# ARBITRABILITY OF PATENT DISPUTES:

# COMPARATIVE ANALYSIS OF AUSTRIAN, GERMAN, AND SWISS LAW

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# ABSTRACT

This thesis focuses on the issue of arbitrability of patent disputes. This topic is highly relevant, taking into account the increasing number of patent disputes and significance of patents in various industries all around the world.

While there is a general trend that disputes related to intellectual property should be arbitrable, there is still a discussion regarding the extent to which patent disputes should be decided in arbitration proceedings, considering possible public policy concerns. The thesis aims to cover three countries in the DACH region: Austria, Germany, and Switzerland. The choice stems not only from personal interest and connection to these countries but also from the limited analysis of these issues compared to those in common law countries.

The two specific types of disputes that give rise to major concerns are infringement and validity. Therefore, the thesis examines how arbitral tribunals address these two types of disputes and to what extent such claims may be arbitrable. To outline this, not only were the arbitration laws investigated, but also the nature and specifics of the judicial systems and patent legislation of each country. Moreover, the thesis captures relevant and available cases, which help to understand better the real-world application of arbitration laws within the particular jurisdiction. The analysis of guides, as well as scholarly comments and opinions, was also included in the study to provide a detailed overview of the current state of development of arbitrability issue.

This thesis is essential for further developments in the field of arbitrability of patent disputes, as it complements the current discussion of this issue. Based on this study, it is possible to understand which factors influence the specific approach towards arbitrability in each jurisdiction. This increases the predictability for businesses regarding which jurisdiction is

better to decide certain types of patent disputes. Therefore, they have an opportunity to tailor their interests and business needs to the specific characteristics of each country's legislation. This approach can foster the settlement of patent disputes and have a positive impact on business activities. All in all, the thesis contributes not only to the academic field but also has a practical value. Word count of the thesis: 12590.

# INTRODUCTION

The present thesis focuses on the issue of arbitrability of patent disputes. Given the relevance of patent disputes in different jurisdictions in the modern world, concern regarding a suitable venue for dispute resolution is raised. Patents are essential not only in one field but seen as a crucial instrument in various areas. For instance, the number of patents constantly grows in the information and communication technologies sector.[2]

Parties more often try to resolve patent disputes through arbitration instead of litigation, considering the significant advantages that it offers, namely efficiency, confidentiality, and flexibility. On the other hand, the nature of patent rights may raise obstacles, such as public policy concerns by the states. In most countries, public authorities possess the right to award patents. In such cases, states believe that domestic courts should have the power to decide on these matters[3].

Therefore, this thesis will provide an overview of the concept of arbitrability as well as its practical application in different jurisdictions. In this light, the main goal is to examine the extent to which patent disputes are arbitrable in international commercial arbitration[4]. To determine this, potential challenges and limitations that parties can face will be outlined.

Considering different types of patent disputes that may arise, a separate examination of patent infringement and patent validity disputes will be made. In this light, the thesis will also cover the question of whether such an arbitral award will have a general legal effect (erga omnes) or will only impact the parties involved in the disputes (inter partes).



[2] Stefano Comino, Fabio M Manenti and Nikolaus Thumm, 'The Role of Patents in Information and Communication Technologies: A Survey of the Literature' (2019) 33 Journal of Economic Surveys, 404.
[3] Wei-Hua Wu, 'International Arbitration of Patent Disputes, 10 J. Marshall Rev. Intell. Prop. L. 390 (2011)'.
[4] ibid., 387.

The thesis focuses on specific jurisdictions, namely Switzerland, Germany, and Austria. The decision to conduct research based on the legislation of these countries, which are also known as the DACH region, stems from different approaches which are applicable to the concept of arbitrability of patent disputes. Even though these countries are German-speaking, various approaches can be observed towards public policy concerns, the role of domestic courts and possible resort to arbitration. The choice falls under Switzerland because it is considered a popular venue for arbitration. Moreover, it offers Swiss rules for arbitration that parties may consider favorable and prioritize among others. In Germany, the situation regarding the arbitrability of different types of patent disputes is uncertain[5]. Similarly, Austrian legislation does not offer clear and unambiguous trends[6]. Therefore, it is essential to find out the reasons which affect such approaches to outline similarities and differences between these jurisdictions.

As Germany and Austria are European countries and Switzerland is not, it will be essential to outline whether there are common trends regarding the settlement of patent disputes using arbitration or, in contrast, how legislations differ. Such aspects as close geographic place, similar economic state and cultural context also influence the choice of these jurisdictions.

Moreover, the choice of these jurisdictions is related to the personal interest as well as academic and linguistic familiarity with the legal systems of these countries, ensuring a more precise analysis. Another factor that led to the selection of the frameworks of these countries is that the issue of the arbitrability of patent disputes has been more extensively explored in common law systems but less within the selected countries of the civil law jurisdictions. This insufficiency makes the research even more relevant and valuable.



[5] Dr. Arno Riethmüller, Maximilian Menz, and Marios Kourtis, 'Arbitration Guide - Germany' Updated December 2023, 9.
[6] Jayems Dhingra, 'Arbitrability of Intellectual Property Rights Validity Disputes', 10.

The thesis will emphasize the intersection of theory and practice. For this reason, relevant cases and current legislation related to commercial arbitration as well as intellectual property law will be analyzed. Moreover, research will also assess recommendations and policies of international organizations, which are critical in forming general trends.

Regarding the structure of the present thesis, there will be a division into two chapters. In the first chapter, there will be two parts. Firstly, the thesis will provide a general overview of the definition of patents as well as their role and perception in the modern world. Moreover, we will discuss the theoretical nature of the two types of patent disputes, namely disputes related to validity and infringement. In the second part of this chapter, arbitration, one of the alternative dispute resolution mechanisms, will be examined. We will focus on the concept of arbitrability in general and its significance regarding patent disputes. As with any dispute resolution method, arbitration has both advantages as well as certain limitations. It will be analyzed in the context of patent disputes as a specific area of intellectual property. We will outline in detail possible challenges that may prevent the recourse to arbitration having attempted to resolve patent disputes. The thesis will also give an overview of the nature of such complications.

The second chapter will focus on the comparative analysis of the arbitrability of patent disputes in Switzerland, Germany, and Austria. This chapter contains three parts. Each jurisdiction will be examined separately, focusing on the relevant legislative provisions, up-to-date case law, and views of scholars. Within this chapter there will be a comprehensive comparative analysis of the key differences and similarities of arbitrability of patent validity and patent infringement disputes between Switzerland, Germany, and Austria.

As a result, the present thesis will explore the extent to which patent disputes are arbitrable in Switzerland, Germany, and Austria, based on the comparative approach and detailed examination of potential limitations which parties may face when addressing patent disputes

to arbitration. This analysis will foster the predictability of arbitral awards in patent dispute cases in these jurisdictions.

# CHAPTER 1. GENERAL OVERVIEW OF THE INTERSECTION OF PATENT DISPUTES AND ARBITRATION

The present chapter will examine how the general meaning of patents and their characteristics may shape arbitration proceedings. It provides a detailed overview of the peculiarities of the nature of patents, which can affect the choice of method for dispute resolution. Moreover, the focus is on patent validity and infringement disputes. Each type has its own legal implications and requires separate analysis. Considering the topic of the thesis, it is essential to define how intellectual property law may influence dispute resolution procedures. In the second part of this chapter, the concept of arbitrability will be discussed. It is crucial to understand the criteria that determine whether certain types of patent disputes, specifically validity and infringement disputes, can be resolved through arbitration. Focusing on arbitration, the chapter outlines the possible benefits of this method of dispute resolution for patent disputes. On the other hand, potential drawbacks are also considered as a part of this chapter. All in all, this chapter provides an overview of the legal framework of patents, as well as practical considerations for arbitration.

## 1.1 Overview of the notion of "patents" and different types of patent disputes

### 1.1.1 Significance of patents

To begin with, the World Intellectual Property Organization (thereafter WIPO) provides the following definition of the notion of a patent: "A patent is an exclusive right granted for an invention"[7]. Inventors enjoy the rights that allow them to exercise legal protection for their

[7] 'Patents' (*World Intellectual Property Organization. Patents*) <https://www.wipo.int/web/patents> accessed 4 April 2025.

inventions[8]. This protection can include the consent that the patent owner must grant to allow the commercial use, distribution, or sale of it[9]. Such types of rights are usually known as negative and are limited in duration[10].

Patents are widely used in various areas, including pharmaceuticals, technology, information technology, and chemistry. It should be stated that states or their sovereign authorities grant these exclusive rights. This implies that their protection is limited to this specific country[11]. Therefore, the rights of the inventor are enforceable only within the jurisdiction where the patent was issued. This may lead to challenges for inventors who seek multinational protection.

The meaning of the word "patent" stems from the Latin phrase, which may be interpreted as "open letter"[12]. Individuals received an open letter from the sovereign authority in England, which granted them rights to inventions[13]. This practice was established in the distant Middle Ages[14], but the concept of patents and their role remains consistent to this day.

For a better understanding of the nature of patents, it is essential to outline the scope of patentability. It should be noted that the scope may vary across different jurisdictions. However, we will consider the European Patent Convention, to which Switzerland, Germany, and Austria are contracting parties. Thus, according to Article 52 (1) of the European Patent Convention, to meet the requirements, patents should be novel, inventive, and capable of industrial application[15]. It should be noted that under Article 53 of the EPC, there are specific



[8] ibid.
[9] ibid.
[10] Richard H Shear and Thomas E Kelley, 'A Researcher's Guide to Patents' (2003) 132 Plant Physiology 1127.
[11] Paul Torremans Justine Pila, *European Intellectual Property Law* (2nd edn, Oxford University Press 2017) 100.
[12] Stavroula Karapapa and Luke McDonagh, '15. Introduction to Patents', *Intellectual Property Law* (Oxford University Press) 364 <https://www.oxfordlawtrove.com/display/10.1093/he/9780198747697.001.0001/he-9780198747697-chapter-15> accessed 4 April 2025.
[13] ibid.
[14] ibid.
[15] 'European Patent Convention (EPC) Article 52 – Patentable Inventions' (5 October 1973) <https://www.epo.org/en/legal/epc/2020/a52.html> accessed 4 April 2025.

public policy grounds under which it is impossible to register the patent. For instance, plant or animal varieties and methods of treating the human or animal body by surgery or therapy[16]. This approach ensures that any potential adverse ethical and social implications related to the use of patents are mitigated.

The question regarding the necessity of patents may arise. However, several justifications show the importance of patents. For instance, the first reason is connected to the concept that when creating something, individuals should have property rights over it[17]. Moreover, if these creations are beneficial to the community, the inventors should receive rewards for their services[18]. Since these inventions are beneficial to society, it can be concluded that they have a significant impact on the country's economic growth[19]. Therefore, patents are valuable not only to inventors but also to society, as they shape the global economic market.

According to Article 83 of the EPC, when applying for a patent, a patent application must contain all information regarding the technical details of the invention[20]. Such public disclosure allows others to examine the technology. This procedure encourages innovation because inventors have the opportunity to receive financial rewards, while the public can learn about new developments in specific areas[21].



[16] 'European Patent Convention (EPC) Article 53 – Exceptions to Patentability' (5 October 1973) <https://www.epo.org/en/legal/epc/2020/a53.html> accessed 6 April 2025.
[17] Stavroula Karapapa and Luke McDonagh, '15. Introduction to Patents', *Intellectual Property Law* (Oxford University Press) 368 <https://www.oxfordlawtrove.com/display/10.1093/he/9780198747697.001.0001/he-9780198747697-chapter-15> accessed 6 April 2025.
[18] ibid.
[19] ibid.
[20] 'European Patent Convention (EPC) Article 83 – Disclosure of the Invention' (5 October 1973) <https://www.epo.org/en/legal/epc/2020/a83.html> accessed 6 April 2025.
[21] Stavroula Karapapa and Luke McDonagh, '15. Introduction to Patents', *Intellectual Property Law* (Oxford University Press) 368 <https://www.oxfordlawtrove.com/display/10.1093/he/9780198747697.001.0001/he-9780198747697-chapter-15> accessed 6 April 2025.

Patent disputes may arise over ownership issues, contractual breaches, or licensing terms, for instance. However, these issues are generally considered arbitrable[22]. Thus, the thesis aims to examine those aspects regarding which there is less certainty regarding arbitration as an appropriate tool for settling disputes. Among them, it is possible to outline validity and infringement issues. The reason is that these types of disputes raise not only complex legal questions but also concerns related to policy, namely the rights of third parties, public order, and the mandate of national courts and patent authorities.

All in all, patents are crucial for the development of various industries, which in turn foster the economic well-being of countries. These exclusive rights, inter alia, benefit inventors, enabling them to receive remuneration for their ideas. Thus, patents not only benefit society but also ensure the protection of investors' ideas.

### 1.1.2 Patent validity disputes

What does it mean, and what is the validity of the patent? Patent must meet certain criteria to be considered valid. Such criteria are outlined in a number of legal documents, such as the TRIPS Agreement or the European Patent Convention. Under Article 27 of the TRIPS Agreement, inventions must be new, not obvious, and capable of industrial application[23]. The same patentability criteria are specified in Article 52 of the European Patent Convention[24]. All in all, both instruments have a similar approach to defining the concept of validity of patent disputes, while TRIPS establishes global standards, and the EPC focuses on implementing



[22] M.A. Smith, M. Cousté, T. Hield, R. Jarvis, M. Kochupillai, B. Leon, and J.C. Rasser, M. Sakamoto, A. Shaughnessy, J. Branch, 'Harvard Journal of Law & Technology' (2006) Volume 19, Number 2 304.
[23] 'Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)' (15 April 1994) <https://www.wto.org/english/docs_e/legal_e/27-trips_04c_e.htm> accessed 13 April 2025.
[24] 'European Patent Convention (EPC)' <https://www.epo.org/en/legal/epc/2020/a52.html> accessed 13 April 2025.

these requirements within the European framework. Patent validity disputes usually occur when one of these criteria is not met.

It should also be noted that "patents are granted with a presumption of validity"[25], which means that patents are considered valid unless there is strong evidence that they should not have been granted.

According to Walter Holzer's view, it is not usually possible to challenge a valid patent in arbitration[26]. However, "it can be challenged in an indirect way between the parties if one takes into account substantive invalidity arguments when assessing the scope of protection"[27]. In practice, such an approach means that the arbitral tribunal has no power to revoke a patent. However, it can examine the arguments of the parties, considering why the patent might be invalid when deciding the extent of protection that it grants within the specific circumstances existing between the parties.

It is also essential to examine whether non-validity or infringement claims are typically the central claims or whether they arise as a defense by one of the parties. In this light, we can consider hypothetical scenarios. For instance, when a license dispute arises, the main claim may be related to the contractual terms (such as royalty payments, etc.). The opposing party, in this case, can raise a patent invalidity claim to justify non-payments[28]. This type of invalidity claim can be considered as a "counterclaim or defense"[29]. In this situation, the tribunal can assess the invalidity claim to the extent that is necessary and relevant to the settlement of this



[25] Walter Holzer, 'Effective Mechanisms for Challenging the Validity of Patents' 1.
[26] ibid, 12.
[27] ibid, 12.
[28] M.A. Smith, M. Cousté, T. Hield, R. Jarvis, M. Kochupillai, B. Leon, and J.C. Rasser, M. Sakamoto, A. Shaughnessy, J. Branch (n 19) 328.
[29] Philipp Groz, Peter Picht and Alisa Zehner, 'Arbitration of Patent Disputes and the Agreement on a Unified Patent Court' Intellectual Property 2.

contractual dispute. Therefore, the invalidity claim is considered a "side claim" but is still resolved through recourse to arbitration.

### 1.1.3 Patent infringement disputes

To begin with, the patent owner has the exclusive right to prohibit unauthorized use, production, offering for sale, or import of the invention by third parties. When such actions occur without the permission of the patent owner, they can be considered patent infringement[30]. In this light, the owner should be actively involved in enforcing its intellectual property rights and monitoring possible violations. This means that obtaining patent rights does not guarantee that other parties will not violate them[31]. Therefore, the patent holder needs to stop the infringement when such happens and seek remedies for infringers through litigation or arbitration.

Infringement disputes are of a non-contractual nature, meaning that there was no prior agreement regarding the type of settlement of the dispute between the parties[32]. However, for the dispute to be settled through arbitration, a previous agreement is needed[33]. Considering such circumstances, parties to the patent infringement dispute should agree separately to use arbitration for the settlement of the dispute after it arises[34].

Nowadays, parties more often resort to arbitration in settling patent disputes related to the infringement procedure[35]. Different types of intellectual property disputes, involving those



[30] 'Intellectual Property Enforcement' (*ip-enforcement*) <https://www.wipo.int/web/ip-enforcement> accessed 13 April 2025.
[31] ibid.
[32] Kiera Gans and others, 'International Arbitration and IP Disputes' 1.
[33] ibid.
[34] ibid.
[35] Richard Price, 'A European Perspective on the Arbitration of Patent Disputes' (*Kluwer Arbitration Blog*, 29 March 2016) <https://arbitrationblog.kluwerarbitration.com/2016/03/29/a-european-perspective-on-the-arbitration-of-patent-disputes/> accessed 13 April 2025.

related to validity and infringement, tend to be settled more often through arbitration[36]. Thus, according to WIPO statistics, 33% of disputes referred to WIPO were resolved through arbitration[37].

Coming back to the topic of main or side claims, we can assume a situation where a patent holder accuses a competitor of infringing its patented technology. In the present case, an infringement claim can be considered as the "main claim", and the tribunal will focus entirely on its examination. According to WIPO Arbitration anonymized case examples, there were several practical cases regarding patent infringement, demonstrating that patent infringement disputes are regularly submitted and resolved through arbitration under its rules[38]. One dispute between the European and US-based companies was related to the infringement of US and European patents on medical devices. In this situation, arbitrators rendered awards specifically on the issue of infringement, which was central[39]. In another dispute between two American companies, the tribunal addressed the infringement of a European patent that grants protection for consumer goods[40]. In this case, the infringement claim can also be considered as the core one.

## 1.2 Arbitration as a dispute resolution method for patent disputes

### 1.2.1 Definition of arbitrability in the context of patent disputes

To begin with, it is essential to provide the definition of "arbitrability". The question of whether a dispute can be resolved through arbitration is examined according to the law of the



[36] Pierre-Yves Gunter John V H Pierce, *The Guide to IP Arbitration* (Second Edition, Law Business Research 2022) 260.
[37] 'WIPO Caseload Summary' <https://www.wipo.int/amc/en/center/caseload.html> accessed 14 April 2025.
[38] 'WIPO Arbitration Case Examples' <https://www.wipo.int/amc/en/arbitration/case-example.html> accessed 23 May 2025.
[39] ibid.
[40] ibid.

seat of arbitration[41]. Therefore, there are different approaches in each jurisdiction on the concept of arbitrability. If construed broadly, the concept of arbitrability encompasses the question of the tribunal's jurisdiction[42]. Moreover, considering the views of the practitioners, Youssef, for instance, focuses on the fact that arbitration arises from a contractual arrangement, thus "an objective notion, arbitrability is … the fundamental expression of the freedom to arbitrate. It defines the scope of the parties' power of reference or the boundaries of the right to go to arbitration in the first place"[43].

Given that patents are valid only within a certain territory, the validity of the patent in Europe may be considered as being only within the jurisdiction of the courts in the territory where the patent is registered. Despite this fact, there is a view that disputes regarding the patent's commercial exploitation can be resolved through arbitration[44]. Moreover, certain public policy issues may influence recourse to state courts when dealing with intellectual property disputes. The purpose is to ensure that the dispute is resolved within a framework that puts the public good first.

Nowadays, the concept of arbitrability is seen in the way that most issues can be handled by arbitration, and only in rare cases, mostly involving domestic issues, should not be suitable for resolution through arbitration[45].



[41] 'Arbitrability Definition | Legal Glossary | LexisNexis' <https://www.lexisnexis.co.uk/legal/glossary/arbitrability> accessed 8 April 2025.
[42] Loukas A Mistelis, '"Part I Fundamental Observations and Applicable Law, Chapter 1 - Arbitrability – International and Comparative Perspectives" in Loukas A Mistelis and Stavros Brekoulakis (Eds)', *Arbitrability: International and Comparative Perspectives*, vol 19, 5 <https://www.kluwerarbitration.com/document/ipn31585> accessed 8 April 2025.
[43] ibid.
[44] ibid.
[45] ibid.

Most countries' arbitration laws do not provide which law should decide whether a dispute can be settled through arbitration. Instead, such laws directly provide the types of disputes that can or cannot be resolved by arbitration[46].

Considering the notion of arbitrability in legal instruments, Articles II (1) and V (2)(a) of the New York Convention should be taken into account. In this light, Article II (1) highlights the disputes "concerning a subject matter capable of settlement by arbitration"[47]. This means that not all issues can be settled through arbitration, which sets certain limits on the types of disputes that are suitable for arbitration. Regarding the recognition or enforcement of arbitral awards, according to Article V (2)(a) and (b), domestic courts in the country may refuse to uphold or give effect to an arbitral award if the dispute involves matters that are not arbitrable under the laws of the country. Moreover, such a refusal can happen if the award contradicts this country's public policy provisions.

It should be noted that the power of an arbitral tribunal stems from the contractual obligations, which means that its decision will be effective only to the parties to the dispute, not dealing with the issues that go beyond their dispute[48]. On the other hand, the question of whether the subject matter is arbitrable should be decided on a case-by-case basis, involving an examination of the public interest and the role of third-party matters[49].

In conclusion, the concept and definition of arbitrability in the context of patent disputes depend significantly on the laws and public policy of each country. Therefore, parties may face



[46] ibid.
[47] New York Convention, 'United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 10 June 1958)' <https://www.newyorkconvention.org/english> accessed 13 April 2025.
[48] Paul Tan, Nelson Goh and Jonathan Lim, 'Arbitrability' in Nelson Goh, Jonathan Lim and Paul Tan (eds), *The Singapore International Arbitration Act: A Commentary* (Oxford University Press 2023) <https://doi.org/10.1093/law/9780198828693.003.0010> accessed 13 April 2025.
[49] ibid.

limitations on the scope of subject matters of patent disputes that can be settled through arbitration.

### 1.2.2 Advantages and limitations of arbitration as a dispute resolution method for patent disputes

Arbitration has certain advantages in dealing with patent disputes, compared to other methods of dispute settlement. All general benefits of arbitration proceedings apply to this specific type of dispute related to patents[50].

#### Selection of arbitrators

For instance, parties can choose arbitrators who have proficient knowledge in the specific area of law, such as patent law, which will foster a thorough review of the subject matter of the dispute[51]. In addition, the neutrality and independence of the procedure are also ensured, as parties can decide on the nationality and other characteristics of the arbitrators who will constitute the tribunal[52]. It is hard to disagree that this specific knowledge could help to resolve disputes, taking into account all nuances and technicalities. On the other hand, the limitation of this view is that arbitrators usually possess only general knowledge of IP, which may not be sufficient to handle highly complex patent-related disputes effectively. In addition, while patent law is a very specific branch, not a lot of experts who also meet other expectations of parties, such as fees or time frames, may be available[53]. Thus, less competent arbitrators could be



[50] 'Should I Arbitrate My Patent Dispute?' (*Kluwer Arbitration Blog*, 29 November 2022) <https://arbitrationblog.kluwerarbitration.com/2022/11/29/should-i-arbitrate-my-patent-dispute/> accessed 14 April 2025.
[51] 'Why Arbitration in Intellectual Property?' <https://www.wipo.int/amc/en/arbitration/why-is-arb.html> accessed 14 April 2025.
[52] Kiera Gans and others, 'International Arbitration and IP Disputes' DLA Piper 9.
[53] 'The Advantages and Disadvantages of International Commercial Arbitration | Westlaw UK' (*Practical Law*) <https://uk.practicallaw.thomsonreuters.com/Document/I66F810A0C04011E3A639B18445F43948/View/FullText.html?originationContext=document&transitionType=DocumentItem&ppcid=0dcc882e0c044eeca9bea5c356520c22&contextData=(sc.Default)&comp=wluk> accessed 26 May 2025.

chosen for the settlement of the dispute, which may lead to a different quality of outcome in the present patent-related dispute[54].

**Confidentiality**

Moreover, confidentiality reasons also play an essential role[55]. In this light, the International Centre for Dispute Resolution (ICDR), and the London Court of Arbitration (LCIA) provide provisions for when parts of the arbitration procedure can be automatically private[56]. However, there is also a possibility that the tribunal, according to certain provisions of the arbitration rules, may have the power to grant protection to sensitive information[57]. All in all, "proceedings and awards are confidential"[58]. Such a role of confidentiality is justifiable because technical information disclosed during proceedings may reveal commercially valuable details related to innovations. This could result in future financial losses or legal implications. Thus, parties prefer to preserve information related to patents as closely as possible and protect their business activities. I believe that confidentiality and the ability to appoint arbitrators in the field of IP are the two most essential advantages in resolving patent-related disputes. While other benefits remain relevant, they can be considered complementary to these fundamental features.

While confidentiality may be considered a benefit in arbitration proceedings, it can also have certain adverse effects. For instance, as some scholars believe, "confidentiality of arbitral decisions may lead to inconsistent resolution of disputes arising out of the same business transaction but decided by different arbitral tribunals. This carries the risk of conflicting



[54] ibid.
[55] 'Why Arbitration in Intellectual Property?' (n 48).
[56] Gans and others (n 49).
[57] ibid; '2021 Arbitration Rules' (*ICC - International Chamber of Commerce*) <https://iccwbo.org/dispute-resolution/dispute-resolution-services/arbitration/rules-procedure/2021-arbitration-rules/> accessed 14 April 2025.
[58] 'Why Arbitration in Intellectual Property?' <https://www.wipo.int/amc/en/arbitration/why-is-arb.html> accessed 14 April 2025.

awards"[59]. This highlights the importance of a balance between protecting the business interests of patent holders and maintaining a consistent approach in settling certain patent issues that have a significant influence on the entire industry.

**Finality of the decision and enforcement**

The fact that the decision is final and "has limited appeal options"[60] plays a crucial role in the realm of patent disputes, in which partners with stable business relationships, who are the parties to the dispute, would like to obtain clear outcomes to protect their ongoing relationships[61]. Moreover, parties can enforce arbitration awards in different jurisdictions across the world that are parties to the New York Convention[62]. The drawback of the finality of the decision may arise in situations where the parties consider patents as very valuable instruments in their business, which can have a critical impact on their future operations[63]. In this case, they will likely have a strong desire to change the outcome of the award and reconsider it[64].

In contrast, the above-mentioned arguments overlook potential challenges related to the enforcement of such awards. Given that many national authorities tend to believe that issues such as patent validity and infringement should be resolved by local courts or patent offices, they may use the "public policy" exception under Article V (2) of the New York Convention as a reason to refuse enforcement of an arbitral award[65]. Moreover, the significant influence of



[59] Mark R Patterson, 'CONFIDENTIALITY IN PATENT DISPUTE RESOLUTION: ANTITRUST IMPLICATIONS' (2018) FLASH: Fordham Law Archive of Scholarship and History, 387.
[60] 'Why Arbitration in Intellectual Property?' (n 55).
[61] 'The Pros and Cons of Arbitrating Patent Disputes | JAMS Mediation, Arbitration, ADR Services' (4 February 2022) <https://www.jamsadr.com/blog/2019/the-pros-and-cons-of-arbitrating-patent-disputes> accessed 14 April 2025.
[62] Gans and others (n 47), 11.
[63] Gans and others (n 27), 13.
[64] ibid.
[65] Therese Jansson, 'ARBITRABILITY REGARDING PATENT LAW – AN INTERNATIONAL STUDY' 53, 55.

state authorities and the prevailing political state may lead to a situation where courts can refuse to enforce awards for different reasons, even out of the scope listed in the New York Convention[66].

However, according to the views of the esteemed Wei-hua Wu, senior judge of Taiwan Yilan District Court and well-known scholar[67], "the monopoly or public policy cannot be the pretext to preclude arbitrability"[68]. He also argues that "the concept of public policy is so abstract that it should be applied very carefully"[69]. Therefore, based on the analysis of various perspectives, it may be assumed that scholars have different views on how public policy works in enforcing arbitral awards in patent disputes.

**Costs and efficiency**

Some patent disputes may be handled simultaneously within the domestic courts of different jurisdictions, which can lead to significant costs[70]. According to WIPO, the cost example of settling a typical patent infringement case in Germany is about 295,624 EUR[71]. The recourse to arbitration, on the other hand, can help handle all claims in a single proceeding, as well as preclude conflicting outcomes[72]. Therefore, parties will also reduce costs for legal assistance and avoid paying multiple court fees. Another benefit of arbitration is related to the specific system of dealing with patent infringement disputes. For instance, such a bifurcated system exists in Germany, where different courts decide separately on infringement and validity



[66] 'The Advantages and Disadvantages of International Commercial Arbitration | Westlaw UK' (n 50).
[67] Arshpreet Multani, 'BASF's Alternative Dispute Resolution Hosts Taiwanese Judges' (*The Bar Association of San Francisco*, 7 September 2023) <https://www.sfbar.org/blog/basfs-adr-hosts-taiwanese-judges/> accessed 16 June 2025.
[68] Wu (n 2), 396.
[69] ibid, 395.
[70] 'Should I Arbitrate My Patent Dispute?' (n 47).
[71] 'An International Guide to Patent Case Management for Judges' <https://www.wipo.int/patent-judicial-guide/> accessed 14 April 2025.
[72] 'Should I Arbitrate My Patent Dispute?' (n 47).

claims[73]. However, when referring such disputes to arbitration proceedings, all claims may be settled within a single unified process[74]. Such an approach may be more time- and cost-efficient for parties, leading to a more efficient resolution of the dispute.

In contrast, there are some factors that may make arbitration of patent disputes not so efficient and cost-effective. This suggests that the whole discovery process is of critical importance for patent disputes, as it allows for the examination of all technical details related to the issue[75]. It would be impossible to establish a patent infringement, for instance, if not thoroughly reviewing all specific details[76]. Such an approach may lead to significant delays in the process and additional costs, which do not align with the goal of arbitration to foster the process and make it easier for parties[77]. Therefore, parties should be aware of potential delays arising from the complex and technical nature of patent disputes and be prepared to cover the associated costs.

To sum up, arbitration offers significant advantages to parties. It allows them to choose arbitrators with relevant expertise in patent issues, ensures the confidentiality of the process based on the provisions of the arbitration rules, enforces the award in multiple jurisdictions, reduces expenses, and saves time. These factors may affect parties' choice and lead to an increase in the number of patent disputes referred to arbitration over litigation. However, some advantages may be overstated in practice. Thus, their actual impact may remain unclear to the parties. Despite this, the advantages that parties receive when resorting to arbitration may have



[73] ibid.
[74] ibid.
[75] Gregg A Paradise, 'Arbitration of Patent Infringement Disputes: Encouraging the Use of Arbitration Through Evidence Rules Reform' 64 FORDHAM LAW REVIEW 266.
[76] ibid.
[77] ibid.

a more significant impact on the better resolution of patent disputes, which will positively affect their business activities.

# CHAPTER 2. COMPARATIVE ANALYSIS OF THE ARBITRABILITY OF PATENT DISPUTES IN SWITZERLAND, GERMANY, AND AUSTRIA

In this chapter, the notion of arbitrability will be discussed from a comparative standpoint. Each section will examine how different jurisdictions deal with the arbitrability of patent disputes. In this light, applicable legal provisions will be analyzed to determine the relevant legal framework. Moreover, the issue of arbitrability will be examined separately for the validity and infringement disputes. A separate examination is justified by the fact that there may be completely different approaches to dealing with arbitrability of infringement and validity disputes in one jurisdiction. Therefore, this division is made to ensure a comprehensive overview of the distinct characteristics of each type of patent-related dispute and all associated issues that may arise. In addition, a comprehensive analysis of relevant case law will be conducted to gain a deeper understanding of the current trends regarding arbitrability in each country. At the end of the chapter, a separate section will outline a comparison of approaches and trends that exist in each jurisdiction to provide more clarity on whether arbitration is a suitable venue for settling patent disputes. All in all, this chapter will show how the legal reasons for the arbitrability or non-arbitrability of patent validity and infringement disputes in Switzerland, Germany, and Austria.



## 2.1 Switzerland

### 2.1.1 Applicable legal provisions

To examine the issue of arbitrability under Swiss law, it is essential to outline the main legislative provisions that regulate arbitration proceedings. In this light, one of the most essential instruments for international arbitration is the Federal Act on Private International

Law (PILA), which was adopted in 1987. Chapter 12 of PILA regulates different aspects of international arbitration, including the scope of arbitrable matters, the validity of arbitration agreements, the composition and jurisdiction of arbitral tribunals, as well as the recognition and enforcement of arbitral awards. In general, Chapter 12 has similar provisions and ideas to the UNCITRAL Model Law[78]. Considering the definition of international arbitration, it may be concluded that, under Article 176(1) of the PILA, the understanding of the notion of "international" is more concise compared to the one in the Model Law[79]. For a more detailed comparison, please see the table below.

**Table 1. Comparison of the definition of international arbitration under Article 176(1) PILA and Articles 1(3) and 1(4) of the Model Law.**

| | **Article 176(1) PILA** | **Articles 1(3) and 1(4) Model Law** |
|---|---|---|
| **Seat** | Must be in Switzerland | No specific place of seat is required |
| **Criterion for international nature** | *"…at least one of the parties did not have its domicile, its habitual residence or its seat in Switzerland"* | Multiple alternatives:<br>- Places of business in different states<br>- Place of arbitration, performance, or closest connection is outside of the state |

[78] von Segesser and Schramm,'SWISS PRIVATE INTERNATIONAL LAW ACT (CHAPTER 12: INTERNATIONAL ARBITRATION) 1989', 911 <https://www.swlegal.com/media/filer_public/cc/4f/cc4fb318-39b4-407d-8b46-cf8f5fc1b79c/gvs-dsc-swiss-pila-final-july-2010.pdf> accessed 28 May 2025.

[79] 'Swiss International Arbitration Law – The 2021 Reform in Context — Gabriel Arbitration' <https://www.gabriel-arbitration.ch/en/publications-and-speaking/swiss-international-arbitration-2021-reform#fn:12> accessed 28 May 2025.

| | | |
|---|---|---|
| | | - Parties agree that dispute is international |
| **Focus on the location of the parties** | Yes: location of parties at the time the arbitration agreement is concluded | Yes: broader perception = focus is on places of business |
| **Complexity of the clause** | Simple and clear | More detailed |

Based on the comparative table, it is possible to conclude that the simplified criterion mentioned in Article 176(1) of the PILA enhances legal certainty and stability. This approach makes Switzerland a more attractive jurisdiction for parties who have a desire to ensure a predictable framework for international arbitration.

Of particular importance is also Article 177(1) of PILA, which defines the scope of arbitrable matters. It states that "any claim involving an economic interest may be submitted to arbitration"[80]. Economic interest, in the present case, means "economic value for at least one party, be it an asset or a liability"[81]. Applying this rule to the certain issue of the scope of arbitrability of patent disputes, it is important to note that patent disputes usually involve economic interests, such as licensing fees, royalty payments, etc. Moreover, patents can be considered valuable economic assets for businesses, thus satisfying the criteria of economic interest. This can be interpreted as an expansive and arbitration-friendly legal framework[82] that

[80] 'SR 291 - Federal Act on Private International Law (PILA)' (*Fedlex*) <https://www.fedlex.admin.ch/eli/cc/1988/1776_1776_1776/en> accessed 28 May 2025.
[81] von Segesser and Schramm (n 73), 914.
[82] Groz, Picht and Zehner (n 25); 'Swiss International Arbitration Law – The 2021 Reform in Context — Gabriel Arbitration' (n 76).

exists in the Swiss jurisdiction. Such an approach is justified by the application of the principle of party autonomy and a permissive approach to arbitration[83].

In contrast, the Model Law does not explicitly define the scope of arbitrability[84]. This absence of a universal standard can create uncertainty and limit a unified approach in international arbitration. Therefore, Chapter 12 of PILA provides a more predictable and liberal environment by setting a clear threshold for arbitrability.

Domestic arbitration in Switzerland is governed by Part 3 of the Civil Procedure Code (CPC)[85], which entered into force in 2011[86]. Article 353(1) stipulates that provisions of Part 3 "apply to the proceedings before arbitral tribunals based in Switzerland unless the provisions of the Twelfth Chapter of the PILA apply"[87]. However, it is essential to note that, according to Articles 353(2) of the CPC and 176(2) of the PILA, proceeding with domestic or international arbitration, parties can choose between the CPC and the PILA as the legal framework governing their arbitration process[88]. This approach reaffirmed Switzerland's commitment to party autonomy as parties can adjust the procedural framework to their needs. However, parties should be aware of practical differences between the two regimes to avoid negative consequences.



[83] von Segesser and Schramm (n 73), 911.
[84] 'Swiss International Arbitration Law – The 2021 Reform in Context — Gabriel Arbitration' (n 76).
[85] Michael Ritscher and others, 'IPRs Arbitration in Switzerland' in Simon Klopschinski and Mary-Rose McGuire (eds), *Research Handbook on Intellectual Property Rights and Arbitration* (Edward Elgar Publishing 2024), 547 <https://www.elgaronline.com/view/book/9781800378360/book-part-9781800378360-41.xml> accessed 21 May 2025.'SR 272 - Swiss Civil Procedure Code of 19 December 2008 (...' (*Fedlex*) <https://www.fedlex.admin.ch/eli/cc/2010/262/en> accessed 28 May 2025.
[86] 'Swiss Arbitration Law & International Rules - Download | ASA' (*Swiss Arbitration Association*) <https://www.swissarbitration.org/swiss-arbitration/swiss-arbitration-laws/> accessed 28 May 2025.
[87] 'SR 272 - Swiss Civil Procedure Code of 19 December 2008 (...' (n 82).
[88] Ritscher and others (n 82).

### 2.1.2 Arbitrability of patent validity disputes and patent infringement disputes

While some sources assume that patent infringement and validity disputes are considered non-arbitrable[89], most of the literature emphasizes that such disputes can be resolved through arbitration[90].

According to Article 26 of the Patent Court Act (PatCA)[91], "the Federal Patent Court has exclusive jurisdiction over validity and infringement disputes and actions for issuing a license in respect of patents" [92]. Moreover, it is within the authority of the present court (*Bundespatentgericht*) to grant preliminary measures and deal with enforcement related to these matters[93]. Despite the operation of this court starting in 2012[94], Swiss law has remained consistent and still allows parties to raise patent validity issues in arbitration if they have a valid arbitration agreement[95]. This approach can be observed in *BGer. 4C.40/2003 case*[96]. In 1989, a Belgian company and a Swiss company signed a Secrecy Agreement to collaborate on developing the thermal insulation capacity of foam plastics. This agreement contained a clause requiring arbitration under ICC Rules in Lucerne. A dispute arose regarding patent applications filed by the Swiss company because the plaintiffs claimed that they were based on the Belgian partner's invention. The Court of the Canton of Lucerne (*Obergericht des Kantons Luzern*)

[89] ibid, 549.
[90] Ulrike Ciesla, Louisa Galbraith and Andrea Heiniger, 'The Legal 500 Country Comparative Guides Switzerland PATENT LITIGATION'; David Rosenthal, 'Chapter 5: IP & IT Arbitration in Switzerland Manuel Arroyo (Ed) Arbitration in Switzerland: The Practitioner's Guide (Second Edition)' (*(© Kluwer Law International; Kluwer Law International 2018)*) <https://www.kluwerarbitration.com/document/KLI-KA-Arroyo-Edn2-Vol1-076-n#a0074> accessed 27 May 2025; Therese Jansson, 'ARBITRABILITY REGARDING PATENT LAW – AN INTERNATIONAL STUDY' JURIDISK PUBLIKATION 1/2011 66.
[91] 'SR 173.41 - Federal Act of 20 March 2009 on the ... | Fedlex' <https://www.fedlex.admin.ch/eli/cc/2010/72/en> accessed 29 May 2025.
[92] ibid; 'Federal Patent Court "Functions / Jurisdiction"' <https://www.bundespatentgericht.ch/en/about-the-court/functions-jurisdiction> accessed 29 May 2025.
[93] 'SR 173.41 - Federal Act of 20 March 2009 on the ... | Fedlex' (n 88).
[94] 'Federal Patent Court "Functions / Jurisdiction"' (n 89).
[95] Contributing editors Louis E Fogel and Shaun M Van Horn, 'Patents 2021' Law Business Research 2021 Lexology 215; John VH Pierce and Pierre-Yves Gunter (eds), *The Guide to IP Arbitration* (Second edition, Law Business Research Ltd 2022) 47.
[96] 'DFR - BGer 4C.40/2003' <https://www.servat.unibe.ch/dfr/bger/2003/030519_4C-40-2003.html> accessed 29 May 2025; Manuel Arroyo (ed), *Arbitration in Switzerland: The Practitioner's Guide* (Kluwer Law International 2013) 1136.

rejected jurisdiction because of the arbitration clause. The Swiss Federal Supreme Court later confirmed that disputes over patent ownership and related rights could fall within the scope of a valid arbitration agreement if they arise from a contractual relationship, for instance, research collaboration in this case (paragraph 5.2)[97]. Moreover, the court emphasized that such claims are arbitrable, even if they relate to patent law, if they are connected to the agreement containing the arbitration clause (paragraph 5.4)[98]. All in all, the court upheld the arbitration clause and confirmed the arbitrability of this patent-related dispute. This decision shows that patent related disputes are not considered non-arbitrable in Switzerland.

Considering patent infringement issues, it is difficult to deny that they are treated as factual issues and widely recognized as arbitrable[99]. Infringement claims are typically related to the financial interests of the parties, involving injunctions, declaratory actions, and monetary compensation[100]. This nature of claims meets the requirement of an "economic interest' to be arbitrable under Article 177(1) of PILA. Moreover, when deciding on infringement cases, the arbitral tribunal is not obliged to cooperate with state authorities, like patent offices, to introduce certain amendments regarding the patents. Thus, because of the parties' primary financial interest in these infringement disputes, arbitral awards in such disputes often have an inter partes effect and do not raise any public policy concerns that may challenge arbitrability. In addition, infringement claims arise from contractual disputes, such as licensing, which are arbitrable in Switzerland.[101]



[97] 'DFR - BGer 4C.40/2003' (n 93).
[98] ibid.
[99] Ritscher and others (n 80); Thomas Legler and Severin Etzensperger, 'GLOBAL PRACTICE GUIDES'; 'Patents 2021' 215 <https://cms.law/en/media/local/cms-vep/files/publications/publications/lexology-gtdt-patents-2021-switzerland?v=1> accessed 29 May 2025.
[100] 'Patent Litigation 2025 - Switzerland | Global Practice Guides | Chambers and Partners' <https://practiceguides.chambers.com/practice-guides/patent-litigation-2025/switzerland> accessed 16 June 2025.
[101] ibid.

Despite the prevailing pro-arbitration approach regarding infringement and validity of patents, parties do not resort to arbitration solely on these claims[102]. In general, issues of infringement and validity are considered within contractual disputes, i.e. patent licensing deals[103].

Key developments confirming the arbitrability of patent disputes in Switzerland happened in the mid-20th century[104]. In 1945, the Federal Supreme Court accepted that arbitral tribunals could rule on patent-related claims. By 1975, the Intellectual Property Office had agreed to enforce arbitral decisions on the validity of registered rights[105].

Since then, the system and underlying principles have remained unchanged. It demonstrates a stable legal approach to the openness of resolving patent disputes through arbitration in Switzerland. Thus, Article 60 of the Federal Act on Patents for Inventions (PatA) stipulates that "any modifications concerning the validity of the patent or the right to the patent must be entered in the Patent Register"[106]. Accordingly, if a patent is recognized as invalid based on the arbitral award, the Swiss Federal Institute of Intellectual Property is responsible for recognizing and enforcing of such awards[107] and shall submit relevant changes to the respective Register[108]. This leads to the next point that an arbitral award on patent invalidity can even affect third parties and have an erga omnes effect, instead of being effective only inter partes[109]. The fact that such awards may have an erga omnes effect has been widely acknowledged in the academic literature[110]. What does it mean in practice? In such cases, an arbitral award may

[102] ibid; Thomas Legler and Severin Etzensperger, 'GLOBAL PRACTICE GUIDES' 14.
[103] ibid; ibid; Groz, Picht and Zehner (n 26).
[104] Manuel Arroyo (ed), *Arbitration in Switzerland: The Practitioner's Guide* (Kluwer Law International 2013) 1135.
[105] ibid.
[106] 'SR 232.14 - Federal Act of 25 June 1954 on Patents for In...' (*Fedlex*) <https://www.fedlex.admin.ch/eli/cc/1955/871_893_899/en> accessed 29 May 2025.
[107] John VH Pierce and Pierre-Yves Gunter (eds), *The Guide to IP Arbitration* (Second edition, Law Business Research Ltd 2022) 46.
[108] Groz, Picht and Zehner (n 26).
[109] ibid; Pierce and Gunter (n 92).
[110] 'A Look to the Future of International IP Arbitration' <https://globalarbitrationreview.com/guide/the-guide-ip-arbitration/third-edition/article/look-the-future-of-international-ip-arbitration> accessed 3 April 2025; John VH Pierce and Pierre-Yves Gunter (eds), *The Guide to IP Arbitration* (Second edition, Law Business Research

affect the patent holder's ability to enforce the patent not only against the opposing party but also against unrelated third parties, regardless of their involvement in the arbitration proceedings[111].

It is possible to identify the practical advantages of this approach. On the one hand, it makes enforcement more efficient by allowing direct updates to the Register and keeping patent records accurate. It reflects practical realities and gives arbitration legal impact. On the other hand, the limitation of this view is that third parties may be bound by decisions made without their participation. Therefore, it is essential for parties to realize their genuine interests and determine whether this third-party effect aligns with them[112]. A critical analysis shows that it may create challenges between the private settlement of disputes and the protection of public interests, as well as lead to legal uncertainty and inconsistency. Thus, considering patent owner's perspective, it is better to avoid broad invalidation of the patent beyond the arbitration scope[113]. This will protect enforcement rights and preserve the commercial value of the patent. Despite a strong theoretical position, it is difficult to identify relevant court decisions on this matter so far[114], which leaves some questions open in practice.

All in all, Switzerland provides a pro-arbitration approach regarding the settlement of patent validity and infringement issues. In this light, Chapter 12 of the PILA is crucial in the determination of the scope of arbitrability. Thus, both patent validity and infringement disputes can be considered arbitrable if they involve economic interest. Moreover, it is often essential to establish a connection between such issues and the underlying contractual relationship. It is notable that arbitral awards on matters of infringement and validity can even go beyond inter



Ltd 2022) 45; Manuel Arroyo (ed), *Arbitration in Switzerland: The Practitioner's Guide* (Kluwer Law International 2013) 1141.

[111] Arroyo (n 100), 1140.

[112] Manuel Arroyo (ed), *Arbitration in Switzerland: The Practitioner's Guide* (Kluwer Law International 2013) 1140.

[113] ibid.

[114] Ritscher and others (n 80); Arroyo (n 91), 1136.

partes effect and have an erga omnes impact. However, the potential tension between party autonomy and public policy is not yet fully resolved, especially considering the lack of recent case law. In general, Switzerland's consistent and liberal approach to the arbitrability of patent disputes over time makes it a reliable and attractive venue for international patent arbitration.

**Table 2. Summary of Swiss approach regarding the arbitrability of patent validity and infringement disputes.**

| Patent validity disputes | Patent infringement disputes |
|---|---|
| Arbitrable; should satisfy the criteria of arbitrability under Article 177(1) of PILA (economic interest); erga omnes effect is possible (ongoing discussion on the legal implications of such approach); Swiss Federal Institute of Intellectual Property recognize and enforce such awards. | Arbitrable; no discussion regarding the impossibility of referring infringement claims to the arbitration if the claim involves an economic interest and, therefore, satisfies the criteria of arbitrability under Article 177(1) of PILA. |

## 2.2 Germany

### 2.2.1 Applicable legal provisions

Firstly, it is essential to outline the legislative framework in Germany, which covers the issue of arbitrability and settlement of patent disputes. In this light, Section 1030(1) of the Code of Civil Procedure of Germany[115] defines which claims may be considered arbitrable. It states that "any claim involving property rights (*vermögensrechtlicher Anspruch*) may become the subject

[115] 'Code of Civil Procedure (Zivilprozessordnung, ZPO) (Germany)' <https://www.gesetze-im-internet.de/englisch_zpo/englisch_zpo.html> accessed 31 May 2025.

matter of an arbitration agreement"[116]. In practice, this means that a claim that has an economic interest may be subject to arbitration. Claims regarding patent infringement or invalidity may not only preclude the patent holder from protecting the invention but also cause monetary losses[117]. Therefore, such claims may be arbitrable.

Despite the quite clear and broad scope of arbitrability established by Section 1030, the complexity of Germany's patent system and regulations presents some challenges for resolving such disputes through arbitration. As stated by Therese Jansson, the difference between the nature of infringement and validity disputes is caused by the fact that "infringement is seen as a private law claim and validity as a public law question"[118]. This distinction is reflected in Germany's judicial system, which involves different courts for dealing with these two types of disputes. Such an approach is known as a "bifurcated system". The effect of this system is usually seen in cases where a patent holder claims its violation, and the defendant may raise a counterclaim regarding the invalidity of the patent in question[119]. In practice, this means that regional courts handle infringement actions, while validity issues are considered exclusively under the jurisdiction of the German Federal Patent Court[120]. Thus, Section 143(1) of the German Patent Act (PatG) confirms that "civil divisions of the regional courts have exclusive jurisdiction…over patent litigation cases". Moreover, according to Section 65(1), the Federal Patent Court has jurisdiction "on actions for the revocation of patents"[121].

There is an ongoing discussion in academic circles about the effectiveness of this approach and its practical implications. On the one hand, there are significant advantages that foster patent



[116] ibid.
[117] Mandira Ben, 'Patent Infringement: Understanding the Nature, Impact, and Enforcement' 1.
[118] Jansson (n 85), 61.
[119] Katrin Cremers and others, 'Invalid but Infringed? An Analysis of the Bifurcated Patent Litigation System' (2016) 131 Journal of Economic Behavior & Organization 1.
[120] Finnuala Meaden-Torbitt and Herbert Smith Freehills, 'The Arbitrability of IP Disputes: A Concern of the Past?' Friday, August 30th, 2024.
[121] 'Patent Act (Patentgesetz – PatG)' <https://www.gesetze-im-internet.de/englisch_patg/englisch_patg.html> accessed 31 May 2025.

litigation in Germany and make it more efficient. For instance, this separated system can reduce the overload of regional courts, empowering specialized court to deal with a certain category of patent disputes. Of course, it is also justified by the fact that patents are issued by official state authorities and, therefore, have a broad public character and interest[122]. Thus, the public nature of patents leads to the special treatment of patent validity issues. The additional positive aspect is specialized knowledge in a specific subject matter that requires a strong understanding of the field of patents[123]. As a result, highly skilled experts on validity assigned to decide on this matter are considered more capable of delivering an objective decision.

In contrast, considering the effect on arbitration, it is rather a negative one. In this light, according to the approach represented by the German Federal Patent Court, general arbitration clauses do not extend to patent validity disputes unless this is expressly stated[124]. Moreover, if the dispute involves both validity and infringement claims, arbitration may be less efficient for dealing with all claims and resolving the whole dispute at once, as only the German Federal Patent Court has the authority to invalidate the patent with erga omnes effect (please note that inter partes effect still can be considered as possible). Scholars also highlight the risk of the "injunction gap" when the enforcement measures will be applied to a patent that may later be found invalid[125]. Finally, such a fragmented procedure may result in additional costs and time in litigation, which is not beneficial for either party compared to a single arbitration proceeding. It was also mentioned by the scholars that "bifurcation results in a 'validity-challenge deterrence' effect"[126]. However, such an effect may be considered positive from the plaintiff's



[122] Jansson (n 85), 62.
[123] Cremers and others (n 116).
[124] Meaden-Torbitt and Freehills (n 117).
[125] Pierce and Gunter (n 90), 49.
[126] Cremers and others (n 116).

perspective, as the chances of winning the infringement case without delays or complications are higher.

### 2.2.2 Arbitrability of patent validity and infringement disputes

As discussed in Section 2.2.1, the nature of the bifurcated system has a significant impact on patent litigation in Germany, which, in turn, determines certain characteristics of the arbitrability of patent disputes.

Even though Germany followed a more conservative approach[127], arbitration was considered a possible venue for the settling patent infringement matters[128]. In contrast, a more restrictive approach was established in Germany regarding validity issues, according to which only the Federal Patent Court has the jurisdiction over these types of claims. This reflects policy concerns because the validity issues are considered to affect the public interest more directly[129]. Such a distinction highlights the conflict between the party's autonomy in arbitration and the state's priority to preserve the public legal order, ensuring consistency and stability of the national patent system.

Now, trends have changed towards a more liberal approach regarding the arbitrability of patent disputes. In this light, the recent decision of the District Court of Munich reaffirms this. Based on the detailed overview of the certain cases available in academic literature and online resources[130], it is essential to delve deeper to highlight and analyze the court's reasoning and arguments.



[127] Arroyo (n 91), 1134.
[128] Jansson (n 85); Europäisches Patentamt (ed), *Patent Litigation in Europe: An Overview of National Law and Practice in the EPC Contracting States* (5th edition, European Patent Office 31) 38.
[129] Jansson (n 87).
[130] Dr Gerrit Niehoff, 'District Court of Munich Confirms Arbitrability of Patent Validity Disputes' (*Global Arbitration News*, 27 June 2022) <https://www.globalarbitrationnews.com/2022/06/27/district-court-of-munich-confirms-arbitrability-of-patent-validity-disputes/> accessed 3 April 2025; 'Should I Arbitrate My Patent Dispute?' (n 46); Pierce and Gunter (n 90), 57.

To begin with, in case № 21 O 8717/20[131] French company (plaintiff) and a German company (defendant) collaborated on product testing under a Non-Disclosure Agreement (NDA). The present NDA contained an arbitration clause which specified that:

"All disputes arising out of or in connection with this Agreement and any amending agreements and subsequent agreements shall be exclusively and finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three arbitrators appointed in accordance with the said ICC Rules. The place of arbitration shall be Zurich, Switzerland. This Agreement shall be governed by and construed in accordance with the Laws of Switzerland and the Arbitration Tribunal shall apply the Laws of Switzerland including the International Law of Switzerland"[132].

Later, the German company filed a European patent application. The French company alleged that the application in question was based on shared confidential technical data. Therefore, the French company sued in the District Court of Munich. It stated that the German company should transfer the patent rights and compensate for damages. It sounds like a case with a possible positive outcome for the claimant, doesn't it? However, the German company emphasized that, under the arbitration clause in the NDA, this dispute should be resolved through arbitration.

While deciding on this case, the court affirmed that the claims had an economic nature. This is precisely a requirement under Section 1030 for a matter to be considered arbitrable. The court also mentioned that "disputes concerning the validity and existence of patents should not per se be non-arbitrable"[133]. Moreover, the court conducted a "*kumulativen Kontrolle nach*

[131] 'LG München I, Endurteil v. 05.05.2021 – 21 O 8717/20 - Bürgerservice' <https://www.gesetze-bayern.de/Content/Document/Y-300-Z-BECKRS-B-2021-N-38563?hl=true> accessed 1 June 2025.
[132] ibid.
[133] Niehoff (n 127).

*deutschem und schweizerischem Recht*" (paragraph 64)[134] because, when parties have chosen a foreign seat of arbitration, the arbitrability of the dispute must be assessed under both German and Swiss law[135]. Thus, the court held that claims for the transfer of a patent application and related damages should be arbitrable under both German and Swiss law.

In addition, the court assessed provisions of the European Patent Convention (EPC), which were relevant in this case. According to Article 71 on the transfer and constitution of rights, European patent applications can be transferred[136] and, therefore, be considered property rights. The tribunal can be competent to order their transfer in private disputes between the parties (i.e., inter partes effect)[137].

All in all, the court ruled in 2021 that the present dispute should be resolved through arbitration under the agreement and the arbitration clause contained in it. In practice, disputes regarding the validity of the patents can be resolved through arbitration. The fact that the nature of patents involves some public interest should not preclude arbitration when it is a private dispute involving business claims between the parties. This decision is crucial for the further development of case law in Germany and the recourse to arbitration in patent validity disputes. Thus, the decision of the Munich court may be a game-changer for the arbitrability of patent validity disputes, with potential implications not only for Germany but also for Switzerland.

Given the above-mentioned analysis of the current legislation and the situation in practice in Germany, the system is now shifting from a more formalistic approach to the one that accommodates the current needs of the businesses. This means that patent infringement disputes can be arbitrated. However, the discussion regarding the possibility of arbitrability of

[134] 'LG München I, Endurteil v. 05.05.2021 – 21 O 8717/20 - Bürgerservice' (n 128).
[135] Niehoff (n 127).
[136] 'European Patent Convention (EPC), Article 71 – Transfer and Constitution of Rights' (5 October 1973) <https://www.epo.org/en/legal/epc/2020/a71.html> accessed 1 June 2025.
[137] Niehoff (n 127).

patent validity disputes is more complicated because of the bifurcated system and the public nature of the notion of validity. The recent decision of the Munich court follows the approach that when the validity issues can be decided in arbitration, the arbitral award binds only the parties to the dispute, whereas the Federal Patent Court can act on these issues with erga omnes effect[138].

**Table 3. Summary of German approach regarding the arbitrability of patent validity and infringement disputes.**

| Patent validity disputes | Patent infringement disputes |
|---|---|
| Ongoing discussion regarding the arbitrability; in general, the claim should satisfy the criteria of arbitrability under Section 1030(1) of the Code of Civil Procedure of Germany (economic interest); erga omnes effect is not possible; prevailing approach is that Federal Patent Court has the jurisdictions over patent validity claims, however, Munich court in the case № 21 O 8717/20 aligns with the approach whereby validity issues can be resolved through arbitration. | Arbitrable; the claim should satisfy the criteria of arbitrability under Section 1030(1) of the Code of Civil Procedure of Germany (economic interest). |



[138] Pierce and Gunter (n 90), 56.

## 2.3 Austria

### 2.3.1 Applicable legal provisions

To begin with, it should be noted that the scholar's overview and analysis are rather limited regarding Austrian legislation. However, it was one of the reasons I chose this jurisdiction, as it potentially allows for the uncovering of more details on the issues of arbitrability in patent disputes and for understanding why there is limited information compared to other neighboring countries, such as Germany and Switzerland. As one of the scholars described it, "Austria is more of a black box when it comes to arbitrability of patent law disputes"[139].

As there is no separate act governing arbitration in Austria, it is essential to analyze the provisions of the Austrian Code of Civil Procedure (ACCP)[140], particularly Part 6, Chapter 4, which contains the relevant provisions on arbitration. Section 582 on the arbitrability mentions a *vermögensrechtliche Anspruch,* which requires a claim to have an economic character[141]. As discussed in the previous sections (see Section 2.1.1), patent validity and infringement claims can have an economic interest for parties and, therefore, meet this requirement. However, the absence of explicit mention of patent disputes, especially about validity, raises questions about their treatment as matters of public interest.



[139] Dhingra (n 5), 10.
[140] 'Austrian Code of Civil Procedure (Zivilprozessordnung, ZPO)' (*RIS - Zivilprozessordnung - Bundesrecht konsolidiert, Fassung vom 02.06.2025*) <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10001699> accessed 2 June 2025.
[141] 'Austrian Arbitration Act 2013' <https://www.arbiter.com.sg/pdf/laws/AustrianArbitrationAct2013.pdf> accessed 3 June 2025.

In general, arbitration provisions in Austria meet international standards, particularly the UNCITRAL Model Law,[142] and were amended in 2013[143]. This shows that Austria is considered as a reliable place of arbitration, which can attract international commercial disputes, particularly in the field of patent law. Moreover, the provisions of Part 6, Chapter 4 of ACCP apply to both domestic and international proceedings[144].

### 2.3.2 Arbitrability of patent validity and infringement disputes

To analyze the issue of arbitrability, it is essential to indicate how the Austrian judicial system deals with infringement and validity disputes. Firstly, Austria, similarly to Germany, has a bifurcated system[145]. This means that patent infringement disputes are considered by a separate authority compared to patent validity disputes[146]. In this light, under Section 162 of the Austrian Patent Law (*Patentgesetz*)[147], the Commercial Court of Vienna (*Handelsgericht Wien*) has exclusive jurisdiction to decide on infringement cases[148]. However, it should be noted that this Section does not exclude arbitration as a possible dispute resolution mechanism. Thus, Section 162 defines the competence between the Austrian courts rather than between the courts and arbitration.

The situation is different regarding the validity claims. Thus, under Section 156 of the Patent Law, "during infringement proceedings, invalidity of a patent may be used as a defense, which



[142] 'International Arbitration 2020 A Practical Cross-Border Insight into International Arbitration Work 17th Edition' 107 <https://weber.co.at/wp-content/uploads/2020/08/W-007-Publikationen-2020-ICLG-Arbitration-KK-SW.pdf> accessed 2 June 2025.
[143] Désirée Prantl Marginter Valentin, 'Baker McKenzie International Arbitration Yearbook 2024-2025 – Austria' (*Global Arbitration News*, 1 January 2025) <https://www.globalarbitrationnews.com/2025/01/01/baker-mckenzie-international-arbitration-yearbook-2024-2025-austria/> accessed 3 April 2025.
[144] ibid.
[145] Pierce and Gunter (n 141).
[146] Europäisches Patentamt (ed), *Patent Litigation in Europe: An Overview of National Law and Practice in the EPC Contracting States* (5th edition, European Patent Office 31) 11.
[147] 'Austrian Patent Law 1970' <https://www.patentamt.at/fileadmin/root_oepa/Dateien/Patente/PA_Gesetze/PatG_englisch.pdf> accessed 2 June 2025.
[148] Europäisches Patentamt (n 143).

will be considered by the court as a preliminary issue"[149]. This means that the court has jurisdiction to consider the validity issue as a preliminary question. Thus, not only the Patent Office but also the court can deal with this issue to a certain extent. Moreover, according to Section 156(2), if the court of first instance decides the patent's validity, it shall cooperate with the Patent Office and send a copy of that decision. In this case, the Patent Office will make a note about it in the Patent Register[150]. As may be analyzed, the handling of patent validity issues follows a different approach, requiring coordination with the state authorities, such as the Patent Office, as it involves public interest.

Considering possible grounds for setting aside an award under Section 611(2) of ACCP, we should pay attention to the following: "The arbitral award conflicts with the fundamental values of the Austrian legal system (ordre public)"[151]. Under Austrian law, the Patent Office, a public authority, is responsible for granting patents[152]. This means that, consequently, validity issues can involve public law concerns and should be decided by competent courts and state authorities. Therefore, the determination by the arbitral tribunal of patent validity could potentially contravene public order in light of Section 611(2).

In conclusion, considering the provisions of ACCP regarding arbitrability, claims related to patent infringement or validity disputes are not explicitly excluded. Therefore, the prevailing view among scholars is that patent infringement disputes are arbitrable, as they involve the economic interest and private rights of the parties. However, considering the bifurcated system and relevant sections of the Patent Act regarding invalidity proceedings in Austria, it may be stated that patent validity disputes, in contrast, should not be resolved through arbitration.



[149] ibid.
[150] 'Austrian Patent Law 1970' (n 144).
[151] 'Code of Civil Procedure – ZPO, Arbitral Proceedings Chapter' <https://www.ris.bka.gv.at/Dokumente/Erv/ERV_2006_1_7/ERV_2006_1_7.html> accessed 2 June 2025.
[152] 'Österreichische Patentamt "Provisional Patent Application"' <https://www.patentamt.at/en/prio-application> accessed 6 April 2025.

Moreover, no accessible case law defines whether arbitral tribunals may decide on patent validity issues with inter partes or erga omnes effect. Therefore, the arbitrability of patent validity disputes remains a matter of debate.

**Table 4. Summary of Austrian approach regarding the arbitrability of patent validity and infringement disputes.**

| Patent validity disputes | Patent infringement disputes |
|---|---|
| Prevailing approach is that validity claims are non-arbitrable because of the strong public interest and involvement of the Patent Office; validity claims often arise in connection with the infringement claims; lack of the academic discussion and relevant case law. | Generally accepted as arbitrable if the claim involves an economic interest according to Section 582 of Part 6, Chapter 4 of the ACCP; lack of accessible case law. |

## 2.4 Comparative analysis

### Legal Framework

In all three jurisdictions, arbitration is considered an effective dispute resolution mechanism. However, each country has its own approach to resolving patent disputes through arbitration.

In Switzerland, a clear legal framework for arbitration exists under Chapter 12 of the Federal Act on Private International Law (PILA). Article 177(1) specifies that "any claim involving an economic interest" is arbitrable. It is essential to note that there is a division between the instruments that regulate domestic and international arbitration in Switzerland. Therefore, domestic arbitration in Switzerland is governed by Part 3 of the Civil Procedure Code (CPC).

In Germany, in contrast, both domestic and international arbitration are covered by the Tenth Book of the Code of Civil Procedure of Germany. Similarly to Switzerland, Section 1030(1) on arbitrability mentions a claim with an economic interest. However, the existence of the bifurcated system makes patent litigation, as well as possible arbitration, more complicated procedurally. This separation affects how and whether certain types of patent disputes, namely regarding validity issues, can be arbitrated.

The Austrian legislative framework is close to the German one, where legal provisions on arbitration are incorporated into the Code of Civil Procedure (ACCP). Thus, Part 6, Chapter 4 covers all matters related to both domestic and international arbitration. Regarding the issue of arbitrability, the requirement is also based on the commercial nature of the claim.

Another essential aspect is that provisions on arbitration in all three jurisdictions align with the UNCITRAL Model Law. It may be the reason why all of them mention economic interest as a prerequisite for arbitration. In addition, this shows a commitment to international arbitration standards and a desire to attract more cross-border commercial disputes.

Moreover, given that both Austria and Germany have a bifurcated judicial system for handling patent disputes, the Patent Acts of each country are relevant in determining which institutions have the authority to decide on certain types of disputes, such as those concerning patent invalidity. This is particularly relevant for Austria, as its legislation does not clearly indicate the possibility of arbitration in patent disputes.



**Scope of Arbitrability**

The scope of arbitrability depends significantly on whether the dispute relates to infringement or validity claims.

In Switzerland, both patent validity and infringement disputes are considered arbitrable if they have an "economic interest" as mentioned in Article 177(1). Moreover, awards on patent validity issues may even have an erga omnes effect. Thus, Switzerland shows the most progressive and liberal approach in this matter.

In Germany, it is now generally accepted that infringement disputes may be arbitrable. However, the situation with the patent validity disputes is not certain because of the public law nature of validity. Comparing it to Swiss law, where an erga omnes effect is possible even for the awards on patent validity, the German approach is more restrictive. The positive development is that there has been a shift from the previous position, where validity disputes were excluded from arbitration to a situation where arbitration of validity disputes is now possible with inter partes effect only.

Considering the Austrian framework, infringement disputes are also considered arbitrable, as in Switzerland and Germany, because they relate to the private rights of the parties. In contrast, there is a view that validity disputes should be non-arbitrable because they involve public interest and, therefore, should be handled by state courts or patent offices.

**Potential Challenges**

Despite the positive aspects of the Swiss liberal approach, there are legal questions regarding the impact of erga omnes effect of validity disputes on the rights of third parties and public policy concerns. Moreover, the bifurcated system in Germany and Austria also poses risks for integral arbitration proceedings, where one dispute may involve both validity and infringement claims may. A challenge relevant to Austria, and to some extent for Germany invalidity cases, is the lack of relevant case law and the very limited scholarly analysis available to examine the current state critically.

## Current Trends

All in all, Switzerland shows the most open and arbitration-attractive approach, where both patent validity and infringement disputes are arbitrable with erga omnes effect. It may be considered a benchmark jurisdiction for settling patent disputes through arbitration. Moreover, Germany presents a mixed approach that combines respect for party autonomy with openness to the arbitrability of infringement disputes while still maintaining certain restrictions on the settlement of patent validity disputes. However, the trend is now moving toward allowing the arbitrability of such disputes, but only with an inter partes effect. Among all three jurisdictions. While Austria makes it possible to arbitrate patent infringement disputes, it preserves the most restrictive and ambiguous view of the arbitrability of validity issues because, as under Austrian law, the granting and revocation of patents should remain within the exclusive competence of state authorities, with the Austrian Patent Office playing a significant role. The following table provides a more structured comparative overview.

**Table 5. Comparison of the arbitrability of patent disputes in Switzerland, Germany, and Austria.**

| | **Switzerland** | **Germany** | **Austria** |
|---|---|---|---|
| **Legal Framework** | • Chapter 12 PILA, Article 177(1)<br>• Patent Act<br>• Civil Procedure Code | • Code of Civil Procedure, Tenth Book, Section 1030(1)<br>• Patent Act | • Austrian Code of Civil Procedure (ACCP), Section 582<br>• Patent Act |

| | | | |
|---|---|---|---|
| **Scope of Arbitrability** | "Any claim involving an **economic interest**…"<br><br>**Patent infringement:** arbitrable if have economic interest<br><br>**Patent validity:** arbitrable (even may have erga omnes effect) | "Any claim involving an **economic interest**…"<br><br>**Patent infringement:** arbitrable if deals with private rights of the parties<br><br>**Patent validity:** arbitrable (inter partes effect) | "Any claim involving an **economic interest**…"<br><br>**Patent infringement:** arbitrable if have economic interest<br><br>**Patent validity:** generally accepted as non-arbitrable |
| **Potential Challenges** | Potential public interest concerns because of the erga omnes effect on third parties | Bifurcated system that divides jurisdiction for infringement and validity disputes | • Bifurcated system that divides jurisdiction for infringement and validity disputes<br>• No clear case law<br>• High relevance of public interest |
| **Current Trends** | Stable and predictable legal basis for arbitration of patent disputes, which allows arbitrability of both types of disputes | Trend toward liberalization, especially in validity disputes, to the extent of inter partes effect | Strong preference for judicial control; no indication of adopting more open approach |

| | | | |
|---|---|---|---|
| | | | regarding validity disputes |

# CONCLUSION

The goal of the thesis was to examine the extent to which patent disputes are arbitrable in Switzerland, Germany, and Austria. The thesis aimed to compare the theoretical and practical approaches to resolving patent disputes in arbitration proceedings across these jurisdictions. The content of the present thesis is essential for understanding the approach to the arbitrability of patent disputes in certain jurisdictions, particularly in contract drafting, which includes an arbitration clause specifying the seat of arbitration.

The first Chapter provided a general overview of the nature and significance of patents, which helped outline the importance of arbitration in this field. Moreover, specific types of disputes, namely infringement and validity, were highlighted, as they often cause ambiguity and raise concerns regarding arbitration as a proper mechanism for the settlement. It was examined that validity claims often arise in connection with the initial infringement issues. Therefore, the question arises to what extent tribunals can decide on patent disputes. The answer to this question varies from jurisdiction to jurisdiction.

In this chapter, the potential advantages and drawbacks of arbitration were also discussed in the context of patent disputes. One of the key advantages is confidentiality, which makes parties more likely to opt for arbitration instead of litigation. While being more beneficial for parties, it may limit the predictability of decisions.

Furthermore, the finality of the decision and enforcement was considered. On the one hand, the finality of the decision is an advantage, as it ensures stability for companies seeking to protect their intellectual property, including patents. On the other hand, the effect may depend on the business strategy related to the patent industry. In addition, there is an academic discussion and contradictory views regarding public policy concerns related to patent disputes.

It should be noted that costs and efficiency vary from one dispute to another. The complexity of patents, the selection of arbitrators, and the parties' aspirations influence the expenses and timeframe of dispute settlement. Given the high technical sophistication of patents, parties should be aware that the proper choice of experienced arbitrators with a solid background in patent law plays a significant role in the arbitration proceedings and defines the dynamics of the entire process. Based on the analysis of the aforementioned advantages, the parties' interest in arbitration as a resolution mechanism is justified despite the potential negative implications.

The second Chapter focused on the legislative frameworks and applicable standards relevant to assessing the scope of arbitrability. An analysis of laws and regulations, as well as accessible case law, has led to several key conclusions. This chapter also contained a separate section on comparative analysis, which structures all the differences and similarities examined within the jurisdictions of Switzerland, Germany, and Austria.

It was examined that Switzerland has very stable and precise provisions on arbitrability that stipulate the possibility to resolve both patent infringement and validity disputes. The awards regarding validity claims may even have an effect on the third parties, which is a unique approach that differs from Germany and Austria. This approach attracts businesses and encourages professionals to indicate Switzerland as a seat of arbitration.

The next jurisdiction covered by the thesis is Germany. It is the jurisdiction where the liberal Swiss and restrictive Austrian approaches collide. While infringement disputes were generally arbitrable, concerns arose regarding validity claims. This is due to the public nature of patents and the existence of the so-called bifurcated system in Germany. According to this system, only certain courts and state authorities are entitled to determine the validity of patents. However, the recent case № 21 O 8717/20, which the District Court of Munich decided, shows a shift in the restrictive approach towards a more progressive. The court analyzed matters

related to both Swiss and German arbitration provisions and concluded that validity claims should not be precluded from arbitration. In this context, the thesis mentions recent notable case findings. Even though an arbitral award on the validity of a patent may have only an inter partes effect, it is still a step forward, which may lead to further developments towards the acceptance of the erga omnes effect in the future.

The thesis also examines Austrian legislation and practice in the field of the arbitrability of patent disputes. Among the chosen DACH jurisdictions, Austria demonstrates the most restrictive approach. Similarly to Germany, arbitral tribunals may decide infringement cases. However, validity claims, unlike those in Germany and Switzerland, are considered non-arbitrable due to public policy concerns related to the nature of patents. The lack of accessible cases and the limitations of academic discussion on this topic made the research for this part more complicated. In Austria, validity issues are considered merely as those related to public law and, therefore, non-arbitrable. Overall, Austria shows no signs of a possible shift toward a more open approach to arbitrability. This causes uncertainty and makes Austria a less reliable jurisdiction in this regard compared to Switzerland and Germany.

All in all, the thesis shows that there are different approaches within the DACH region concerning patent arbitrability, which significantly shapes the framework of patent dispute resolution. Despite the possible limitations of the arbitrability of patent validity disputes in Germany and Austria, patent infringement disputes may be arbitrable in all three jurisdictions. Therefore, arbitration is a suitable venue for resolving patent disputes, although not for all types of claims. Switzerland and Germany follow the current business needs and tailor their legislation and case law to the existing market state. Therefore, this approach enables to decide the increasing number of patent disputes more efficiently, taking into account the specific nature of patents.

Therefore, while drafting arbitration clauses and choosing the seat of arbitration, parties should consider all peculiarities related to public policy concerns, the type of judicial system in the country, and existing case law. However, the lack of consistent case law, especially in Austria, posed some challenges for the clarity and completeness of conclusions.

The present thesis contributes to the identification of practical and legal developments in the arbitrability of patent disputes by using a comparative approach to clarify the relevant legal standards and the needs of the parties. The findings highlight essential differences in the treatment of validity and infringement disputes across Switzerland, Germany, and Austria. This research has added value for further academic discussions or legislative reforms aimed at harmonizing the arbitrability of patent disputes within civil law jurisdictions.

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