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Tema: *The contours of objective arbitrability as regards disputes involving IP rights. A report on the situation in Argentina*

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Abstract: This thesis investigates the different grounds that are provided worldwide to accept or refuse the possibility to submit to arbitration disputes involving intellectual and industrial property rights, with a particular focus on the situation in Argentina, through an analysis of its relevant laws and regulations. This report assesses the country's suitability as a venue for IP arbitration. The findings suggest that Argentina has a legal framework that is supportive of arbitration and that its courts have demonstrated a willingness to enforce arbitral awards in IP disputes. However, certain aspects of Argentina's legal system and IP laws may impact the ability to effectively arbitrate IP disputes. Overall, this report provides valuable insights into the contours of objective arbitrability as regards disputes involving IP rights and offers useful information for practitioners and scholars interested in IP arbitration in Argentina.

Resumen: Se ofrece una evaluación exhaustiva de las diversas características del concepto de arbitrabilidad, las posturas adoptadas en todo el mundo sobre la cuestión, ya sea mediante opiniones doctrinales o en forma de sentencias y laudos arbitrales. Se hace hincapié en las controversias que involucran derechos de propiedad intelectual e industrial, su arbitrabilidad y los diversos fundamentos opuestos que se han establecido tanto a nivel nacional como internacional. Se revisa extensamente la situación particular de Argentina, dando cuenta tanto de sus leyes federales como de las opiniones de sus altos tribunales sobre el tema. Se llega a una conclusión sobre si Argentina parece un lugar lo suficientemente amigable como para servir de sede de arbitrajes comerciales internacionales.

I. ARBITRATION, ARBITRABILITY AND DISPUTES CONCERNING IP RIGHTS

A) Introduction

The question regarding the ability of a dispute to be submitted to arbitration merits a multifold answer to be reasoned on a multiple scale because of the conceptual complexities of the matter. The topic presents a collision of two of the main aspects of international commercial arbitration, that is, its contractual and jurisdictional nature, which '*collide head on, as arbitrability involves the page-simple question of what types of issues can and cannot be submitted to arbitration and whether specific classes of disputes are exempt from arbitration proceedings.*'[1]

Why is this ability, known as **arbitrability,** even put into question in the first place? Under what grounds can a party to a contract (which includes an arbitration agreement) attempt to defer the matter to court litigation? Should that deferral even exist? Who rules on the matter once a dispute erupts and a solution needs to be achieved? In order to answer these questions it would be best to start by acknowledging that, as far as arbitral proceedings go, **both the tribunal and the parties have far greater freedom to conduct a quicker, more flexible and less formal inquiry when compared with court litigation.**

Every now and then, certain courts in numerous parts of the world have made statements on the concept of arbitrability with a focus on the arbitrable subject matter. This, in part, is due to the legal uncertainty derived from the different approaches taken by judgments, laws and scholarly opinions; a consequence of the fact that one of the most important international conventions on the subject, the UNCITRAL Model Law on International Commercial Arbitration, is actually silent on the matter. When the Model Law was debated, the main point of view was that it should not have a provision delimiting non-arbitrable issues. Nevertheless, '*arbitrability was repeatedly included in the agenda for the Model Law's revision. The UNCITRAL Working Group II considered problematic for international arbitration the differences in domestic laws and the uncertainties derived from distinct legal solutions towards arbitrability. (A/CN.9/610, 5 April 2006, nº8)*'[2]

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[1] Deskoski, T., & Dokovski, V. (2018). Notes on Arbitrability—Focus on objective arbitrability-. Justinianus Primus Law Review, 9(1), page 3.

[2] Perales Viscasillas, M. (2016, January 5). Is a uniform arbitrability rule needed at an international level? Kluwer Arbitration Blog, page 1.

This uncertainty even today resents international trade as it is one of the main causes why parties might be hesitant in choosing arbitration as a preferred method to solve disputes. The main *leit motiv* whenever the arbitrability of a topic is put into question, is the consideration that the awards rendered in certain cases, especially those which involve public law claims, may cause a great harm to society, and a fear manifests that those issues are too complicated for arbitrators, who are seen as '*foxes guarding the chicken coop, with a pro-business bias that will lead to under-enforcement of laws designed to protect the public.*'[3]

Both types of arbitration share this common threat to its existence, as *'the different approaches to arbitrable subject matters taken by domestic laws, scholars and case law has created uncertainty.*'[4] This is because of the public policy fears that the state's interest in providing solutions for certain conflicts will be gravely affected if the parties resort to arbitration, a fault line which '*is an ever-present feature of international commercial arbitration, notably because many jurisdictions continue to disfavor private solutions arising in what, for them, is the primarily public domain of the law.*'[5]

In that sense, in this article I pretend to conduct a brief comparative analysis on the notion of arbitrability and to try and answer why it is invoked as an argument to oppose arbitration as a whole, or to refuse to comply with the award after rendered and seek judicial relief instead. I will particularly focus on disputes concerning IP rights, as I consider that arbitration is, by far and without a doubt, the best alternative dispute resolution method to be applied to these types of conflicts. I also think that, as regards those types of disputes, legal uncertainty abounds, because not all countries allow parties to submit those disputes to arbitration, while in others, the law explicitly recognizes arbitration for some of those rights, particularly patents. Worst yet, other countries restrict IP arbitration by assigning exclusive jurisdiction over those disputes to a particular court or Office.[6]

Arbitrability might be raised as an issue in relation to the quality of one of the parties, when such a part is a state or an entity of similar standing, but it could also aim to object the referral of the dispute to arbitration on account of the substance of the dispute, as the "aggrieved" party might consider that the applicable national law prohibits the referral to arbitration of such a question, on a number of grounds.[7]

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[3] Park, W. (1989). National law and commercial justice: Safeguarding procedural integrity in international arbitration. Tulane Law Review, 63(3), page 700.
[4] Perales Viscasillas, M. (2017). Some specific issues about arbitrability in Spain: Back to the past? Anali Pravnog Fakulteta u Beogradu, 65(4), page 30.
[5] Grantham, W. (Ed.). (1996). The arbitrability of international intellectual property disputes. Berkeley Journal of International Law, page 177.
[6] cf. Chase, J. & Mariport, A. (2021). Arbitration clauses in intellectual property—Proquest. The International Lawyer Chicago V. 54.
[7] Cf. Saint-Germain, M. (2005). The arbitrability of arbitrability. Journal of Dispute Resolution, (2).

My main focus in this article is to provide a brief description of the different features of objective arbitrability. This is not to say that I do not consider subjective arbitrability to be an issue.[8] But the fact of the matter is that the matter with objective arbitrability is more delicate, with the solution of the conflict subject to variation if handled by an arbitral panel, or by a court in respect of a setting-aside or an enforcement procedure.[9]

I will first tend to some different conceptions that have been submitted on a global scale on the features, scope and related considerations on arbitrability. I will also identify and briefly describe those different procedural instances in which the concern might be raised by any of the parties to the conflict, following which I will summarily describe several positions taken at domestic and international level on the matter, in order to determine if a possibility exists to provide for a unified view on how to deal with the topic. Focusing on the Argentine experience, I will try to frame some of the main concepts that form an integral part of the debate (mainly, objective arbitrability, imperative laws, exclusive jurisdiction and public policy or *ordre public*) and I will concentrate on the main contradictions that cement and perpetuate the uncertainty on this discussion and on its negative effects. After some final thoughts on the matter, and in light of some of the discoveries that will be made along the way I will draw some conclusions as regards the possibility to arbitrate IP disputes in Argentina.

B) Brief history of arbitration and its advantages over court litigation on IP disputes

Contrary to what may constitute widespread belief, arbitration is as ancient as the need to solve conflicts in an amicable and peaceful manner. Over the centuries, little has changed from its initially sound consideration; and even though there have been attempts to narrow its scope and that some states, in their sovereign virtue, have made an effort to retain the monopoly on the settlement of certain kinds of disputes, arbitration is still, in fact, no more than a procedure under which two or more parties to a dispute decide to empower a

[8] In fact, the Argentine federal Supreme Court *in re* Pagano, Gerardo c/ gobierno de la Nación, 133:61 (1928) ruled that no public policy principle opposes to the state acting as a legal person and submitting to arbitration any controversy held with a private party. This should be contrasted to what Hanotiau explains: '*The issue of subjective arbitrability arises in particular when a state or a public entity which has signed an arbitration agreement subsequently avails itself of the above provisions to try to avoid the arbitration. In Singapore, the law is very liberal. Both the Arbitration Act and the International Arbitration Act provide that they are binding on the Singapore government. Consequently, the state may enter into an arbitration agreement and will be bound by it in the same manner as any other party to an arbitration agreement to which either Act applies.*'

[9] Cf. Hanotiau, B. (2014). The law applicable to arbitrability. Singapore Academy of Law Journal, 26.

third party, a *quasi-judge*, to render a decision which the state, save a few exceptions, will definitely have to accept and enforce.

This is because men have needed to resort to a method to solve their conflicts far before that there were laws in the first place, and '*this natural right of self-regulation is a precious possession of a democratic society, for it embodies the principles of independence, self-reliance, equality, integrity, and responsibility, all of which are of inestimable value to any community*.'[10]

What is the value that arbitration has over court litigation for certain kinds of commercial disputes? Are there any advantages in favoring one over the other, especially as regards intellectual property disputes?

1. IP disputes are, mainly, international, and whereas court litigation would inevitably entail multiple proceedings under different laws, with a high risk of conflicting results and a possibility of actual or perceived home court advantage on behalf of the party that litigates in its own country, arbitration would amount to a single proceeding under the law determined by the parties. Furthermore, both the arbitral procedure and the nationality of the arbitrator that are agreed upon could easily be neutral to the law, the language and the institutional culture of all parties involved.

2. The decision to be rendered might depend on analyzing highly technical and complex evidence to make an informed decision on an equally complex and undetermined number of facts. By choosing court litigation, the case could end up in the "wrong hands" of a decision maker who might not have relevant expertise to provide the best-informed decision. But those parties who choose arbitration will be able to select top-game arbitrators to render the best possible decision as regards their fields of expertise.

3. Disputes concerning these rights may involve the need to adopt quick measures on account of an urgency, a recurrent concern in cases of this nature. Court procedures tend to drag and get drawn-out and injunctive relief may not be available in every country. On the other hand, both the arbitrators and the parties are entitled and fairly encouraged to shorten the procedure. WIPO arbitration may also include provisional measures and does not preclude seeking court-ordered injunction.

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[10] Emerson, F. (1970). History of arbitration practice and law. Cleveland state Law Review, 19(1), page 157. The author highlights that commercial arbitration was known to many different kinds of disputes, destinations and civilizations, such as: caravans in Marco Polo's time; Phoenician and Greek traders; chiefs and elders in the Homeric period who held more or less regular sittings in places of assembly to settle the disputes of all persons who chose to appear before them; Peisistratus, the Athenian tyrant, who appointed justices to go on circuit throughout village communities, authorized to make binding arbitration decisions should they failed to effect a friendly settlement. Emerson stresses that "*One of the first disputes submitted to the earliest known American arbitration tribunal, organized in 1786 by the Chamber of Commerce of New York, involved the wages of seamen. It is important to recall these early uses of arbitration at this time when, in the midst of a rising tide of controversy, doubts arise.*"

4. Parties to the dispute ache for finality, and the many and prolonged appeal instances inherent to court litigation are not as seductive to them as arbitration and its limited appeal option.

5. Finally, one of the most relevant features of IP disputes lies in the need to keep confidential information (especially as regards trade secrets) extremely reserved to avoid a particular risk that a person or a company suffers harm to their reputation. Arbitration proceedings and awards are confidential, while court litigation entails public proceedings.

It should also not be forgotten that the enforcement and recognition of foreign arbitral awards is governed by an international convention, signed in 1958 in New York. Why are these distinctive traits of arbitration so important? Because, given the fact that disputes concerning IP rights involve a "commercial matter" and in a high percentage of cases are also of an international character, any decision rendered by a national court on that topic will not be automatically recognized and enforced in another nation, as, even though, since 2 July 2019, the European Union and Ukraine are the only two states to have signed and ratified the Hague Convention on recognition and enforcement of judgments in civil and commercial matters, the truth is that this instrument **expressly states that the Convention is not applicable to judgments on intellectual property disputes**. For this reason, parties from different countries **have far greater incentives to choose arbitration as a neutral, flexible, and speedy mode of dispute resolution, on account of its better prospects for transnational enforcement and recognition of the award rendered.**

II. ON THE CONCEPT OF ARBITRABILITY

A) Stages to raise the concern

As several authors and scholars have explained in multiple opinions published and reproduced around the globe, there are very distinct points or stages during which the issue of arbitrability might be brought up by the parties. Clearly, for timeline reasons, the first moment to address this concern would come **in the form of a defense, by the respondent(s) on a claim, against the jurisdiction of the arbitrators**. **The objecting party could decide to reply to the claim before the arbitral tribunal or it could seek the intervention of a court. This latter option would also be sought by one of the parties who objects to an arbitrator deciding on the issue of arbitrability on the basis of the arbitration agreement.**[11]

[11] From those listed in the Bibliography section of this thesis one could mention Australian court Justice Andrew Rogers, former president of the London court of International Arbitration William Park, Swiss estate planning lawyer Robert Briner, among others.

1) Before the arbitral tribunal

On a preliminary stage the question may be brought up before the arbitral tribunal. Generally, arbitrators only have *inter partes* jurisdiction in relation to those parties who have agreed to arbitrate their dispute, and over subject matters which fall within the scope of the parties' agreement to arbitrate. Just as judges, arbitrators are also bound to certain jurisdictional limits as regards the task at hand, which is why there is a particular distinction as regards **objective (or subject matter) arbitrability,** and why it is so important to determine if the parties' dispute is within the scope of the arbitration agreement or whether public policy bars arbitration.

It is also why another question of utmost importance to answer is that regarding the applicable law, because '*basically three laws can enter into consideration: - the law governing the substantive contract; - the law governing the agreement to arbitrate; - the law governing the conduct of the arbitration (referred to as 'lex arbitri').*'[12]

In that sense, the arbitral panel will answer that question by determining which law governs the arbitration agreement, as this solution is expressly provided by Articles II(1) and *V*(1)(a) of the New York Convention and, for that matter, also in Article VI(2) of the European Convention on International Commercial Arbitration of 21 April 1961. One possible problem in this regard for the author is that, in most cases, none of the parties expressly indicated their intentions, and the problem arises that '*when the parties have not expressed their will as to the law applicable to the arbitration agreement, the arbitrators have freedom to determine the applicable law, especially since the arbitration agreement is autonomous from the main agreement.*'[13]

Arbitrators will usually decide themselves on the question of who should rule on the non-arbitrability claim, in accordance with the principle of *Kompetenz-Kompetenz* and, in cases of international commercial arbitration (as is usually the case of disputes concerning IP rights), of Article 16(2) of the UNCITRAL Model Law on International Commercial Arbitration[14]. However, a sort of tautological issue is usually pushed by some parties to

[12] Briner, R. (1994). The arbitrability of intellectual property disputes with particular emphasis on the situation in Switzerland. WIPO Worldwide forum on the arbitration of intellectual property disputes, Geneva, 3 and 4 of March.
[13] Hanotiau (see footnote 9), page 879.
[14] '*A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defense.*'

hinder the start of the procedure, namely, if the subject matter of the dispute is non-arbitrable, the arbitration agreement would not, in accordance with a certain country's imperative laws, confer jurisdiction upon the arbitral tribunal. Addressing this topic, Saint-Germain states that the first question to be asked is whether the concern raised is of a substantive or procedural nature, because '***if the issue is a substantive one, the court decides the issue. If the issue is a procedural one, the arbitrator decides the issue. A substantive issue might include fraud, whereas a procedural issue could include timeliness of the arbitration request.'***[15]

The US Supreme court dealt with this logical conundrum once in its 1995 ruling in *First Options of Chicago V. Kaplan*. Two different questions were considered, both of them regarding the standards that the court of Appeals had used to review whether or not the dispute was arbitrable. According to the Supreme court, the lower court had asserted that courts should independently decide whether an arbitration panel has jurisdiction as to the merits of the dispute, and not apply a deferential standard to the arbitrator's previous decision on the topic. Dealing with this question, the US Supreme Court tried to figure out if the primary power to decide on the arbitrability of the dispute (on *whether they had agreed to arbitrate the merits* of the dispute) belonged to the arbitrators or to the court, because '*a party who has not agreed to arbitrate will normally have a right to a court's decision about the merits of its dispute, but where the party has agreed to arbitrate, he or she, in effect, has relinquished much of that right's practical value (...)* ***Hence, who—court or arbitrator—has the primary authority to decide whether a party has agreed to arbitrate can make a critical difference to a party resisting arbitration.'***[16]

The court settled the controversy on *who* should decide on the matter by stating it depends on whether the parties had agreed to submit that particular question to arbitration as well: ***'if so, then the court should defer to the arbitrator's arbitrability decision. If not, then the court should decide the question independently. These two answers flow inexorably from the fact that arbitration is simply a matter of contract between the parties.'***[17]

2) Before a national court

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[15] Saint-Germain (see footnote 7), page 527.

[16] US Supreme court ruling *in re* First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938 (1995), page 942. The Supreme Court also very eloquently describes the multiple disagreements that are the nucleus of the first question: '*The first question—the standard of review applied to an arbitrator's decision about arbitrability—is a narrow one. To understand just how narrow, consider three types of disagreement present in this case. First, the Kaplans and First Options disagree about whether the Kaplans are personally liable for MKI's debt to First Options. That disagreement makes up* ***the merits of the dispute****. Second, they disagree about whether they agreed to arbitrate the merits. That disagreement is about* ***the arbitrability of the dispute****. Third, they disagree about who should have the primary power to decide the second matter.'*

[17] *In re* First Options v. Kaplan (1995), page 943.

As was just mentioned, most usually a court will be called upon to provide relief for a party who does not wish to accept the jurisdiction of the arbitral tribunal. In the case of international commercial arbitrations, the first of those instances shall occur within thirty days of a party receiving notice of the arbitrator's ruling affirming his or her own jurisdiction as regards the controversy. The court chosen by the national legislature (article 6 of the UNCITRAL Model Law) will decide on that matter. This latter decision "*shall be subject to no appeal"*, and while the matter is pending, the arbitral tribunal may continue the proceedings and even render the award, because, in essence, '*if courts delay intervention until the award has been rendered, the agreement to arbitrate will have been honored. Only if the arbitrator did in fact ignore vital national interests of the relevant jurisdictions will judicial interference be necessary.'*[18]

Whenever an *objective arbitrability* concern is raised, the **actual** question to be answered (no matter who might be entitled to answer it) **is whether the subject matter of the dispute may be validly submitted to arbitration or whether courts have a compelling reason to prevent the arbitration from happening and taking matters into their one hands.** The underlying subject of this tension lies in that, given the distinctive traits and features of international dispute resolution, it is of utmost importance to have a neutral ground to settle the dispute, which is why the enforcement of arbitration clauses becomes so relevant and the discussion even more complex.[19]

As regards the setting-aside and enforcement procedures for international commercial arbitrations and awards, both the Model Law and the 1958 NY Convention approach the matter in an almost identical manner, which is why the treatment in this paper will be the same.

Compelling, strong reasons are provided for in the international conventions and standards to allow the judicial review of an award on account of its supposed *non arbitrability*; a reality which perpetuates legal uncertainty and gravely endangers the efficacy of arbitration and questions its very existence.

Solving this conundrum is of paramount importance as regards international commercial disputes such as the ones that involve IP rights, because the fact remain that in a 1992 Congress held in Tokyo, the International Association for the Protection of Industrial Property (IAPIP) addressed the question on the arbitrability of IP disputes, gathering opinions in the form of reports from 24 different jurisdictions, resulting from these that ***'no domestic***

[18] Park (See footnote 3), page 700.
[19] Cf. Rogers, J. A. (1992). Arbitrability. Asia Pacific Law Review, 1(2), 1–17.

***statute in a general way prohibits the recourse to arbitration in respect of industrial property rights.*"**[20] Briner has highlighted four main principles which, at that time, were argued as reasons to prevent or restrict arbitration of those disputes in the respective countries: **1) public policy**; **2) lack of free disposal by the parties over some rights; 3) *inter partes* vs. *erga omnes* effects; and 4) exclusive jurisdiction reserved to certain courts or the national IP offices.**[21]

The following is a brief description of the discussion that surrounds those main topics gathered by Briner from the national reports at the IAPIP in Tokyo.

B) Compelling reasons

1. legal reasons

According to article 34(2)(b)(i) of the Model Law an arbitral award **may be set aside by a court if the latter finds that the subject-matter of the dispute is not capable of settlement by arbitration under the law of *this* state** (meaning the state of that court). On the other hand, on account of Article V(2)(a) of the 1958 New York Convention, recognition and enforcement of an arbitral award may be refused if the competent authority in the country where recognition and enforcement **is sought finds that the subject matter of the difference is not capable of settlement by arbitration under the law of that country**.

The parties to a contract may invoke these provisions to avoid complying to the terms of an award, either by obtaining an annulment or a refusal on its recognition on account of the domestic law of the court called upon to settle the dispute. This stance has urged legislators in numerous countries to specifically clarify, by way of law, the **non-arbitrability of certain aspects of a dispute** with the consequence that some jurisdictions have tended to enact laws prohibiting this type of ADR on certain aspects of disputes concerning IP rights.

a) Exclusive jurisdiction

As the judicial power is a prerogative of the state, the latter may desire to reserve to itself the solution and settlement of certain disputes on account of their subject matter, as the ensuing discussion could question the state's integrity as a whole. In that sense, when private corporations criticize the adequacy to law of an administrative decision (such as those usually rendered by national authorities on the validity of the registration procedure for the granting

[20] Briner, see footnote 12.
[21] Briner, see footnote 12.

of a patent) the state considers that they are undermining both its authority and its sovereign power.[22]

The main point of this argument in relation to disputes concerning IP rights is that an arbitral award cannot invalidate a decision of a public office, because arbitrators are decision makers hired by private parties to provide an answer to their claim. The objection supports the view that states supposedly prioritize matters such as the operation of justice or the running of business, which is why they hold on to themselves disputes concerning IP rights. This is done so apparently by assigning exclusive jurisdiction to courts, given that, on account of the domestic importance of reserving matters of public interest to the courts and the more general public interest in promoting trade and commerce, '*each state decides which matters may or may not be resolved by arbitration with its own political, social and economic policy*'[23]

But, as it has been highlighted by Jevremović when discussing the situation in Bosnia & Herzegovina, '***This approach misses the point that provisions on exclusive jurisdiction only settle territorial jurisdiction among the courts of a certain country, and they do not (or, at least, should not) settle the arbitrability*** **ratione materiae.'**[24]

According to Gil Seaton, the state wishes to get involved in the extinction of the right that the state itself granted, and it also considers itself entitled to be the sole ruler on the validity of that right. This has the consequence that '*the non-arbitrability result for exclusive jurisdiction reasons counteracts the powers given to patent holders; thus, it should be interpreted that the matter of exclusive jurisdiction only relates to possible conflicts of jurisdiction between contending courts and not to a tension between court litigation and arbitration.*'[25]

In Brazil, Nunes has raised concerns as to the arbitrability of IP disputes on this account*: 'The issue would emerge in situations where the respondent to the arbitration challenges the validity of the claimant's registered IP right, therefore creating a scenario in which the arbitrators may have to invalidate an act undertaken by a state authority.*'[26]

It is apparent that some jurisdictions consider that national judges should be the only ones allowed to rule on public law and regulations issues precisely due to the subject matter

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[22] Cf. Hollander, P. (2017). Report on the concept of arbitrability under the new York convention. Dispute Resolution International, 11(1), 47-66.
[23] Deskoski, & Dokovski, (see footnote 1), page 4.
[24] Jevremović, N. (2015, October 28). The peculiar case of arbitration in Bosnia and Herzegovina. Kluwer Arbitration Blog, page 2.
[25] Gil Seaton, A. (2018). Arbitraje y propiedad intelectual: Consideraciones procesales y desafíos para un arbitraje eficiente [Ph.D. Thesis, Universitat Pompeu Fabra], page 186.
[26] Nunes, C. de F. (2020, May 10). IP arbitration in brazil: What is the current scenario? Kluwer Arbitration Blog, page 2.

of the dispute at hand. On the topic it has been explained that "*A conception should be avoided* ***to assimilate arbitrators to national judges*** [so that] *arbitrators would have the duty to apply any local mandatory rule*"[27] as this conception causes the awards to be closely scrutinized by national courts, leading, in practice, to their review on the merits and depriving the parties of the main benefit of arbitration, which is finality. In the US, for example, even though the non-arbitrability of a subject matter is not directly addressed in the Federal Arbitration Act and a definition on the topic is not provided for, virtually any dispute may be referred to arbitration. Nevertheless, some states have enacted statutes to protect the interests of the public, which have been interpreted as precluding arbitration of claims raised under them, instead reserving jurisdiction to certain courts over those disputes.[28]

The exclusive jurisdiction objection appears to make a strong and compelling case to prevent the parties from settling their disputes by arbitration, as such rules appear to preserve a state monopoly on the "industry" of dispute resolution on certain concerns. This view is shared by Sajko, to whom '***if a law provides for exclusive jurisdiction over certain kinds of disputes, they are not arbitrable.***"[29]

But the opinion in this respect is not as uniform as one might think it is. For example, reviewing the French legal order in relation to arbitrability of IP disputes, Pierre Vèron wrote that *'**arbitration is not excluded by the sole fact that such disputes lie ordinarily within the exclusive jurisdiction of the high courts**.* '[30]

An interesting case is that of Singapore's IP dispute resolution Act (23/2019), which amended its domestic arbitration law of 2001 (incorporating part 9A) in order to clarify in article 52B that "*the subject-matter of an IPR dispute is capable of settlement by arbitration"* even if "*a law of Singapore or elsewhere gives jurisdiction to decide the IPR dispute to a specified entity* [meaning a court, a tribunal, a person holding an administrative or executive office or any other entity] *and does not mention possible settlement of the IPR dispute by arbitration."* In turn, the International Arbitration Act provides in Article 11 that *'the fact that any written law confers jurisdiction in respect of any matter on any court of law but does not refer to the determination of that matter by arbitration does not, of itself, indicate that a dispute about that matter is not capable of determination by arbitration.'*

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[27] Mourre, A. "Part II Substantive Rules on Arbitrability", Chapter 11 "Arbitration and Criminal Law: Jurisdiction, Arbitrability and Duties of the Arbitral Tribunal" in Mistelis, L. A., & Brekoulakis, S. L. (Eds.). (2009). Arbitrability: International & comparative perspectives. Kluwer Law International; Sold and distributed in North, Central and South America by Aspen Publishers. Page 12. ISBN-13: 9789041127303.

[28] Cf. Hoellering, M. F. (1985). Arbitrability of disputes. Business Lawyer (ABA), 41(1), 125-144.

[29] Sajko, K. (2010). On arbitrability in comparative arbitration—An outline. Zbornik Pravnog Fakulteta u Zagrebu, 60(5), page 962.

[30] Veron, P. (1995). Arbitration of intellectual property disputes in France. International Business Lawyer, 23(3), page 133.

b) *inter partes vs. erga omnes* effects

Going back to the focus of this thesis (the arbitrability of disputes involving intellectual property rights), an argument is provided for non-arbitrability on account of the effects inherent to an arbitral award. Most scholars acknowledge the existence of a problem in the fact that a court may be very eager to annul the award as it would affect an IP (most usually a patent) right's *reason d'être,* i.e., granting an inventor an exclusive monopoly in the exploitation of the invention, procedure or trademark, and providing the means to oppose any unauthorized use of the registered property.

According to the World Intellectual Property Organization, '*like a settlement, arbitration is based on party agreement. Because of the consensual nature of arbitration, any award rendered will be binding only on the parties involved and will not as such affect third parties.*'[31] The fear stands that the award will be of no value, as those third parties that were not involved in the dispute would resort to court anyways, diminishing the finality feature inherent to arbitration and acting as a deterrent to choose it overall. This is because, as Grantham puts it, an arbitral award is no more than a private affair, only binding on the parties to that dispute, so '*any arbitral award that attempts to invalidate a state grant would by its nature seek to operate* erga omnes*, and thus, would be beyond the arbitrator's powers.*'[32]

This effect is so limited that it acts as a formidable deterrent to resort to arbitration as opposed to national courts, on account that that the jurisdictional powers of arbitral tribunals reach their limits in cases in which the validity of a property right conferred by the state in question. This is because those legal regimes appear, according to Jacques de Werra, to "***take the position that only the state authorities in the country of registration of such rights shall have jurisdictional power to decide on such issues***"[33] even though, in the author's view, contracting parties may validly define that arbitral tribunals decide on these issues with that effect just in order to solve the dispute at hand. This attitude would act as sufficient aid to overcome the risks usually associated with the solving of disputes concerning IP rights. De Werra is of the opinion that the approach would even be promoted **by adopting a default rule in the applicable regulations according to which *'arbitral tribunals should merely***

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[31] Why arbitration in intellectual property? Retrieved June 5, 2023.
[32] Grantham (see footnote number 5), page 184.
[33] de Werra, J. (2012). Arbitrating international intellectual property disputes: Time to think beyond the issue of (Non-)arbitrability [SSRN Scholarly Paper], page 303.

have the power to decide on the validity of industrial property rights with an effect **inter partes,** ***unless expressly agreed otherwise by the parties.'***[34]

Nevertheless, some jurisdictions have accepted the possibility (or, at the very least, they have not expressly banned it by statute) that an arbitral panel conduct a proceeding to determine the validity of an industrial or intellectual property right, even if only on an incidental basis (with the dispute's main focus on an infringement of those rights or on contracts derived from exercising them) and with mere *inter partes* effects. According to De Miguel Asensio, this would enable the panel to rule on both threads (infringement and validity of rights), given that the respondent will introduce the issue by way of an exception of nullity on the right claimed by the other party, '*thus limiting the effect to the dismissal of the main claim (contractual or non-contractual infringement) and not having another effect beyond the parties, nor repercussions against the public register.'*[35]

This issue, at least in relation to disputes involving IP rights, has been addressed by the legislatures of some of the most powerful nations which heavily rely on international trade and wealth management. Special provisions have been enacted in some countries regarding this controversy. For example, Section 294 of Title 35 of the US Code provides that a contract involving a patent or any right under a patent may contain a provision requiring arbitration of any dispute relating to **patent validity or infringement**, and that the parties to an existing dispute **may also agree in writing to settle the dispute by arbitration.** According to section 294c, an award by an arbitrator ***'shall be final and binding between the parties to the arbitration but shall have no force or effect on any other person.'*** The parties may agree that if the competent court (from which no appeal can be taken) holds that the patent which was the subject matter of the award is invalid or unenforceable, the award may be modified '***by any court of competent jurisdiction upon application by any party to the arbitration.'*** Furthermore, per section 294e, **the award is not enforceable until notice has been given by the Patentee to the Commissioner of Patents and Trademarks,** who has the **reserved right to determine patentability**.

In Switzerland, the *inter partes* character of arbitration is not an obstacle that demands attention. As reported in 1994 by Robert Briner in the Worldwide forum on the arbitration of IP disputes, back in 1945 the Swiss Federal Supreme court had already decided that the jurisdiction assigned to national courts by Article 76 of the Federal Law on patents in respect of civil suits **was not exclusive.** That decision was later reinforced by the Federal Office of

[34] De Werra (2012), see previous footnote, page 303.
[35] de Miguel Asensio, P. A. (2014). Alcance de la arbitrabilidad de los litigios sobre derechos de propiedad industrial. Arbitraje: revista de arbitraje comercial y de inversiones, 7(1), page 91.

Intellectual Property, which in 1975 held that arbitral tribunals are **empowered to decide on the validity of IP rights,** and by the Swiss legislators, which repealed Article 76 in 2011, so now in the alpine country, as provided by its Private International Law Act in article 193, '*awards rendered in connection with the validity of intellectual property rights are recognized as* ***the basis for entries in the register, provided these awards are accompanied by a certificate of enforceability issued by the Swiss court at the seat of the arbitral tribunal****.'*[36] The certificate, even though issued by a court, does not constitute a judicial review of the merits of the award.

Singapore's IP dispute resolution act also provides in section 52A that IPR disputes settled by arbitration have effects '*as between the parties to the IPR dispute,'* whether the dispute is the main or an incidental issue in the arbitration. Furthermore, in accordance with section 52C(2) of the Act, just because a third party holds a license or a security interest in respect of the IP right, they do not automatically become a party to the arbitration procedure. However, according to section 52C(3), '*subsection (2)* ***does not affect any right or liability between a third-party licensee or third-party holder of a security interest and a party to the arbitral proceedings whether: a) arising in contract; or b) arising by operation of law.'***

c) lack of free disposal of rights by the parties to the dispute

A court may be prone to annul or refuse enforcement of a non-arbitrable award under this ground because, if the parties did not freely dispose of those rights, an interference with either a third-party right or an imperative law might occur. The correlation stands on the **voluntary and private nature of the proceeding** directly aimed at resolving **pecuniary disputes in a similar (but better and more expedient) fashion as do civil and commercial national courts do**.

A general rule might be considered in the sense that a dispute can be subject to arbitration if it concerns rights that the parties may freely dispose of, in the terms usually provided by the country's civil law, most specifically a civil Code in the countries of Romano Germanic tradition. Jevremović considers that '*at first glance, there is nothing extraordinary in this rule.* ***However, there is an explicit reference to the general principles of civil litigation in this regard, and one cannot disregard the official commentaries thereto.'***[37]

The actual concern in this regard involves the everlasting tension between the limits of arbitrable subject matter and the existence and vigor of **imperative laws, their**

[36] Briner, R., see footnote 12.
[37] Jevremović (see footnote 24), page 2.

importance and their non waiverable character. On this trend of thought, given that arbitration is an alternative dispute resolution method, private in nature but the consequences of which involve public policy, there is a tradition to reserve disputes for the exclusive jurisdiction of the courts, in order to avoid undesirable results from a procedure that was never meant to be held in the first place, as Deskoski and Dokovski argue: '*In order for the arbitration agreement to be effective,* ***it must also be lawful.*** *This means, first, that the agreement must relate to subject-matter which is capable of being resolved by arbitration.'*[38]

Perales Viscasillas considers that an incorrect approach is given by some countries, in the sense that '*Generally, domestic laws consider arbitrability under general rather than exhaustive provisions.'*[39] Furthermore, current flows of global trade have called for the need to obtain a swift, expert, and final response to the parties' claims, which is why there is an everlasting pro-arbitration trend, both in terms of the scope of the agreement and of the submission to arbitration agreed by the parties to the dispute. This entails the need for a '***balanced and reasonable cooperation between states and international arbitral justice.'***[40]

But the fact remains that a balance is not achieved, and there is not even an actual clarity (there is, rather, legal uncertainty) on where the line must be drawn as regards the free disposal of rights when an arbitrator is called upon to settle these fairly complex commercial claims involving multiple jurisdictions, parties, actions, decisions and rights. In fact, too often arbitrators will be appointed to determine a set of facts and, in conducting the proceedings, they might even encounter **the suspicion of criminal conduct**. As it happens, '*Notwithstanding the jurisdictional bars, criminal law issues may penetrate in the safe harbors of arbitration proceedings as the snake in the paradise and the arbitrators may have to, despite their reluctance to do so and the complexity of possible implication, decide to take a position or not take one when issues with criminal law favor emerge or are involved by the parties.'*[41]

Mourre's opinion in that regard is that international arbitrators are perfectly capable of taking into consideration the general interests of the forum, an assertion which still holds true in relation to the scope of intervention of the criminal justice system, because '*the rules which aim at fighting illicit behaviors in international trade are becoming increasingly international, and international arbitrators have a natural vocation to take them into*

[38] Deskoski & Dokovski (see footnote 1), page 3.
[39] Perales Viscasillas (see footnote 2), pages 28-29.
[40] Mourre (see footnote 27), page 2.
[41] Kurkela, M. S. (2008). Criminal laws in international arbitration: *the may, the must, the should and the should not*. ASA Bulletin, 26(2), page 280.

consideration.'[42] This is not to say that arbitrators must or even *should* act as criminal investigators or (worst yet) prosecutors. I will not address the matter further here, neither on the capacity of an arbitrator to rule on matters of substantive imperative criminal law nor on their duties to act upon a suspicion of crime for that matter. But it is interesting to consider the several stances on the matter, because they might be helpful to determine the reasons behind some other similar tensions between arbitration and imperative laws, such as the one involving the arbitrability of disputes concerning IP rights. Arbitration pretends to solve the parties' claims and counterclaims, but it does not (or should not) concern itself on some criminal responsibility of individuals and corporations and it should not aspire to impose sanctions as national courts of criminal law do.

It is important to consider, as regards the need that might present to an arbitrator to render a decision about an alleged crime that might have been committed, on the impact that the decision might have on the outcome of the arbitral proceedings and the claims of the parties, because, as Betz pointed out, '***global investment and trade and the associated financial flows include not only licit, but also illicit flows and economic crime such as corruption (in its different forms), money laundering and fraud may occur in this context.'***[43]

The requirement that the subject-matter of the dispute must be for the parties to dispose of freely is by far the most common reason under which most countries decide to confront and address the issue of arbitrability in their respective laws on both domestic and international arbitration. This is not to say that the legislators forget the collision with rules of imperative law. For example, Article 5 of the Swiss Intercantonal Arbitration Convention of March 27, 1968, governing domestic arbitration states: *'The arbitration may relate to any right of* ***which the parties may freely dispose*** *unless the suit falls within the exclusive jurisdiction of a state authority* ***by virtue of a mandatory provision of the law****.'* This, as will be discussed shortly, is inextricably connected to the public policy concern as a deterrent to choosing arbitration.

The enforcement stage is also problematic as regards this topic where once again uncertainty abounds, because the question may arise whether recognition should be refused '*on the ground that the subject matter of the dispute was not capable of settlement by arbitration "under the law of that country"'*.[44]

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[42] Mourre (see footnote 27), page 2.
[43] Betz, K. (2017). Economic crime in international arbitration. ASA Bulletin, 35(2), page 281.
[44] Rogers, J. A. (1992). Arbitrability. Asia Pacific Law Review, 1(2), page 1.

A standard approach on the matter comes from the Portuguese Law on Voluntary Arbitration. As Henriques explains on the topic, '*article 3 LAV sanctions with nullity any arbitration agreement that infringes the provisions in articles 1 and 2 of the said Law, which is to say, for example, in a case where the arbitration agreement is intended to include disputes* ***arising out of noneconomic interests, which the parties are not entitled to settle by way of an agreement, thus rendering the arbitration agreement null and void.'***[45] According to the author, the law distinguishes those disputes on pecuniary interests (fully arbitrable with some exceptions), from those concerning a **compromise on a noneconomic** interest. In the latter case, those disputes will be arbitrable provided that **the parties are entitled to conclude a written settlement agreement on the right that is the subject of the dispute, that is, that they can *freely dispose of* the right on a licit transaction.**

Worth mentioning again is the case of Switzerland, a country that handles the topic in a very productive way, rendering the non-arbitrability defense worthless as regards international commercial arbitration. As was referred in the previous section, in 1975, Switzerland's Federal Office of Intellectual Property adopted the view that arbitral tribunals could decide the validity of industrial property patents, trademarks, and designs, with the only duty to accompany the awards with the certificate of enforceability contemplated in article 193 of its Private International Law Act, issued by a Swiss court with jurisdiction over the seat of arbitration. Furthermore, according to article 177 of the Act, '***Any claim involving an economic interest may be submitted to arbitration**,'* a provision which allows almost any kind of dispute of a commercial nature, such as those involving IP rights, to be included as the subject matter of an arbitration. On the true meaning of the Swiss PILA's arbitrability clause in relation to another kind of commercial dispute (an insolvency proceeding), it has been explained that '*if the claim at issue has a financial value, then the matter is arbitrable. (...) so it is necessary to examine* ***whether the matter at stake can be quantified in monetary terms, it being specified that this notion is to be understood broadly.'***[46]

Singapore's Domestic Arbitration Act tackles the issue by not having an actual arbitrability clause; it addresses the concern as one of the grounds under which a court may set aside *ex officio* an award, **a replica word-by-word of the UNCITRAL Model Law (article 48 DAA).** A word will be mentioned shortly on its International Arbitration Act.

In the US, at the federal level, arbitration is governed by Title 9 USC. As was previously mentioned, statutory authority permits binding arbitration of all issues relating to

[45] Henriques, D. G. (2016). Arbitrability of disputes in computer program rights under the Portuguese law: general overview. Romanian Arbitration Journal Revista Romana de Arbitraj, 10(1), page 23.
[46] Nessi, S. (2020, September 18). Go for broke! Arbitration and insolvency in Switzerland (Chapter 3). Arbitration Blog.

US patents (35 USC 294; also, sec 135(d)) and exceptions are rare, or they may involve a voluntary exclusion by the parties to the dispute. According to David Plant, '*judicial opinion in the US has assured that all other intellectual property issues (such as trademark, copyright and trade secrets) are also the proper subject of binding arbitration. However, such overall authorization of binding arbitration of all intellectual property issues is plainly not a universal phenomenon.*'[47]

In re United Steelworkers of America v. Warrior & Gulf Navigation Co, the US Supreme court interpreted, as regards the arbitrability of a dispute which fell under the scope of a collective bargaining agreement, that a judge should not deny an arbitration order until a positive assurance may be asserted in the sense that the arbitration clause does not cover the dispute at hand, the court affirming that, when in doubt, a judge should rule in favor of coverage. In this regard, Hoellering considers that '***expressing a national policy favoring the arbitration of labor-management disputes embodied in section 301 of the Labor Management Relations Act,5 the court ruled that arbitrability was to be presumed, absent express contract language to the contrary. This presumption of arbitrability has been extended to broad arbitration agreements in non-labor contracts as well.***'[48]

In the case of the UK, it is de Oliveira's opinion that the Arbitration Act 1996 does not expressly regulate the question of arbitrability, rather adopting, in section 81(1)(a) thereof, the view of the 1958 NY Convention, noting that this apparently reinforces the idea that *arbitrability* is a subject of common law, so a codification of non-arbitrable issues in the kingdom is not required: '***Since the Act is a consolidation of the previous case law, the three situations in Section 81(1) are matters 'where the common law rules are still in force.***'[49] The author concludes that the US' view on the matter, very much like the UK's vision, is that arbitrability is a jurisdictional issue: *'When the AA addresses the validity of the arbitration agreement, it can arguably be said that it also covers matters that can be referred to arbitration, including issues of arbitrability of disputes, approach which could be closer to the USA view of arbitrability, namely, it being a matter of jurisdiction.*'[50]

B. public policy/interest/order reasons

[47] Plant, D. (1996, September). A positive future for arbitration of IP disputes. ProQuest, page 2.
[48] Hoellering (see footnote 28), page 26.
[49] de Oliveira, L. V. P. (2016). The English law approach to arbitrability of disputes. International Arbitration Law Review, 19(6), page 3.
[50] De Oliveira, L.V.P. (2016), see previous footnote, page 6.

On a related note, both Article 34.2.b.ii of the UNCITRAL Model Law and Article V.2.b of the 1958 NY Convention also enable a national decision maker (most usually a judge, magistrate, or tribunal) to refuse the recognition or enforcement of an award if it would be contrary to the public policy of that country. The public policy concerns are multifold.

This controversy has led to multiple interpretations all around the globe. Hanotiau considers that, as the possibility of setting aside an award for this matter is provided for in the domestic law of a country, the national court will for sure apply its own national laws to decide on the issue, and that in Singapore, for example, following the UNCITRAL Model Law, '*the Singapore IAA provides in Art 34(2)(b) of the First Schedule that an arbitral award may be set aside by the Singapore courts if the court finds that the award is in conflict with the public policy of the state. As far as the enforcement judge is concerned, it is generally considered that the grounds of Art V(2) should be narrowly construed.*'[51]

It is asserted by Briner on the topic that, although there is no general agreement on the definition of the *international public policy,* '***on the domestic level, public policy consists of those mandatory rules which are considered as fundamental to a state. On the international level, the notion of public policy is less restrictive in its approach, referring generally to principles which a state can in no way renounce.***'[52]

On 23 June 1992, the Swiss Federal Tribunal ruled in the case of Fincantieri Cantieri Navali Italiani and OTO Melara, two companies registered in Italy, which had entered into an agency agreement with an individual for the conclusion of contracts with the Republic of Iraq. Subsequently, a dispute arose and the individual started arbitration proceedings under the ICC. When the arbitral tribunal upheld its own jurisdiction, the Italian companies appealed, arguing that the subject matter of the dispute was not arbitrable for public policy concerns (UN's economic sanctions against Iraq) and because, pursuant to Article V.2.b of the 1958 NY Convention, the award would not be enforceable in other jurisdictions. The Swiss tribunal dismissed the request of the Italian companies and ruled that the dispute could be submitted to arbitration under Swiss law, while at the same time considering that **the fact that an award rendered in Switzerland might be unenforceable in other countries was not a valid reason to have it set aside.**

The court gathered that the subject matter of a dispute must be arbitrable for an arbitration to be valid, and that keeping that objective in mind and in order to put an end to

[51] Hanotiau (see footnote 9), page 884.
[52] Briner, see footnote 12.

the issue, the Swiss legislator decided to enact a material Act of private international law, based on the object of the dispute, '*by providing for the chance to submit to arbitration "all disputes of an economic nature";* [a solution which] *manifests its intention to allow a broad access to international arbitration"*[53]. Nessi, in this regard, considers that it is clear that in international arbitrations held by an arbitral tribunal, the seat of which is Switzerland, it will not be an impediment, for the arbitration (in his paper he discusses insolvency disputes) to occur, whether domestic law assigns exclusive jurisdiction to a state court '*nor whether the law of the state where the insolvency proceedings take place (the lex concursus) imposes restrictions on arbitrability, nor even that other foreign mandatory rules (for example, mandatory provisions of the state where some of the bankruptcy estate's assets are located) require that certain disputes be brought before a state court.*'[54]

As was discussed in the previous section, the Swiss Supreme court, *in re* Fincantieri, addressed the matter on the grounds that the arbitrability of the case did not depend on the material existence of the claim and that a matter could not be declared non-arbitrable merely because a claim would be deemed null or unenforceable after applying rules or substantive provisions of public policy.

The Swiss Supreme court stated in that ruling that **arbitrability could only be denied in respect of claims which are reserved to the exclusive jurisdiction of a foreign authority by provisions whose application is required by public policy in accordance with Swiss legal understanding,** as the Swiss legislator had opted for a solution which does not exclude either possibility, but had rather chosen to allow the parties to the dispute to judge and assess those possible risks of enforceability without banning arbitration all together.

This is a particularly difficult problem to circumvent for the field of arbitration, as the concern might be raised at both the beginning and the end of the whole process, given that the issue, in the context of international arbitration, can be taken from the basis of the 1958 New York Convention, as a defense against the enforcement of an already rendered award, but in relation to arbitrability, '*however - although it may still be a defense against enforcement - it concerns the very beginning and basis of arbitration, namely the arbitration agreement or arbitration clause.*'[55]

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[53] 118 II 353 69, Swiss Federal Tribunal ruling of 23 June, 1992, *in re* Fincantieri-Cantieri Navali Italiani S.p.A. et Oto Melara S.p.A. contre M. and arbitral tribunal (appeal on grounds of public policy).
[54] Nessi, see footnote 46.
[55] Böckstiegel, K.-H. (1987). Public policy and arbitrability. P. Sanders Ed., Kluwer Law International, ICCA Congress Series No. 3, page 2.

In this context, courts have also often substantiated on the ground of the effects against third parties the refusal on the arbitrability of disputes concerning the validity of patents and a contrary arbitral finding to that decision not only affects the relationship between the parties to the dispute which would provide for '*a declaration as to ownership that inevitably implicates non-parties, and therefore, exceeds the arbitrator's powers. In these circumstances, an arbitral award that appears to challenge the validity or ownership of an intellectual property right would invite* ***judicial intervention in order to assert the*** **ordre public** ***and to extend the scope of the dispute beyond the narrow concerns of the parties.*** '[56]

Mourre is of the opinion that a common misconception has spread worldwide, in that '*international arbitrators are too often perceived as the servants of selfish individual interests, and hence, as a potential instrument for fraud.'* This perception would have such an effect as to tightly control arbitrators, a decision often made by local courts, especially in matters concerning the application of mandatory rules. The wrong perception about arbitrators is that they belong to the judicial structure of the country and are bound to the same rules as national judges, and this disqualification regarding their ability to take care of the general interest is what in fact leads to '*the discussion of the well-established and widely recognized* ***principle of arbitrability of disputes involving public policy issues, and to jeopardize the main advantage that parties seek in adopting arbitration, i.e., the finality of the award.*** '[57]

When relating the public policy concern to the arbitrability of disputes concerning IP rights, a common argument is brought on account of the waiver of rights of individuals, who are not empowered to make free use of action on decisions taken by agents or offices of the state. Such is the procedure to uphold the validity of a grant or to declare it invalid. The state, when deciding to confer a right to a petitioner, removes the right's object from the public domain, and this is done for several reasons (to promote R+D and creativity and to acknowledge a proper investment that will eventually pay out, for example). Thus, **some legal orders are of the opinion that the state's public policy could be harmed if an arbitral award would have enough *imperium* to declare these rights as null and void, because, for example, as regards patents, it is generally accepted that the grant system is a necessary incentive for both creators and investors, promoting publicity and financing activities.**

[56] Grantham (see footnote number 5), page 184.
[57] Mourre (see footnote 27), page 2.

Another justification to set aside or refuse to enforce an award based on public policy grounds would be justified on the fact that third parties might not be given proper standing in the process, which would render them unequally unprotected to exercise their rights (as per their interest in the result of the conflict). Going back to the focus of this paper, t**his would be the main reason most legal orders do not provide for an express regulation allowing arbitration of all kinds of IPR disputes, including the validity of the grants. Most legal orders either promote exclusive jurisdiction norms or limit the possibility to discuss infringement cases or outright exclude IP concerns from their arbitration statutes.**

In that sense, Deskoski and Dokovski are of the opinion that *'schematically, we can describe three levels of sources of possible limitations: * National/unilateral limitations emanating from state law, * Supranational limitations emanating from regional or international statutes, e.g., European law and* **** Transnational limitations emanating from a common core of public policy as perceived by an arbitration (often called, following the suggestion of Lalive, truly international public policy)****. '*[58]

The defining characteristic of the public policy concern is its ambiguity. There is not an actual, concrete, and definite consensus that could be thoroughly proposed as an ***international public policy,*** a most necessary concept that would assist in clearing away any sort of legal uncertainty on the topic. This uncertainty arises from the multiplicity of interpretations that courts have associated with the concept. For example, Madden, Knoebel and Grifat-Spackman have identified that courts often talk about **domestic public policy**, as in the fundamental rules and values of utmost importance at state level; **international public policy**, a subset of the domestic one that invites courts to take the international standpoint to account but through the lens of the state's own laws; **transnational or 'truly international' public policy**, a description made by the International Law Association as to the one of universal application comprising fundamental rules of natural law, principles of *jus cogens* and general principles of morality of the *civilized* nations, as in values transcending the rules of national system; finally, **'a transnational perspective' to public policy,** which is not a set of universally accepted principles but an approach to widen the scope of their international public policy adopting a transnational perspective, taking into account the '*the* ***standards that are basic to most just and decent societies when reviewing foreign awards.'***[59]

The fact remains that neither the Model Law (on which many jurisdictions have based their domestic arbitration laws) nor the New York Convention provide a definition of public

[58] Deskoski & Dokovski (see footnote 1), page 5.
[59] Madden , P., Knoebel , C., & Grifat-Spackman, B. (2021). Arbitrability and public policy challenges. The Guide to Challenging and Enforcing Arbitration Awards. - Second Edition, Part I, page 3.

policy, rather, both conventions make a concrete reference to the ***public policy of that country*** (the one adopting the model law or the one where recognition and enforcement of the award are sought). It is no surprise then that all states have developed their own ideas on what they consider to be their "public policy", either by enacting laws or with the courts' jurisprudence, basing themselves on the contextual elements at hand, namely, their fundamental social, economic, political and even religious standards, applying them in the sense of "core values to the national legal system" or interpreting them as the bastions of morality and justice.

Some jurisdictions, when in the stage of enforcement of an award, favor the domestic public policy concept; a good example is that of the Supreme court of India, in which the opinion is that policy is to be construed from the point of view of the jurisdiction where enforcement is sought, declining to gather a transnational conceptualization of the concept, deeming it unworkable.[60]

Furthermore, it has been noted by Indian author Ajar Rab that '***arbitrability strikes at the root of procedural maintainability of a proceeding, rather than determining the rights of the parties involved, as it is the first step to determine whether the tribunal has jurisdiction to adjudicate on the subject matter.***'[61]

Once again, it is noteworthy the way in which Portugal's LAV has addressed the issue, as explained by Henriques, who describes that the Portuguese Civil Code states that the ability to settle a dispute amicably depends on both the disposable nature of the interests, but also on its lawfulness, a compound that would amount to the concept of *alienability*. But with the criterion of *patrimoniality* followed by the Portuguese Law on Voluntary Arbitration, the requirement of *legality* of the interest or rights is left behind: "'***The interest or right can even be contrary to public policy. Strange as it may seem, the illegality or contradiction in relation to public policy will not prevent the arbitral tribunal from validly settling the dispute (even if it deems the underlying legal relation as illegal, illegitimate or null and void and eventually solves the dispute on the basis of such unlawfulness).***'[62]

The US Supreme court has issued a few paramount rulings holding that even statutory claims are subject to arbitration. Peresie considers that these rulings have formed a general trend to favor arbitration as a fair and efficient means of resolving disputes, no matter the substance of the dispute, and that, even though the laws of individual states still, to some

[60] Cf. Singhal, A. (2017, September 13). Arbitrability of fraud in India – anomaly that is ayyasamy. Kluwer Arbitration Blog, [1] - [4].
[61] Rab, A. (2018). Defining the contours of the public policy exception-a new test for arbitrability in India. Indian J. Arb. L., 7, page 165.
[62] Henriques (see footnote 45), page 28.

degree, disfavor arbitration, the federal Supreme court's liberal policy favors arbitration, considering the existence of a *presumption of arbitrability* under which *'courts should "rigorously enforce" ... arbitration agreements according to their terms :plaintiffs must show that they are unable to vindicate their rights effectively in arbitration and prove that Congress intended to prohibit a waiver of the judicial forum by pointing to the text of the statute, its legislative history, or an 'inherent conflict' between arbitration and the statute's underlying purposes."*[63]

Public policy appears to be the most relevant standard set out by the leading "arbitration friendly" countries, particularly in the field of disputes concerning IP rights. In Singapore, for that matter, even though a list of non-arbitrable matters does not exist as such, some general concepts which would inherently entail public interest elements have been ruled as not arbitrable by the country's Supreme court, which has also stated some limits for the consideration of public policy as a bar for the enforcement of an award, under the principle of international comity which inclines the courts to give effect to foreign arbitration awards. This principle under which courts should recognize foreign arbitral awards would only draw the line against awards that would violate the most basic notions of morality and justice.[64]

In Switzerland, as regards IP disputes, '*all aspects of intellectual property rights are arbitrable without restriction and arbitrators shall not take into consideration any restriction of the notion of arbitrability as defined in Article 177 PIL."*[65]

As far as international commercial arbitration is concerned, there is an interesting arbitral jurisprudence to be traced back at least sixty years to get a hold of this tension and its consequences. On a dispute which involved a claimant based in Buenos Aires who was an engineer and an active businessman in that city, with large commercial and industrial interests, and a potential supplier of electrical equipment to produce electrical power in the region, the ICC rendered award 1110, held by arbitrator Gunnar Lagergren. The question was fixated upon the extent of the agreement between the parties which became expressed in the written notes submitted to the procedure, and whether it entitled the claimant to a commission in respect of all or any of the contracts awarded to the respondent by the government. Arbitrator Lagergren, after conducting the proceedings, reached the conclusion that the contract that was the subject matter of the dispute was condemned by the public decency and morality of the *lex arbitri,* given that section 768.5 of the Argentine Civil Code of Procedure

[63] Peresie, J. (2015). Reducing the presumption of arbitrability. Yale Law & Policy Review, page 454.
[64] Cf. Hanotiau, see footnote 9.
[65] Briner, see footnote 12.

stipulated that **all questions which affect good morals are excluded from arbitration.** Considering that view, Lagergen ruled that there was no room for any arbitral jurisdiction in this case, because it could be '***plainly established from the evidence taken by me that the agreement between the parties contemplated the bribing of Argentine officials for the purpose of obtaining the hoped-for business.'*** Furthermore, it was considered by the appointed professional that even though the commissions were not exclusively provided for bribing purposes, a very substantial part of them were paid with that objective held in mind, so '***whether one is taking the point of view of good government or that of commercial ethics it is impossible to close one's eyes to the probable destination of amounts of this magnitude, and to the destructive effect thereof on the business pattern with consequent impairment of industrial progress.'***[66] In short, the arbitrator refused to render an award on the merits by questioning his own jurisdiction to address the dispute further, given that the subject-matter of the agreement signed by the parties was contrary to a public policy standard fixated upon the law of civil procedure that governed the agreement, a standard that the arbitrator was bound to subject his activity to.

The lack of a standardized definition and consensus on a matter with very evident global repercussions appears to hinder the establishment of arbitration as the most effective forum for the settling of international commercial disputes, such as those involving IP rights. Even though several stances have been determined in the different countries, the fact remains that there is an objective risk that an award on a certain topic might be shattered to pieces in another country, on account of the latter's domestic public policy. Some civil law countries distinguish between domestic and international public policy and might review foreign awards from one or the other perspective only. Other countries have incorporated the international public policy concept into their Civil Codes and the courts have made interpretations of the matter.

Even the CJEU has had something to say on the topic, as described by Madden, Knoebel & Grifat-Spackman, who are of the opinion that the court has yet to provide their specific stance on the concept of arbitrability**.** In the case *Achmea* in 2018, the court denied arbitrability of investment disputes between EU Member states and investors of investment disputes between EU Member states and investors from EU states. The CJEU reasoned that submitting those disputes to a body that is not part of the judicial system of the European

[66] ICC Award No. 1110 of 1963 by Gunnar Lagergren, YCA 1996, at 47 et seq. (Also published in: Arb. Int'l 1994, at 282 et seq.). Retrieved June 8, 2023, page 10.

Union would *'have an adverse effect on the autonomy of EU law, adopting the policy views expressed by the European Commission in recent years'*[67]

A most proper definition on the public policy concern was the one provided by Advocate General Wathelet before the CJEU on the case "Gazprom", regarding the third question brought by the Lithuanian referring court, namely, whether it must interpret the concept of public policy enshrined in Article V(2)(b) of the 1958 New York Convention in such a way as not to recognize and enforce an arbitral award containing an anti-suit injunction in so far as that injunction limits the court's right to decide on its own jurisdiction. AG Wathelet noted in that regard that, given that the definition on the matter cannot be found in the 1958 New York Convention, national courts of the contracting states, together with UNCITRAL and other international forums, have the task of defining its contours. This is why '***public policy is generally defined restrictively as "a safety valve to be used in those exceptional circumstances when it would be impossible for a legal system to recognize an award and enforce it without abandoning the very fundaments on which it is based",*** a definition which, according to the AG, has been adopted by the courts of the Contracting states.'[68]

As one can see, the lack of a proper global definition on the topic has provided for the multiplicity of opinions, considerations and rulings that have been thoroughly described in this section.

III. The situation in Argentina

It is time now to take a look at the current state of affairs as regards the arbitrability of disputes involving IP rights in Argentina, in order to determine its viability as a healthy environment to serve the purpose of a seat of arbitration and, consequently, to be considered as a proper *lex arbitri* to that effect.

A) Laws, rules and regulations

Domestic arbitration in Argentina is ruled by the federal Civil and Commercial Code, as well as by and the different Codes of procedure on civil and commercial matters instituted both at federal and provincial levels[69]. International commercial arbitration, which follows by

[67] Madden *et al* (see footnote 59), page 5.
[68] C 536-13 "Gazprom" CJEU (Opinion of Advocate General Wathelet entered on 4 December, 2014), paragraph 167, page 26.
[69] As Argentina is a federal republic formed by the union of provinces, the federal Congress was only created at the command of those provinces and was only vested with partial powers on those affairs that the provinces chose not to

heart the UNCITRAL Model Law, is ruled by law 27449 of 26 June 2018. The federal Congress ratified the NY Convention on 21 October, 1988, enacting law 23619.

Even though I will center my analysis on the domestic arbitration procedure enacted at federal level, there is a chart in Annex I with a brief summary of the sections worth mentioning of the several provincial Codes of procedure as regards the focus of this article, namely, arbitrability.

In respect of international commercial arbitration, Articles 99.b and 104 of law 27449 provide that the court of Appeals of the *lex fori* may nullify an award or refuse to acknowledge or enforce one if it determines: I) that according to Argentine law, **the object of the controversy is not arbitrable or; II)** that the award is contrary to public policy.

On a related note, on the focus of this thesis, it should be highlighted that ownership rights of intellectual and industrial property are enshrined in Article 17 of the Argentine Constitution[70]. In that sense, as regards sovereignty and the coexistence with the international legal order, the Supreme court considers that the domestic legal order cannot conflict with the standards set out at the international level in the numerous international conventions to which the nation is a party.[71] That being the case, it is noteworthy to mention that Argentina is a signatory and Member state of more than sixty international instruments, several of which concern both ADRs and IP rights in dispute[72].

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exercise their prerogative power upon. Nevertheless, the argentine Constitution states in Article 75 the "responsibilities of Congress", being section 12 thereof '*to enact the Codes on civil, commercial, criminal, mining and labor and social security matters, without those Codes being able to alter local law. Those Codes will be employed by both federal and provincial courts."* Accordingly, Article 126 ratifies that "*the provinces do not perform the actions related to the powers vested to the Nation as a whole. They may not take part in international conventions of a political nature, nor can they enact laws on commerce or navigation, either within borders or outside them, nor can they institute provincial customs, nor can they coin currency, nor can they create banks to print money without being authorized by the Federal Congress, nor can they enact the Codes on civil, commercial, criminal and mining matters after the Federal Congress has enacted them.*"'

[70] '*Every author or inventor is the exclusive owner of their work, invention or discovery, for the period accorded to them by law.*'

[71] Ruling of 7 July *in re* Ekmekdjian, Miguel Angel c/ Sofovich, Gerardo y otros., 315:1492 (1992), paragraphs 16 and 19: '*Infringement of an international treaty may occur either by enacting a domestic law which prescribes for a conduct manifestly contrary to the international rule or as a consequence of having failed to establish provisions that enable compliance with the international rule. Both types of situations would conflict with the previous international ratification of the treaty, or better put, they would amount to noncompliance or repugnance of the treaty, a conduct from which detrimental consequences may arise. (...) The imperative nature of article 27 of the Vienna Convention on the Law of Treaties compels the organs of the Argentine state to confer supremacy to a treaty in case a conflict is found against a domestic law or in case of a failure to make a decision or enact a regulation which would have the same effect of noncompliance with a treaty in the sense prescribed by article 27.*'

[72] It is useful to enumerate several of them, such as both agreements establishing the WTO and the WIPO, the Berne convention for the protection of literary and artistic copyrights, the Convention for protection of producers of phonograms against unauthorized duplication of their phonograms, the UNCITRAL NY Convention of 1958, the International Convention for the Protection of New Varieties of Plants, the International Plant Protection Convention, the International Treaty on Plant Genetic Resources for Food and Agriculture, the Locarno Agreement for international classification for industrial designs, the Nice agreement for the international classification of goods and services for the registration of marks, the Paris Convention for the protection of industrial property, the Rome convention for the protection of performers, producers of phonograms and broadcasting organizations, the Strasbourg Agreement concerning the international patent classification, the South American Common Market, the UN Convention on Contracts for the international sale of goods, the Universal Copyright Convention, the WIPO Copyright Treaty, the WIPO Performances and Phonograms Treaty and the WTO TRIPS Agreement already mentioned.

As regards domestic arbitration, Articles 737 and 738 of the federal Code of Procedure in civil and commercial matters institute that **'*any question that may not be the subject matter of a settlement agreement cannot, under sanction of nullity, be submitted to arbitration*'** and that the parties who cannot enter into settlement agreements cannot agree to arbitrate a dispute.

Settlement agreements, in turn, are defined in the civil and commercial Code in Chapter 28, Title IV of Book III, Articles 1641 to 1648. According to Article 1644 the parties are not allowed to settle on:

- non waiverable rights;
- rights that would compromise the public order;
- Rights over family relationships;
- Rights over marital status or civil capacity;

For the latter two sets of rights, an exception is provided to allow the parties to agree on a settlement of property rights (in economic, quantifiable terms) derived from them. There is also a set of prohibitions *ratione personae* established in Article 1646, and the following article provides that the settlement will be null and void when either party bases their claim on a title which does not exist or is not enforceable, or if, when signing the agreement, one of the parties ignores that the settled right is derived from a better title; and finally, if the settlement deals with a controversy that has already been decided by a judgment.

Arbitration agreements are, in turn, regulated by Chapter 29 of the same Book and Title, articles 1649 to 1665. The only grounds to declare the agreement invalid is if it confers a privileged position to one party over the other(s) as regards the designation of the arbitrators or arbitral tribunal. The following controversies are explicitly excluded by Article 1651 as to be included in an arbitration agreement:

- Those related to the marital status or civil capacity of a person;
- Family claims;
- Claims related to rights of users and consumers;
- Adhesion contracts whatever is their object;
- Claims related to labor relationships;

Finally, it is clarified that the provisions of this Code for the arbitration agreement do not apply for disputes in which the state is a party.

As a procedural matter, the parties to an arbitration may waive their rights of recourse, except for the request of judicial review by invoking a nullity, which can only be held on the grounds of '*essential procedural flaw, if the arbitrators fail to issue the award within the*

agreed period or if they issue it on matters not included in the agreement.' In the latter case, nullity may be declared just on those matters, with the remainder of the award still being enforceable.

Finally, the award will be invalid if it provides contradictory orders.

As anyone could infer from the plain reading of the substantive and procedural Civil Codes, on the first sight **disputes concerning IP rights** could be settled and included in an arbitration agreement, at least as far as infringement claims are concerned. Furthermore, as of 3 May 2010, to start any civil or commercial claim the parties to a dispute must **attend a mandatory previous mediation procedure.** The parties are compelled to communicate to one another their intentions to arrive at an extrajudicial solution to their dispute.[73]

So, are there any obstacles to assert the arbitrability disputes concerning IP rights in Argentina? Let us take a closer look over every one of the relevant laws:

1. Copyright and related rights

Federal law 11723 was enacted on 30 September 1933. Its scope, as explained in article 1, is to protect the rights of authors of scientific, literary, and artistic works, in the broadest sense possible. In Article 12 the law states that '***intellectual property will be governed by the provisions of ordinary*** **[as opposed to federal, or "extraordinary"]** ***law, under the terms and with the limits provided for in this law.'***

In that sense, Article 61 expresses that it is mandatory for an editor to deposit in the National IP Registry (that is the name given by law to the office) a copy of every published work, as it is this deposit the actual guarantee of copyright that confers rights to its author. Article 63 further states that "*if the work is not deposited the right of the author is suspended until the deposit occurs."* The law also provides that, when a work is deposited, the Registry publishes the application in the official journal and, after a month, it is effectively entered into the registry unopposed. In the event of an opposition, the Director of the Registry must notify the applicant and then decide on the issue. That decision may be subject to recourse in administrative terms to the relevant Secretary or Ministry (currently, the national Ministry of

[73] Article 5 of federal law 26589 installs that this mandatory mediation procedure is not applicable to complaints of a criminal nature; files for legal separation or divorce, nullity of marriage or family relationship, parental responsibility and adoption (with the exception of related property rights); litigations which involve the state, except if there is an explicit authorization of the state; procedures related to the civil capacity of a person; special judicial procedures to request protection; *interim* measures; *p*reliminary exceptional requests or requests to gather evidence before initiating the procedure; inheritance proceedings; insolvency proceedings; requests for a meeting of the owners of an apartment building; labor-related claims; voluntary procedures and controversies over consumer claims (which have their own special proceedings).

Justice and Human Rights), but the subsequent decision is final, except that any of the parties have standing to sue, in which case, litigation ensues.

Articles 71 to 78 establish a few criminal sanctions (not only fines, but rather prison time as well) for the commission of different crimes, such as fraud, unlicensed reproduction of the work or illicit distribution of copies. Furthermore, Article 80 enshrines that "*any judicial procedure which arises from this law, either from the application of its provisions or as a consequence of the contracts and legal instruments which involve intellectual property, will be conducted in accordance with Articles 81 and 82",* which means that the petition will have to be directed as a request for a preliminary exception ruling.

In particular cases (the importance of the matter and the technical nature of the discussion), **a jury of experts may be established.** Its function '*will be limited to establishing the existence or not of an injury to intellectual property, either by law or agreement.'* A public hearing will be heard, and evidence will be presented; the jury's ruling will have to be subsequently valued '*as the report of expert witnesses of contending parties when they reach an agreement.'* Article 80 does not specify who is in charge of setting up the jury nor of conducting the public hearing.

Finally, Article 77 contemplates that '*The civil trial and the criminal trial are independent, and their final judgments do not compromise one another.* ***Either parties will only be able to present, to substantiate their claims, evidence from the other trial, including documents, testimony, and expert witness reports (including the jury ruling), but they may never attempt to use as evidence the final ruling of the other judge.'***

2. Patents

National law 24481 has been in full force since 20 March 1996. The property over a patented invention can only be accredited by holding a title granted by the National Institute of Industrial Property (INPI). To get the patent, a person must fill out a form requesting the grant to the National Patent Administration, with a detail of the characteristics of the invention or process and a series of formal requirements.

The NPA will thoroughly examine the application to verify compliance with the requirements established in Title II of Chapter I of the law; that office is allowed to require reports to scientific researchers in office in national universities or research institutes. The applicant (which may be a legal person) may request that the examination be conducted in their facilities.

If the request is returned with observations, the ANP will notify the applicant and ask them to provide the necessary explanations or submit additional documents or information. Any person may submit grounded observations to the patent application. Any lack of legal requirements for the granting of the patent, or an insufficiency in those terms, will amount to actual grounds for the substantiality of these observations.

If, after three years of the grant of the patent or four since the start of the application procedure, if the invention or process have not been exploited (except some *force majeure* exceptions), any person may request authorization to use them without a license. The INPI will notify the patent holder before granting this unauthorized use and will **call for an audience. In fact, according to article 43, that office will declare that reasonable compensation must be provided for the patent holder, but it may only do so if the parties who were called to the hearing did not arrive at a previous settlement on the matter.** In this article it is further contemplated that any decision related to the grant of this particular use of the invention can be appealed before the Federal court on civil and commercial matters.

The INPI is also authorized to allow the use of certain patented inventions in cases of sanitary emergency or national security, and it may also authorize the unlicensed use of a patented invention or process that may not be used without infringing another patent in a certain case. In the context of these situations, according to Article 48, '*a judicial review of all decisions related to uses not authorized by the patent holder can be requested, including those related to fair compensation'*.

Patents of inventions will be invalid (either in whole or in part) when they were granted '*in breach of these provisions'* (Article 59) and actions for nullity or expiration of the patent may be presented either as defenses or exceptions. According to Article 66, '*When a trial determines the nullity or expiration of a patent, and the decision is final* [as in *res judicata*] *the INPI must be notified.*

Any rejection to an application for a patent can be subject to recourse before the INPI.

Articles 75 to 78 provide for criminal sanctions of both prison sentences of up to three years and a fine.

According to Article 81, '*apart from the criminal sanctions, the patent holder and their licensee may exercise civil law claims to request an injunction to stop illicit exploitation of their patent and damages for the harm suffered'*. There is a detailed special procedure in Article 88 for claims that entail a patented process; the law provides for a special contemplation in relation to the protection of industrial and commercial secrets.

The law assigns exclusive jurisdiction for these civil law injunction requests to federal judges on civil and commercial matters.

Finally, even though the law provided, when enacted, that pharmaceutical companies could not be granted patents of their products for another five years, it was allowed that they started the application procedure before that period and specifically allowed that '*the patent holder will have exclusive rights over their invention after five years of promulgation of the law except that those third parties that are making unauthorized use of the invention guarantee that the internal market be fully supplied with the actual price of the product, in which case the patent holder will only be entitled to receive fair and reasonable compensation from those third parties using the patent from the moment it is granted until it expires'.* According to Article 101, if the **parties cannot agree on the matter, the INPI will set the compensation according to the procedure of Article 43 already explained.**

3. Industrial designs

Industrial designs are regulated by *de facto* law 6673/63[74]. An author of an industrial design or model is the owner of the exclusive rights of exploitation, transfer, and registration, and to enjoy these rights the author must register its model or design at the Direction of Industrial Models and Designs of INPI. The request may only be rejected on formal grounds, for lack of the basic requirements of article 10 of the decree. If the request is denied, recourse may be possible before the INPI and, failing that, before a federal judge on civil and commercial matters.

The register of an industrial model or design may be canceled if it was granted to someone other than its author or in breach of this law, **but this cancelation may only be granted by a final ruling of a federal court and it may only be requested by an interested party, even if that party did not previously register a certain model or design.** The title holder is entitled to judicial relief for any unauthorized industrial or commercial use of a deposited design or an imitation of it. According to Article 19 '*The claim may be initiated before a federal court,* ***as a civil claim to request for damages and an injunction to cease and desist on use, or as a criminal complaint if the complainant pretends that the criminal sanctions created by this law be applied.'***

[74] By the time of its enactment, 9 August 1963, the president in office was José María Guido, third in the succession line after the president and vice president. The morning of 29 March 1962, Guido took over office following a military coup. Then president Arturo Frondizi was imprisoned, martial law was declared in every province and territory and the Federal Congress was shut down. Guido took over all legislative capacities by its own prerogative.

Article 21 contemplates the criminal sanctions (of a fine) for unlicensed reproduction of a product with a registered model or for its unlawful commercialization, or even against those that maliciously and untruthfully claim to have a registered model. **Article 23 establishes that the faculty to initiate a criminal process on this matter lies exclusively with the aggrieved party** who is only allowed **to promote a private prosecution.**[75]

Interim measures may be requested on a preliminary exception basis only, either before a civil judge or a criminal judge.

In turn, Presidential Order 274/19 *on commercial loyalty* establishes that **'*conventions of private parties may not invalidate these provisions, but notwithstanding that, the parties of a judicial procedure may arrive at a conciliation settlement or, on the public hearing that a judge will order, agree to find another way to solve their disputes.'***

Against any action of unfair competition or wrongful advertising, the aggrieved party is entitled to initiate certain **civil law procedures, such as cease and desist injunctions, claim damages and request for *interim* measures.** Article 61 of this presidential order provides for the exclusive jurisdiction of the Federal courts in civil and commercial matters.

4. Utility models

Utility models are also ruled by law 24481 and have the exact same procedural aspects as patents. The NPA will conduct the examination to grant the certificate and, after publishing the application, any person, within thirty days, may present grounded observations to it, accompanying them with documentary evidence. The ANP will resolve the dispute ruling on the matter.

5. Plant variety protection

National law 20247 of seeds and phytogenic creations was promulgated on 30 March 1973. Any person that imports, exports, or produces an inspected kind of seed; or processes, analyzes, identifies or sells any kind of seeds, must be registered with the National Registry of Commercialization and Inspection of Seeds. Also, any inventor or discoverer or new cultivars may register any phytogenic creations or distinguishable new cultivars. If the Ministry of Agriculture demands it, a series of tests and lab and field trials may be conducted to verify the characteristics of the product, before deciding on the granting of the title.

[75] The federal criminal code of procedure has a special type of trial for felonies of exclusively private prosecution, such as the one enacted here.

The right over a cultivar belongs to **the person that created it,** and the president may issue an order declaring that the product be of *restricted public use*, in which case the registered inventor will have to be compensated. During that period of restricted public use, the Ministry of Agriculture may authorize the exploitation of the product to interested parties. Article 23 expressly states that '*This declaration by the executive may or may not order the amount of compensation for the owner,* ***but this compensation may be decided by the interested parties. If there is a difference, the compensation will be decided by the National Seeds Institute and that decision may be appealed before the federal justice.'***

The title will expire, among other reasons, '*when it is proved that the title was fraudulently obtained, damaging a third party, in which case the title will be transferred to the rightful owner if that person could be determined; on the contrary, the product will be entered into the public domain.'*

This law provides for no criminal sanction at all. Rather, administrative penalties may be imposed by the Ministry of Agriculture for certain wrongful conduct. Those penalties may be appealed, first before the own Ministry, and afterwards before a federal court in civil and commercial matters.

6. Trademarks and trade names

Federal law 22362 was promulgated on 2 January 1981. Article 4 establishes that ownership of a trademark and its exclusive right of use are obtained once it is registered, and to be the proprietor of the trademark or to oppose its registration a legitimate interest needs to be proved.

According to Article 16, '*if, after three months after the applicant was duly notified of the oppositions to its application,* ***the applicant has not achieved to have those oppositions withdrawn, the National Trademark Registry will make an administrative decision.'*** That decision may be subject to recourse before the INPI, who will then send it to the Federal Appeal court in civil and commercial matters within thirty days. As was afterwards ordered by the president by way of explanatory executive order 242/19, '*within those three months, the applicant and the party opposing the application* ***may resort to any alternative dispute resolution method they see fit to arrive at an agreement regarding partial or total withdrawal of the opposition. The administrative authority will determine the procedure to provide a decision on these disputes and that decision may only be issued on the merits of the opposition(s) that was/were not withdrawn.'*** That presidential order also explained that the appeal procedure that occurs as a result will only involve **the applicant and the**

opponent. The administrative decision that denies registration may also be appealed before the federal court in civil and commercial matters.

The law sanctions with nullity "*any trademark obtained in breach of the law, or by someone who knows that they belong to a third party, or for commercial purposes by someone who is in the business of registering trademarks."* The INPI may decide on any nullity request of an interested party, but it may also decide to act on it by itself. That decision can be appealed before the Federal Appeals court on civil and commercial matters. The INPI may also decide that the trademark registration has expired on the request of an interested party.

Property over trade names is acquired without the need for registration, only in relation to that trade and any interested party may oppose the use of that trade name. The law makes no mention of what the relevant claim would be to initiate in that case.

The administrative procedure to decide on requests of nullity or expiration has not been drawn up by the issuing authority yet, so **the parties are expressly authorized to refer those disputes to '*the competent justice system by the method they see fit.*'**

7. Trade secrets

According to Article 11 of federal law 24766 of 18 December 1996, '*The protection conferred by this law does not create exclusive rights in favor of the possessor or developer of the confidential information in question. Access by third parties to this information in a manner contrary to honest commercial uses will entitle the possessor of the information to request for an* interim *measure of cease and desist or initiate civil litigation with the objective to obtain an injunction to prohibit the use of undisclosed information and to claim for damages.'*

The law also provides that anyone who breaches this law may be criminally liable, at least for the felony of violation of secrets, which involves a prison sentence of up to two years. This liability is also directed to any public official that might be responsible for the breach.

B. The opinion of the courts

1. The international legal order

Concerning the economic rights of *phonogram* producers, the Argentine Federal Supreme Court has stated that a judge must not only harmonize the mandates of a law to interpret it, he or she must also relate those mandates with the prevailing legal order, even in

those situations in which that legal order is constituted by more than one law. In the case at hand, the lower court, when interpreting the domestic law on copyright, had overlooked the full force in the jurisdiction of the three different treaties on the protection of artistic works and on the rights of phonogram producers. This interpretation was incompatible with the principle of supremacy of international conventions established by Article 31 of the Argentine Constitution.[76]

Furthermore, it was also stressed by the attorney general in its opinion before the court on a case that, when interpreting the internal provisions that aim to safeguard the rights of phonogram producers, it is also fitting to '***determine that the internal legal order does not collide with the states' assumed commitments as a member of the International Community as regards the ratification of IP related international conventions.'***[77], *namely* Article 12 of the Rome Convention of 1961, article 11 bis of the Berne Convention of 1886 , Article 15.1 of the Geneva WIPO Performances and Phonograms Treaty of 1996 and Article 8 of the WIPO Copyright Treaty**.**

The court was later called to verify the compatibility of national laws and international conventions on the subject and to interpret the reach of the obligations proclaimed in Article 70 (points 7 and 8) of the TRIPS agreement, mandatory to Member states of the WTO, on a claim by Pfizer. The court's majority (in a disputed ruling) provided insight as regards the contours of the assumed commitment and the limits it imposed on the Argentine legislative power: '*The TRIPs agreement acknowledges that the Members states have varying degrees of technological development and that they cannot accept but the whole text of the Convention, including their temporary transitional provisions and merely excluding some principles that inspire the general system established by the agreement, and several obligations that the Member states decided to accept immediately.*'[78] That was the case of points 7 and 8 of Article 70 of the agreement, under which a request for a complex patent could be severed in different provisional applications, each of them maintaining their own date of application and with the assignment of the right of priority for the initial request, as provided for in Article 4.G of the Paris Convention for the protection of industrial property.

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[76] cf. Ruling of 23 February *in re* Mangiante, Guillermo Eduardo c/ AADI - CAPIF Asociación Civil Recaudadora s/ cobro de pesos, 318:141 (1995).

[77] Opinion of the attorney general on 22 March 2005, later held by the Supreme court as own argument on ruling of 14 November 2006 AADI CAPIF ACR c/ ANSEDE y Cía S.R.L. y otro s/ cobro de sumas de dinero, 329:5051 (2006), page 7.

[78] Ruling of 21 May *in re* PFIZER INC. c/ INSTITUTO NACIONAL DE LA PROPIEDAD INDUSTRIAL s/DENEGATORIA DE PATENTE, 325:1056, page 5, paragraph 7 (2002).

As one can see, Argentina's head of the judiciary is particularly concerned with the full compliance of the commitments assumed as a member of the international community in relation to the defense and enforcement of intellectual and industrial property rights.

2. Considerations on the notion of arbitration

The Supreme court has, as a deeply rooted general rule, upheld a restrictive stance as regards judicial review of an arbitral award arising from a valid (as in compliant with the legal order, including assumed international commitments) arbitration agreement and procedure.

On the one hand, the court once considered that, even though the parties to a conflict had decided to benefit themselves by removing the dispute from the scope of national courts in favor of the arbitrators, thus capitalizing on the multiple advantages provided by this type of ADR tool, '*This does not necessarily mean that the decision is entirely exempted from judicial review,* ***because such an exemption can never be completely suppressed, as it would contradict the constitutional objective to foster the fulfillment of justice and the constitutional safeguards that protect the individual who stands trial, as well as its property.'***[79] It is the view of the Supreme court, rather, than the breadth of protection will also depend on the voluntary submission of the parties to a certain procedure, as they may waiver the chance to appeal the award when they sign the arbitration agreement, so *'if the lower court ruled to nullify the award, this court may only make a decision concerning the violation of rights and guarantees that may derive from that previous ruling, but not on the decisions taken by the arbitrators, even if they err in judgment or if the ruling was not more or less equitable.'*[80]

Expanding on that doctrine (which was actually a dissent in the previous ruling) the Supreme court explained on another case that **judicial review of an arbitral award arises as a constitutional matter (fostering the fulfillment of justice) and the parties may freely decide to exclude judicial review if it suits their interests, a feature inherent to arbitration. If the parties were willing to exclude the appeal before the judiciary and this exclusion is constitutionally valid, they may not now seek relief from the national**

[79] Dissenting vote of Justice Boggiano (later upheld as majority vote of an analogous ruling) in ruling of 17 november *in re* Color S.A. c/ Max Factor Sucursal Argentina s/ laudo arbitral s/ pedido de nulidad del laudo, 317:1527, page 7, paragraph 6 (1994).
[80] *Ibidem,* page 8, paragraph 7.

courts to have a say in their litigation, because that would amount to allowing them to appear before a judge against their own previous actions.[81]

To conclude, as regards the interpretation of the applicability of the 1958 NY Convention, the once overruled a lower court's decision which refused to enforce the arbitral award (on the assumption that the legal requirements to do so had not been fulfilled), interpreting that the 1958 NY Convention did not authorize, when verifying the fulfillment of the requirements, **to review or alter the factual determinations made by the arbitrators, so the referring judge's interpretation and application of the relevant federal law was erroneous as he, when invoking the law, ruled on aspects previously decided by the arbitrator.**[82]

3. Considerations on the *ordre public*

The Supreme court has also been thoroughly restrictive when called to interpret this notion. In that sense, '*The* ordre public *is not compromised by a decision with either direct or indirect repercussions on the insolvent company's assets and liabilities compound. A contrary interpretation would entail the inherent assertion that* ***every matter or concern involves the*** **ordre public,** ***which would render the concept limitless, invalid.'***[83] Furthermore, '*respect for* res judicata *is one of the pillars of our constitutional order. Thus,* res judicata *cannot be altered even by way of invoking public order laws, because the* stare decisis, *as an inescapable requirement of legal certainty, also involves public order in its higher status.'*[84]

This, of course, is different from saying that the state is completely external to the interaction between private parties themselves, and obviously even less external to the interaction of the private parties with the state itself. Rather, '*the state is empowered to regulate (as in restrict or control) the exercise of certain activities and the development of certain industries as it may be necessary to fulfill the need to defend and strengthen public health, public morale and public order.'*[85]

As regards the international *ordre public,* the Supreme court has explained that '*it is not an interpretative tool of an unchanging and definitive nature, but rather an essentially*

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[81] cf. ruling of 5 November *in re* Meller Comunicaciones S.A. U.T.E. c/ Empresa Nacional de Telecomunicaciones, 325:2893 (2002).
[82] cf. ruling of 24 May *in re* ARMADA HOLLAND BV SHIEDAM DENMARK c/ INTER FRUIT S.A. s/INCUMPLIMIENTO DE CONTRATO, 334:552 (2011).
[83] Separate vote in ruling of 6 October *in re* Lamparter, Ernesto Juan c/ Baldo José Juan y Sánchez, Herminda Norma s/ daños y perjuicios, 315:2255, page 9, paragraph 8 (1992).
[84] Ruling of 7 July 2015 *in re* JOSE SUEIRO Y CIA SCC c/ EN -MINISTERIO DE HACIENDA s/CONTRATO OBRA PUBLICA, 338:599, page 1, paragraph 3 (2015).
[85] Ruling of 23 November 1995 *in re* LABORATORIOS RICAR SA c/ ESTADO NACIONAL (M° DE SALUD Y ACCION SOCIAL) s/DAÑOS Y PERJUICIOS, 318:2311, page 7, paragraph 11 (1995).

variable one, so when confronting it with the national legal order, the analysis must be made with current criteria'.[86]

On the other hand, as regards the public interest in relation to arbitral awards, the court has stated that: '*Even if the parties waive their right to appeal an award, judicial review can still be sought if the award is* ***contrary to public policy for being unconstitutional, illegal or unreasonable.'*** In another precedent the court had dealt with a voluntary arbitration in which the parties had waived their appeal recourse and had explicitly stated that the award was final; the court in that prior ruling accepted the request for judicial review in relation to an erroneous application of a formula to establish interest rates **because the arbitrator's decision was contrary to public policy (as the parties could not waive rights that are conferred for public interest reasons, because such a thing was prohibited by Article 872 of the Civil Code that was then in force),** so the waiver to appeal could not stop the court to overrule that decision. In this case, as the court noted, '***the respondent has not, however, been able to prove the violation of* ordre public *as regards the arbitral tribunal's interpretation of the applicable law and its considerations on the evidence presented.'***[87]

Furthermore, on the duty of the foreign award to comply with national standards as regards the partial recognition and enforcement of the arbitral awards, the Supreme court explained that, when assessing the compatibility of an award with public policy during an *exequatur,* the court cannot exceed its limits and provide a reply to the questions submitted to arbitration, and it would also be nonsensical to compare that sort of assessment to the that must occur during judicial review of the award: '*The 1958 New York Convention, to which we must attend to as ordered by Article 517 of the federal Code of procedure on civil and commercial matters, acknowledges that the parties are entitled to enforce an award with the extent allowed by the laws or treaties of the country in which that recognition or enforcement is sought.* ***So, to the extent that the damage to the international public order might be pinned down and severed, a partial enforcement of those provisions of the award that do not conflict with the national legal order will be viable.'***[88]

4. Considerations on the concept of arbitrability

[86] Opinion of Attorney General submitted 28 February 2016 later held as own argument by the court in ruling of 14 March *in re* COUROUYAN RODOLFO s/SUCESION AB-INTESTATO, 340:185, page 2 (2017).
[87] Ruling of 6 November *in re* EN - Procuración del Tesoro Nacional c/ (nulidad del laudo del 20-111-09) s/ recurso directo, 341:1485, page 12, paragraph 13 (2018).
[88] Ruling of 24 September *in re* DEUTSCHE RUCKVERSICHERUNG AG c/ CAJA NACIONAL DE AHORRO Y SEGURO EN LIQUIDAC Y OTROS s/PROCESO DE EJECUCION, 342:1524, page 32, paragraph 14 (2019).

The Supreme court has not ruled on this matter. Rather, we can find a few rulings of the commercial court of the City of Buenos Aires which has provided a few insights on the notion, explaining that the *Kompetenz-Kompetenz* general rule has effects on two different fields, by allowing the arbitral tribunal to rule on the validity of the arbitration agreement and on whether or not the dispute has been included in the arbitration agreement. This decision could be subject to a subsequent judicial review, because '*that general rule does not grant the arbitral tribunal an exclusive role (only a prioritizing position) to rule upon its jurisdiction, provided that the challenge to the award is based on the grounds set by the relevant laws on the topic.*'[89]

In that sense, the commercial court considers that the annulment of an award on grounds of public policy must be interpreted on an extremely restrictive basis and a conclusion should be arrived in that sense only in the most extreme cases, the nullity being acceptable only by a finding of a grave and manifest error in the award related to the implementation of public policy provision. According to the court, '*the invalidity may not be decided on grounds of a merely formal or abstract infringement of a public policy provision, nor on grounds that the provision was inappropriately implemented, not even an error in the law would be sufficient, in and of itself, to deem the award as contrary to public policy.*'[90]

The lack of a considerable number of rulings on the matter might be a healthier symptom than what is thought regarding the discussion at hand. In that sense, Fernández Rozas is of the view that the different possible polysemic character of the term *arbitrability* allows scholars to discriminate between the concept *sensu stricto,* related to the non-arbitrability of a certain subject matter, and the concept related to the outer limits of the arbitration agreement. He considers that civil law and common law countries construe the term differently, the latter using it in a wider sense, to describe '*the contours of the scope and range of the agreement, that is, if the controversy at hands fall within those limits or not, a question that leads to an inquiry to interpret the actual will of the parties when agreeing to submit their disputes to arbitration.*'[91] The author recalls that an important conclusion from the international forums on the unification of rules for private international law was that the marking out and discrimination of the arbitrable and non-arbitrable controversies stirred up questions on domestic public policy, the unified definition of which entailed a notorious difficulty. Thus, the mere possibility to obtain a list of those subject matters that may be the

[89] Ruling of December 20 *in re* FRANCISCO CTIBOR S.A.C.I. Y F. contra WALL-MART ARGENTINA S.R.L. sobre ORDINARIO, COM 85399/2014, page 17 (2016).
[90] Ruling of 13 October *in re* TINOGASTA SOLAR c/ CÍA. ADMINISTRADORA DEL MERCADO MAYORISTA ELECTRICO S.A. s/ ORGANISMOS EXTERNOS, COM 19411/2021, page 16 (2022).
[91] Fernández Rozas, J. C. (2019). Algunas consideraciones sobre la noción de arbitrabilidad, page 3.

subject of an arbitration and those which may not could actually cause an unnecessary restriction to the margin of maneuver of each and every state to attend to certain public policy concerns inherent to their domestic laws, a problem which could become more and more difficult within time.

This would mean that IP disputes, the subject matter of which involves substantive imperative laws and rules, remain arbitrable, because the contract, the basic foundational document of the legal relationship that is inherent to the dispute, deals with rights of which parties freely dispose, which means that any controversy that arises therefrom must inevitably be about rights of free disposal as well. What is especially relevant is that the dispute arises from the contract itself, from its validity to its performance and termination, which will in turn include a nullity claim on the grounds of harm to public policy, and in this type of disputes, arbitrators will not be able to set aside imperative laws, because those laws apply to the contract: ***'there is a complex correlation between the parties' agreement (a direct manifestation of their own will) and the state's interest in upholding the validity of its entire system of law, inclusive of both the domestic public policy standards and its imperative laws and rules, which is why the arbitration agreement will exclusively, in and of itself, be considered as contrary to public policy when the common will of the parties is to enforce, by way of an arbitration, an agreement, the subject matter of which is contrary to those standards.'***

IV. FINAL THOUGHTS

The following are the main conclusions that can be drawn from the thorough description rendered in parts I to III of this paper:

- None of the Argentine laws which regulate the various aspects of the most relevant intellectual property rights recognized worldwide have an *arbitrability clause.* None of them expressly prohibit submitting to arbitration the controversies that might arise during the exploitation of those rights, but they do not also expressly allow it either;
- Imperative provisions that stem from international conventions are fully operational and rank higher than domestic laws, that is, international conventions which promote the use of arbitration to solve these disputes (such as WIPO Treaties and related conventions) set a high standard not easy to set aside or disregard;
- Arbitration is restrictively reviewable by the judiciary and there is a presumption on the validity, and thus, recognition and enforcement, of arbitral awards;

- The public order is not seen as flexible and the standard to go against it is as high as it could be, as ordered by the Supreme court, notwithstanding the definition and meaning of the concept, a problem common to most countries and one of the main causes of legal uncertainty worldwide on the topic;
- Even though arbitration is seen as a voluntary *inter partes* proceeding, there is no actual impediment that arises from the reviewed laws that would allow to infer that third party rights may be directly affected by the award. It should just be accepted (and it would be convenient if it were expressly stated in a special regulation or included by reform) that the previous controversy that motivated resorting to arbitration has ended, and now that the validity of the registered right has been affirmed or repealed, a new interaction with the public registry will need to be started;
- Even though some of the laws provide for criminal sanctions, the law on industrial designs correctly entitles just the aggrieved party to pursue a private prosecution, a feature that sets aside any inherent problems that might arise from the civil law principle of legality which compels the public prosecution to pursue all criminal matters without distinction, unlike in Common law jurisdictions. Nevertheless, the copyright, the patent as well as the trademarks law make particular emphasis on setting a distinction between the civil proceedings and the criminal proceedings;
- All laws mention the assignment of exclusive jurisdiction to federal courts on civil and commercial matters. This, nevertheless should, accordingly, be interpreted as a matter of jurisdiction to determine which forum, the federal or the provincial one, should take the case if the parties were to submit it to courts in the first place, and not as precluding arbitration from happening;
- None of the rights involved seem to have the characteristic of being *non waiverable* as is what is depicted in Article 1644 of the Civil and Commercial Code to outright ban their inclusion as the subject matter of a settlement (and therefore, of an arbitration) agreement, because such is not a characteristic of economic rights in general. The fact that the arbitrability clause of the substantive code provides for such a narrow margin (when the previous Civil Code exerted a more serious stance with a *numerus clausus* list of all those matters not capable of settlement, **which included criminal liability**) puts in question the mere sense of the existence of the article at all.
- The fact that a suspicion of criminal liability might arise while conducting the arbitral proceedings does not appear to be a strong argument to prevent the proceeding from happening at all, given that the arbitrator is not (and should not) be compelled to act

just as a domestic judge would do so if the opportunity came to take place. In any event, the situation might be an issue in the future for one of the parties, but on a separate occasion with no correlation to the arbitration and its solution to the conflict, be it commercial or of a related nature, and being contractual or not.

Is Argentina a friendly venue for the arbitration of disputes involving IP rights? It is my assessment, based on the thorough analysis conducted in this thesis, that in fact it is a better *lex arbitri* than most technologically developed countries, such as the Netherlands or Germany, and that it allows for a broad consideration on the arbitrability of these types of disputes, not only concerning infringement due to unlicensed use, but also with regard to the validity of the claim at hand, a dispute on which the parties do not seem to be precluded of resorting to arbitration.

Argentina is not the US, Switzerland, the UK, or Singapore, as regards the permission to arbitrate these disputes expressly granted by the laws of these countries, almost all of them of Common law tradition, where there is a certain flexibility regarding public prosecution on alleged criminal conduct.

But it appears that, as is reflected by the small margin given to the judicial review of an arbitral award or on the denial of enforcement on public policy grounds, arbitration has a high expectancy of success. Even further, as regards validity claims, which will most usually occur during disputes involving patents and related rights, the parties are even suggested to resort to the ADR method they see fit.

In the end, given the voluntary nature of arbitration, the willingness of the parties to submit their controversy to the hands of a non-judge will always be the definitive factor to take into account, but the contextual elements seem to suggest, in the case of Argentina, that it would be wise to consider this alternative and to accept that the parties to a contract are more than able to self-regulate.

Agustín Ronzoni (Jun 29, 2023 16:33 GMT+2)

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ANNEX I

Provincial Codes of procedure in civil and commercial matters	Relevant sections
Jujuy	Article 404. The following questions cannot be agreed to be referred to arbitration: 1. Questions not capable of being the subject matter of a settlement agreement. 2. Questions on parental consent to marriage, nullity of marriage, divorce, marital status of a person, legal capacity, validity and nullity of a person's will and, in general, any other matter prohibited by law.
Salta	Article 766: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Formosa	Article 772: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.

Chaco	Article 321: At any point in time during the procedure up until the moment the judge issues the ruling, the parties may agree to referred the controversy to the jurisdiction of one or more arbitrators, in the way established by and under the terms of Articles 1649 and related ones of the national Civil and Commercial Code. The judge will merely examine if the controversy at hand is not included in the prohibitions of Article 1651 and will end the procedure. Another procedure for the same subject matter controversy may not be brought.
Catamarca	Article 764: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Tucumán	No current legislation on arbitration. Only the provisions for the arbitration agreement of the Civil and Commercial Code apply. The former provincial procedural code (repealed as of november 2022) stated in Article 459: "*Art. 459.- The following questions cannot be submitted to the decision of amiable compositeurs: 1. Disputes on pure questions of law. 2. Questions on the marital status and legal capacity of a person. 3. Questions on public property. 4. Questions that demand that the Public Advocacy Ministry take part on the matter. 5. Questions on property of legally incapacitated persons or absent persons, unless a judge who is called to know on the matter authorizes it. In general terms, all those questions strictly prohibited by law.*
Santiago del Estero	Article 752: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Misiones	Article 737: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Corrientes	Article 706: Any question that can be the subject matter of a settlement agreement may be submitted to arbitration. Questions on unwaivable rights or on the marital status or on the legal capacity of a person (except those questions on pecuniary rights derived from them) may not be referred to arbitration.

Entre Ríos	Article 766: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Córdoba	Article 602: Disputes involving rights that may not, according to the substantive law, be the subject matter of a settlement agreement may not be submitted to arbitration.
La Rioja	No legislation on arbitration.
Santa Fe	Article 416: Any question, even those put on trial and no matter the current status of that procedure, may be submitted to arbitration if all parties concerned agree to it, except those questions that cannot be the subject matter of a settlement agreement, as established by substantive law.
Buenos Aires[92]	Article 775: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
La Pampa	Article 714: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
San Luis	Article 764: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Mendoza	Article 313: When instituted by law or by agreement of the parties, one or more questions may be referred to the jurisdiction of an arbitral tribunal in law or equity, or of amiable compositeurs or to the determination of an expert. No voluntary arbitration may be conducted over rights which the parties do not freely dispose of or when the public interest is compromised.
	Article 730: Any question or dispute, brought either by a single or a collective party, may be submitted to the

[92] The province of Buenos Aires and the City of Buenos Aires are two different things. The province is the second largest one in Argentina in terms of square kilometers of territory. The provincial capital and seat of the provincial powers is the city of La Plata, located 60 kilometers south of the City of Buenos Aires, which was, up until 1994, the "federal capital" and seat of the federal powers. The City limits the province in all the territory around it (except to the east, where it limits with the La Plata river) and some departments belonging to the province, together with the whole city, form part of the Metropolitan Area of Buenos Aires. The Federal Congress, the presidency and the Federal Supreme Court are located in the City, the current status of which, after the 1994 reform to the federal constitution, is that of an "autonomous city" with almost provincial standing. It has its own local legislature, judiciary and executive. Commercial Courts in the City of Buenos Aires are called "national" as an inheritance from the Spanish name given to the central courts from Madrid, given that Buenos Aires was the "federal capital" and seat of the "national government". The administration of justice in commercial matters has still not been transferred to the local judiciary, which is why those courts apply the "national" (federal) Code of procedure in civil and commercial matters, just as federal courts do. The provincial commercial courts of the province of Buenos Aires apply the provincial procedural Code quoted in this chart.

San Juan	decision of an arbitral tribunal, with the exception of those which may not be the subject matter of a settlement agreement or those expressly excluded by law. The submission to the arbitral proceedings may be agreed upon in the contract or in a subsequent addendum. The parties may submit to arbitration any and all controversies that arise between them during a trial, no matter the status of that procedure.
Río Negro	Article 1: The jurisdiction of the provincial courts cannot be extended, except in terms of territory by the will of the parties in those matters in which the public interest is not compromised, but it cannot be extended to foreign judges or to arbitrators seated outside of the Republic. Article 737: Questions that cannot be the subject matter of a settlement agreement cannot be agreed to be referred to arbitration.
Neuquén	Article 764: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Chubut	Article 750: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Santa Cruz	Article 1: The jurisdiction of the provincial tribunals cannot be extended, except in terms of territory exclusively in pecuniary matters, at the will of the interested party, but not in favor of foreign judges or arbitrators seated outside of the Republic. This is without prejudice to the provisions from international conventions to which the Republic is a party. Article 721: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.
Tierra del fuego	Article 14. The parties to a proceeding may not agree to repeal applicable law, except it is an arbitral proceeding. Article 711: Any question that may not be the subject matter of a settlement agreement cannot be submitted to arbitration.