

5. ARBITRATION OF INTELLECTUAL PROPERTY DISPUTES IN ETHIOPIA: EXPLORING THE LEGAL AND INSTITUTIONAL GAPS

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investment activities. Intellectual property (IP) legal disputes arise out of such trade and investment court litigation for trade related regimes. Arbitration gives parties the autonomy they need to tailor rules and procedure specific to their IP disputes. Unlike global trends, arbitration is an underdeveloped practice in Ethiopia. Litigation overburdens courts and due process suffers because of long-drawn-out litigation. As a result, trademark and copyright

litigation in Ethiopia suffers from delays and overcrowded court rolls. The legal and institutional challenges, as well as the dearth of IP professionals have an impact on the development of IP arbitration in Ethiopia. It also ultimately affects the attraction of investment and trade into the country.

Arbitration gives

Keywords: intellectual property rights, trademark, copyright, arbitration, IP dispute, IP dispute arbitration

1. INTRODUCTION

The global economy is increasingly based upon conceptual products, converged technologies and international networks.¹ Intellectual property rights (IPRs) continue to be the most valuable assets of many businesses. Intellectual property (IP) has a commercial importance by allowing creators or owners of patents, trademarks, copyrighted works or other IPRs holders to derive financial reward from the use and exploitation of their work.²

Countries have laws to protect IP for two main reasons. One is to give legal protection to the moral and economic rights of creators in their creations.³ The second is to promote creativity and its accessibility. The legal protection of new creations encourages the commitment of additional resources for further innovation. The promotion and protection of IP encourages fair trading which would contribute to the economic growth and social development of the country.⁴ In Ethiopia, laws were promulgated and an

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² ibid.

³ William Daley, 'In search of Optimality: Innovation, Economic Development, and Intellectual Property Rights', (GSDR Prototype Briefs, 2014) 1.

⁴ 'Balew Mersha and G/Hiwot Hadus, 'Concept, Scope and Nature of Intellectual Property Rights'

autonomous body called Ethiopian Intellectual Property Office (EIPO) was established to protect IPRs. However, the introduction of legal and institutional framework with regard to IP is immature and a recent phenomenon compared to other countries⁹

The industrial and commercial activity stemming from IP may engender legal disputes. IP disputes may arise out of ownership, licensing, validity and infringement of rights concerning, among others, patents, trademarks, copyrights, trade names, integrated circuits, plant varieties, designs and utility models.¹⁰ In multiple jurisdictions, arbitration is increasingly being used in disputes arising from IPRs. Disputes occurring out of IPRs often containing highly technical subject matter and can benefit by the distinctive nature of arbitration.

In Ethiopia, arbitration is not a well developed practice for commercial and IPR disputes generally. This is in part, due to legal and institutional gaps and problems related to it. The main theme of this paper is to assess the challenges and problems associated with the legal and institutional aspects of arbitration to deal with IP disputes in Ethiopia. In this paper, the status of Ethiopia in protecting IPRs and the most IP disputes in Ethiopia will be discussed in brief. Arbitration as an alternative to court litigation for IP disputes and the major conundrum for effective utilization of arbitration in Ethiopia will also be explored.

⁹ Kiya Tsegaye, 'Copy Right Protection in Ethiopia: Shining law, Zero effect' (Addis Standard, 19 November 2012) 1.
<<http://www.abysinnialaw.com/blog/posts/item/1487>> accessed

framework does not create an enabling legal infrastructure to
make arbitration effective. The law is also criticized for
allowing huge involvement of national courts early in the maly.ur71.4 1 (4k d)9 (4k d)6 (0.6 (5 (4k d) CTJ -0.0Tw 19.-6.de1 (c

submission or arbitration clause.¹²² However, it is silent about the doctrine of separability which presumed that an arbitration clause has an independent existence of the main contract in which it is placed. The doctrine of separability is adopted in different jurisdictions and legal orders, including in UNCITRAL model law.¹²³ The doctrine keeps an arbitration clause from being affected by the main contract and empowers arbitrators to handle any dispute that arises from the main contract.¹²⁴ Moreover, the doctrine of competence-competence is not fully adopted under Article 33304 (ed i)-16 (n di)-2.7 ((pet)-tl)-2.7 d

on 13 February 2020.¹³⁵ The convention is widely recognized as a basis of international trade and investment law.¹³⁶

Before ratifying the New York convention, the Civil Procedure Code of the country omits recognition but only sticks to enforcement of foreign arbitral awards. It was unclear why legislators wanted to concentrate only on execution of foreign arbitral award.¹³⁷ In spite of the fact that recognition and enforcement are often read together, the legal effect they have is different at domestic and international levels. An award may be recognized, without being enforced. However, if an award is enforced, then it is necessarily recognized by the court that orders such enforcement.¹³⁸ Being a member to the New York Convention settle this issue as the Convention contains provisions for recognizing and enforcing international arbitral awards.¹³⁹ Moreover, unlike the New York Convention, Ethiopia's Civil Procedure Code does not define foreign arbitral award. It was left to the discretion of courts to offer meaning to the term.¹⁴⁰ In addition, the grounds set forth for the recognition and enforcement of a foreign arbitral award under the Civil Procedure Code were obsolete and stringent and did not match up with the current development in international commercial arbitration.¹⁴¹ For instance, the doctrine of reciprocity has been retracted in the New York Convention as it is more political than serving the purpose of arbitration and protecting the prevailing interest of the parties.¹⁴²

Ethiopia's ratification to the convention will enable foreign arbitral awards, including IP arbitration awards, to be

enforced before Ethiopian courts as if they are decided locally as far as the flexible grounds under the convention are fulfilled. Similarly, international arbitration which will be held in Ethiopia will be enforced in other member states to the convention.¹⁴³ However, without having a modern and comprehensive arbitration framework, the arbitration service in Ethiopia cannot function competitively with a mere ratification of the New York Convention in the context of IP dispute arbitration.

B. INSTITUTIONAL FRAMEWORK

Functional institutions for arbitration in Ethiopia are organizations or associations created by law to be centers of dispute settlement. The centers will dispose of or provide services to interested groups who need a private settlement mechanism for their disputes. Centers of arbitration established and duly registered have the responsibilities to provide a venue for the disputants and introduce the arbitration systems to the public and legal place of work.

Ethiopia has certain institutional structures for IP disputes like the internal committee of EIPO, the regular courts, the Federal Trade Competition and Consumer Protection Appellant Tribunal. IP disputes by their nature involve technical matters. Settling trademark and copyright dispute through courts often take many years.¹⁴⁴ This is because Ethiopia's judicial system is labeled as inadequately staffed and judges are general practitioners, unskilled, and inexperienced to entertain IP disputes.¹⁴⁵ To overcome this problem, the Copyright and Neighboring Rights Protection

¹³⁵ 'Ethiopia Ratifies the New York Convention' (Capital Ethiopia Addis Ababa, 3 March 2020) <<https://www.capitalethiopia.com/society/ethiopia-ratifies-the-new-york-convention/>> accessed 4 May 2020.

¹³⁶ Convention on the Recognition and Enforcement of Foreign Arbitral Awards (adopted 10 June 1958, entered into force 7 July 1959) 330 U.N.T.S. 38 [hereinafter New York Convention]

¹³⁷ Tecele Hagos Bahta, 'Recognition and Enforcement of Foreign Arbitral Awards in Civil and Commercial matters in Ethiopia' (2011) 5(1) Mizan Law Review 105, 107.

¹³⁸ *ibid.*

¹³⁹ *ibid.*

¹⁴⁰ *ibid.* 109.

¹⁴¹ *ibid.* 140.

¹⁴² *ibid.* 122.

¹⁴³ *ibid.*

¹⁴⁴ Sahilemariam Wodajo Mamo, 'Factors Determining the Choice between Public and Private Adjudication in Ethiopia: Focusing on Commercial Disputes' (LLM thesis, University of Addis Ababa 2018)

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¹⁴⁵ Tsegaye (n 9) 3.

¹⁴⁶ World Bank, 'Ethiopia: Legal and Judicial Sector Assessment' (Washington DC 20433, 2004) 38.

Proclamation stipulates for the establishment of a special IP tribunal to entertain IP disputes.¹⁴⁷ Though the IP office has started some activities to establish this tribunal under its realm, trademark and copyright disputes has been entertained by regular courts so far despite delays and congested court rolls.¹⁴⁸

Ethiopia's existing arbitral institutions are the Addis Ababa Chamber of Commerce Sectoral Association (AACCSA) Arbitration Center (the Center) and the recently established Bahirdar University Arbitration Center. These Centers provide commercial arbitration services to various undertakings. However, the Centers do not have any experience in conducting and administering trademark and copyright disputes.¹⁴⁹ This is attributed to the fact that Ethiopia lacks sufficiently qualified IP arbitrators.¹⁵⁰ Beside these two centres, there is not any other commercial arbitration institution in Ethiopia. In fact, there had been Ethiopian Arbitration and Conciliation Center (EACC) established by a group of Ethiopian lawyers.¹⁵¹ However, due to the enactment of the Charities and Societies Proclamation, the centre is dissolved.¹⁵² This indicates that, the role of the government to establish a formal commercial arbitration system is significant.¹⁵³

Moreover, the Centers have not supported by a modern arbitration law that accommodate international arbitration. International arbitration is out of reach of the Centers.¹⁵⁴

C. INTELLECTUAL PROPERTY EXPERT AS AN ARBITRATOR

IP expertise plays a useful role in the administration, protection and dispute settlement of IP.¹⁵⁵ However, in Ethiopia, because the field is new, there are insignificant

¹⁴⁷ CR (Amendment) Proclamation, art 44.

¹⁴⁸ Meheret (n 99) 2.

¹⁴⁹ Interview with Yohannis Woldegebriel, Director, AACCSA Arbitration Institute (Addis Ababa, Ethiopia, 10 July 2019).

¹⁵⁰ *ibid.*

¹⁵¹ Demamu (n 115) 47.

¹⁵² *ibid.*

¹⁵³ *ibid.*

¹⁵⁴ Woldegebriel Interview (n 149)

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Tsegaye K, 'Copy Right Protection in Ethiopia: Shining Law,
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