ARBITRABILITY OF DISPUTES RELATED TO INTELECTUAL PROPERTY RIGHTS

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Abstract

The present study is aimed for the intellectual property rights holders and specialists in intellectual property law, that are invited to use, promote and implement arbitration as a winning alternative means of solving disputes. The author presents the arbitration as the main method of alternative dispute resolution and analyses the conditions in which arbitration may be used for settling disputes related to intellectual property rights. In this respect, the paper largely presents the main conditions: the dispute has to be liable for settlement by means of arbitration, the parties have to conclude an arbitration agreement, the arbitration agreement has to be valid and effective and the dispute has to be included in the provisions of the arbitration agreement. The author also reviews the types of arbitration used by the World Intellectual Property Organization Centre for Arbitration and Mediation, the World Trade Organization, the Romanian Copyright Office and the Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania, presenting some ruling of arbitral tribunals concerning arbitrability issues.

Keywords: *arbitrability; arbitration; Court of International Commercial Arbitration (CICA); World Intellectual Property Organization (WIPO);World Trade Organization (WTO); ORDA arbitration procedure.*

General considerations regarding arbitrability

- The arbitration represents settlement of disputes activity administered by an alternative jurisdiction with private nature, separately regulated by Civil Procedure Code both the one in force, as well as the one adopted in 1865 by the means of the 4th Book intituled *"About Arbitration"*. Arbitration is an effective alternative to state justice, presenting many advantages for the parties to the judicial process, including:
- The flexibility of proceedings – the parties have the freedom to choose the applicable procedure rules (with the condition not to breach public order and imperative provisions of the law), the type of arbitration –ad-hoc or institutionalized, the arbitrators that are to settle the dispute, the organising institution, the place of arbitration etc.;
- Arbitrator specialisation – the parties have the possibility to choose individuals with professional specialisation in the field referred to judgement increasing the confidence and offering the guarantee upon the competence of the ones that are to settle the dispute;
- Confidentiality of arbitration – conducting the arbitral proceedings is performed in a closed circle with the exclusive participation of parties and their representatives which ensures the commercial secret and avoids negative publicity, having a very important role in order for the commercial relationship between parties to continue;
- The period for settlement of conflict is much shorter than in the case of a judicial trial – if the parties do not convene otherwise, the arbitral tribunal must settle the request for arbitration within 6 months from its establishment, respectively 12 months for international arbitration, under the sanction of arbitration caducity;
- Arbitral awards are final and binding for the parties, having the possibility to be enforced just as judicial judgements;
- Arbitral awards may be cancelled only by the action for annulment and only for the limiting reasons provided by Art.608 of Civil Procedure Code.

International commercial arbitration is the *"preferred method of dispute settlement that emanate from international commerce"*[1]. Besides the above mentioned advantages, the parties can be mistrustful in judicial practices, political systems and foreign economical structures[2], due to unawareness or too little knowledge upon national legislation from origin countries of contractual partners, choosing arbitration being the best solution. Another important advantage is New York Convention (1958)[3] on Recognition and Enforcement of Foreign Arbitral Awards to which Romania is signatory party among other 156 countries worldwide, facilitating recognition and approval of enforcement of arbitral awards rendered by international arbitration.

The term "arbitrability" represents a status, disputes' nature, being arbitrable, respectively meeting cumulative conditions: 1) the dispute may be settled by the means of arbitration; 2) the parties concluded an

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[1] J. D. M. Lew, *Applicable Law In International Commercial Arbitration*, 1978, *apud* Grantham, W., *The Arbitrability of International Intellectual Property Disputes*, in Berkeley Journal of International Law, Volume 14, Issue 1, 1996, p. 175.

[2] *Idem.*

[3] http://www.newyorkconvention.org.

arbitration agreement; 3) arbitration agreement is valid and operative; and 4) the dispute should fall in the field of the disputes part of the arbitral convention provisions. The aforementioned conditions shall be further assessed.

Disputes related to intellectual property rights that may be settled by arbitration proceedings

It is in the best interest of all specialists in intellectual property rights and owners of these rights to know in which cases they may turn to arbitration and as to where and when. That is, because the assets as intellectual property of successful enterprises around the world are increasing in number and more valuable and the disputes that have as object the breach of certain intellectual property rights are ever more, the stakes for these disputes are often huge.

According to the provisions contained in Art 2 (viii) within the Convention for Establishing World Intellectual Property Organisation, Stockholm, 1967[4], intellectual property includes the rights related to: *"literary, artistic and scientific works, performances of performing artists, phonograms and broadcastings, inventions in all fields of human endeavour, scientific discoveries, industrial designs, trademarks, service marks, and commercial names and designations, protection against unfair competition and all other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields".*

Pursuant to the provisions provided by international conventions, taken over also by Romanian law, sub-branches of intellectual property are: copyright, related rights and *sui-generis* rights of database producers on one hand and industrial property rights on the other hand, each of them having patrimonial and non-patrimonial (moral) content. The rights emanating from intellectual creations are closely related to authors' personality, because *"the author's personality is extended in work"*[5], and such special connection offers the author firstly the moral non-patrimonial rights, from which derives patrimonial rights, evaluable in money. Intellectual property rights have a very complex dual nature and the two components are separately regulated and protected. Exemplifying, there are moral rights of intellectual property: right to decide if and in what extent and when the work shall be published, right to request the acknowledgement as author of the work, right to ask for observing the integrity of work, right to withdraw the work. There are considered intellectual patrimonial rights: the right to authorise or forbid the reproduction of work, distribution, renting, leasing, broadcasting, creating derived work, the rights that emanate from a registration request for an industrial property object (patent, industrial design, utility model), exclusive right of use and to oppose any kind of use or detriment brought to work without right to do so, right of priority or exposure, as well as all rights settled by contract with third parties exploiting the objects of intellectual property.

The first condition for arbitrability – what kind of disputes and with regard to what type of intellectual property rights may be settled by arbitration – it must be assessed in close connection with national legal provisions, respectively if and which are the arbitrable disputes and if there are legal exceptions with regard to the settlement by arbitration of disputes with regard to the intellectual property rights.

„ The concept of arbitrability, properly so called, relates to public policy limitations upon arbitration as a method of settling disputes. Each state may decide, in accordance with its own economic and social policy, which matters may be settled by arbitration and which may not. In international cases, arbitrability involves the balancing of competing policy considerations. The legislators and courts in each country must balance the importance of reserving matters of public interest (such as human rights or criminal law issues) to the courts against the public interest in the encouragement of arbitration in commercial matters"[6].

In Romania, the types of disputes related to intellectual property that may be settled by arbitration are regulated by general law –the arbitration procedure[7] from the Civil Procedure Code – and special laws, specific to different types of property rights – copyrights, related rights and industrial property.

Pursuant to provisions of the New Civil Procedure Code all disputes upon which the law do not provide otherwise are arbitrable, except for the ones related to civil status, individuals capacity, inheritance disputes, family relationships and the rights upon which the parties cannot order (Art. 542 of Civil Procedure Code). The previous regulations limited the domain of disputes that may be settled by means of arbitration *"patrimonial disputes […], except for the ones related to rights upon which the law forbids to make an amicably settlement"* (Art. 340 from the previous Civil Procedure Code[8]). While within previous Civil Procedure Code patrimonial disputes were forming the only category of disputes liable to be settled by means of arbitration, being excluded from the domain of arbitrability un-transactional patrimonial disputes and non-patrimonial disputes, the new procedural regulation increased the variety of arbitrable disputes by eliminating the condition as regards the patrimonial nature – although the disputes expressly excluded from

[4] http://www.osim.ro/legis/brevet/stocholm967.htm.

[5] V. Roș, *Dreptul proprietății intelectuale, Vol. I, Dreptul de autor, drepturile conexe și drepturile sui-generis*, Publisher C.H. Beck, 2016, p.10.

[6] A. Redfern, M. Hunter, *International Commercial Arbitration 137* (2d.ed., 1991) *apud* Grantham, W., *The Arbitrability of International Intellectual Property Disputes*, in Berkeley Journal of International Law, Volume 14, Issue 1, 1996, p. 179.

[7] Book IV *„About arbitration"*, 2010 Civil Procedure Code – Law no. 134/2010 republished, Official Journal no. 247 of 10 April 2015.

[8] 1865 Civil Procedure Code.

the possibility of settlement by arbitration subsumes, in fact, all non-patrimonial rights[9], it remains the possibility of existence of non-patrimonial rights others than the ones related to civil status, individual capacity, inheritance debate or family relationships. It's about disputes related to interpretation of certain contractual clauses that are not valuable in cash, however they have most of the times pecuniary consequences upon parties, and also about disputes related to evacuation.

Art. 1112 with regard to disputes' arbitrability, dedicated to international arbitration process, falls however as the previous Civil Procedure Code within the segment of patrimonial arbitrable disputes: *"Any patrimonial case may be the object of arbitration if it is related to rights upon which the parties can freely order and the state law where the arbitration court seats do not reserves the exclusive jurisdiction to judicial courts".*

If patrimonial disputes related to intellectual property are arbitrable, as they are about rights upon which the parties can order, in case of non-patrimonial disputes we must assess the extent the parties may have such rights and if they can exert non-patrimonial rights[10].

Thus, as regards the industrial property rights, we may have disputes raised from exploitation contracts concluded by the owners of rights with third parties that can be settled by arbitration – although the laws regarding industrial property rights do not mention expressly the possibility of settlement by arbitration, it is understood, if not otherwise provided by an expressed legal exception, the existing option for arbitral procedure.

It remains however under question the possibility of the arbitral tribunal to order upon the validity of industrial property right[11], such possibility may be raised also in the defence.

General rule is that it is necessary to complete certain administrative formalities under the competence of State Office for Inventions and Trademarks (OSIM) in order to obtain the ownership of an industrial property right or, depending on the country where the request is formulated and the necessity of acknowledging the right abroad, by other similar bodies, national, Community, European or international. Such formalities are legally regulated and binding in order to acknowledge the right of industrial property upon an invention, industrial design, etc. and in order to benefit of the legal protection of that certain right, nationally – national legislations, Community – directives and European regulations, international – T.R.I.P.S. Agreement, Paris Convention for protection of industrial property etc. An exception to this rule is the case of commercial secrets and undisclosed information, for which there is not (yet) a formal procedure of acquisition or acknowledgement of the right upon them.

The view of the doctrine, which I do share, points out the issue of validity upon an industrial property title (patent, registration certificate) that cannot be settled by arbitration due to the fact that special laws grounding these titles are in exclusive jurisdiction of state court, furthermore, in Romania; there is only one, namely Bucharest Tribunal. This means that the validity of protection title is not arbitrable based on a direct provision of the law related to public order. Raising in defence of an exception upon validity of an industrial property right cannot be held and assessed by the arbitral tribunal (there is a similar issue raising in front of the arbitral tribunal forgery and use of forgery on documents submitted by the opposing party), the respondent having the right to challenge industrial property rights before courts of law. Also, such a registered request on the docket of the courts of law could determine suspending the settlement of arbitral dispute pursuant to Art.413 Para.1, point 1 of the Civil Procedure Code, until the final settlement of appeal. The solution of declining jurisdiction is not a valid one, contesting the validity of industrial property title in defence – and not by a counterclaim –not being a separate count of claim by which the arbitral tribunal could consider itself vested and, on the other hand, not capable of affecting the will of the parties, content of the statement of claim and jurisdiction upon settlement of the arbitral tribunal.

In another opinion[12], in case there shall be raised, in defence, issues that challenge the very right of intellectual property, the arbitral dispute cannot continue until the settlement of such problems by the court of law. It is not clear though who shall notify the court of law, considering that a possible decline may be targeting, as stated above, only counts of claim that the arbitral tribunal has been vested with.

It is worth mentioning that in Romanian law the exclusive jurisdiction related to the requests of annulment upon industrial property rights awarded by OSIM pertains to Bucharest Tribunal, the reason being the necessity of defending public prerogatives of State to award, acknowledge and protect industrial property rights[13]. Decisions within judicial judgements are, according to law, registered with OSIM. The exclusive jurisdiction of OSIM and courts of law is related to public order, observing the protection *erga omnes* of the rights emanating from the industrial property rights. Referral to jurisdiction of courts of law is imperative, arbitration being excluded (an arbitral award is binding only for the parties; it cannot obtain an *erga omnes* effect).

[9] Cozac, S., Arbitrabilitatea disputelor privind interpretarea clauzelor contractuale și a celor neevaluabile în bani, http://www.juridice.ro
[10] S. Florea, Arbitrabilitatea litigiilor în materia drepturilor de proprietate intelectuală, http://www.juridice.ro
[11] S. Florea, op.cit.
[12] I. Băcanu, Litigii arbitrabile, in Review "Dreptul" no. 2/2000, p. 39
[13] S. Florea, op.cit.

In this sense, Law no. 64/1991 on patents[14] provides within Art. 48-54 that the actions related to non-patrimonial personal rights of patents owners fall under the exclusive jurisdiction of law courts. Likewise, Law no. 84/1998 on trademarks and geographical indications[15] (Art. 45-49, 54, 60, 85) and Law no. 129/1992 on protection of designs and models[16] (Art. 25, 42).

In conclusion, the difference between arbitrable/non-arbitrable has as criteria *causa petendi*, meaning that when the legal grounds constitute the legal provisions related to the existence of intellectual property right, the dispute is not arbitrable, while the legal ground related to contractual responsibility, delictual responsibility, unjust enrichment or undue payments, the dispute is, basically, arbitrable[17]. Determination of arbitral jurisdictional extent is a matter of public order; nevertheless, considering its importance, the arbitrability is separately regulated by national and international legislations[18].

The disputes arising from infringement of rights which do not question the validity of protection title are arbitrable. Thus, it can be settled by arbitration – of course if the parties concluded an arbitral convention – disputes arising from assignment contracts, licence contracts, franchise contracts, infringement of holder or successor rights, disputes between assignor and the assignee or the ones between licensors and licensees to the extent disputes are related to rights the parties may provide.

The disputes emanated from raising industrial property rights with regard to the ones that do not impose completing formalities, as unregistered trademark, unregistered design, domain name, symbol, may be settled by arbitration, holders being able to order upon them unconditionally.

In the field of copyright and related rights, Law no. 8/1996[19] separates clearly the patrimonial rights listed within Art. 13 and 21, and moral rights (Art. 10). While disputes having as object patrimonial rights are in principle arbitrable – they may be subject for certain contracts concluded with pecuniary interest and the holders may order upon it – the law provides that moral rights "*cannot make the object of any waiver or alienation"*[20], they cannot be transactional, their holders cannot order upon them, thus, on first impression, disputes related to infringement cannot be settled by arbitration. However, I do not see why arbitration could not be vested with the settlement of certain requests finding infringement of moral rights and granting compensations, upon such matter parties being able to settle amicably anytime and in front of any jurisdiction.

Concluding an arbitration agreement

In which cases and on what intellectual property rights, the parties may conclude arbitration agreements? What are the forms of arbitration agreements?

The arbitration agreement is "the keystone of arbitration"[21], which is the manifestation of the will of the parties to settle the disputes between them by arbitration, excluding the disputes covered by agreement from jurisdiction of the courts.

The arbitral convention may be concluded either in the form of an arbitral clause included in the contract either as a compromise – a subsequent agreement which targets certain dispute, concluded even after the dispute is registered before a court (including arbitral courts).

The two forms of arbitration agreement are independent of each other, the inclusion of a arbitral clause in the parties' contract allowing them to submit directly to the competent arbitral institution or, in case of ad-hoc arbitration, to constitute directly the tribunal, without the necessity to conclude a compromise[22].

Both the arbitral clause and the compromise represent autonomous commitments and not parts of the contract[23]. The arbitral clause shall remain in effect and binding upon the parties even after termination of contract.

Written form is requested *ad validitatem*. Art. 548 Para 1 of the Civil Procedure Code is strict upon the form of arbitral convention stipulating that "*shall be concluded in writing under penalty of nullity*". Likewise, the New York Convention (1958) on Recognition and Enforcement of Foreign Arbitral Awards, a Convention which enjoys broad international appreciation and whose value is widely recognized[24], Art. II, provides that *"Each Contracting State shall recognize an agreement in writing under which the parties undertake to submit to arbitration all or any differences"* that *"The term "agreement in writing" shall include an arbitral clause in a contract or an arbitration agreement, signed by the parties or contained in an exchange of letters or telegrams"*[25].

[14] Law no. 64/1991 on patents, republished in the Official Journal no. 613 of 19 August 2014.
[15] Law no. 84/1998 on trademarks and geographical indications, republished in the Official Journal no. 337 of 8 May 2014.
[16] Law no. 129/1992 on protection of designs and models, republished in the Official Journal no. 242 of 4 April 2014.
[17] I. Băcanu, *op.cit*, p.39.
[18] *Idem.*, p. 24.
[19] Law no. 8/1996 on copyrights and related rights, published in the Official Journal no. 60 of 26 March 1996.
[20] Art. 11 Para. 1 of Law no. 8/1996.
[21] I. Băcanu, *op.cit.*, p. 23.
[22] V. Roș, *Arbitrajul comercial internațional*, Regia Autonomă "Monitorul oficial", 2000, p. 89.
[23] *Idem*, p.88.
[24] *Idem*, p. 97.
[25] *Apud* V. Roș, *op.cit.*, p.103.

Valid and operative arbitration agreement

Towards the nature of arbitration agreement, general provisions may apply on the validity of an agreement as provided by Civil Code, Art. 1179: the ability of the parties to contract; consent of the parties; specified and legal object; legal and moral cause.

According to special provisions contained in Book IV *About Arbitration* from the Civil Procedure Code, an arbitration agreement is invalid or ineffective in cases where the parties agree to settle by arbitration disputes concerning *"rights on which the parties cannot order"* (Art. 542 Para. 1 of the Civil Procedure Code).

It's about objective arbitrability, determined by the nature of the dispute – not any kind of dispute is liable to be settled by arbitration, however the doctrine[26] speaks equally about subjective arbitrability – capacity of legal persons of public law to conclude an arbitration agreement. The issue of State ability to conclude arbitration agreements has been widely discussed[27], based on Civil Procedure Code provisions, which provides that "*The State and public authorities have the ability to conclude arbitration agreements only if authorized by law or international conventions to which Romania is part*" (Art. 542 Para. 2), and *"If one party to the arbitration agreement is a State, a state-owned or state-controlled organization, the party may not invoke its own right to contest the arbitrability of a dispute or its capacity to be a party to the arbitration"* (Art. 1112 Para. 2, on international arbitral process), as well as the Geneva Convention of 1961[28] providing at Art. II(1) that *"capacity of legal persons of public law to resort to arbitration"*, the latter having *"the power to conclude valid arbitration agreements"* in international commercial disputes.

An arbitration convention having as object non-arbitrable disputes infringes public order and is, therefore, invalid in accordance with provisions of Art. 11 of Civil Code. However, if the arbitral tribunal crosses over this nullity and settles a dispute based on an illicit arbitration agreement, the arbitral award may be cancelled by a request for annulment[29] according to Art. 608 Para. 1 Letter a) of Civil Procedure Code *"the dispute was not liable for settlement by arbitration"* or letter h), *"the arbitral award infringes public order, morals or mandatory provisions of law".*

In international arbitration, New York Convention of 1958 provides that recognition and enforcement of foreign arbitral awards shall be refused if *"The subject matter of the difference is not capable of settlement by arbitration under the law of that country"* (Art. V(2)).

Classification of dispute in the domain of disputes included in arbitral agreement

Parties are free to decide what types of disputes shall be submitted for settlement to the arbitration court. Thus, arbitration clauses may refer to *"any dispute arising out of or in connection with the contract"* or *"disputes concerning performance of the contract",* in this case disputes concerning termination of contract falling under the jurisdiction of the state courts. If the parties conclude a compromise, the arbitral tribunal only has jurisdiction to settle the dispute forming the object of compromise, any other dispute being a matter under the jurisdiction of national courts.

In determining the arbitrability of a dispute, the arbitral tribunal must consider whether the parties have agreed to defer to arbitration the type of dispute that has been vested for settlement.

In next chapters, I will present the main institutions that organize arbitration proceedings to which natural and legal persons in Romania may turn to settle disputes concerning intellectual property rights.

Arbitration organised by the World Intellectual Property Organization (WIPO)

The World Intellectual Property Organization (WIPO) is the global forum for intellectual property services, policy, information and cooperation, established by the Convention establishing the World Intellectual Property Organization, Stockholm, 1967, and having as main objective *"to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization"* (Art. 3 of the Convention Establishing WIPO).

In 1994, it had been established the WIPO Arbitration and Mediation Center, with its headquarters in Geneva (Switzerland), having as purpose to promote resolution of intellectual property disputes by mediation and arbitration. Developed by leading experts in cross-border dispute settlement, the arbitration, mediation and expert determination procedures offered by the Center are widely recognized as particularly appropriate for technology, entertainment and other disputes involving intellectual property[30].

In intellectual property, arbitration shall be conducted on disputes arising from copyrights and related rights, trademarks, geographical indications,

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[26] Ph. Fouchard, E. Gaillard, B. Goldman, *Traite de l'arbitrage commercial international*, Ed. Litec, Paris, 1996, *apud* I. Băcanu, *op.cit., p.22.*

[27] For additional details, see for example B. Oglindă, *Despre validitatea și caracterul operant al clauzelor compromisorii încheiate de stat, autorități publice și alte persoane juridice de drept public, în contextul Noului Cod de procedură civilă și al legislației speciale aplicabile,* "Revista Transilvană de Științe Administrative" 1 (34)/2014, pp.81-97.

[28] European Convention on International Commercial Arbitration, Geneva, 21 April 1961, ratified in Romania through Decree no. 281/1963.

[29] I. Băcanu, *op.cit.*, p.24.

[30] http://www.wipo.int/amc/.

designs and models, patents, utility models, layout-designs of integrated circuits, anti-competitive practices etc.

WIPO Arbitration Rules[31] may be used for settling all types of arbitrable civil disputes, being however adapted for certain areas of intellectual property in order to suit the specificity of this complex field[32].

A special feature of the arbitral proceedings conducted under the WIPO Arbitration and Mediation Center is the choice of arbitrators by the Center as Appointing Authority, but only after consulting the parties, who are invited to submit proposals to be considered at the time of appointment[33].

Another feature worthy to be noticed is the expedited arbitration procedure, considered by WIPO experts to be necessary in certain areas, to counteract the disadvantages of standard arbitration that may sometimes extend over a long period of time. By this different set of rules, shortened time frames are established compared to standard rules, so the dispute should be declared closed within three month and the final award should be made within one month (as opposed to nine month and three month respectively under the WIPO Arbitration Rules).

Arbitration organized by the World Trade Organization[34]

The World Trade Organization was established on 1 January 1995, under the Marrakesh Agreement signed on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), having the main role of supervising a large number of treaties defining the "rules of trade" between nations.

Annex 1C to the Agreement Establishing the World Trade Organization is the Agreement of Trade Related Aspects of Intellectual Property Rights – T.R.I.P.S. This agreement provides for minimum standards for various regulations in the intellectual property field and represents one of the most important multilateral instruments regarding globalization of rules on intellectual property.

For all domains in relation to which it provides supervision, including intellectual property, the World Trade Organization provides services of dispute settlement between Member States on breach of any agreement or promise under WTO. According to the data available on the Organization's site[35], WTO has one of the most active international dispute settlement mechanisms in the world – over 500 disputes have been bought and over 350 ruling have been issued since WTO was established, representing *"the WTO's unique contribution to the stability of the global economy"*[36].

The general rules of dispute settlement are comprised in WTO Agreement for dispute settlement, called DSU – *Dispute Settlement Understanding*. These rules and special procedures are binding for all WTO members and their application is ensured by the sole dispute settlement body set up within the WTO General Council. Dispute resolution is achieved through specific methods, such as consulting, the panel of experts, conciliation, mediation and arbitration.

Art. 21.3 of the DSU provides for the possibility to initiate arbitration procedures whenever neither the parties nor the WTO were able to establish a "reasonable period of time" in which a Member State found to be in violation of its WTO obligations must comply with the ruling and recommendations of the WTO Dispute Settlement Body. Arbitrators are selected in accordance with the above mentioned rules either by the parties to the arbitration or by the General Director of WTO.

Arbitration organized by the Romanian Copyright Office (ORDA)

The arbitral tribunals established under the auspices of the Romanian Copyright Office settle disputes concerning copyright and related rights as defined by Law no.8/1996 on copyright and related rights.

The arbitral procedure is regulated by Art. 130 – 131^2 of Law no. 8/1996, Section III on "Functions of Collective Management Organizations". According to these provisions, collective management organizations in the field of copyrights and related rights shall develop methodologies for their fields, including economic rights payable that have to be negotiated with users for the payment of these rights (Art. 130 Para 1 letter b). These methodologies are negotiated within a commission established by the decision of the general director of the Romanian Copyright Office, constituted from one representative for each of the main collective management organizations operating for each category of rights and one representative for each of the main associative structures of users (Art. 131 Para. 2). Negotiations take place during 30 days at the most from the date of the establishment of the commission and the outcome of negotiations is recorded in a protocol filed with the Romanian Copyright Office and published in the Official Journal (Art. 131^2 Para. 1 and 2). Once published, methodologies are binding for all users in the field for which they were negotiated, as well as for

[31] WIPO Arbitration Rules, effective from 1 June 2014, http://www.wipo.int/amc/en/arbitration/rules/.

[32] C. Leaua, M. Maravela, *Consideraţii cu privire la servicii de soluţionare a litigiilor prin metode alternative în cadrul Organizaţiei Mondiale a Proprietăţii Intelectuale în domenii specifice*, in "Revista Română de Dreptul Proprietăţii Intelectuale" no. 3/2012, p. 78.

[33] *Idem*, p.85.

[34] All information related to dispute resolution and arbitration organized by the World Trade Organization come from the official site of WTO: http://www.wto.org.

[35] https://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm.

[36] https://www.wto.org/english/thewto_e/whatis_e/tif_e/disp1_e.htm.

all manufacturers and importers of media and devices for which compensatory remuneration for private copy is due[37].

When entities forming a party that is going to participate in the negotiations could not agree upon a common point of view to be presented to the other party, or the two parties under negotiations could not agree upon a unique form of the methodology within the 30 days as provided by law, or the collective management organizations could not agree upon the conclusion of a protocol for the distribution of remunerations and for the establishment of the fee due to the sole collector, the Romanian Copyright Office may be required to initiate arbitration proceedings (Art. 131^2 Para. 3).

An important issue debated within the doctrine is the voluntary or mandatory nature of ORDA arbitration procedure. If at first glance, the expression *"may be required"* would show the optional nature of arbitral proceedings, which is otherwise a particular issue of the arbitration procedure as regulated by the Civil Procedure Code and sustained by some authors[38], at a closer scrutiny, the procedure regulated by Law no. 8/1996 is the only procedure that allows, in the absence of agreement between the parties, elaboration of methodologies for collection and distribution of economic rights due to copyright and related rights holders, without which the entire activity of collective management organizations would be blocked[39]. Thus, we are talking about a mandatory procedure.

The arbitral tribunal is established by drawing lots in front of the parties of five standing arbitrators and three substitute arbitrators that shall replace, in the order of the drawing of the lots, the unavailable standing arbitrators. Within 5 days of the appointment of arbitrators, ORDA convenes at its headquarters the appointed arbitrators and the parties, when the arbitral tribunal shall establish its fee by negotiating with the parties, which is equally shared by both parties in arbitration, the first date of arbitration, no later than five days, and the place of arbitration. The arbitral tribunal's final award, comprising the final form of the methodologies subject to arbitration, shall be filed with the Romanian Copyright Office within 30 days from the first date of arbitration, period of time that may be extended, reasoned, with maximum 15 days. The arbitral award may be appealed at the Bucharest Court of Appeal and the decision of the Court of Appeal shall be final and binding, being submitted to the Romanian Copyright Office and published in the Official Journal for enforceability (Art. 131^2 Para. 9).

Studying all these provisions of Law no. 8/1996, we see that ORDA arbitration does not cover basic principles of arbitration as established by the Civil Procedure Code and also by international regulations – the procedure is not a voluntary one, it is not based on the parties' consent, the arbitrators are not appointed by the parties, the arbitral award may not be subject to the action for annulment regulated by Art. 608 of the Civil Procedure Code. It is in fact a mandatory manner of solving a particular type of problems occurred in a precisely determined area, having a clearly regulated nature[40].

Arbitration procedures organized by the Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania

The Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania[41] is the oldest arbitral institution in Romania, being established in 1953 for settling international commercial disputes.

Today, the Court of International Commercial Arbitration acts as a permanent arbitral institution near the Chamber of Commerce and Industry of Romania, reorganized in accordance with Law no. 335/2007 of the chambers of commerce in Romania[42], and settles domestic and international civil disputes in accordance with its own arbitral procedure rules, as well as the provisions of the Civil Procedure Code, having a very good reputation earned because of its Romanian and foreign specialists with high qualification registered on its List of arbitrators, as well as because of the high quality of the arbitral awards rendered under its auspices.

The Court of International Commercial Arbitration settles commercial disputes from all economic sectors – construction, financing, investment, insurance, public procurement, energy, intellectual property.

Studying the jurisprudence of the Court of International Commercial Arbitration, I identified several cases settled by arbitration, concerning intellectual property disputes on property rights that did not call into question the title of protection, in relation to which the arbitral courts retained their liability for settlement by means of arbitration.

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[37] S. Florea, *op.cit.*

[38] P. Popovici, *Arbitrajul constituit pe lângă Oficiul Român pentru Drepturile de Autor din România*, in "Revista Română de Dreptul Proprietății Intelectuale" no. 4/2010, p.10.

[39] S. Florea, *Considerații privind procedura desfășurată în fața tribunalului arbitral la Oficiului Român pentru Drepturile de Autor*, in 'Revista Română de Dreptul Proprietății Intelectuale' no. 4/2012, pp.144.

[40] For a detailed review of differences between arbitration regulated by Law no. 8/1996 and the one regulated by the Civil Procedure Code, see S. Florea, *Considerații privind procedura desfășurată în fața tribunalului arbitral la Oficiului Român pentru Drepturile de Autor*, in 'Revista Română de Dreptul Proprietății Intelectuale' no. 4/2012, pp.142-156.

[41] http://arbitration.ccir.ro.

[42] Law no. 335/2007 of the chambers of commerce in Romania, published in the Official Journal no. 836 of 6 December 2007.

Thus, in a dispute[43] concerning compensation for unlawful use of a patent on heating equipment for Diesel engines, the arbitral tribunal held its own jurisdiction under the arbitration agreement concluded by the parties, jurisdiction that was actually not disputed by the parties, administered evidences and settled the dispute by final award.

In another dispute[44] concerning the termination of a contract for the purchase of software – adaptation and implementation of a system of integrated management for insurance and reinsurance services, for supplier's culpable un-fulfilment of its contractual obligations, the arbitral tribunal held that *"the parties concluded a valid arbitration agreement"*, the jurisdiction of the arbitral court not being questioned nor challenged by them. In settling the dispute, the arbitral tribunal examined the applicability of the special provisions of Art.46 Para.3 of Law no. 8/1996 on copyright and related rights, according to which*: "The person ordering the work shall be entitled to terminate the contract if the work does not meet the established conditions: In case of contract denunciation, the amounts cashed by the author remain to the latter. In case he executed preparatory work for a work which was the subject of an order contract, the author is entitled to reimbursement of incurred expenses."* and found that, in this dispute, *"it is about the purchase of a computer program, subject to copyright in accordance with Art.7 letter a) of Law no. 8/1996, that had to be achieved, adapted, implemented and handed over to the beneficiary by the supplier"*, being about *"an order contract for future work being subject, among others, to the provisions of Law no.8/1996 on copyright and related rights".* For these reasons, it found the rightful termination of the contract, but rejected the claim for reimbursement of the advance, showing that an order providing for the refund of the amounts received as advances by the supplier *"would be contrary, in part, to some imperative legal provisions in place for the protection of authors of future works and which cannot be derogated from by the parties' will (Art. 5 Civil Code)"*.

In an arbitral award rendered in 2008[45], which concerned a dispute arising out of breach of contractual payment obligations from a advertising services contract, under which, *inter alia*, the claimant made an advertisement related to which infringement of copyrights was invoked by means of counterclaim, with the consequent interruption of broadcast, it was found that the arbitral tribunal has jurisdiction in accordance with the arbitration agreement concluded by the parties by means of an arbitration clause included in the contract. The jurisdiction was challenged by the claimant as regards the settlement of the counterclaim, as it concerned claims based on alleged violations of Law no. 8/1996 on copyright and related rights, showing that both the law and the arbitration clause except disputes on intellectual property from the jurisdiction of arbitration, and that the counterclaim *"is not arbitrable, is not liable to be settled by arbitration since it concerned copyrights arising out of an audiovisual work"*. The arbitral tribunal joined the exception on jurisdiction with the substance of the case and rejected it, including its liability to be solved by arbitration, arguing that the counterclaim referred to infringement of commercial obligations arising out of the contract and not to copyright infringement, since that was a claim based on ordinary law, not a dispute about intellectual property.

In another dispute[46] settled under the auspices of the Court of International Commercial Arbitration, which dealt with a breach of payment obligations arising out of a products and services delivery contract – delivery, installation, commissioning, maintenance and updating a software, and damages under the penalty clause of 50% of the contract value for beneficiary's breach of the confidentiality obligation provided by the contract, the arbitral tribunal retained its jurisdiction to settle the dispute in accordance with the arbitration agreement – the arbitration clause agreed between the parties in the contract, jurisdiction that was actually not disputed by the parties. With regard to the claim for damages, the claimant stated that the parties had determined that the intellectual property right on the software belongs to the claimant, the beneficiary having the obligation of confidentiality – databases, reports, price lists – assumed under the contract, being a commercial secret on which it recognised intellectual property rights in favour of the claimant. Both parties confirmed that the copyright for the main software program belonged to a company in Finland, with whom the claimant concluded a distribution contract for Romania, however the claimant invoked the copyright over some *"created and developed related software"*, without which the main software could not be used in Romania. The arbitral tribunal rejected the claim for damages, retaining that the intellectual property rights on the software belong to the company in Finland, that *"birth, content and extinction of copyright on an intellectual creation work are subject to the law of the State where it was acknowledged by the public for the first time"* (Art. 2.624 Civil Code), that *"copyright on computer programs is harmonised throughout European Union Member States by (EC) Directive no. 24 of 23 April 2009 on the legal protection of computer programs, and the Directive was implemented in*

[43] Arbitral Award no. 112 of 9 April 1986, case file no. 69/1984, arbitral tribunalcomposed of: Ion Băcanu – presiding arbitrator, Savelly Zilberstein and Yolanda Eminescu – co-arbitrators.

[44] Arbitral Award no. 27 of 22 February 2007, case file no. 68/2005, arbitral tribunal composed of: Marian Nicolae – presiding arbitrator, Cornelia Lefter and Viorel Roș - co-arbitrators.

[45] Arbitral Award no. 172 of 14 August 2008, case file no. 46/2008, arbitral tribunal composed of: Ion Băcanu – presiding arbitrator, Victor Babiuc and Victor Tănăsescu – co-arbitrators.

[46] Arbitral Award no. 58 of 6 May 2016, case file no. 132/2015, arbitral tribunal composed of: Viorel Roș – presiding arbitrator, Flavius Baias and Traian Briciu – co-arbitrators.

Finland, the country where the owner of the computer program right had its headquarters […], as well as in Romania, where it is claimed that the Claimant's own rights were born", that *„the assignment of the right to use a computer program does not imply transfer of the copyright on it"* (Art. 75 Para. 2 of Law no. 8/1996) and that the confidentiality clause is contrary to the provisions of the distribution contract concluded between the claimant and the owner of the copyright on the software, by which the right to use the program was transmitted only, the claimant not having the copyright owner's consent for making derivative works (Art. 8 of Law no. 8/1996).

I believe that settling disputes concerning intellectual property rights through arbitration has several advantages worthy of being considered by holders of those rights, as well as specialists in this field that is in constant change and development, of course, with strict observance of the limitations established by national laws and international conventions.

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