



Wilkinson & Grist
Solicitors & Notaries

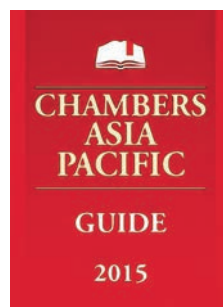
Welcome Message

As we enter into the second quarter, we welcome legislative changes that will bring Hong Kong closer in line with international practice following the introduction of statutory paternity leave and the reform in the doctrine of privity of contract with the enactment of the Contracts (Rights of Third Parties) Ordinance. The signing of the Host Country Agreement between Hong Kong and China will facilitate the conduct of dispute settlement proceedings by the Permanent Court of Arbitration in Hong Kong. A comprehensive Report was also released by a Working Group chaired by the Hong Kong Secretary for Commerce & Economic Development with recommendations for propelling Hong Kong's development as the IP trading hub. We look forward to assisting our clients on these new developments through our different Practice Groups.

CONTENTS

New Honours	2-3
Congratulations	4-5
Appointments	5-6
Announcing New Partner	6
New Faces	6-7
About Us	7-8
Talks and Seminars	8-9
Publications	9
Conferences	9
Hong Kong	10-13
- Introduction of statutory paternity leave for working fathers in Hong Kong	10
- Hong Kong to handle arbitration for international court	11
- Contracts (Rights of Third Parties) Ordinance	11-12
- Challenging the mental incapacity of alleged mentally incapacitated persons	12-13
Hong Kong Alerts	13-14
- Revision of fees under Trade Marks Rules (Cap 559A), Registered Designs Rules (Cap 522A), and Registration of Copyright Licensing Bodies Regulation (Cap 528A)	13
- HKIRC launched “.hk WATCH” domain name monitoring service	13-14
- Hong Kong as a premier IP trading hub	14
China	14-15
- Heinz’s Chinese trademark recognised as well-known by Beijing Higher People’s Court	14-15
China Alert	15
- Introduction of technical investigators to Specialist IP Courts	15

NEW HONOURS



We are pleased to be again ranked as one of the leading **International Firms – China** for **Intellectual Property** and **Dispute Resolution** in both the 2015 Chambers Global Guide and the 2015 The Client's Guide on Asia Pacific's Leading Lawyers for Business.

Managing Intellectual Property™

TRADE MARK SURVEY 2015
PATENT SURVEY 2015

IPSTARS
HANDBOOK

THE DEFINITIVE GUIDE TO LEADING IP FIRMS AND LAWYERS

For consecutive years, we have been voted as a **TIER 1** for both **Trademark** and **Patent Prosecution** work in Hong Kong in this annual world survey on top IP firms. We are also recognized as a leading **China Foreign Firm** in **Trademark**. These rankings are further published in the IP Stars Handbook 2015.



The 2015 Asia IP Copyright Survey

We are ranked once again as a **Recommended Law Firm** in Hong Kong in this **Copyright** Survey on the best firms for copyright related advice around the region. This survey as published by Apex Asia in its Asia IP January 2015 issue is based on extensive research and represents the very best advisors in Asia.



The World's Leading Trademark Professionals 2015

For consecutive years, our Intellectual Property Practice has received the highest **Gold Band** ranking for Hong Kong in the WTR 1000 publication which identifies the leading practitioners and firms in both the contentious and non-contentious spheres of trade mark in 70 key jurisdictions globally.

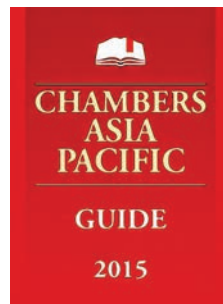
"Wilkinson & Grist draws on a lengthy history in Hong Kong and strong ties to mainland China to put forward a comprehensive and high-grade offering."



We are honoured to be recognized as one of the leading **International Firms** for **Intellectual Property** in the 2014 China Business Law Awards which are based on nominations, recommendations and endorsements received from China focused in-house counsel and legal professionals around the world.

Congratulations

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



Yvonne Chua



Keith Ho



John Budge

In both the Chambers Global and the Chambers Asia Pacific 2015 Guides, **Yvonne Chua**, Head of our Intellectual Property Practice Group, is ranked as **Leading Individual** for intellectual property in China whereas **Keith Ho**, Head, and **John Budge**, Consultant, both of our Dispute Resolution Practice Group, are **Leading Individuals** for dispute resolution.

Yvonne Chua *“is the ‘well known’ head of the IP department and is recognised for her skills in both contentious and non-contentious trade mark matters.”*

Keith Ho *“specialises in contentious probate disputes and has a solid record of representing individuals in high-profile cases he is ‘able to deal with difficult situations in a manner the client can understand’.”*

John Budge *“is well respected by peers for his long-standing experience in the market. He maintains a strong contentious private client practice.”*



The World's Leading Trademark Professionals 2015



Yvonne Chua



Andrea Fong

Partners of our Intellectual Property Practice Group have, yet again, been ranked in this WTR 1000 listings following an exhaustive qualification research process.

Yvonne Chua received the highest **Gold Band** ranking whereas **Andrea Fong** received the **Silver Band** ranking.

Yvonne Chua “has amassed a heap of honours for her dedication to the IP field” and “is a highly sought-after strategist.”

Andrea Fong is “always available and quick to provide clear advice.”

Appointments

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

LexisNexis

John Budge, Consultant, Litigation and Dispute Resolution Practice Group, has been appointed by LexisNexis as a member of the Editorial Board with regard to the ongoing development of the Practical Guidance Private Client module published by LexisNexis.

HKTDC Design, Marketing & Licensing Services Advisory Committee

Yvonne Chua, Senior Partner, has been re-appointed by the Hong Kong Trade Development Council (HKTDC) to serve as a member of the HKTDC Design, Marketing & Licensing Services Advisory Committee for another 2-year term from April 2015. With the determination of the HKSAR Government to develop Hong Kong as a premier IP trading hub, the work of the Committee is of increasing importance.

Yvonne has also been re-appointed by the HKSAR Hospital Authority Board as Member of the Hospital Governing Committee of Pok Oi Hospital from 1 April 2015 to 31 March 2016.

Hospital Governing
Committee,
Pok Oi Hospital

Andrea Fong, Partner, Intellectual Property Practice Group, has been re-appointed by the Secretary of Financial Services and the Treasury as a member of Investigation Panel A and, concurrently, the alternate of the Investigation Committee Convenor, of the HK Institute of Certified Public Accountants for a term of one year from 1 February 2015. The Panel is vested with statutory powers to investigate any irregularity concerning a certified public accountant or registered practice unit.

Hong Kong
Institute of
Certified Public
Accountants

Announcing New Partner

We are delighted to announce the admission of **Shireen So** as our new Partner with effect from 1 April 2015. Since joining us in 2008, Shireen has been specializing on intellectual property law with special focus on cross-border contentious work and represents multi-national clients in protecting their IP rights in Hong Kong, China and the region. She is also experienced on protection and commercial exploitation of IP rights.



Shireen So

New Faces

We warmly welcome the following newcomers to our firm.

Kendrick Cheung joined our firm as a trainee solicitor in August 2012 and after his admission as a solicitor in December 2014, he joined our Company and Commercial Practice Group as an associate. He obtained his Bachelor of Laws degree and PCLL from The University of Hong Kong. His practice focuses on commercial and corporate matters specifically mergers and acquisitions, and also advises on securities regulation and privacy law.



Jessica Leung joined our Intellectual Property Practice Group as an associate in July 2014. 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 2007. Jessica has over 5 years of experience on management and protection of regional trade mark portfolios including both prosecution and related contentious work.





Camille Shek joined our firm as a trainee solicitor in August 2012 after having obtained her Bachelor of Science degree from the University of California, Los Angeles and her Juris Doctor and PCLL from The Chinese University of Hong Kong. She was admitted as a solicitor in Hong Kong in November 2014. Camille now specializes in intellectual property enforcement and other contentious matters.

About Us

Caring Company



We are delighted to be again awarded by the Hong Kong Council of Social Service the **5 Years Plus Caring Company Logo** in recognition of our commitment in Caring for the Community, Caring for our Employees and Caring for the Environment over the past years.

MOU
between the IP
Department of
the HKSAR and
the KIPO

Yvonne Chua, Senior Partner and member of the Working Group on Intellectual Property ("IP") Trading as appointed by the HKSAR Government, was invited to the Signing Ceremony of the MOU between the IP Department of the HKSAR and the Korean IP Office of the Republic of Korea on "Cooperation in the Field of Intellectual Property" held on 29 January 2015 as officiated by Mr Gregory So, Secretary for Commerce and Economic Development.



*On the left Mr Kim Young-min, Commissioner of KIPO,
with our Yvonne Chua*

Howard Tsang, Head of our Beijing Office, was invited to attend the signing ceremony of the Host Country Agreement on the Conduct of Dispute Settlement Proceedings by the Permanent Court of Arbitration (PCA) in the HKSAR held in Beijing on 4 January 2015 and officiated by the China Vice Foreign Minister Liu Zhenmin, Secretary-General of the PCA Hugo Hans Siblesz, and HKSAR Secretary of Justice Rimsky Yuen.

Host Country
Agreement on
the Conduct of
Dispute Settlement
Proceedings by the
PCA in HK

Yvonne Chua, Senior Partner, and **Cleresa Wong**, Partner, Real Estate Group, attended the 68th Anniversary and Inauguration Ceremony of the 34th Board of Directors of the Federation of Hong Kong Watch Trades & Industries Ltd held on 11 March 2015.

Federation of
Hong Kong
Watch Trades &
Industries Ltd



*In the middle is the
Chairman Mr Anthony
Cheung with our Yvonne
Chua on the right and
Cleresa Wong on the left*

Talks & Seminars

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

Andrea Fong, Partner, and Vice-chair of the Intellectual Property Rights Protection Alliance (“IPRPA”) participated in a Seminar on “IPR Protection and Enforcement in Mainland China” on 13 March 2015 organized by IPRPA where senior officers from the Guangdong IPR enforcement agencies were invited to share their work and experience on IPR protection and enforcement in China.

Intellectual
Property Rights
Protection Alliance



*Andrea Fong (3rd from
left) with Mr Zhang
Tong Ying, Director,
Guangdong Copyright
Bureau (in the middle)
and Mr Liu Yang, Deputy
Director, Legal Affairs,
Guangdong Customs
(2nd from left)*

ASTRI and HK
Science Park

Howard Tsang, Head of our Beijing Office, gave a talk on 16 April 2015 titled “Enforcing Your Intellectual Property Rights (IPR) in China” at the Hong Kong Science Park as jointly organized by it and the Applied Science and Technology Research Institute Company Limited.

Publications

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

“Supreme People’s Court seeks views on pre-action preservation orders”

- Annie Tsoi

Intellectual Asset
Management Magazine
25 March 2015

“Registry updates Work Manual on Absolute Grounds for Refusal”

- Lily Cheung

Intellectual Asset
Management Magazine
8 April 2015

World Trademark Review Daily
15 April 2015

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

San Diego, California, USA, 2 – 6 May 2015

ECTA Annual Conference

Hamburg, Germany, 10 – 13 June 2015

MARQUES

Vienna, Austria, 15 – 18 September 2015

PTMG

Warsaw, Poland, 30 September – 2 October 2015

LES Asia Pacific Regional Meeting

Kuala Lumpur, Malaysia, 30 September – 2 October 2015

AIPPI

Rio de Janeiro, 9 – 15 October 2015

APAA

Okinawa, Japan, 13 – 17 November 2015

INTA Leadership Meeting

Panama City, Panama, 17 – 20 November 2015

Business of IP Asia Forum

Hong Kong, 3 – 4 December 2015

Hong Kong

Introduction of statutory paternity leave for working fathers in Hong Kong

Following the commencement of the Employment (Amendment) Ordinance 2014 on 27 February 2015, an eligible working father (or father-to-be) in the private sector in Hong Kong is now entitled to paternity leave for each confinement for his spouse or partner. This move brings Hong Kong closer in line with international practice.

The statutory paternity leave that may be claimed by an eligible employee for each confinement of his spouse or partner is not more than 3 days. Multiple births in one pregnancy are taken to be one confinement.

To be eligible for the statutory paternity leave, an employee must be the father of a new-born baby or a father-to-be, and must have been employed under a continuous contract (ie employed continuously by the same employer for at least 4 weeks and working for at least 18 hours each week). An eligible employee may only take paternity leave at any time during the period beginning from 4 weeks before the expected date of delivery of the child and ending on the expiry of 10 weeks beginning on the actual date of delivery of the child. An eligible employee may take the statutory paternity leave consecutively or on different days within this period.

To claim the entitlement, an eligible employee must give prior notification to his employer of (i) his intention to take paternity leave at least 3 months before the expected delivery date of his child and (ii) the intended date of his paternity leave. If he fails to satisfy the said 3-month notice requirement, he may still claim the entitlement by notifying his employer of the intended date of his paternity leave at least 5 days before that date.

An eligible employee who has been employed under a continuous contract for not less than 40 weeks immediately before the day of paternity leave is also entitled to paternity leave pay if documentary proof of the birth of his child and that he is the father of the child is provided to his employer within the stipulated time. The daily rate of paternity leave pay is four-fifths of the eligible employee's average daily wages in the preceding 12 months before the day of the paternity leave or where more than one day of paternity leave is taken consecutively, before the first day of the paternity leave.

An employer who, without reasonable excuse, fails to grant an eligible employee paternity leave or paternity leave pay commits an offence and is liable on conviction to a fine of HKD50,000.

Employers should review their current paternity leave and paternity leave pay policies to ensure that they are at least in compliance with the statutory requirements.



Cleresa Wong



John Budge

Hong Kong to handle arbitration for international court

A Host Country Agreement together with a related Memorandum of Administrative Arrangements to facilitate the conduct of dispute settlement proceedings in Hong Kong was signed on 4 January 2015 between Hong Kong and China at a ceremony held in Beijing.

The establishment of the framework to facilitate the conduct of dispute settlement proceedings administered by the Permanent Court of Arbitration (PCA) in Hong Kong amounts to a vote of confidence in the HKSAR and its legal system.

There is an increasing demand for arbitration of disputes in Asia involving state, inter-governmental organisations and private parties. Chinese parties remain frequent users of the Hong Kong International Arbitration Centre along with Taiwan, the US, Singapore, the British Virgin Islands, South Korea, the Cayman Islands, Germany, Japan and the Philippines. Commercial, corporate and maritime are the main sectors with growth in intellectual property – related disputes.

The Agreement and the increasing role of the Hong Kong International Arbitration Centre enhances Hong Kong's reputation as an international financial centre and trust in Hong Kong's co-values of judicial independence and the rule of law.



Raymond Chan

Contracts (Rights of Third Parties) Ordinance

The Contracts (Rights of Third Parties) Ordinance (Cap 623) ("**the Ordinance**") was passed in December 2014 and will come into operation on a date to be gazetted. The enactment of the Ordinance brings Hong Kong in line with a number of common law jurisdictions in reforming the doctrine of privity of contract.

Under the doctrine, a third party cannot acquire or enforce any right under a contract to which he is not a party. This has been criticised as artificial and contrary to what the parties might have intended.

The Ordinance creates an exception to the doctrine: a third party may enforce a term of a contract to which he is not a party, provided that:-

- (a) the contract expressly provides that the third party may do so; or
- (b) the term purports to confer a benefit on the third party, if on proper construction of the contract, the parties intended that the third party has a right to enforce the term.



Kendrick Cheung

The third party must be expressly identified in the contract by name, as a member of a class or as answering a particular description.

It should be noted that the Ordinance applies only to a contract entered into on or after the Ordinance has come into operation. Furthermore, the Ordinance does not apply to certain categories of contracts, such as letters of credit, negotiable instruments, covenants relating to land, deeds of mutual covenant and articles of association. In addition, the Ordinance does not give a third party a right to enforce the terms of an employment contract against an employee.

If a third party has a right to enforce a term of a contract pursuant to the Ordinance, and such right has “crystallized”, the Ordinance restricts the contracting parties from rescinding or varying the contract by agreement without the consent of the third party. Such restriction may be overridden by an express term provided that the third party is aware of such express term or reasonable steps have been taken to notify the third party of such express term.

It is possible to expressly contract out application of the Ordinance. Accordingly, when entering into a contract, parties should expressly set out whether they intend for the contract to confer any benefit upon any third parties. Businesses should also review their standard contracts with the Ordinance in mind and (if appropriate) incorporate clauses to exclude the application of the Ordinance.

Challenging the mental incapacity of alleged mentally incapacitated persons

There have been increasing cases in recent years on applications under the Mental Health Ordinance (Cap 136) (“MHO”). Where the Court is satisfied, upon such application that a person is incapable of managing and administering his/her properties and affairs by reason of mental incapacity – “a mentally incapacitated person” (MIP), a committee of his/her estate may be appointed by the Court to control and manage the assets of the MIP.

Such application is usually made if the MIP holds substantial assets which require long term management. The applicant, usually the alleged MIP’s family member(s) or close relative(s), is required to provide two medical certificates signed by registered medical practitioners (one of whom should be a doctor approved by the Hospital Authority as having special experience in the diagnosis or treatment of mental disorder or in the assessment or determination of mental handicap), certifying that the alleged MIP is incapable, by reason of mental incapacity, of managing and administering his/her property and affairs.

Such application may be challenged by the alleged MIP or any other third party (“respondent”). Although the applicant has the burden of proving the mental incapacity of the alleged MIP, the respondent should produce medical evidence to show otherwise. In *Re LG* [2014] HKEC 19, the Court criticised the respondents’ failure in producing such contrary medical evidence despite leave being granted by the Court for them to do so. The Court considered that cross-examination of the applicant’s medical experts was a purely academic exercise to put the applicant to strict proof and the respondents should provide contrary medical evidence.

To resolve conflicting medical evidence, the Court may exercise its power under the MHO for the alleged MIP to be further examined by medical experts. In *Re LYO* [2005] HKEC 1184, the Court directed further examination by two independent specialists in view of conflicting medical evidence put forward by the parties, and subsequently a meeting of experts was called to narrow down their disputes. In *Moral Luck Finance Ltd v Law Kin Leung* [2012] HKEC 1459, upon the parties’ agreement,



Derick Tam



Dobie Wan

the Court allowed a joint examination of the alleged MIP by two psychiatrists, one nominated by each party, and a joint psychiatric report was produced.

As the appointment of a committee in effect deprives a person of his/her freedom to make his/her own decisions for his/her property and affairs, clear and independent medical evidence of mental incapacity must be shown. Whenever the issue is in dispute, conflicting medical evidence must be adduced.

Hong Kong Alerts

Revision of fees under Trade Marks Rules (Cap 559A), Registered Designs Rules (Cap 522A), and Registration of Copyright Licensing Bodies Regulation (Cap 528A)

Pursuant to costing exercises carried out by the Intellectual Property Department of the HKSAR, and based on the “user pays” principle, the Government has approved fee revisions to achieve full cost recovery for the Trade Marks Registry, Designs Registry as well as Copyright Licensing Bodies Registry.

Fees relating to searches, applications, division and amendment of applications of trademarks are all increased, with the biggest increase for search fees. Whilst renewal fees for both trademarks and designs are reduced, fees relating to application for registration of copyright with the Copyright Licensing Bodies as well as renewal thereof are increased.

The new set of fees has come into operation on 30 March 2015.

HKIRC launched “.hk WATCH” domain name monitoring service

In an effort to reduce bad faith use and registration of “.hk” domain names and potential brand infringement, the Hong Kong Internet Registration Corporation Limited (HKIRC), the registry designated by the Government to administer “.hk” and “.香港” country-code top level domains, has recently launched a watch service “.hk WATCH”.

The service is provided through six HKIRC-accredited registrars, including the HK Domain Name Registration Company Limited (HKDNR, a wholly owned subsidiary of HKIRC). The searches will not only cover domain names incorporating the trademark(s) being watched, but also those similar to or featuring common misspellings of the mark and those combining prefix/suffix ‘wildcards’ with the mark.

To use the .hk WATCH service, users must pay an annual subscription fee which varies depending on the length of the trademark(s) concerned, and adduce

documents in support of rights in the trademark(s) in Hong Kong or elsewhere, or such other supporting documents as the registrar considers appropriate.

It is expected that this new service would effectively assist brand owners in combatting cyber-squatting and online infringements concerning “.hk” domain names.

Hong Kong as a premier IP trading hub

The HKSAR Government is committed to developing HK into a premier IP trading hub in the region and a comprehensive Report was released on 23 March 2015 with 28 recommendations by the Working Group that was set up two years ago to study the overall strategy for propelling HK’s developing on the IP front and chaired by Gregory So, Secretary for Commerce and Economic Development. The Report is accessible at <http://www.ip.gov.hk/en/resources/policy-initiatives.html>.

China

Heinz’s Chinese trademark recognised as well-known by Beijing Higher People’s Court

After 6 years of pursuit by the renowned H.J. Heinz Company (“Heinz”) in opposing a bad faith application filed in 2006 by a Chinese individual and published in 2008, the Beijing Higher People’s Court finally recognized that Heinz’s Chinese mark “亨氏” was well-known in respect of “baby food”, and accordingly refused the application for the identical Chinese mark in Class 10 for “feeding bottles, condoms” etc which Heinz does not hold prior registration. This is the first recognition of Heinz’s trademark as well-known in opposition proceedings in China.

Pre-emptive applications by “trademark squatters” for goods and services in which brand owners do not have prior registrations have always been a serious issue in China. It is often necessary to seek well-known mark protection for succeeding in oppositions against such applications for dissimilar goods/services. Not only is the threshold high for such recognition, the determination by the authorities/Court is often subjective. In this opposition filed in 2008, substantial evidence on the use and reputation of Heinz’s Chinese mark was adduced, yet the Chinese Trade Mark Office (“CTMO”) refused the opposition and rejected Heinz’s claim as well-known mark. Upon review, the same view was held by the Trademark Review and Adjudication Board and then also the Beijing No 1 Intermediate People’s Court. Eventually in 2014, the Higher People’s Court recognized Heinz’s Chinese mark as well-known based on the same set of evidence adduced before CTMO. This indicates that different levels of authorities may not adopt a uniform standard in examining a well-known mark claim.



Mena Lo



K Y So

It should also be noted that securing recognition as well-known mark does not necessarily mean that the proprietor would succeed in all oppositions thereafter, as it is still necessary to prove impairments to his benefits, ie confusion or dilution. In the past, the authorities were more inclined to adopt the “confusion theory” and grant protection for well-known mark only against applied-for goods/services which were somewhat related to those of the well-known mark and which might thus easily cause confusion. It is however a welcoming trend that increasingly the authorities are more prepared to adopt the “dilution theory” and grant well-known mark protection not only against related goods and services, but also against those that may dilute the distinctiveness of the mark. In the present opposition, the Higher People’s Court refused the trademark application filed in respect of “condoms” which are unrelated to “baby food” for which Heinz is well-known.

We are pleased to have assisted Heinz in successfully proving its well-known mark status and no doubt such recognition would enhance Heinz’s future brand protection in China.

China Alert

Introduction of technical investigators to Specialist IP Courts

To assist and better equip the newly established intellectual property courts in Beijing, Guangzhou and Shanghai (“IP Courts”), the Supreme People’s Court has in January 2015 promulgated the 《Provisional Regulations on Several Issues concerning the Participation of Technical Investigators in Intellectual Property Court Proceedings》 introducing technical investigators to IP Courts and defining their roles. Different from ordinary expert witnesses, technical investigators shall work as judicial auxiliary staff and provide assistance to the bench in cases involving complicated IP technical issues relating to patents, new plant varieties, integrated circuit layout designs, technical secrets and computer programs.

Upon request of judges, technical investigators may be asked to carry out a wide range of responsibilities, including pinpointing key technical issues upon reviewing litigation documents and evidential materials, making recommendation on investigation scope, sequence and method, providing technical examination opinions and assisting judges to gather appraisal and advisory opinions. Whilst the opinion of technical investigators is not binding, it is expected that as the system matures and the investigators’ competency and impartiality be proven, their opinion would be heavily relied on particularly in cases involving complicated technical issues.

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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