstances. The process provided for in this rule shall take no more than 90 days from the determination of noncompliance or default, unless otherwise agreed by the non-defaulting parties.

RULE 14 – IMMUNITY

RULE 14.01

Unless otherwise mandated by governing law, Participating Arbitrators, FedArb and its personnel, and its Board of Directors and Council, shall have the same immunity on account of acts or omissions related to FedArb proceedings and appeals that the law provides to federal judges of the United States and their administrative personnel.

RULE 14.02

No immunity shall be afforded to any individual with regard to his/her deliberate and knowing misconduct.

RULE 15 – FEES, COSTS, & EXPENSES

RULE 15.01

FedArb's fees, costs, and expenses for arbitrations and arbitration appeals shall be based upon these Rules and/or other agreements between FedArb and the parties. Costs shall include the filing fee, fees of Participating Arbitrators, Mediators and Masters, FedArb administrative fees, and reimbursable expenses incurred by Participating Arbitrators, Mediators, Masters and FedArb.

RULE 15.02

FedArb will allocate the administrative costs of a proceeding among the parties thereto in accordance with any agreement of the parties, or otherwise in the manner required by these Rules, the FRCP, and applicable law.

RULE 15.03

To the extent the allocation of costs and/or fees is necessary, the Arbitrator or Panel shall determine the costs, expenses and attorneys' fees incurred by the parties. Tribunal costs and/or expenses shall include costs and/or expenses associated with discovery, hearings, and appeals, including expert, reporter, and rental fees, travel expenses, and all other costs and/or expenses recoverable in federal proceedings. Attorneys' fees shall include such amounts incurred by parties as reasonable and necessary fees for attorneys in connection with the proceeding.

RULE 15.04

Tribunal costs, expenses, and attorneys' fees shall be allocated in accordance with any applicable agreement of the parties. To the extent the parties provide that costs, expenses or fees shall be allocated to the prevailing party, the Arbitrator or Panel shall allocate all such costs, expenses and fees they determine to have been properly incurred against the losing party (or in appropriate proportion based on the outcome of all the issues considered), or as agreed by the parties. The Arbitrator or Panel shall allocate such costs, expenses and fees by exercising discretion according to the standards and practices followed in the U.S. federal courts on such issues. In the event the parties fail to specify how the costs, expenses and/or fees shall be allocated, each party shall bear its own costs, expenses and fees.

RULE 15.05

Filing Fee. FedArb will charge a filing fee in accordance with its *Arbitration Price Schedule*. The filing fee is nonrefundable after an Arbitrator or Mediator is appointed, unless otherwise stated in the FedArb contract.

RULE 15.06

Administration Fee. FedArb will charge an administration fee in accordance with its *Arbitration Price Schedule*, unless otherwise stated in the FedArb contract.

RULE 15.07

Arbitrator Fees & Expenses. The fees of Participating Arbitrators shall be based upon the hourly rate set by each Participating Arbitrator. Fee information will be available to the parties before the arbitrators are selected for possible appointment. The parties will be deemed to have accepted responsibility for the fees of the Participating Arbitrators appointed to serve in their matters, at the rates specified by them, unless some other rate is agreed. Participating Arbitrators may, unless otherwise agreed with FedArb or the parties, charge for all the hours they reasonably spend in connection with matters in which they are appointed to serve, including hours at hearings, during conferences, reading materials filed, doing research, writing decisions, and the actual time spent traveling to and from hearings. They shall maintain and supply FedArb, and if requested, the parties, with an account of the hours billed, describing generally the work performed on each day for which hours are recorded.

The parties shall also be responsible for the expenses reasonably incurred by Participating Arbitrators, including travel (at business class fares for all trips in excess of 500 miles), hotel bills and meals. Participating Arbitrators shall supply proof of expenses to FedArb, and to the parties if requested. FedArb will collect the bills for fees and expenses of Participating Arbitrators, shall review them for compliance with this Rule, shall collect the funds required from the parties, and shall disburse the funds to the arbitrators involved. This Rule is also applicable to

the fees and expenses of Mediators, Masters and other personnel whom the parties in a matter agree may be retained.

RULE 15.08

Fees for Special Services. FedArb may assist parties in obtaining special supplementary services. Special services include, for example, arranging for video teleconferencing, meeting rooms, reporting, assistance in enforcing Awards, and providing digital processing and communications of arbitral proceedings and administration. These and other special services will be provided on terms and conditions agreed between the parties and FedArb. Where a matter is submitted to the FedArb Council, FedArb will in general allocate costs and fees to a party or parties seeking or causing such review.

RULE 15.09

Collection of Fees and Expenses. FedArb may, in the event any party fails to pay any fees and/or expenses in a timely manner, suspend proceedings in the matter involved, or withhold the issuance of an Award, until all amounts due have been paid or adequately secured. If any party fails to pay its share of charges due, another party may do so. In such cases, the Award shall be modified to give full credit for the amount paid on behalf of the defaulting party, with interest from the time of payment, calculated at LIBOR plus 3%, compounded on a monthly basis. Additional charges for late payments may be assessed as per contract agreements with FedArb.

RULE 15.10

Deposits. The parties shall at the time of filing a case or within 30 days of the filing of an Answer, submit to FedArb an initial deposit calculated to cover the costs, fees, and administrative expenses expected to be incurred in the course of the arbitration or mediation, or such amount as FedArb and the parties agree is sufficient for an initial deposit. FedArb will charge and the parties will pay such additional amounts as FedArb concludes will be necessary to cover all such costs at any later stage in the proceeding. Parties pursuing an appeal within the FedArb system will be required to make deposits to cover the costs of the appeal.

RULE 16 – EXPEDITED DISPOSITION

RULE 16.01

Parties to any arbitration may seek to agree with FedArb on the terms of an expedited disposition. In the event a matter is filed for processing under the auspices of FedArb, pursuant to the terms of an agreement by which the parties and FedArb arrange for an expedited disposition, FedArb's obligation to perform will depend on the parties' compliance with the terms to which they agree.

RULE 16.02

The FedArb Rules will apply to all proceedings held before an Arbitrator, Panel, or Appellate Panel pursuant to an agreement for expedited disposition, except as expressly or implicitly modified by the agreement's terms. The fees for an expedited disposition shall be agreed in advance and paid in accordance with the agreement.

RULE 16.03

Any dispute related to or arising from an agreement for an expedited disposition shall be presented to the FedArb Council for final disposition on an expedited basis, with filings to be complete within ten days of the declaration by a party that a dispute exists that cannot otherwise be resolved. The decision of the FedArb Council shall be issued within ten days thereafter, unless otherwise agreed, and shall be final.

Rule 16.04

The sole remedy for a failure of performance by a party or parties, or by FedArb, of an agreement for expedited disposition shall be:

- (a) if the failure of performance is by a party or parties, the remedy shall be payment of the costs of arbitration and other services improperly caused to be provided beyond those originally agreed; and
- (b) if the failure of performance is by FedArb, or its Participating Arbitrators or Mediators, the remedy shall be the provision without charge of such additional services as are found to be required by the agreement in order to complete the arbitration.

RULE 17 – FIXED PRICE ARBITRATION™**Rule 17.01**

Parties seeking FedArb services may obtain agreement on both the cost and duration of the arbitration process by entering into an agreement for Fixed Price Arbitration™. This service is provided by FedArb on a case-by-case basis, or by contract for groups of similar cases.

Rule 17.02

Each Fixed Price Arbitration™ Contract entered into between parties and FedArb will specify the payment to be made, the date upon which the Award is due, and the services to be provided, including: number of arbitrators; names of arbitrators where chosen; place of arbitration and services or facilities to be provided by FedArb; pre-hearing activities covered by the agreement; number of hearing days required; post-hearing activities covered by the agreement, including form of Award and/or findings to be issued; and cost of appeal if utilized.

Rule 17.03

Alterations sought by the parties in the schedule established in a Fixed Price Arbitration™ contract, or in the services to be provided by FedArb pursuant to such contract, will be permitted as requested for additional charges agreed upon between the Parties and FedArb. Any alteration in schedule or change in services must be in writing to be considered enforceable in the event of any dispute.

Rule 17.04

Refunds on Fixed Price Arbitration™ contracts that are not completed due to settlement or other change brought about by the parties will not be made, unless the parties and FedArb otherwise agree.

Rule 17.05

Any dispute related to or arising from an agreement for Fixed Price Arbitration™ shall be presented to the FedArb Council for final disposition on an expedited basis, with filings to be complete within ten days of the declaration by a party that a dispute exists that cannot otherwise be resolved, and the decision of the FedArb Council to be issued within ten days thereafter, unless otherwise agreed, and shall be final.

RULE 18 - MEDIATION SERVICES**RULE 18.01**

FedArb provides parties with the services of experienced mediators from its list of Participating Mediators, or as recommended to FedArb by the parties and included on that list. Mediators will be selected by agreement of all the parties, or designated by FedArb with the consent of all the parties.

Rule 18.02

FedArb Rules for Mediation. FedArb mediations will be conducted in accordance with the ethical rules for mediators promulgated by applicable law, ethical codes, and by FedArb, including requirements concerning disclosure and actual or apparent conflict. Mediations shall be conducted for the purpose of securing genuinely consensual settlement in accordance with the procedural rules applicable to arbitrations except that, unless otherwise agreed:

- mediations will be conducted by a single Mediator acceptable to the parties;
- each party will pay its own fees and expenses, and the parties will share equally the common expenses, including those of FedArb; and
- Mediators may consider and utilize appropriately all relevant information conveyed to them by the parties regardless of admissibility of such information as evidence.

Rule 18.03

Supplemental Mediation. Parties to FedArb arbitration contracts may utilize mediation services at any point in the arbitral process, and thereafter. The parties to a FedArb arbitration should inform the Arbitrator or Panel hearing their proceeding in the event that they plan simultaneously or intermittently to engage in mediation. The Arbitrator or Panel may not participate in any manner or to any extent in the mediation process without a written request signed by all the parties, and approved by FedArb, seeking the Arbitrator's or Panel's participation, specifying the scope of such involvement, and confirming that such involvement will not prevent the Arbitrator or Panel from completing the arbitration in accordance with the FedArb Rules and/or any agreement between the parties and FedArb.

Rule 18.04

Effect of Mediated Settlements during Arbitration. Parties who engage in mediation during the course of a FedArb arbitration shall inform the Arbitrator or Panel conducting the arbitration of any partial or complete settlement reached by or among any of the parties. The Arbitrator or Panel shall implement any such settlement in accordance with its terms, and shall continue conducting the arbitration with regard to issues not settled by the parties. Parties who reach partial or complete settlements through mediation may obtain from the Arbitrator or Panel a partial or final Award incorporating the terms of the settlement.

Rule 18.05

Mediation Fees. FedArb's fees, costs, and expenses for mediations shall be based upon the *FedArb Mediation Price Schedule* and/or other agreements between FedArb and the parties. Costs shall include the filing fee, fees of Participating Mediators, the FedArb administrative fee, and reimbursable expenses incurred by Participating Mediators and FedArb, unless otherwise stated in the FedArb contract.

Rule 18.06

Mediation Deposits. The parties shall, at the time of filing an agreement to mediate, submit to FedArb an initial deposit calculated to cover the costs, fees, and administrative expenses expected to be incurred in the course of the mediation, or such amount as FedArb and the parties agree is sufficient for an initial deposit. FedArb will charge, and the parties will pay, such additional amounts as FedArb concludes will be necessary to cover all such costs at any later stage in the proceeding. Additional charges for late payments may be assessed as per contract agreements with FedArb.

RULE 19 – CONSTRUCTION ARBITRATION**Rule 19.01**

Unless otherwise agreed by the parties, this Rule supplements all other FedArb Rules, and will apply to any dispute concerning the alleged violation of any agreement or duty related to construction activities. Dispute resolution in construction takes many informal forms, including on-site participation of neutral experts and highly informal, non-binding expert intervention. FedArb is prepared to assist parties in developing plans that include such activities. These rules, however, and FedArb's established processes are designed to satisfy the need for mediation and arbitration of relatively sizable and intractable controversies. In the case of any inconsistency between these Supplemental Rules and other FedArb Rules, these Supplemental Rules shall control.

Rule 19.02

Parties wishing to agree in advance to arbitrate disputes that may arise between them under the FedArb Rules, including the Supplemental Rules on Construction Arbitration, with FedArb administration, may do so by including the following language in their written agreements (or other language to the same effect):

“The Parties to this contract agree that all disputes arising out of or in connection with, or in the application of, any of its provisions shall be fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration, including its Supplemental Rules on Construction Arbitration.”

Rule 19.03

Parties wishing to agree to arbitrate any dispute that has already arisen between them under the FedArb Rules, including the Supplemental Rules on Construction Arbitration, and with FedArb administration, may do so in writing by using the following language (or other language to the same effect):

“The Parties to this agreement acknowledge that the dispute described below has arisen between them and they agree to have the dispute, and all issues related to it, fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration including its Supplemental Rules on Construction Arbitration.”

Rule 19.04

FedArb shall maintain a list of qualified Construction Arbitrators and Mediators, from among whom parties may choose to make appointments. In the event FedArb or the FedArb Council is required to prepare lists of, or to appoint, Arbitrators or Mediators in a construction arbitration, they will do so from such list.

Rule 19.05

Parties to a FedArb administered Construction Arbitration may choose to have a Mediator present at any time during the entire course of the arbitration process in order to identify and facilitate the resolution of any part or aspect of the dispute being arbitrated. Mediations during such arbitrations shall be kept separate from the arbitration process and the tribunal shall take no part in such activities absent a waiver of any related rights by all parties, in writing, permitting any member of the tribunal to take part without prejudice to being permitted to complete the arbitration. The tribunal shall continue its activities during a mediation undertaken while the arbitration is in progress, unless all the parties agree to a suspension of the arbitration process.

Rule 19.06

Parties and tribunals in Construction Arbitration should consolidate all disputes related to the same construction project, or involving the same parties or identical issues, before the same tribunal, unless consolidation would fail to enhance efficiency or would significantly delay one or more such proceedings.

Rule 19.07

Parties to a FedArb Construction Arbitration must file all their existing disputes related to the same construction project before the same tribunal absent a showing of good cause.

Rule 19.08

Tribunals in FedArb Construction Arbitrations shall have the following powers, unless all the parties provide otherwise:

- To repeal or revise orders related to consolidation issues;
- To manage consolidated cases jointly on some issues and separately on others, as fairness and efficiency warrant;
- To appoint experts, including assessors, to conduct site visits, to order testing, and to take measures to preserve evidence, with notice to the parties, input from them, and full disclosure and participation by them in such activities; and
- To adjust the pace and order of specific claims in order to minimize disruption of ongoing construction activities.

Rule 19.09

In addition to the full range of remedial powers vested in FedArb tribunals under these Rules, Construction arbitrators shall have authority to grant preliminary relief, upon request and a proper showing and after affording a reasonable opportunity of parties to respond, in the form of payments due to contractors or subcontractors of amounts that the tribunal concludes are not materially in dispute. The tribunal

shall retain power to adjust the amounts awarded as preliminary relief in its final Award.

Rule 19.10

Tribunals in FedArb Construction Arbitration may issue preliminary indications of the contents of their intended Award in order to minimize any delays in work, and to provide the reasons for their conclusions thereafter, within the time the Final Award is due.

Rule 19.11

Tribunals in FedArb Construction Arbitration may order as part of their Award the completion of work, or other forms of specific performance, if they determine that monetary relief is an inadequate substitute. The tribunal may continue in force to supervise the completion of such work only with the consent and approval of all parties that would be responsible for paying the costs of such supervision. The tribunal may recommend a person or company to perform and/or supervise such work, on specified terms, and such recommendation and terms would become binding on the parties if they fail to agree on another candidate or terms for the work to be performed.

RULE 20 – EMPLOYMENT ARBITRATION**Rule 20.01**

Unless otherwise agreed by the parties, these Employment Arbitration Rules supplement all other FedArb Rules, and will apply to any Qualifying Agreement to arbitrate a dispute concerning the alleged violation of any employment agreement or of any employment-related duty based on such an agreement or on a federal, state or local statute or legal requirement, other than disputes required by law to be resolved by other means, such as workmen's compensation, unemployment insurance, and securities industry claims. A Qualifying Agreement to arbitrate an employment dispute shall be one that meets the mandatory requirements of the FedArb Rules and of applicable federal and state laws; FedArb reserves the right to decline to administer agreements to arbitrate that FedArb concludes fail to meet any such requirement. In the case of any inconsistency between the Supplemental Employment Arbitration Rules and other FedArb Rules, the Supplemental Rules shall control.

Rule 20.02

Parties wishing to agree in advance to arbitrate disputes that may arise between them under the FedArb Rules, including the Supplemental Rules on Employment Arbitration, with FedArb administration, may do so by including the following language in their written agreements (or other language to the same effect):

“The Parties to this contract agree that all disputes arising out of or in connection with, or in the application of, any of its provisions shall

be fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration, including its Supplemental Rules on Employment Arbitration.”

Rule 20.03

Parties wishing to agree to arbitrate any dispute that has already arisen between them under the FedArb Rules, including the Supplemental Rules on Employment Arbitration, and with FedArb administration may do so by using the following language in a writing (or other language to the same effect):

“The Parties to this agreement acknowledge that the dispute described below has arisen between them and they agree to have the dispute, and all issues related to it, fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration including its Supplemental Rules on Employment Arbitration.”

Rule 20.04

FedArb shall maintain a list of qualified Employment Arbitrators and Mediators, from among whom parties may choose to make appointments. In the event FedArb or the FedArb Council is required to prepare lists of, or to appoint, Arbitrators or Mediators in an Employment arbitration, they will do so from such list.

Rule 20.05

To constitute a Qualifying Agreement to arbitrate Employment disputes, the administration of which FedArb would be prepared to undertake, the agreement must not include any provision that renders the arbitration contemplated fundamentally unfair. The parties should be guided in this regard by the following principles related to critical stages of arbitration proceedings: time limitations on claims should be no more restrictive than those applied in analogous federal and state proceedings; each party should be free to choose any representative prepared to comply with the tribunal’s rulings; the process for appointing Employment Arbitrators or Mediators should be designed to choose persons likely to make fair decisions based on the evidence and applicable rules; each party should be allowed sufficient discovery to permit a reasonable opportunity to establish any legally sufficient claim or defense; each party must be accorded a fair opportunity to present its evidence and legal arguments; and Awards must be equally enforceable against any participating party. Fee shifting requirements in such agreements must comply with applicable law.

Rule 20.06

Parties to agreements to arbitrate or mediate Employment disputes under FedArb administration are encouraged to adopt the following measures:

- the costs and fees incurred in such arbitrations and mediations should be borne by the employer to the extent possible, especially in matters initiated by the employer;
- the parties should minimize such costs in all appropriate ways, including the use of single-arbitrator tribunals;
- the parties should consider permitting class actions and the consolidation of claims in appropriate cases to facilitate the efficient disposition of similar claims and defenses on the basis of agreements based on consent and that limit the costs of such processes, including the fees of class counsel;
- the place of arbitration and hearing should be convenient to both parties, and should normally be the place of the employee's work;
- the employee should have access to his/her personnel records kept in the ordinary course of business;
- both parties should normally be required to advance all their claims against each other in a single proceeding;
- each party should have access to all the documentary evidence the other plans to introduce no less than thirty days before the hearing.

Rule 20.07

Unless both parties agree otherwise, the form of Award in Employment Arbitrations shall be a reasoned decision, and shall be final and not subject to appeal other than as provided by law.

RULE 21 – PATENT ARBITRATION

Rule 21.01

Unless otherwise agreed by the parties, these Rules supplement all other FedArb Rules, and will apply to any dispute concerning the alleged infringement or validity of a patent issued in the United States or by any foreign government. In the case of any inconsistency between this Supplemental Rule and other FedArb Rules, this Supplemental Rule shall control. Patent arbitrations include claims of patent interference, and claims of innocent infringement of semiconductor chip products, as authorized by 35 U.S.C. 135 and 17 U.S.C. 907, or any other law of the United States.

Rule 21.02

Parties wishing to agree in advance to arbitrate disputes that may arise between them under the FedArb Rules, including the Supplemental Rules on Patent

Arbitration, with FedArb administration, may do so by including the following language in their written agreements (or other language to the same effect):

“The Parties to this contract agree that all disputes arising out of or in connection with, or in the application of, any of its provisions shall be fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration, including its Supplemental Rules on Patent Arbitration.”

Rule 21.03

Parties wishing to agree to arbitrate any dispute that has already arisen between them under the FedArb Rules, including the Supplemental Rules on Patent Arbitration, and with FedArb administration, may do so in writing by using the following language (or other language to the same effect):

“The Parties to this agreement acknowledge that the dispute described below has arisen between them and they agree to have the dispute, and all issues related to it, fully and finally resolved through arbitration under the administration of Federal Arbitration, Inc. and in accordance with its Rules for Arbitration including its Supplemental Rules on Patent Arbitration.”

Rule 21.04

FedArb shall maintain a list of qualified Patent Arbitrators and Mediators, from among whom parties may choose to make appointments. In the event FedArb or the FedArb Council is required to prepare lists of, or to appoint, Arbitrators or Mediators in a patent arbitration, they will do so from such list.

Rule 21.05

The parties should consider adopting specific discovery requirements that reflect the well established parameters of discovery needs and practices in patent arbitration, including: disclosure by the Claimant of all infringement claims, identifying the patents and claims at issue, and providing file histories, claim charts, and all documents on which the claimant plans to rely; and disclosure by the Respondent of all patents and claims reflecting prior art claimed to render the claims asserted as anticipated, obvious, or invalid for any other reason, and all documents on which the Respondent plans to rely.

Rule 21.06

Parties and Arbitrators in Patent Arbitrations may take into account the flexibility afforded them by the absence of juries. Among the measures that could be adopted are, for example, utilizing the claim construction process as a method for educating the Arbitrator or Panel to relevant technical details, and for clarifying the issues prior to permitting discovery beyond the initial disclosures required by the

FRCP or by party agreement; treating the Arbitrator's or Panel's consideration of expert testimony as satisfying, without any separate hearing, the requirement that such testimony be scientifically credible to warrant consideration, and by agreeing that such consideration will be deemed to satisfy the requirements of FAA, Section 10.

Rule 21.07

The Arbitrator or Panel shall have authority, when they consider it necessary, to retain at the parties' expense an independent expert to assist in evaluating technical or scientific issues on which the parties' experts disagree. The independent expert's terms of reference shall be determined by the Arbitrator or Panel, after notice to and input from the parties. The independent expert will report to the Arbitrator or Panel in writing, and the parties will be afforded an opportunity to introduce evidence or present argument on the contents of the expert's reports. The parties will be permitted to witness and to participate in any oral exchanges between the independent expert and the Arbitrator or Panel.

Rule 21.08

FedArb administered Awards in Patent Arbitrations must comply with applicable law, including 35 U.S.C. 294 and 35 C.F.R. 1.335. The Tribunal must consider all defenses provided for under 9 U.S.C. 282. In accordance with applicable law, such Awards (including patent validity and infringement determinations) shall be final and binding between the parties, but shall have no force or effect on any other person. The parties may agree that the Award will be modified if the patent that is the subject of the arbitration is subsequently determined to be invalid or unenforceable. Notice of any patent-related Award must be given to the Director of the Office of the Commissioner of Patents and Trademarks in accordance with 35 U.S.C. 294(d & e) before the Award may be enforced.

Rule 21.09

In light of the potential impact of the claim construction process on the scope and results of the claims presented, the parties may agree to allow either party to take an interlocutory appeal to a FedArb Appellate Panel concerning the merits of any claim construction made, in addition to the appeal provided for in Rule 12.

Rule 1 - General Principles	Rule 2 - Agreement to Arbitrate	Rule 3 - Commencement of Arbitration	Rule 4 - Agreement to Arbitrate
Rule 5 - Representation	Rule 6 - Selection of Arbitrators	Rule 7 - Arbitrator Ethics and Conduct	Rule 8 - Vacancies
Rule 9 - Challenges to Jurisdiction	Rule 10 - Conduct of Proceedings	Rule 11 – The Award	Rule 12 - Arbitration Appeals
Rule 13 - Failure to Comply and Default	Rule 14 - Immunity	Rule 15 - Costs, Expenses and Attorney's Fees	Rule 16 – Expedited Disposition
Rule 17 – Fixed Price Arbitration™	Rule 18 – Mediation Services	Rule 19 – Construction Arbitration	Rule 20 – Employment Arbitration
Rule 21 – Patent Arbitration			