

SJ's speech at IP Mediation Workshop (English only) (with photo)

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Following is the speech by the Secretary for Justice, Mr Rinsky Yuen, SC, at the IP Mediation Workshop - An Evaluative Approach, jointly organised by the Department of Justice and the Intellectual Property Department today (May 23):

Fellow members of the legal profession and the dispute resolution community, distinguished guests, ladies and gentlemen,

It is my great pleasure to welcome you all to this Intellectual Property Mediation Seminar jointly organised by the Department of Justice (DoJ) and the Intellectual Property Department (IPD).

Over the years, different institutes and organisations have organised countless seminars and workshops concerning mediation. This seminar, as far as we reckon, is the very first seminar in Hong Kong focusing solely on evaluative mediation for resolving intellectual property (IP) disputes. Let me briefly explain why the DoJ and the IPD find it desirable and appropriate to make this breakthrough.

The first reason is a matter of policies. To be more precise, it is a marriage of two important policies of the Hong Kong SAR Government, namely, the policy to enhance Hong Kong's status as a leading centre for international legal and dispute resolution services in the Asia Pacific region, and also the policy to reinforce Hong Kong's role as a premier IP trading hub in the region.

In the course of searching for new areas of development, the Steering Committee on Mediation sees the potential synergy in marrying these two policies. We believe mediation,

including evaluative mediation, can be an appropriate and effective means of resolving IP disputes. In this regard, the Working Group on Intellectual Property Trading shares our view. In its recently published report, the Working Group highlighted the need to promote the use of mediation as a means to resolve IP disputes and also the desirability to explore the use of evaluative mediation in addition to facilitative mediation.

The second reason is one of huge market potentials.

In the past decades or so, Asian companies have become more acutely aware of the commercial value and importance of IP protection. Asia is currently the fastest-growing region in the world in terms of the number of IP applications. Besides, the growing number of government agencies and industry multipliers from Japan, Korea, Malaysia, Taiwan and Thailand are bringing more innovative and original IPs from Asia as well as fostering the development of IP trading in the region.

There is also the China factor. Hong Kong has long been serving as a strategic gateway to the Mainland market, not just for trade and investment but also for ideas and innovations. In addition, the Central People's Government has been constantly introducing new measures to diversify the country's economic growth. The National 12th Five-Year Plan commits to transforming China's rich cultural heritage into a "pillar" industry for the country.

We accordingly see more and more efforts made by the relevant Mainland authorities in this direction. One recent example is the fact that the Ministry of Culture sent, for the very first time, a delegation of 40 Mainland culture-related enterprises to take part in the Asian Licensing Conference held in Hong Kong in January this year, which is the largest conference of its kind in Asia, seeking to export their intellectual properties relating to indigenous and profound culture and creations. Such examples

of expanding demand for licensing in the Mainland will naturally boost the demand for incidental services in Hong Kong, including dispute resolution services such as mediation.

Of course, we should not forget the domestic market in Hong Kong. Indeed, many industries in Hong Kong are actual or potential users of IP mediation services. Take the example of the toy industry. Hong Kong enjoys a good reputation as an international supplier of toys and a global centre for toy product design, production planning, marketing and management. Just for the period from January to October 2014, Hong Kong's total toy exports amounted to more than US\$5.4 billion.

A recent trend in the Hong Kong toy industry is the growing interest in and demand for licensed products. This is because Hong Kong toy exporters are increasingly producing high-quality toys with overseas industry giants and licence holders. This trend means that the number of licence disputes is likely to increase, and that licence disputes is one of the types of IP disputes that are suitable to be resolved by mediation, including evaluative mediation.

This brings me to the third reason, namely, mediation, including evaluative mediation, can in appropriate circumstances be an effective means to resolve IP disputes.

In a recent court judgment (Note) handed down recently concerning a dispute over a famous trademark, it was revealed that the parties had been engaged in trademark litigations and disputes against each other in places outside Hong Kong for over 10 years. Not only is this case illustrative of how protracted IP litigation can be, it also shows how proceedings could proliferate in multi-jurisdictions, not to mention the substantial legal costs that would have to be incurred.

For multi-jurisdictions and cross-border IP disputes,

mediation provides an opportunity for the dispute to be resolved globally and saves the parties the trouble to take the disputes to the courts in all the relevant jurisdictions.

Further, it is pertinent to note that mediation has been widely used by the World Intellectual Property Organization (WIPO) in resolving IP disputes. The mediation cases so far administered by the WIPO Centre cover a wide range of subject matters, including disputes concerning artistic production finance agreements, art marketing agreements, information technology agreements and trademark licensing agreements.

On the whole, we have no doubt that mediation is a suitable means for resolving IP disputes. It is against this background that we see fit to take one step further to consider what types of mediation would be best suitable for resolving IP disputes. Whilst facilitative mediation, which is the most common type of mediation used in Hong Kong, is a possible candidate in appropriate cases, we also see the potential and advantages of using evaluative mediation when the nature of the disputes calls for an evaluation of the issues involved, such as cases involving disputes over IP rights as well as cases involving complex or technical issues.

In short, the promotion of evaluative mediation is to offer an additional option, on top of facilitative mediation, to the end-users in the IP field so that they can consider which type of mediation can best serve their needs. In other words, we are not seeking to diminish the importance of facilitative mediation. Instead, we only want to provide more choices for the end-users.

It is for this reason that we have, for the purpose of today, invited Professor Nadja Alexander, an internationally renowned expert on mediation, to introduce the concept of evaluative mediation. In addition, we have arranged a mock evaluative mediation to demonstrate how it can be used to resolve IP disputes.

As I said earlier, this seminar is the first of its kind in Hong Kong. I can guarantee that this will not be the last. Indeed, IP disputes is one of the key areas which the DoJ will be focusing on in our future promotion of mediation and arbitration. Further promotion activities will be launched in the future, and we welcome views from all the stakeholders so that we can better serve your needs.

Before I conclude, I would like to take this opportunity to express my gratitude to all the persons whose contribution have made this seminar possible. They include, in no particular order: Ms Ada Leung, the Director of Intellectual Property, as well as her colleagues including Ms SK Lee; Mr Andrew Liao, SC; Professor Nadja Alexander; Ms Winnie Tam, SC; Mr Kenny Wong; Mr CK Wong; Mr Anthony Tong; Dr Toby Chan and Dr Jackson Chan. Last but certainly not least, my thanks also go to members of the Mediation Team of the DoJ. They, together with colleagues of the IPD, have been working very hard to organise this seminar with limited resources.

On this note, it remains for me to wish this seminar every success, and also to wish you an enjoyable long weekend.

Thank you.

Note: Hugo Boss Trademark & Ors. v The Britain Boss International Co. Ltd., unrep., HCA 2231/2013, (22.4.2015)

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