

18 January 2016

Our Ref: SN/1  
Your ref: L/M (5) To LP 19/00/9C

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*By post and fax: 3918 4799*

Dear Mr Leung

**Consultation paper on the Arbitration (Amendment) Bill 2016**

Thank you very much for your letter of 14 December 2015 inviting comments from the Chamber on proposals to amend the Arbitration Ordinance with regard to the arbitrability of IPRs in Hong Kong.

The Chamber generally welcomes the undertaking by the Government to clarify that arbitration can be extended to the resolution of IPR disputes as this will be conducive to promoting Hong Kong as a regional centre for alternative dispute resolution. There is however a number of issues that we would like to raise or draw your attention to in relation to certain aspects of the consultation paper (CP).

- The CP states that the Registrar of Trade Marks will be responsible for following up on and the enforcement of arbitral awards. It is however unclear if the same practice would be extended to patents. As patents represent a major and integral facet of IPRs, members feel it useful to broaden enforcement coverage to include patents as well.
- An arbitral award may be enforceable overseas provided that a mutual recognition arrangement is already in place or when jurisdictions are parties to a mutual enforcement convention such as the New York Convention. While there are clear benefits to promoting wider recognition and enforceability of arbitral awards made in Hong Kong in other jurisdictions, the CP does not appear to have put forward concrete measures to achieve and improve arbitral cooperation.

- Members note the proposal for issues regarding IPRs decided in commercial arbitration to be binding only on the parties to the arbitration and not third parties. Thus, in a dispute between Party A and Party B, where both claim to be the owners of an IPR, an arbitral tribunal may find that Party A is the holder of the IPR rather than Party B and make orders restraining Party B from using the IPR. However, the arbitrators' decision cannot bind Party C who may have obtained an IP licence from Party B. If a court subsequently decides that Party B is the true owner of the IPR, what is the status of the restraint placed on Party B by the Award?

I hope the above is useful to your considerations and look forward to receiving your consultation conclusions when the report is available.

Yours sincerely



Shirley Yuen  
CEO