The Rising Indispensability for International Commercial Arbitration to Resolve Intellectual Property Disputes

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Abstract

Intellectual Property (IP) is globally recognized as the driving force behind diverse economies. While IP transactions and cross-border investments are constantly advancing, one cannot fail to notice the dramatic worldwide influx of IP disputes. There is substantial ambiguity while deciding whether certain issues concerning IP can be considered by arbitral tribunals. Hence, declaring a conclusive statement about whether IP disputes should be adjudicated by the court or through arbitration is not always deemed as an easy attempt. IP arbitration has been gaining immense global recognition with the constant game of tug-of-war between rights in rem and rights in personam. Specialized IP arbitration can be considered by the disputants as an alternative to a court litigation when faced with multijurisdictional complications or while drafting related agreements. Nonetheless, the question of whether an International Commercial Arbitration (ICA) as an option, is indeed fit for the proposed purpose, must be acknowledged. The paper garners information from diverse sources with an attempt to explicate a comprehensive study on the arbitrability of IP disputes. The author attempts to ascertain a historical synchronicity between ICA and IPR, and the dire need for the application of commercial arbitration to decide matters of IP. Additionally, the paper draws a connection to the legal upshots of the COVID-19 global pandemic. The objective of this study is to subserve discussion and to highlight the most significant aspects of IP arbitration that need to be considered by parties to the dispute and their respective counsels.

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INTRODUCTION

"The general rule of law is that the noblest of human productions – knowledge, truths ascertained, conceptions and ideas – become, after voluntary communication to others, free as the air to common use."[1] Justice Louis Brandeis rightly declared the above statement in the year 1918. Today, a tonne has changed in terms of new forms of creations, inventions, technology, and industrial development in general, alongside the growing need for applicable and updated rules and regulations for its seamless operation and administration. One failed litigation or an erroneous judgement in deciding intellectual property matters by the court system would not merely result in severely damaging an Intellectual Property Right (IPR) instilled in the rightful proprietor, but the ramifications would also send the IP owner into a financially debilitated state while incurring years-worth of losses. These ramifications would eventually reverberate with the economy at large.[2] To set right such plausible anomalies prevailing in today's day and age, parties to an IP dispute have been resorting to settlement through arbitration or employing other modes of Alternative Dispute Resolution (ADR).[3]

The application of ICA has gained and continues to gain appreciable recognition as an alternative mode of international dispute resolution, especially when adjudicating an IP dispute from across different jurisdictions.[4] This form of dispute resolution is lauded by many across the globe as an alternative to the court system which is not merely time consuming, but is also expensive and lacks case matter confidentiality. Subsequently, the decision announced by the courts by way of an order or a judgement predominantly favours a single party to the dispute. IP disputes entail many features that would call for dispute resolution through the process of an arbitration rather than a court litigation. In its usual course the existence of significant clauses in a contract between rival parties are usually lacking. Even though such contracts and agreements (i.e., transaction agreements containing IP issues, technology transfer agreements, license agreements, research and development agreements, trademark coexistence agreements,

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[1] International News Service v. The Associated Press, 248 U.S. 215 (1918).
[2] *See generally* EUROPEAN COMMISSION, REPORT ON THE PROTECTION AND ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS IN THIRD COUNTRIES 3-8, 2021, https://trade.ec.europa.eu/doclib/docs/2021/april/tradoc_159553.pdf (last visited Aug. 19, 2021).
[3] Currently well-known five Alternative Dispute Settlement (ADR) systems are Arbitration, Negotiation, Mediation, Collaborative law, & Conciliation.
[4] *See* Hwan Kim et al., *The Growing Importance of International Arbitration for Intellectual Property Disputes,* 10 (73) NATIONAL L. REV. 1 (2020), https://www.natlawreview.com/article/growing-importance-international-arbitration-intellectual-property-disputes [hereinafter Hwan Kim et al.].

etc.) exist, these agreements do not often comprise of arbitration clauses explicitly concerning and addressing IP disputes.

Intellectual property matters include – patents, media and copyright claims, takedowns and domain name disputes, reputation management, brand protection, complex software disputes, and other generic issues which form an essential part of today's advancements in science and technology. Lawsuits involving the aforementioned matters and related studies from various business sectors like biotechnology, telecommunication, pharmaceutical, etc., remain pending for years. This becomes problematic and cumbersome as IP litigation is predominantly fought between parties over temporary and permanent injunctions. These disputes cover issues which are associated with the Rule of Law from across numerous jurisdictions; hence, this calls for ICA for the settlement of such disputes. Acknowledging the fact that the IP assets are significant and exceedingly valuable makes the dispute resolution a unique problem. There is a need for the arbitration of intellectual property disputes to have an international element and perspective. This is critical in order to rid the overburdened judicial system from practicing local bias, distorting the essence of foreign laws, or directing hostility towards foreign parties to the dispute. The significance of Intellectual Property Rights is on the rise, and alongside these rights is the ever-strengthening willingness to defend them.

I. HISTORICAL SYNCHRONICITY BETWEEN ICA & IPR

The rise in the need for business recognition through the practice of inscribing or debossing marks, geographic indications, etc., date back aeons ago. The earliest and most historical trademark applications for advertising and promoting brand awareness date back in time to approximately 3000BC by the Babylonians.[5] Even Indian craftsmen would carve out their signatures before exporting their artistic creations to Iran. Archaeological findings at Harappa, Mohenjo-Daro, Lothal, and Failaka reported hundreds of square seals that were used as trademarks.[6] About 2000 years ago, goods bearing marks by Chinese Manufacturers were sold in the Mediterranean trading regions.[7] The techniques for marking were mainly discovered on pottery which continued to exist for many centuries.[8] Around those times, goods that were sold

[5] WIPO, *Branding in the Global Economy*, *in* WORLD INTELLECTUAL PROPERTY REPORT 24 (2013) https://www.wipo.int/edocs/pubdocs/en/wipo_pub_944_2013-chapter1.pdf.
[6] *See* Karl Moore & Susan Reid, *The Birth of Brand: 4000 Years of Branding History*, 50(4) BUSINESS HISTORY 419-432 (2008) https://doi.org/10.1080/00076790802106299.
[7] *See* WIPO, *Trademarks and Other Signs: A General Survey*, *in* INTRODUCTION TO TRADEMARK LAW AND PRACTICE 9 (2nd ed., Geneva, 1993) https://www.wipo.int/edocs/pubdocs/en/wipo_pub_653.pdf.
[8] NANCY ROSSITER, MARKETING THE BEST DEAL IN TOWN: YOUR LIBRARY 93 (Chandos Publishing, Mar. 31, 2008).

by an individual or a group were debossed with merchant marks or designs that were created by the sellers themselves in order to discern their goods from the goods of others. During unfortunate times of shipwreck and piracy, the seller's goods would go missing due to theft, robbery, or were lost in the process of transport. Employing this concept of marking goods greatly aided identification. Later, goods that went missing were reclaimed by the owners when relevant laws were legislated by trading states.

"The history of patents does not begin with inventions, but rather with royal grants."[9] Intellectual property rights are not established as a result of new creations by individuals. It is established by the State upon granting rights for the protection of such creations. It is imperative to understand the historical significance and emergence of intellectual property rights. In this chapter, the history and inception of International Arbitration and Intellectual Property Rights will be revisited with a timeline. The focus shall be on drawing a synchronous connection between ICA and IPR through the application of the former to resolve disputes arising out of the latter and gaining significant insights into this field of study.

1305 – The oldest known scheme for arbitration was proposed in a pamphlet by Pierre Dubois, the royal counsel of Normandy, France.[10] The scheme suggested the employment of an arbitration process to recover sacred land.[11] The arbitration was to take place before a court consisting of a panel of three ecclesiastical judges and six other individuals.[12] The award passed had an option for a single appeal to the Pope.[13]

1474 – The Venetians were the first to contemplate the vague expression of intellectual property. Europe had its earliest statutory patent during this period. On March 19th the Republic of Venice instituted the "Venetian Patent Statute" of 1474[14] which provided for the grant of patents to new-fangled inventions and creations.

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[9]Adam Mossoff, *Rethinking the Development of Patents: An Intellectual History, 1550-1800,* 52 HASTINGS L. J. 1255 (2001).
[10]*See generally* Manley O. Hudson, *The Permanent Court of International Justice,* 35(3) HARV. L. REV. 245 (1922).
[11]Henry S. Fraser, *Sketch of the History of International Arbitration,* 11 CORNELL L. REV. 179 (1926).
[12]*See Id.* at 179-180.
[13]*See Id.* at 180.
[14] *See generally* Giulio Mandich, *Venetian Patents (1450-1550),* 30 J. PAT. OFF. SOC'Y 166, 166-224 (1948); DAN HUNTER, THE OXFORD INTRODUCTIONS TO US LAW: INTELLECTUAL PROPERTY 6-7 (Dennis Patterson ed., 2012).

1623 – One of the most reputed and historic published works on international arbitration and international relations – "Le Nouveau Cynée ou Discours d'Estat"[15] was successfully published. It was authored by a French theorist by the name of Émeric Crucé (Émeric de La Croix).[16] The book was and is still recognized and globally lauded as one of the first and most kosher schemes for the establishment of international arbitration.

1624 – With an attempt to incentivize and accord monopolies to skilled personnel in certain industries for their advanced techniques, creations, and inventions, the first English patent law was passed by the parliament of England. This famous English legislation was known as "The Statute of Monopolies" of 1624.

1625 – "De Ivre Belli ac Pacis" was a famous book scribed by Hogo Grotius - the Father of International Law. The original copy of the book was written in Latin and it revolved around addressing concerns of the legalities of war and peace.[17]

1710 – The inception of copyright law was recognized as a result of Great Britain's implementation of the Copyright Act, 1710. The Act was prominently known as the "Statute of Anne". The aforementioned statute of Great Britain along with the Statute of Monopolies of 1624 gave rise to what we now recognize as copyright laws[18] and patent laws respectively.

1794 – The "Jay Treaty" was signed in 1794 and came into force in 1795. It was also known as the "Treaty of Amity, Commerce & Navigation".[19] The treaty was decided and agreed between the United States of America and Great Britain to preclude war and subserve fair trade and commerce through the establishment of arbitral commissions to settle disputes that arose amidst the American and French Revolutionary wars.

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[15] ÉMERIC CRUCÉ, LE NOUVEAU CYNÉE, (Hachette Livre BNF 1623) (Full heading - "Nouveau Cynée ou Discours d'Estat représentant les occasions et moyens d'establir une paix générale et la liberté de commerce pour tout le monde").
[16] Thomas Willing Balch, *The Proposed International Tribunal of Arbitration of 1623,* 46 PROCEEDINGS OF THE AMERICAN PHILOSOPHICAL SOC'Y. 302, 303 (1907).
[17] *See* Jesse S. Reeves, *The First Edition of Grotius' De Jure Belli Ac Pacis, 1625,* 19 AMERICAN J. OF INT'L LAW (Cambridge University Press, Jan., 1925).
[18] *See* Millar v. Taylor, (1769) 4 Burr. 2303, 98 ER 201.
[19] *See* The Avalon Project, *British-American Diplomacy, The Jay Treaty; November 19, 1794,* LILLIAN GOLDMAN LAW LIBRARY (2008); *see also* Katja S Ziegler, *Jay Treaty 1794,* MAX PLANCK ENCYCLOPEDIA OF PUBLIC INT'L LAW (Oxford University Press, Apr., 2013).

1871 – The "Treaty of Washington" was formed between the U.K. and the U.S.[20] The treaty was instituted with an intent to arbitrate and settle many disputes between the countries. The Alabama Claims[21] for damages caused by the British fleet were among the well-known disputes settled through arbitration.

1883 – The Paris Convention was signed in Paris, France, on 20th March 1883. It is known as the "Paris Convention for the Protection of Industrial Property".[22] The Paris Convention was established to help and support inventors and creators of industrial property works by granting and ensuring their work's protection across all the contracting states. The decision was acclaimed as the first major authoritative step to protect intellectual property works.

1886 – The Berne Convention was certified in Berne, Switzerland, in the year 1886. It is officially known as "The Berne Convention for the Protection of Literary and Artistic Works".[23] The Convention's primary motive is to instil IP rights in inventors and creators in order to exercise control over their artistic and literary works across nations.

1891 – The Madrid Agreement was adopted on 14th April, 1891. It is a principal and highly significant system that addresses the international and multi-jurisdictional filing and registration of trademarks. It is officially known as the "Madrid System for the International Registration of Marks".[24]

1893 – An International Organization was instituted to watch over and administer the working of the Paris and Berne Conventions. This organization was known as the "United International Bureaux for the Protection of Intellectual Property" (BIRPI). The organization was considered to be a forerunner to the World Intellectual Property Organization. The BIRPI later became the WIPO in the year 1970.[25]

1899 – Strict emphasis was placed on International Arbitration as a mode for the settlement of international disputes through judicial means. This was emphasized by the first Hague

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[20] *See* Inge Van Hulle, *The Treaty of Washington and Neutrals' Duty of Due Diligence,* OXFORD PUBLIC INT'L LAW (Oxford University Press, 2020), https://opil.ouplaw.com/page/808 (last visited June 1, 2021).
[21] Alabama Claims of the United States of America against Great Britain, Arbitral Award of 14 September 1872, (2011) 29 RIAA 125–34; 145 CTS 99.
[22] Paris Convention for the Protection of Industrial Property, Mar. 20, 1883 21 U.S.T. 1583; 828 U.N.T.S. 305.
[23] Berne Convention for the Protection of Literary and Artistic Works, September 9, 1886 828 U.N.T.S. 221.
[24] Madrid Agreement Concerning the International Registration of Marks, April 14, 1891 as last revised, Stockholm, July 14, 1967, 828 U.N.T.S. 389.
[25] OECD, INTERNATIONAL REGULATORY CO-OPERATION: THE ROLE OF INTERNATIONAL ORGANISATIONS IN FOSTERING BETTER RULES OF GLOBALISATION (OECD Publishing, Paris, 2016) https://www.oecd.org/gov/international-regulatory-co-operation-9789264244047-en.htm.

Conference of 1899.[26] In addition, the "Hague Convention on the Pacific Settlement of International Disputes" was signed in 1899 and was adopted in 1900.[27] A similar conference was once again arranged in the year 1907 and was known as the Second Hague Conference.

1970 – As aforementioned, the United International Bureaux for the Protection of Intellectual Property (BIRPI) was transformed into what we now know as the World Intellectual Property Organization (WIPO) with its established HQ in Geneva, Switzerland. The WIPO was created by the WIPO Convention of 1970. It was formally known as the "Convention Establishing the World Intellectual Property Organization".[28] Besides, the Patent Cooperation Treaty was concluded in Washington in the same year, followed by further amends and modifications in the years 1979, 1984, and 2001.

1971 – With an aim to establish International Patent Classification (IPC), the Strasbourg Agreement commonly known as the IPC Agreement was established.[29] The agreement mandates a new and revised edition of International Patent Classification to be published yearly to maintain up-to-date records. As of May, 2021, there are 64 contracting states; India has not ratified or acceded to the Strasbourg Agreement.

1973 – The 'Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks' was concluded in Vienna. Amendments were made to the Vienna Agreement in 1985. The Vienna Agreement as well as the Locarno Agreement (Establishing an International Classification for Industrial Designs, 1968) sought India's accession on June 7, 2019.

1974 – The World Intellectual Property Organization (WIPO) officially became a part of the specialized agencies of the United Nations (UN) along with 14 other organizations.

1978 – Numerous achievements concerning the administration and regulation of patents and IP filing systems were attained. The Patent Cooperation Treaty (PCT) was established

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[26] *See generally* Permanent Court of Arbitration's Basis Document, *1899 Convention for the Pacific Settlement of International Disputes* (2016) https://docs.pca-cpa.org/2016/01/1899-Convention-for-the-Pacific-Settlement-of-International-Disputes.pdf.
[27] *Pacific Settlement of International Disputes (Hague I),* MULTILATERAL AGREEMENTS 1776-1917, 230-246 (July 29, 1899).
[28] *See* WIPO, *Convention Establishing the World Intellectual Property Organization, 1970* (WIPO Database of Intellectual Property, revised 1979).
[29] *Summary of the Strasbourg Agreement Concerning the International Patent Classification (1971),* WIPO, https://www.wipo.int/treaties/en/classification/strasbourg/summary_strasbourg.html (last visited May 28, 2021).

and began operations. The treaty is known for facilitating public access to a tonne of related information.[30]

1980 – Intellectual Property Rights were still a distant concept and many were not cognizant of its usage. In the same year, the United States passed the Bayh-Dole Act which was promoted by two US senators namely, Birch Evans Bayh Jr. and Robert Joseph Dole.[31] The passing of this Act subserved the popularity and application of intellectual property rights.

1989 – The Treaty on Intellectual Property in Respect of Integrated Circuits,[32] simply known as The Washington Treaty was adopted on 26th May, 1989 and is yet to come into force. The treaty aims to protect the topography of integrated circuits. India became a signatory to the treaty on 25th May, 1990.

1994 – The year 1994 witnessed several international IP reforms like the Trademark Law Treaty and Singapore Treaty on the Law of Trademarks. Global concerns for the establishment of international centers for arbitration and other systems of ADR grew significantly. Hence, the WIPO Arbitration and Mediation Center was set-up. Since 1994, several alternative dispute resolution centers have been established worldwide.

1996 – In order to administer the rights of performers like actors and musicians as well as the rights of phonogram producers, the WIPO Performances and Phonograms Treaty (WPPT) was established.[33] The same year, an agreement under the Berne Convention known as the WIPO Copyright Treaty was concluded. The treaty came into force in 2002 and India acceded to the Treaty in 2018.

1998 – The WIPO Academy was set up to promote the learning of sundry applications and the administration of IP. The WIPO Academy provides aspirants with an eclectic array of courses on IP.

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[30] *See* WIPO (2019), *Patent Cooperation Treaty: Yearly Review 2019* (WIPO Publishing, 2019) ISBN: 978-92-805-3031-5.

[31] COGR, *The Bayh-Dole Act: A Guide to the Law and Implementing Regulations,* COUNCIL ON GOVERNMENTAL RELATIONS (Oct., 1999), https://www.umventures.org/sites/umventures.com/files/COGR_Bayh_Dole.pdf (last visited Dec. 17, 2020).

[32] Treaty on Intellectual Property in Respect of Integrated Circuits (Adopted on May 26, 1989), https://www.wipo.int/edocs/pubdocs/en/wipo_pub_202.pdf (last visited May 26, 2021); *see* Washington Treaty on Intellectual Property in Respect of Integrated Circuits (Authentic text), https://wipolex.wipo.int/en/text/294976 (last visited May 26, 2021).

[33] *Summary of the WIPO Performances and Phonograms Treaty (WPPT) (1996),* WIPO, https://www.wipo.int/treaties/en/ip/wppt/summary_wppt.html (last visited May 27, 2021).

2011 – The United States witnessed a significant overhaul in the patent system with the introduction of the America Invents Act, 2011.[34] The act changed the nation's patent system from a "First-to-Invent" to a "First-to-File" system.[35]

2020 – The World Intellectual Property Organization drew significant emphasis to intellectual property arbitration by introducing the WIPO Arbitration Rules, 2020. The WIPO Mediation and Arbitration workshop was conducted in November, 2020, to understand the involvement and necessity of ADR systems to resolve IP disputes.

II. INTELLECTUAL PROPERTY DISPUTE RESOLUTION THROUGH INTERNATIONAL COMMERCIAL ARBITRATION

A plethora of legal scholars have scribed pages with an attempt to communicate their ideas as to why intellectual property disputes are not arbitrable. Arbitrability of IP disputes is considered to have overstated significance while maintaining the public interest in obtaining these rights.[36] The fallacy in this ideology is derived from the fact that the rights granted to the registered proprietor for the protection of an intellectual property is under the discretion of a State authority or the State in general. It is believed that the State as the authoritative body grants the rights for the protection of intellectual property. Hence, there would be no reason to arbitrate and argue its effectiveness on public registers; by that same token, it would not be relevant for private parties to an intellectual property arbitration to decide a solution amongst themselves, without the need of a court system. Nevertheless, the merits and the demerits of this potential case will be thoroughly explored henceforth.

The author attempts to elucidate the wide gap between ICA and the Court System in resolving IP disputes, and to further understand the reasons for the requirement of International Commercial Arbitration to satisfactorily resolve intellectual property disputes. Moreover, the chapter seeks to ascertain the scope of arbitrable IP disputes with strict emphasis on whether intellectual property disputes must be limited to issues concerning *rights in personam* or whether they can include *rights in rem* as well.

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[34] Leahy–Smith America Invents Act, 35 U.S.C. (2011).
[35] *Id.* at § 3.
[36] Bryan Niblett, *Worldwide Forum on the Arbitration of Intellectual Property Disputes,* WIPO (Geneva, Switzerland, Mar. 3, 1994), https://www.wipo.int/amc/en/events/conferences/1994/niblett.html (last visited May 29, 2021).

A. Juxtaposed Constructions of International Arbitration

International arbitration is considered for its non-nation-specific standards and as one of the non-judicial and alternative modes for settling a civil dispute by appointing a neutral learned third party to chair arbitration proceedings. As part of arbitral jurisprudence, parties to an international arbitration enjoy the right to fair and equitable treatment.[37] The arbitrators are required to arrive at unbiased, impartial, and suitable decisions in order to achieve satisfactory settlements between the parties to the dispute. An arbitrator chosen by the parties would be an individual who has appreciable expertise vis-à-vis the matter in dispute. A judge assigned to adjudicate on technical issues of IP in litigation might not have the required level of skills to preside over that IP dispute. Many leading International Arbitration Centers boast a list of experienced and skilled arbitrators who are qualified to handle complex IP disputes.

In certain IP litigations, like those that concern the licensing or assignment of IP, the practice of adopting case laws and prior decisions on the same or similar agreement would be unfavourable for the licensor, because a defense of invalidity granted to one licensee can affect or dilute the licensor's rights against all the licensees. In contrast, an arbitration protects the parties from the risk of validity or enforceability rulings.[38] An award that invalidates an IP right would only bind the disputants and wouldn't dilute their rights enforceable against third parties. Matters before an arbitration tribunal are of purely civil or commercial nature, and unlike the court system, the proceedings held are subject to privacy and confidentiality which is the cornerstone of IP dispute resolution. While the proceedings in a court system are replete with formalities, arbitration proceedings may permit informal speech and are relatively less formal.

Overburdened judicial systems worldwide would result in prolonged IP litigation. This delay in conclusiveness would result in financially debilitating the parties and their inability or apathy to continue the dispute, as most IP claims rest on injunctive relief. Whereas, seeking interim or injunctive relief from a suitable court may be granted forthwith in an arbitration to prevent further damage or loss. The parties to an international arbitration or/and the arbitrator can set time limits or even suggest to shorten the arbitration process.[39] Financially, this could be highly advantageous for the parties to the arbitration. The award passed by the arbitrator is final and binding on the disputants and is also enforceable in the courts of law. While disputants are free

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[37] LATHAM & WATKINS, *Arbitration Between Foreign Investors and States, in* GUIDE TO INTERNATIONAL ARBITRATION 33 (2017).
[38] Craig I Celniker et al., *infra* note 50, at 8.
[39] *See* Michael Pryles, *Limits to Party Autonomy in Arbitral Procedure*, 24(3) JOURNAL OF INTERNATIONAL ARBITRATION 327, 328 (Wolters Kluwer, 2007).

to choose the seat and venue of arbitration, courts are strictly limited to their respective territorial, pecuniary, and appellate jurisdictions to entertain IP litigation. However, the option of appeal under arbitration in general has limited scope in comparison to cases under litigation that enjoy the benefits of attempting appeal till the highest judicial body in that jurisdiction in order to achieve finality of true justice.

The likelihood of domestic courts practicing local bias on the parties to the dispute is high; hence, the party challenging an international IP in its domestic court has a home court advantage over the foreign party to the dispute. In the context of International Commercial Arbitration, the likelihood of an arbitrator to practice local bias is negligible. Here, the parties enjoy the benefits of arriving at a neutral arbitrator by choosing the arbitrator themselves and eliminates the likelihood of home court advantage. The aspect of neutrality in international arbitration is highly appreciated and several leading forums have policies in place to appoint arbitrators from jurisdictions that are different from those of the disputants which is greatly attractive vis-à-vis matters of intellectual property.[40] International arbitration of IP disputes need to be highlighted and established in certain jurisdictions like Mainland China where disputants are not allowed to arbitrate the validity of registered trademarks or patents as they are regarded as administrative matters.[41] The inability to arbitrate multi-jurisdictional IP disputes by a foreign party would encourage the local party to maximize its home court advantage and may also capitalise on the issue in bad faith.[42]

Another benefit of ICA is with concerns to disputes on multi-jurisdictional matters that would call for the application of laws from numerous jurisdictions and proceedings. The courts need to resort to multiple proceedings in multi-jurisdictional disputes and cannot decide matters for other jurisdictions. Litigating such matters also necessitate the application of numerous substantive and procedural laws with the possibility of conflicts. Complex procedures and

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[40] *E.g.,* ICC Arbitration Rules 2021 art.13.5, effective on Jan. 1, 2021; International Chamber of Commerce, *Note to National Committees and Groups of ICC on the Proposal of Arbitrators* ¶43 (July 1, 2018); Arbitration Rules 2020, art.6.1, Jan. 1, 2021, DIFC-LCIA Arbitration Centre; 2018 Administered Arbitration Rules art.11.1, Nov. 1, 2018, Hong Kong International Arbitration Centre; HKIAC, *HKIAC Practice Note on Appointment of Arbitrators* ¶3.1 (Oct. 18, 2018).

[41] *See* David H Herrington, Zachary S O'Dell & Leila Mgaloblishvili, *Why Arbitrate International IP Disputes?*, GLOBAL ARBITRATION REVIEW 14 (Feb. 9, 2021), https://globalarbitrationreview.com/guide/the-guide-ip-arbitration/first-edition/article/why-arbitrate-international-ip-disputes#footnote-005 (last visited May 31, 2021).

[42] IP infringement through trademark squatting, counterfeiting, and cybersquatting is rampant in first-to-file systems like China. Companies are constantly confronted by Chinese trademark squatters despite the latest amendments to its trademark law. *See generally* USTR, *2021 Special 301 Report* at 31 (Apr. 30, 2021), https://ustr.gov/sites/default/files/files/reports/2021/2021%20Special%20301%20Report%20(final).pdf (last visited May 30, 2021).

policies practiced by nations' legal systems add to the burden of IP litigation.[43] In comparison, the parties to an international arbitration can decide to arbitrate on certain laws instead of every single country-specific law. ICA predominately deals with international commercial transactions and contracts; hence, its scope is set within the rules and procedures agreed upon by the parties to the dispute and is not entirely bound by any particular Country's Rules or Legislations. This would uncomplicate the conflict of laws and in-turn speed up the arbitration process.

B. Ascertaining the need for ICA

In the year 1892, Lord Esher declared a very strong and famous obiter dictum that targeted the threat of litigation in the case, *Ungar v. Sugg*[44]: "What, that a man had better have his patent infringed, or have anything happen to him in this world, short of losing all his family by influenza, than have a dispute about a patent."[45] This statement is still significant today; however, time has brought about a plethora of changes to what can substantially be identified as "Intellectual Property" and further lend itself to arbitration.

International Commercial Arbitration has been growing exponentially, especially with concerns for matters of intellectual property.[46] Public as well as Private International Law[47]

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[43] Germany has a bifurcated legal system for IP litigation and separate courts for matters of infringement and validity of intellectual property. *See* Jochen Pagenberg, *The Arbitrability of Intellectual Property Disputes in Germany,* WIPO (1994), https://www.wipo.int/amc/en/events/conferences/1994/pagenberg.html (last visited June 2, 2021) ("In Germany validity issues are handled by the Federal Patent Court in the first instance and by the Federal Supreme Court as the second and final instance, infringement matters by the civil courts with special chambers which are competent at the first, second and third instance."); *see also* Wolfgang Kellenter & Benedikt Migdal, *Patent litigation in Germany: overview,* THOMSON REUTERS – PRACTICAL LAW (2020) ("invalidity cannot be raised as a direct defence in infringement proceedings. The defendant can only request a stay of the infringement proceedings on the basis that the patent is highly likely to be invalidated in pending invalidity proceedings. In practice, this typically requires a novelty destroying document or a very clear lack of inventiveness").

[44] *See generally* IPO, *Ungar v Sugg*, 8 REPORTS OF PATENT, DESIGN AND TRADE MARK CASES 385–89 (Issue 42, Nov. 4, 1891), ISSN 0080-1364.

[45] Ungar v. Sugg, (1892) RPC 113 at 116–1 (See Lord Esher's obiter dictum).

[46] WIPO Report (WIPO/IP/BIS/GE/03/9), *Dispute Resolution for the 21st Century,* WIPO ARBITRATION AND MEDIATION CENTER 3 (Nov. 7, 2003) https://www.wipo.int/edocs/mdocs/sme/en/wipo_ip_bis_ge_03/wipo_ip_bis_ge_03_9-main1.pdf; STEPHENSON HARWOOD LLP, AN INTRODUCTION TO INTERNATIONAL ARBITRATION 18 (2017); Sam Halabi, *International Intellectual Property Shelters*, 90 TUL. L. REV. 903, 911 (2016), ("The growth of intellectual property protections through international legal instruments and treaties has been sweeping and rapid. Intellectual property protections have expanded not only in terms of their scope, but also in their enforceability").

[47] *See generally* ANNABELLE BENNETT & SAM GRANATA, WHEN PRIVATE INTERNATIONAL LAW MEETS INTELLECTUAL PROPERTY LAW – A GUIDE FOR JUDGES (WIPO and the HCCH, 2019) https://www.wipo.int/publications/en/details.jsp?id=4465; Susy Frankel, *WTO Application of "the Customary Rules of Interpretation of Public International Law" to Intellectual Property*, 46 VA. J. INT'L L. 365 (2006). *See, e.g.,* Eli Lilly & Co. v. Canada, ICSID Case No. UNCT/14/2; Apotex v. United States, ICSID Case No. ARB(AF)/12/1 (These cases are examples of treaty-based arbitrations by foreign investors against national patent authorities for alleged violations of treaties).

would be applicable to arbitrate international IP disputes between private parties; taking into account, the enhanced mobility of IP, globalization of commercial dealings and IP related International Treaty obligations for state-registered IP rights. Intellectual property disputes are many, those that can be considered for International Commercial Arbitration would carry emphasis on coordinating the licenses and agreements in multi-jurisdictional matters. Confidential concerns of intellectual property like Trade Secrets would be redundant and detrimental for companies to litigate in a courtroom setting. Intellectual Property Licenses would have to arrange for referencing and complementary clauses that address other jurisdiction related licensing clauses in order to satisfactorily establish multi-jurisdictional licensing. International Patent Infringements are predominately multi-jurisdictional and would require a more time consuming and complex process for arbitrating similar issues. International Patent infringement issues are much better off adopting arbitration or any other method of dispute resolution rather than litigation. This is because of concerns drawn to the already overburdened judicial systems in most jurisdictions. An influx of multi-jurisdictional patent licensing and infringement issues would gradually debilitate a nation's legal system. Another intellectual property dispute that can seek the option of arbitration is a dispute related to Collaborative Research & Development Agreements that would once again call for multi-jurisdictional proceedings and complex applications of numerous laws. A complex multi-jurisdictional proceeding which would require multiple laws would add to the delay in deciding a case while also burgeoning dockets. Trademark Limitation Agreements are established as an upshot of the perpetually lasting character of Trademarks. A trademark dispute where both the parties are highly reputed could not take a chance with litigation. A lawsuit would mostly result in favouring a single party and would detrimentally affect the other. Instead, the parties to the dispute could opt for a commercial arbitration. An important case, *Apple Corps v. Apple Computer*[48] lasted for over 30 years and was concerned with trademark limitation agreements. The Internationally eulogized music artist band "Beatles" introduced the Apples Records Company as a shelter from taxations and was known as "Apple Corps". They filed a lawsuit against the famous Apple Computers, Inc. for trademark infringement. The two resorted to an alternative dispute settlement where a Trademark Limitation Agreement was decided upon.

[48] Apple Corps Limited v. Apple Computer, Inc., [2004] EWHC 768 (Ch); Apple Corps Ltd. v. Apple Computer, Inc., [2006] EWHC 996 (Ch), ('claim for breach of an agreement made between the claimant and the defendant in 1991 in which they sought to arrive at an agreement as to how they would each use their respective similar marks.'); *See* Tom Hormby, *What's in a name? Apple Corp vs. Apple Computer,* LOW END MAC (Apr. 27, 2014), https://lowendmac.com/2014/whats-in-a-name-apple-corp-vs-apple-computer/ (last visited June 4, 2021); *see also* Sean, Apple Corps v. Apple Computer, UNIVERSITY OF DELAWARE (Apr. 21, 2014), https://sites.udel.edu/cisc356/2014/04/21/apple-corps-v-apple-computer-1978-2006/ (Last visited July 16, 2021).

This agreement restricted Apple Inc. from conducting any activity relating to the music industry and to stay away from the music business.[49]

The grant of multi-jurisdictional licensing for patents, trade secrets, trademarks, etc., has undoubtedly resulted in the need for international arbitration.[50] The cognisance of intellectual property is on a worldwide scale, while the protections offered to intellectual property is country-specific. If a dispute arose for the breach of a world-wide patent by a licensee, the licensor would have to institute parallel proceedings in all respective jurisdictions and there would be multiple litigations globally.[51] Hence, it would be a mammoth task to administer and coordinate all such parallel proceedings in every concerned jurisdiction. The decision in one court in a multi-jurisdictional case could provide an unfavourable result in another jurisdiction.[52] This would result in an array of confusing and contradictory decisions taken by national courts. Therefore, the application of commercial arbitration on an international level would be more apt in such situations.

The reason why international arbitration is greatly interesting in relation to patents and other IPRs is due to the fact that the national courts have the jurisdiction only to the extent of their own patents and other IPRs registered within the geographical limitations of that jurisdiction. Determining the validity of a patent by a national court is only within the limitations of the court's jurisdiction which is not the case while arbitrating the same. Hence, it is essential to ascertain the significance of international arbitration of patents and their compliance with licensing and standards under the Standard Essential Patents (SEP) system, which is in conformity to the Fair, Reasonable and Non-Discriminatory (FRAND) terms.[53]

In the sphere of Information and Communication Technology (ICT), numerous products are covered by technical standards concerning the devices, their inter-operability, and their inter-connectivity. These respective standards are considered to be a ubiquitous concern as a consequence of access to global connectivity by linking billions of mobile and computer

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[49] *See generally* BBC, *At the core of the Apple dispute,* BBC NEWS (May 8, 2006), http://news.bbc.co.uk/2/hi/entertainment/4750533.stm (last visited June 4, 2021).
[50] Craig I Celniker et al., *Arbitration of intellectual property and licensing disputes*, THE ASIA-PACIFIC ARBITRATION REVIEW 2021 7 (Global Arbitration Review, 2021).
[51] *See generally* Hwan Kim et al., *supra* note 4.
[52] *Id.*
[53] *See* Department of Industrial Policy and Promotion, *Discussion Paper on Standard Essential Patents and Their Availability on Frand Terms*, Ministry of Commerce and Industry (Mar. 1, 2016) https://ipindia.gov.in/writereaddata/Portal/News/196_1_standardEssentialPaper_01March2016_1_.pdf.

devices world-wide.[54] These governing standards are established by the Standard Setting Organization (SSO). SSOs set prerequisites for owners of patents that are appreciably in conformity to SEP standards in order to adhere to the FRAND/RAND terms.[55] Hence, it is extremely complex and challenging for national courts to decide matters vis-à-vis licensing global patents.[56]

In a 2018 case, *Unwired Planet v. Huawei*[57] there were three significant issues that were laid down before the UK Supreme Court regarding the settlement of global FRAND licenses and the royalty rates.[58] The most essential among the three issues was whether the lower court had the jurisdiction in order to compel the implementer to accept the global FRAND license. The license was drafted and explicated by the European Telecommunication Standards Institute (ETSI) IPR policy. On further appeal by Huawei Ltd. from the Court of Appeal to the UK Supreme Court, the appellant submitted its contentions before a panel of five SC Justices. The UK Supreme Court subsequently emphasized that the Court of Appeal did not have the discretionary powers to access and validate global patents and was limited to the laws addressing issues of domestic patent infringements. Consequently, the UK Supreme Court declared that the English Court did not have the jurisdiction to compel Huawei Technologies Co. Ltd. to take the license. The decision was in light of the fact that the United Kingdom represented a very small part of the Huawei market and comprised of merely 1% of Huawei Technologies' total global sales. This highly debatable case is considered to go down in history as the most significant FRAND hearing and also as a case for acknowledging the indispensability for employing international commercial arbitration to settle related intellectual property disputes.

Similarly, there have been several cases concerning global licensing that have been suggested by the courts for the settlement of disputes through International Commercial Arbitration. In

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[54] *See generally* International Organization for Standardization, *IEC, ISO and information communication technology* (1st Ed., 2019), https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100437.pdf (last visited May 31, 2021).
[55] *See* Doris Johnson Hines & Ming-Tao Yang, *Worldwide activities on licensing issues relating to standard essential patents*, WIPO MAG. (Feb., 2019) https://www.wipo.int/wipo_magazine/en/2019/01/article_0003.html; *see also* Justus Baron & Daniel F. Spulber, *Technology Standards and Standards Organizations: Introduction to the Searle Center Database*, 27 JOURNAL OF ECONOMICS & MANAGEMENT STRATEGY 462, 469 (2018).
[56] *See generally* Tamar Khuchua, *Different 'Rules of the Game' – Impact of National Court Systems on Patent Litigation in the EU and the Need for New Perspectives*, 10(2) JIPITEC 257 (2019).
[57] *Compare* Unwired Planet v. Huawei, [2018] EWCA Civ. 2344 *with* Unwired Planet International Ltd. v. Huawei Technologies (UK) Co. Ltd., [2018] UKSC 0214.
[58] Unwired Planet International Ltd. v. Huawei Technologies (UK) Co. Ltd., [2018] UKSC 0214 (case summary available at https://www.supremecourt.uk/cases/uksc-2018-0214.html).

the case of *Motorola Mobility v. Google* the consent order[59] of the Federal Trade Commission (FTC) declared that the case the matter in dispute could be requested for a binding commercial arbitration proceeding by the licensee on the failure of parties to arrive at negotiated FRAND terms even after the completion of six months.[60] A 2014 study and report prepared on "Patents and Standards" for the European Commission, Directorate-General for Enterprise and Industry, declares that there is a need for resolving disputes concerning highly efficient SEP licensing by employing better and efficient mechanisms like arbitration and mediation ADR systems.[61] There are also other cases, reports, and research in abundance that strongly clarify the consensual nature of arbitration.[62]

C. Role of International Authorities

Among the two forms of commercial arbitration systems – Institutional and Ad-Hoc[63], Institutional arbitration has relatively gained more prominence to deal with intellectual property rights despite the low-cost advantages of ad-hoc systems. This is due to the lack of an authoritative or institutional oversight by an administrative agency in ad-hoc arbitrations.[64] Pre-established regulations and procedures, qualified arbitrators, and proven track records in Institutional Arbitration strongly add to its appeal. Institutions like the WIPO, American Arbitration Association (AAA), and International Institute for Conflict Prevention and Resolution (CPR) have tailored rules and procedures to handle matters of intellectual property.

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[59] *See* ACCO *in re* Motorola Mobility and Google Inc. (No. 1210120, 2013).
[60] Motorola Mobility LLC v. Google Inc., (2013) U.S. (F.T.C. C-4410).
[61] DIRECTORATE GENERAL FOR ENTERPRISE AND INDUSTRY, PATENTS AND STANDARDS: A MODERN FRAMEWORK FOR IPR BASED STANDARDISATION, 13 (European Commission, 2014), https://doi.org/10.2769/90861 ('Efficient SEP licensing also requires efficient mechanisms to resolve disputes where these occur. The study has thus examined the following aspects: The benefits and costs of providing such dispute resolution mechanisms and of the different types of dispute resolution mechanisms - arbitration, mediation, "med-arb", mini-trials').
[62] *See, e.g.,* Pechstein v. International Skating Union, ECLI:DE:BGH:2016:070616UKZR6.15.0; PT First Media TBK v. Astro Nusantara International BV and others, [2014] 1 SLR 372; Rocío Digón, Kamil Mehiz & Tony Cole, *Judicial Interpretation of Standard Arbitration Clauses,* THE CAMBRIDGE HANDBOOK OF JUDICIAL CONTROL OF ARBITRAL AWARDS 99, 100 (Larry DiMatteo, Marta Infantino & Nathalie Potin ed., 2020). *See generally* Andrea Marco Steingruber, *The Mutable and Evolving Concept of 'Consent' in International Arbitration – Comparing rules, laws, treaties and types of arbitration for a better understanding of the concept of 'Consent',* OXFORD UNIVERSITY COMPARATIVE LAW FORUM (2012), https://ouclf.law.ox.ac.uk/the-mutable-and-evolving-concept-of-consent-in-international-arbitration-comparing-rules-laws-treaties-and-types-of-arbitration-for-a-better-understanding-of-the-concept-of/#fn1sym (last visited May 31, 2021).
[63] USLegal, *Ad hoc Arbitration Law and Legal Definition* (2019) ("Ad hoc Arbitration is a proceeding that is not administered by others and requires parties to make their own arrangements for selection of arbitrators. The parties are under discretion to choose designation of rules, applicable law, procedures and administrative support. Proceedings under ad hoc arbitration are more flexible, cheaper and faster than an administered proceeding. The absence of administrative fees alone makes ad hoc arbitration a popular choice."), https://definitions.uslegal.com/a/ad-hoc-arbitration/ (last visited Oct. 27, 2020).
[64] Kenneth R. Adamo, *Overview of International Arbitration in the Intellectual Property Context*, 2 GLOBAL BUS. L. REV. 7, 11 (2011).

Ergo, International Commercial Arbitration mostly employs Institutional Arbitration for settling IP disputes. Ulrich G. Schroeter has described Institutional Arbitration as follows:

> "In doing so, an "institutional" arbitration has been described as one that is administered by a specialist arbitral institution under its own rules of arbitration. According to another definition, institutional arbitrations are conducted pursuant to institutional arbitration rules, almost always overseen by an administrative authority with responsibility for various aspects relating to constituting the arbitral tribunal, fixing the arbitrators' compensation and similar matters. A yet different definition regards institutional arbitration as an arbitration procedure conducted under the auspices of or administered or directed by an existing institution."[65]

A plethora of "International Institutions" also known as "International Forums" have been set up across the globe to facilitate the application of International Commercial Arbitration.[66] To name a few well-known Centers for arbitration – International Chamber of Commerce (ICC), Singapore International Arbitration Centre (SIAC), London Court of International Arbitration (LCIA), and so on and so forth. In 1994, the WIPO Arbitration and Mediation Center was established with its headquarters in Geneva, Switzerland, to facilitate the settlement of international commercial disputes with chief focus on intellectual property. The center comprises of experts, arbitrators, and mediators who are highly qualified to handle intellectual property issues. Over the years, thousands of cases have been filed with the center under the rules for Expert Determination, WIPO Arbitration, and Expedited Arbitration.[67] IP disputes are commonly based on issues in contractual clauses that are initially negotiated between the disputants. If negotiations aren't successful, the parties may opt for mediation, failing which they may arbitrate the dispute through Expedited Arbitration or WIPO Arbitration. Nevertheless, the absence of an arbitral settlement between the parties would prompt the enforceability of the award under the New York Arbitration Convention.

The American Arbitration Association (AAA) along with the World Intellectual Property Organization (WIPO) established the Worldwide Forum for Arbitration of Intellectual Property

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[65] Ulrich G. Schroeter, *Ad Hoc or Institutional Arbitration – A Clear-Cut Distinction? A Closer Look at Borderline Cases,* 10 CONTEMPORARY ASIA ARB. J. 141, 145 (Nov., 2017).

[66] JOYCE A. TAN, WIPO GUIDE ON ALTERNATIVE DISPUTE RESOLUTION (ADR) OPTIONS FOR INTELLECTUAL PROPERTY OFFICES AND COURTS 37-50 (WIPO Publication, 2018) https://www.wipo.int/publications/en/details.jsp?id=4342&plang=EN; *see also* UNCTAD Document (UNCTAD/EDM/Misc.232/Add.25), *Course on Dispute Settlement – Module 4.1. World Intellectual Property Organization: Arbitration and Mediation Center* (Dec. 11, 2003) https://unctad.org/system/files/official-document/edmmisc232add25_en.pdf.

[67] *WIPO Arbitration and Mediation Center*, WIPO, https://www.wipo.int/amc/en/center/background.html (last visited May 29, 2021).

Disputes on the 3rd and 4th of March, 1994.[68] The Forum chiefly recognized and explicated the numerous IP inventions and their subsequent developments while drawing attention to the indispensable need for its dispute resolution and settlement.[69] The Forum predominately established the growing need for ICA to settle IP disputes. In a similar vein, it is crucial to ascertain and administer the distinctive aspects of IPR and whether they fall under *rights in rem, rights in personam,* or a justified classification of specific rights under both.

D. Clarifying the Arbitrability of Rights in Personam & Rights in Rem

In the case *Eros International v. Telemax India Ltd*.,[70] one can identify the distinction between enforcing a Right in Rem and a Right in Personam in copyright claims. In the aforementioned case, the plaintiff (Eros International) filed a lawsuit against the defendant on grounds of copyright infringement. Subsequently, the defendant filed an application before the Bombay High Court under Section 8 of the Arbitration and Conciliation Act, 1996.[71] The defendant contended that the dispute was a matter for settlement by arbitration, given the purely contractual nature of the issues.[72] Besides, the existence of an arbitration agreement between the disputants convincingly displayed the merits in favor of the defendant. The impugned matter was deemed to be an *action in personam* and not an action against the world at large. The court allowed the defendant's application and held that the matter does not call for litigation when the parties have consciously decided to arbitrate contractual anomalies.[73] Notwithstanding the aforementioned, in the absence of an explicit dispute resolution agreement between the disputants, IPRs like Copyrights are considered to carry a *Right in Rem* and is enforceable against the world. Copyrights, Patents, and Trademarks are more generically enforceable and are deemed to be non-arbitrable in some measures.[74] Specific and intricate concerns for anomalies arising out of intellectual property contractual matters are considered to be a *Right in Personam*.

In order to further compare the two rights, the significance behind understanding the extent of arbitrating intellectual property disputes needs to be established. The same can be connected

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[68] Robert Briner et al., *Worldwide Forum on the Arbitration of Intellectual Property Disputes,* WIPO (Mar. 4, 1994), https://www.wipo.int/amc/en/events/conferences/1994/briner.html (last visited May 29, 2021).
[69] *See id*.
[70] Eros International v. Telemax Links India Pvt. Ltd., 2016 (6) BomCR 321.
[71] *Id*. ¶ 1.
[72] *Id*. ¶ 18.
[73] *Id*. ¶¶ 19-25.
[74] *E.g.,* A. Ayyasamy v. A. Paramasivam & Ors., (2016) 10 SCC 386 (The Supreme Court of India included disputes, inter alia, related to Patents, Trademarks, & Copyrights to be non-arbitrable).

to the UNCITRAL Model Law[75]. Article 34(2)(b)(i) of the UNCITRAL Model Law on International Commercial Arbitration[76] has been implemented into Section 34(2)(b)(i) of the Indian Arbitration and Conciliation Act[77]. It reads as follows:

> Article 34: Application for setting aside as exclusive recourse against arbitral award
> (2) An arbitral award may be set aside by the court specified in article 6 only if:
> (b) the court finds that:
> (i) the subject-matter of the dispute is not capable of settlement by arbitration under the law of this State; [78]

The above UNCITRAL Model Law Provision has been construed further by the Supreme Court of India while emphasising on Section 34(2)(b)(i) of the Indian Arbitration and Conciliation Act 1996, in the case, *Booz-Allen & Hamilton Inc. v. SBI Home Finance Ltd. & Ors*. The arbitrability of a dispute concerning *Rights in Personam* and *Rights in Rem* was expounded as follows:

> It may be noticed that the cases referred to above relate to actions in rem. A right in rem is a right exercisable against the world at large, as contrasted from a right in personam which is an interest protected solely against specific individuals. Actions in personam refer to actions determining the rights and interests of the parties themselves in the subject matter of the case, whereas actions in rem refer to actions determining the title to property and the rights of the parties, not merely among themselves but also against all persons at any time claiming an interest in that property.[79]
>
> Correspondingly, judgment in personam refers to a judgment against a person as distinguished from a judgment against a thing, right or status and Judgment in rem refers to a judgment that determines the status or condition of property which operates directly on the property itself. (Vide: Black's Law Dictionary). Generally, and traditionally all disputes relating to rights in personam are considered to be amenable to arbitration; and all disputes relating to rights in rem are required to be adjudicated by courts and public tribunals, being unsuited for private arbitration. This is not however a rigid or inflexible rule.

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[75] UNCITRAL Model Law on International Commercial Arbitration, 1985, UN Doc A/40/17, Annex I (adopted Jun. 21, 1985).
[76] *Id.* art. 34(2)(b)(i).
[77] The Arbitration and Conciliation Act, 1996, § 34(2)(b)(i).
[78] UN document, *supra* note 76; CHIN LENG LIM ET AL., *Challenging and Enforcing Awards, and the Question of Foreign State Immunities*, *in* INT'L INV. LAW & ARB. 451 (Cambridge University Press, 2018).
[79] Booz-Allen & Hamilton Inc. v. SBI Home Finance Ltd. & Ors., 2011 (5) SCC 532.

> Disputes relating to subordinate rights in personam arising from rights in rem have always been considered to be arbitrable.[80]

Now, with respect to the well-established elucidation by Hon'ble Justice R. V. Raveendran in the *Booz-Allen case*, the author attempts to draw a connection to previously mentioned theories expounded in the *Huawei case*[81] regarding licensing of IP. Disputes arising between licensees and licensors or assignees and assignors out of the license or assignment agreements[82] with respect to intellectual property are principally considered to be *rights in personam*. These rights are enforced against a particular individual, group, or entity who is a party to that contract and not in general or against the world at large. This is because, the license or assignment agreement attested and signed by the parties immediately engenders certain rights and obligations. Any dispute arising out of practicing these rights and fulfilling the obligations will strictly and specifically concern only the parties to the agreement. On the contrary, intellectual property registrations of patents, trademarks, copyrights, etc., give rise to certain rights that are offered for the protection of the registered proprietor's property against any act of infringement or passing-off by another.[83] Since these rights do not specify against who the rights are enforced upon or protected against, it is considered to be generally enforceable against the world. This would also encompass those who attempt to infringe, even coincidently, the registered proprietor's rights in the intellectual property. Therefore, the author conclusively avers that the arbitration of an intellectual property dispute is deemed to be arbitrable to the extent that the dispute arises as an injury caused to the *rights in personam*. Whereas, as far as the arbitration of *rights in rem* are concerned, it is deemed to be arbitrable as long as the injury to the underlying and connected *rights in personam* can be proved as arising out of the *rights in rem*.

E. Discussing Intellectual Property, Commercial Arbitration, & The COVID-19

In furtherance of restrictions implemented on trade and commerce and the official suspension of globalization ensuing the devastating effects of the COVID-19 global pandemic, has caused

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[80] *Id.* ¶ 23.
[81] *See* Huawei case, *supra* note 57.
[82] *E.g.*, EX-10.19 4 dex1019.htm Patent Assignment Agreement (Patent Assignment Agreement by and between Lenovo (Beijing) Limited and Legend Holdings Limited); EX-4.41 6 dex441.htm Patent License Agreement (Patent License Agreement by and between ChipMOS TECHNOLOGIES (Bermuda) LTD., and ChipMOS TECHNOLOGIES INC.)
[83] *E.g.*, The Indian Performing Right Society Limited v. Entertainment Network (India) Limited, (2016) SCC OnLine Bom 5893. The arbitral award for a relief invoking a right in rem was set-aside by the High Court of Bombay.

nations to resort to self-insulation. This behavior is here to stay even after the global pandemic is acknowledged as a bygone concern. Nations will attempt to revive and restructure their economies and set-right their financial depressions as one of the many indispensable measures to deal with the ramifications suffered. In early 2020, the effects of a surfacing global pandemic had alerted the arbitration community to proliferate the use of electronic filings, virtual hearings, systems for online case management, and to collectively share resources among leading arbitration centers.[84] Nations advised their citizens to refrain from flying to and from China, travelers were advised to self-isolate, and many flights were eventually suspended. These consequences disrupted international arbitration proceedings for several IP disputes. The constant delay and the impracticality behind mandating physical attendance due to travel restrictions resulted in deferring many proceedings.[85] The inability to conduct in-person arbitration hearings ensuing the restrictions on global travel resulted in forestalling several intellectual property matters in arbitration centers.

In the month of March 2020, the World Intellectual Property Organization announced its continuation of operations under an appreciable number of international systems. The Madrid System on the International Registration of Trademarks, Lisbon System on the International Registration of GI's, Patent Cooperation Treaty (PCT), Hague System on the International Registration of Industrial Designs, and the Arbitration and Mediation Center (AMC) were among the few international systems to notify the continuation of their operations.[86] Besides, many centers for arbitration have been seeking recourse through the option of online dispute resolution (ODR) and online video conferencing of intellectual property disputes. This is believed to provide substantial assistance in resolving IP disputes. Nevertheless, online video conferencing systems for arbitration and other methods of online dispute resolution (ODR) disrupt the primary essence that an in-person IP arbitration holds.

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[84]Chahat Chawla, *International Arbitration During COVID-19: A Case Counsel's Perspective*, KLUWER ARBITRATION BLOG (June 4, 2020), http://arbitrationblog.kluwerarbitration.com/2020/06/04/international-arbitration-during-covid-19-a-case-counsels-perspective/ (last visited June 1, 2021). *See also* International Chamber of Commerce, *ICC Guidance Note on Possible Measures Aimed at Mitigating the Effects of the COVID-19 Pandemic* (Apr. 9, 2020).

[85] *See generally* Katherine Proctor & Alexandra Miller, *Obstacle or Opportunity: Will COVID-19 Revolutionise Arbitration?: International Arbitration Laws and Regulations 2020*, INTERNATIONAL COMPARATIVE LEGAL GUIDES (Aug. 24, 2020), https://iclg.com/practice-areas/international-arbitration-laws-and-regulations/2-obstacle-or-opportunity-will-covid-19-revolutionise-arbitration (last visited June 1, 2021).

[86] *See* WIPO, *COVID-19 Update: WIPO's IP Services,* WORLD INTELLECTUAL PROPERTY ORGANIZATION (Mar. 20, 2020), https://www.wipo.int/portal/en/news/2020/article_0015.html (last visited May 25, 2021).

From a law firm's perspective, while clients with IPR disputes in *personam* are constantly suggested to opt for arbitration, they are also educated on the laws of 'Force Majeure'[87]. There is demand galore for international commercial arbitration to settle matters of intellectual property disputes. However, due to lockdowns and the inability to arbitrate or seek speedy adjudication of IP disputes, there is a probable threat of infringement on intellectual property rights. The present difficulty hanging over the heads of business persons is to be able to stay afloat and carry on with business operations as a going concern. As a result, there is a tendency for procrastinating the arbitration of disputes. While courts have ruled in favor of registered proprietors,[88] the lack of attentiveness to administer intellectual property rights could carry grave consequences of infringement that could eventually result in the infringer invoking plausible defenses of delay and laches or acquiescence.[89]

CONCLUSION

Improved digitization will gradually establish newer and highly advanced concepts like the Internet of Things (IOT) and Artificial Intelligence (AI) that will decisively result in further legislations and the enforcement of fresher, more comprehensive, and advanced forms of intellectual property laws.[90] These rights are deemed to constantly evolve with the advancements in technology, medicine, etc. This will, for the most part, have a directly proportional effect on the need to revise the laws governing international commercial arbitration which is evidently the best suited system for settling such disputes. Employing international commercial arbitration for the settlement of intellectual property disputes is a forever developing practice.

It is imperative for the contracting parties to an IP dispute to establish a well-drafted and sufficiently comprehensive clause for arbitration. The parties must thoroughly analyze and

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[87] ICC, *ICC Force Majeure and Hardship Clauses*, INTERNATIONAL CHAMBER OF COMMERCE (Mar., 2020) https://iccwbo.org/publication/icc-force-majeure-and-hardship-clauses/ (Definition. "Force Majeure" means the occurrence of an event or circumstance that prevents or impedes a party from performing one or more of its contractual obligations under the contract, if and to the extent that the party affected by the impediment proves:
a) that such impediment is beyond its reasonable control; and
b) that it could not reasonably have been foreseen at the time of the conclusion of the contract; and
c) that the effects of the impediment could not reasonably have been avoided or overcome by the Affected Party.).
[88] *E.g.,* Shyam Steel Industries Limited v. Shyam Sel and Power Limited & Anr., 2020 (81) PTC 3 (Cal); M/s. Midas Hygiene Industries P.Ltd. & Anr. v. Sudhir Bhatia & Ors., 2004 (3) SCC 90.
[89] *E.g.,* Rhizome Distilleries P. Ltd & Ors. v. Pernod Ricard S.A. France & Ors., 166 (2010) DLT 12; Essel Propack Ltd v. Essel Kitchenware Ltd. And Anr., 2016 (66) PTC 173 (Bom).
[90] *See* ICC Commission on Intellectual Property, *The ICC Intellectual Property Roadmap: Current and Emerging Issues for Business and Policymakers*, INTERNATIONAL CHAMBER OF COMMERCE 87 (14th ed., 2020) https://iccwbo.org/publication/icc-intellectual-property-roadmap-current-emerging-issues-business-policymakers/.

understand their contractual rights and obligations in the intellectual property. The nuanced yet significant differences between non-arbitrable IP disputes and arbitrable IP commercial disputes must be identified. These distinguishing features need to be included or excluded from arbitration clauses accordingly. As long as the arbitrating parties to an IP dispute do not recognize the advantages that can be attained and plan accordingly, the numerous benefits that can be gained by arbitrating an IP dispute become inconsequential.

Besides, there are many rules incorporated by authoritative bodies to assist the parties to an IP dispute under a streamlined process. Certain arbitral authorities provide the disputants with an option to select the established rules of arbitration which are solely drafted for addressing IP disputes [e.g., American Arbitration Association (AAA) Supplemental Rules for the Resolution of Patent Disputes[91] etc.]. A commercial arbitration and its less formal method of dispute resolution when compared to litigation would help in maintaining business relations. Furthermore, the disputants would consider an arbitration setting to be less hostile than a courtroom setting and the aspect of confidentiality nullifies a party's intention to seek attention or grandstand. Therefore, it can be rightly asserted that an International Commercial Arbitration for IP disputes also helps preserve business interests and their relations between one-another internationally.

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[91] *Resolution of Patent Disputes, Supplementary Rules*, AMERICAN ARBITRATION ASSOCIATION (2006) https://www.adr.org/sites/default/files/Resolution%20of%20Patent%20Disputes%20Supplementary%20Rules.pdf.