



# TAHKEEM

مركز الشارقة للتحكيم التجاري الدولي  
SHARJAH INTERNATIONAL COMMERCIAL ARBITRATION CENTRE

## ARBITRATION AND INTELLECTUAL PROPERTY

### LATEST ARTICLES

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- . New Developments in IP Arbitration
- . Why Arbitrate in IP Matters
- . Types of IP Disputes Referred to Arbitration

### ARBITRATION AWARDS

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- . A World Intellectual Property Organization (WIPO) Software Trademark Case
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- . Who can be an Arbitrator?
- . Fees of Arbitration?

## EDITOR'S NOTE

We are pleased to bring to you this first edition of the Tahkeem Arbitration Journal. The journal is the first of its kind for the practice of Arbitration and each issue will be dedicated to a specific topic.

Two types of innovations mark this issue as an attempt to advance further knowledge of the field of Arbitration as an alternative dispute resolution method in the UAE and bring together different cooperation with authors and readers alike. The first one discusses Intellectual Property Disputes in the field of arbitration. Although the arbitrability of any topic is dictated by a country's public policy, the UAE's openness and leadership no doubt renders this mode of resolving disputes open to matters related to IP.

Our aim in this journal is to shed light on how IP is dealt with in the UAE, what types of cases are being litigated, why Arbitration is an advantageous method in order to save time and costs, while ensuring confidentiality and maintaining trust and long-term business relations. This is particularly true in our global economy which can create an unwelcome dilemma for IPR holders. While the UAE is a nation which is clearly open to having global business relationships IPR rights are by nature territorial i.e. connected to the specific jurisdiction in which the right is registered or protection is conferred. Therefore, having a centre such as the Sharjah Tahkeem International Commercial Arbitration Centre provides a forum of certainty and avoids the uncertainty of parallel litigation.

The first article will shed light on the latest developments in IP Arbitration, particularly in light of the new Federal Arbitration Law No.6 issued on 3/5/2018 . Article 2 will be addressing the specificities of why arbitrate in IP matters. For a deep look of types of IP matters referred to arbitration, our editors have investigated what has been the global practice.

Every issue will be looking into the case decisions which have been marked by the subject of arbitration, how the courts have interpreted arbitration awards, or executed them and upheld arbitration agreements. Arbitration Tips is your go to in what to look for in an arbitrator or an arbitration matter. The Arbitrator Profile sections deals with the profile of an arbitrator or an attorney working in the field in the UAE.

Tahkeem is also a hub for conferences and events, which brings for the leaders in the legal and arbitration community in the UAE and abroad. The journal shall shed light on the ongoing of these events and give an update on upcoming ones for those who wish to partake.

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## NEW DEVELOPMENTS IN IP ARBITRATION

The President of the United Arab Emirates issued a new arbitration law on 3 May 2018, and it was published as the new Federal Arbitration Law No. 6 of 2018.

This new arbitration Law repeals Articles 203 to 218 of the UAE Code of Civil Procedure (Federal Law No. 11 of 1992) applicable to arbitration and any other provisions contrary to the Arbitration Law.

The law of arbitration entered into force one month after the date of its publication in the Federal Official Gazette. Although the new arbitration law is expressed in Arabic, the Ministry published an unofficial English translation on its website.

The new law contains various features and amendments. One of the main advantages of this law is aligning the UAE with international

standards; this new law is based on the UNCITRAL Model Law on International Commercial Arbitration. The new Arbitration Law has many new features such as the restricted grounds to cancel an arbitration award, and the power of an arbitral panel to rule on its jurisdiction. Article 2 of the new law lays out the framework of the application process; the law differentiates between international arbitration and domestic arbitration on the legal basis of the UNCITRAL Model.

The provisions of Article 2 sets out the requirements for any arbitration conducted in the United Arab Emirates. Such as, as long it does not violate the UAE public policy, the parties can agree that the conflict shall be subject to any other arbitration law. Also, Any arbitration resulting from a legal arrangement (whether contractual or otherwise) in which UAE law governs the arrangement, apart from if a more specific provision of UAE law delivers otherwise. This new Arbitration Law provides arbitral committees with a broad variety of new abilities in onshore UAE - seated arbitrations. However, there are a significant number of

provisions in the new Arbitration Law that should decrease the variety of challenges, which have been prevalent in the UAE.

A couple of these significant developments produced by the new Arbitration Law include: the Legitimacy of Digital communications such as emails to be considered as Arbitration Agreements; Separability of arbitration contracts, which authorize arbitration agreements to sustain the legitimacy of the broader agreement; the judicial authority of the arbitral tribunal to rule on its own jurisdiction; Awarding the authority to grant interim and conservative initiatives to arbitral committees; acknowledging the enforceability of full or partial awards; Allowing express legitimacy to onshore UAE judiciary to give temporary relief in support of arbitration; restricting the time limit for arbitral awards obstacles such as injunction requests to 30 days after confirmation of the arbitral award; additionally, permitting arbitral awards to be completed and signed by arbitrators outside the UAE in UAE settlement arbitration.

With all of the above mentioned and

unmentioned developments in this new Arbitration Law, this law is a significant milestone in the development of Arbitration in the UAE, giving it a more attractive outlook as an alternative dispute resolution for both foreign and local disputes.

## WHY ARBITRATE IN IP MATTERS

There are numerous advantages to arbitration over litigation. This is particularly evident in disagreements over intellectual properties, which have a variety of specific traits that can be best handled through arbitration instead of court litigation.

On an international level, court litigation has various proceedings and various laws that easily conflicts with the outcome results, the factor of possible conflict of interest as having the Court benefit for the party litigating their home country in comparison to arbitration which offers a much more straightforward single process, giving the parties the neutral advantage to decide on the governing law of the arbitration proceedings, in addition to the elimination of the home court advantage with selecting an arbitrator who is unbiased to language and culture of the parties.

Intellectual Property disagreements demand specialized knowledge and understanding to the technicality of the issue which can not be guaranteed in court, whereas in arbitration tribunal, an arbitrator's specific proficiency and experience can increase the understanding and details significantly breaking down of IP disputes.

Timing is a significant advantage factor when it comes to arbitration vs. litigation, the court system is known to its long ongoing process,

## LATEST ARTICLES

and only certain jurisdictions offer injunctive relief. Arbitration, on the other hand, is known to be a faster more efficient process that provides the possibility of injunctive reliefs. Also, the Litigation process is subjected to the process of various appeals whereas arbitration's process for appeals is very much limited and specific before the decision gets finalized.

Last but not least, Sharjah is a conservative Emirate in the UAE that values reputation keeping and discrete matters, and that's where the advantage of arbitration plays a significant role offering a substitute for public proceedings with confidentiality for both the procedures and arbitral awards.

As a result of the consensual virtue of the arbitration, any award given will only be legally binding on the concerned parties and will not affect third parties as such.

### KEY POINTS

- Single Process
- International
- Technical
- Neutrality
- Confidentiality
- Rapidity
- Reputation
- Flexibility

*"For an arbitrator goes by equity of a case, a judge by the law, and arbitration was invented with the express purpose of security full power for equity" - Aristotle*

## TYPES OF IP DISPUTES REFERRED TO ARBITRATION

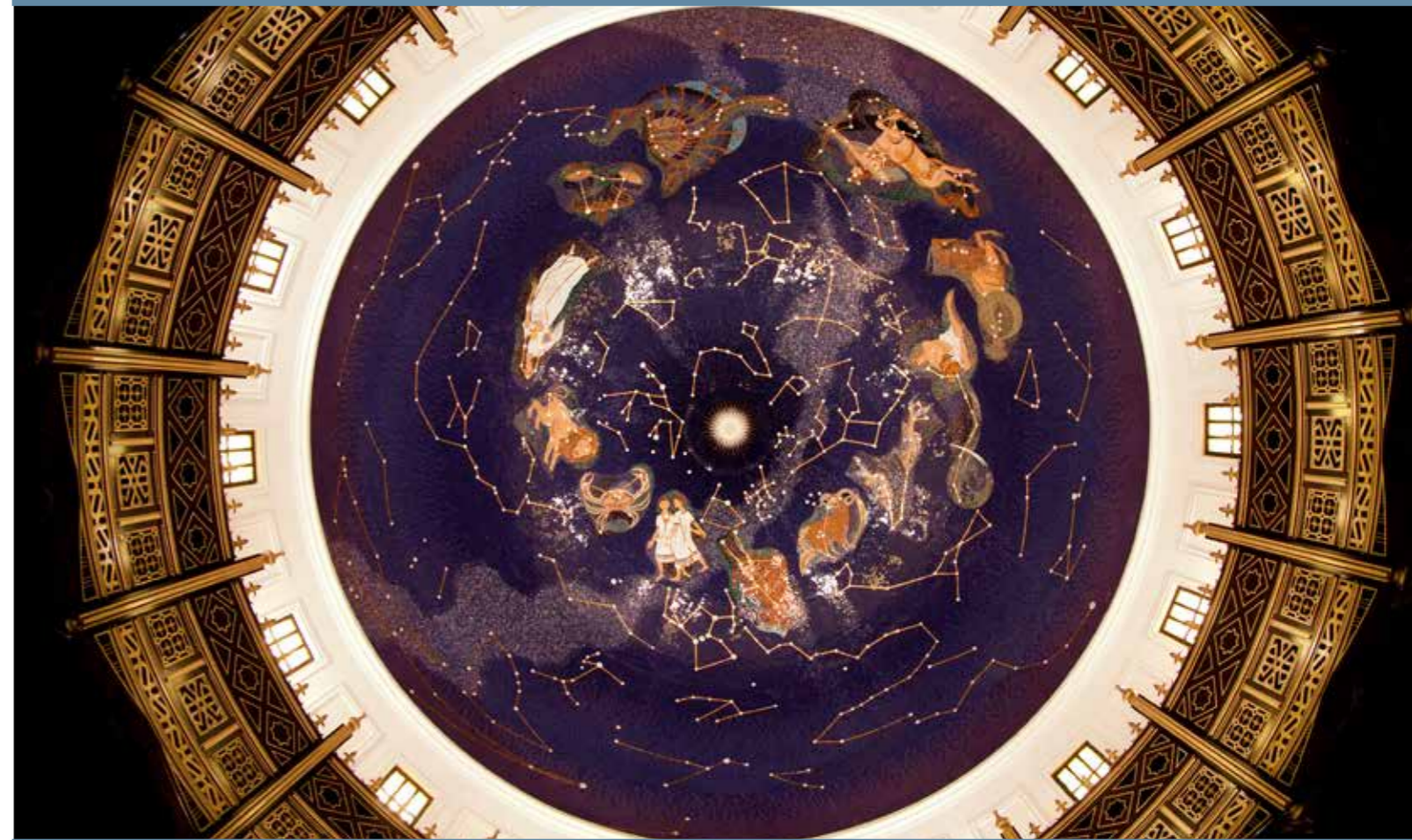
There are many advantages to selecting Arbitration as a resolution method in regards to conflict resolution in Intellectual Property cases. There are various types of IP which can be brought to arbitration such as Trademarks, Copyrights, Patents rights, design infringements, database rights conflicts, domain names conflicts, abuse of confidential information and trade secrets, breach of contracts, licensing conflicts, supply chain conflicts, settlement agreements and more.

Arbitration is sought after when conflicts arise relating to these previously mentioned IPs conflicts in order to obtain remedies to the damages that they have caused.

These remedies for Intellectual Property related disputes referred to arbitration include damages relief, injunctive relief, specific performance, accounts of unlawful profits; and announcement relief such as statements of infringement on the website or on the doorstep of the store and removal of the IP infringements by releasing it to authorities or the rightful IP owners or the destruction of such violations.

In conflicts such as trademarks and patents, the ability of arbitration and the validity of the IP rights have to be considered. Lastly, the new UAE arbitration law promotes efficiency for the arbitration process as well as the significant changes that increased the speed of the procedures to enforce an arbitration award. Article 52 of the Arbitration Law stipulates that a UAE arbitration award is binding upon the parties. Furthermore, the arbitral award is equivalently enforceable as a decision of the UAE legal court.

## ARBITRATION AWARDS



### A WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO) SOFTWARE TRADEMARK CASE

A trademark for software communication had been registered in the United States and Canada by a software developer from North America. Meanwhile, in many Asian countries, a roughly identical mark for computer hardware is registered by another manufacturer of computer hardware. The manufacturer and the North American software developer have been involved in legal actions over the registration and use of

their Trademarks in multiple jurisdictions. They each have prohibited the other to either use or register the Trademarks depending on the prior rights held in the jurisdictions. The parties have entered into a coexistence agreement with a WIPO arbitration clause to expedite the use and registration of their respective trademarks globally.

When the North American company attempted to register its mark in a specific Asian country, the application was denied due to a factor of confusion with the other party's previous mark. The North American Company asked the manufacturer of computer hardware to facilitate the registration of its mark in the Asian country when the manufacturer refused they continue with arbitration. A prominent Intellectual Property lawyer was appointed following the Center's proposals as sole arbitrator. The sole arbitrator had awarded the proposed resolution from the parties where the hardware

## ARBITRATION AWARDS

manufacturer is granted a license on appropriate terms to the North American Company that obligates the manufacturer to deliver periodic reports to the Company<sup>1</sup>.

## WIPO PATENT LICENSE ARBITRATION CASE

A French pharmaceutical research and development firm licensed another French company with know-how and patented pharmaceuticals.

The license contract contains an arbitration clause that stipulates that an arbitral committee consisting of three members following the French law will agree on any disagreement under the WIPO Arbitration Rules. Faced with the licensee's evident denial to pay the license fee, the R&D Company started arbitration proceedings<sup>2</sup>.

<sup>1</sup> WIPO Arbitration Case Examples, [www.wipo.int/amc/en/arbitration/case-example.html](http://www.wipo.int/amc/en/arbitration/case-example.html)

<sup>2</sup> WIPO Arbitration Case Examples, [www.wipo.int/amc/en/arbitration/case-example.html](http://www.wipo.int/amc/en/arbitration/case-example.html)

# ARBITRATION TIPS

## What to look for in an arbitrator?

- An Arbitrator who can dedicate their time and full attention to your case
- Skilled with the disputes' subject matter
- Experience in running an arbitration hearing,
- Excellent analytic, reasoning skills, and writing skills
- Good managerial skills
- The Nationality of the arbitrator (to avoid conflict of interest)
- Ability to deal with contentious issues fairly
- Time efficient in order to be cost effective
- Leadership Skills and Decision making skills: Balance, flexible and pragmatic

## Who can be an Arbitrator?

In accordance with Article 2 of the Ministerial Resolution No 972 of 2017 under the new executive regulations which state that: "arbitration tribunals and judicial and administrative committees may not accept a person to act as a lawyer on behalf of another person unless his name is registered in the Roll of Practicing Lawyers"; which means that an arbitrator must have a legal background.

In addition to that rule, according to Article 206 of the Civil Procedure law in the UAE, an arbitrator cannot be a minor, legally incapacitated, bankrupt, and has no civil rights due to a criminal conviction.

Arbitrators are always without a doubt encouraged to encompass a wide experience in the field of arbitration and negotiation in order to be more trusted.

## Fees of Arbitration

Tahkeem's online website offers an option for fee calculation (Cost Calculator).  
<http://www.tahkeem.ae/en/fees>



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TAHKEEM



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# PROFILE OF AN ARBITRATOR / ATTORNEY

## ARBITRATORS & ATTORNEYS SHAPING THE FIELD



**DR. HASSAN ARAB**  
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Hassan serves as an arbitrator in complex and commercial cases with national and international wide practice. As an arbitrator he has arbitrated many claims and provided advice on Arbitration and Dispute Resolution. He has extensive dispute resolution and arbitration experience in providing expert opinions on the UAE laws before several arbitration tribunals and foreign courts. He is regularly appointed as an expert by parties on a variety of legal issues on the UAE laws.



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Licensed to appear before all Courts in the UAE including the Dubai Court of Cassation and the Federal Supreme Court in Abu Dhabi. Licensed to practice before the Courts of the Dubai International Financial Center Arbitrator. A member of the DIFCA Legislative Committee (LegCo).



**ALI AL-AIDAROUS**  
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Mr. Ali Al Aidarous is a litigator, legal expert who has been practicing law for more than 25 years. He has rights of audience before all local and federal UAE Courts, as well as the Dubai International Financial Centre (DIFC) Courts. He handles complex commercial and civil disputes in various industries including shipping, insurance, real estate and construction.

Mr. Al Aidarous has also arbitrated in cases before the Abu Dhabi Commercial Conciliation and Arbitration Center (ADCCAC) and the Arbitration Centre of the AGCC in Bahrain (a detailed list of arbitration cases is available on request).



**DR. NAYLA COMAIR OBEID**  
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Prof. Dr Nayla Comair-Obeid has been actively involved in both domestic and international arbitrations as party appointed arbitrator, chairperson, sole arbitrator, counsel and expert in various parts of the world.

Among the parties engaged in these arbitrations have been states and state entities, international investors, telecommunications corporations, construction companies, distributors of various kinds of goods and equipment, banks and financial institutions, real estate developers as well as hotel management corporations.

# GET ANSWERS

## Q&A ON ARBITRATION IN IP

### Why is Arbitration encouraged in IP?

Intellectual Property Rights disputes commonly involve parties from different countries, where different IP laws are analyzed on the grounds of territorial basis, which may result in unresolved conflict on an International level. For that reason, parties to a dispute may find it undesirable and rather easier to adhere to arbitration than State courts in order to avoid uncertainty. In addition, arbitration allows the parties to be in control with regards to agreeing on the application of the rules and procedures that shall govern their arbitration proceedings, which would not take place in a trial court.

### What are the main advantages of using arbitration to resolve IP disputes?

There are several advantages to using arbitration to resolve IP disputes, which include: Time and cost benefits as it is both cheaper and less time consuming than resolution through the courts, as well as provides flexibility and confidentiality of the proceedings. Arbitration also preserves business relationships and provides a neutral environment in the decision making process, which is the biggest advantage and benefit of arbitration since it delivers unbiased judgments.

### What are certain issues that may lead to a dispute in IP?

Intellectual Property Rights disputes fall under several characteristics which could include: Counterfeiting and false advertising, a breach of an IP agreement, industrial espionage, infringement of IP rights, violation of a

trademark, copy right and patent related issues as well many other concerns that are subject to breaking the law and are therefore brought to court, or according to recent years, carried out in arbitrational courts.

### How do parties enter into Arbitration in IP related matters?

In the presence of an alternative dispute resolution (ADR) clause, both parties would have already agreed to arbitrate on any dispute which may arise. In the case where there isn't an ADR clause, the parties may agree to arbitrate subsequent to the dispute in order to reach a common ground. However, it is encouraged to have an agreement prior to the dispute, since most IP related concerns are usually dealt with before trial given their exceedingly expensive nature and inefficiency. Therefore, in order to prevent unnecessary encounters, it is always recommended to agree on an arbitrational clause preceding to IP disputes.

### Are all arbitral awards concerning IP disputes enforceable in your jurisdiction?

Arbitration is in essence flexible in comparison to court litigation in terms of making use of proper procedures for each IP case, which is the arbitral award or in other words-the decision of an arbitral tribunal. These awards are enforced in more than 150 jurisdictions according to the United Nations Convention on the recognition and enforcement of foreign arbitral awards. However, each jurisdiction decides for itself which IP matters are subject to the enforcement of arbitral awards.

# TAHKEEM EVENTS

## ANNOUNCING ARBITRATION EVENTS



## 24.03

### TAHKEEM CONCLUDES SUCCESSFUL PARTICIPATION IN ACRES 2019, HIGHLIGHTS IMPORTANCE OF ARBITRATION.

The event served as a dynamic platform that catered to the needs of the Real estate sector, underlining the importance of investing in the real estate market in the UAE and other countries in the region.

## 27.02

### SHARJAH INTERNATIONAL COMMERCIAL ARBITRATION CENTER SIGNS COLLABORATION ACCORD WITH ALEF GROUP TO RESOLVE COMMERCIAL DISPUTES

The agreement serves as dispute settlement services provided by TAHKEEM through arbitration in favor of the real estate projects developed by the Group and urge parties concerned with its projects to adopt arbitration as a means for resolving commercial disputes.

## 12.02

### DUBAI AND MENA: THE 6TH ANNUAL INTERNATIONAL ARBITRATION AND REGULATORY GLOBAL SUMMIT

International Commercial Arbitration Center is delighted to have been the silver sponsor and Dr. Asma AlRasheed, an executive committee member took part as one of the speakers.

## 19.02

### THE LAW STUDENTS' VISIT FROM AJMAN UNIVERSITY, FUJAIRAH BRANCH, TO SHARJAH INTERNATIONAL COMMERCIAL ARBITRATION CENTER

TAHKEEM has welcomed students to their Fujairah Branch in which the Director of the Center provided a detailed explanation of the procedures, rules and services offered at the Center.

# ABOUT TAHKEEM



**TAHKEEM** is an International Commercial Arbitration Center based in Sharjah, UAE and established in 2009 in accordance with Amiri Decree No (6), issued by his highness Dr. Sultan Bin Mohammad Al Qassimi. Accordingly, Tahkeem recognizes the difficulties that a business may encounter with regards to commercial disputes. For that reason, Tahkeem aims at facilitating the progression of such conflicts through the use of arbitration with the objective of reaching every client's goal with effectiveness and efficiency. After all, it is by enabling and supporting businesses to settle their disputes with efficacy that they can better contribute to the economic welfare and development of the United Arab Emirates-which is in correlation with the vision and mission of Tahkeem.

“ **Continues to propagate a culture of arbitration among law practitioner and businesspeople on a local, regional and international level.** ”

## LET TAHKEEM HELP YOU RESOLVE CONFLICTS

TAHKEEM GIVES ACCURACY, FLEXIBILITY AND NON-EXAGGERATED ARBITRATION AND ARBITRATORS FEES IN ADDITION TO ISSUANCE OF AWARDS...

As part of our mission, Takheem continues to propagate a culture of arbitration among law practitioners, professionals and businesspeople on a local, regional and international level. Takheem offers a range of training that includes day-long sessions and internships. Companies are central to everything we do and achieve, and that's why our training methods not only have excellent academic structure, they also bestow a more practical guide to the arbitrators of the future. We even use role-play to acclimatise the trainees. The centre aims to provide outstanding services to individuals, establishments and companies, with the goal of achieving an amicable and mutual conclusion through arbitration. The centre can propose arbitrators to disputing parties from its registered list of approved and qualified practitioners.

### EDITORIAL TEAM

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