

Arbitration of Intellectual Property Disputes



What is Arbitration?

Arbitration is a consensual process for resolving disputes by an independent arbitrator/panel of arbitrators selected by the parties to the dispute. The decision of the arbitrator(s) (arbitral award) is binding on the parties.

The Arbitration Ordinance

The Arbitration Ordinance (Cap. 609) provides a legal framework for the conduct of arbitration in Hong Kong. To facilitate the arbitration of intellectual property (IP) disputes, the Arbitration (Amendment) Ordinance 2017 introduces a new Part 11A to the Arbitration Ordinance to clarify that:

- ❖ All IP disputes (whether within or outside Hong Kong) can be arbitrated
- ❖ IP arbitral awards can be enforced in Hong Kong

Commencement of the Amendments relating to IP arbitration

- ❖ New Part 11A of the Arbitration Ordinance comes into effect on 1 January 2018*(Effective Date) and applies to arbitral proceedings commencing on or after the Effective Date, and related proceedings
- ❖ Parties may agree to apply Part 11A to arbitral proceedings which commenced before the Effective Date, and their related proceedings

Further information about arbitration may be obtained from

- (1) www.doj.gov.hk/eng/public/arbitration.html#iparb
- (2) www.ipd.gov.hk/eng/IP_Arbitration.htm

* Except amendments relating to arbitration of short-term patents (new section 103J) which come into effect on 19 December 2019 when section 123 of the Patents (Amendment) Ordinance 2016 comes into effect on the same date.

Benefits of Resolving IP Disputes by Arbitration under the Arbitration Ordinance (as amended)

Autonomy	Parties can agree on: <ul style="list-style-type: none"> ❖ which disputes to be referred to arbitration ❖ the remedies and reliefs which the arbitral tribunal may award ❖ the procedures of the arbitral proceedings, which may expedite the resolution of their dispute
Single forum	Parties can resolve in a single forum their IP disputes in multiple jurisdictions instead of starting legal proceedings in each jurisdiction separately, saving time and costs
Expertise	Parties can choose an arbitrator or arbitrators with expertise in the subject
Confidentiality	Arbitral proceedings and arbitral awards are confidential unless the parties otherwise agree, and subject to statutory exceptions
Binding effect	In general, arbitral awards are final and binding on the parties only and do not affect the rights of third parties
Enforcement	Parties can make use of the award enforcement mechanism under the New York Convention and Hong Kong SAR's respective arrangements with Mainland China and the Macao SAR

Parties should seek legal advice on their dispute resolution options and the drafting of contracts and arbitration clauses/agreements.