



International Mediation Writing Competition

CYPRUS 2022

INSTRUCTIONS

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International Mediation Writing Competition

INSTRUCTIONS FOR PARTICIPANTS IN CYPRUS

The Weinstein International Foundation invites you to enter our second annual Mediation Writing Competition.

The competition is open for all law students who are enrolled in an undergraduate or taught postgraduate law program (Master or LLM). The students will be competing in two separate categories, depending on their lever of education and/or experience.

Category A: Undergraduate Law students with **no experience** in law or mediation*

Category B: Postgraduate students with a law degree or **undergraduate** law students **with experience***

(* Paralegals, Trainee lawyers, Lawyers and trained or accredited Mediators are considered as experienced and should register in Category B. Internships in law offices, if not combined with other experience, do not constitute professional experience and Undergraduate law students- interns can register in Category A.)

The competition is intended to increase student interest in mediation, enhance the skill level of advocates in the mediation process and to raise the level of quality for the written briefs submitted prior to mediation.

It is very easy to participate. The first step is to register online at <http://wif-competition.diamesolavitis.org/>. Following your registration, you will receive the zoom links to attend the global event and the zoom webinars.

The next step is to read carefully this year's case and instructions that you can find below. For the purposes of the competition, you are a new associate in your lawfirm and you are assigned to write a mediation brief/memorandum for the mediator and the other side for a high profile case, following the following rules.

- ✓ Your brief **must not exceed 2500** words.
- ✓ Your brief must have one part to be shared with both the other party and the mediator (**at least 60%**), and another part to be kept confidential between you and the mediator.
- ✓ Please use **Times New Roman, size 12 and 1,5 spacing**.
- ✓ **Do not include your own name or other identifiers** in the document you submit.

√ You may be creative in your writing style but you are **not allowed to add facts** that are not included in the case.

All entries will be anonymized. They will be judged based on criteria that test your ability to marshal facts, law and procedural history effectively, your ability to be a persuasive negotiator without alienating the other side, to suggest ways that the mediator might be able to maximize the likelihood of a successful mediation and, of course, your writing ability. You can find the judging criteria below.

You should submit your mediation brief in English following the instructions posted on the website: <http://wif-competition.diamesolavitis.org/> by **30 November 2022 at midnight** (*Cyprus time, GMT+2*)

The award for the first-place mediation brief in Cyprus is \$500 for each category (\$ 1000 in total).

We look forward to reading your mediation brief.



International Mediation Writing Competition

INSTRUCTIONS FOR JUDGES IN CYPRUS

On behalf of the Weinstein International Foundation (hereinafter “WIF”), we would like to thank you for agreeing to act as a judge in the second annual WIF International Mediation Writing Competition. This short memo is meant to help guide you through the process of judging entries to the competition.

As a judge, you will be reading a number of short memoranda written by law students who are acting as advocates in a mediation scenario. The memoranda must not exceed 2500 words, with a division of the memo into an open part (intended to be shared with the other party) and a closed part (intended to be kept confidential between the mediator and the author). You will be judging the memos according to nine criteria. These criteria (spelled out in more detail in the attached “Criteria for Judges”) are:

1. Summarizes facts effectively, accurately and completely
2. Uses law appropriately (The applicable law is the law that students are taught at their law school)
3. Persuades the other side about the strength of the author’s claim
4. Invites the other party to negotiate in good faith
5. Offers a helpful description of the negotiation history
6. Offers a realistic assessment of the obstacles to settlement
7. Proposes useful and workable strategies to help guide the mediator in determining his approach
8. Effectively breaks down information between the open part and the closed part
9. Is generally well written

Each criterion will be awarded equal weight along a four-point scale, as follows:

POOR (OR MISSING) = 0

FAIR = 1

GOOD = 2

EXCELLENT = 3

The highest score an author may obtain is 27 points.

Your task involves four discrete tasks.

1. Read these instructions in their entirety. Please raise any questions you may have about the instructions before taking any additional steps.
2. Read this year's problem a few times to get a sense of the scenario and the role of the advocate.
3. Read each entry/memorandum and grade each of the criteria on a copy of the attached "Grading Sheet for Judges" (attached). You need merely to place an "X" or a check in the appropriate box to the right of each criterion.
4. Return the completed sheets to the organizers via regular mail, fax or as an email attachment (email preferred) according to the instructions you shall receive by email. Again, thank you very much for agreeing to judge this competition. We hope that this event helps raise awareness of the importance of mediation in the world of dispute resolution, and also of the importance of good advocacy in mediation. Your contribution in this competition will turn that hope into reality.



International Mediation Writing Competition

Sample of GRADING SHEET FOR JUDGES

NAME (OR NUMBER) OF PARTICIPANT _____

TOTAL POINTS AWARDED _____

JUDGE'S NAME _____

DATE ENTRY WAS JUDGED _____

	0 points (POOR or MISSING)	1 point (FAIR)	2 points (GOOD)	3 points (EXCELLENT)
Criterion 1: Summary of Facts				
Criterion 2: Use of Law				
Criterion 3: Persuasiveness				
Criterion 4: Invitation to Negotiate				
Criterion 5: Negotiation History				
Criterion 6: Assessment of Obstacles				
Criterion 7: Proposes Mediator Strategies				
Criterion 8: Breakdown between Open and Closed Parts				
Criterion 9: Quality of Writing				

If you have any other comments or feedback for the author, please include it with this form. That feedback will be forwarded to the author but unless you specify otherwise, your name will be omitted from the score sheet and feedback.



International Mediation Writing Competition

CRITERIA FOR GRADING

CRITERION ONE: AN EXCELLENT MEMO SUMMARIZES FACTS EFFECTIVELY, ACCURATELY AND COMPLETELY

The memo must not exceed 2500 words. Any memo that exceeds the limit should be graded down. An excellent memorandum distills all the important facts down into an easily digested summary, and it does not lose accuracy in the distillation.

CRITERION TWO: AN EXCELLENT MEMO USES LAW APPROPRIATELY

The simulation contains no applicable law. The applicable law is the law that students are taught at their law school. Participants in this competition are invited to do whatever legal research they want and to include relevant law in their memoranda. However, the most effective mediation memos are much lighter on the law than were the memo written for a judge or magistrate called upon to render a decision. The memo should alert the mediator to any relevant rules or laws that the mediator should be aware of, but stops short of being a legalistic argument.

CRITERION THREE: AN EXCELLENT MEMO PERSUADES THE OTHER SIDE ABOUT THE STRENGTH OF THE AUTHOR'S CLAIMS

After reading an excellent mediation memo, the reader is left with the impression that the author is “right” – that is, that she has a strong claim. However, given that mediation is a process in which the author will need to persuade the other negotiator of that “rightness,” the argument ought not to be strident or worded in such strong language that the other negotiator will react negatively or feel the need to argue back. An excellent memo is assertive without inviting argument.

CRITERION FOUR: AN EXCELLENT MEMO INVITES THE OTHER PARTY TO NEGOTIATE IN GOOD FAITH

Excellent advocates are keenly aware that they must persuade the other negotiator to say “yes” to a proposal that will come during the mediation. Such an advocate judiciously chooses language that signals a willingness to make concessions in return for compromises of concessions from the other side. Some memos even contain an explicit offer to make a concession if the other side is willing to reciprocate. But even in the absence of such an explicit offer, an excellent memo is framed in such a way that the opposing negotiator feels more inclined to come to the negotiation as a problem-solving ally, not a legal opponent.

CRITERION FIVE: AN EXCELLENT MEMO OFFERS A HELPFUL DESCRIPTION OF THE NEGOTIATION HISTORY

It is always useful for a mediator to know what attempts at settlement have preceded the mediation. No mediator wants to repeat a failed past tactic or approach. Thus, it is incumbent on the advocates to let the mediator know what the negotiation or settlement history has been in the dispute. If that negotiation history is too self-serving, the mediator is likely to discount or dismiss it. And if the self-serving description is in the Open Part of the memo, it is likely to alienate the other side. An excellent memo summarizes the negotiation history accurately, and portrays prior failures to settle as “no one’s fault.”

CRITERION SIX: AN EXCELLENT MEMO OFFERS A REALISTIC ASSESSMENT OF THE OBSTACLES TO SETTLEMENT

A mediator needs to determine how he can help move the parties toward settlement. A critical piece of background information the mediator needs is an understanding of what stands in the way of an agreement. Sometimes the obstacle is obvious – for example, where one side denies liability and the other side insists that the defendant is liable. Or where one side values the claim in the tens of millions of Euros and the other values it in the hundreds. However, it is often the case that there are obstacles to settlement that are not immediately apparent to a mediator from the facts or negotiation history – for example where an advocate has lost trust with her client and the client no longer believes the information the advocate brings to him. There are many such examples of hidden obstacles. An excellent mediation memo helps the mediator diagnose the roadblocks that will have to be surmounted before a settlement can be attained.

CRITERION SEVEN: AN EXCELLENT MEMO PROPOSES USEFUL AND WORKABLE STRATEGIES TO HELP GUIDE THE MEDIATOR IN DETERMINING HIS APPROACH

Mediators are greatly helped when participants facilitate the structuring of an effective mediation process. While it is useful for a party to identify obstacles to settlement (see Criterion Six), it is even more useful when the parties then offer their perspective on how to structure the mediation in a way that overcomes the obstacles, exploits common interests and creates a settlement that both parties prefer over further conflict. An excellent mediation memo will contain at least one suggestion about how the mediator might proceed, and sometimes more than one. These strategies ought to arise organically out of the situation, and should not be monolithically biased in favor of the author's position.

CRITERION EIGHT: AN EXCELLENT MEMO EFFECTIVELY BREAKS DOWN INFORMATION BETWEEN THE OPEN (SHARED WITH THE OTHER SIDE) PART OF THE MEMO AND THE CLOSED (CONFIDENTIAL) PART

One of the most important skills in mediation is knowing what to share with one's negotiation counterpart and the mediator, and what to keep between the mediator and one's self. This skill is important during a mediation, but also in the writing of a pre-mediation memo. Many mediators prefer that the parties write something private in addition to something shared. The private memos often contain information about strategy, about the other side, about aspects of the negotiation history, and perhaps even about settlement targets and obstacles. To the extent that the memo ought to inform the mediator without inflaming the other side, this can be accomplished by keeping the information confidential.

However, advocates who keep too much information confidential fail to serve their clients' interests. After all, it is the other side who must be persuaded. This means that as much information as possible ought to be in the Open Part of the memo and that the Closed Part is kept to a minimum.

Moreover, the information in the closed part still needs to be accurate and believable. If the author is too one-sided in the Closed Part, the mediator will naturally discount the strength of the author's statements.

A fine balance needs to be struck, but an excellent memo manages to expertly walk the line between shared and confidential information.

CRITERION NINE: AN EXCELLENT MEMO IS WELL WRITTEN

This point ought to be obvious. When an advocate takes the time and exercises the skills required to produce a well-written work, he makes the job of the reader much easier. Well-written works are more persuasive and show the author in the best possible light. When spelling and grammar are perfect, when word choice is creative and appropriate, when sentence and paragraph structure evince care and skill, the product and the argument contained therein are all more likely to do the intended job.



Weinstein International Foundation
MEDIATING A BETTER FUTURE™

International Mediation Writing Competition

FACTS AND INSTRUCTIONS¹

LETTER OF APOINTMENT TO DRAFT A MEDIATION BRIEF

TO: OUR NEW ASSOCIATE

FROM: SENIOR PARTNER

RE: JOHN JOHNBERG VEHIRENTALS CASE

DATE: TODAY

Our firm is very pleased to have hired you. You seem like a lawyer with a terrific career ahead of you. The leadership of the firm has great faith in your abilities, and as a result, we have decided to give you a very important task. Your job is to write a mediation memorandum in support of our client John Johnberg.

This case file describes a summary of the case (as narrated by John Johnberg), notes on investment terminology regarding the case, an article on VehiRentals BETA launch, a transcript from a confidential interview with John Johnberg, a screenshot of VehiRentals website, a document provided by John Johnberg as proof of code theft and an article on the effect John's public claims had on VehiRentals.

There have been no negotiations to date.

Do your best work. We have placed our trust in you.

¹ Disclaimer: This is a work of fiction. Any similarity to actual persons, or actual events, is purely coincidental. The original case and transcript were drafted by Senior Fellow Eleni Charalambidou and the case folder was enriched by works of Senior Fellows Constantin-Adi Gavrila (including the visual identity of VehiRentals) and Ruslan Mirzayev. The technical information was drafted by Mr. Ionuț Ciofu (Adplus.Ro), the project's global computer programming senior advisor. The reproduction, translation, editing or use for commercial purposes is strictly prohibited without the written consent of the authors.



LAWFIRM
& ASSOCIATES

VehiRentals

case file



Dear Advocate,

I have prepared a folder that will help you draft the mediation brief for the case between John Johnberg and VehiRentals. In the folder, you will find the following documents, in the order I believe you should read them:

1. A summary of the case (as narrated by John Johnberg)
2. My notes on investment terminology regarding the case
3. An article on VehiRentals BETA launch
4. A transcript from a confidential interview with John Johnberg
5. A screenshot of VehiRentals website
6. The document John Johnberg provided as proof of code theft
7. An article on the effect John's public claims had on VehiRentals

I remain at your disposal for any further assistance.

Paralegal AB.

DOCUMENT NO 1: MILLION EUROS IDEA - CASE SUMMARY

CLIENT: JOHN JOHNBERG

Two years ago, Paul Jirian and John Johnberg, good friends who studied computer sciences together at the University, were about to pursue their dream as a team. They had an idea for an online platform that would revolutionize the truck rentals market in Europe. John's father owns a truck rental company, and John knew both the market and its issues quite well. He wanted to bring the industry into the 21st century, taking advantage of all the opportunities offered by modern technology. He had started working on an idea for a secure online interconnection platform for businesses (B2B = Business to Business) through which every professional could find trucks directly, across Europe, for transportation of goods, either national or cross-border.

Two of the biggest struggles with implementing John's idea were the high cost of vehicle insurance for cross-border transportation and the cost of returning the vehicle to the country of origin after each trip.

The first issue was solved with the help of Paul's father. He was an experienced executive at an international insurance company and helped create an affordable insurance policy for all the vehicles participating in the platform.

The problem of returning the vehicles to the headquarters of each rental company after each trip was solved by a friend of Paul's, Orion Macanny, who created a special algorithm that ensured that the vehicles would be automatically selected for subsequent transfers towards the desired destination, so they would never return empty. This system would multiply the profits of the company. John and Paul were so excited about Orion that they decided to invite him to join their team as an equal partner.

John and Orion started working together on developing code for the platform in Orion's garage. The team decided not to establish a company yet and wait to see if their idea could be implemented before investing their savings in drafting legal documents (as many startup initiatives do). After six months of sleep deprivation and a caffeine-based diet, they finally had a working code, but they decided to test and improve it before launching the platform. In the meantime, Paul utilized his contacts, and managed to attract the interest of some of the largest truck rental companies. The truck rental companies signed Letters of Intent (LoI), stating that they were willing to join the platform when it would be ready, under certain conditions.

One day, John was looking into these LoIs to find the contact details of a company and he realized that the terms on the documents were not the ones the three partners had discussed. Paul included compensation clauses in the LoIs with the rental companies if the platform failed to reach some quite high targets after its launch. John was completely against that policy, exposing their initiative to high risk. He got furious and confronted Paul, who, in turn, said that the truck rental companies would never sign the LoIs, let alone join the platform, unless some of their requirements were met. He implied that John was only good at coding and lacked the entrepreneurial spirit and market understanding, so he could not understand these deals. John got offended; he accused Paul of opportunism and betrayal, packed his computers and left their garage. After the quarrel, there was no other communication between them.



Two months ago, a newly established company named "VehiRentals SA" launched a new interconnection platform that offered all types of commercial vehicles (trucks, refrigerators, bulldozers and other construction tools) for rent to both individuals and professionals across Europe. The CEO of this company was Paul and the CTO was Orion. Each owned 50% of the company's shares. Along with launching a BETA version of the platform, the company was approached by well-known investors. VehiRentals received offers of up to 200,000 euros in exchange for 20% of the company, which meant that the investors valued the company's potential worth at 1,000,000 euros, based on the "Market Multiple" approach. "Market Multiple" approach determines the value of the company based on recent acquisitions of similar companies in the market. Paul and Orion were hosted on many shows in different countries as an example of entrepreneurship and success while the platform gathered more and more interest.

Three weeks after the launch, John publicly expressed his intention to file a lawsuit against VehiRentals for infringement of intellectual property rights. In fact, he was hosted on well-known vidcasts and podcasts where he told the story from his side. According to John, Paul and Orion stole his idea and the code he had written for the platform. He stated that he had kept the hard drives of his work, which would prove when and by which user the code was written. He had also uploaded his work to the cloud, so the date the code was created and the uploader can be confirmed. John publicly claims 40% of the company's value, i.e. 400,000 euros, based on the valuation by the investors.

Paul felt the need to publish statements in the news, stating that this was a malicious attempt due to the great publicity of the company. He stated that:

"John is a kind person deep down, but his lawyers take advantage of him and ask him to make ridiculous claims to make a profit. We used to be buddies at school, and we had a few nice ideas, among which a truck rental platform, but John had no involvement in our VehiRentals. VehiRentals is a completely new platform offering quite different services (rental of vehicles of all kinds) and orientation (addressed to individuals and professionals) compared to the simplistic idea that we were chatting about as students and friends. Orion created the code, and John never had any substantial involvement in creating either the platform or the company."

Also, he carelessly stated during a TV interview that *"if John is entitled to shares, then why don't we also give shares to Mrs Mary from the school canteen who told us that her husband could not find a bulldozer to rent! If we start thinking this way, then yes, she inspired us too! Hahaha!"*

Our office has recently filed a lawsuit on behalf of John against VehiRentals for intellectual property rights infringement claiming 400,000 euros. Due to the publicity and the lawsuit, the investors withdrew their proposals until the dispute was resolved. Our office has proposed to try mediation before resorting to the courts, and the other side has agreed. We are now preparing the mediation memorandum for the mediator and the other side.

DOCUMENT NO 2: PARALEGAL'S NOTES ON INVESTMENT

TERMINOLOGY

Notes	Definition found after research
<p><i>Our client decided to stop working with Paul and Orion because Paul agreed to include compensation clauses in the LOIs signed by the truck rental companies. Our client had not agreed to these terms and he considered them dangerous for the future company.</i></p>	<p>“Lols”, “Business valuation” & “Market Multiple” approach</p> <p>A letter of intent (LOI) is a document declaring the preliminary commitment of one party to do business with another. The letter outlines the chief terms of a prospective deal. Commonly used in major business transactions, LOIs are similar in content to term sheets [...].</p> <p>A letter of intent is a document declaring the preliminary commitment of one party to do business with another.</p> <p>The letter outlines the chief terms of a prospective deal and is commonly used in business transactions.</p> <p>Terms included in an LOI are certain stipulations, requirements, timelines, and the parties involved.</p> <p>(source: Investopedia: Letter of Intent. Article written <i>By Andrew Bloomenthal</i> and reviewed by <i>Margaret James</i> https://www.investopedia.com/terms/l/letterofintent.asp)</p> <p>*****</p> <p>LOI (Or Letter of Intent) is an informal, non-binding letter representing a commitment from the client that he will be using your product once you achieve certain goals.</p> <p>LOI “Letter of intent” represents a primary commitment from the client. Which could be converted to a contract later. Goals of LOI:</p> <ol style="list-style-type: none"> 1. Get feedback regarding your product 2. Get a documented commitment from the client 3. A proof of your product-market fit to investors <p>(source: How to write an Lol for your startup by <i>Eslam el Khateeb</i> https://medium.com/@eslam.a.khateeb/how-to-write-loi-for-your-startup-free-template-38516595e1c5)</p> <p>*****</p>



VehiRentals is a startup with no income yet. Its value is determined by the valuation of investors who use the "market multiple" approach. This means that they "measure" its value by comparing it to similar companies in the market.

Before John's lawsuit the company's valuation was 1 million euros. However this does not mean that VehiRentals has indeed the cash flow or assets equal to 1 million. This valuation, based on mathematical models, may change after John's lawsuit, if it affects the company's public image and future

Business valuation is never straightforward for any company. For startups with little or no revenue or profits and less-than-certain futures, the job of assigning a valuation is particularly tricky. For mature, publicly listed businesses with steady revenues and earnings, normally, it's a matter of valuing them as a multiple of their earnings before interest, taxes, depreciation, and amortization (EBITDA) or based on other industry-specific multiples. But it's a lot harder to value a new venture that's not publicly listed and may be years away from sales. [...] Startups are notoriously hard to value accurately since they do not yet have operating income or perhaps even a salable product yet and will be spending money to get things going.

(source: **Investopedia: Valuing Startup Ventures**. Article By *Ben McClure*, Fact checked by *Skylar Clarine* <https://www.investopedia.com/articles/financial-theory/11/valuing-startup-ventures.asp>)

The multiples approach is a valuation theory based on the idea that similar assets sell at similar prices. It assumes that the ratio used in comparing firms, such as operating margins or cash flows, is the same across similar firms. [...] The multiples approach is a comparables analysis or relative valuation method that seeks to evaluate similar companies using the same standardized financial metrics.

(source: Investopedia: **Multiples Approach**. Written by *Tim Smith*, reviewed by *Margaret James*, fact checked by *Amanda Bellucco-Chatham* <https://www.investopedia.com/terms/m/multiplesapproach.asp>)

This article was published two months ago,

before John's visit to us

THE START UP

ISSUE NO. 9

FEBRUARY

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FEATURED ARTICLE **ADVICE**

Meet VehiRentals - The up-and-coming million euros start-up



A team of young and very ambitious entrepreneurs is revolutionizing logistics. Venture capitals are racing one another to invest in this new online platform which promises to connect commercial vehicle rental companies to users all around Europe.

Paul Jirian and Orion Macanny are the minds behind the idea and when you meet them you soon realize that they are the dream team: Paul, the CEO is the business genius and Orion, the CTO is the code master.

Together they built an interconnection platform that offers all types of commercial vehicles (trucks, refrigerators, bulldozers and other construction tools) for rent to both individuals and professionals across Europe. They have already signed deals with two major rental companies, "European Trucks" and "Bulldozers and they are in negotiations with many more.

Investors value the company at 1 million euros based on the "market multiple" approach, but we expect the valuation to rise way higher if the company signs more deals. Europe Angels Ltd has already offered to get 20% of the company for 200.000 euros, and there are rumours that the giant of venture capitals in Europe, Euro Venture Capital Ltd, is prepared to make a higher offer if more rental companies sign with VehiRentals.





DOCUMENT NO 4: TRANSCRIPT OF FIRST PRIVATE DISCUSSION BETWEEN ADVOCATE AND CLIENT (JOHN) ON THE CASE

Advocate: John, I need to know everything about this case to be able to help you. I have been following the case on the news and social media, but I need to hear your side of the story. What happened back then?

John: I am outraged! Without my contribution there would be nothing! Paul had no idea about the commercial vehicle rental industry. When we argued, I felt like I could no longer trust him. He decided on his own without asking me.

Advocate: What did he decide on his own?

John: He agreed to include compensation clauses in the LoIs with the rental companies in case we failed to reach some quite high targets. He knew I was completely against it! He insisted that we had to offer guarantees to be trusted as a new company and said I was immature and unaware of the real world. That got me furious. He would bankrupt us with those compensation clauses. He did it just to please the rental companies. I let him know that I felt very disappointed!

Advocate: Do you have these LoIs?

John: No, unfortunately not. I did not keep them.

Advocate: So, how did you find out about VehiRentals? Did you know that they continued working on the project?

John: I left bitter that day after the argument. I was clear that the collaboration was over, that the company we were going to build died, so I thought I did not need to say anything else. A few months ago, I heard from some of my father's colleagues that someone approached them with an idea similar to mine, but I imagined it was a foreign company. When I found out about VehiRentals I was shocked. As soon as I realized that Paul and Orion were behind it, I immediately announced that I would file a lawsuit. I haven't been able to sleep ... it is a nightmare ...

Advocate: I have seen you in vidcasts and podcasts talking about the issue. You said that you could prove that the idea was yours. What kind of proof were you talking about?

John: All of our friends knew about it! Our fathers knew about it! Isn't that enough? We can call them all as witnesses, right? I also have documents on my computer and a few e-mails we exchanged.

Advocate: Did you somehow legally protect that idea? Did you file for a patent, a trademark or anything



else?

John: Well ... not really. We did not have a budget back then, and we wanted to have our product ready before investing in fees ... Is this going to be a problem? Everybody knew this was my idea!

Advocate: Well, John, unfortunately, the testimony of friends is not always enough to prove copyright. It is almost impossible to prove the “paternity” of ideas as a basis for intellectual property rights

John: What about the e-mails we exchanged, aren’t those proof? They contain discussions about our plans!

Advocate: I have to be honest with you. The fact that you did not take any action to establish a company back then or file for a patent or anything else under your name will make it very hard to prove that you have rights to the “idea”. E-mails can certainly be used in court if they provide proof. Do they prove that VehiRentals is exactly the same (or largely the same) concept as the one you were building and that your actions contributed to the idea's fruition?

John: Pf... At some point, at the beginning, I was abroad with a bad phone signal, and we were exchanging e-mails discussing ideas, but I am afraid they were too general. Most of our discussions, later on, took place in person, so I don’t have any record of those. VehiRentals is based on our original concept, but Paul and Orion had so much time to develop the concept further! They expanded the business model, so VehiRentals now offers all kinds of vehicles to individuals and professionals, even though the main idea was the same.

Advocate: As I explained, “concepts” and “ideas” are quite vague, and the business model is now a bit different. What other documents or files do you have?

John: Even if we fail to prove the paternity of the “idea”, I am confident that we can prove the code theft! Look, as you know by now, I am very organized and meticulous when it comes to my work. I had described in a document a set of rules for writing code (both front-end and back-end) and I had saved the document both on hard disk and in the cloud (where there is a time stamp) at the beginning of the project, before Orion’s involvement when I was the only person writing code. Neither Paul nor Orion had access to these files. When I started cooperating with Orion I provided a copy of my code, but Orion did not know that I had kept the original version of my work with a time stamp on the cloud.

Advocate: That is great! Have you seen the code that VehiRentals currently uses? Is it the same?

John: I observed the code for the VehiRentals website, and I immediately noticed that there were snippets of HTML, CSS, and JavaScript code that no other developer in the world could have written in the same way. It is clear that they stole at least a part of my code. My rules for writing code are unique and there is a well-defined and structured coding style. I have prepared a document to show you! However, I don’t have access to all their code.



Advocate: That is perfect! I will read the document you prepared, and we will try to find more about their code at a later stage. If we go to trial, we will ask for an external audit to use at Court based on your files.

John: That's a relief. I still cannot believe that my friends' testimonies cannot be used. They are all on my side, and they are ready to testify at court or go live on the internet! Can't we use that?

Advocate: At court, they will have little to no value. I guess we can use them more as a threat. If they go public on tv shows and Twitter, this will certainly damage VehiRentals's reputation and create a bigger scandal. The other side will certainly not like that. But if you decide to materialize that threat, investors will step back, and VehiRentals's value will drop. Do you want that?

John: At first, I wanted to take revenge and destroy that company, so if you had asked me a week ago, I would have said yes. But after discussing it with my friends, I realized that if I do that, it is certain that someone else will pick up the idea and start a similar platform. The start-up world has very quick reflexes. I discussed this with my family a lot. If they are not willing to recognize my contribution, then, yes, I want to destroy them. But if I can make them recognize me, then no, I want that company to succeed. This project was my baby, and I want to have stakes in it.

Advocate: What kind of recognition are you looking for?

John: Well (laughing), the money, of course! I already stated everywhere that I would claim 40% of the company. Plus, a public statement recognizing my contribution.

Advocate: Hm... Let me think.... We can sue for 40% of the company. We can justify the 40% you are asking as follows: You are entitled to half of the percentage that corresponds to the original concept and efforts. If we estimate the value of the concept and initial efforts at 20% of the company's total value, we will claim half of it, i.e. 10%. However, this won't be easy to prove, as I explained. From the remaining 80% of the company's value, we will claim that your work corresponds to 30%, so in total, you are entitled to 40%.

John: Does this mean that I can get 400,000 euros? I mean the market valuation is at 1 million, so 40% of this is....

Advocate: John, you know better than I do that this valuation will significantly change once the lawsuit becomes public. Investors will probably back up. Nobody likes investing in companies involved in scandals and intellectual property rights infringement lawsuits. Also 40% is just the percentage we will claim with the lawsuit. We always ask for much more than we hope the court will award. So, even if we win at court, the percentage awarded will be lower than that, especially since your contribution to the "concept" is not something that will easily be recognized.

John: So, what do you think I can expect to get? And how soon?



Advocate: You came to me because you know I am always honest with my clients. In similar cases, we usually wait from one to even two years until we have the first judgment, and then the other side usually files an appeal which takes another 1 to 2 years. The total costs will rise to five figures. As to what you can expect after a realistic assessment, I guess there is nothing between 0 (if all claims are dismissed) and 20%.

John: By that time, if investors back up, the company will be worthless! I will get nothing! I need money right now....

Advocate: My advice is to file the lawsuit to put some pressure, but it is in your best interest to settle out of court, especially if you want money now. Considering that the relationship with the other side is not good, I will suggest mediation. This confidential process allows you to decide what deal makes the most sense for you.

John: How much money can I get through mediation?

Advocate: Mediation is a negotiation coordinated by a trained and experienced neutral. We will create a strategy for you to convince the other side about the mutual benefit of resolving this dispute peacefully. We will try to get you as much money as possible, but I need to know, between you and me, how much money would you be willing to settle if the other side agrees to resolve this matter now?

John: Of course, I want to get as much as possible, and I am confident you will do your best to get me a good deal. Ever since I left Paul and Orion to work for my father's company, I realized many other issues in the car rental industry, and I decided to develop another idea: exchanging used car parts online. I have started to set up my own platform, but I need a capital of 50.000 euros within the next month to proceed. On top of that, I would really like to have at least 10% of shares of the VehiRentals. As I said, it is my own baby, and I want to have future profits from it; I believe it has much potential. But if they refuse to give me shares, then I will demand at least another 100.000 (so 150.000 in total).

Advocate: That sounds reasonable if we play our cards right. Would you be willing to sign a non-exclusive license to VehiRentals to use your code if they give you that amount?

John: Yes, of course! But as you said, a non-exclusive one, and on top of that, they must also acknowledge my contribution publicly. It is vital for my reputation in the startup industry.

Advocate: Sure. I think we have all the information required. I will study the document you brought me on the code theft, and I will draft the lawsuit as soon as possible. After filing, I expect an immediate reaction from the investors, so we will quickly invite the other side to mediation. I will also prepare a memorandum for the mediation, both for the mediator and the other side.

John: Thank you! We will be in touch



DOCUMENT NO 5: SCREENSHOT OF VEHIRENTALS HOME WEBPAGE

VehiRentals
REAL-TIME LOGISTICS

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Real time access to trucks, refrigerators, bulldozers and other construction tools

FREE QUOTE

Name

E-Mail

From

To

Get Quote

Learn more about our state-of-the-art rent app with access to all types of commercial vehicles

← →

DOCUMENT NO 6: THEFT EVIDENCE PRESENTED BY JOHN TO OUR LAW FIRM

John, our client, appears to be a very calculated and meticulous person. He described in a document a set of rules for writing code (both front-end and back-end). He saved the document both on hard disk and in the cloud (say “*source A*”) at the early stages of the project, before Orion’s active involvement, and to which neither **Paul** nor **Orion** ever had access. **John**’s rules for writing code are unique and there is a well-defined and structured coding style.

Before calling for an external audit that would irrefutably prove the code theft, **John** immediately noticed that there were snippets of **HTML**, **CSS**, and **JavaScript** code that no other developer in the world could have written in the same way. He did that by observing the code for the **VehiRentals** website (say “*source B*”). Below is evidence of intellectual theft presented by **John**:

1. On *source A* we have the following code section:

```
<div id="vehiclesContentLoader" data-pagination="true" data-columns="4" data-sort="ASC">
...
</div>
```

On *source B* there is the exact same code section, but some data attributes are in a different order:

```
<div id="vehiclesContentLoader" data-columns="4" data-pagination="true" data-sort="ASC">
...
</div>
```

Div ids are identical "**vehiclesContentLoader**" which have same coding style from **John**'s document. Data attributes have same name and identical values (case sensitive and also **camelCase** convention).

2. On *source A* we have the following section of code with a Typo (is short for typographical error): "**locaton**" instead of "**location**":

```
<div class="locatonCoordinates"> ... </div>
```

We found same typo on *source B*

```
<div class="locatonCoordinates"> ... </div>
```

John was cautious and put some "traps" in the code, seeing that he began to receive code-related questions by Orion and Paul that raised suspicions.

3. On both sources we have a div with exactly same style but share same error:

```
<div class="liveTrackingDetails" style="color: rgba(255, 255, 256, 0.9)">
```



It's more than obvious that **Orion** could not have made exactly the same mistakes as **John**: **rgba(255, 255, 256, 0.9)** is not a valid **RGBA (Red Green Blue Alpha)** color.

4. On *source B*, all **CSS(Cascading Style Sheets)** rules follow same pattern from **John's** secret document. In the main **CSS** file we found many of the declaration blocks taken entirely (same rules)

4a. E.g.

```
.loadMore {  
  font-weight: 700;  
  font-size: 1rem;  
  color: #00008b;  
}
```

is found on both sites even if *source A* it has no color logic. All **rgb** colors from *source B* has a web standard color correspondent: **#00008b** means **darkblue**, **#8b0000** is **darkred** and so on.

on *source A* exist several of random colors like **#0d88fc**, **#cadb28**, etc.

4b. On *source A* there is no logic for some properties values or selectors.

```
.expander {  
  font-weight: bold;  
  padding: 10px;  
}  
.left-column {  
  font-weight: 700;  
  padding: 1em;  
  ...  
}
```

There are no constant definitions: in some rules we found **700** or **bold** as values (even if the result is the same), measurements units are different (on *source B* we found only **px - pixels**), selector names are not only **camelCase** but **PascalCase**, **snake_case**, or **kebab-case**. It is very possible that **Paul/Orion** copied code from other places without mentioning the authors.

5. There are exactly the same libraries/plugins included for **slideshows**, **image lightbox**, **AJAX loading content**, **modals**, **tooltips**, **spinners**, **accordion**.

It's impossible to use the same **JavaScript** and **jQuery** plugins with the same versions for same domain of activity. More than that, *source A* have some legal licensing issues: **2 MIT libraries** are used without including the original copy of the **MIT license** in their distribution.

This is part of the information presented by **John** to his lawyers as "obvious evidence of intellectual theft".

Legend:

- "*source A*" - the platform resulting from the initial collaboration between **John** and **Paul**
- "*source B*" - the platform resulting from the collaboration between **Paul** and **Orion**

Business News Weekly

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Controversies over a recently established start-up

Another controversy hit the news recently concerning an alleged breach of intellectual property rights. VehiRentals, which has recently made headlines in the business news by attracting prominent investors, faces controversy over the allegations of infringement of intellectual property.

During an interview to well-known vidcasts and podcasts John Johnberg said that he was a business partner of the founders of VehiRentals and claimed that VehiRentals breached his intellectual property rights by stealing his ideas and the program code he wrote. He noted that one of the founders of VehiRentals, Paul, had no idea about the commercial vehicle rental industry, was an opportunist and did not have any loyalty.

John Johnberg has just filed a lawsuit against VehiRentals – he believes he is entitled to 40% of the value of the company, i.e. 400,000 euros, based on the valuation by the investors. John noted that he retained the evidence to prove that the founders of VehiRentals are breaching his intellectual property rights.

Such news may be crucially detrimental for further development of VehiRentals and the perception of its potential investors. VehiRentals offers a new interconnection platform, which lists all types of commercial vehicles (trucks, refrigerators, bulldozers and other construction tools) for rent to both individuals and businesses across Europe. VehiRentals started gaining interest of well-known investors and received offers of up to 200,000 euros in exchange for 20% of the company.

Our reporters contacted both VehiRentals and Europe Angels Ltd, the prime potential investor, to give their side of the story. VehiRentals commented that "the claims are bogus", while Europe Angels Ltd stated that: "This is the first time we hear about it! We are very surprised and we trust Paul Jirian and Orion Macanny. However, if a lawsuit has been filed, we will be obliged to hold our offer until the resolution of the issue, as this is a standard policy for us in such cases.



VehiRentals uses state-of-the-art, AI-based technology to establish an interconnected platform with a lot of potential

"I believe that I am entitled to 40% of the value of the company"
said John Johnberg