Introduction to Intellectual Property Rights Protection in Hong Kong

Anita Leung
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Today’s Speaker

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Anita is a partner of Jones Day, an international law firm, and has many years of experience in advising both local and multinational companies in the protection, exploitation, and enforcement of intellectual property rights. Anita has been extensively involved in the acquisition and commercialization of IP assets, from pre-IPO due diligence, mergers, acquisitions and joint ventures to research collaboration, licensing, franchising and distribution.
Agenda

• Overview of the IPR protection landscape in Hong Kong
• Trade mark registrations
• Patent applications – standard and short term
• Copyright
• Registered designs
• Trade secrets
• Enforcing your IP in Hong Kong
• Take-away messages
Poll 1

Question:
How many years have you been doing business in Hong Kong?

a) Never before
b) Less than one year
c) 1 to 3 years
d) Over 3 years
e) I’m doing business with Mainland China, but not Hong Kong
Overview of IPR Protection Landscape in Hong Kong

One Country, Two Systems

• Basic Law

• Territorial nature of IP law

• Legal systems and sources of law

• Common law vs. civil law
Legal Systems

HK - Common Law
• Important principles embodied in case law
• Amended by statute

PRC - Civil Law
• Important principles set out in Civil code
• Statutes complete the principles

• Rule of Law - good legal system and enforcement infrastructure
• Common law legal system - well entrenched legal rights - technology, know-how, trade secrets and trade names
• Civil Justice Reform in 2009 - encourage the use of alternative dispute resolution
Legal Systems

HK: Major sources of IPR laws

• Patents Ordinance
• Copyright Ordinance
• Trade marks Ordinance
• Registered Design Ordinance
• Layout-Design (Topography) of Integrated Circuits Ordinance
• Common law principles - case law
Types of IP Rights

1. Trade Marks
2. Patents
3. Copyright
4. Registered Designs
5. Trade Secrets
Poll 2

Question:
What type of IP right are you most interested in?
(You can select multiple answers.)

a) Trade mark
b) Patent
c) Copyright
d) Trade secret
e) Other
Trade marks

What is a “trade mark”? 

• A sign that distinguishes the goods and services of one trader from those of others 

• Must be capable of being represented graphically 

• A trade mark may consist of: 
  - Words, letters, numerals 
  - Shape, smell, sound, colour 

• Must be registered with the Trademarks Registry in Hong Kong 

• 10 years, renewable 

• 45 classes - multi-class applications available
Trade marks (2)

Application

Deficiency Checking

Search and Examination

Publication for Opposition

Registration

Hearing
Trade marks (3)

Protection of Unregistered Marks

Well-known marks
• Identical or similar to the well-known trade mark
• Identical or similar goods or services
• Use of the sign is likely to cause confusion on the part of the public
• Entitled to restrain by injunction use of the sign in Hong Kong

Passing off
• Goodwill or reputation in the brand/mark
• Misrepresentation by defendant leading to deception
• Plaintiff has suffered or is likely to suffer damages
Trade marks (4)

Remedies for Infringement

1. Costs
2. Damages / Account of profits
3. Injunctions
4. Delivery up
5. Disposal
Case Study:
Tsit Wing (Hong Kong) Co Ltd v TWG Tea Co Pte Ltd [2013]

• Tsit Wing Group - major supplier of tea and coffee products to hotels, restaurants, fast food chains, cafes and retail outlets

• Defendant - opened a tea salon and retail shop in the IFC Mall of Hong Kong using a sign incorporating the acronym "TWG"
• Plaintiff commenced High Court action against Defendant

**Held** – trademark infringement established

• Similarity - dominant feature of the Plaintiff’s marks and the Defendant’s mark is the acronym “TWG”
• Confusion - actual incidents of confusion
• Citations from the Trade Mark Offices in Hong Kong, US, Australia and the Philippines

**Held** – passing off established

• Plaintiff using its “TWG” logo extensively on its tea and coffee
• Evidence of actual confusion
• Damage to Plaintiff due to diversion of business to Defendant inevitable
Poll 3

Question: Do you have a trade mark registered in Hong Kong?

a) Yes
b) No, but I’m considering it
c) No
d) Not in Hong Kong, but in other countries
Patents (1)

What is a patent?
• Protects invention
• Legal right
• Prevent others from manufacturing, using, selling or importing a patented product/using a patented process

Why should you register a patent?
• Assess whether invention worth patenting
• Exclusive right to use invention
• Sue for infringement
## Patents (2)

<table>
<thead>
<tr>
<th>Patentable</th>
<th>Not patentable</th>
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<tbody>
<tr>
<td>Process or product</td>
<td>Discovery</td>
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<tr>
<td>New and novel</td>
<td>Mental process</td>
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<tr>
<td>Involves inventive step</td>
<td>Aesthetic creation</td>
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<tr>
<td>Industrial application</td>
<td>Diagnostic method and surgical/medical treatment</td>
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<td>Territorial</td>
<td>Scientific theory</td>
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<td>(Computer program)</td>
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<td>Animal/plant varieties</td>
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<td></td>
<td>Offensive or immoral</td>
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Patents (3)

Standard Patents

- The State Intellectual Property Office
- The United Kingdom Patent Office
- The European Patent Office in respect of patent designating the U.K.
- 20 years

Two Stage Application Procedure:

- Request to record published patent application
- Request for registration and grant
Patents (4)

Short Term Patents
• 8 years
• Formality examination only

Single Stage Application Procedure:
• Direct application in Hong Kong

Patent Reform
• Dual system maintained
• Original Patent Grant
• Regulate patent attorneys and agents
Patents (5)

Remedies for Infringement

1. Costs
2. Damages / Account of profits
3. Injunctions
4. Delivery up
5. Disposal
Copyright (1)

What is a “copyright”? 

• Intangible property 
• Original piece of work 
• Arises automatically 
• 50 years after the creator of the work dies (variations) 
• Protect form of expression, not mere idea 
• Protect worldwide copyright work
Copyright (2)

literary

musical

dramatic

artistic

films

broadcasts

cable programmes

sound recording

Typographical arrangement of published editions
Copyright (3)

Ownership

- An author is first owner
- Multiple owners
- Employee’s work
- Commissioned work
Copyright (4)

Infringement

Primary Infringement
- issue of copies to the public
- rental to the public
- making available of copies to the public
- performance in the public
- making adaptation
- act done in relation to an adaptation

Secondary Infringement
- importing or exporting infringing copies
- possessing or dealing with infringing copies
- providing means for making infringing copies
- permitting use of premises for infringing performance
- provision of apparatus for infringing performance, etc.
Copyright (5)

Remedies for Infringement

1. Costs
2. Damages / Account of profits
3. Injunctions
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5. Disposal
Registered Designs

What is registrable?

- Any features of shape, pattern, configuration or ornament which are applied to an article by any industrial process
- Is new at the time of filing
- Has eye appeal
- Formality requirement

Exceptions to registration

- A method or principle of construction
- Functional features of a design
- Designs intended to be applied to works of sculpture, or to wall plaques, medals, medallions and printed matter of an artistic or literary nature
Registered Designs (2)

Obtaining Registered Design Rights

• Territorial
• 5 year renewable term (25 years maximum)
• Rights to prevent others from manufacturing, importing, using, selling or renting the registered design products

Remedies for Infringement

1. Costs
2. Damages / Account of profits
3. Injunctions
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Trade Secrets

• Not by legislation
• Common law right
• Confidentiality undertaking
  ➢ To protect confidential information
  ➢ To restrict the use and access of such information
• Contract - unilateral vs. mutual
Case Study:
Oriental Machinery Ltd v Choi Kin On [2001]

• Plaintiff trading company for machine tools and agent for famous Japanese suppliers.
• Defendant – employee from 1987 to November 1999 – head of department before departure.
• Defendant resigned as from 15 November 1999.
• Before departure - Defendant set up a sole proprietorship, informed customers and suppliers of intention to leave and solicited business from them, visited customer and met with Plaintiff’s supplier when they were in Kong.
• Plaintiff argued breach of implied terms in employment contract and breach of confidence.
Held – action failed:

- Only letters sent to Sanyo Denki and meeting with ASM
- No evidence on list of customers or what confidential information acquired from the customers
- Plaintiff failed to establish any confidential information or trade secret capable of being protected
- Lack of particularization as to the alleged “confidential information”
Enforcing your IP in Hong Kong

Civil Actions

1. Cease and desist letters
2. Litigation - mediation
3. Interim injunctions / Mareva injunctions
4. Anton-Piller Order / Norwich Pharmacal Order
5. Trial
6. Copyright Tribunal
Enforcement (2)

Criminal Actions

• Customs raid and seizure
  ➢ Copyright
  ➢ Trade Marks

Shadow Companies
Take-Away Messages

• Conduct searches
• Register early
• Select Chinese marks
• Document copyright ownership
• Use contracts
• Monitor the market
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Join our upcoming events!

Upcoming Training Events in China:
• 10 June, Beijing: Enforcing your Intellectual Property Rights in China
• 16 June, Chengdu: Briefing to Polish SME Manufacturers
• 24 June, Nanjing: Online Business for SMEs in China
• 25 June, Changzhou: Closing the Door for Product Pirates

Upcoming Training Events in Europe:
• 19 June, Barcelona: KimConference
• 26-27 June, Alicante: Innovaccess and IPorta 5th Thematic Workshop on IP Enforcement
• 27 June, Cardiff: Train-the-Trainer session at the EEN UK Annual Conference

Upcoming Webinar:
• 12 June, Online: How to Record Trade Marks with Customs in China

Visit our Event Calendar for more details.
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to WIN prizes!

CONGRATULATIONS!

As a winner of the China IPR SME Helpdesk Serious Game Competition, you are entitled to one hour of free legal consultation with an IP specialist law firm.

To redeem your voucher, please contact Kasia Katus at kasia.katus@china-iprhelpdesk.eu. This voucher expires on 20 December 2014.
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