

By post and by fax at 3918 4799

18 January 2016

Mr Byron LEUNG
Assistant Solicitor General (General Legal Policy)
General Legal Policy Unit 2, Legal Policy Division
Department of Justice, 5/F, East Wing, Justice Place
18 Lower Albert Road, Central, Hong Kong

Dear Mr LEUNG

Views on Consultation Paper on the Arbitration (Amendment) Bill 2016

Thank you for your letter of 14 December 2015 inviting the Hong Kong Institution of Engineers (HKIE) to put forth our views on the captioned subject.

The HKIE in general welcomes the enactment of the Arbitration (Amendment) Bill (Draft Bill) to amend the Arbitration Ordinance (Cap. 609) of Hong Kong, as it is expected to help clarify the arbitrability of disputes over intellectual property (IP) rights, and the effect and enforceability of arbitral awards involving IP rights.

The Draft Bill may help encourage and escalate the use of arbitration in resolving IP disputes in Hong Kong, while the full benefits of arbitration including international enforceability of arbitral awards, flexibility of procedures and confidentiality can all be available. Also, with the powers conferred under the Arbitration Ordinance (Cap. 609), emergency injunctive reliefs may be granted directly by the arbitral tribunals.

The HKIE sees the Draft Bill beneficial in further enhancing and promoting Hong Kong as a seat for arbitrating IP disputes, as it expressly supports the arbitrability of IP disputes. While arbitration of IP rights related matters has been ongoing in Hong Kong, the HKIE is of the view that the Draft Bill can further underpin the status of Hong Kong as a trading hub and dispute resolution centre for IP rights.

The *section 103B. Arbitrability of disputes over intellectual property rights* in the Draft Bill, that expressly provides for the arbitrability of IP disputes in Hong Kong based on *inter parte* arbitration agreement, is supported. It is suggested to consider that disputes over the registration, duration, transfer, assignment, licensing, etc. of IP rights may also be expressly covered.

We welcome the clarification in *section 103C. Awards not binding on licensees of intellectual property rights*, which expressly limits the binding effects of an arbitral award to the parties to arbitration. It is believed that this may avoid unnecessary

uncertainties for any third party to an arbitration, leaving the decision on whether to join in arbitration to the autonomy of the party involved.

The HKIE believes that the provisions under the Draft Bill can be helpful in putting beyond doubts that the enforcement of an arbitral award involving disputes over IP rights may not be challenged solely on the ground of the arbitrability of IP disputes or the conflict of public policy in this regard under the Arbitration Ordinance (Cap. 609), as stated in the amendment made to *section 103E. Recognition and enforcement of awards involving intellectual property rights.*

Thank you for your kind attention.

Yours sincerely



Ir CHAN Chi Chiu
President
The Hong Kong Institution of Engineers

CCC/WC