

Intellectual Property in Hong Kong

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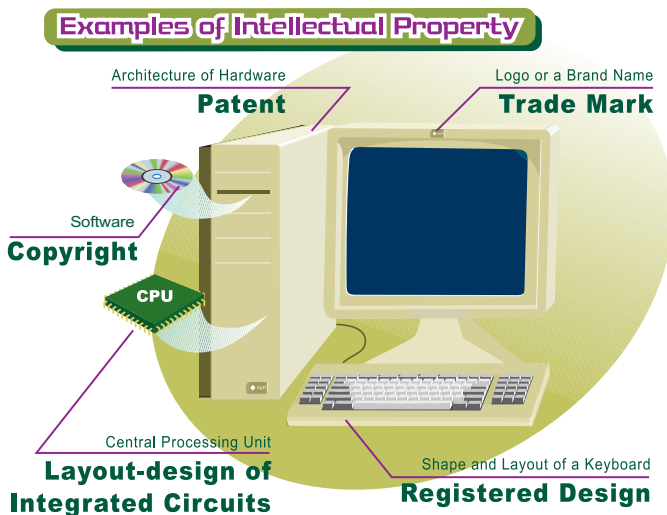


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Introduction

What is Intellectual Property?

Intellectual property is the name commonly given to a group of separate intangible property rights. These include trade marks, patents, copyright, designs, plant varieties and the layout- design of integrated circuits. Intellectual property is important to our daily lives: different kinds of intellectual property underlie consumer products, such as brand-names and logos on clothes, pharmaceutical inventions, articles in the newspapers, TV programmes, pop songs, cinema films and fashion design. The following example of a computer illustrates the nature of different kinds of intellectual property in the product.



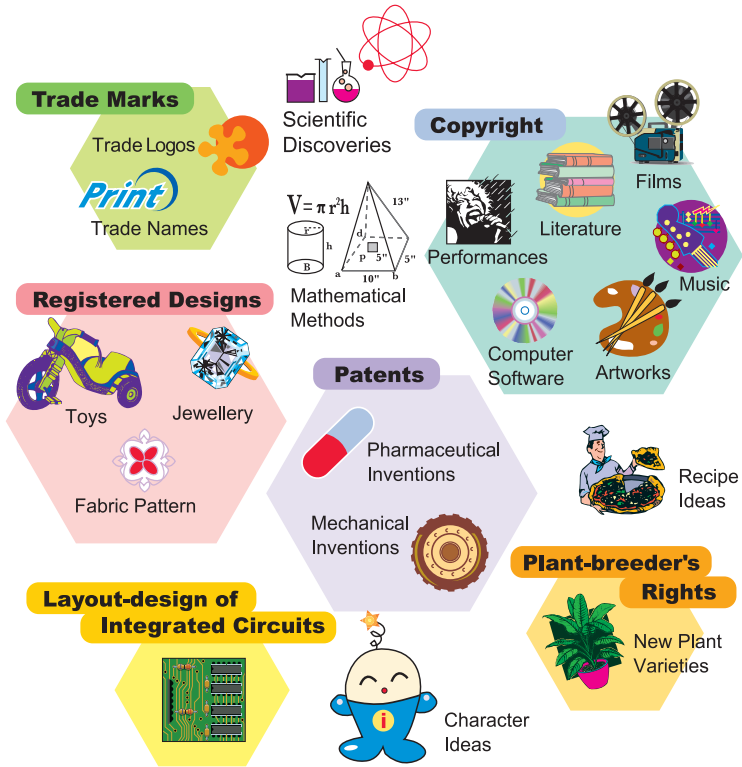
Why is Intellectual Property Protection Important?


Protection of intellectual property helps creators to protect their creativity. Writers, artists, designers, software programmers, inventors and other talents can, if they wish, protect their creativity so that their hard work can be rewarded.

Hong Kong is a creative place. Our film production, television programme production, sound recording production, publications, fashion and jewellery design, graphical design and production skills are known world-wide and enjoy a ready market overseas. As an international trading centre, Hong Kong needs to provide the necessary intellectual property rights protection to our investors to assure them of a free and fair environment for doing business.

What is Protected?

The picture briefly illustrates what is protected and what is not. The shaded parts denote what are protected.





To balance the interest of intellectual property rights owners and the society as a whole, not all types of ideas, inventions or creations are protected by intellectual property laws. For examples, while the incorporation of a famous cartoon character protected by copyright into a commercial product without permission is illegal and a pharmaceutical invention may be protected by grant of patent, an idea is outside the scope of copyright protection and a new diagnostic method for or therapeutic treatment of a disease is not protected by the patent law.

Intellectual Property Protection in Hong Kong

Our Commitment

The Government of the Hong Kong Special Administrative Region (SAR) attaches great weight to the contribution that the creation of intellectual property makes to the economy. We have been involved in an on-going effort to ensure that Hong Kong people and overseas investors in Hong Kong can be assured of intellectual property protection on par with or better than in other developed economies of the world.

Basic Law and Intellectual Property Rights

Recognising the importance of intellectual property protection in the Hong Kong SAR, Hong Kong's mini-constitution - the Basic Law - specifically provides in Articles 139 and 140 that the Hong Kong SAR should on its own develop appropriate policies and afford legal protection for intellectual property rights.

Intellectual property rights registered in Hong Kong are not automatically protected in the Mainland, and vice-versa. To obtain protection in Hong Kong and the Mainland, proprietors must register in each region separately.

Intellectual Property Department

To underline the commitment of intellectual property protection, the Government established the Intellectual Property Department on 2 July 1990. The Intellectual Property Department is responsible for advising the Secretary for Commerce and Economic Development on policies and legislation to protect intellectual property in the Hong Kong SAR; for operating the Hong Kong SAR's Trade Marks, Patents, Designs and Copyright Licensing Bodies Registries; for promoting awareness and protection of intellectual property through public education; and for facilitating the development of Hong Kong as an intellectual property trading hub in the region.

Customs & Excise Department

The Customs and Excise Department is responsible for enforcing the criminal aspects of infringement of intellectual property rights. It investigates complaints alleging infringement of trade marks and copyright and complaints alleging false trade descriptions. The department has extensive powers of search and seizure, and cooperates with overseas enforcement authorities and owners of trade marks and copyright in a concerted effort to combat infringement of intellectual property rights. The department has received many commendations for its work from both public and private institutions.

In accordance with Hong Kong's obligations under the World Trade

Intellectual Property Law

Organization Agreement on Trade-Related Aspects of Intellectual Property Rights, the Customs and Excise Department will help rights-owners to enforce their rights in relation to copyright and trade mark goods through border enforcement measures.

What is Intellectual Property Law?

The law affords legal protection of rights in intellectual property by providing protection in different categories of monopolies. Broadly speaking, intellectual property law:

- defines rights by ring-fencing the monopolies granted;
- defines permitted acts by creating certain legal exceptions to the monopolies in the public interest;
- defines remedies which set out the way the right owner or the government can enforce rights by civil or criminal proceedings; and
- sets out ways that rights can be acquired, for example through registration and how rights can be assigned or licensed by one party to another.

So for example:

- the owner of a registered trade mark can attach his / her mark to his / her own goods or services, and he / she can stop anyone else

from attaching the mark to their goods or services;

- the owner of a patent can manufacture products incorporating his / her patented invention, and can exclude anyone else from using that invention; and
- the owner of a copyright can copy, publish, perform or import his / her works, and can stop anyone else from doing so.

The legal protection of rights in intellectual property allows creators and subsequent owners of rights to gain economic benefit from charging other people royalties or a lump-sum for using the marks, products or works over which they have obtained their legal monopoly.

Just as the law defines offences against tangible property, for example stealing a car or breaking into a house, the intellectual property law also sets out offences (criminal infringement) against intellectual property. For example, selling goods with counterfeit trade marks, trading in pirated music, video or computer software are all acts which can constitute criminal infringement.

Summary of Categories of Intellectual Property Protected in the Hong Kong SAR

The following table summarises the general characteristics of different categories of intellectual property protection available in the Hong Kong SAR. Further details of each category are described in separate sections below.

	Trade Marks	Patents	Designs	Plant Varieties	Integrated Circuit Designs	Copyright
Type of subject-matter normally protected	Signs that distinguish goods or services of one trader from those of others	Invention	Industrial product designs, fabric designs	New agricultural or horticultural plant varieties	Lay-out designs of integrated circuits ('mask works')	Books, software, plays, music, paintings, sculpture, photographs, films, sound recordings, broadcasts, cable programmes, performances
Whether registration is required for effective protection in the Hong Kong SAR	YES	YES	YES	YES	NO	NO
Enforcement available in the Hong Kong SAR	Civil, Criminal	Civil	Civil	Civil	Civil	Civil, Criminal

Domestic Protection and International Protection

Intellectual property laws are domestic. For example, a right given under the Hong Kong SAR law only applies in the Hong Kong SAR. However, various international conventions require member countries or economies to recognise intellectual property rights of persons from the other member countries or economies. The main international intellectual property conventions which have been applied to the Hong Kong SAR by the People's Republic of China are:

- the Paris Convention for the Protection of Industrial Property (“the Paris Convention”);
- the Berne Convention for the Protection of Literary and Artistic Works;
- the Universal Copyright Convention;
- the Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks;
- the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of Their Phonograms (“the Phonograms Convention”);
- the Patent Cooperation Treaty;
- the Convention establishing the World Intellectual Property Organization (“WIPO”);



Trade Marks

- the WIPO Copyright Treaty; and
- the WIPO Performances and Phonograms Treaty.

Hong Kong, China is a member of the World Trade Organization (“WTO”) in its own right, and our intellectual property protection system meets the standards set out in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.

What is a Trade Mark?

A trade mark is a sign that distinguishes the goods or services of one trader from those of others.

Registered and Unregistered Trade Marks

Trade marks may be registered or unregistered. Unregistered trade marks may be protected by the common law action of passing off. Generally speaking, a passing off claim requires proof of misrepresentation made by a trader which causes damage to the goodwill of the claimant. Passing off is usually a more difficult action to bring than an action for infringement of a registered trade mark. Therefore, we strongly recommend traders to register their trade marks in the Hong Kong SAR.

Trade Marks Registered outside the Hong Kong SAR

The Hong Kong SAR's trade mark registration system is separate from the other trade mark systems in the Mainland or elsewhere in the world. Trade marks registered with the Trademark Office under the State Administration for Industry and Commerce of the People's Republic of China or trade marks registries of other countries or regions do not automatically receive protection in the Hong Kong SAR. In order to obtain protection as registered trade marks in the Hong Kong SAR, trade marks must be registered under the Trade Marks Ordinance (Cap 559).

Trade Marks Ordinance

The Trade Marks Ordinance (Cap 559) came into force on 4 April 2003. It provides the framework for the Hong Kong SAR's system of registration of trade marks and sets out the basis and criteria for registration, as well as the rights attached to a registered trade mark.

In comparison with the former statutory regime, the Ordinance has increased the range of signs that can be registered as trade marks, and has also simplified application and examination procedures. Under the current law, the range of signs which can be registered as trade marks is broadened, for example by allowing distinctive sound and smell marks to be registered. Further, multi-class applications are allowed, and

procedures for registering particulars about trade mark assignments and licensing have also been simplified.

Owners' Rights

The owner of a registered trade mark has the exclusive right to use the mark on the goods and/or the services for which the mark was registered.

Infringement

Civil action

In general, such owner can take civil action to prevent unauthorized use of a sign which is identical or similar to the registered mark for identical and/or similar goods and/or services for which the mark was registered, where such use is likely to cause confusion on the part of the public. Where the registered mark in question is a mark entitled to protection under the Paris Convention as a well-known trade mark, an infringement claim may still be brought against an unauthorized use of an identical or a similar sign for goods and/or services which are not identical and/or dissimilar to those covered by the registration, provided that such use has taken unfair advantage of, or is detrimental to, the distinctive character or the reputation of the registered mark.

Criminal sanction

Anyone fraudulently using a trade mark, including selling and importing goods bearing a forged trade mark, or possessing or using equipment for that purpose also commits a criminal offence under the Trade Descriptions Ordinance (Cap 362).

Hong Kong Trade Marks Registry

The Hong Kong Trade Marks Registry started operating in 1874, and is one of the world's oldest trade marks registries. Hong Kong has been registering marks for services as well as for goods since 1992.

Trade Mark Registration

If an application for registration of a trade mark satisfies the prescribed requirements for registration, the applicant will be notified that the particulars of the trade mark application will be published in the Hong Kong Intellectual Property Journal. The public then have a period of three months to oppose its registration under any of the grounds stipulated in the Ordinance. In the absence of any opposition, the mark can normally proceed with registration in a further one month. The registration is effective from the filing date of the application to register.

Patents



Company Names

Separate laws and systems regulate the registration of company names, business names and trade marks in the Hong Kong SAR. A company name registration at the Companies Registry or a business name registration at the Business Registration Office (Inland Revenue Department) is not the same as a trade mark registration at the Trade Marks Registry. Company or business names that have been registered in Hong Kong SAR should also be registered separately as trade marks if proprietors wish to prevent them from being registered or used by others as trade marks.

Convention Priority

As the People's Republic of China has applied the Paris Convention to the Hong Kong SAR, and Hong Kong, China is a member of the WTO, applicants for trade marks in the Hong Kong SAR can enjoy a right of priority in respect of their corresponding applications in a Paris Convention country or WTO member.

What is a Patent?

Patents protect technical innovations. An invention which is new, involves an inventive step and is susceptible of industrial application is patentable in the Hong Kong SAR if it does not belong to the excluded

classes of inventions. The patent system encourages development of new technology by granting a patent which gives the patent owner an exclusive right to exploit the invention for a set term. In exchange, the patent owner is required to make full disclosure of the invention.

Territorial Protection

Like the other types of intellectual property laws, Hong Kong SAR patent law is territorial. Patents granted in the Hong Kong SAR will only get protection in the Hong Kong SAR. The Hong Kong SAR patent system is separate from the other patent systems in the Mainland or elsewhere in the world. In other words, patents granted by the State Intellectual Property Office in the Mainland or other patent offices elsewhere do not automatically enjoy protection in Hong Kong.

Patents Ordinance

The Patents Ordinance (Cap 514) came into effect on 27 June 1997. It replaced the previous Registration of Patents Ordinance (Cap 42) and provided the Hong Kong SAR with its own independent patent law. There are two types of patents granted in Hong Kong SAR, namely standard patents and short-term patents.

Standard Patents

The grant of a standard patent in the Hong Kong SAR is based on the registration of its corresponding patent granted by one of the three designated patent offices, namely, the State Intellectual Property Office, European Patent Office (in respect of a patent designating the United Kingdom) or United Kingdom Patent Office. Generally speaking, an application for a standard patent must make a two-stage application to the Hong Kong SAR Patents Registry, namely for a request to record within six months after the date of publication of the corresponding patent application in one of the designated patent offices, and subsequently for a request for registration and grant within six months after the date of grant of the corresponding patent by the designated patent office or publication of the request to record in Hong Kong, whichever is later. Standard patents are granted subject to formality examination. In addition, standard patents granted in the Hong Kong SAR are independent of their corresponding patents granted by the relevant designated patent offices, and are enforceable before the Hong Kong SAR courts.

Standard patents in the Hong Kong SAR, subject to renewal, have a term of protection of up to twenty years.



Short-term Patents

The Patents Ordinance also provides for grant of short-term patents for inventions with a shorter commercial viability. Subject to renewal, the term of protection of a short-term patent is up to eight years. Applications are made directly to the Hong Kong SAR Patents Registry, and are granted subject to a formality examination. As the People's Republic of China has applied the Paris Convention to the Hong Kong SAR, and Hong Kong, China is a member of the WTO, applicants for short-term patents in the Hong Kong SAR can enjoy a right of priority in respect of their corresponding applications in a Paris Convention country or WTO member.

Owners' Rights

A patent gives the patent owner the exclusive right to make, use, import or put the relevant invention on the market.

Infringement

A patent owner can take civil action to prevent any person from infringing the relevant patent, and to seek remedies including an injunction, an order for delivery up, damages or an account of the profits and a declaration that the patent is valid and has been infringed.

Patent Cooperation Treaty

The People's Republic of China has applied the Patent Cooperation Treaty ("PCT") to the Hong Kong SAR to facilitate the seeking of patent protection in the Hong Kong SAR. For instance, where an international application under the PCT has entered its national phase in the People's Republic of China, the applicant may base on the international application, apply for patent protection in the Hong Kong SAR, in accordance with the Patents Ordinance.

Review of the Patent System in the Hong Kong SAR

To ensure our patent system continues to meet present-day circumstances and that its further evolution would facilitate the development of Hong Kong into a regional innovation and technology hub, the Government conducted a public consultation on the review of the patent system in October 2011. An advisory committee has also been set up to advise the Government on various issues underlying the review. In February 2013, the Government, having endorsed the strategic recommendations made by the advisory committee on the positioning of Hong Kong's patent system, announced the way forward for the development of our local patent system:

- introducing an “original grant” patent (“OGP”) system for grant of standard patents and enlisting the technical assistance of other patent office(s) for substantive examination in the beginning;
- retaining the current re-registration system for grant of standard patents;
- retaining the short-term patent system subject to certain refinements, such as introducing substantive examination of short-term patents after grant for the purpose of enforcement proceedings; and
- developing a full-fledged regulatory regime on patent agency services in the long run, which has to be achieved in stages, with possible transitional measures.

The Patents (Amendment) Ordinance 2016 has been enacted in June 2016 (yet to be brought into effect) for the new patent system, notably the OGP system and the refined short-term patent system. Meanwhile, the Government is stepping up its efforts to accomplish other preparatory tasks which include enacting the amendments to the subsidiary legislation, drawing up the examination guidelines, recruiting patent examiners and setting up a new electronic system for processing applications under the new patent system. Subject to the progress of all the preparatory tasks, the new patent system may be rolled out in 2018 at the earliest.

Copyright



What is Copyright?

Copyright law primarily protects expression of human creativity. Such expression is known as “works” in which copyright subsists. Common types of copyright works include books, software, musical compositions, plays, photographs, drawings, paintings, sculptures, sound recordings, films, broadcasts and cable programmes. Materials available to the public on the Internet also involve copyright works.

Copyright Ordinance

The Copyright Ordinance (Cap 528) provides comprehensive protection for recognised categories of original literary, dramatic, musical and artistic works, as well as for sound recordings, films, television broadcasts and cable diffusion, and works which are made available to the public on the Internet.

Hong Kong SAR’s copyright law protects not only underlying works but also the typographical arrangements of the published editions of copyright and/or non-copyright literary, dramatic and musical works. Performers’ rights in their performances are also protected by the law.

There are no formalities required to obtain copyright protection for works in the Hong Kong SAR. Works of authors from any place in the world, or works first published anywhere in the world, qualify for copyright protection in the Hong Kong SAR.

International Conventions

The People's Republic of China has applied the Berne Convention, Universal Copyright Convention, the Phonograms Convention, the WIPO Copyright Treaty and the WIPO Performance and Phonograms Treaty to the Hong Kong SAR. Furthermore, as a member of the WTO, Hong Kong, China complies with the requirements under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.

Owners' Rights


Copyright law gives copyright owners certain exclusive rights known as "restricted acts". These include :

- copying the work;
- issuing copies of the work to the public;
- renting copies of the work to the public;
- making copies of the work available to the public by wire or wireless means, e.g. on the Internet;
- performing, showing and playing the work in public;
- broadcasting the work or including the work in a cable programme; and
- adapting the work.

Different types of copyright works have their respective copyright duration. Please see below for reference:

Copyright Works	Basic Period of Copyright Duration
Original literary, dramatic, artistic and musical works	Until 50 years after the author of the work dies
Sound recordings	Until 50 years after production/release
Broadcasts, cable programmes	50 years after broadcast
Films	until 50 years after the last of the following dies: (a) the principal director; (b) the author of the screenplay; (c) the author of the dialogue; or (d) the composer of music specially created for and used in the film
Typographical arrangement of published edition	until 25 years after first publication

In addition, the author of a copyright literary, dramatic, musical or artistic work, and the director of a copyright film, subject to certain conditions and exceptions, enjoys moral rights. These are the right to be identified as the author or director, and the right to object to derogatory treatment of the work or film that amounts to a distortion or mutilation or is otherwise prejudicial to the honour or reputation of the author or director. A performer of a live aural performance or a performer whose performance is fixed in a sound recording also enjoys similar moral rights. Further, any person has the right in specified circumstances not to have a literary, dramatic, musical or artistic



work falsely attributed to him as author; and not to have a film falsely attributed to him as director.

Infringement

Copyright in a work is infringed by a person who without the permission of the copyright owner does, or authorizes another to do, any of the above restricted acts. There are certain specific situations where a person may be permitted to make reasonable use of someone else's copyright works without seeking prior permission from copyright owners and would not constitute copyright infringement. Details can be found in sections 37 to 88 of the Copyright Ordinance.

A copyright owner can take civil action against an infringer in order to seek necessary relief against the infringer, such as an injunction to prevent further infringement, damages, additional damages or account of profits which the infringer made. A right holder of moral rights can commence civil action against any infringer of his/her rights.

The law imposes criminal sanction for infringing activities conducted for commercial purposes, such as making infringing copies for sale or hire, or commercial dealings with such copies. End-user piracy in business by possessing pirated software, movies, television dramas or musical (sound/visual) recordings, or by making/distributing significant quantities of pirated printed publication on a frequent or regular basis, also attracts criminal sanction. The maximum penalty

is imprisonment for four years and a fine of HK\$50,000 (US\$6,410) per infringing copy. Piracy activities conducted outside the Hong Kong SAR may in some circumstances also constitute an offence under the Hong Kong copyright law if the purpose is to enable infringing copies to be imported into the Hong Kong SAR.

Furthermore, any person, who for commercial purpose, makes, imports, exports or deals in products for defeating technological copyright protection systems, or provides commercial services for enabling customers to defeat such protection systems is liable to a term of imprisonment of up to four years and a maximum fine of HK\$500,000 (US\$64,100).

Parallel Importation

Parallel importation of a copyright work usually means the importation into Hong Kong SAR without the permission of the copyright owner, of a genuine copy of that work which was originally made with authorization of the copyright owner and destined for a market outside Hong Kong SAR.

The law does not impose any restriction on parallel importation of computer software products, including for commercial dealings in such parallel imports, unless the principal attraction of the product involves musical sound or visual recordings, movies, television dramas, e-books, or a combination of them.

For other types of copyright works, there is generally no restriction for

Registered Designs



end users to import or possess parallel imported copies, whether for personal or business use. However, parallel import or use of parallel imported copies for the following purposes is prohibited :

- dealing in the copies (i.e. selling, hiring or distributing for profit); and
- playing or showing the works in public, if the copies concerned are movies, television dramas or musical (sound/visual) recordings.

Commission of any of the above prohibited acts is subject to both civil and criminal sanctions during the fifteen months starting from the work's first publication anywhere in the world. Where the work has been published for more than fifteen months, civil liability will continue to apply.

What is a Registered Design?

The new visible shape, configuration, pattern or ornament applied to an article by an industrial process are features capable of protection by design registration. Examples of registrable designs include fabric patterns, and the outward appearance of watches, jewellery, toys or mobile phones.

Registered Designs Ordinance

With effect from 27 June 1997, the Hong Kong SAR has its own,

independent designs law, the Registered Designs Ordinance (Cap 522) and designs registry. Applicants can apply for registration of designs directly with the Hong Kong SAR Designs Registry. Designs are registered subject to a formality examination. As the People's Republic of China has applied the Paris Convention to the Hong Kong SAR, and Hong Kong, China is a member of the WTO, applicants for design applications in the Hong Kong SAR can enjoy a right of priority in respect of their corresponding applications in a Paris Convention country or WTO member.

Owners' Rights

A registered design owner has the right to prevent others from manufacturing, importing, using, selling or hiring the registered design products in the Hong Kong SAR.

Infringement

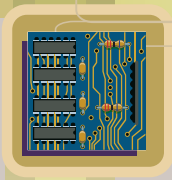
Under the Registered Designs Ordinance, the right in a registered design is infringed by a person who, without the consent of the registered owner, does anything which is the exclusive right of the registered owner. Claims for infringement by the registered design owner may be brought in court by civil action. The registered design owner may apply for an injunction, an order for delivery up, damages or an account of profits.



Designs Registered outside the Hong Kong SAR

The Hong Kong SAR's designs registration system is separate from the other design systems in the Mainland or elsewhere in the world. Designs registered with the State Intellectual Property Office of the People's Republic of China or designs registries of other countries or regions must be registered in the Hong Kong SAR under the Registered Designs Ordinance before they can be protected in the Hong Kong SAR.

Designs protected in Hong Kong under the law previously in force enjoy continued protection beyond their current periods of registration on application to renew in the Hong Kong SAR, provided that the total period of registration does not exceed that stipulated under the Registered Designs Ordinance.



Layout-design (Topography) of Integrated Circuits

The Layout-design (Topography) of Integrated Circuits Ordinance (Cap 445) of the Hong Kong SAR, which came into effect in March 1994, protects the original layout-design for incorporation into an integrated circuit. Subject to certain exceptions, the owner is able to take civil action to prohibit others from reproducing or distributing his / her layout-design without his / her consent or without payment of royalties. There is no need to register the layout-design right and protection will be automatic.



Plant Varieties Protection

Plant varieties protection is also known as “plant breeders’ rights”. A plant breeder, like other intellectual property owners, has the exclusive right to authorise reproduction of his / her new plant variety. The Plant Varieties Protection Ordinance (Cap 490) confers intellectual property rights on breeders of plant varieties. The Director of Agriculture, Fisheries and Conservation is the Registrar of Plant Variety Rights and considers applications for plant variety rights. A plant variety must be new, distinct, homogeneous and stable in order to be considered for protection under the law.

Intellectual Property Department



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E-mail : enquiry@ipd.gov.hk

Full texts of the intellectual property laws are available through the Bilingual Laws Information System (BLIS) offered by the Department of Justice at the website:

<http://www.legislation.gov.hk/eng/home.htm>.

Customs Piracy Report Line : (852) 2545 6182

Intellectual Property Department

Government of the Hong Kong Special Administrative Region

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