

# PORTUGAL'S NEW IP COURTS AND THE PROMOTION OF ARBITRATION IN DISPUTES

*Posted on 16/08/2008*



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The possibility of creating new specialised courts for disputes relating to intellectual property has been recently approved by the Portuguese Parliament.

However, these new courts will operate on an experimental basis only until 31st August 2010. It is only if the experiment is successful that similar courts will be created in the rest of the country, if and when possible. Until then, everything will remain the same. Or perhaps not everything, as the Government is trying to promote the use of arbitration proceedings in intellectual property disputes.

In fact, the recently-amended article 49 of the Industrial Property Code introduces the possibility of the Industrial Property Institute being bound to arbitration via institutionalised voluntary arbitration centres competent to decide matters subject to court appeal. However, the Commercial Court (at least pending creation of the new intellectual property codes) will also remain competent to decide appeals from decisions of the Industrial Property Institute.

This amendment to the Industrial Property Code is closely related to the creation of an arbitration

centre called ARBITRARE – Arbitration Centre for Industrial Property, Domain Names and Company Names. Use of this centre will be subject to payment by the parties, including FCCN (the entity which grants domain names), the Industrial Property Institute and the Notary and Registry Institute, although costs are expected to be lower than the costs of court proceedings.

Particular features of this centre, greatly inspired by the WIPO and Prague Arbitration Centres, will be:

1. the possibility of conducting proceedings online and holding hearings by video conference;
2. the use of Portuguese or English language;
3. a single arbitrator appointed from the Arbitration Centre's list of arbitrators (although the parties, if they so wish, may nominate their own arbitrator at their own cost); and
4. the possibility of conducting international arbitrations between foreign entities.

El gobierno portugués ha aprobado la puesta en marcha de tribunales especializados para solucionar los contenciosos relacionados con la propiedad intelectual (PI) de manera experimental hasta el 31 de agosto de 2010. El Gobierno también está tratando de fomentar el uso de procedimientos de arbitraje en los contenciosos de PI, no sólo para reducir la presión en los juzgados sino también para facilitar la solución de los conflictos de una forma más eficaz y rápida. Los autores, César Bessa Monteiro y Ricardo Henriques, letrados del bufete ABBC, hacen hincapié en el impacto de la enmienda al código de PI y su relación con el nuevo centro de arbitraje ARBITRARE.

Arbitration, although scarcely initiated by the parties, has long been possible in Portugal for intellectual property matters, both in legal and practical terms. The law admits the use of arbitration and there are a number of arbitration centres such as the APDI (Portuguese Association on Intellectual Law), the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry and ad hoc arbitration courts.

The creation of the ARBITRARE and the recent amendments to the Industrial Property Code make it clear that the Government intends to increase the use of arbitration in this area, not only to alleviate the pressure on the courts but also to allow parties a swifter and more efficient means of resolving disputes.

In fact, we believe that the growth of arbitration is inevitable given the increasing number of disputes in this area which relate not only to the granting of intellectual property rights, but also to third party infringements and, more importantly, contractual relationships (licensing, maintenance, agency and distribution), inflated by the use of the internet in online commerce and long distance selling.

But there is still a long way to go. Public interest, settlement, the availability of rights, the economic value of rights and the competence of the court in preliminary injunctions and interim measures, are just some of the issues which still need further debate and analysis as regards the use of arbitration in this area.

Having said that, we are of the opinion that arbitration should be encouraged in intellectual property matters, such as the interpretation and execution of agreements (assignments, licensing, seizure, franchising and merchandising) and damages relating to infringement. However, we feel that the use of arbitration with regard to the validity of the granting of the rights will continue to be more troublesome, given that in Portugal registration is constitutive and has erga omnes effects

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