

W & G  
Wilkinson & Grist  
Solicitors & Notaries

## Welcome Message

As China progresses to become the world's next great innovator, the Chinese IP market place continues to evolve at a breath-taking pace whilst the government persists in its efforts on improving IP protection.

Riding on this, and with the significant rise in cross border IP transactions and exchanges, Hong Kong sets to develop itself as a regional IP trading hub with a proposed reform of its patent system. At the same time, the government has demonstrated clear determination to cool down the heated property market by introducing a second round of increase in stamp duty in February 2013.

Blessedly, Hong Kong continues to thrive under a safe and stable environment; however, our hearts go out to those who are less fortunate, in Boston, Sichuan and beyond.....

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## NEW AWARDS



### Asia Pacific's Leading Lawyers for Business

We are very pleased that our Intellectual Property Practice has again been ranked in the Chambers Asia Pacific 2013 Guide as a **Band 1 Intellectual Property (International Firms): China** in the **Asia Pacific Region**.

*"IP is one of this firm's banner practices. The group boasts a large team ... Over the past year it has successfully fought Hong Kong and China infringement cases on behalf of local and international clients and is also one of the top e-filers for trade mark, patent and design applications in Hong Kong."*

Again, our firm is further ranked for **Dispute Resolution (International Firms): China**

*"This firm combines first-rate IP expertise with a robust and growing litigation arm into a thriving practice. Arbitration, probate litigation and shareholder disputes all fall under its broad offering."*

Managing  
Intellectual  
Property™

TRADE MARK  
COPYRIGHT  
PATENT

SURVEY 2013

The World's Leading Firms Compared

We have, *for consecutive years*, been rated as a **TOP TIER HONG KONG FIRM** for **Trade Mark Prosecution** work and **Trade Mark Contentious** work and a leading **CHINA FOREIGN FIRM** in **Trade Mark** work.

We have also been rated as a **TOP TIER HONG KONG FIRM** for **Patent Prosecution** work as well as a leading **CHINA FOREIGN FIRM** in **Patent** work.

Additionally, we have been rated as a leading **HONG KONG FIRM** and **CHINA FOREIGN FIRM** in **Copyright** work.



## The World's Leading Trademark Professionals 2013

Our Intellectual Property Practice has once again received the highest **Gold Band** ranking for Hong Kong in this third edition of WTR 1000 which identifies those private practice firms and individuals setting the industry benchmark for trademark services.

*“The domestic filing offering of this venerable full service law firm accounts for a sizeable percentage of the local market. While this is undoubtedly its strongest area, it also offers a comprehensive suite of trademark services at a consistently high level. Commentators praise its ‘attention to detail, fast response times and the quality of its practical advice’; its large team is ‘able to understand clients’ needs, address them and devote itself entirely to brand owners’.”*

## Asia IP

We are delighted to be ranked as a **Tier 1 Law Firm** for Hong Kong for **Copyright** work in the IP survey published in the Asia IP December 2012/January 2013 issue, a publication by Apex Asia that provides in-depth coverage on IP written for in-house Counsel and private practice lawyers.

## Congratulations

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



## Guide to the World's Leading Patent Law Practitioners 2013



Yvonne Chua

**Yvonne Chua** is pleased to be named as one of the expert **Patent Practitioners** in Hong Kong in this Legal Media Group Expert Guide that identifies and nominates the best individuals in their specific area of practice through independent nomination.



## Asia Pacific's Leading Lawyers for Business



Anne Choi



Yvonne Chua



Andrea Fong



John Budge



Keith Ho

**Anne Choi**, **Yvonne Chua** and **Andrea Fong**, partners, Intellectual Property Practice Group, and **John Budge** and **Keith Ho**, partners, Dispute Resolution Practice Group, are all named as **Key Individuals** in their respective areas of practice in the Chambers Asia-Pacific 2013 Guide.

***Anne Choi** "is a highly respected practitioner in Hong Kong, whose practice covers all areas of IP from applications to prosecution and litigation as well as licensing and franchising work."*

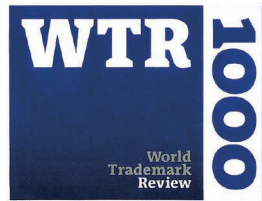
*"A key member of the team, **Yvonne Chua** assisted Porsche with its trade mark protection. Her busy year also involved a range of anti-counterfeiting measures and actions in respect of parallel imports for a range of well-known corporates."*

***Andrea Fong** "is well regarded for her handling of a range of contentious matters, with her clients reporting: 'We are very happy with her team and the services they provided'."*

***John Budge** "is a widely recognized name, commended by peers for his impressive breadth of practice and long-standing experience in the market. A satisfied client noted: 'We were very happy with his ability to settle matters without going to court'."*

***Keith Ho** "is an approachable and responsive litigator". "Peers also noted the breadth of his expertise which encompasses real estate and insolvency disputes. His work highlights from the past twelve months include acting for the provisional liquidator of Sunlink International Holdings in its restructuring to achieve resumption of the trading of its shares."*





## The World's Leading Trademark Professionals 2013



Anne Choi



Yvonne Chua



Andrea Fong



Helen Tang

Our IP partners have again been named in this independent multimedia publication dedicated exclusively to the trademark legal services market where top practitioners leading the field are identified.

**Anne Choi** and **Yvonne Chua** received the highest **Gold Band** ranking whereas **Andrea Fong** and **Helen Tang** received the **Silver Band** ranking.

**Yvonne Chua** and **Andrea Fong** are also named as anti-counterfeiting professionals.

*“Head of the IP practice group”, **Anne** “is revered for her insight into an array of trademark issues.”*

*“The ‘famous and highly skilled’” **Yvonne** “has a profound understanding of anti-counterfeiting action and deftly handles cross-border infringement suits.”*

*“While redoubtable litigator” **Andrea** “frequently secures success in the most complex trademark disputes.”*

*“With an impressive breadth of expertise covering the IP spectrum”, **Helen** “is in high demand.”*

## About Us

We are pleased to introduce our Family & Matrimonial Practice Group led by our partner Derick Tam with our associates Dennis Ng and Barbara Siu. The team has extensive experience in assisting clients in dealing with all issues arising from breakdown of relationships, including separation, divorce, financial disputes, custody and maintenance. They also regularly advise on cohabitation and pre-nuptial agreements. The group's wealth of experience in handling proceedings in the Family Court makes its members ideal facilitators for amicable settlements of family disputes through negotiation or mediation. Our lawyers are sensitive to the emotional aspects that may be involved in family disputes and always bear the long term interests of clients and their children in mind.

Welcoming  
our Family &  
Matrimonial  
Practice Group



Derick Tam



Dennis Ng



Barbara Siu



*Wilkinson & Grist family of lawyers at our 2013 Annual Dinner*

Our Annual  
Dinner

The Federation  
of Hong Kong  
Watch Trades and  
Industries Ltd

As we continue to serve the Federation of Hong Kong Watch Trades and Industries Ltd as their Honorary Legal Advisor, we congratulate the Chairman Mr Gabriel Au and all other directors of the new Board who were appointed at their Inauguration Ceremony on 26 March 2013.



*(From right to left) Ms Yvonne Chua,  
Mr Gabriel Au, Chairman, The Federation of Hong Kong Watch  
Trades & Industries Ltd;  
Mr Ralph Chow, Director, Product Promotion, Hong Kong Trade  
Development Council.*

## Talks & Seminars

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

Hong Kong  
Productivity  
Council

Upon invitation by the Hong Kong Productivity Council, Intellectual Capital Development Division, our partners, **Florence Lam** and **Helen Tang**, Intellectual Property Practice Group, conducted an IP seminar on “Trade Mark & Copyright Protection” on 1 March 2013 for staff and students of the City University of Hong Kong.





## New Faces

*We warmly welcome the following lawyers who have rejoined our firm.*



**Campos Cheng** rejoined our Corporate and Commercial Group in November 2012 after completing a Master of Laws (specializing in public international law) from the London School of Economics and Political Science. Campos' practice focuses on corporate, banking and commercial law. He also advises on employment and other advisory matters.



**Derick Tam** rejoined us in April 2013 after a break of two years and now heads our Family & Matrimonial Practice Group. Derick has substantial experience in family/matrimonial, wills and probate (contentious and non-contentious) and general litigation matters. He was accredited as a general mediator in 2010 and completed the basic and advanced courses for family mediation in 2012.

## Appointments

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

**Yvonne Chua**, partner, Intellectual Property Practice Group, has been appointed by the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) of the HKSAR to the Working Group on Intellectual Property Trading for a term of two years with effect from 12 March 2013. This Working Group has been set up to study the overall strategy for promoting Hong Kong as a hub for intellectual property trading pursuant to the announcement made by the Chief Executive in his 2013 Policy Address.

Working Group on  
IP Trading

**Yvonne** has been appointed as a member of the Design, Marketing and Licensing Services Advisory Committee of the Hong Kong Trade Development Council for a two-year term from 1 April 2013 to 31 March 2015. The Committee's main role is to advise the Council on its promotional strategies for the design, marketing and licensing services industry.

Hong Kong Trade  
Development  
Council

**Yvonne** has also been re-appointed by the Hospital Authority Board as a member of the Hospital Governing Committee of Pok Oi Hospital from 1 April 2013 to 31 March 2015.

Hospital Authority

## Publications

*We are happy to provide upon request copies of the following published articles written by our lawyers.*

“Hong Kong – Trademark toolkit: Working with Customs”  
- Florence Lam

World Trademark  
Review  
Feb/Mar 2013

“China – SIPO becomes largest patent office in the world”  
- Esther Ho

Intellectual Asset  
Management Magazine  
13 Feb 2013

World Trademark  
Review LEXOLOGY  
13 Feb 2013

“China – China allows (limited) registrations for retail and distribution services”  
- Annie Tsoi

Intellectual Asset  
Management Magazine  
6 Mar 2013

World Trademark  
Review LEXOLOGY  
6 Mar 2013

“China – Microsoft takes action against Bai Nao Hui”  
- Esther Ho

Intellectual Asset  
Management Magazine  
27 Mar 2013

World Trademark  
Review LEXOLOGY  
27 Mar 2013

“Hong Kong – 3D shape mark held to be indistinctive”  
- Lily Cheung

Intellectual Asset  
Management Magazine  
3 Apr 2013

World Trademark  
Review LEXOLOGY  
3 Apr 2013

## Forthcoming Conferences

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

INTA

Texas, USA, 4–8 May 2013

ECTA Annual Conference

Bucharest, Romania, 19–22 Jun 2013

LES Pan European Conference

Davos, Switzerland, 23–25 Jun 2013

MARQUES

Monte Carlo, Monaco, 17–20 Sept 2013

LES USA & Canada Annual Meeting	Philadelphia, USA, 22-25 Sept 2013
LESI Management & Delegates' Meeting	Philadelphia, USA, 25-27 Sept 2013
LES Asia Pacific Regional Meeting	Hangzhou, China, 15-17 Oct 2013
APAA	Hanoi, Vietnam, 19-22 Oct 2013
INTA Leadership Meeting	Miami Beach, USA, 12-16 Nov 2013

## Hong Kong

### Residential Properties (First-hand Sales) Ordinance 2012

The Residential Properties (First-hand Sales) Ordinance Cap 621 ("Ordinance") came into operation on 29 April 2013.

The Ordinance has codified the requirements that the vendors of first-hand residential properties have to comply with in relation to sales brochures, price lists, show flats, viewing of properties, sales arrangements, disclosure of transaction information and advertisements. Mandatory provisions to be included in the preliminary agreements for sale and purchase and the agreements for sale and purchase of first-hand residential properties have also been enacted.

Of the changes enacted by the Ordinance, the more notable ones are :

1. The adoption of saleable area as the only basis for quotation of property size and property price in sales brochures, price lists and advertisements. This is to replace gross floor area formerly used by developers in quotation of prices and advertisements in first-hand sales.
2. The dissemination of more transparent information on first-hand sales such as price lists, sales brochures, numbers of units sold, etc, to make sure that the public is better informed.
3. The prescription of mandatory items and manner of presentation for sales brochures to avoid any misunderstanding.
4. For uncompleted developments, the vendor must also make available for viewing unmodified show flats in addition to modified show flats.



Cleresa Wong



Hannah Chow

***"The Ordinance has codified the requirements that the vendors of first-hand residential properties have to comply with in relation to sales brochures .... and advertisements."***

5. For completed developments, the vendor must make the residential property to be sold available for viewing by the prospective purchaser before signing of the sale contract. If such viewing is not reasonably practicable, the vendor shall arrange a comparable residential property for viewing.
6. The inclusion of vendor's warranties in the agreements for sale and purchase for completed developments on fittings, finishes and appliances, measurements and communal facilities and vendor's obligation to remedy defects.
7. The disclosure of updated transaction information to the public at the sales office and on the vendor's website through a single register of transactions.

The Sales of First-hand Residential Properties Authority ("SRPA") has been set up under the Transport and Housing Bureau to administer the implementation and the enforcement of the Ordinance. It has already issued guidelines and practice notes and posted frequently asked questions and answers to facilitate understanding of the Ordinance. It has also commissioned the Rating and Valuation Department to maintain an electronic database named the Sales of First-hand Residential Properties Electronic Platform ("SRPE") on sales brochures, price lists and registers of transactions of individual first-hand residential developments for public access.

A number of offences have been introduced under the Ordinance. Amongst the more serious ones, (a) publication of advertisements containing materially false or misleading information with knowledge or through recklessness and (b) fraudulent or reckless misrepresentation and dissemination of false or misleading information for the purpose of inducing purchase of any first-hand residential property will attract a fine of HK\$5 million and imprisonment of seven years on conviction on indictment, and a fine of HK\$1 million and imprisonment of 3 years on summary conviction.

## Data protection in direct marketing activities

The new Part VIA of the Personal Data (Privacy) Ordinance (Cap 486) in relation to the use of personal data for direct marketing came into effect on 1 April 2013.

Under the new requirements, data users are not allowed to use personal data (collected on or after 1 April 2013) for direct marketing purposes without their customers' consent. Such consent cannot be inferred from non-response and silence does not constitute consent. Data users may continue to use personal data collected before 1 April 2013 for their own direct marketing purposes subject to the conditions listed under Section 35D of the new Part VIA.

It has always been the case that data users may only collect personal data that is necessary and directly related to their functions, services or activities. Under the new Part VIA, additional personal data may be collected for direct marketing purposes only if the data subject (ie the customer) provides the additional personal data on a voluntary basis and consents to the use of such data for such purposes.

On or before collection of personal data for direct marketing purposes, data users have to take all reasonably practicable steps to inform a data subject (i) whether it is voluntary or obligatory for him/her to supply the data; (ii) the purposes of collection and the marketing subjects (the specific categories of goods and services in relation to which the personal data collected may be used); and (iii) the classes of persons to whom the personal data collected may be transferred for direct marketing of the permitted marketing subjects.

Data users shall avoid bundling their requests for customers' consent to the use of personal data for direct marketing with requests for other information or consents. A request for consent is considered bundled if customers have to give up their requests for the services from the data users unless they agree to the collection of their personal data for direct marketing at the same time. A separate consent to the use of a customer's personal data for direct marketing purposes shall be obtained.

A data subject has the right to withdraw his/her consent to the use of his/her personal data for direct marketing at any time. The data user must comply with an opt-out request without charge to the data subject.

It is an offence to use a data subject's personal data for direct marketing without the data subject's consent. The maximum penalty for the offence is a fine of HK\$500,000.00 and imprisonment of 3 years. If the personal data is transferred to a third party for gain without the consent of the data subject, the maximum penalty for the offence is a fine of HK\$1,000,000.00 and imprisonment of 5 years.



Cleresa Wong



Christine Lo

***"Under the new requirements, data users are not allowed to use personal data (collected on or after 1 April 2013) for direct marketing purposes without their customers' consent."***





Mena Lo

*“an original patent system should be established ..... whilst at the same time retaining the current re-registration system”*

## Changes in patent system announced

In February 2013, the Hong Kong Government announced that it has accepted the recommendations put forward by the Advisory Committee (“Committee”) which was appointed to advise on how Hong Kong should position its patent system and how best to implement changes to it in light of the decision made by the Government on the way forward.

The Committee considered a total of 74 submissions filed in response to the consultation paper launched on “Review of the Patent System in Hong Kong” in October 2011 and studied different aspects of the patent systems in other jurisdictions such as Australia, People’s Republic of China, Macao, New Zealand, Singapore, UK and the USA. Bearing in mind the long term goals to develop Hong Kong into an innovation and technology hub, and to ensure that the patent system would continue to meet present day needs, strategic recommendations including the following were made to the Government:-

### *Standard Patent*

- an original patent system should be established with substantive examination outsourced to other patent office(s) whilst at the same time retaining the current re-registration system

### *Short-term Patent*

- the current non-substantive examination system and the maximum 8-year term of protection should be maintained
- substantive examination should be made a pre-requisite to commencement of infringement proceedings
- both the patentee and any third party can apply to the Patents Registry for substantive examination of the patent
- when making a threat of infringement proceedings, the patentee should provide the party to whom the threat is made, full particulars about the patent and failure to do so would enable the party to whom the threat is made to seek a legal remedy

### *Regulation of Patent Agency Services*

- a fully-fledged regulatory regime on patent agency services should be developed in the long run
- interim measures should be introduced having regard to the existing patent agency being provided on the one hand and the early building and recognition of a regulated patent agency profession on the other

The Committee will continue to work on details in implementing its recommendations which are going to significantly change the existing patent system.

# China

## New SPC Guidelines on information network transmission rights

On 17 December 2012, the Supreme People's Court of the People's Republic of China ("SPC") promulgated the *"Provisions on Several Issues Concerning the Application of Law in Civil Adjudication regarding Infringement of Information Network Transmission Rights"* ("Provisions"), effective as of 1 January 2013.

Under the Provisions, unauthorized provision of works, performances and audio-video products ("Work(s)") through information network by a network user or a network service provider ("NSP") will constitute infringement of the information network transmission rights of the rights holders. By aiding and abetting such unauthorized provision, the NSP would also commit an act of infringement, which is deemed where it has failed to remove the infringing Work. "Information network" includes not only the computer network but also, for example, mobile communication network. The term "provision" is also given an expanded meaning.

An NSP is however not liable where it merely provides such facilities as searching, information storage or file sharing, or where, in making the Work available, its role is merely a network service provider and not otherwise at fault. In this regard, an NSP will be deemed to be at fault if it knew or ought to have known that the Work transmitted by the network user is an infringing Work. In determining whether or not such Work is infringing, various factors should be considered including the reputation of the Work and the obviousness of its being infringing, any active role played by the NSP such as in selecting and editing the Work as well as any appropriate measures adopted by the NSP in preventing or handling such infringements. An NSP receiving direct benefit through transmission of the Work will owe a higher duty of due diligence.

In circumstances such as where an NSP promotes hit movies or TV programs by creating rankings, directories and the like through which the public may directly download or browse them, or where hit movies or TV programmes are specifically positioned at the webpage for easier access by network users, the NSP will be deemed "ought to have known" that the Work is infringing.

On the other hand, an NSP is not at fault where it has not taken the initiative to monitor and examine if the Work transmitted by a network user is infringing, or where notwithstanding reasonable and effective technical measures having been taken by the NSP, the infringing Work is still made available via its network.

In short, the Provisions primarily lay down relatively detailed rules with regard



Howard Tsang



Templar Fang

*"the Provisions primarily lay down relatively detailed rules with regard to the rights and liabilities of NSPs vis-à-vis the copyright owners under the network environment."*

to the rights and liabilities of NSPs vis-à-vis the copyright owners under the network environment. They replaced the 2006 Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in Adjudicating Copyright Disputes over Computer Network which merely set out the basic principles, the guidance value of which was clearly inadequate.



Andrea Fong



Shireen So

***"3 to 4 large specialized markets will be selected by the PIPOs as pilot markets and regular IP enforcement activities will be held ....."***

## SIPO launched program to protect IPRs in specialized markets in China

On 27 December 2012, the State Intellectual Property Office ("SIPO") released a *"Notice on Protecting Intellectual Property Rights in Specialized Markets in China"*, stipulating the launch of a one-year program.

In this program, the SIPO will commission Provincial Intellectual Property Offices ("PIPOs") to investigate the geographical distribution of the specialized markets in the region and to understand the status of intellectual property rights ("IPRs") protection. The PIPOs will also enhance the coordination with IP-related enforcement authorities including Administrations for Industry and Commerce, Copyright Bureaus, Public Security Bureaus and the Customs so as to uphold the protection of IPRs.

Three to four large specialized markets will be selected by the PIPOs as pilot markets and regular intellectual property enforcement activities will be held in these markets. A complaint system will also be established in these markets and the progress on protection of IPRs will be announced to the public regularly. The PIPOs will encourage the industry associations to settle IPRs disputes by way of mediation as well.

Apart from enforcement, these PIPOs will also supervise the specialized markets to develop their own IPRs protection promotion and training schemes and will formulate further guidelines to strengthen the IPRs protection in those markets.

The PIPOs shall render their interim report in September 2013 and final report by March 2014. In view of the vast number of enterprises in China as well as the extensive sphere of the China market, it is usually difficult for the IPRs owners to monitor whether their rights have been infringed and to enforce their rights accordingly, particularly so for micro, small and medium-sized enterprises. Since these specialized markets are the major distribution channels for most commodities, the introduction of this program would hopefully help to suppress the circulation of counterfeits.

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](mailto:anitakwan@wilgrist.com).

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