

Newsletter

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高露雲律師行

W & G
Wilkinson & Grist
Solicitors & Notaries



2018

Happy Year of the Dog

2017 has been an exciting year for Wilkinson & Grist as we continue to gain recognition as leading law firm for our different practices. We are grateful for the staunch support and trust of our valued clients.

In this issue, we discuss the long awaited new Anti-Unfair Competition Law of China, which came into effect on 1 January 2018, 24 years after the law's first implementation. We also look at the proposed amendments to the Trade Marks Ordinance in Hong Kong aiming at enabling the application of the Madrid Protocol, amongst others.

As we enter a new year – the year of the Dog, we warmly wish for world peace, prosperity and happiness to all!

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NEW HONOURS



The definitive guides to Asia-Pacific's leading regional and domestic law firms and lawyers

We are pleased to have been named as **Outstanding Law Firm** for Dispute Resolution & Litigation, Intellectual Property and Restructuring & Insolvency in Hong Kong in Asialaw Profiles 2018, the guide to the best domestic and regional law firms and leading lawyers in the Asia-Pacific region. The guide provides law firm recommendations and editorial analysis of 18 practice areas in 24 jurisdictions. We are also **Highly Recommended** for Construction & Real Estate, and **Recommended** for Banking & Finance and Corporate/M&A Practices.

CHAMBERS ASIA-PACIFIC 2018

We are pleased to be again ranked as one of the leading International Firms – China for Intellectual Property in Chambers Asia-Pacific 2018 Guide.

“Accomplished boutique with many years’ experience in the Hong Kong market, as well as a presence in Beijing. Noted for expertise in trade mark filing, prosecution and infringement cases. Increasingly active in patent portfolio management, including enforcement and licensing. Represents international clients in industries including food and beverage, automotive and luxury goods.”



Asia IP

2017 Patent Survey

We are ranked again as **Tier 1 Law Firm** amongst Asia's Best Patent Practices in Hong Kong for both Prosecution and Contentious work in the 2017 Asia IP Patent Survey published by Apex Asia.



For consecutive years, we have been **Recommended** in the practice areas of Dispute Resolution: Litigation, Intellectual Property, and Restructuring and Insolvency in Hong Kong in The Legal 500 Asia Pacific 2018, The Client's Guide to the best law firms and top lawyers.

"Wilkinson & Grist's [dispute resolution: litigation] practice is demonstrating its standing in the market and ability to attract big-ticket disputes."

"Wilkinson & Grist is 'very strong at trade mark filing work' and manages the IP portfolios of many multinational corporations across Hong Kong, China and other Asian jurisdictions."

"With strong connections to the local business community, Wilkinson & Grist specialises in advising clients in formal insolvency proceedings and insolvency-related litigation."

Congratulations

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



The definitive guides to Asia-Pacific's leading regional and domestic law firms and lawyers



Keith Ho



Cleresa Wong



Andrea Fong



Raymond Chan



Michael Ma



Yvonne Chua

Keith Ho, Head of our Dispute Resolution Practice Group, has been voted as market leading lawyer in Hong Kong in Dispute Resolution & Litigation. **Cleresa Wong**, Head of our Real Estate Practice Group, is also named as leading lawyer in Construction & Real Estate. **Andrea Fong** and **Yvonne Chua**, respectively Head and Consultant of our Intellectual Property Practice Group, have for consecutive years been voted as market leading lawyers in Hong Kong in Intellectual Property whereas **Raymond Chan** and **Michael Ma**, respectively Head and Partner of our Corporate Practice Group, are also named as market leading and leading lawyers respectively in Corporate/M&A Practice.

CHAMBERS ASIA-PACIFIC 2018



Keith Ho



Howard Tsang



Yvonne Chua

In Chambers Asia-Pacific 2018 Guide, **Keith Ho**, Head of our Dispute Resolution Practice Group, is ranked as **Leading Individual** for Dispute Resolution: Litigation in China whereas **Howard Tsang**, Head of our Beijing Office, and **Yvonne Chua**, Counsultant of our Intellectual Property Practice Group, are ranked as **Leading Individual** and **Eminent Practitioner** respectively for Intellectual Property in China.

Keith Ho “receives praise for his strong local connections and is regarded by interviewees as a ‘very experienced’ practitioner.”

Howard Tsang “has extensive experience representing clients on a range of trade mark litigation, prosecution and enforcement matters, as well as advising on commercial issues.”

Yvonne Chua “is described by peers as ‘a respected practitioner’ and ‘a senior name in Hong Kong’. She is known for her experience and expertise in trade mark applications and cancellation and opposition actions.”



2017 Asia IP
Experts

Your Guide to Asia's Leading IP Advisers



Andrea Fong



Yvonne Chua

Andrea Fong and **Yvonne Chua**, respectively Partner and Consultant of Intellectual Property Practice Group, are both nominated and listed as amongst the very best lawyers for the Trademarks practice area in Hong Kong in the 2017 edition of Asia IP Experts published by Apex Asia, which identifies the leading IP lawyers in Asia and the Pacific.

Appointment

Through strong participation in major national and international bodies, our lawyers contribute to the community.

INTA Non-
Traditional
Marks Committee

Annie Tsoi, Partner, Intellectual Property Practice Group, has been appointed to serve on the Non-Traditional Marks Committee of the International Trademark Association (INTA) for a 2-year term starting 1 January 2018. The Committee develops and advocates the Association's policy regarding the balanced protection of non-traditional trademarks such as sound, colour, and trade dress.

New Faces

We warmly welcome the following newcomers to our firm.



Ada Chow joined our Intellectual Property Practice Group in 2017. She obtained her LLB (International Politics) from Peking University and BA (International Liberal Studies) from Waseda University before she completed the Juris Doctor Programme and PCLL at The University of Hong Kong. Ada works on both contentious and non-contentious IP matters in Hong Kong, China and the overseas, which include prosecution, enforcement and commercialization of IP. She also advises on and manages IP portfolios of domestic and overseas clients.



Grace Ip joined Wilkinson & Grist as a trainee solicitor in 2015 and has been an associate in the Dispute Resolution Practice Group since 2017. Grace's experience covers commercial disputes, insolvency, banking litigation, debt recovery as well as probate and estate administration disputes. She obtained her degrees in LLB & Bachelor of Commerce (Finance) from The University of New South Wales and completed PCLL at The University of Hong Kong. She was admitted as a solicitor in Hong Kong in 2017 and also admitted in New South Wales, Australia (non-practising) in 2013.



Venus Lee re-joined our Intellectual Property Practice Group as a partner in September 2017. She was admitted as a solicitor in Hong Kong in 2000 and is now also an accredited General Mediator. Venus specializes on non-contentious and contentious intellectual property matters, including trade mark prosecutions, oppositions, revocation and invalidation proceedings as well as enforcement actions in Hong Kong and China.



Winnie Lo joined our Dispute Resolution Practice Group as an associate in 2017 after completing her training with our firm. She obtained her Bachelor of Laws degree and PCLL from The University of Hong Kong and was admitted as a solicitor in Hong Kong in October 2017. Winnie currently works on a variety of litigation matters, including shareholders' disputes, contractual disputes, banking litigation and insolvency. She also handles arbitration proceedings.



Joshua Wong joined our firm as a trainee solicitor in August 2015 and after his admission as a solicitor in November 2017, he joined our Dispute Resolution Practice Group as an associate. Joshua currently works on a variety of litigation matters, including contractual disputes, shareholders' disputes, as well as probate and estate administration disputes.



Vanessa Wong joined our Dispute Resolution Practice Group as an associate in 2017 after completing her training with our firm. She obtained her Bachelor of Laws degree and PCLL from The University of Hong Kong and was admitted as a solicitor in Hong Kong in 2017. Vanessa now specialises in commercial, insolvency and banking litigation. She also advises and acts for leading financial institutions in debt recovery matters, mortgage actions and enforcement proceedings.

About Us

Composers
and Authors
Society of
Hong Kong
Ltd (CASH)

Yvonne Chua, Annie Tsoi and Charlie Liu, respectively Consultant and Partners of our Intellectual Property Practice Group, attended the 2017 CASH Annual Dinner cum Golden Sail Music Awards Presentation on 7 November 2017 as CASH also celebrated its 40th anniversary.



Our Yvonne Chua on the right with Mr Spencer Lee, Deputy CEO of CASH, on the left

Talks & Seminars

We are pleased to be involved in, and contribute to, legal education in Hong Kong, China and other regions.

Hong Kong
Intellectual
Property
Department

Esther Ho and Jessica Leung, respectively Partner and Senior Associate of our Intellectual Property Practice Group, conducted the “Practical Workshop for IP Managers” held by the Intellectual Property Department (IPD) on 9 November 2017. This was the third re-run of four workshops in 2017-2018 at the request of the IPD under the IPD’s IP Managers Scheme. The workshops aim at equipping IP Managers with practical knowledge of managing the IP assets effectively and integrating IP assets into their overall business strategy.

Conferences

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

LES IMDM / Annual Conference	San Diego, USA, 27 April – 2 May 2018
INTA Annual Meeting	Seattle, USA, 19 – 23 May 2018
FICPI World Congress	Toronto, Canada, 6 – 10 June 2018
ECTA Annual Conference	Athens, Greece, 13 – 16 June 2018
MARQUES Annual Conference	Paris, France, 18 – 21 September 2018
AIPPI World Congress	Cancun, Mexico, 23 – 26 September 2018
PTMG Autumn Conference	Dubrovnik, Croatia, 3 – 5 October 2018
APAA Council Meeting	New Delhi, India, 17 – 21 November 2018

Hong Kong

Proposed legislative amendments to the Trade Marks Ordinance

The Hong Kong Intellectual Property Department (“IPD”) recently put forward the Trade Marks (Amendment) Bill with various proposed amendments to the Trade Marks Ordinance (“Ordinance”) which was enacted in Hong Kong in April 2003. We discuss a few key features as follows:-

1. Implementation of the Madrid Protocol

- As featured in the May 2017 issue of our Newsletter, a policy decision was made by the Government of the Hong Kong SAR to adopt the international registration system under the Madrid Protocol in Hong Kong.
- To enable application of the Madrid Protocol, the IPD proposes to in the Ordinance:-
 - (i) extend the definition of “earlier trade mark” to cover international registrations designating Hong Kong for the purpose of considering priorities for registration – which is self-explanatory; and



Annie Tsoi



Jessica Leung

- (ii) extend the time period within which an applicant is required to respond to *ex officio* objections raised in respect of potential citation(s).

Currently, the Registrar puts an application facing a potential citation “on hold” by issuing the first observation letter setting out details of the potential citation. As such, the prescribed period for response is not triggered until the potential citation matures to registration and is formally raised as an objection in the first opinion. The applicant is not obliged to respond but if it does, the Registrar may respond. If there are other grounds of refusal such as absolute and/or relative grounds of refusals, the Registrar will consider the applicant’s response as filed for such other grounds in parallel.

Under the Madrid Protocol, the Registrar is obliged to issue a Notification of *ex officio* Provisional Refusal which is equivalent to a first opinion to the International Bureau (“IB”) of the WIPO within 18 months from its receipt of IB’s notification of the International Registration (“IR”). Full protection will otherwise be deemed for the IR. If an IR faces *ex officio* objection(s), the Registrar will be required to raise *all* grounds of objections including potential citation(s) in the notification to the IB and this will immediately trigger the running of the prescribed period for response.

It is proposed that, until and unless the potential citation matures and is formally raised as an objection in a first opinion or Notification of Provisional Refusal, there will be automatic extension(s) to the “prescribed period” for response to preserve the applicant’s position. The position is the same where, if the applicant so wishes it can still make representations to overcome the objection(s) raised including those based on a potential citation. The prescribed period will end on a date which is 6 months from the date of the Registrar’s notification of the outcome of all potential citations.

2. Clarification of protection afforded to well-known trade marks

- In line with the interpretations made overseas and in Hong Kong Courts, the IPD proposes to clarify that the protection afforded to well-known trade marks covers ALL goods and services, by deleting the reference to goods and services which are “not identical or similar” as currently in the Ordinance.

3. Removal of recordal of licence as a condition for licensee to access certain rights

- The current Ordinance provides that a licensee is entitled to access certain rights only after the licence has been registered. Such rights include (a) rights to bring infringement proceedings in licensee's own name, (b) entitlement to damages or an account of profits in respect of any infringement.
- With a view to keeping the Hong Kong law on par with other jurisdictions and up-to-date with international standards, the IPD is now seeking stakeholders' views on whether Hong Kong should follow suit in removing licence recordal as a condition for licensees to access such rights.

4. New provisions for enforcement responsibility

- Currently in practice, the Police are the law enforcement agency of criminal offences under the Ordinance, whereas the Customs & Excise Department is responsible for IP offences under the Copyright Ordinance, Prevention of Copyright Piracy Ordinance and Trade Descriptions Ordinance.
- It is proposed to introduce new provisions to the Ordinance to make clear those enforcement responsibilities of the Police and the Customs and Excise Department.

The proposed amendments are expected to update and align the current Ordinance with international standards as well as the Registrar's practice as supported by judicial decisions in the last decade or so. The IPD will prepare legislative proposals to amend the Trade Marks Rules accordingly to facilitate implementation of the new Ordinance. The earliest implementation of the Madrid System in Hong Kong is targeted at 2020 or 2021.

China



Howard Tsang

New Anti-Unfair Competition Law

The new law came into effect on 1 January 2018, amending the old law which had been in operation for nearly 25 years since 1993. This is a much awaited amendment. The following is a summary of the key changes.

1. Expansion and clarification of certain classic form of unfair competition acts requiring proof of confusion caused to consumers, coupled with increased administrative sanctions and civil remedies
 - Now, an unauthorized act of a business operator is an unfair competition act so long as the act would likely cause confusion either as to the origin of goods/services or that there is a certain connection with another person.
 - Whilst keeping the name, packaging and decoration/trade dress of a product/service, as well as the enterprise name and personal name as subject matters of unfair competition acts, there are new additions. These include the name of a social organization, as well as the principal part of a domain name, a website name and a webpage.
 - The new law also clarifies that the enterprise name, or the personal name, includes not only its full name, but also its abbreviated name and trade name or the pseudonym, stage name and translated name.
 - The power of the enforcement agency is now suitably increased.

The agency now also has the power to seal up or seize the property related to the suspected acts of unfair competition and to confiscate same once unfair competition is confirmed. It is also empowered to investigate the bank accounts of the business operator. These powers are also applicable when enforcing other forms of unfair competition acts mentioned below.

When the enforcement agency has determined that an enterprise name of a business operator is confusing, the operator is required to change its name and before this is done, the agency in fact has the power to replace the name with its business registration number. This is a very effective sanction and remedy.

- The new civil remedy of statutory damages up to RMB 3 million is available to the successful claimant.

2. Misrepresentation in commercial advertising and promotion of one's goods/services is further restricted

- In addition to false or misleading information such as the nature, function, quality of the goods/services of an operator, the new law has been expanded to cover sales status, user reviews or honours received regarding the goods/services of a business operator.
- Moreover, an operator is prohibited from organizing false commercial transactions, hence false online transactions to boost up the credibility, ranking or rating of its business is caught.

3. New unfair competition acts taking place online are prohibited

Use of technical means hindering or undermining the normal operation of online goods/services lawfully provided by another business operator, whether by way of affecting consumer choice or otherwise, is prohibited. For example, the following acts are prohibited: (a) without the consent of the other business operator, inserting a link in or forcing a URL redirection of its website; (b) misleading, deceiving, or forcing users into altering, shutting down or uninstalling the online goods/services of the other business operator; (c) maliciously causing the online goods/services of the other business operator to be incompatible with the normal online business activities of that business operator.

4. Sweeping changes in commercial bribery

- The most fundamental change is the removal of transaction counterparties from the scope of bribery-takers. Thus corporate-to-corporate commercial incentives are no longer considered as commercial bribery.
- It expands the purpose of bribery from “selling or purchasing goods” to “seeking business opportunities or competitive advantages”.
- It is now clear that an employer is vicariously liable for acts of commercial bribery committed by its employee, although a defence is now available to the employer if it can prove that the said act of the employee is irrelevant to seeking a transaction opportunity or competitive advantage for the business.

5. Further conditions are imposed on prize sales

- In addition to prohibiting a prize sale where the award of prize is deceptive, it also prohibits a prize sale if particulars such as the following are unclear: the prize type, conditions of prize redemption, prize money amount or the prize itself.

- In addition, the maximum amount of prize money for lottery sales is increased from RMB5,000 to RMB50,000.

6. To avoid or minimize duplication with other laws

The new law no longer regulates the acts of forging registered trade marks of another person, or designing, producing, distributing false advertisements, or anti-trust practice, since these acts are well covered respectively by the Trade Mark Law, Advertising Law or Antitrust Law.

7. Emphasis on public interest

In defining what an “unfair competition act” is, both the new law and the old law state in Article 2 that it consists of two elements, being (i) damage to the rights and interests of operators and (ii) disruption of social economic or market competition order. Now, the new law places the element of market competition order disruption before the damage element, and in addition, the damage element includes damage to consumers. This signifies the new law places a greater emphasis on protecting public interest.

China Alerts

Proposed changes to the trade mark examination procedure of the Chinese Trade Marks Office

The State Administration for Industry and Commerce has published a set of recommendations to improve the current trade mark examination procedure with a view to enhancing efficiency of the trade mark system in China. In particular, by the end of 2018, the following targets for reform are set to:

- reduce the time frame for issuing official filing receipt to 1 month;
- reduce the time frame for completing examination of trade mark applications to 6 months;
- reduce the time frame for completing examination of trade mark assignments to 4 months;
- reduce the time frame for approving trade mark records and renewals to 2 months; and
- reduce the delay period for updates of trade mark database for searching to 2 months.

The development of the trade mark registration system into a fully electronic one will be implemented, firstly by issuing electronic filing receipt in the first half of 2018. In addition, the possibility of reducing the time limit for filing opposition and for filing supplemental evidence to 2 months will be looked into.

New rules governing enterprise names registration

In July 2017, the State Administration for Industry and Commerce (SAIC) issued 2 sets of new rules governing enterprise names in China.

The first set of rules specifies the kind of enterprise names that are prohibited or restricted for registration. To name a few:

- an enterprise name is prohibited from registration if it contains content or word that damages national and social public interest;
- an enterprise name must only comprise nationally approved Chinese words, and not any foreign word, letter or numeral;
- an enterprise name must not contain reference to a trademark recognized as well-known by the SAIC in the same industry, unless authorized by the well-known mark owner.

The second set of rules provides guidance and examples on how enterprise names are compared and considered the same or similar.

New international application platform for applying for protection of plant variety rights

On 15 November 2017, as a participating UPOV (The International Union for the Protection of New Varieties of Plants) member, the Office for the Protection of New Varieties of Plants under Ministry of Agriculture in China announced the launch of an electronic application system of plant variety rights, known as Plant variety data Routing Information System using Multilingual Application forms (PRISMA).

In January 2017, EAF (Electronic Application Form) version 1.0 was introduced for breeders to apply for plant variety rights protection for rose, soya bean, lettuce, apple fruit varieties and potato. The improved EAF Version 1.1 was released in July 2017, in which Chinese was added as a navigation language to facilitate applications by Chinese breeders, in addition to English, French, German, Spanish. PRISMA is the new name for EAF and a further improved version of EAF Version 2.0 will be released soon.

With PRISMA, Chinese breeders can create a user account on <https://www3.wipo.int/eaf> and apply for plant variety rights protection with plant variety protection offices in different countries and regions, whereas foreign breeders can apply for plant variety rights protection of lettuce and rose in China.

Adoption of the 2018 version of the 11th edition of Nice Classification by the CTMO

As from 1 January 2018, the Chinese Trade Mark Office (CTMO) adopted the 2018 version of the 11th edition of WIPO's Nice Classification to classify goods and services for the purpose of registration of trade marks in China. On such basis, the CTMO made corresponding adjustments to the Chinese *Classification Table of Similar Goods and Services*, introducing new items and deleting some old items. This 2018 Table applies to all trade mark applications filed in China on or after 1 January 2018.

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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