

TABLE OF CONTENTS

I. AN INTRODUCTION TO INTERNATIONAL ARBITRATION AND OTHER ADR METHODS

(Annette Keilmann)

1. Talking about arbitration requires knowledge of some terms	8
2. Cooperative negotiating is not “friendlier” than competitive negotiating	12
3. Mediation is a well-established method for solving economic disputes	14
4. Dispute adjudication boards are a viable option for major projects	16
5. Adjudication is usually linked to international arbitration	18
6. International arbitration is neither amicable nor non-binding	20
7. Arbitration does not take place in a legal vacuum	22
8. Mediation and international arbitration can be intertwined	24
9. Money laundering, bribery and corruption cases pose ethical challenges in arbitration	26
10. International arbitration offers significant advantages	28

II. THE ARBITRATION AGREEMENT

(Tobias Höfling)

1. No arbitration without consent to arbitrate	32
2. Objective arbitrability – not every kind of dispute can be submitted to arbitration	34
3. In dubio pro arbitrare? – Consent is a grey area	36
4. Don’t reinvent the wheel (or don’t draft, just copy)	38
5. Institutional arbitration is preferable to ad hoc arbitration	40
6. Choosing a good arbitration institution is important	42
7. Multi-tier clauses – arbitration might only be the last resort	44
8. Complex transactions require complex precautions – multi-contract and multi-party situations	46
9. Terminating a contract leaves the arbitration clause unaffected	48
10. Arbitration agreements in standard terms may be void or subject to specific legal requirements for validity	50

III. THE ARBITRAL TRIBUNAL

(Max Oehm)

1. Disputes may be referred to sole arbitrators or to tribunals	54
2. The end does not justify the means (or the importance of following the appointment procedure)	56
3. An appointing authority can be important for the performance of the arbitration agreement	58
4. Your best friend might not be your best arbitrator	60
5. Justice must not only be done, but be seen to be done	62
6. Challenge an arbitrator only if absolutely necessary	64
7. Appointment of arbitrators in multi-party disputes is difficult at best	66
8. “Because I say so!” – Arbitrators have great discretion in running the proceedings	68
9. The liability of arbitrators is usually limited	70
10. Emergency arbitrator: sometimes a ruling is required before the arbitration starts	72

IV. THE ARBITRAL PROCEEDINGS

(Heiko Haller)

1. There are seven common steps in arbitral proceedings	76
2. The terms of reference provide a guiding hand	78
3. Bifurcating proceedings can save costs for the parties	80
4. Written submissions have to comply with formal and material requirements	82
5. Objections to the jurisdiction have to be raised quickly	84
6. Set-off defenses are admissible in arbitral proceedings if the underlying claim is covered by the arbitration agreement.	86
7. Culture has an impact – the “Americanization” of proceedings	88
8. The seat of arbitration is paramount to the success of the proceedings, but hearings can be held elsewhere	90
9. Opening statements can make a difference	92
10. Confidentiality should not be assumed	94

V. TAKING OF EVIDENCE

(Ragnar Harbst)

1. Parties and tribunals often rely on the IBA Rules on the Taking of Evidence in International Arbitration	98
2. Document production can be a blessing and a curse	100
3. Document production in practice – the Redfern Schedule	102
4. Direct testimony is often replaced by witness statements	104
5. Cross-examination is the standard	106
6. Re-examination is not always advisable	108
7. Familiarizing and preparing the witness: there are ethical and legal limitations	110
8. Golden rules for the witness during cross-examination	112
9. There are different ways of producing expert witness evidence . . .	114
10. Witness conferencing – expert witnesses might find themselves in the hot tub	116

VI. PSYCHOLOGY IN INTERNATIONAL ARBITRATION

(Jörg Risse)

1. The three secrets of success: organization, organization, organization	120
2. Arbitration is a marathon, not a sprint competition	122
3. Choosing the right counsel – experience in arbitration makes the difference	124
4. Guerilla tactics in international arbitration: not all is fair in love and war	126
5. Presentation is key: how structuring submissions and evidence can influence the tribunal	128
6. The psychology of persuasion – a winning strategy should consider how the human brain works	130
7. The 30/70 rule makes complete winning difficult	132
8. Culture affects arbitral proceedings	134
9. There exist rules to be observed when arbitrators are trying to facilitate settlement	136
10. Calderbank offers can encourage settlement	138

VII. INTERIM MEASURES AND OTHER INTERACTIONS BETWEEN COURTS AND THE ARBITRAL TRIBUNAL

(Maximilian Sattler)

1. Arbitral tribunals have jurisdiction to decide on interim measures during the proceedings	142
2. Enforceability of interim measures ordered by an arbitral tribunal depends on domestic procedural law	144
3. Arbitration does not bar recourse to courts for interim measures	146
4. Anti-arbitration injunctions are rare – but some jurisdictions still allow them	148
5. Anti-suit injunctions are increasingly recognized in several jurisdictions	150
6. Some jurisdictions allow for court review of the validity of the arbitration agreement prior to commencement of proceedings	152
7. State courts have an important say in challenge proceedings	154
8. State courts may be relied on to assist with the production of evidence for arbitral proceedings	156
9. State courts may determine non-arbitrable preliminary claims	158
10. The tribunal may issue interim awards, partial awards and a final award	160

VIII. AWARDS AND ENFORCEMENT IN DOMESTIC COURTS

(Gerrit Niehoff)

1. Finality of the award is more definite than a domestic court judgement	164
2. Grounds for challenging an award are usually very limited	166
3. Invalidity of the arbitration agreement is a reason for challenging an award	168
4. Violation of the right to be heard is a reason for challenging an award	170
5. Excess of jurisdiction or non-compliance with the procedure are reasons for challenging an award	172
6. Vacated award is a reason for non-enforceability	174
7. Violation of public policy is a reason for challenging an award	176
8. “Manifest disregard of the law” is usually no reason for challenging an award	178
9. Enforcement proceedings require careful preparation	180
10. The procedures for challenging and enforcing an award depend on domestic law	182

IX. COSTS AND DAMAGES IN INTERNATIONAL ARBITRATION

(Markus Altenkirch)

1. Arbitration is expensive	186
2. The means to force the other party to pay the advance on costs are limited	188
3. Cost allocation usually follows the final award	190
4. All costs are (usually) recoverable	192
5. In-house counsel costs may be recoverable	194
6. Security for costs is difficult to obtain	196
7. Third-party funding is available in international arbitration	198
8. Punitive damages are generally not awarded in international arbitration	200
9. In many jurisdictions the award may not establish penalties in case of non-performance	202
10. Defaulting on the obligation to arbitrate can be sanctioned	204

X. AN INTRODUCTION TO INVESTMENT ARBITRATION

(Jürgen Schramke)

1. Rescuing sunk investments – BITs can open the door to arbitration against a state	208
2. (Estranged) siblings: there are differences and similarities between international commercial arbitration and investment arbitration	210
3. The consent to arbitrate treaty claims – the first part is already there	212
4. Many investors enjoy protection under BITs ... and the opportunity for treaty shopping	214
5. Numerous kinds of investments are protected	216
6. The investor may choose the forum, but must be aware of the fork in the road	218
7. Recognition and enforcement of ICSID awards is relatively easy ..	220
8. No expropriation without compensation!	222
9. The state has to accord fair and equitable treatment to the investment	224
10. Contractual rights can be protected under the “umbrella” of investment treaties	226