

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

ICSID ARB. No. _____

**BRIDGESTONE LICENSING SERVICES, INC.
BRIDGESTONE AMERICAS, INC.**

Claimants

vs.

THE REPUBLIC OF PANAMA

Respondent

REQUEST FOR ARBITRATION

October 7, 2016

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I. INTRODUCTION

1. Pursuant to Articles 25 and 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the “**ICSID Convention**”), Bridgestone Licensing Services, Inc. (“**BSLS**”)¹ and Bridgestone Americas, Inc. (“**BSAM**”,² and together with BSLS, the “**Claimants**”), hereby request the institution of arbitration proceedings against the Republic of Panama (“**Panama**”). The Claimants are wholly-owned subsidiaries of Bridgestone Corporation (“**BSJ**”), a Japanese incorporated company headquartered in Tokyo, Japan. Together, BSLS, BSAM and BSJ form part of the Bridgestone group of companies (collectively, “**Bridgestone**”), which is the world’s largest manufacturer of tire and rubber products.
2. The claims submitted by the Claimants in this arbitration arise under the Trade Promotion Agreement entered into between the United States of America and the Republic of Panama (the “**US-Panama FTA**” or “**FTA**”), which was signed by the parties on June 28, 2007, and entered into force on October 31, 2012.³
3. The claims herein concern an extraordinary decision by the Supreme Court of Panama that Bridgestone should pay millions of dollars in damages to a Panamanian company for doing no more than invoking – in good faith – Panama’s own trademark opposition procedure. That unjust and arbitrary decision will discourage future good faith defense of trademarks by the Claimants and other foreign investors in Panama, as well as encourage future trademark violations in Panama and throughout the region. The decision was a violation by Panama of its obligations under the US-Panama FTA and under customary international law, including its obligations (a) to accord fair and equitable treatment to the Claimants’ investments, (b) to accord to the Claimants treatment no less favorable than accorded by Panama to its own investors and (c) not to expropriate the Claimants’ investments absent prompt, adequate and effective compensation. As a result of those violations, the Claimants have suffered significant loss estimated at not less than USD 16 million.

¹ See Power of Attorney and Internal Approval Statement for BSLS at **Exhibit C-1**.

² See Power of Attorney and Approval Statement for BSAM at **Exhibit C-2**.

³ See the U.S. – Panama Trade Promotion Agreement (2011) (Chapter 10 – Investment) at **Exhibit C-3**. The US-Panama FTA entered into force on October 31, 2012.

II. THE PARTIES TO THE DISPUTE

A. The Claimants

4. The Claimants are U.S.-incorporated companies. BSLS is incorporated in the State of Delaware and BSAM is incorporated in the State of Nevada. Both Claimants maintain their principal place of business at 535 Marriott Drive, Nashville, Tennessee 37214, United States of America.⁴
5. Bridgestone is the world's largest manufacturer of tire and rubber products. Tires account for about 80% of Bridgestone sales worldwide, and are primarily marketed under the BRIDGESTONE and FIRESTONE brands, which are market-leading tire brands that are globally recognized for quality and innovation. Bridgestone spends significant time and resources protecting its brands through its robust approach to maintaining and defending its intellectual property rights all over the world. For example, approximately a quarter of BSLS's income in 2015 went towards protection of its intellectual property rights.
6. BSLS is the owner of the FIRESTONE trademark in all countries outside of the United States. The BRIDGESTONE trademark is held by BSJ. Each of BSLS and BSJ license their respective trademarks to other Bridgestone entities for production, sales, marketing and/or distribution. The rights to sell, market and distribute products under the BRIDGESTONE and FIRESTONE trademarks in North, Central and South America (including Panama) are licensed by BSJ and BSLS to BSAM.
7. BSAM is the parent company for all of the Bridgestone business units in North, Central, and South America. BSAM's subsidiaries, such as Bridgestone Costa Rica ("BSCR"), manufacture, sell, distribute and market BRIDGESTONE and FIRESTONE tires into different markets in the region. In Panama, Bridgestone and Firestone tires are sold to third party distributors through BSCR. Profits from BSCR and the other regional subsidiaries flow back to BSAM. In turn, BSAM provides corporate services to the subsidiaries (such as legal and human resources).
8. In this arbitration, the Claimants are represented by Akin Gump Strauss Hauer & Feld LLP. All communications concerning this matter should be addressed to:

⁴ See copies of the certificates of incorporation for BSLS and BSAM at **Exhibit C-4**.

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B. The Respondent

9. The Respondent in this arbitration is the Republic of Panama. To the best of the Claimants' knowledge and belief, service of this Request for Arbitration may be made on the Government of Panama using the following contact details:

Sr. Presidente de Panamá
Juan Carlos Varela
Presidencia de la República
Palacio de Las Garzas, San Felipe
Ciudad de Panamá, República de Panamá
Dr. Duclidio De La Guardia
Ministerio de Economía y Finanzas
Edificio OGAWA, Vía España y Calle 52E
Corregimiento de Bella Vista – Provincia de Panamá

Sra. Kenia Porcell
Procurador General de la Nación
Gobierno de Panamá
Calidonia, Av. Perú y Calle 33, Edificio Saloon
Ciudad de Panamá, República de Panamá

III. STATEMENT OF FACTS

A. Bridgestone's Decision to Invest in Panama and the Americas

10. The Bridgestone Tire Co. Ltd was established in Japan in 1931, and grew alongside the Japanese automobile industry to become Japan's largest tire manufacturer by the early 1950s. It expanded across Asia, and in 1988 it acquired the Firestone Tire & Rubber Company, an international corporation founded in Ohio, USA, in 1900, which produced FIRESTONE brand tires and rubber products. Through that acquisition, Bridgestone obtained a number of production sites across Central and South America and Europe.

11. FIRESTONE was already a strong brand in its own right (particularly in the motorsports sector in the Americas) when it was acquired, and Bridgestone has maintained that brand, as well as its own market-leading BRIDGESTONE brand in markets worldwide. Part of Bridgestone's corporate strategy has been to expand and develop the Firestone brand globally, alongside continued expansion of the Bridgestone brand.⁵ This is achieved through the registration of the BRIDGESTONE and FIRESTONE trademarks around the world, and the sale and distribution of trademarked products via subsidiaries in key international markets.
12. In Panama, the BRIDGESTONE trademark was originally registered by BSJ on October 11, 1966.⁶ Since that date, the registered trademark has been maintained and defended, and has accordingly protected and distinguished BRIDGESTONE-branded tires and related vehicle products in Panama. Similarly, the FIRESTONE trademark was originally registered by the Firestone Tire and Rubber Company on December 20, 1921.⁷ Following the acquisition of the Firestone Tire and Rubber Company by Bridgestone, the company changed its name to Bridgestone/Firestone, Inc. and, in 2002, assigned its rights in the FIRESTONE trademark to BSLS. This registration has been used since this date to protect and distinguish tires and related vehicle products bearing the Firestone name in Panama.
13. Currently, BSAM, through its wholly-owned subsidiary, BSCR, sells tires into Panama through authorized third party distributors.

B. Bridgestone's Approach to Intellectual Property Protection

14. The purpose of a trademark is to identify the rightful brand owner of a particular product to the public. There is significant value for companies in owning registered trademarks, the most obvious being the exclusive rights to use their trademarks in relation to the products or services for which they are registered. While trademark law is not globally uniform, in most jurisdictions, a registered trademark allows its holder to prevent unauthorized use of the mark in respect of products or services which are similar to the registered products or services. The applicable test is generally whether the unauthorized mark is "confusingly similar" to the registered mark. For a

⁵ See 2015 Mid-Term Management Plan dated October 16, 2015 at **Exhibit C-5**.

⁶ See copy of the Bridgestone Panamanian trademark registration record at **Exhibit C-6**.

⁷ See copy of the Firestone Panamanian trademark registration record at **Exhibit C-7**.

trademark holder, the value of exclusive rights to a trademark is approximately 50% greater than non-exclusive rights.⁸

15. Bridgestone has spent decades earning the trust of its customers through the sale of its high-quality, well-known products, under the names BRIDGESTONE and FIRESTONE. Accordingly, a key aspect of Bridgestone's business is to protect and maintain the BRIDGESTONE and FIRESTONE trademarks. To that end, Bridgestone has registered its trademarks in jurisdictions that span the globe.
16. As with other well-known brands, third parties may sometimes seek wrongfully to exploit the goodwill developed by Bridgestone through the unauthorized use of the BRIDGESTONE and FIRESTONE brands, or by using confusingly similar brand names for similar products. Such wrongful activity is strongly resisted by Bridgestone in every market in which it operates.
17. Bridgestone carefully and diligently monitors the tire markets and trademark registries in each jurisdiction in which it has a presence. Bridgestone then takes proactive measures to protect its brands from competitors who attempt to register and use confusingly similar brand names, either intentionally or unintentionally.
18. For example, if Bridgestone learns of an application for a mark that it believes to be confusingly similar to one of its own registered marks, Bridgestone takes formal action to oppose the new mark's registration. In many countries, such as in the United States, these trademark opposition actions typically take place through administrative procedures established by the government, which are specifically designed to balance the right of the trademark holder to protect its brand, with the right of other entities to conduct business and compete fairly. In other countries, such as Panama, these actions can only be heard as an independent cause of action in a domestic court.
19. If Bridgestone is successful in opposing the registration of a confusingly similar mark, its standard course of action is to send the company that sought to register the mark a "reservation of rights letter." This letter notifies the applicant of Bridgestone's exclusive rights to use its trademarks for tires or related products, and reserves its right to take appropriate action to protect its trademark if it learns of subsequent

⁸ See Thomas R. Varner, *An Economic Perspective on Patent Licensing Structure and Provisions*, in Les Nouvelles, *The Journal of the Licensing Executives Society*, September 2010, p. 34, at **Exhibit C-8**.

unauthorized use by the applicant. If necessary, Bridgestone may then apply to the local court for an injunction enjoining the further sale of products bearing the unauthorized brand.

20. Bridgestone considers that tire brand names with the suffix –STONE are confusingly similar to the BRIDGESTONE or FIRESTONE brands, and therefore has a general policy of opposing tire marks with such a “STONE” suffix in every jurisdiction in which it has registered its trademarks. As explained at paragraphs 14 and 18 above, different jurisdictions take different approaches to the protection of intellectual property rights, and a judgment must be made by the relevant authority in each case as to whether a mark is confusingly similar to Bridgestone’s trademarks or not.

C. Bridgestone Opposed the Riverstone Trademark in the USA

21. On August 13, 2002, L.V. International, Inc. (“**L.V. International**”), a company incorporated in Florida, filed a U.S. trademark application with the United States Patent and Trademark Office to register the RIVERSTONE mark for use in connection with tire products.⁹ Upon learning of the application through a trademark application monitoring service, Bridgestone, through its subsidiary BFS Brands LLC (“**BFS**”) (a US-incorporated company), filed an opposition action with the Trademark Trial and Appeal Board (“**TTAB**”) on December 3, 2003, against L.V. International’s application.¹⁰
22. On August 13, 2004, while the opposition action was pending before TTAB, L.V. International voluntarily and with prejudice withdrew its trademark application for the RIVERSTONE mark.¹¹ Following the withdrawal, on October 13, 2004, TTAB sustained Bridgestone’s opposition action and denied L.V. International’s trademark application.¹²
23. Following termination of the trademark opposition action, on November 3, 2004, attorneys for BFS wrote to L.V. International, putting it on notice of Bridgestone’s

⁹ See Riverstone U.S. trademark application at **Exhibit C-9**.

¹⁰ See Notice of Riverstone Trademark Opposition at **Exhibit C-10**.

¹¹ See Notice of Voluntary Withdrawal of Application with Prejudice at **Exhibit C-11**.

¹² See TTAB Order dated October 13, 2004 at **Exhibit C-12**.

objection to L.V. International's future attempts to register the RIVERSTONE mark and its use of the mark in the U.S. and worldwide.¹³

D. Bridgestone Opposed the Riverstone Trademark in Panama

24. On February 4, 2005, the General Directorate of Registration of Industrial Property for the Panamanian Trademark and Patent Office published an application for the registration of the RIVERSTONE trademark in the Industrial Property Bulletin. The application, No. 120823-01 dated May 6, 2002, was filed by Muresa Intertrade, S.A. ("Muresa") for the RIVERSTONE mark for truck and car tires, along with other products, such as heavy equipment and tubes.¹⁴
25. On April 5, 2005, Bridgestone filed an opposition to the RIVERSTONE mark in Panama on the grounds that it was confusingly similar to the BRIDGESTONE and FIRESTONE marks.¹⁵ Muresa defended the opposition, and L.V. International and Tire Group of Factories Ltd. ("TGFL") joined the dispute as third-party interveners. Claimants understand that both L.V. International, a tire distributor, and TGFL, a Chinese tire manufacturer, are part of the same business group as Muresa, the so-called Luque Group, and have agreements in place to register and sell RIVERSTONE tires worldwide.¹⁶
26. On July 21, 2006, the Eighth Civil Circuit Court of the First Judicial Circuit of Panama (the "**Eighth Circuit Court**") found that the mark was not capable of causing confusion among consumers and denied the opposition.¹⁷ Despite this ruling, the court also held that Bridgestone's opposition claim was not frivolous, and consequently did not order Bridgestone to pay the defendant's costs, as would have been permitted under Panamanian law.

¹³ See Letter from Foley & Lardner LLP dated November 3, 2004 ("Reservation of Rights Letter") at **Exhibit C-13**.

¹⁴ See reference to Muresa's Riverstone application in Panama at p.1 in Judgment No. 48, Eighth Civil Circuit Court, dated July 21, 2006 at **Exhibit 14**.

¹⁵ See **Exhibit C-14**.

¹⁶ As stated in their third-party submissions in the Riverstone trademark opposition proceedings, both L.V. International and TGFL belong to the same business group as Muresa, called the "Luque Group." Claimants understand that the "Luque Group" is a group of companies which may share some common ownership interests. See L.V. International and TGFL third-party intervention applications in Riverstone dispute **Exhibit C-15**.

¹⁷ See **Exhibit C-14**.

27. Bridgestone filed an appeal immediately on receipt of the Eighth Circuit Court judgment. However, it ultimately decided to withdraw its appeal after it considering the likelihood of its success in such a proceeding.

E. Muresa Filed a Damages Claim Against Bridgestone in Panama

28. On September 12, 2007, a year after the trademark opposition proceedings had closed, Muresa and TGFL filed a claim against Bridgestone in the Eleventh Circuit Civil Court of the First Judicial Circuit of Panama (the “**Eleventh Circuit Court**”) seeking USD 5,000,000 in damages plus attorney’s fees and costs.¹⁸
29. Muresa and TGFL alleged that the trademark opposition proceedings initiated by Bridgestone had caused them to cease sales of RIVERSTONE tires in Panama, Nicaragua, Guatemala, El Salvador, Honduras, Costa Rica, Cuba, Dominican Republic, Haiti, Colombia, Venezuela and Ecuador, resulting in loss of revenue in excess of USD 5,000,000.¹⁹ In support of their claim, Muresa and TGFL presented, amongst other things, testimony from staff and distributors who claimed that they had stopped selling tires during the opposition proceedings out of fear that their inventory of RIVERSTONE tires would be seized if they lost in the opposition proceedings.²⁰ These claims were also supported by a third-party submission filed by L.V. International. Therein, L.V. International argued that Muresa and TGFL’s fears were justified on the basis of the Reservation of Rights Letter referenced in paragraph 23.²¹
30. In its response, Bridgestone denied that its actions had caused Muresa and TGFL to stop selling RIVERSTONE-branded tires. Bridgestone had simply filed a lawful opposition action to Muresa’s registration of the RIVERSTONE mark. The consequence of that action, had it been successful, would have been to refuse registration of the RIVERSTONE trademark in Panama. In order thereafter to prevent the unauthorized use of the RIVERSTONE mark, Bridgestone would then have had to write to Muresa and TGFL, requesting that they stop selling RIVERSTONE-branded tires, and if necessary, apply to the Panamanian court seeking an injunction preventing further sales. However, since the opposition action was unsuccessful, no action

¹⁸ See Civil Complaint filed by Muresa Intertrade S.A. at **Exhibit C-16**.

¹⁹ See **Exhibit C-16** at 3-4 and Witness Statement at **Exhibit C-17**.

²⁰ See Witness Statements at **Exhibit C-17**.

²¹ See L.V. International Third-Party Submission at **Exhibit C-18**.

enjoining the sale of RIVERSTONE-branded tires had been (or indeed, could have been) taken by Bridgestone, thus there was no basis for Muresa and TGFL's alleged "fear" of seizure. In the circumstances, if Muresa and TGFL had chosen to stop selling RIVERSTONE tires during the period of the opposition action, that decision could not be attributable to Bridgestone.²² Yet notwithstanding, Bridgestone presented expert evidence demonstrating that Muresa and TGFL had in fact continued to sell RIVERSTONE tires throughout Panama and Latin America during the period of the opposition, generating sales in excess of USD 17,000,000 between 2004 and 2008.²³

31. The Eleventh Circuit Court reviewed the evidence and rejected the claims brought by Muresa and TGFL through its Judgment 70 on December 17, 2010.²⁴ In its decision, the Eleventh Circuit Court agreed with Bridgestone that the mere "fear" of seizure was not enough to support a damages claim, particularly in circumstances where there was no court order enjoining the sale of the branded tires.²⁵
32. The Eleventh Circuit Court further held that Muresa and TGFL had not in fact suffered any loss since "*there was no restriction for producing, importing or selling RIVERSTONE tires*" during the years the litigation was pending.²⁶ This finding was based on Bridgestone's expert testimony, and the Court rejected Muresa's damages evidence as "*arbitrary*" and lacking "*accounting support*,"²⁷ concluding that "*there [was] no information in the file that [showed] the existence of . . . damages.*"²⁸ In sum, even if Muresa and TGFL had made out an entitlement to claim damages on the basis of the trademark opposition action, their claim was unsustainable because they had not in fact suffered any loss.

²² See BSJ and BSLs Answer to Complaint at **Exhibit C-19**.

²³ See BSJ and BSLs Expert Report at **Exhibit C-20**.

²⁴ See Judgment 70 at **Exhibit C-21**. In addition, the Eleventh Circuit found that the TGFL lacked standing to bring a damages claim against Bridgestone since its agreement with Muresa obligated Muresa to answer for any damages arising from the RIVERSTONE registration. Accordingly, TGFL could not allege they suffered damages due to the opposition proceedings. See Judgment No. 70, pp. 10-11.

²⁵ See **Exhibit C-21** at 11 ("[T]he fear of a seizure action promoted the plaintiff to decide to cease the manufacturing and commercialization of the RIVERSTONE trademark; nevertheless, this decision was not made to comply with any court order, moreover, such action was not viable or feasible within a trademark opposition proceeding.").

²⁶ See **Exhibit C-21** at 12.

²⁷ See **Exhibit C-21** at 12.

²⁸ See **Exhibit C-21** at 12.

33. On the above basis, the Eleventh Circuit Court rejected the damages claim filed by Muresa and TGFL. It further proceeded to order Muresa and TGFL to pay Bridgestone's costs (USD 371,000 in attorney's fees).²⁹

F. The First Superior Court Concurred with the Decision of the Eleventh Civil Circuit and Found in Favor of Bridgestone.

34. Muresa and TGFL appealed the Eleventh Circuit Court's decision to the First Superior Court of the First Judicial District ("Superior Court") on January 5, 2011.³⁰ In doing so, Muresa and TGFL did not present new evidence on appeal. In written submissions, however, they argued that the Eleventh Circuit Court failed to give proper weight to certain testimony and documentary evidence. To this end, Muresa and TGFL highlighted the testimony of sales employees, as well as the Reservation of Rights Letter referred at paragraph 23 above (addressed to L.V. International and not to Muresa or TGFL), which they claimed was the basis for Muresa and TGFL's "fear" that their tire inventory would be seized by Bridgestone.

35. In response, Bridgestone argued again (i) that neither Muresa nor TGFL had proven that they had suffered loss given that they continued to sell RIVERSTONE tires without restriction while the opposition action was pending; and (ii) that Muresa and TGFL had failed to establish that Bridgestone had acted recklessly or negligently in protecting its trademark rights and that, in the opposition proceedings, the Eighth Circuit Court had specifically recognized that the action brought by Bridgestone was a good faith attempt to protect its intellectual property rights.³¹

36. The Superior Court issued its decision on May 23, 2013.³² In its judgment, the Superior Court concurred with the decision of the Eleventh Circuit Court and found in favor of Bridgestone. In particular, it held that in order for there to be a valid claim for damages merely on the basis of filing a legal action, there must be "*substantial evidence in order to establish the existence of real damages caused and the existence of fault or negligence by the agent and the causal link between the action and the damage caused.*"³³ The court held that Muresa and TGFL had not met this burden

²⁹ See Exhibit C-21 at 13.

³⁰ See Muresa and TGFL Appeal to Judgment No. 70 at Exhibit C-22.

³¹ See BSJ and BSLS Opposition to Muresa Appeal at Exhibit C-23.

³² See Decision by the First Superior Court dated May 23, 2013 at Exhibit C-24.

³³ See Exhibit C-24 at 11.

since they had not demonstrated “recklessness, fraud or gross negligence in the Defendants’ conduct when opposing the registration of the trademark.” Accordingly, the Superior Court held, “we could not begin to examine if the alleged financial damages allegedly caused by said conduct of enforcing a possible right were evidenced.”

37. The appeal was dismissed and Muresa and TGFL were again ordered to pay Bridgestone’s costs.³⁴

G. Muresa and TGFL Appealed to the Supreme Court of Panama

38. On January 3, 2014, Muresa and TGFL appealed to the Supreme Court of Panama (“**Supreme Court**”). Again, Muresa and TGFL did not introduce new evidence, and their arguments mirrored those made before the First Superior Court: that important evidence put forth by them at trial had not been properly considered by the Eleventh Circuit Court. This evidence included:

- The Reservation of Rights Letter referenced at paragraph 23, above that, again, was sent to L.V. International Inc. and not Muresa or TGFL, and simply advised that Bridgestone would likely oppose the registration and/or use of the Riverstone mark elsewhere.³⁵
- An accounting report by Mirma R. Moreira and expert evidence submitted by Psiquies de Leon and Jose Antonio Aguilar, both adduced by Muresa and TGFL, which concluded that Muresa and TGFL had reduced sales of Riverstone tires in the amount of USD 5,168,270.56 from 2005-2008 on account of the trademark opposition filed by Bridgestone.³⁶
- Resolution 8 by the First Superior Court of the Judicial District accepting Bridgestone’s withdrawal of the appeal of the trademark opposition decision.³⁷
- Oral testimony from Muresa employees Jose Orestes Medina Samaniego, Domingo Esteban Romero Ceballos, Gricelda Pineda Castillo, Aminta Julisa Vega

³⁴ See **Exhibit C-24** at 16.

³⁵ See page 11 of Muresa and TGFL Appeal to the Panamanian at **Exhibit C 25**.

³⁶ See **Exhibit C-25** at 11 and the Export Report filed by Muresa at **Exhibit C-26**.

³⁷ See **Exhibit C-25** at 11.

de Barrera, Aixa Yadira Ramirez Gonzalez, Mirna Raquel Moreira Martinez, and Laura Esther Murgas de Bracho to the effect that they were unable to sell RIVERSTONE tires due to the opposition action filed by Bridgestone.³⁸

- Oral testimony by Fernan Jesus Luque Gonzalez (Manager at Muresa and President of TGFL) and Jorge Alberto Luque Gonzalez (Manager at L.V. International) stating that they ceased selling tires out of “fear” that Bridgestone would seize their inventory due to the Reservation of Rights Letter and their belief that such action had been taken by Bridgestone in the Dominican Republic, China, and other countries.³⁹

39. Muresa and TGFL requested that the Supreme Court review the evidence *de novo* and issue a finding that Bridgestone “recklessly opposed” the RIVERSTONE trademark, resulting in losses for Muresa and TGFL. In response to the appeal, Bridgestone repeated the arguments made before the Eleventh Circuit Court and the First Superior Court. In relation to the Reservation of Rights Letter, they argued that it should not be considered by the Supreme Court because it:

- Had not properly been admitted into evidence in the lower court proceedings, and consequently Bridgestone had not been able to make any submissions as to that evidence;
- Was addressed to L.V. International, an entity that was not party to the Panamanian opposition proceedings, and was properly written to that party following Bridgestone’s successful opposition proceedings in the U.S.;
- Was, in any case, no more than a reservation of rights and contained no actionable threats.

H. The Supreme Court Reversed the Lower Courts and Issued a Judgment Against Bridgestone

40. On May 28, 2014, the Supreme Court issued its judgment overturning the decisions of the Eleventh Circuit Court and the First Superior Court.⁴⁰ The Supreme Court

³⁸ See Exhibit C-25 at 11.

³⁹ See Exhibit C-25 at 11.

⁴⁰ See Judgment of the Supreme Court of Justice, Civil Division dated May 28, 2014 at Exhibit C-27.

accepted the argument put forward by Muresa and TGFL that certain key evidence had not been “*appreciated*”⁴¹ by the lower courts and conducted a *de novo* review of all of the evidence presented.

41. On the question of recklessness, the Supreme Court gave decisive weight to the Reservation of Rights Letter. The Supreme Court also referred to the resolution of the Intellectual Property Appellate Court accepting Bridgestone’s withdrawal of the appeal of the trademark opposition decision as evidence of bad faith. Lastly, the Supreme Court gave weight to the evidence of Muresa and TGFL employees who claimed that Bridgestone had used their position as a large multinational investor to cause them to cease sales of RIVERSTONE tires, despite the fact that such evidence was unsubstantiated and indeed contradicted by clear evidence on the record showing continued sales.
42. In its decision, the Supreme Court did not consider evidence submitted by Bridgestone nor the decisions of the Eleventh Circuit Court and the First Superior Court, which found that Bridgestone had not acted recklessly in opposing the trademark, and that Muresa and TGFL had not suffered any harm caused by the trademark opposition action.
43. The Supreme Court found in Muresa and TGFL’s favor, and imposed a penalty on Bridgestone in the amount of exactly USD 5,000,000 in damages and USD 431,000 in attorney’s fees—roughly equivalent to 65% of Bridgestone’s annual sales in Panama, or 94% of their annual trademark income for the Firestone brand—for which BSJ and BSLs were jointly and severally liable.⁴² However, the Supreme Court’s decision was arbitrary and unjust: it considered evidence that was improperly admitted, such as the Reservation of Rights Letter, and gave overwhelming credit to Muresa’s and TGFL’s expert report, which was rejected by the lower courts. Moreover, the Supreme Court gave no weight to the substantial evidence submitted by Bridgestone showing that neither Muresa nor TGFL sustained damages due to the filing of the trademark opposition action against the RIVERSTONE mark.

⁴¹ See **Exhibit C-27** at 8.

⁴² See **Exhibit C-27** at 22-23.

I. Bridgestone's Efforts to Overturn the Supreme Court Ruling

44. On June 16, 2014, Bridgestone challenged the judgment by filing a motion for clarification and modification before the Supreme Court of Panama (the “**First Appeal Motion**”).⁴³ The First Appeal Motion was based on a provision of the judicial code permitting a judicial body to modify or clarify its own decision with respect to its calculation of interest, damages, or an award of fees.⁴⁴ To this end, Bridgestone argued that the Supreme Court’s decision did not explain how it arrived at the perfectly round figure of USD 5,000,000 in damages, or what portion of damages were attributable to losses claimed by Muresa and TGFL, and thus requested a clarification through a remand to the lower court.
45. On September 30, 2014, in a separate action, Bridgestone filed before the Supreme Court an appeal titled *Recurso de Revisión* (the “**Second Appeal Motion**”).⁴⁵ The Second Appeal Motion was based on a provision of the judicial code permitting a party to challenge a judgment of a Panamanian court in circumstances where a party was unable to present decisive evidence during initial proceedings. To this end, Bridgestone requested that the Supreme Court nullify the judgment on the ground that the Court admitted the Reservation of Rights letter as evidence without observing the requisite legal formalities.⁴⁶
46. Despite Bridgestone’s efforts, on November 28, 2014, the Supreme Court denied the First Appeal Motion on the grounds that the relevant provision of Panamanian law only allowed modification of damages awards based on manifest error, which the Supreme Court did not find in the judgment of May 28, 2014.⁴⁷
47. Similarly, on March 16, 2016, the Supreme Court dismissed the Second Appeal Motion, this time on the ground that the relevant provision of the judicial code did not apply to judgments of the Supreme Court.⁴⁸ While refusing to revise the judgment, the

⁴³ See First Appeal Motion at **Exhibit C-28**.

⁴⁴ See Panama Judicial Code, Section 999 (“A ruling cannot be revoked or modified with respect to the main claim by the same judge that issued it, but with respect to fruits, interests, damages, and attorneys’ fees, the ruling can be completed, modified or clarified ex officio within three days following its service or upon request from a party made within the same term.” (unofficial translation).

⁴⁵ See Second Appeal Motion at **Exhibit C-29**.

⁴⁶ See **Exhibit C-29** at 7-8.

⁴⁷ See Supreme Court Decision on Motion for Clarification from November 28, 2014 at **Exhibit C-30**.

⁴⁸ See Supreme Court Decision on Motion to Review from March 16, 2016 at **Exhibit C-31**.

Supreme Court did acknowledge the unfairness of the judgment issued by the Supreme Court against Bridgestone, emphasizing “*the need to work in a legal reform that responds to new paradigms of change with respect to the scrutiny of the decisions from the high judicial courts.*”⁴⁹

J. Bridgestone’s Attempts to Resolve the Matter Through Diplomatic Channels

48. Following the initial Supreme Court decision, Bridgestone communicated with the U.S. and Japanese embassies in Panama regarding this troubling decision and the excessive penalty. These discussions resulted in dialogue between the U.S. Ambassador to Panama and the Chief Justice of the Panamanian Supreme Court in July 2014. Bridgestone understands that the U.S. Ambassador expressed the United States’ concerns regarding the Supreme Court decision, and that the Chief Justice of the Supreme Court acknowledged the excessive penalty and conveyed that he would consider the possibility of modifying the decision.
49. Bridgestone also presented its concerns to the Office of the United States Trade Representative (“**USTR**”) through oral and written statements presented at the Special 301 public hearing on February 24, 2015.⁵⁰ In its statements, Bridgestone explained its rationale for opposing the RIVERSTONE trademark, the subsequent damages litigation, and the impact of the excessive penalty not only on Bridgestone but on other entities with trademark rights in Panama and in the region.⁵¹ As a result, the USTR’s Special 301 Report for 2015 reported:

“Of additional concern is a report that significant punitive damages were imposed on the owner of a trademark registered in Panama in connection with that owner’s efforts to oppose the registration and use of a second mark which has been found to be confusingly similar in other markets. . . . [T]he damage award may discourage

⁴⁹ See **Exhibit C-31** at 7.

⁵⁰ “Special 301” hearings occur each year in the United States in order to produce the Special 301 Report. The Special 301 Report is the result of an annual review of the state of intellectual property rights protection and enforcement in U.S. trading partners around the world, which the Office of the United States Trade Representative conducts pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988, the Uruguay Round Agreements Act, and the Trade Facilitation and Trade Enforcement Act of 2015 (19 U.S.C. § 2242).

⁵¹ See Special 301 Public Hearing Oral and Written Statement at **Exhibit C-32**.

other legitimate trademark owners from entering the market out of concern that defending their marks will result in punitive action.”⁵²

50. Additionally, on March 13, 2015, Bridgestone met with Panama’s Ambassador to the United States, His Excellency Emanuel Gonzalez-Revilla, along with the Deputy Chief of Mission Karla Gonzalez and Commercial Attaché Juan Heilbron. During this meeting, Bridgestone expressed concern over the Supreme Court decision and inquired as to domestic remedies available in addition to the two post-judgment appeals it had filed. Despite comments from the Ambassador indicating that he did not believe the decision could be changed, he offered to follow up with Bridgestone to discuss other potential domestic remedies. Unfortunately no follow up ever took place.
51. Bridgestone continues to pursue resolution through diplomatic channels. On September 12, 2016, Akin Gump wrote to the Panamanian Ambassador to the U.S., H.E. Emanuel Gonzalez-Revilla, in an attempt to progress matters, but no response has been received to date.⁵³ Just prior to filing this Request for Arbitration, Bridgestone sent to H.E. Emanuel Gonzalez-Revilla copies of letters from Bridgestone’s representatives in the U.S. House of Representatives and U.S. Senate to the USTR. These letters express the representatives’ concern regarding the excessive penalty and arbitrary decision of the Supreme Court and its potential implications, and encourage settlement of the matter through diplomatic channels.⁵⁴

K. Payment of Damages by Bridgestone

52. Having exhausted all possible opportunities under Panamanian law to have the Supreme Court judgment reversed or modified, Bridgestone expected that Muresa would request payment. On or around June 15, 2016, counsel for Muresa and TGFL contacted Bridgestone’s Panamanian lawyers, requesting payment of the damages awarded by the Supreme Court. On June 29, 2016, a representative of BSAM was separately contacted through the professional networking website LinkedIn by a Mr.

⁵² See Special 301 Report 2015, page 16, at **Exhibit C-33**.

⁵³ See correspondence from C. Johnson (Akin Gump) to J. Heilbronn (Embassy of Panama), September 12, 2016 at **Exhibit C-34**.

⁵⁴ See Letters from Rep. Tim Ryan (D-OH) and Darin LaHood (R-OH) to Ambassador M. Froman (USTR), September 28, 2016 and from Sen. Sherrod Brown (D-OH) and Sen. Rob Portman (R-OH), September 30, 2016 at **Exhibit C-35**.

Eggis Luque, requesting contact details so that a payment request for the damages could be made. Accordingly, Bridgestone contacted Muresa and TGFL in early August 2016 to confirm who should receive payment, and on August 19, 2016 notified them of its intention to pay the full amount of the award.⁵⁵ In its letter, Bridgestone stated:

“this payment only applies only to the Sentence of May 28, 2014, ordered by the Civil Chamber of the Supreme Court of Panama in accordance with the civil process alluded to, and does not constitute an agreement or settlement between the parties. Similarly, we express that Bridgestone Corporation and Bridgestone Licensing Services, Inc., reserve their rights under International law, including the U.S.-Panama Trade Promotion Agreement.”

53. Accordingly, Bridgestone, through its subsidiary BSLS, which was jointly and severally liable for the judgment, paid the damages award to Muresa and TGFL on August 19, 2016.

L. Loss Suffered by Bridgestone

54. As a consequence of the Supreme Court decision and the penalty imposed therein, BSAM and BSLS have suffered loss and damage in excess of USD 16,000,000. This sum includes the USD 5,431,000 in damages and fees that were ordered by the Supreme Court, as well as an estimate of the loss that has been and will be incurred by BSLS and BSAM as a result of the decision. Such resulting loss arises from a number of inter-related factors, including the following.
55. First, the damages awarded to Muresa and TGFL in this case represented over 65% of Bridgestone’s annual sales in Panama. This has a direct and substantial impact on the ability of the U.S. Bridgestone entities to re-invest in their business and grow their brands as they had intended to do before the Supreme Court decision.
56. Second, the decision of the Panamanian Supreme Court may be followed in other Latin American countries as a matter of government policy. Many countries in Latin America have historically followed each other’s lead in the implementation of

⁵⁵ See Letter from Bridgestone to Muresa and TGFL dated August 19, 2016 at Exhibit C-36.

protectionist trade policies in the area of intellectual property rights,⁵⁶ and the decision of the Panamanian Supreme Court operates as a *de facto* protectionist device, allowing potentially confusingly similar marks to enter into the market because intellectual property rights holders are unwilling to risk significant, apparently arbitrary, penalties for their good faith use of the legal mechanisms intended to preserve those rights. This view is consistent with views taken by the U.S. government. For example, in 10 of the last 11 years, the USTR in its Special 301 report has placed Latin American countries on the “priority watch list” for their failure to abide by international standards on intellectual property protections.⁵⁷ Notably, in 2016, countries like Venezuela, Guyana, Paraguay, Nicaragua, Haiti, and the Dominican Republic have all fallen in the bottom third of all countries for their protection of intellectual property rights on the International Property Rights Index published by the Property Rights Alliance.⁵⁸

57. Third, the decision of the Panamanian Supreme Court establishes a precedent that is likely to be followed in other Latin American legal systems. Such concerns are warranted in light of the fact that it is not uncommon for ideas developed by the courts in one national legal system to transfer to another.⁵⁹ It is also an established practice of Latin American courts to reference rulings of peer courts and supranational tribunals in the area of intellectual property⁶⁰ and indeed Latin America legal systems

⁵⁶ See Alvaro Ramirez Bonilla, *The State of Intellectual Property in Latin America*, 7 (2012) at **Exhibit C-37**.

⁵⁷ Data obtained from the archive of Special 301 reports available on the USTR Website. See <https://ustr.gov/issue-areas/intellectual-property/special-301/previous-special-301-reports>. Relevant excerpts from these reports are provided at **Exhibit C-38**.

⁵⁸ Out of 128 countries, Venezuela ranks 124, Guyana ranks 113, Paraguay ranks 112, Nicaragua ranks 108, Bolivia ranks 106, Haiti ranks 101, and the Dominican Republic ranks 95. See Property Rights Alliance, *International Property Rights Index 2016*, available at http://internationalpropertyrightsindex.org/countries?f=ipri_wr&o=desc&r=LAC. Country-specific reports for the cited countries are provided at **Exhibit C-39**.

⁵⁹ See Anne-Marie Slaughter, *Transjudicial Communication*, U. of Richmond L. Rev., p. 117 (1994). This principle is recognized in Latin America, and while often transferring of precedent from one country to another may be indicative of positive at **Exhibit C-40**.

⁶⁰ See Laurence R. Helfer, Karen J. Alter, and M. Florencia Guertzovich, *Islands of Effective International Adjudication: Constructing an Intellectual Property Rule of Law in the Andean Community*, *American Journal of International Law* (2009) (discussing judicial dialogue among jurists in the Andean Community of nations in the area of intellectual property) at **Exhibit C-41**.

are changing rapidly through a process of reflection and imitation at the regional level.⁶¹

58. Fourth, the decision of the Panamanian Supreme Court to impose damages for the good-faith use of Panama's own trademark opposition proceedings is likely to result in more trademark applications that are similar and confusingly similar to the Bridgestone mark, both in Panama and elsewhere in Latin America. Muresa and L.V. International, through the so-called Luque Group, operate all over the Americas.⁶² There is therefore a significant risk that the Luque Group will seek to achieve the same result in those and other jurisdictions across the region. Other unrelated competitors are also likely to use this opportunity to follow the Luque Group's lead and try to enter the various tire markets in the region by filing and using similar and confusingly similar trademarks.
59. Accordingly, the risk that similar decisions may be issued in other countries makes it much costlier for Bridgestone to invest not only in Panama, but in other countries in Latin America.

IV. PANAMA HAS BREACHED ITS OBLIGATIONS UNDER THE FTA

A. The Objectives of the US-Panama FTA⁶³

60. The Preamble to the US-Panama FTA sets forth the objects and purpose of the FTA, stating that *inter alia* both governments are resolved to “ensure a predictable commercial framework for business planning and investment;” and “foster creativity and innovation, and promote trade in goods and services that are the subject of intellectual property rights.”

B. The Investment Protections Provided by the US-Panama FTA Include Protection Against Expropriation Without Prompt, Adequate, and Effective Compensation, Treatment in Accordance with Customary International Law, Including Fair and Equitable Treatment, Treatment No Less Favorable Than Accorded by Panama to its Own Investors, and Most-Favored-Nation Treatment

⁶¹ See U.S. Chamber of Commerce, Institute for Legal Reform, *Following Each Other's Lead, Legal Reform in Latin America*, at 22 (August 2014) at Exhibit C-42.

⁶² See paragraph 29 above, in which Muresa claimed that Bridgestone's trademark opposition prevented it from selling RIVERSTONE tires in Panama, Nicaragua, Guatemala, El Salvador, Honduras, Costa Rica, Cuba, Dominican Republic, Haiti, Colombia, Venezuela and Ecuador.

⁶³ See U.S.-Panama FTA Exhibit C-3.

61. Article 10.5 of the US-Panama FTA requires Panama to accord to investments covered by the FTA treatment in accordance with customary international law, including fair and equitable treatment. Article 10.5(2)(a) provides: “*“fair and equitable treatment” includes the obligation not to deny justice in criminal, civil or administrative adjudicatory proceedings in accordance with the principle of due process embodied in the principal legal systems of the world.*”
62. Article 10.3 of the US-Panama FTA requires Panama to treat investors and investments covered by the FTA no less favorably than it treats Panamanian investors and investments.
63. Article 10.7 of the US-Panama FTA requires Panama not to subject investments of U.S. investors to direct or indirect expropriation, unless such expropriation is for a public purpose, is carried out in a non-discriminatory manner, on payment of prompt, adequate and effective compensation and in accordance with due process of law and the minimum standards of treatment contained in Article 10.5 of the FTA.

C. Panama has Violated its Obligations to BSAM and BSLS Under the FTA

64. It is a basic tenet of public international law that the actions of national courts are attributable to the state. As set out in paragraphs 61-63 above, Panama, through its judicial system, has violated its obligations under the FTA to U.S. investors BSLS and BSAM. In particular, the Supreme Court decision was arbitrary and unreasonable, and violated the most basic principles of due process. It was thereby discriminatory to U.S. investors in order to benefit a Panamanian entity.
65. Further, the Supreme Court decision involved a flagrant breach of the obligation to accord fair and equitable treatment to foreign investors, namely BSLS and BSAM, and constituted a denial of justice by Panama. In order to ensure the protections under the FTA, Panama has an obligation to maintain a judicial system that allows the effective exercise of the substantive rights granted to its foreign investors. In the manifest injustice of the Supreme Court decision, Panama violated that obligation.
66. BSLS and BSAM have been deprived of the full enjoyment of their investments in Panama. In particular, the Supreme Court decision has effectively deprived BSLS and BSAM the ability to oppose confusingly similar trademark applications, which in turn

has resulted in the diminution of value of the FIRESTONE and BRIDGESTONE trademarks. The Supreme Court decision has been challenged by BSLS and BSAM but has been upheld, and Panama has failed to take any step to review that decision, restore the rights of BSLS and BSAM, or compensate BSLS and BSAM for the expropriation of their rights.

67. Bridgestone's losses arising from the Supreme Court are USD 5,471,000. The diminution in value of BSLS and BSAM's trademarks and its business losses in the region has been estimated at no less than USD 10,000,000. BSLS and BSAM are accordingly entitled to compensation to restore them to the position they would have been in had the wrong not occurred.

V. **THE PREREQUISITES FOR COMMENCEMENT OF ARBITRATION HAVE BEEN MET**

A. **The Claimants are U.S. "Investors" in Panama under the FTA**

68. Article 10.29 of the FTA provides:

"investor of a Party means a Party or state enterprise thereof, or a national or an enterprise of a Party, that attempts to make, is making, or has made an investment in the territory of the other Party; provided, however, that a natural person who is a dual national shall be deemed to be exclusively a national of the State of his or her dominant and effective nationality."

69. Article 2.1 of the FTA provides:

"enterprise means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture, or other association."

70. BSLS and BSAM are "Investors" for the purposes of the FTA. They are enterprises duly constituted under the laws of Delaware, USA and Nevada, USA respectively, and they have made investments in Panama.

B. The Claimants' ownership of the FIRESTONE trademark and rights to sell, market and distribute BRIDGESTONE and FIRESTONE branded products in Panama are "Investments" under the FTA

71. Article 10.29 further provides:

"investment means every asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk. Forms that an investment may take include:

(a) an enterprise;

(b) shares, stock, and other forms of equity participation in an enterprise;

(c) bonds, debentures, other debt instruments, and loans;

(d) futures, options, and other derivatives;

(e) turnkey, construction, management, production, concession, revenue-sharing, and other similar contracts;

(f) intellectual property rights;

(g) licenses, authorizations, permits, and similar rights conferred pursuant to domestic law; and

(h) other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens, and pledges."

72. BSLS and BSAM's investments in Panama, being intellectual property rights and distribution licenses and agreements with Panamanian entities, constitute "investments" under the FTA (Article 10.29(f) and (g) in particular).

C. The Parties Have Consented to Arbitration Under the FTA

73. Article 10.17 of the FTA provides,

"1. Each Party consents to the submission of a claim to arbitration under this Section in accordance with this Agreement.

2. *The consent under paragraph 1 and the submission of a claim to arbitration under this Section shall satisfy the requirements of:*

(a) *Chapter II of the ICSID Convention (Jurisdiction of the Centre) and the ICSID Additional Facility Rules for written consent of the parties to the dispute;*

(b) *Article II of the New York Convention for an “agreement in writing;” and*

(c) *Article I of the Inter-American Convention for an “agreement”.*”

74. Accordingly, Panama has consented to arbitration under the FTA.

75. The Claimants hereby consent to arbitration in accordance with the procedures set out in the FTA pursuant to Article 10.18(2)(a).

D. The Parties Have Failed to Reach an Amicable Settlement of the Dispute

76. Article 10.15 of the FTA provides, *“In the event of an investment dispute, the claimant and the respondent should initially seek to resolve the dispute through consultation and negotiation, which may include the use of non-binding, third-party procedures such as conciliation and mediation.”*

77. Article 10.16(2) provides, *“At least 90 days before submitting any claim to arbitration under this Section, a claimant shall delivery to the respondent a written notice of its intention to submit the claim to arbitration.”*

78. Article 10.16(3) provides,

“Provided that six months have elapsed since the events giving rise to the claim, a claimant may submit a claim referred to in paragraph 1:

(a) *Under the ICSID Convention and the ICSID Rules of Procedures for Arbitration Proceedings, provided that both the respondent and the non-disputing Party are parties to the ICSID Convention.”*

79. As described above, the events giving rise to this claim took place on or around May 28, 2014, the date on which the Supreme Court issued its decision.

80. On March 13, 2015, following submission of Bridgestone's Special 301 request, Bridgestone met with Panama's Ambassador to the United States, Emanuel Gonzalez-Revilla, along with his Deputy Chief of Mission Karla Gonzalez and Commercial Attache Juan Heilbron. During this meeting, Bridgestone expressed concern over the Supreme Court decision and inquired about domestic remedies available before seeking redress through international options, such as under the U.S.-Panama FTA. The Ambassador commented that he did not believe remedies were available under the FTA and offered to communicate with Bridgestone to discuss potential domestic options, which did not subsequently occur.
81. By letter dated September 30, 2015, BSLS and BSAM wrote to the Chief of International Trade Negotiations at the Ministry of Commerce and Industry, Panama, enclosing a notice of intent to submit a claim to arbitration under the US-Panama FTA.⁶⁴ Copies of the letter and notice were sent to H.E. Emanuel Gonzalez-Revilla, Ambassador of the Republic of Panama to the United States; the Hon. Alvaro Alemán, Minister of the Presidency of the Republic of Panama; and the Hon. Melitón Arrocha, Minister of Commerce and Industry of the Republic of Panama.
82. Both the United States and Panama are parties to the ICSID Convention.⁶⁵
83. The 90 day period stipulated in Article 10.15(2) of the FTA for submission of a claim to arbitration expired on December 29, 2015. Accordingly, BSLS and BSAM are entitled and hereby submit their dispute with Panama to arbitration under the ICSID Convention and governed by the ICSID Rules of Procedures for Arbitration Proceedings.

VI. PROCEDURAL ISSUES

A. Constitution of the Arbitral Tribunal

84. Article 10.19 of the FTA provides that the arbitral tribunal shall be constituted of three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, to be appointed by agreement of the disputing parties.

⁶⁴ See Notice of Intent dated September 30, 2016 at Exhibit C-43.

⁶⁵ The ICSID Convention entered into force in Panama on May 8, 1996, and in the U.S. on October 14, 1966.

85. The Claimants hereby appoint Dr. Horacio Naon as an arbitrator. Dr. Naon's contact details are as follows:

2708 35th Place, N.W.
Washington, DC 20007, U.S.A.
hgrigeranaon@verizon.net

B. Place of Arbitration

86. Article 10.20 of the FTA provides that the disputing parties may agree on the legal place of the arbitration.
87. The Claimants hereby propose that the arbitration proceedings be held in Washington, D.C.

C. Language of the Proceedings

88. Pursuant to Rule 22 of the ICSID Rules of Procedure for Arbitration Proceedings, the Claimant hereby proposes that the language of the arbitration and all proceedings be English.

VII. REQUEST FOR RELIEF

89. The actions and omissions of the Respondent constitute violations of its obligations to BSLS and BSAM under the US-Panama FTA, in particular Articles 10.3, 10.5 and 10.7. (See above, paragraphs 61-63.)
90. For the reasons set out above, BSLS and BSAM respectfully request the Arbitral Tribunal to render an award:
- Declaring that Panama has violated its obligations under the FTA;
 - Ordering Panama to pay an amount in excess of USD 16,000,000 in damages;
 - Ordering Panama to pay interest on any amount awarded to BSLS and BSAM;
 - Ordering Panama to pay attorney's fees and expenses arising from these proceedings; and

- Granting any further or other relief to BSLS and BSAM that the Arbitral Tribunal shall deem just and proper.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "John Williams". The signature is written in a cursive style with a prominent initial "J" and "W".

October 7, 2016

Bridgestone Request for Arbitration – Exhibit List

Exhibit	Title
Exhibit 1	Power of Attorney and Internal Approval Statement for BSLS
Exhibit 2	Power of Attorney and Approval Statement for BSAM
Exhibit 3	US-Panama FTA (2011), Chapter 10
Exhibit 4	BSLS and BSAM Certificates of Incorporation
Exhibit 5	2015 Mid-Term Management Plan
Exhibit 6	Bridgestone Panamanian trademark registration record
Exhibit 7	Firestone Panamanian trademark registration record
Exhibit 8	Thomas R. Varner <i>An Economic Perspective on Patent Licensing Structure and Provisions</i> , in Les Nouvelles, The Journal of the Licensing Executives Society, September 2010
Exhibit 9	Riverstone U.S. Trademark Application
Exhibit 10	Notice of Riverstone Trademark Opposition
Exhibit 11	Notice of Voluntary Withdrawal of Application with Prejudice
Exhibit 12	Trademark, Trial and Appeal Board (TTAB) Order
Exhibit 13	Reservation of Rights Letter
Exhibit 14	Judgment No. 48, Eighth Civil Circuit Court
Exhibit 15	L.V. International and TGFL Third-party Intervention Applications
Exhibit 16	Civil Complaint filed by Muresa Intertrade S.A
Exhibit 17	Witness Statement of Jose Orestes Medina
Exhibit 18	L.V. International Third-Party Submission
Exhibit 19	BSJ and BSLS Answer to Complaint
Exhibit 20	BSJ and BSLS Expert Report
Exhibit 21	Judgment 70, 11 th Circuit Civil Court
Exhibit 22	Muersa and TGFL Appeal to Judgment No. 70
Exhibit 23	BSJ and BSLS Opposition to Muresa Appeal
Exhibit 24	Decision by the First Superior Court
Exhibit 25	Muresa and TGFL Appeal to the Panamanian Supreme Court

Bridgestone Request for Arbitration – Exhibit List

Exhibit 26	Expert Report filed by Muresa
Exhibit 27	Judgment of the Supreme Court of Justice, Civil Division
Exhibit 28	First Appeal Motion
Exhibit 29	Second Appeal Motion
Exhibit 30	Supreme Court Decision on Motion for Clarification
Exhibit 31	Supreme Court Decision on Motion to Review
Exhibit 32	Special 301 Public Hearing Oral and Written Statement
Exhibit 33	Special 301 Report 2015
Exhibit 34	Correspondence from C. Johnson (Akin Gump) to J. Heilbronn (Embassy of Panama)
Exhibit 35	Congressional Support Letters
Exhibit 36	Letter from Bridgestone to Muresa and TGFL
Exhibit 37	Alvaro Ramirez Bonilla, <i>The State of Intellectual Property in Latin America</i> ,
Exhibit 38	Excerpts from Special 301 reports 2015 through 2004
Exhibit 39	Property Rights Country Summaries for Venezuela, Guyana, Paraguay, Nicaragua, Bolivia, Haiti, and the Dominican Republic from Property Rights Alliance, International Property Rights Index 2016
Exhibit 40	Anne-Marie Slaughter, <i>Transjudicial Communication</i> , U. of Richmond L. Rev
Exhibit 41	Laurence R. Helfer, Karen J. Alter, and M. Florencia Guerzovich, <i>Islands of Effective International Adjudication: Constructing an Intellectual Property Rule of Law in the Andean Community</i> , American Journal of International Law
Exhibit 42	U.S. Chamber of Commerce, Institute for Legal Reform, <i>Following Each Other's Lead, Legal Reform in Latin America</i>
Exhibit 43	Notice of Intent to Arbitrate