

Table of Contents

About Wolters Kluwer Law & Business.....	iii
About the Author	v
Foreword.....	vii
Preface	ix
Acknowledgements.....	xi
Abbreviations.....	xiii
Chapter 1 Introduction and Overview.....	1
¶1-010 Overview of the Origins of Modern Mediation	1
¶1-011 The Modern Phase of Mediation.....	1
¶1-020 Getting to Yes	3
¶1-030 The Development of Mediation in the United States.....	3
¶1-040 International Development of Mediation.....	4
¶1-041 Australia	4
¶1-042 United Kingdom (UK)	5
¶1-043 The Woolf Reforms.....	5
¶1-044 Lord Woolf, Access to Justice Report, 1995.....	5
¶1-045 Europe	6
¶1-050 Foundations of Modern Mediation Practice.....	6
¶1-051 Definitions of Mediation	6
¶1-052 Some Key Concepts	7
¶1-053 Confidentiality.....	7
¶1-054 Neutrality.....	9
¶1-055 Voluntary.....	10
¶1-056 Non-binding	11
¶1-057 Impartiality	11
¶1-058 Flexibility	11
¶1-059 Informality.....	11
¶1-060 Some Key Benefits	12
¶1-061 Party Control	12
¶1-062 Speed	13

¶1-070 Models of Mediation.....	14
Chapter 2 Negotiation.....	19
¶2-010 How People Behave in Conflict.....	19
¶2-011 The Beginning of Conflict.....	19
¶2-012 Causes of Conflict.....	20
¶2-013 Modes of Handling Conflict.....	22
¶2-014 What are the Different Ways in which People Respond?.....	22
¶2-020 Positions, Interests and Needs.....	26
¶2-021 Needs.....	26
¶2-022 Inner Dimensions of Conflict.....	27
¶2-023 Interests.....	29
¶2-030 Ways to Address Conflict.....	30
¶2-031 Comparisons.....	30
¶2-032 Distributive and Integrative.....	31
¶2-033 Positional Negotiation.....	32
¶2-040 Integrative or Principled Negotiation.....	33
¶2-041 BATNA (Best Alternative to a Negotiated Agreement).....	34
¶2-042 ZOPA (Zone of Possible Agreement).....	34
¶2-043 Identifying the ZOPA.....	35
¶2-044 Principled Negotiation.....	35
¶2-050 Claiming and Creating Value.....	37
¶2-051 How to Create Value.....	37
¶2-052 How to Claim Value.....	37
¶2-053 The Negotiator's Dilemma.....	37
Chapter 3 Negotiating with Chinese.....	39
¶3-010 Inter-Cultural Communication.....	40
¶3-011 Complexity of Inter-cultural Negotiation.....	41
¶3-020 Chinese – Western Inter-cultural Business Negotiations.....	42
¶3-021 Stereotyping.....	43
¶3-030 Chinese Negotiation Cultural Underpinning.....	43

¶3-040 The Legal System and Politics.....	44
¶3-050 Hofstede's Dimensions of National Cultures.....	45
¶3-051 Power Distance.....	45
¶3-052 Uncertainty Avoidance.....	45
¶3-053 Individualism.....	46
¶3-054 Masculinity.....	46
¶3-055 Long-term Orientation.....	46
¶3-060 China Power Distance.....	46
¶3-061 China Masculinity.....	47
¶3-062 China Uncertainty Avoidance.....	47
¶3-063 China Long Term Orientation.....	47
¶3-064 China Individualism and Collectivism.....	47
¶3-070 Identification.....	48
¶3-080 High Context and Low Context Cultures.....	50
¶3-090 Friendship.....	51
¶3-100 Trust.....	52
¶3-110 Guanxi 关系.....	52
¶3-120 Renqing 人情.....	53
¶3-130 Rang 让.....	53
¶3-140 Face.....	54
¶3-141 Face Theory.....	55
¶3-150 Deductive and Inductive.....	56
¶3-160 Decision Making.....	56
¶3-170 Risk.....	57
¶3-180 Contract.....	58
¶3-190 Continuous Negotiation.....	59
¶3-200 Overview of Different Perspectives in Dealing with a Dispute between Chinese and Western Parties.....	60
¶3-201 Relationships.....	60
¶3-202 Time.....	61
¶3-203 Venue – Hometown Advantage.....	62
¶3-204 Hospitality.....	62
¶3-205 The Negotiating Team.....	63
¶3-206 The Team.....	63

¶3-207	Negotiators	64
¶3-208	Language and Interpreters	64
¶3-209	Inscrutable Chinese	65
¶3-210	Age	66
¶3-211	Patience	66
¶3-212	Stratagems	66
¶3-213	Changing Negotiators	68
¶3-220	Overseas Chinese	68
¶3-230	Dealing with Cross Cultural Factors	69
¶3-240	Differences between Western Facilitative Model and Chinese Mediation Practice	70
¶3-250	Conclusion	72
Chapter 4 The Mediation Process		75
¶4-010	Why the Mediation Process Works	75
¶4-020	The Logistics of the Mediation Process	76
¶4-021	The Gatekeepers	77
¶4-022	Venue	77
¶4-023	Mediator Selection	78
¶4-030	What to Look for when Choosing a Mediator	78
¶4-031	Training	78
¶4-032	Experience	78
¶4-033	Reputation	79
¶4-034	Language	79
¶4-035	Subject Matter Expertise	79
¶4-036	Lawyer or Non-lawyer	79
¶4-037	Culture	80
¶4-038	Impartiality	80
¶4-039	Availability	80
¶4-040	Mediator Style	80
¶4-041	Codes of Conduct	81
¶4-042	Professional Indemnity Insurance	81
¶4-050	Personal Attributes	81
¶4-051	Good People Skills	82
¶4-052	Likes Working with People	82

¶4-053	Patience	82
¶4-054	Detachment	82
¶4-055	A Sense of Humour	82
¶4-056	Tolerant of Other Cultures	82
¶4-057	Good Listening Skills	83
¶4-058	Empathetic	83
¶4-059	Persistence	83
¶4-060	Self-effacing	83
¶4-070	Sources of Information about Mediators	84
¶4-071	Mediator Fees	84
¶4-072	Document Exchange	84
¶4-073	The Agreement to Mediate	85
¶4-080	The Stages of Mediation	86
¶4-081	Pre-mediation Contact	87
¶4-082	Setting up the Mediation	89
¶4-083	Beginning of the Mediation Day	89
¶4-084	Greeting the Arriving Parties	90
¶4-085	The First Joint Session of the Mediation	90
¶4-086	First Impressions and Tone of the Mediator's Opening	91
¶4-087	Opening Statement Checklist	91
¶4-088	Parties' Opening Statements	94
¶4-089	Agenda Setting	95
¶4-090	Use of the Flipchart or Whiteboard	95
¶4-091	Ending of the Joint Session	95
¶4-092	Private Sessions (Sometimes Referred to as Caucusing)	96
¶4-093	Using Joint and Private Meetings	98
¶4-094	The Negotiation Stage	100
¶4-095	Settlement Concluding Stage	105
¶4-100	Where Settlement is not Reached	109
Chapter 5 Mediator Skills		111
¶5-010	Skills Used by a Mediator	111
¶5-020	Communication Skills	112

¶5-021	Non-verbal Communication	112
¶5-022	Proxemics or Spatial Relationships	113
¶5-030	Listening Skills	115
¶5-031	Empathatic Listening.....	115
¶5-032	Active Listening	116
¶5-033	Objectives of Active Listening in Mediation	116
¶5-034	The Listening Process	117
¶5-035	Barriers to Listening.....	117
¶5-036	Common Problems with Listening.....	117
¶5-037	Different Skills in Active Listening	118
¶5-040	Questioning.....	121
¶5-041	Closed Questions.....	122
¶5-042	Open Questions	122
¶5-043	Hypothetical Questions	123
¶5-044	Unhelpful Types of Questions.....	123
¶5-050	Emotional Skills.....	124
¶5-060	Cross Cultural Skills	126
¶5-061	Why does Culture Affect the Mediation Process?	127
¶5-062	Cross Cultural Mediation Case Study	127
Chapter 6 Lawyers and the Mediation Process.....		131
¶6-010	The Mediation Process from the Lawyer's Perspective	131
¶6-020	Lawyers and Mediation.....	131
¶6-021	Role of the Lawyer	132
¶6-030	What to Mediate.....	132
¶6-031	Suitability for Mediation	133
¶6-032	What Cases not Suitable for Mediation.....	134
¶6-033	Timing	135
¶6-040	How to Initiate the Mediation?	136
¶6-050	Mediation Agreement	137
¶6-060	Choosing a Mediator.....	138
¶6-061	Sources of Mediators.....	140
¶6-062	Sources of Information about Mediators.....	140

¶6-070	Using a Service Provider	140
¶6-080	Further Guidance on Mediator Selection	141
¶6-090	Venue.....	142
¶6-100	Time Allocated to Mediation	144
¶6-110	Mediator Fees	144
¶6-120	Preparation Lawyer	144
¶6-121	Decision Tree Analysis	145
¶6-122	Early Case Assessment.....	147
¶6-123	Early Case Assessment Framework	148
¶6-124	Choice of Process.....	148
¶6-125	BATNA and "Bottom Lines"	149
¶6-130	Documentation.....	149
¶6-131	Documentation Suggested for Mediation Case Summaries and Bundle of Documents	150
¶6-132	Content of Case Summary.....	151
¶6-133	Other Considerations.....	151
¶6-134	Bundle of Documents.....	152
¶6-135	Other Issues.....	152
¶6-136	Translation.....	152
¶6-137	Simplified Chinese Characters	153
¶6-138	Traditional Chinese Characters	153
¶6-140	Preparation with Client	154
¶6-141	Client Education by Explaining Mediation	154
¶6-150	Pre Mediation Contact with Mediator.....	155
¶6-160	Preparing for the Mediation Day	155
¶6-170	Lawyers' Attendance at Mediation.....	156
¶6-171	Role of Chinese Lawyers	156
¶6-180	Authority.....	158
¶6-190	Preparing the Team for Mediation.....	158
¶6-200	Mediation Procedure Flow Chart.....	159
¶6-210	The Hour Glass	161
¶6-220	Lawyers and Mediators.....	161

Chapter 7 International Picture: USA, UK and European Union	163
¶7-010 The United States.....	163
¶7-011 Mediation in the US Courts.....	163
¶7-012 Private Commercial Mediation.....	164
¶7-013 The Uniform Mediation Act (The UMA).....	165
¶7-014 Mediation Organisations.....	166
¶7-020 The United Kingdom.....	168
¶7-021 Access to Justice Report.....	168
¶7-022 Civil Procedure Rules 1998.....	169
¶7-023 The Court of Appeal's Decision in <i>Dunnett v Railtrack 2002</i>	170
¶7-024 <i>Dunnett Case Facts</i>	170
¶7-025 <i>Halsey v Milton Keynes</i>	171
¶7-030 Recent UK Cases in Regard to Mediation.....	174
¶7-031 <i>Faidi v Elliot Corporation</i>	174
¶7-032 <i>Wright v Wright</i>	174
¶7-040 Mediation in the UK Courts.....	175
¶7-050 Court of Appeal Mediation Scheme (CAMS).....	175
¶7-051 Introduction to CAMS.....	175
¶7-052 Referral of Non-pilot and Pilot Cases to CAMS.....	176
¶7-053 The Normal CAMS Process.....	176
¶7-054 Litigants in Person.....	177
¶7-055 Detailed Scope of the Pilot Cases.....	178
¶7-056 Voluntarily Opting to Use CAMS.....	178
¶7-057 Declining Mediation: Costs Implications and Exclusion from CAMS.....	178
¶7-058 Fees for CAMS Mediations.....	179
¶7-059 Cancellation of CAMS Mediation.....	179
¶7-060 Extra Hours at the Mediation.....	180
¶7-061 Cases of High Value or Complexity.....	180
¶7-062 Litigants in Person (LiPs) and LawWorks.....	180
¶7-070 The UK Civil Mediation Council (CMC).....	180
¶7-071 The CMC's Accreditation Scheme.....	181

¶7-072 The CMC's Purpose.....	181
¶7-080 The Department of Constitutional Affairs (DCA) and the National Mediation Helpline.....	183
¶7-081 National Mediation Helpline.....	183
¶7-082 A Typical Case Study.....	184
¶7-083 The Jackson Report.....	184
¶7-084 Extract from the Executive Summary.....	185
¶7-090 Current Status of Commercial Mediation in the UK.....	186
¶7-091 The Mediation Marketplace.....	186
¶7-092 The Mediators.....	187
¶7-093 Mediators' Practices.....	188
¶7-094 Mediation Organisations in the UK.....	188
¶7-100 Europe.....	189
¶7-101 The EU Mediation Practice Directive.....	189
¶7-102 Implementation of the Directive in UK Practice.....	192
¶7-110 International Chamber of Commerce (ICC).....	193
¶7-120 European Mediation Scene.....	194
Chapter 8 Current Landscape of Dispute Resolution in Greater China	195
¶8-010 Mediation in China Historical Background.....	195
¶8-011 Confucianism.....	195
¶8-012 Taoism.....	195
¶8-013 A Traditional Mediation.....	197
¶8-014 Confucian Model of Dispute Resolution.....	198
¶8-020 Modern Era for Mediation in Greater China.....	199
¶8-021 Litigation.....	200
¶8-030 Current Mediation Practice in China: Mediation in China Today.....	201
¶8-031 Mediation System in China.....	202
¶8-032 New Civil Procedure Law (CPL).....	206
¶8-033 Judicial Recognition of Mediation Settlement.....	206
¶8-034 Enforcement.....	206

¶8-035	Institutional Mediation in China.....	207
¶8-040	Med-Arb or Arb-Med during Arbitration Proceedings.....	207
¶8-050	Mediation during Litigation Proceedings	209
¶8-060	Seeking a “Harmonious Society”.....	210
¶8-070	Chinese Mediators	211
¶8-080	Mediation Organisations in China	212
¶8-081	CCPIT/CCOIC (China Council for the Promotion of International Trade) Mediation Centre Beijing.....	212
¶8-082	China International Economic and Trade Arbitration Commission (CIETAC)	214
¶8-083	The Beijing Arbitration Commission	215
¶8-084	Shanghai	215
¶8-085	Shanghai Insurance Association.....	216
¶8-090	Stand-alone Facilitative Commercial Mediation in China.....	216
¶8-091	Current Support for Stand-alone Mediation in China.....	217
¶8-100	Hong Kong.....	217
¶8-101	Hong Kong’s Legal System	217
¶8-102	The Basic Law.....	217
¶8-110	Mediation in Hong Kong	218
¶8-111	Why has It been So Important to Hong Kong to Develop Mediation?.....	218
¶8-112	A Rich History	219
¶8-113	International Synergies.....	219
¶8-114	Development of Mediation in Hong Kong.....	220
¶8-115	Underlying Objectives.....	221
¶8-116	The Mediation Practice Direction 31	222
¶8-117	Mediation Procedure – Practice Direction (PD31).....	223
¶8-118	Mediation Certificate.....	223
¶8-119	Mediation Notice.....	223
¶8-120	Mediation Response	224
¶8-121	Mediation Minute	224

¶8-122	Directions by the Court	224
¶8-123	Stay of Legal Proceedings.....	224
¶8-124	Adverse Costs Order for Unreasonable Failure to Mediate.....	225
¶8-125	iRiver Case	226
¶8-126	The Court of Appeal’s Observations on Mediation	226
¶8-130	Civil Justice Reforms.....	227
¶8-140	New Hong Kong Mediation Bill.....	227
¶8-141	The Mediation Bill	228
¶8-150	Hong Kong Mediation Accreditation Association Limited (HKMAAL).....	231
¶8-160	The Hong Kong Joint Mediation Helpline Office (JMHO).....	233
¶8-170	Current Status of Mediation in Hong Kong.....	234
¶8-171	A Regional Trend	234
¶8-180	Taiwan	235
¶8-181	Taiwan Legal System	235
¶8-182	The Courts	235
¶8-183	The Legal Profession.....	236
¶8-184	The Trial Process.....	236
¶8-185	Enforcement of Judgments.....	236
¶8-186	Arbitration	236
¶8-190	Mediation in Taiwan	237
¶8-191	Chinese Arbitration Association, Taipei (CAA)	237
¶8-200	Macau.....	240
¶8-201	Macau Legal System	240
¶8-210	Mediation in Macau	242
¶8-220	The Future of Mediation in Greater China.....	243

Appendices..... 247

Appendix A – List of Service Providers in Greater China.....	247
Appendix B – Guidance on Documentation CEDR Asia Pacific	251
Appendix C – Example of a Mediation Agreement.....	255

Appendix D – CPR Pledge.....	259
Appendix E – CEDR Dispute Resolution Contract Clauses.....	261
Appendix F – The EU Mediation Practice Directive	269
Appendix G – CEDR Commission Final Report	279
Appendix H – CCPIT Mediation Centre Mediation Rules	283
Appendix I – Hong Kong Mediation Certificate.....	291
Appendix J – Hong Kong Mediation Notice.....	293
Appendix K – Hong Kong Mediation Response.....	295
Appendix L – Hong Kong Mediation Ordinance 2012.....	297
Index.....	319

Chapter 1 Introduction and Overview

¶1-010 Overview of the Origins of Modern Mediation

Mediation has existed in one form or another for centuries, perhaps for as long as disputes or differences have needed to be resolved. In all cultures, traditional models of mediation have been developed to help parties reach resolution of conflict. Therefore, it is important to bear in mind that the current model of commercial mediation, now firmly established in many jurisdictions worldwide and currently being adapted in Greater China to a lesser or greater degree, did not appear in a vacuum. Speaking to Chinese or Asian audiences about mediation care should be taken to acknowledge that the listeners are part of an already rich mediation history which existed long before the recent modern Western models became popular.

There are many examples in Asia of traditional mediation practices, for example, in overseas Chinese communities clan associations and in Malaysia the penghulu or headman of a kampong, have all been the source of mediation services.¹ Each year in China the People's Mediation Committees mediate over seven million cases at the community and workplace level which means in fact that Greater China mediates more cases each year than any other region. Another Asian example is in Japan where "mediation is embedded in the business culture, where intermediaries are used as introducers, shokai-sha, and as mediators, chukai-sha, to facilitate business relationships."²

¶1-011 The Modern Phase of Mediation

Where did this model of commercial mediation come from? In order to answer this question this book will look at the modern mediation practice model most commonly used in international commercial civil cases. But first I will take a short look at the origins of the mediation model, which emerged from the United States about four decades ago, in response to a perceived need to offer people in dispute situations alternatives to litigation.

Although mediation had been used in the US in employment matters previously the first major initiative was the creation of the Federal Mediation and Conciliation Service (FMCS) in 1947. The primary focus of the FMCS was to resolve labour disputes and advise on the development of mediation programs.³

However, most would agree that modern commercial mediation really only started to grow towards its current form after the Roscoe Pound Conference of 1976. At the 1976 conference, legal scholars met to share ideas of how to improve the American legal system. The keynote address was

¹ Yong Pung How, Honourable Chief Justice, Speech City Hall, Singapore, 31 July 2002

² Moore, C. W. *The Mediation Process*, Jossey-Bass, San Francisco, 1996, p.33

³ See FMCS website at [http://www.fmcs.gov]