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## NEW HONOURS



### The definitive guide to Asia's leading law firms and lawyers

We are pleased to have been named as **Outstanding Law Firm** for Dispute Resolution, Intellectual Property and Restructuring & Insolvency in **Hong Kong** in this Asialaw Profiles 2022 Guide. We are also **Highly Recommended** for Banking & Finance and Construction and **Recommended** for Banking & Financial Services, Corporate/M&A, Consumer Goods & Services, Private Client, Real Estate and Technology & Telecommunications and named as one of the **Notable Firms** for Labour & Employment.



We are honoured to be one of the winners for **Best Overall Law Firms (Hong Kong)** (卓越綜合實力律所(香港)) in the 2021 China Business Law Awards which are based on nominations received from China-focused corporate counsel and legal professionals around the world.



## Asia IP 2021 Trademark Survey

We are ranked once again as **Tier 1 Law Firm** for Hong Kong in **Trademark Prosecution** and **Top Tier Firm** in **Trademark Contentious** work in this 2021 Trademark 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.



## PATENT SURVEY 2021 COPYRIGHT SURVEY 2021

For consecutive years, we have been recognized as a **Top Tier Law Firm** for **Patent Contentious and Prosecution** and **Copyright & Related Rights** work in Hong Kong in this annual world survey which provides in depth analysis and rankings of 1,900 IP firms and 5,200 practitioners globally for trade mark, patent and copyright works.



## The World's Leading Patent Professionals 2021

We are pleased to be named as **Recommended Law Firm** in Hong Kong for our Patent practice on **Patent Prosecution** in the IAM Patent 1000, a guide to leading private practice patent professionals and firms in the world's key jurisdictions.

# Congratulations

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



## The definitive guide to Asia's leading law firms and lawyers – 2022 Edition



Andrea Fong



Raymond Chan



Mena Lo



Michael Ma



Florence Chan



Annie Tsoi



Keith Ho

**Andrea Fong**, Senior Partner and Head of our Intellectual Property Practice Group, has been recognized as **Elite Practitioner** in Hong Kong in Intellectual Property in Asialaw Leading Lawyers 2022. **Raymond Chan**, Head of our Corporate Practice Group, and **Keith Ho**, Consultant of our Dispute Resolution Practice Group, have received the same honour in Corporate and M&A and Dispute Resolution respectively. **Michael Ma**, Partner of our Corporate Practice Group, has been named as **Distinguished Practitioner** in Corporate and M&A whereas **Mena Lo** and **Annie Tsoi**, Partners of our Intellectual Property Practice Group, and **Florence Chan**, Partner of our Dispute Resolution Practice Group, are named as **Notable Practitioner** in Intellectual Property and Dispute Resolution respectively.





## LITIGATION 2021

## TRADE MARKS 2021

## WOMEN IN BUSINESS LAW 2021



Andrea Fong



Mena Lo



Florence Lam

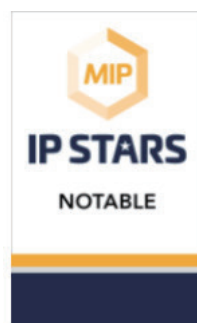


John Budge



Keith Ho

**Andrea Fong**, **Mena Lo** and **Florence Lam**, respectively Head and Partners of our Intellectual Property Practice Group, have been named as one of the world's leading practitioners in the areas of Trade Marks in Hong Kong and Women in Business Law in the Expert Guides published by Legal Media Group. **John Budge** and **Keith Ho**, both Consultants of our Dispute Resolution Practice Group, are named in the area of Litigation in Hong Kong.



Andrea Fong



Mena Lo



K.Y. So



Priscilla Chan

**Andrea Fong**, Senior Partner and Head of our Intellectual Property Practice Group, is named in IP Stars 2021 for her outstanding practice in **Trade Mark** and **Patent** and as **Top 250**

**Women in IP** in Hong Kong. **Mena Lo**, Partner of our Intellectual Property Practice Group, is also named in IP Stars 2021 for **Trade Mark** whereas **K.Y. So**, Partner of our Intellectual Property Practice Group, is named as **Notable Practitioner** and **Priscilla Chan**, Senior Associate of our Intellectual Property Practice Group, is named as **Rising Star 2020**. This MIP Handbook is the indispensable reference guide and directory for global in-house counsel since 1993.



## The World's Leading Patent Professionals 2021



Andrea Fong

**Andrea Fong**, Senior Partner and Head of our Intellectual Property Practice Group, is named amongst the very few in this elite group of individuals for her **Patent** practice on **Prosecution** in Hong Kong. The IAM Patent 1000 2021 is unique in being a one-stop resource that focuses exclusively on naming best-in-class patent prosecution, licensing and litigation practitioners on a global basis.

## Talks & Seminars

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

**Annie Tsoi**, Partner, Intellectual Property Practice Group, upon invitation by the Vocation Training Council gave a talk on “IP Registration in Mainland China 內地知識產權註冊機制” on 21 July 2021, being part of the IP Manager Scheme PLUS organized by the Hong Kong Intellectual Property Department. The talk was attended online by over 100 local entrepreneurs, owners and managers of SMEs with interest in IP trading and management in Mainland China.

Hong Kong  
Intellectual  
Property  
Department

## About Us

The first  
Standard  
Patent under  
the Original  
Grant Patent  
(OGP) System

We are honoured to have obtained for our client the first-ever standard patent under the original grant patent system on 4 June 2021 issued by the Patents Registry of the Hong Kong Intellectual Property Department. The invention relates to the use of artificial intelligence to manage inventory in an e-commerce system. A press release was made by the Government of the Hong Kong SAR expressing great excitement in achieving a milestone in the development of the Hong Kong patent system.

Since the launch of the original grant patent system in December 2019, the Patents Registry received a total of 426 applications up till the end of May 2021. More than a quarter of these applications were filed by our firm for the client.

## Hong Kong SAR



Paul Liu

### One step closer to paperless court proceedings: e-submissions to the Court of Appeal for civil appeals

In the September 2020 issue of our Newsletter, we reported on the passing of the Court Proceedings (Electronic Technology) Bill in July 2020. The Judiciary has recently introduced a new measure to facilitate more electronic submission of documents in the Court of Appeal (“CA”) for civil appeals with effect from 7 July 2021.



Iris Chan

The Judiciary has developed the e-Lodgement Platform (the “**E-Platform**”), which proved to be useful particularly given the fluctuating public health situation amidst the COVID-19 pandemic. The E-Platform provides a secure and structured (with specific technical requirements such as file format, resolution, size, etc) electronic means for parties to lodge documents to the Court.

To enhance the usage of the E-Platform, the Judiciary announced in June 2021 that for Civil Appeal cases in CA, legal practitioners may submit via the E-Platform (or a special email account for CA) submissions, authorities and hearing bundles without the Court’s directions. No hard copies of the documents need to be submitted unless otherwise directed by the Court.



Note that the said means of communication with CA for civil appeals is only applicable to legal practitioners. The hyperlink to the E-Platform and the special email account for CA are therefore available for legal practitioners only. The arrangement is not applicable to litigants in person.

It is hoped that the new measure will extend to all levels of the Courts, thereby improving access to justice for users and litigants in Court proceedings, and ensuring that justice is duly administered effectively and cost-efficiently.

## Hong Kong SAR Alert

### Mainland Judgments in Matrimonial and Family Cases (Reciprocal Recognition and Enforcement) Ordinance to commence operation in February 2022

Further to the May 2019 issue of our Newsletter, the Mainland Judgments in Matrimonial and Family Cases (Reciprocal Recognition and Enforcement) Ordinance (Cap 639) (the “**Ordinance**”) has been enacted in Hong Kong to give effect to the Arrangement on Reciprocal Recognition and Enforcement of Civil Judgments in Matrimonial and Family Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行婚姻家庭民事案件判決的安排》) (the “**Arrangement**”) entered into between the Hong Kong SAR Government (the “**SAR Government**”) and the Supreme People’s Court of the People’s Republic of China on 20 June 2017.

On 27 August 2021, the SAR Government published in the Gazette the Mainland Judgments in Matrimonial and Family Cases (Reciprocal Recognition and Enforcement) Rules (Cap 639A) (the “**Rules**”) and the Mainland Judgments in Matrimonial and Family Cases (Reciprocal Recognition and Enforcement) Ordinance (Commencement) Notice (the “**Notice**”).

Unless the Rules and/or the Notice is or are otherwise amended by the Legislative Council of Hong Kong during its negative vetting process, the Ordinance and the Rules will come into operation on 15 February 2022 as specified in the gazetted Notice. The implementation of the Ordinance and the Arrangement is expected to benefit parties to cross-boundary marriages, families and children, as the parties’ rights will be better safeguarded with their time and costs saved.

## China



Raymond Chan



Jack Kwan

### Data Security Law of the PRC promulgated

The Data Security Law of the People's Republic of China 《中華人民共和國數據安全法》 (the “**Data Security Law**”) was promulgated on 10 June 2021 and came into force on 1 September 2021.

The Data Security Law aims at regulating data processing activities and security measures within the People's Republic of China (the “**PRC**”) and providing a legal basis for penalising data processing outside the PRC which undermines national security, public interest or legal interest of citizens or organisations of the PRC (*Article 2*).

#### Data security regulatory framework

The Data Security Law sets out a regulatory framework under which a national data security coordination body will be established to coordinate data security responsibilities between central and provincial national security, public safety and other governmental bureaus including but not limited to various cyberspace administrations of the PRC (*Articles 5 and 6*).

#### Data infrastructure

By the Data Security Law, the PRC formally implements the “Big Data” strategy and strives to develop its data infrastructures (*Article 14*), provide artificial-intelligence public services (*Article 16*), promote data processing and security standards (*Article 17*) and establish regulatory systems for data exchange with a view to developing its data exchange market (*Article 19*), among other matters.

#### Data security system and data security obligations

Pursuant to Article 21 of the Data Security Law, a categorised and tiered system will be established to designate the level of security of the relevant data.

A uniform and authentic data security risk analysis, reporting, information sharing and monitoring mechanism (*Article 22*), data security emergency response mechanism (*Article 23*) and data security review mechanism (*Article 24*) will further be established. The PRC is empowered to exercise export control over data in the interest of national security or in the performance of its international obligations (*Article 25*), and to impose measures in response to foreign prohibitions, restrictions or similar

measures which discriminate against the PRC in relation to investments and trades involving exploitation of data or data technology (*Article 26*).

Data users and processors are required to abide by the principles of data handling in accordance with Chapter IV of the Data Security Law. In particular, Article 36 of the Data Security Law forbids any individual or organization within the jurisdiction from providing any data stored within the jurisdiction to any foreign judicial or enforcement agency without the approval of the competent governmental agency of the PRC.

#### Governmental open data

Chapter V of the Data Security Law sets out the obligations of the PRC to promote electronic governmental infrastructures to facilitate its open data policy.

#### Penalties

Chapter VI of the Data Security Law contains the penal provisions for contravention of the data security obligations.

#### Going forward

The Data Security Law, together with Cybersecurity Law and Personal Information Protection Law in the PRC, are viewed as the foundations of the legal framework for regulating the cyberspace of the PRC and these legislations are expected to fill the regulatory vacuum.

## Personal Information Protection Law in the PRC promulgated

The Personal Information Protection Law of the PRC 《中華人民共和國個人信息保護法》 (the “**PIP Law**”) was promulgated on 20 August 2021, which will come into effect on 1 November 2021. This is the first piece of legislation in the PRC that is dedicated to personal information protection.

Some of the key features of the PIP Law include:-

#### (a) **Definition of “personal information”**

According to Article 4, “個人信息” (personal information) refers to any kind of information, recorded electronically or in other forms, that relates to an identified or identifiable natural person, excluding information that has been anonymised.



Raymond Chan



Pearl Fung

### (b) Extraterritorial application

Pursuant to Article 3, the PIP Law applies not only to any activity of processing of personal information of a natural person that is carried out within the PRC, but also to any activity of processing of personal information of any natural person located within the PRC (a “**PRC Individual**”) that is carried out outside the PRC under any of the following circumstances:

1. where the purpose of the activity is to provide a product or service to that PRC Individual;
2. the purpose of the activity is to analyse or assess the behavior of that PRC Individual; or
3. any other circumstance as provided by law or administrative regulations.

With a view to facilitating the regulation of any personal information processor outside the PRC whose activities are subject to the PIP Law as specified in Article 3, Article 53 requires such personal information processor to establish a special agency or appoint a representative within the PRC to be responsible for personal information protection-related affairs.

### (c) Regulation of automated decision-making

Measures are introduced to curb the heavily criticised problem relating to big data-enabled price discrimination against existing customers (“大數據殺熟”) in the PRC.

Under the PIP Law, “自動化決策” (automated decision-making) refers to the activity of conducting any analysis or assessment of the behaviour and habits, interests and hobbies, financial, health or credit status or other information of an individual, as well as any decision-making automatically through a computer programme.

Article 24 stipulates that where personal information is used by any personal information processor in automated decision-making, no unreasonable differential treatment of individuals in terms of transaction prices or other transaction terms may be implemented. Further, if business marketing or push-based information delivery (信息推送) is conducted towards an individual by means of automated decision-making, an option not targeting at the

individual's personal characteristics or an easy way for the individual to refuse to receive such information must be provided to the individual.

If a decision made by a personal information processor through automated decision-making has material impact on an individual's rights and interests, the individual shall have (1) the right to demand the personal information processor to provide an explanation and (2) the right to refuse the making of decisions by the personal information processor solely by automated decision-making.

**(d) Protection of sensitive personal information and regulation of facial recognition system**

Under the PIP Law, “敏感个人信息” (sensitive personal information) refers to personal information that, once leaked or illegally used, will easily lead to infringement of human dignity or harm to the personal or property safety of a natural person, including biometric recognition, religious belief, specific identity, medical and health, financial account, personal whereabouts and other information of a natural person, and any personal information of a minor under the age of 14. Articles 28 to 32 prescribe various requirements with a view to protecting sensitive personal information.

Article 26 provides that any personal image or personal identification information collected could only be used for the purpose of maintaining public security and not for any other purpose, save with specific consent from the individual.

**(e) Cross-border transfer of personal information**

The Cybersecurity Law of the PRC (網絡安全法) deals with the cross-border transfer of personal information and important data gathered and produced by critical information infrastructure operators (關鍵信息基礎設施的運營者). The PIP Law extends the regulation to all personal information.

Under Article 38, if it is necessary for a personal information processor to provide personal information to a recipient outside the PRC, at least one of the following conditions must be met:



1. a security assessment conducted by the State cyberspace authorities (國家網信部門) has been passed in accordance with Article 40 of the PIP Law;
2. a certification of personal information protection has been given by a professional institution in accordance with the regulations of the State cyberspace authorities;
3. a contract in compliance with the standard contract provided by the State cyberspace authorities has been concluded with the recipient of the personal information to stipulate the parties' respective rights and obligations; or
4. any other condition prescribed by law, administrative regulations or the State cyberspace authorities is met.

**(f) Requirement to appoint personal information protection officer**

Under Article 52, a personal information processor is required to appoint a personal information protection officer (個人信息保護負責人) if its processing of personal information reaches certain threshold amount prescribed by the State cyberspace authorities. Such officer will be responsible for supervising, among other things, the personal information processor's activities of processing of personal information and the protection measures taken.

**(g) Penalty**

Hefty penalty may be imposed if the PIP Law is contravened. Article 66 provides that if any person violates the PIP Law or fails to perform any personal information protection obligations imposed and the case is of serious nature, a fine of up to RMB 50 million or 5% of annual revenue for the preceding year may be imposed and the unlawful income may be confiscated. Further, any person in charge or other personnel who bear direct responsibility for violation may be fined for a sum between RMB100,000 and RMB1,000,000, and be prohibited from serving as a director, supervisor, senior officer or personal information protection officer for a certain period of time.

## Consultation papers issued to improve market regulatory framework

With a view to improving the market regulatory framework, the following drafts were issued by the Chinese authorities in August 2021 for public consultation.



Annie Tsoi

1. *Draft Judicial Interpretations of the Anti-Unfair Competition Law*  
《反不正當競爭法司法解釋(徵求意見稿)》 issued by the  
*Supreme People's Court*

In response to the amendments made to the Anti-Unfair Competition Law in 2017 and 2019, these new Interpretations are drafted with a view to updating if not replacing the current version which was issued back in 2007.

Some of the notable features in these draft Interpretations include:-

- (a) “business ethics” as referenced in the Anti-Unfair Competition Law are proposed to refer to ethical behaviours that are widely accepted and acknowledged in the relevant business sector, with certain factors set out for comprehensive consideration by the Courts;
- (b) unfair competition acts are proposed to include use by way of sales; the operator (seller) will be liable for damages unless it is able to prove that its product is legally sourced and that it has no deemed or actual knowledge of the product being infringing;
- (c) certain business promotions, despite containing inaccurate or untrue contents, do not necessarily constitute false promotions, provided the public consumers are not misled by those contents;
- (d) “trade dress” as referenced in the Anti-Unfair Competition Law is proposed to refer to the unique overall corporate image of a business operator by virtue of the décor of its place of business, model of its business tools and dressing of its staff etc;
- (e) the bona fide use defence is proposed to allow co-existence of operators in different geographical regions within the country, subject to certain factors to be comprehensively considered by the Courts.

2. *Draft standards in determining general illegal trademark conduct*  
*《商標一般違法判斷標準(徵求意見稿)》 issued by the China National Intellectual Property Administration (CNIPA)*

These standards are intended for use by the trademark enforcement authorities, when investigating and penalizing general illegal conduct which is defined in the draft to include:-

- (a) making reference to “well-known trademark” in commercial activities, in violation of Article 14(5) of the Trademark Law;
- (b) any unilateral change made by the registrant during the course of use of the registered mark, registrant’s name or address, or other registered particulars, in violation of Article 49(1) of the Trademark Law;
- (c) any other conduct that violates the discipline of trademark administration.

With reference to trademark use, brand owners including licensors should take note of the implications arising from the draft standards, to include:-

- (a) unless the respective trademarks are registered in China as required by laws, cigarettes and cigars cannot be produced or sold in the country;
- (b) use of an unregistered mark will be prohibited as long as any one of its multiple meanings falls within Article 10(1)(6) to (8) of the Trademark Law namely being racial discriminatory, deceptive or socially immoral; whether a sign is prohibited from being used will be determined in light of the common cognition of the general public in China;
- (c) the enforcement authorities are empowered to investigate and penalize any use of a trademark which has been refused under Article 10 of the Trademark Law following an effective decision made by the CNIPA;
- (d) in addition to the obligation to supervise, a licensor will assume corresponding legal consequences if it knows or should know that its licensee is making any unilateral change of the registered mark but fails to timely prevent the same.

## China Alerts

### CNIPA consults public on amendments of the Patent Examination Guidelines

Following the amendments of the Patent Law and its implementation rules, on 4 August 2021 the CNIPA published the Patent Examination Guidelines Amendment Draft (Draft for Comments) (“專利審查指南修改草案(徵求意見稿)”) for public consultation.

The CNIPA proposes to amend certain rules in the Guidelines relating to:-

- required documents and examination standards of registration of designs;
- compensation during the term of patent;
- responses to unforeseen emergencies such as pandemics;
- enhancement of the quality and efficiency of examination, including clarifying principles to determine bad faith;
- patent licence (“專利開放許可”), such as the registration and announcement of the licence.

### Letter of Undertaking required in seeking recognition of well-known trademark status

As from 1 September 2021, any party seeking protection and recognition of well-known trademark status is required by the China National Intellectual Property Administration to submit a Letter of Undertaking of Good Faith 《當事人請求馳名商標保護誠信承諾書》 alongside such request in the relevant proceedings.

This Letter of Undertaking shall be in the prescribed form (<http://sbj.cnipa.gov.cn/tzgg/202108/W020210806358618922907.docx>), and duly executed by the party making the request and its trademark agent.

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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