

Speech by SJ at 11th Business of IP Asia Forum 2021 “Unleashing Innovation for Sustainability and Growth” Concurrent Breakout Session – Your Successful IP strategy: Deal Making and Dispute Resolution in Hong Kong (English only)

Distinguished guests, ladies and gentlemen,

1. It gives me great pleasure to welcome you all to this breakout session entitled “*Your Successful IP strategy: Deal Making and Dispute Resolution in Hong Kong*”, as part of the 11th Business of IP Asia Forum jointly organised by the Government of the HKSAR (Hong Kong Special Administrative Region), the Hong Kong Trade Development Council and Hong Kong Design Centre.

2. At the breakout session last year, I highlighted the uniqueness and strong legal foundation of Hong Kong in the creation and protection of IP rights. This year in March, in the

"Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" adopted by the National People's Congress, it raised for the first time the support for Hong Kong to develop into a regional intellectual property trading centre. This is a clear recognition of Hong Kong's achievements and development in IP trading, and demonstrates the confidence of the Central People's Government in Hong Kong's competitive edge in IP in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

IP protection infrastructure

3. In terms of Hong Kong's achievements for IP protection, a new patent system was launched in December 2019 to bring our local patent system on par with the

mainstream patent practices of the international community. The new patent system essentially comprises an original grant patent (OGP) system which provides a direct route for innovators to seek standard patent protection in Hong Kong with a maximum term of 20 years¹. Under the OGP system, the previous requirement of prior filing of corresponding applications with a designated patent office outside Hong Kong under the alternative and existing “re-registration” system is no longer required. It is encouraging to see that in June this year, the Patents Registry has granted the first-ever standard patent under the OGP system. It is indeed a milestone in the development of Hong Kong’s patent system, which is an important component of the IP protection infrastructure. The Government will continue to promote and develop the OGP system by building up the substantive

¹ Press Release (5 June 2021): <https://www.info.gov.hk/gia/general/202106/05/P2021060400741.htm>

examination capability of the Intellectual Property Department, thereby enhancing the development of Hong Kong into an IP trading hub.

4. Additionally, the Trade Marks (Amendment) Ordinance 2020 came into force on 19 June 2020, providing a basis in Hong Kong law for the implementation of an international registration system of trade marks under the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. The Department of Justice will work with the relevant bureaux and departments in planning to implement the international registration system of trade marks in Hong Kong as soon as practicable.

Litigation

5. Apart from the above IP protection infrastructure, the wide spectrum of dispute resolution services available and their high quality in Hong Kong is a key component for its development into a regional IP trading centre. First, our courts are well equipped to handle IP disputes. An IP Specialist List was established in the Court of First Instance of the High Court since May 2019 to ensure speedy handling and adjudication of IP cases.

6. The Honourable Mr Justice Lok, the judge in charge of the IP list, has recently handed down a landmark decision with respect to IP injunction. In this landmark case of *Biozeal LLC & Ors v Nature's Story Company Limited & Ors*², the issue was raised as to whether the Hong Kong court has jurisdiction to grant an interlocutory injunction with extra-

² [2021] HKCFI 3137. This case is now under appeal.

territorial effect in respect of infringement of IP rights. The court held that the double actionability rule is applicable in Hong Kong. So long as the plaintiffs can show that the defendants' passing-off activities are also actionable in the foreign jurisdiction concerned and the court has personal jurisdiction over the defendants (usually by showing that the defendant is a Hong Kong resident or a company incorporated in Hong Kong), the Hong Kong court would have jurisdiction to grant an injunction to prohibit the defendants from continuing the passing-off activities in the foreign jurisdiction concerned. Our distinguished speakers will no doubt share more insights with you on the latest development of IP law in Hong Kong.

7. Another significant development is the signing of the Arrangement on Reciprocal Recognition and Enforcement of

Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the HKSAR in January 2019. This Arrangement establishes a more comprehensive and clearer mechanism for reciprocal recognition and enforcement of civil and commercial judgments between Hong Kong and the Mainland. It signifies a major breakthrough by covering disputes involving IP rights, making Hong Kong the first jurisdiction to have such an arrangement with the Mainland. This testifies to the unique advantages of “one country, two systems” particularly that the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters concluded in July 2019 expressly *excludes* IP matters. The Department of Justice is actively preparing a bill for implementing the Arrangement in Hong Kong and will seek to consult the public as soon as practicable.

Arbitration

8. Second, our arbitration regime is well suited to resolve IP disputes. Legislative amendments have been made to the Arbitration Ordinance of Hong Kong in 2017 to clarify that disputes over IP rights are capable of resolution by arbitration, and it would not be contrary to the public policy of Hong Kong to enforce an award solely because the award involves an IP rights dispute.

9. In view of the growing demand for using arbitration to resolve IP disputes, the Hong Kong International Arbitration Centre has also established a Panel of Arbitrators for IP disputes. The Panel comprises members who have demonstrated extensive experience and strong expertise in resolving IP disputes. As of 23 November 2021, there are a

total of 52 arbitrators on the Panel. The presence of these experienced IP arbitrators undoubtedly enhances the attractiveness of Hong Kong as a seat for arbitrating IP disputes.

10. One must also mention that as a result of the interim measures arrangement signed with the Mainland in 2019, Hong Kong is the first and only jurisdiction outside of the Mainland, where parties to arbitral proceedings seated in Hong Kong and administered by designated arbitral institutions would be able to apply to the Mainland courts for interim measures including property preservation, evidence preservation and conduct preservation. This is a game-changer and is now an effective strategy often utilised by many parties in arbitrations seated in Hong Kong.

Mediation

11. The Department of Justice has also all along been committed to promoting the use of mediation in resolving IP disputes. At the second Guangdong-Hong Kong-Macao Greater Bay Area Legal Departments Joint Conference held in December last year, the three parties endorsed the working proposal to set up the GBA Mediation Platform which serves as an authoritative platform for high-level exchange and co-operation among the government legal departments of Guangdong, Hong Kong and Macao to promote the wider use of mediation within the GBA. The GBA Mediation Working Group was also set up in support of the GBA Mediation Platform, and held its first meeting in August this year discussing the accreditation standards and the code of

conduct best practices for GBA mediators, which hopefully will be endorsed at the third Joint Conference this year.

ODR

12. With new technologies being thrust into the forefront especially in the post-pandemic world, online dispute resolution is no doubt becoming increasingly popular. In Hong Kong, with the support of the Government, eBRAM has developed an online dispute resolution (ODR) and deal making platform which provides for a one-stop-shop for commercial parties from all around the world. All enterprises, particularly SMEs, can make use of this platform to resolve their IP disputes in an efficient and cost effective manner. I am sure Ms Ta, the CEO of eBRAM, will share

more on the topic of online dispute resolution of IP disputes in the upcoming panel discussion.

Talents

13. Lastly, it is worthwhile to mention that Hong Kong is blessed with an abundant supply of legal and dispute resolution professionals. As of 31 October 2021, there are about 11 000 practising solicitors, 1 600 practising barristers and 1 460 registered foreign lawyers in Hong Kong. Many law firms in Hong Kong have a specialised legal team to deal with contentious and non-contentious IP matters. These IP lawyers can provide excellent services to facilitate deal making involving IP rights.

Concluding remarks

14. To conclude, Hong Kong has a lot to offer, whether in terms of deal making or dispute resolution. The business sector should make good use of Hong Kong's legal and dispute resolution services when formulating their IP strategies. On this note, may I wish this session and this forum every success. Thank you very much.