THE ARBITRABILITY OF INTELLECTUAL PROPERTY DISPUTES IN WIPO

MAHER JABER ALJABER

Associate Professor in Commercial Law, Faculty of Law, Al-Balqa Applied University
ORCID: https://orcid.org/0000-0001-6646-4172
Email: maheraljaber@bau.edu.jo.

Abstract - Arbitration is considered as an alternative dispute resolution due to various advantages that involve the shortage of time taking to settle the dispute, and the expertise of arbitrators in the field of dispute. Intellectual property is one of the subjects that require an experience of the person who settle the dispute. This attributes to the commercial value of intellectual property disputes. WIPO Arbitration and Mediation Centre was launched in 1994 to promote the resolution of IP's disputes as an alternative dispute resolution. The aim of the current study is to investigate the arbitrability of intellectual property disputes in the World Intellectual Property Organization (WIPO). To achieve the aims of the current study, a descriptive analytical approach is used. This has done by analyzing the legal texts in WIPO's legal system. The current research is concluded that arbitrability of IP Disputes is relied on the applied legal system in national country of the opponents.

Keywords - Arbitration, Intellectual Property, WIPO, Arbitrability.

I. INTRODUCTION

The importance of arbitration as alternative dispute mechanism is increased rapidly in the international commercial transactions. (Aljaber, 2020). In simple words, it gives the parties of the transaction the chance of settle any dispute raising before, during, or after the contractual stage to arbitration (Aljaber, 2020). The philosophy of arbitration is summarizing in creating an agreement between two parties to submit a contractual disputes that arising due to the enforcement of contract to a chosen third party – known arbitrator – to issue a binding decision for all parties (Kalensky 2019. Aljaber2020). The main reasons of abandoning the courts and resorting to arbitration; are the capability of arbitration in reducing costs, reducing time and effort (Zammit, 2010. Kalensky, 2019). In addition, the parties are free to choose and implement the suitable procedures for them on the arbitration process. At this point, they can choose the kind of arbitration, institutional or ad hoc, they can choose arbitrator, time, place of arbitration, seat of arbitration, applicable law…etc. besides, the parties are free for choosing the arbitrator with no restrictions, no perquisites. Fourthly, arbitration can achieve the required neutrality, because the arbitration procedures are far from the language, national law, and judicial system of the parties. Furthermore, arbitration gives the parties a required confidentiality. Lastly, the finality of the arbitration ruling is an essential advantage for arbitration process, where the ruling is not subject to appeal in court (Zammit, 2010. Kalensky, 2019). Besides the all mentioned advantages, the enforcement of arbitration ruling is guaranteed due to the existence conventions related with arbitration that signed and ratified by countries (Zammit, 2010).

As mentioned above, arbitration is suitable for all kinds of commercial transactions, but, nowadays, it becomes more important in intellectual property disputes (IPD's). The different nationalities of parties presents the difficulties of the enforcement award in related with disputes of intellectual property rights that issued from the national courts. This is because, on the one side, the IP rights are territorial in nature but, in another side, the IP disputes are international in nature (Reed et.al. 2021. Zammit, 2010).

However, in spite of the all mentioned advantages of using arbitration, the submitted IP's conflicts should be arbitrable (Kalensky, 2019). As Rosenthal argues arbitrability means "the question of whether a dispute can, in principle, be decided by a private arbitral tribunal instead of a state authority (Kalensky, 2019). Besides, using arbitration in settlement of IP disputes is knownas one of controversial issue. At this stance, Reed et.al (2021) mention that the seat of arbitration determines whether the IP dispute is arbitrable or not.

1.1.Problem and Methodology

The aim of the current study is to investigate the arbitrability of intellectual property disputes in the World Intellectual Property Organization (WIPO). To achieve the aims of the current study, a descriptive analytical approach is used. This has done by analyzing the legal texts in WIPO's legal system.

II. INTELLECTUAL PROPERTY RIGHTS AND IT'S ARBITRABILITY

The current section will elaborates the types of intellectual property rights (sub-section one), and the arbitrability of intellectual property disputes (sub-section two).

2.1. Types of intellectual property rights

The Convention Establishing the World Intellectual Property Organization 1979 (WIPO) states on the elements that could be considered as intellectual property rights that could be a scope of legal protection. Para.9 of Article 2 states that: "intellectual property shall include the rights relatinf to: 1. Literary, artistic and scientific works, 2. Performance of performing artists, phonograms, and broadcasts. 3. Inventions in all fields of human endeavor. 4. Scientific discoveries. 5. Industrial designs. 6. Trademarks, service marks, an commercial names and designations. 7. Protection against unfair competition. And all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields".

As stated in article 2 of the WIPO's Convention each contracting state in the convention has a significant role and legal obligation in enacting the legal regulations that regulate and protect the intellectual property rights. Article 3 of the WIPO's Convention states explicitly "the objectives of the organization are: i. to promote the protection of intellectual peroperty throughout the world through cooperation among states and, where appropriate, in collaboration with any other international organization".

As mentioned above, all member states should protect the right of parties in their intellectual property efforts; and for that, give them a capability to go to courts to ask for such protection. At this side, the main disputes with regards IP rights are surrounding over infringement, validity, ownership, or breach of contract (Legler, 2019. Wu. 2011).

However, the main concern is standing on the fact that whether such of disputes are arbitrable or not. Thus, the arbitrability concept depends on the applied legal system in the national country. On the one side, some of legal sytems, such as common law countries, allows arbitration in IP disputes with certain limitations. On the other side, IP rights are arbitrable in civil law states with no limitations (Zammit1, 2010. Kalensky, 2019. Boog, 2014). As Kalensky(2019) describes the IPR Disputes are limited to:Disputes arising out of licensing agreemants, Disputes over the transfer if IPR, Agreements for the development of IP, Infringmnetclims, Disputes over moral rights of the author, and Claims regarding the validity of registration of IPR.

2.2. The Arbitrability of IP Disputes in Civil and Anglo-Saxon Legal Systems

As discussed above, the IP's rights arbitrablity is the main condition for determining the possibility of submission IP's conflict to arbitration. However, the type of applied legal system in the country gives the legitimacy of solving IP's conflicts by arbitration. Some IP issues, for example, Patent validity, are not arbitrable in somw countries and should be solved by national courts, while all trademarks conflictss are arbitrablein other countries (Aceris Law the international Arbitration Law Firm, 2021).

In the common law legal systems; Anglo-Saxon, the US, Canada, Australia, and the UK, all IP disputes arearbitrablewith certain restrictions (Reed et.al, 2021. Zammit, 2010).At this stance, there is no statutory recognition on the arbitrability of IP's disputes in the UK's arbitration Act, but the UK patent Act 1977 allows arbitration in patent issues including patent validity, trademarks, and copyrights (Zammit, 2010. Reed et.al, 2021).

In the US legislations, on the one side, the federal statutesallow; expressly, the agreement of parties for submission patent disputes to arbitration(Reed et.al, 2021). On the other side, the US federal legislations have no mention, explicitly or implicitly, on the arbitrability of copyrights and trademarks disputes. But the US courts have ruled that copyright disputes are arbitrable, including the validity of copyrights (Reed et.al, 2021).

In the civil law legal systems, IP disputes are considered arbitrable but not in all countries (Zammit, 2010). On the one side, for example, Netherlands, Finland and Italy; as in civil law countries, there are some restrictions over the arbitrability of patent validity disputes (Li, 2024). On the other side, in France, IP disputes, in general, were not arbitrable and the legislations in France denied the concept of arbitration in IP disputes. But, the Paris court of Appeal has different attitude when it's accept the arbitrability of patent validity "as long as the issue was raised incidentally as a defense or counterclaim in a contractual dispute"(Reed et.al, 2021). For that, the intellectual Property Act in France was amended in 2011 and expressly considered IP disputes are arbitrable.

III. INTELLECTUAL PROPERTY DISPUTES IN WIPO

The current section will discuss the intellectual Property disoute in WIPO. This will be achieved by research in the arbitrability concept in WIPO Rules (sub-section one), and the characteristics of arbitration in WIPO Rules (sub-section two).

3.1. The Arbitrability of IP Disputes in the WIPO

WIPO is the World Intellectual Property Organization that established by the signed treaty in 1967, the Convention Establishing the World Intellectual Property.WIPO is considered as an organization that support creators to register and protect their creations and inventions internationally. Besides that, it grants

the IP's right holder the legal mechanism to solve all disputes related to his/her rights far from the national courts.

For that, the WIPO Arbitration and Mediation Centre was launched in 1994 to promote the resolution of IP's disputes as an alternative dispute resolution. The updated WIPO Arbitration Rules 2021 is applied on the submitted dispute to the WIPO's Centre except in the case of confliction with the applicable law on the arbitration. Since 2021, the WIPO's Centre was concentrated in "Digital Copyright, Information and Communication Technologies, Life Sciences and Mechanical Patents" (Ferland, 2022).

To follow, Article 3 of the Rules states, "These Rules shall govern the arbitration, except that, where any of these Rules is in conflict with a provision of the law applicable to the arbitration from which the parties cannot derogate that provision shall prevail". At this point, the submitted dispute shall be arbitrable to be governed by the Centre's Rules. So, the national law is determined, at the beginning, whether the IP's dispute could be arbitrable or not. If the national law prevents the arbitration, the issued ruling by the Centre will struggle for enforceability.

3.2. The Characteristics of Arbitration Under WIPO Rules

The Rules of WIPO Centre of arbitration have specific features that are missing in other Centers that present arbitration services. This uniqueness stems from the following features:

1. Confidentiality: WIPO Rules is assigned various articles that aims to achieve the desired of arbitration parties for keeping the known information as "confidential"from disclosure.Confidentiality could be seen in Articles 54, 75, 77 of the WIPO Arbitration Rules[1].
2. Specific Evidentiary Rules: in WIPO rules there is a kind of distinctive rules with regards to the type of presented evidence in the case. This can be seen in Articles 51, 52, and 53 of the Rules.
3. Arbitrator's expertise: the WIPO Rules give the parties to appoint the arbitrator in the arbitration agreement; otherwise, the WIPO Centre select the arbitrator from the confidential list that is existed in the Centre the arbitrators' list contain intellectual property expert from more than 70 jurisdictions (Boog, 2014).
4. The Preparatory Conference: article 40 of the WIPO Rule involve a condition of establishing a preparatory conference within 30 days of the formation of arbitral tribunal.
5. Joinder: article 46 of the WIPO Rules states in the matter of request of any party to join an additional party to the arbitration procedure; if the both parties and the additional party accept that joinder[2] (Boog, 2014).
6. Consolidation: article 47 of the WIPO Rules[3] grants the arbitral tribunal to consolidates the submitted dispute to arbitration with another pending dispute that involve the same parties. This require the consent of parties and the arbitral tribunal.
7. Emergency Relief Proceedings: Article 49 of the WIPO Rules grants the possibility oftaking such of procedures before the establishment of arbitral tribunal. The Centre selects a sole emergency arbitrator within two days of receipt such request[4].

IV. CONCLUSION

The current study has discussed the importance of using arbitration as alternative dispute resolution in intellectual property disputes. It is investigated the WIPO Centre as a preferred place for conducting such option. This research is reached to the following results:

1. The main condition for giving the WIPO Centre to settle intellectual property dispute is the arbitrability of dispute.
2. The WIPO as a non-governmental Organization put a rules that organize the whole arbitration procedures.

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[1]For example, Article 54 states that: " (a) For the purposes of this Article, confidential information shall mean any information, regardless of the medium in which it is expressed, which is: (i) in the possession of a party; (ii) not accessible to the public; (iii) of commercial, financial or industrial significance; and (iv) treated as confidential by the party possessing it".

[2] Article 46 states that: "At the request of a party, the Tribunal may order the joinder of an additional party to the arbitration provided all parties, including the additional party, agree.

[3] Article 47 states that: "Where an arbitration is commenced that concerns a subject matter substantially related to that in dispute in other arbitral proceedings pending under these Rules or involving the same parties, the Center may order, after consulting with all concerned parties and any Tribunal appointed in the pending proceedings, to consolidate the new arbitration with the pending proceedings..

[4] Article 49 states that: "(b) A party seeking urgent interim relief prior to the establishment of the Tribunal may submit a request for such emergency relief to the Center.

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