

**Arbitration (Amendment) Ordinance 2017****Contents**

Section	Page
<b>Part 1</b>	
<b>Preliminary</b>	
1.	Short title and commencement ..... A111
<b>Part 2</b>	
<b>Amendments to Arbitration Ordinance</b>	
2.	Arbitration Ordinance amended ..... A115
3.	Section 5 amended (arbitrations to which this Ordinance applies) ..... A115
4.	Section 70 amended (award of remedy or relief) ..... A115
5.	Part 11A added ..... A115
<b>Part 11A</b>	
<b>Arbitrations Relating to Intellectual Property Rights</b>	
103A.	Interpretation ..... A117
103B.	Interpretation: IPR ..... A117
103C.	Interpretation: IPR dispute ..... A119
103D.	IPR disputes may be arbitrated ..... A119
103E.	Effect of award involving IPR ..... A123
103F.	Recourse against award involving IPR ..... A123

Section	Page
103G. Recognition and enforcement of award involving IPR .....	A125
103H. Judgments entered in terms of award involving IPR .....	A125
103I. Validity of patent may be put in issue in arbitral proceedings .....	A127
103J. Arbitral proceedings in relation to short-term patents .....	A127
6. Section 111 amended (savings and transitional provisions) .....	A129
7. Schedule 3 amended (savings and transitional provisions).....	A129

**Part 3**

**Amendments to Arbitration (Parties to New York Convention) Order**

8. Arbitration (Parties to New York Convention) Order amended .....	A133
9. Schedule amended .....	A133

**HONG KONG SPECIAL ADMINISTRATIVE REGION**

**ORDINANCE NO. 5 OF 2017**



C. Y. LEUNG  
Chief Executive  
22 June 2017

An Ordinance to amend the Arbitration Ordinance to clarify that disputes over intellectual property rights may be arbitrated and that it is not contrary to the public policy of Hong Kong to enforce arbitral awards involving intellectual property rights; to update the Arbitration (Parties to New York Convention) Order; and to provide for incidental and related matters.

[23 June 2017]

Enacted by the Legislative Council.

**Part 1**

**Preliminary**

**1. Short title and commencement**

- (1) This Ordinance may be cited as the Arbitration (Amendment) Ordinance 2017.
- (2) Subject to subsections (3) and (4), this Ordinance comes into operation on the day on which it is published in the Gazette.
- (3) Part 2 (except section 5 in so far as it relates to the new section 103J) comes into operation on the first day of the seventh month immediately following the month during which this Ordinance is published in the Gazette.

- (4) Section 5 (in so far as it relates to the new section 103J) comes into operation on the day on which section 123 of the Patents (Amendment) Ordinance 2016 (17 of 2016) comes into operation.
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## **Part 2**

### **Amendments to Arbitration Ordinance**

**2. Arbitration Ordinance amended**

The Arbitration Ordinance (Cap. 609) is amended as set out in sections 3 to 7.

**3. Section 5 amended (arbitrations to which this Ordinance applies)**

Section 5(2)—

**Repeal**

“and Part 10”

**Substitute**

“, Part 10 and sections 103A, 103B, 103C, 103D, 103G and 103H”.

**4. Section 70 amended (award of remedy or relief)**

Section 70(1), after “subsection (2)”—

**Add**

“and section 103D(6)”.

**5. Part 11A added**

After Part 11—

**Add**

**“Part 11A****Arbitrations Relating to Intellectual Property  
Rights****103A. Interpretation**

In this Part—

*IPR* (知識產權)—see section 103B;

*IPR dispute* (知識產權爭議)—see section 103C.

**103B. Interpretation: IPR**

- (1) In this Part, an intellectual property right (*IPR*) means—
- (a) a patent;
  - (b) a trade mark;
  - (c) a geographical indication;
  - (d) a design;
  - (e) a copyright or related right;
  - (f) a domain name;
  - (g) a layout-design (topography) of integrated circuit;
  - (h) a plant variety right;
  - (i) a right in confidential information, trade secret or know-how;
  - (j) a right to protect goodwill by way of passing off or similar action against unfair competition; or
  - (k) any other IPR of whatever nature.

- (2) In this Part, a reference to an IPR is a reference to such an IPR—
- (a) whether or not the IPR is protectible by registration; and
  - (b) whether or not the IPR is registered, or subsists, in Hong Kong.
- (3) In this Part, a reference to an IPR includes an application for the registration of an IPR if the IPR is protectible by registration.
- (4) In this section—
- registration* (註冊), in relation to an IPR, includes the grant of the IPR.

### 103C. Interpretation: IPR dispute

In this Part, a dispute over an IPR (*IPR dispute*) includes—

- (a) a dispute over the enforceability, infringement, subsistence, validity, ownership, scope, duration or any other aspect of an IPR;
- (b) a dispute over a transaction in respect of an IPR; and
- (c) a dispute over any compensation payable for an IPR.

### 103D. IPR disputes may be arbitrated

- (1) An IPR dispute is capable of settlement by arbitration as between the parties to the IPR dispute.

- (2) In ascertaining whether there is an arbitration agreement between the parties within the meaning of section 19(1) (as it gives effect to Option I of Article 7(1) of the UNCITRAL Model Law), an agreement by the parties to submit to arbitration an IPR dispute is taken to be an agreement by the parties to submit to arbitration a dispute which has arisen or which may arise between them in respect of a defined legal relationship.
- (3) Subsection (1) applies whether the IPR dispute is the main issue or an incidental issue in the arbitration.
- (4) For the purposes of subsection (1), an IPR dispute is not incapable of settlement by arbitration only because a law of Hong Kong or elsewhere—
  - (a) gives jurisdiction to decide the IPR dispute to a specified entity; and
  - (b) does not mention possible settlement of the IPR dispute by arbitration.
- (5) In subsection (4)(a)—

***specified entity*** (指明實體) means any of the following entities under the law of Hong Kong or elsewhere—

  - (a) a court;
  - (b) a tribunal;
  - (c) a person holding an administrative or executive office;
  - (d) any other entity.
- (6) The power given to an arbitral tribunal under section 70 to award any remedy or relief in deciding an IPR dispute is subject to any agreement between the parties to the IPR dispute.



**103E. Effect of award involving IPR**

- (1) This section applies if an award deciding an IPR dispute is made in arbitral proceedings.
- (2) The fact that an entity is a third party licensee in respect of the IPR does not of itself make the entity a person claiming through or under a party to the arbitral proceedings for the purposes of section 73(1)(b).
- (3) However, subsection (2) does not affect any right or liability between a third party licensee and a party to the arbitral proceedings whether—
  - (a) arising in contract; or
  - (b) arising by operation of law.
- (4) In this section—

*third party licensee* (第三方特許持有人), in relation to an IPR in dispute in arbitral proceedings, means an entity that is—

- (a) a licensee (whether or not an exclusive licensee) of the IPR under a licence granted by a party to the arbitral proceedings; but
- (b) not a party to the arbitral proceedings.

**103F. Recourse against award involving IPR**

- (1) For the purposes of section 81 (as it gives effect to Article 34(2)(b)(i) of the UNCITRAL Model Law), the subject-matter of a dispute is not incapable of settlement by arbitration under the law of Hong Kong only because the subject-matter relates to an IPR dispute.

- (2) For the purposes of section 81 (as it gives effect to Article 34(2)(b)(ii) of the UNCITRAL Model Law), an award is not in conflict with the public policy of Hong Kong only because the subject-matter in respect of which the award is made relates to an IPR dispute.

### **103G. Recognition and enforcement of award involving IPR**

- (1) For the purposes of sections 86(2)(a), 89(3)(a), 95(3)(a) and 98D(3)(a), a matter is not incapable of settlement by arbitration under the law of Hong Kong only because the matter relates to an IPR dispute.
- (2) For the purposes of sections 86(2)(b), 89(3)(b), 95(3)(b) and 98D(3)(b), it is not contrary to public policy of Hong Kong to enforce an award only because the award is in respect of a matter that relates to an IPR dispute.

### **103H. Judgments entered in terms of award involving IPR**

- (1) This section applies if—
  - (a) an award (whether made in or outside Hong Kong) deciding an IPR dispute is made in arbitral proceedings; and
  - (b) a judgment in terms of the award is entered under section 84, 87, 92 or 98A.
- (2) Section 73(1) applies in relation to the judgment as if a reference in that section to an award made by an arbitral tribunal pursuant to an arbitration agreement were a reference to the judgment.
- (3) In this section—

*award* (裁決) includes a declaratory award.

**103I. Validity of patent may be put in issue in arbitral proceedings**

Section 101(2) of the Patents Ordinance (Cap. 514) does not prevent a party from putting the validity of a patent in issue in arbitral proceedings.

**103J. Arbitral proceedings in relation to short-term patents**

- (1) A party to an arbitration agreement who is the proprietor of a short-term patent may commence arbitral proceedings to enforce any right conferred under the PO in relation to the patent, whether or not paragraph (a), (b) or (c) of section 129(1) of the PO has been satisfied.
- (2) However, subsection (1) does not apply if the parties to the arbitration agreement agree otherwise.
- (3) If arbitral proceedings are commenced to enforce any right conferred under the PO in relation to a short-term patent, section 129(2) and (3) of the PO applies to the arbitral proceedings as if the proceedings were enforcement proceedings commenced under section 129(1) of the PO.
- (4) However, if, before the commencement date of this section, an arbitration has commenced to enforce any right conferred under the PO in relation to a short-term patent, section 129 of the PO, as in force immediately before that commencement date, continues to apply to the arbitration and all of its related proceedings.
- (5) In this section—

**PO** (《專利條例》) means the Patents Ordinance (Cap. 514);

*related proceedings* (相關程序), in relation to an arbitration, includes arbitral proceedings resumed after the setting aside of the award in the arbitration;  
*short-term patent* (短期專利) has the meaning given by section 2(1) of the PO.”.

**6. Section 111 amended (savings and transitional provisions)**

After section 111(2)—

**Add**

“(3) Part 3 of Schedule 3 provides for the savings and transitional arrangements that relate to the Arbitration (Amendment) Ordinance 2017 (5 of 2017).”.

**7. Schedule 3 amended (savings and transitional provisions)**

Schedule 3, after Part 2—

**Add**

**“Part 3**

**Savings and Transitional Provisions Relating to  
Arbitration (Amendment) Ordinance 2017**

**1. Conduct of arbitral and related proceedings**

- (1) This section applies to an arbitration commenced before the commencement date of this section, whether or not the place of the arbitration is in Hong Kong.
- (2) The pre-amended Ordinance continues to apply to the arbitration and all of its related proceedings.

(3) However, Part 11A is to apply to the arbitration or any of its related proceedings if the parties to the arbitration or those related proceedings (as appropriate) agree.

(4) In this section—

*pre-amended Ordinance* (《原有條例》) means this Ordinance as in force immediately before the commencement date of this section;

*related proceedings* (相關程序), in relation to an arbitration, includes arbitral proceedings resumed after the setting aside of the award in the arbitration.”.

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## Part 3

### Amendments to Arbitration (Parties to New York Convention) Order

8. **Arbitration (Parties to New York Convention) Order amended**  
The Arbitration (Parties to New York Convention) Order (Cap. 609 sub. leg. A) is amended as set out in section 9.
9. **Schedule amended**
- (1) The Schedule, English text, entry relating to Denmark—  
**Repeal**  
“Faeroe”  
**Substitute**  
“Faroe”.
- (2) The Schedule—  
**Add in alphabetical order**  
“Andorra  
Angola  
Comoros”.