



Wilkinson & Grist
Solicitors & Notaries

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Newsletter

MAY 24

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NEW HONOURS



We have received the **Gold** ranking for **Trademark** Prosecution and Strategy and have also received the **Silver** ranking for **Trademark** Enforcement and Litigation in Hong Kong in the WTR 1000 : the World's Leading Trademark Professionals for 2024, which identifies the firms and individuals that are deemed outstanding in the relevant area of practice.



We are pleased to be ranked once again as **Tier 1 Law Firm** for **Trade Mark Prosecution** and **Top Tier Firm** for **Trade Mark Contentious, Patent Contentious and Prosecution, and Copyright** in Hong Kong in this 2024 Survey – an in-focus guide from Asia IP published by Apex Asia that contains comprehensive rankings of the best IP firms and editorial depth coverage of key trademark developments across Asia.



Chambers Global Guide 2024

We are pleased to be listed as a **Leading Firm** in **Intellectual Property (International Firms)** in China in Chambers Global Guide 2024.



Asia IP Copyright Rankings 2024

We are ranked once again as a Leading Firm in **Copyright** work in Hong Kong in this 2024 Copyright Survey – an in-focus guide from Asia IP published by Apex Asia that contains comprehensive rankings of the best IP firms and editorial depth coverage of key IP developments across Asia.

Congratulations

We are proud of the recognition given to our lawyers and congratulate them on their achievements.



Annie Tsoi



Florence Lam



Esther Ho



Andrea Fong

Annie Tsoi, Head of our Intellectual Property Practice Group, has been ranked as **Silver individual** in Trademark Prosecution and Strategy, and Enforcement and Litigation. **Florence Lam** and **Esther Ho**, Partners of our Intellectual Property Practice Group, have respectively been ranked as **Recommended individual** for Transactions, and **Silver individual** for Enforcement and Litigation. **Andrea Fong**, Consultant of our Intellectual Property Practice Group, has been ranked as **Gold individual** in Trademark Prosecution and Strategy.

AsiaIP
INFORMED ANALYSIS



Annie Tsoi



Andrea Fong

Annie Tsoi and **Andrea Fong**, respectively Head and Consultant of our Intellectual Property Practice Group, have been identified and awarded as **2024 IP Expert in Hong Kong** by Asia IP.



Andrea Fong

Andrea Fong, Consultant of our Intellectual Property Practice Group, has been recognized as a Leading Individual in Intellectual Property in China (International Firms) in Chambers Global Guide 2024.

New Faces

We warmly welcome the following newcomers to our firm.

Jason Lai joined our Corporate and Commercial Practice Group as an associate in 2023. He obtained his Bachelor of Social Sciences (Government and Laws), Bachelor of Laws and PCLL from The University of Hong Kong. Jason currently works on a variety of corporate, commercial and banking matters, including merger and acquisition, commercial contracts and loan transactions.



Jason Lai



Vincent Lai

Vincent Lai joined our Intellectual Property Practice Group as an Associate in 2023. He obtained his Bachelor of Arts in Biochemistry from St. John's University (Minnesota, US), Juris Doctor and PCLL from The Chinese University of Hong Kong. Vincent currently works on a broad spectrum of intellectual property matters, including trademark clearance and prosecution, IP portfolio management and enforcement in both Hong Kong SAR and China.



Nicole Chu

Nicole Chu joined the Intellectual Property Practice Group as an Associate in 2023. Nicole obtained her Bachelor of Business Administration (Law), Bachelor of Laws and PCLL from The University of Hong Kong. Her practice covers contentious and non-contentious intellectual property matters, including trademark prosecution, IP portfolio management and enforcement, Customs matters and domain names disputes.

About Us

Hang Seng
Bank

We are delighted to be visited by representatives from Relationship Management Business Banking of Hang Seng Bank on 16 February 2024.



(From left to right) Mr Ho Pun Kei, Executive Vice President & District Head; our Senior Partner Raymond Chan; our Partner Paul Liu; Mr Roy Tse, Senior Vice President & Team Head; Ms Josephine Kong, Senior Vice President

Our firm's annual dinner took place on 8 March 2024, joined by over 130 lawyers and staff from our Hong Kong and Beijing Offices. Everyone enjoyed a gourmet dinner and fun-filled evening with games and prize draws.

Wilkinson &
Grist 2024
Annual Dinner



We are honoured to be one of the hole sponsors to The Community Chest BEA Charity Golf Day 2024 organized by The Community Chest of Hong Kong.

The
Community
Chest BEA
Charity Golf
Day 2024





(From left to right) Mr Kenneth Lam, Vice President of The Golf Association of Hong Kong, China; our Senior Partner Raymond Chan

Regional High-level Conference on IP Protection and Cross-Border IP Protection Forum

We had the privilege of attending the Regional High-level Conference on IP Protection and the 2nd Cross-Border IP Protection Forum respectively on 14 and 15 March 2024 hosted by Hong Kong Customs & Excise Department.



(From left to right) Ms Chiang Yi Lee, Head of IP Investigation Bureau; our Consultant Andrea Fong, Ms Michelle Lee Suk Ting, Group Head IP Investigation Bureau (Adm & Support)

We are delighted to be invited to attend The World Intellectual Property Day Reception organized by The Intellectual Property Department of Hong Kong on 25 April 2024.

World
Intellectual
Property Day
2024



(From left to right) Our Partner Annie Tsoi; Mr David Wong, JP, Director of Hong Kong Intellectual Property Department; Mr Hideaki Shimada, Director of Intellectual Property Rights Department of JETRO Hong Kong



(From left to right) Our Partners Venus Lee and Esther Ho; Mr David Wong, JP, Director of Hong Kong Intellectual Property Department; our Partners Florence Lam and Shireen So

Conferences

Our members will be attending the following conferences and will be delighted to make arrangements in advance for meeting with clients and associates.

ECTA Annual Conference	Antwerp, Belgium, 19 June – 21 June 2024
MARQUES Annual Conference	Stockholm, Sweden, 24 – 27 September 2024
AIPPI World Congress	Hangzhou, China, 19 – 22 October 2024
INTA Leadership Meeting	New Orleans, USA, 12 – 15 November 2024
APAA Council Meeting	Metro Manila, The Philippines, 18 – 21 November 2024

Hong Kong SAR



Raymond Chan

Article 23 Legislation: Safeguarding National Security Ordinance (the "Ordinance")

On 23 March 2024, the Government of the Hong Kong Special Administrative Region ("**HKSAR Government**") fulfilled its constitutional duty by enacting legislation for Article 23 of the Basic Law.



Jason Lai

Article 23 stipulates that Hong Kong "*shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the Central People's Government, or theft of state secrets, to prohibit foreign political organizations or bodies from conducting political activities in the Region, and to prohibit political organizations or bodies of the Region from establishing ties with foreign political organizations or bodies*". The Safeguarding National Security Bill was introduced to the Legislative Council for first reading on 8 March 2024. The Ordinance was subsequently passed on 19 March 2024 and published in the Gazette and came into effect on 23 March 2024.

As outlined in the pamphlet published by the HKSAR Government, the Ordinance serves three primary legislative purposes:

1. To resolutely, fully and faithfully implement the policy of "one country, two systems" under which the people of Hong Kong administer Hong Kong with a high degree of autonomy;
2. To establish and improve the legal system and enforcement mechanisms for the HKSAR to safeguard national security; and

3. To prevent, suppress and punish acts and activities endangering national security in accordance with the law, to protect the lawful rights and interests of the residents of the HKSAR and other people in the HKSAR, to ensure the property and investment in the HKSAR are protected by the law, to maintain prosperity and stability of the HKSAR.

Some offences and penalties specified in the Ordinance are derived from existing Hong Kong laws or the common law system. Some notable contents include:-

Part 2: Treason, etc

The offence of “treason” is stipulated under Section 10 of the Ordinance and is modelled on the existing offence under the Crimes Ordinance (Cap 200). The offence includes acts committed by a Chinese citizen who (a) joins an external armed force that is at war with China, or is a part of that armed force; (b) with intent to prejudice the situation of China in a war, assists an enemy at war with China in a war; (c) levies war against China; (d) instigates a foreign country or an external armed force to invade China with force; or (e) with intent to endanger the sovereignty, unity or territorial integrity of China, uses force or threatens to use force. The punishment for treason is life imprisonment.

Section 11 of the Ordinance retains and amends the existing offence of “publicly manifesting an intention to commit treason”. A Chinese citizen who intends to commit treason and publicly manifests such intention is punishable with 14 years’ imprisonment.

The offence of “misprision of treason” under common law is codified under Section 12 of the Ordinance. If a Chinese citizen knows that another person has committed, is committing or is about to commit treason, he or she must disclose the commission of the offence and the material facts within his or her knowledge to a police officer as soon as reasonably practicable, unless the commission of the offence has been in the public domain.

Section 13 of the Ordinance covers offences related to unlawful drilling, which involve receiving or participating in specified drilling activities under the control, discretion, financial contribution or support of an external force. These offences can be committed outside Hong Kong by any Hong Kong permanent resident or any body corporate or body of persons that is incorporated, formed or registered or that has a place of business in Hong Kong.

Part 3: Insurrection, incitement to mutiny and disaffection, and acts with seditious intention, etc

The offence of insurrection is introduced under Section 15 of the Ordinance, which encompasses acts by a person who (a) joins an armed force, or is a part of an armed force, that is in an armed conflict with a Chinese armed force; (b) with intent to prejudice the situation of a Chinese armed force in an armed conflict, assists an armed force that is in an armed conflict with a Chinese armed force, or assists that armed force's government, authority or organization; (c) initiates armed conflict against a Chinese armed force; and (d) with intent, or being reckless, to endanger the sovereignty, unity or territorial integrity of China or the public safety of the HKSAR as a whole and does a violent act in Hong Kong. It is punishable with life imprisonment.

Sections 17 to 21 of the Ordinance expand the provisions relating to "incitement to mutiny" and "incitement to disaffection" under the existing Crimes Ordinance, where (a) the offence of incitement to mutiny is expanded to cover members of a Chinese armed force; (b) an offence of assisting members of Chinese armed force to abandon duties or absent without leave is created under Section 18 of the Ordinance; and (c) the offence of incitement to mutiny is expanded to include public officers of Hong Kong and personnels of the Central Authorities, which include the Liaison Office of the Central People's Government in the HKSAR.

Acts with seditious intentions are defined under Section 23(2) of the Ordinance to include: (a) to bring a Chinese citizen, permanent Hong Kong resident or person in the HKSAR into hatred, contempt or have disaffection against the fundamental system of the state established by the Chinese constitution, a state institution, the Central Authorities, or the Hong Kong's constitutional order and the executive, legislative or judicial authorities; (b) to incite a person to attempt to alter a matter established in accordance with the laws of Hong Kong otherwise than by lawful means; (c) to cause hatred among the residents of Hong Kong or different regions of China; (d) to incite others to do a violent act in the HKSAR; and (e) to incite others to break the law or disobey an order given under the laws of Hong Kong.

However, Section 23(4) specifies that (a) to give an opinion on the abovementioned system or constitutional order with a view to improving them; (b) to point out an issue on a matter with respect of the abovementioned institution or authority with a view to giving an opinion on the improvement of them; (c) to persuade any person to attempt to procure the lawful alteration of any matter established in accordance with the laws of Hong Kong; or (d) to point out that there is hatred amongst the residents of Hong Kong and/or different parts of China with a view to resolving this, do not constitute seditious acts.

Part 4: Offences in connection with state secrets and espionage

Section 29 provides a comprehensive definition of “state secret” that includes the following categories: (a) major policy decisions on the affairs of China or Hong Kong; (b) national defence of China or its armed force; (c) diplomatic or foreign affair activities of China or the external affairs of Hong Kong; (d) economic or social development of China or Hong Kong; (e) technological development or scientific technology of China or Hong Kong; (f) activities for safeguarding national security or the security of Hong Kong or for the investigation of offences; and (g) the relationship between the Central Authorities and the HKSAR.

Sections 32 to 37 of the Ordinance introduce new offences related to (a) unlawful acquisition of state secrets; (b) unlawful possession of state secrets; (c) unlawful possession of state secrets by a current or former public officer when leaving Hong Kong; (d) unlawful disclosure of state secrets; (e) unlawful disclosure of information acquired by espionage; and (f) unlawful disclosure by a current or former public officer or government contractor of a confidential matter, which the disclosure, without lawful authority, would prejudice the interest of the Central Authorities or the HKSAR Government.

Section 43 addresses the following acts of espionage: (a) approaching, inspecting, passing over or under, entering or accessing a prohibited place, or being in the neighbourhood of a prohibited place (including doing such act by electronic or remote means); (b) causing an unmanned tool to approach, inspect, pass over or under, enter or access a prohibited place, or to be in the neighbourhood of a prohibited place; and (c) obtaining (including by interception of communication), collecting, recording, producing or possessing, or communicating to any other person, any information, document or other article that is calculated to be, or is intended to be, directly or indirectly useful to an external force.

Part 5: Sabotage

Sections 49 and 50 introduce new offences of “sabotage endangering national security” and “doing acts endangering national security in relation to computers or electronic systems”. These provisions prohibit any person, without lawful authority and with intent to endanger national security, from damaging or weakening public infrastructure or engaging in acts or activities that pose a threat to national security in relation to computers or electronic systems.

Part 6: External interference endangering national security and organizations engaging in activities endangering national security

Section 52 defines “external interference endangering national security” as an offence involving collaboration with an external force to engage in improper means with intent to bring about an interference effect.

Interference effect includes: (a) influencing the Central People’s Government or the executive authorities of Hong Kong concerning policy, measures or decisions; (b) influencing the Legislative Council or the courts in performing their functions; (c) interfering with any elections in Hong Kong; and (d) prejudicing the relationship between the Central Authorities, the HKSAR and any foreign country.

The Secretary for Security is empowered under Section 60 to prohibit the operations of organizations endangering national security, irrespective of whether they are established in the HKSAR or have their chief place of business in the HKSAR. Once an organization is prohibited, it becomes an offense for any person to act as or claim to be an office-bearer, manage or assist in the management, or participate in any activities related to the organization.

Other provisions

Section 76 of the Ordinance allows the police to apply for an extension of the detention period of an arrested person to ensure timely completion of investigations. A magistrate may authorize such extension and permit a detention period of up to 14 days beyond the initial 48 hours. During detention, a magistrate may also authorise the police to restrict the person’s consultation with a particular legal representative or particular legal representatives, or consultation with any legal representative during the period of the first 48 hours after the person’s arrest.

The magistrate may, to avoid prejudicing investigations or endangering national security, direct a movement restriction order on a suspect released pending further investigation. The suspect must comply with requirements such as (a) to reside in a specified place; (b) must not, by any means, associate or communicate with a specified person; and (c) must not enter a specified area or place.

To conclude, the introduced provisions in the Ordinance address offences related to state secrets, espionage, sabotage, external interference and other activities endangering national security. These provisions are guided by the principles outlined in Section 2 of the Ordinance:

1. The highest principle of the policy of “one country, two systems” is to safeguard national sovereignty, security and development interests;

2. Human rights are to be respected and protected, and fundamental rights and freedoms are to be protected in accordance with the law; and
3. Acts and activities endangering national security are to be prevented, suppressed and punished in accordance with the principle of the rule of law.

Public consultation on proposed subsidiary legislation under the Copyright Ordinance (Cap 528) launched

The Government of the Hong Kong Special Administrative Region (“**HKSAR Government**”) launched a two-month public consultation on Proposed Subsidiary Legislation under the Copyright Ordinance (Cap 528) (“**Ordinance**”) for (1) Specification of Libraries, Museums and Archives; and (2) Prescribed Conditions for Certain Permitted Acts under the Ordinance. The consultation ended on 15 April 2024.



Florence Lam

The Copyright (Amendment) Ordinance 2022 (effective 1 May 2023) has expanded the scope of certain acts which specified libraries, museums and archives, subject to relevant prescribed conditions, are permitted to do without the copyright owners’ licence and without copyright infringement under the Ordinance (each a “Permitted Act” and collectively the “Permitted Acts”).

The HKSAR Government now proposes to enact two pieces of subsidiary legislation to replace the outdated Copyright (Libraries) Regulations (Cap 528B):-

- (i) a notice for specifying the types/classes of libraries, museums and archives for the Permitted Acts; and
- (ii) a set of regulations for prescribing the conditions for the Permitted Acts (“**new Regulations**”).

Proposed specifications of libraries, museums and archives

The HKSAR Government proposed that “library”, “museum” and “archive” should be given their ordinary meaning and need not be statutorily defined.

Permitted Act

- Copying and supplying copies of articles in periodicals (Section 47), or copies of parts of published works or sound recordings or films (Section 48) for research or private study.

Proposed specifications

All libraries **not** conducted for profit, and whose collection of copyright works are generally accessible to the public.

- Copying articles of cultural or historical importance or interest which are likely to be lost to Hong Kong through sale or export, for deposit at specified libraries, museums, or archives (Section 53).
All libraries, museums and archives **not** conducted for profit, and whose collection of copyright works are generally accessible to the public.
- Copying and supplying copies of (a) articles in periodicals; (b) whole/part of published works; or (c) sound recordings or films by supplying libraries to recipient libraries (Section 50).
Supplying libraries – All libraries (whether conducted for profit or not).
Recipient libraries – All libraries **not** conducted for profit, and whose collection of copyright works are generally accessible to the public.
- Copying items by sourcing libraries, museums, or archives in their permanent collection for (a) preservation or replacement of items in their permanent collection, or (b) replacement of items in the permanent collection of recipient libraries, museums or archives which have been lost, destroyed or damaged (Section 51).
Sourcing libraries, museums and archives – All libraries, museums and archives (whether conducted for profit or not).
Recipient libraries, museums and archives - All libraries, museums and archives **not** conducted for profit, and whose collection of copyright works are generally accessible to the public.
- Communicating a copy of an item in the permanent collection to users or staff by making the copy available online to be accessed through a computer terminal installed within premises of specified libraries, museums, or archives (Section 51A).
All libraries, museums and archives (whether conducted for profit or not).
- Copying and supplying copies of whole or parts of unpublished works from a document (including electronic document), sound recordings or films in the

libraries, museums or archives
for research or private study
(Section 52).

- Playing or showing sound recording or film held in permanent collection to public within premises of specified libraries, museums, or archives (Section 52A).

Proposed prescribed conditions for Permitted Acts

While the existing non-exhaustive conditions prescribed in the Ordinance will be included in the new Regulations, key supplementary conditions are also proposed:-

1. When supplying electronic copies, libraries, museums and archives shall give notice to users or recipient libraries, museums and archives, highlighting that any unauthorised reproduction, communication or dissemination thereof may infringe copyright.
2. To avoid repeated requests and to show a good cause, parties requesting the copies (users and recipient libraries, museums or archives) are required to provide written declarations for most of the relevant Permitted Acts.
3. Regarding the prescribed condition of no more than a reasonable proportion of any work in Section 48, the existing “word-counting” approach to the definition of “a reasonable proportion” is proposed to be replaced by a deeming “percentage formulation” – a proposed illustration of not more than 10% of the work as a reasonable proportion, with regard to all the circumstances of the case, notably characteristics of a specific work.
4. The term “permanent collection” in Sections 51, 51A & 52A is proposed to be defined as a collection of cultural or historical significance or importance, maintained for on-site reference or available on loan only to other libraries, museums or archives.

The proposed subsidiary legislation provides a clearer and up-to-date set of rules for libraries, museums and archives as well as their users to follow, without causing unreasonable prejudice to copyright owners’ legitimate interests. Nevertheless, specific questions on statutory definitions of “reasonable proportion” and “permanent collection” call for further deliberation amongst the stakeholders.

China Alert

New registration requirement of radio frequency beauty devices in China

In March 2022, the China National Medical Products Administration (NMPA) issued the Announcement on Adjusting Parts of the “Medical Device Classification Catalog” (No 30, 2022) (《關於調整〈醫療器材分類目錄〉部分內容的公告》(30 號公告)), governing products which use electrical energy or electrical fields, such as radio frequency current (200kHz or more) or electric field (13.56 or 40.68MHz), to treat various skin conditions including sagging, skin wrinkles and acne.

With effect from 1 April 2024, radio frequency therapeutic device and radio frequency skin therapeutic device products (generally known as RF Devices) shall not be manufactured, imported or sold, both physically and online, without a registration certificate issued by the authorities. RF Devices are also categorized as “Class III medical devices”, being medical devices with the highest risk level. With the growing popularity of RF Devices in China, the new registration requirement aims at regulating and supervising the use of beauty devices.

China



Annie Tsoi

CNIPA issued Draft Measures for Calculating Illegal Revenue in Trademark Infringement Cases

With a view to facilitating trademark enforcement efforts by administrative authorities, the China National Intellectual Property Administration (CNIPA) issued Draft Measures for Calculating Illegal Revenue in Trademark Infringement Cases 《商標侵權案件違法經營額計算辦法(徵求意見稿)》 ("Draft Measures") for public consultation on 11 April 2024.

Illegal revenue is one of key basis in determining the amount of damages in trademark infringement cases. Relevant factors in determining illegal revenue include (1) the selling price of the infringing goods; (2) the marked price of the unsold infringing goods; (3) the ascertained average price of the infringing goods sold; (4) the median market price of the infringed goods; (5) the infringing party's income arising from the infringing act; and (6) other factors that could reasonably serve to calculate the value of the infringing goods (Article 78 of the Implementation Regulations of the PRC Trade Mark Law).

The Draft Measures seek to clarify how these factors interplay and provide uniformed guidelines for administrative authorities in handling trademark infringement cases:-

1. In typical situations, “illegal revenue” is defined as (a) the value of the infringing goods or (b) total income generated by infringing services arising from the infringing act (Article 4).
2. In less typical situations, the amount of illegal revenue shall be calculated:-
 - for infringing goods given as free gifts – based on the actual purchase price or production costs of relevant gift items, or median market price if price/costs of the gift items cannot be ascertained or the gifts are non-standard products) (Article 9);
 - for infringing refurbished goods – based on the overall value of infringing goods after refurbishment, or the value of infringing components/parts (Article 10);
 - for producing or selling infringing counterfeit goods – based on actual selling price (Article 11);
 - for aiding and abetting others’ infringement – based on any income generated by such aiding and abetting (Article 12);
 - for leasing infringing goods – based on the income from respective lease (Article 13).
3. Repeated infringements shall be counted cumulatively towards illegal revenue (Article 17) whereas infringing sales that are proven to be boosted by “brushing scams” shall not be counted towards illegal revenue (Article 18).

The Draft Measures are welcomed as they provide brand owners with clarity on available remedies in trademark infringement cases. The public consultation ended on 15 May 2024, after which the Measures are expected to be finalized and promulgated to enhance transparency and predictability in trademark enforcement.

Notice: This newsletter is intended for general information only and should not be taken as legal advice of Wilkinson & Grist. For any enquiries, please contact Ms Anita Kwan at anitakwan@wilgrist.com.

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