



University of Hong Kong, Faculty of Law

Law & Technology Centre

Law Tech Talks

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Enforcement of intellectual property and related rights from Internet-based platforms.

Abstract:

[1] Corporate competitors and disgruntled individuals are now increasingly using the internet as a platform to make attacks on the owners of intellectual property and their related rights.

[2] The disputes are usually grounded in the laws of intellectual property and associated causes of action but the internet continues to evolve which offers new challenges to enforcement. What are the challenges to enforcement when the internet is used as a platform?

[3] The areas to be covered in this talk include what are the traditional forms of intellectual property?

[4] What are the related forms of rights associated with intellectual property?

[5] How is the internet being used as a platform to damage such intellectual property and related rights?

[6] How to enforce such intellectual property and related rights when the internet is involved?

[1] Corporate competitors and disgruntled individuals are now increasingly using the internet as a platform to make attacks on the owners of intellectual property and their related rights.

1. In a world where increasingly all aspects of our daily life exists in an online and digital environment, the internet and its impact on our society is unavoidable. As such, the internet is increasingly being used as a platform for both growth in intellectual property (IP) rights and also its abuse by unscrupulous parties.
2. In 2011, in a report prepared by the World Intellectual Property Organization (WIPO)¹, in only 8 years from the years 1998 to 2006, the estimates by Google and Yahoo were that the Internet expanded by a factor of 1,000 where web pages grew from 29 million to 25 billion pages.
3. In 2021², there were nearly 2 billion websites, 56.5 billion indexed webpages with 4.66 billion people who actively use the internet.
4. China had the largest number of people using the internet at 900+ million, India was second with nearly 700 million and America at nearly 250 million.
5. America had the highest number of domains at over 130+ million, China was second at nearly 20 million and Germany at 12+ million.
6. Of all websites, the most visited is Google.com, unsurprisingly.
7. In 2016, in a report prepared by the European Union Intellectual Property Office (EUIPO)³, it examined illicit examples of business-to-business (B2B) and business-to-consumer (B2C) websites, online marketplaces and social media platforms that were carrying out substantive trade through the misuse of the IP of others.
8. Such illicit businesses are increasingly using encrypted technologies to generate income and to hide proceeds of their proceeds from authorities.

¹ https://www.wipo.int/wipo_magazine/en/2011/02/article_0007.html

² <https://techjury.net/blog/how-many-websites-are-there/#gref>

³ chrome-extension://efaidnbmnnibpcajpcgjclefindmkaj/viewer.html?pdfurl=https%3A%2F%2Feuipo.europa.eu%2Ftunnel-web%2Fsecure%2Fwebdav%2Fguest%2Fdocument_library%2Fobservatory%2Fresources%2FResearch_on_Online_Business_Models_IBM%2FResearch_on_Online_Business_Models_IBM_en.pdf&clen=3048385&chunk=true

9. These illicit businesses also disseminated various forms of wrongful and damaging material through the internet such as malware, illegal phishing and internet fraud.
10. It will also be noted that in the EU as of 2014, roughly 14% of all business turnover is carried out by e-commerce.
11. In 2019, in a report prepared in Hong Kong by the Research Office of the Legislative Council Secretariat⁴, when comparing information in 2009 to 2019 it was noted that (a) mobile subscription penetration rate went from 72% to 316%; (b) household broadband penetration rate went from 80% to 94%; (c) proportion of business establishments using the internet went from 61% to 90%.
12. In 2019, Hong Kong has only 5.7% of sales value of internet retailing as a percentage of total business receipts which is below the world average of 13.75%, which in turn is much below China at 34.1%, still online purchasing among consumers in Hong Kong increased from 15.9% in 2009 compared to 35.8% in 2019.
13. Hong Kong e-commerce in the business sector was quite limited at HK\$139.6 billion in about 2009 but has risen to HK\$491.7 billion in 2018.
14. It is obvious that the trend in Hong Kong towards the average citizen participating in internet based activity, is on an upward and continuous trend in all respects.
15. For the avoidance of doubt, **this lecture will not cover internet fraud** (but should be a topic covered in the future), but in summary it should be noted that:
 - (a) Amongst others, in the **Court of First Instance**, the case of ***Loandepot.com LLC v Yingcai Tech Ltd & Ors***⁵, [2018] HKCFI 2172, 21 September 2018, L Chan J., shows a good example of how such illicit operations work from a “civil” as opposed to “criminal” perspective and the various considerations made by the court in its decision.
 - (b) Amongst others, in the **District Court**, the case of ***Cinatic Technology Ltd v Heykas Technology Co Ltd***⁶, [2020] HKDC 519, 9 July 2020, H H Judge

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extension://efaidnbmnnibpcajpcgkclefindmkaj/viewer.html?pdfurl=https%3A%2F%2Fwww.legco.gov.hk%2Fresearch-publications%2Fenglish%2F1920ish34-e-commerce-in-hong-kong-20200708-e.pdf&clen=237000&chunk=true

⁵ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=117582&currpage=T
⁶ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=129314&currpage=T

Andrew Li, shows a good example of how such illicit operations work from a “civil” as opposed to “criminal” perspective and the various considerations made by the court in its decision.

(c) In internet fraud cases, typically a “fraudster” will (a) impersonate a legitimate business entity or it will (b) create and operate a digital framework / façade in order to make the appearance of operating a legitimate business entity. The fraudster will then send emails to the “target” business to conduct business transaction(s) in order engage in a commercial transaction and then normally a transfer of funds from the “target” to the “fraudster” will take place for what the “target” to believe is a bona fide business transaction, only for the funds to be wrongfully taken by the “fraudster” or hopefully “frozen” before the conclusion of the transaction takes place. In such situations, typically the “fraudster” will not appear in court but the innocent “impersonated” business and the bank will appear to protect their position regarding any judgment / default judgment / garnishee proceedings / declaratory relief / costs.

16. Further for the avoidance of doubt, **this lecture will not cover the Copyright (Amendment) Ordinance 2020 (CAO)⁷** (but should be a topic covered in the future), but in summary it should be noted that the CAO⁸ is aimed at:

- (a) Enhancing copyright exceptions in the Copyright Ordinance, Cap.528 for persons with a print disability;
- (b) Cross-border exchange of accessible copies / specially adapted versions of a copyright work which includes Braille, electronic version, specialized format(s);
- (c) Generally to bring Hong Kong in line with the Marrakesh Treaty. The Marrakesh Treaty is an international agreement concluded under the auspices of the World Intellectual Property Organization. Its main goal is to facilitate and enhance access to copyright works in accessible formats for persons with a print disability (i.e. vision impairment).
- (d) Note that a consultation paper has been issued in November 2021 for further amendment to the Copyright Ordinance, Cap. 528 dealing with⁹ “streaming”, new criminal offences for distribution, caching data for day-

⁷ https://www.ipd.gov.hk/eng/intellectual_property/copyright/Q_A_2020.htm

⁸ <https://www.info.gov.hk/gia/general/202006/26/P2020062600264.htm?fontSize=1>

⁹ <https://www.info.gov.hk/gia/general/202111/24/P2021112400481.htm>

to-day internet activities regarding current affairs, exempting online service providers against liability for copyright infringement by third party infringers, increasing potential awards for additional damages.

[2] The disputes are usually grounded in the laws of intellectual property and associated causes of action but the internet continues to evolve which offers new challenges to enforcement such as:

1. Difficulty in finding the “proper” infringing parties (i.e. undisclosed or false person(s) / corporate identities operating an illicit website).
2. Difficulty in taking action against the proper infringing parties once found (i.e. outside of the jurisdiction, if infringing acts require mens rea then might be difficult to establish knowledge, corporate veil etc).
3. Difficulty in issuing proceedings quickly enough against the proper infringing parties (i.e. delay / laches) where notably in IP cases plaintiffs will have difficulty seeking an interlocutory injunction after a “rule of thumb” of about 6 weeks from discovery of infringement as a limit (3 months is usually too long and anything beyond that was clearly found to be too long) since this may prejudice the defendant’s built up rights¹⁰ as per ***Harbour Fit Industrial Ltd v Tan Kwai Garden Seafood Restaurant Ltd***, HCA 4535/2001, 22 May 2002, DHCJ Saunders (as he then was, in a passing off case) although directions for a “speedy trial”; please see the considerations in ***Qianhai Xinhuakang Financial Holdings (Shenzhen) Ltd v Chen Jiarong & Ors***, [2018] HKCFI 2113, DHCJ Keith Yeung SC (as he then was), 14 September 2018¹¹ would be considered whether to grant “speed trial” directions.
4. Difficulty in convincing client to move ahead in issuing proceedings due to difficulties in building their case (as aforesaid), high usage of time and resources, might result in lengthy proceedings if interim / interlocutory injunction / summary judgment not obtained.
5. Difficulty in obtaining “full” relief.

¹⁰ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=22318&QS=%2B&TP=JU

¹¹ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=117472&currpage=T

[3] The areas to be covered in this talk include discussion on what are the traditional forms of intellectual property?

The “core” “three” families of IP (Core IP) [A] – [C] and the “associated” “two” families of IP (Assc’d IP) [D] – [E]

[A]

(Core IP) Copyright / Registered Design

Copyright: (1) s.4 of the Copyright Ordinance, Cap.528 (“CO”) provides that “*literary work*” is defined as “*any work, other than a dramatic or musical work, which is written, spoken or sung,...*” etc and s.5 of the CO provides that “*artistic work*” is defined as per the CO which includes “*a graphic work irrespective of artistic quality...including any painting, drawing, diagram*” and a “*sculpture includes a cast or model made for the purposes of sculpture*”; (2) “*It is settled law that originality in this context does not involve any assessment of the literary quality of the work*¹²; (3) s.13 of CO provides that an author of a work is the first owner of any copyright but also that as per s.14 of the CO where a work is made by an employee in the course of his employment, his employer is the first owner of any copyright in the work; (4) secondary infringement of copyright exists when as at s.30 of the CO the copyright in a work is infringed by a person who, without the licence of the copyright owner, imports into Hong Kong otherwise than for his private and domestic use, a copy of the work which is and which he has reason to believe to be, an infringing copy of the work; (5) secondary infringement of copyright also exists when the defendant “*turns a blind eye*” to the obvious, is a case of actual knowledge since the defendant merely averts his gaze from what he knows to be there¹³; (6) s.108 of the CO provides that additional damages may be awarded depending on, *inter alia*, the flagrancy of the infringement but which is subject to the completeness, accuracy and reliability of the defendant’s business accounts and records, but such disclosure of such information regarding the defendant’s business accounts and records would only come after liability has been entered against a defendant via interlocutory judgment¹⁴.

¹² *The Newspaper Licensing Agency Ltd & Ors v Meltwater Holding BV & Ors*, [2010] EWHC 3099 (Ch), Proudman J.; *Sawkins v. Hyperion Records* [2005] 1 WLR 3281 at [31]

¹³ *Tai Shing Diary Ltd v Maersk Hong Kong Ltd & Anor*, [2007] 2 HKC 23

¹⁴ *Hong Kong Civil Procedure 2022* §100/3/1

Registered Design: (1) A registered proprietor of a registered design in Hong Kong under the Registered Designs Ordinance, Cap.522¹⁵ (RDO) requires the registration of a design; (2) which gives the registered owner the exclusive right to, *inter alia*, sell and expose for sale any article in respect of which the design is registered, and the doing of any act which falls within the exclusive rights of the registered proprietor would constitute infringement; (3) a registered design is liable to be revoked under section 45¹⁶ of the RDO on the ground that it was not new at the time of its registration; (4) s.5(2) of the RDO provides that a design for which an application is made shall not be regarded as new if it is the same as; (5) — (a) a design that has been registered in pursuance of a prior application, whether or not that design has been registered in respect of the same article for which the application is made or in respect of any other article; or (b) a design that has been published in Hong Kong or elsewhere before the filing date of the application, whether or not that design has been published in respect of the same article for which the application is made or in respect of any other article, or if it differs from such a design only in immaterial details or in features which are variants commonly used in the trade.”

[B]

(Core IP) Standard Patent / Short Term Patent

Standard Patent¹⁷: (1) The grant of a standard patent in Hong Kong is based on the registration of a patent granted by one of the 3 “designated patent offices”, namely the State Intellectual Property Office in the Mainland, the European Patent Office (in respect of a patent designating the United Kingdom) and the United Kingdom Patent Office; (2) thus, an applicant who wishes to have a standard patent in Hong Kong must first apply for such patent in one of the 3 designated patent offices and in such patent offices, the application will be considered and a detailed examination process will be carried out to consider

¹⁵

https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=104639&QS=%28registered%2Bdesign%29&TP=JU

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https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=111051&QS=%28registered%2Bdesign%29&TP=JU

¹⁷ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=92240&QS=%2B&TP=JU

whether the proposed patent is valid and should be allowed to be registered; **(3)** standard patents registered in Hong Kong have gone through detailed examination process in one of the 3 designated patent offices, the law provides a presumption of validity for those standard patents and it is for the party who challenges the validity of a standard patent to bear the onus of proving invalidity as per s.39, Patents Ordinance, Cap.514 (PO); **(4)** the period of protection under a standard patent is up to a maximum of 20 years; **(5)** the Patents (Amendment) Ordinance 2016 and the Patents (General) (Amendment) Rules 2019 have been enacted with the commencement date of 19 December 2019 to provide for the necessary legal and procedural framework for a new patent system thus allowing for “home registration” / “original grant”¹⁸.

Short Term Patent ^{19 20}: **(1)** The grant of a short term patent was introduced in Hong Kong in 1997 and only found in a few other countries, including the Mainland, Germany, Australia and South Africa; **(2)** the system of short term patent is different, and it does not require a detailed examination at the time of the application since as per s.113 of the PO the requirements are few²¹; **(3)** an application for a short term patent has to satisfy the “minimum requirements” and the “formal requirements”, which are respectively provided for in ss.114 and 115 of the PO²²; **(4)** short term patents are therefore registered under a special procedure under which the Registrar of Patents is only concerned with the formalities of the application to register with no regard being paid to the substance of the claims under the patent and in other words, the validity of the patent has

¹⁸ <https://www.info.gov.hk/gia/general/202106/05/P2021060400741.htm>

As of May 31, 2021, the Patents Registry had received a total of 426 OGP applications, of which 33 per cent (142 applications) were submitted by Hong Kong residents or enterprises and 67 per cent (284 applications) were from non-local applicants.

¹⁹ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=92240

²⁰ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=99772

²¹ “*Every application for a short-term patent shall be signed by the applicant and be filed with the Registrar in the prescribed manner and shall contain – (a) a request for the grant of a short-term patent;(b) a specification which provides on the fact of it for – (i) a description of the invention to which the application relates; (ii) one or more claims but not exceeding one independent claim; (iii) any drawing referred to in the description or the claim or claims;(c) an abstract; and (d) a search report in relation to the invention.*”

²² Under s 114(1), the Registrar shall examine the application to see if it satisfies the requirements specified in s 114(2) for the accordance of a date of filing, i.e. the minimum requirements. Under s 115(1), if a short-term patent application has been accorded a date of filing, and is not deemed to be withdrawn by virtue of s 113(5), the Registrar shall examine whether the requirements of s 113 and of any rules made for the purpose of that section, i.e. the formal requirements, have been satisfied.

never been considered by the Registrar; **(5)** the period of protection for a short-term patent is up to a maximum of 8 years as per s.126 of the PO.

[C]

(Core IP) Trade Marks / Passing Off

Trade Marks: **(1)** S.10 of the Trade Marks Ordinance, Cap. 559 (TMO) provides that (1) a registered trade mark is a property right obtained by the registration of the trade mark under the TMO and that the owner of a registered trade mark has the rights and is entitled to the remedies provided by the TMO; **(2)** s.80 of the TMO provides that in any proceedings relating to a registered trade mark, the registration of a person as owner of a trade mark shall be *prima facie* evidence of the validity of the original registration and of any subsequent assignment or other transmission of it; **(3)** s.14 of the TMO provides that the owner of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in Hong Kong without his consent and the acts constituting infringement of a registered trade mark, if done without the consent of the owner, are specified in s.18 of the TMO (infringement of registered trade mark) and s.14(3) of the TMO confirms that the rights of the owner of a registered trade mark have effect from the date of registration of the trade mark; **(4)** s.18 of the TMO provides that (1) a person infringes a registered trade mark if he uses in the course of trade or business a sign which is identical to the trade mark in relation to goods or services which are identical to those for which it is registered; **(5)** under s.18(1) of the TMO, if a defendant's sign is identical to the registered trade mark and he has used the sign in relation to goods that are identical to those in respect of which the plaintiff's trade mark has been registered, there is no need to consider the likelihood of confusion; **(6)** lack of knowledge is not relevant as a defence as far as liability in trade mark infringement cases are concerned²³.

Passing Off: **(1)** A plaintiff must establish the trinity of elements in order to succeed in a passing-off action, being (a) goodwill of the plaintiff, (b)

²³ *Gillette UK Limited v. Edenwest* [1994] RPC 279

misrepresentation by the defendant to the public leading to a likelihood of confusion and (c) as a result the plaintiff suffers or is likely to suffer damage flowing from the erroneous belief engendered by the defendant's misrepresentation that the source of services or goods provided by the defendant is the same as the source of those offered by plaintiff²⁴; (2) where the parties are in direct competition, the court will readily infer the likelihood of damage to the plaintiff's goodwill²⁵; (3) it is not necessary to prove an actual intent to deceive²⁶; (4) further, it is also clear that if damages were recoverable from an innocent infringer of a registered trademark, they should be equally recoverable for innocent passing off and the law does not make such arbitrary distinctions²⁷.

[D]

(Assc'd IP) Defamation / Malicious Falsehood

Defamation²⁸: (1) A plaintiff has to show that defamatory matters with reference to the claimant have been published by a defendant; (2) the matters published are defamatory if they expose the claimant to contempt and ridicule by others and cause others to shun him and additionally the matters would also be defamatory if they lower the plaintiff's estimation in the eyes of right-thinking members of society and adversely affect his reputation²⁹; (3) in determining the meaning, words in question are normally construed according to their natural and ordinary meaning and the judge or jury has to ascertain the single meaning which the publication sued upon would convey to the mind of an ordinary, reasonable, fair-minded reader³⁰; (4) in reading the words in question in its entire context, the court will also bear in mind the general tenor of the entire article and the fact that an article gives a generally uncomplimentary rendering of the plaintiff will obviously affect a reasonable reader's understanding of the specific portions or statements in the words; (5) the court will also consider the effect of the "visual impact" of the words

²⁴ *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 per Lord Oliver of Aylmerton at 499-500; *Re Ping On Securities Ltd* (2009) 12 HKCFAR 808

²⁵ *Warwick Tyre Co v New Motor and General Rubber Co*. *Reports of Patent, Design and Trade Mark Cases*, Volume 27, Issue 7, 23 March 1910, 161-171) at 170(10) ~ 171(15);

²⁶ *Guccio Gucci S.P.A. v Cosimo Ludolf Gucci & Ors* [2009] 5 HKLRD 28 at headnote (10)

²⁷ *Gillette UK Limited v Edenwest* at 291-294

²⁸ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=104129&QS=%2B&TP=JU

²⁹ *Gatley on Libel and Slander*, 12 ed, at §1.7

³⁰ *Gatley, supra*, §3.17; *Next Magazine Publishing Ltd. & Others v Oriental Daily Publisher Ltd* (2000) 3 HKCFAR 160, 166

on the readers; (6) the meaning of the words in question is a question of fact to be read “*in the sense in which ordinary persons, or in which we ourselves out of court... would understand them*” and whether the words are capable of defamatory meaning is for the judge.³¹

Malicious Falsehood: (1) The tort of malicious falsehood arises when a publication about the plaintiff are false, the defendant did so maliciously in that either he knew when he published the words that they were false or he was reckless as to whether they were true or not or that he did so for the purpose not of advancing his own interest but of injuring the plaintiff³²; (2) regarding the ownership of a particular product’s intellectual property, injurious falsehood(s) might be made by way of publishing malicious newspaper articles and in letters and from the same facts, it is possible that such conduct would result in liability being established under the tort of unlawful interference with business and contractual relationship where letters are sent to third parties³³; (3) where a company and its director has a competing product that may infringe intellectual property rights and publishes statements that goods of a rival company are counterfeit, such a publication might have been made with a malicious intent, thus satisfying the first limb and burden of showing knowledge or recklessness for a cause of action in malicious falsehood, therefore, potentially not needing to prove the second limb since the dominant purpose of the publication is satisfied³⁴; (4) a defence to malicious falsehood is when

³¹ *Lewis v Daily Telegraph* [1964] AC 234 at 271 per Lord Hodson

³² *Hong Kong Wing On Travel Service Ltd v Hong Thai Citizens Travel Services Ltd* [2001] 2 HKLRD 481, [\[2001\] HKCU 420](#) (HC); *DPT Co Ltd v Mason Talbot & Ors* (1904) 20 TLR 579; *Kaye v Robertson* [1991] FSR 62 (CA, Eng).

³³ *Wilts United Dairies, Ld. v Thomas Robinson Sons & Coy Ld* [1957] Reports of Patent, Design, And Trade Mark Cases 220; *Ratcliffe v Evans* [1892] 2 QB 524 (CA, Eng); Defamation Ordinance (Cap 21) s 24; *Clerk & Lindsell on Torts* (17th Edn, Sweet & Maxwell 1995) at para.23-56

³⁴ *Kabushiki Kaisha Yakult Honsha v Yakudo Group Holdings Ltd* [\[2004\] 1 HKC 630](#), [2004] 2 HKLRD 587 [2019] HKDC 1609 (CFI); *MCA Records Inc v Charly Records Ltd (No 5)* [2003] 1 BCLC 93 (CA, Eng); *Koninklijke Philips Electronics NV v Princo Digital Disc GmbH* [2004] 2 BCLC 50 (Ch D); Wadlow, *The Law of Passing-off* (3rd Edn, Sweet & Maxwell 2006) at paras 3-104, 3-106, 3-110, 3-119 to 3-121; *Growmax v Don & Low* [1999] RPC 367; *Reckitt & Colman Properties Ltd v Borden Inc* [1990] 1 WLR 491 (HL) at 499C; *Medgen Inc v Passion for Life Products Ltd* [2001] FSR 496 at 512; *Shanahan's Australian Law of Trade Marks and Passing Off* (2nd Edn, Wm Gaunt & Sons 1990) at pp 42-43; *Guangzhou Green-Enhanced Bio-Engineering Co Ltd & Anor v Green Power Health Products International Co Ltd & Ors* [2005] 1 HKLRD 50 (CFI); *Guangdong Foodstuffs Import & Export (Group) Corp v Tung Fook Wine (1982) Co Ltd* [1999] 3 HKLRD 545, [\[1998\] HKCU 2548](#) (CFI) at 644I.

a publication is read in the natural and ordinary meaning of the words, the author of the words must take a view that those words are true.³⁵

[E]

(Assc'd IP) Confidential Information / Breach of Fiduciary Duty

Confidential Information: (1) Three elements are normally required if, apart from contract, a case of breach of confidence is to succeed (a) the information itself must *“have the necessary quality of confidence about it”* (b) that information must have been imparted in circumstances importing an obligation of confidence (c) there must be an unauthorised use of that information to the detriment of the party communicating it³⁶; (2) something which is public property and public knowledge cannot per se provide any foundation for proceedings for breach of confidence no matter how confidential the circumstances of the communication, there can be no breach of confidence in revealing to others something which is already common knowledge³⁷; (3) in relation to matters such as lists of customers³⁸ and the like, names of customers are collected together and not to be found in any other book or paper, this would save the expense and delay of searches, thus rendering it valuable and confidential³⁹; (4) there is no valid distinction between a customers' list and a suppliers' or manufacturers' list⁴⁰.

³⁵ *Wong Ching Yee v Wai Shuk Yin* [2019] HKCU 3145, [2019] HKDC 1104 (DC) at paras 48–50; *Next Magazine Publishing Ltd & Ors v Oriental Daily Publisher Ltd* [2000] 2 HKC 557, (2000) 3 HKCFAR 160 (CFA) at 165C–F; *Lo Sam Shing v Li Fong* [2014] HKCU 633 (unreported, HCA 1803/2011, 14 March 2014) (CFI); *Mak Shiu Tong v Yue Kwok Ying* (2004) 7 HKCFAR 228, [2005] 1 HKLRD 33 (CFA).

³⁶ *AXA China Region Insurance Co Ltd and Another v Pacific Century Insurance Co Ltd and Others*, unreported, HCA9093/2000. 30 June 2005

³⁷ *Coco v A. N. Clark (Engineers) Ltd* [1969] RPC 41 at p.47

³⁸ *Faccenda Chicken Ltd v Fowler* [1986] 1 All ER 617

³⁹ “74. An employee's responsibilities may include possessing confidential information either with regard to customers, suppliers or technical/industrial/trade matters peculiar to his employment. Such information is his employer's intangible property. Thus an employee owed a duty to his employer to look after and preserve such information, and not to misuse such information acquired in the course of his employment. The extent of that duty depends on the facts and circumstances of each case”.

⁴⁰ *Yeko Trading Ltd, v Chow Sal Cheong Tony and ors.* [2000] 2 HKC 612 at pp.615I-616F

⁴⁰ *Yeko Trading Ltd*, referring to *Gilman Engineering Ltd, v. Ho Shek On Simon* [1986] 1 H.K.C. 523; (5) *S.A.S. Electronic Company Limited v Lee Sun. Kenneth* (unreported, DCCJ No.9287 of 2001)

Breach of Fiduciary Duty ⁴¹ ⁴²: (1) A breach of fiduciary duty arises when a defendant(s) as a fiduciary has undertaken to act for or on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence and the distinguishing obligation of a fiduciary is the obligation of loyalty but not every breach of duty by a fiduciary is a breach of fiduciary duty; (2) a breach of fiduciary duty is a breach of those duties which are special to fiduciaries and which attract those remedies which are peculiar to the equitable jurisdiction and are primarily restitutionary or restorative rather than compensatory such as duties include (a) the duty to act in good faith (b) not to make a profit out of the trust (c) not to place himself in a position where his duty and his interest may conflict (d) not to act for his own benefit nor the benefit of a third person without the informed consent of his principal; (3) a fiduciary may be guilty of breach of fiduciary duty notwithstanding that the breach was not deliberate or subjectively dishonest, but in each case there must be a breach of the fiduciary's core duties of loyalty and fidelity and mere incompetence is not enough⁴³; (4) third parties may be fixed with liability as constructive trustees for dishonest assistance or knowing fiduciaries or subject to fiduciaries or subject to fiduciary obligations⁴⁴.

⁴¹ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=108934&QS=%2B&TP=JU

⁴² *Bullen & Leake (HK)*, p.665, §§22-16

⁴³ *Bristol and West Building Society v Mothew* [1998] Ch 1 (Eng CA); *Akai Holdings Ltd (In Liq) v Thanakharn Kasikorn Thai Chamkat (Mahachon) (also known as Kasikornbank Public Co Ltd)*.

⁴⁴ *Peconic Industrial Development Ltd v Lau Kwok Fai* [2008] 4 HKLRD 473 (CA) and [2009] 2 HKLRD 537

[4] What are the related forms of rights / relief associated with intellectual property claims?

Rights / relief available to a successful IP rights holder

1. Injunction ⁴⁵	Interim / interlocutory / permanent
2. Delivery up ⁴⁶	In aid of preserving the injunction(s)
3. Disclosure ⁴⁷	In aid of discovering (further) wrongdoing(s) / wrongdoer(s) / location(s) / innocent tortfeasor(s) / number of sale(s) etc
4. Damages ⁴⁸ / account of profits ⁴⁹	Must elect after post-interlocutory judgment disclosure provided ⁵⁰
5. Costs ⁵¹	At all interlocutory stages / ultimately / taxation

* NOTE: where a defendant is in breach of an injunction, contempt proceedings may be filed. In breach of an IP based injunction, note that in *Cartier International AG & Ors v Dynasty Jewelry (Hong Kong) Ltd & Ors*⁵², [2021] HKCFI 1005, 16 April 2021, Mimmie Chan J where at §§12-13, 17, 20, the decision was for the contemnors be sent to imprisonment 6 weeks, a fine of \$250,000 against the offending company and costs on an indemnity basis.

⁴⁵ RHC / RDC O.29

⁴⁶ Standard in IP cases given in aid of enforcement

⁴⁷ *Norwich Pharmacal* type disclosure; *Dish Network LLC & Ors v Zentek International Co Ltd & Anor* [2009] 3 HKC 52 (CFI)

⁴⁸ Standard in IP to have a “split” trial / derived from chancery practice

⁴⁹ WB O.100, cannot have both; additional damages “separate”, if any

⁵⁰ Post Tring-type disclosure

⁵¹ RHC / RDC O.62

⁵² https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=134972&currpage=T

[5] How is the internet being used as a platform to damage such intellectual property and related rights? From [A] the “classic”; [B] to the “evolved”; [C] to the “modern” situation.

[A]

1. The “classic” IP actions that are internet-based are broadly divided into two groups, namely (a) direct unauthorized usage of digital IP (i.e. infringing digital music, movies, software) and (b) direct transfer / sales of digital IP.

Example:

- (a) Direct unauthorized usage of digital IP via internet

D100 to pay RTHK for copyright theft⁵³

19 September 2014 · News

Hong Kong’s internet radio station D100 has agreed to pay damages to public broadcaster RTHK for copyright infringement, reports the Hong Kong Standard.

The web-only broadcaster agreed to pay \$77,407(HK\$600,000) after it broadcast news programmes without permission.

The paper reports that the two sides settled out of court.

D100 also agreed to stop rebroadcasting RTHK’s Chinese news programmes including Hong Kong Today, news bulletins, financial and traffic news.

⁵³ <https://radioinfo.asia/news/d100-pay-rthk-copyright-theft/>

The station has also agreed to remove all RTHK copyright works from its computer servers.

Last year, RTHK had filed an injunction against D100, preventing it from transmitting Hong Kong Today, a daily news magazine programme.

D100 founder Albert Cheng King-hon had then criticised the public broadcaster over rebroadcast rights, asking it to put Hong Kong's interests before any profit motive.

Example:

(b) Direct transfer / sales of digital IP⁵⁴ via internet

Chan Nai Ming v HKSAR, FACC 3/2007, 18 May 2007, CFA

Nature of a “copy”; considerations of what is meant by distribution and digital copy; Bit Torrent

1. *Every computer has a unique “IP” or “Internet Protocol” address and the newsgroup messages gave an IP address which was traced by Customs Officers to the appellant’s computer. The next morning, they raided his flat where he was found sitting at a computer and surfing the internet. The officers seized the computer together with legitimate VCD copies of the three films in question as well as a digital camera later found to have been used to copy images relating to those films. The seized computer’s hard disk was subjected to detailed forensic analysis and a comparison made between the computer files it contained and the files which had been downloaded onto the Customs Officer’s computer. Postings and e-mails from “Big Crook” were also retrieved from the newsgroup’s server.*
2. *On the basis of his analysis, the forensic expert concluded that the appellant’s computer was the original source (or, in BitTorrent parlance, the initial “seeder” computer) from which copies of the films had been*

⁵⁴ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=57111&QS=%2B&TP=JU

downloaded by the Customs Officer (and others), prompting the bringing of the charges.

26. *The seeder computer must then be connected to the tracker server which, after examining the files being made available, registers the connected computer as the initial seeder for those files. A downloader wishing to obtain the relevant files would then be able to connect with the tracker server which would direct him to the seeder's computer, enabling copies of the target files to be downloaded. In the present case, it was found that the appellant had established a connection with a tracker server referred to as "sml.dyndns.org".*
27. *When the first person wishing to obtain the target files (call him A) activates a .torrent file (usually downloaded from a newsgroup) this connects him with the tracker server which directs him to the seeder computer. On being accessed, the seeder computer transmits the desired files to A's computer. In so doing, the seeder's own electronic copy of the film remains on his computer's hard disk. What is transmitted is an electronic reproduction of that copy, generated by the appellant's computer in the form of discrete packets of digital information designed to be transmitted to and re-assembled by downloading computers in the correct sequence so as to constitute (in the present case) an entire viewable copy of the film.*
33. *When these sections speak of "this Part" they speak of Part II of the Ordinance which also encompasses section 118(1)(f). They are supplemented by section 35(2) which defines a copy of a work as an infringing copy "if its making constituted an infringement of the copyright in the work in question". They are also supplemented by the definitions in section 198, in particular:*

"‘electronic’ means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, and ‘in electronic form’ means in a form usable only by electronic means..."
36. *Mr Pun accepts that the appellant incurred civil liability not only for making the infringing copies on his hard disk, but also for making them available to the public contrary to section 26. However, the Ordinance does not create any criminal offence based simply on “making available” infringing copies and the appellant denies that he committed the section*

118(1)(f) offence because, he argues, nothing constituting such “copies”, infringing or otherwise, were distributed by him.

46. Section 26 strongly supports the view that electronic copies may be distributed via the internet. It concerns “making available” copies of works and expressly recognizes “the making available of copies of works through the service commonly known as the INTERNET.” It is true that section 26 concerns “making available” and not “distribution”. But that does not matter for the purposes of the present argument. The section addresses the making available of copies “through” the internet. It therefore unambiguously recognizes that an electronic copy can be transmitted through the internet and does not need to be made available through the physical transfer of a storage device incorporating the copy. The fact that it is conceded (correctly) that the appellant is civilly liable under section 26 necessarily undermines the argument that “copies” in section 118(1)(f) require physical delivery.

(c) Reproduction of digital copies, transient copies?

Copyrighted work transmitted electronically is reproduced from computer to computer through the respective storage of the works in their computer system(s) and fall within the ambit of ss.26 and 32(2) of the CO. Transient and incidental copies⁵⁵ may be permitted where such copies are technically required for the viewing or listening of the work by a member of the public to whom a copy of the work is made available.

A defence regarding transient copies⁵⁶ is not available to situations where a server is used in a closed computer network or local area network or on an intranet since it is not reproduced to a member of the public to whom a

⁵⁵ **UMG Recordings, Inc & Ors v Profit Chart Development Ltd & Ors** [2013] HKCU 385 (unreported, CACV 262-263/2012, 19 February 2013) (CA); **Sony Computer Entertainment & Anor v Lik Sang & Ors** [2003] HKCU 405 (unreported, HCA 3583 /2002, 11th April 2003) (CFI).

⁵⁶ **Cinepoly Record Co Ltd & Ors v Hong Kong Broadband Network Ltd & Ors** [2006] 1 HKC 433, [2006] 1 HKLRD 255 (CFI) at 23; s.26 in the criminal context as per **Chan Nai Ming v HKSAR** [2007] 3 HKC 255, (2007) 10 HKCFAR 273, [2007] 2 HKLRD 489 (CFA).; **Gold Typhoon Entertainment Ltd v Legend World Asia Group Ltd trading as Vegas Club [2014]** HKCU 2724 (unreported, HCA 1931/2012, 26 November 2014) (CFI); Copyright Ordinance s.65 provides that notwithstanding s.23, copyright in a work is not infringed by the making of a transient and incidental copy which is technically required for the viewing or listening of the work by a member of the public to whom a copy of the work is made available.

copy of the work is made available allowing persons who have lawfully obtained copies of copyright works from being held liable for infringement for making copies transient or incidental to the authorised use of the relevant work.

This form of defence is aimed for the public who obtained copies of the work lawfully through the internet, or other similar electronic means, if such means exists, and not through unauthorised electronic copies used internally in an intranet system, especially where the end user is not the general public but a paying individual using the intranet system.

[B]

2. The “evolution” of infringing IP and IP related actions that are internet-based includes (a) cybersquatting / domain name parking and (b) hacking⁵⁷ of online digital assets / confidential information.

(a) Cybersquatting / domain name parking

May be dealt with through the Asian Domain Name Dispute Resolution Centre; the issues which arise almost always involve passing off / trade mark infringement

<https://www.adndrc.org/>

<https://www.adndrc.org/office/hk>

(b) Where there is a dispute after registration of a domain name and the High Court is involved⁵⁸, again the issues which arise are almost always involving passing off / trade mark infringement.

⁵⁷ Generally, “criminal” acts which are best dealt with in another talk.

⁵⁸ https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=98076&QS=%2B&TP=JU

Hugo Boss Trademark & Ors v The Britain Boss Int'l Co Ltd & Anor.,
HCA 2231/2013, 22 April 2015, Zervos J

66. *By way of general explanation, trademarks and names have rights from trade use and through registration. The primary objective in protecting trademarks, trade names, get-up and the like is to ensure that they are not imitated by others so as to lead to confusion of customers. The common law has developed actions against passing off and injurious falsehood to protect the use in trade of such marks or names. As additional protection, trademark registration grants rights to a registrant of a trademark as provided under the Trade Marks Ordinance, Cap 559.*

67. Trademarks are limited in their scope by the requirement that they be registered for specific goods or services which are grouped according to a system of classification. Infringement of the right is then judged against this listing. A trademark is broadly defined to cover any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. This includes words, including personal names, designs, letters, numerals, the colour or the shape of goods or their packaging.

97. Upon registration of a trademark, the proprietor has an exclusive or superior claim against any other person who may wish to use an identical or similar mark. Infringement will occur if the marks of the goods or services are both identical and if only similar then it must be shown that the relevant public is likely to be confused. Infringement may occur if a mark with a reputation where a similar sign is used in ways that is likely to cause dilution.

98. In the statement of claim, the plaintiffs' claim against the defendants is for infringing six registered trademarks. The defendants argue that the plaintiffs did not plead infringement in respect of nine trademarks identified in the Appendix 1 attached to the statement of claim. Therefore, it is submitted by the defendants that part of



paragraph 1(b) of the default judgment which covers these registered trademarks must be set aside as the plaintiffs have not pleaded any case of infringement in respect of these marks in the statement of claim.

99. The plaintiffs complain that the 1st defendant's English and Chinese language corporate name and the various signs used on the defendants' websites, amount to use of signs which are identical or similar to the registered trademarks in Hong Kong. It is complained that the defendants' websites feature predominantly and offer for sale a wide range of clothing and accessories bearing signs clearly identical or confusingly similar to the plaintiffs' registered trademarks. They also complain that the defendants are using various infringing signs on the websites as well as using the 1st defendant's infringing corporate name for various business related activities. In support of their claim, they refer to the several trademark licence agreements granted by the defendants for the sale of their infringing products which extend to Hong Kong. The plaintiffs submit that the evidence before the court shows that the defendants have used the sign contrary to section 18(5) of the Trade Marks Ordinance, Cap 559 ("the Ordinance").

107. This part of the defendants' argument is a reference to the commentary in Kerly's Law of Trademarks and Trade Names, where it was noted that when considering whether a website infringes a trademark a key question is whether the use is 'aimed and directed' at a consumer in the jurisdiction. Whilst the websites may have a broad and extensive reach, the significance is that they can reach consumers in Hong Kong with whom they can transact. I accept the evidence of Ms Eckl in relation to the purchases of goods from websites that the solicitors for the plaintiffs were able to make and direct delivery of the products was made to them. I am satisfied on the evidence that the relevant websites were aimed and directed at consumers in Hong Kong.

108. It is also argued by the defendants that the signs used in these websites were mainly "BOSSUNWEN" and "博斯新威" which the operators of the website may legitimately use in Mainland China as the defendants have valid trademark registrations in respect of these marks in Mainland China. The issue, however, is whether the relevant websites are aimed and directed at consumers in Hong Kong and I have found that they are. It may be that they are also aimed and directed at

consumers elsewhere but the fact remains the websites target Hong Kong consumers.

109. The defendants argue that the plaintiffs relied on a number of purchases made by the plaintiffs' solicitors through websites that had not been pleaded in the statement of claim or were not shown to be operated by or related to the defendants. Even if the defendants are correct, the products clearly originated from the 1st defendant and were capable of being purchased online and traded in Hong Kong. The defendants argue that plaintiffs cannot rely on any alleged infringing acts committed by others in support of its infringement claims against the defendants. The point is that the defendants are able to trade their products in Hong Kong through online services which products infringe the trademark of the plaintiffs. I also agree with the plaintiffs' submission that notwithstanding the defendants' denial that they operate either directly or indirectly the websites the fact that the websites were shut down upon the institution of these proceedings would indicate that the defendants control and operate the websites.

133. With the advent of online trade through the Internet, the establishment of the domain name as a form of commercial symbol has developed. An unacceptable practice occurs when a person obtains a domain name consisting principally of the name of a well-known company or brand, for the purpose of transferring the domain name for a price. The practice has been deemed fraudulent and because it would lead to passing off it could be enjoined. It is worthwhile noting the comments in British Telecom v One in a Million where it was held.

“ ... Whether any name is an instrument of fraud will depend upon all the circumstances. A name which will, by reason of its similarity to the name of another, inherently lead to passing off is such an instrument. If it would not inherently lead to passing off, it does not follow that it is not an instrument of fraud. The court should consider the similarity of the names, the intention of the defendant, the type of trade and all the surrounding circumstances. If it be the intention of the defendant to appropriate the goodwill of another or enable others to do so, I can see no reason why the court should not infer that it will happen, even if there is a possibility that such an appropriation would not take place. If, taking all the circumstances into account the court should conclude that the

name was produced to enable passing off, is adapted to be used for passing off and, if used, is likely to be fraudulently used, an injunction will be appropriate.”

141. The 2nd defendant and her husband incorporated the 1st defendant on 20 August 2001 and through this corporate vehicle have established a business in Mainland China centred on the trademark that they have registered there of BOSSUNWEN. On the evidence before me, it is quite apparent that they have used various techniques and devices to display prominently the name BOSS in the manufacture and sale of clothing and accessories. Through this trademark name they have sought to expand their operations in other jurisdictions which have been successfully resisted by the Hugo Boss Group. It is also quite apparent that they have traded their infringing products in other jurisdictions, including Hong Kong, through associates or intermediaries and/or online sales.

143. I agree with the plaintiffs' submissions that the relevant question as to trademark infringement is whether the 1st defendant was using signs confusingly similar to plaintiffs' marks in Hong Kong in respect of the same or similar goods or services and as to passing off whether the 1st defendant's conduct amounts to a misrepresentation causing damage, or likely to cause damage to the plaintiffs' international and domestic goodwill and reputation. The issue is not so much whether the defendants have established business operations in Hong Kong, but whether they have by the incorporation of the 1st defendant and their operations elsewhere use a name comprising or confusingly similar to the plaintiffs' signs in the sale of infringing goods in Hong Kong. There is ample evidence that the defendants are seeking to expand their operations by targeting consumers in Hong Kong. This is evidenced by online sales to consumers in Hong Kong. There is also ample evidence that whilst they have used the registered trademark “BOSSUNWEN” they have used the BOSS sign by depicting it predominantly in their mark or in composite, or on its own.

150. For the foregoing reasons, I order that the final judgment order against the 1st defendant stand but the terms of which need to be appropriately amended, and I will hear the parties upon them failing to agree on the terms of any amendments, and that final judgment against the 2nd defendant be set aside for want of proper service. It remains that

the plaintiffs may seek the imposition of conditions on the order to set aside and/or an order for interim relief against the 2nd defendant, and if so, I will hear the parties on those matters.

[C]

3. The more “modern” forms of infringing IP related actions found on the internet now include (a) defamation / malicious falsehood via message board(s); (b) defamation / malicious falsehood via search engines; (c) sales of infringing goods via online platforms

(a) Defamation / malicious falsehood via message board(s)

Internet “publishers”⁵⁹ need to be aware that providers, administrators and managers are liable in a similar fashion that publishers, editors and printers may be liable⁶⁰ and that defamation circulated on the internet⁶¹ may do enormous damage to a person’s reputation⁶² although the utility of the internet generally cannot be understated⁶³ but balanced against potential abuse.⁶⁴

In the ‘many-to-many’⁶⁵ operations that are involved in internet publications⁶⁶ what is needed to satisfy the standard of reasonable care will vary according to the circumstances.⁶⁷

⁵⁹ **Oriental Press Group Ltd & Anor v Fevaworks Solutions Ltd** [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA) at para 2. This includes Internet discussion platforms.

⁶⁰ **Crookes v Newton** [2011] 3 SCR 269 (SC, Can) at para 37

⁶¹ **Oriental Press Group Ltd & Anor v Fevaworks Solutions Ltd** [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA)

⁶² Lyrissa Barnett Lidsky, ‘Silencing John Doe: Defamation & Discourse in Cyberspace’ (49 Duke LJ 855, 2000) at pp 863–64.

⁶³ **Dow Jones & Co Inc v Gutnick** (2002) 210 CLR 575 at para 88

⁶⁵ Knight Professor of Constitutional Law and the First Amendment, Yale Law School. Paper prepared for the Global Constitutionalism Seminar, 2010, Yale Law School, adapted from Jack M Balkin, ‘Media Access: A Question of Design’, 76 George Washington L Rev 933 (2008).

⁶⁶ **Oriental Press Group Ltd & Anor v Fevaworks Solutions Ltd** [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA) at para 59

⁶⁷ **Oriental Press Group Ltd & Anor v Fevaworks Solutions Ltd** [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA) at paras 90–91

Liability extends to any person who participated in, secured (i.e. by encouraging or procuring) or authorised the publication, including the printer of a defamatory work⁶⁸ and such persons are generally referred to as the first or main publishers. The criteria was laid down in *Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd*⁶⁹, namely, (1) whether a person knew or can easily acquire knowledge of the content of the article being published and (2) whether that person has a realistic ability to control publication of such content (i.e. having editorial control), in particular involving the ability to prevent publication.

Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA) at para 97: ‘A subordinate publisher should be afforded the continued protection of the defence if he proves that upon becoming aware of such content, he promptly took all reasonable steps to remove the offending content from circulation as soon as reasonably practicable. Such an approach is also in keeping with the rule which imposes liability on a person as first or main publisher if, having relevant knowledge or easy access to knowledge and editorial control so as to be able to prevent publication of defamatory content, he fails to exercise such control. The subordinate publisher who, in contrast, forthwith takes all reasonable steps to prevent further publication, should not be placed in the same category. Whether in any particular case the subordinate publisher succeeds in proving that he has met those requirements is again a question of fact. Evidence as to how readily the offending content could be withdrawn or deleted would be important.’

Where the provider of a discussion forum is a subordinate publisher and not the first or main publisher of defamatory postings, it can invoke the innocent dissemination defence as subordinate publisher.⁷⁰

⁶⁸ *Chau Hoi Suen v SEEC Media Group Ltd* [2016] 2 HKC 80, (2015) 18 HKCFAR 582 (CFA); *Gatley on Libel and Slander* (12th Edn, Sweet & Maxwell 2013) at para 6.10

⁶⁹ *Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd* [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA) at paras 23, 75

⁷⁰ *Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd* [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA).

Liability for the publication of defamatory material at common law is strict and so a first or main publisher is liable for the tort of libel unless, broadly, he establishes a defence such as justification or honest comment or demonstrates that the publication was on an occasion of privilege or establishes one of the specific defences available under the Defamation Ordinance (Cap 21).

(b) Defamation / malicious falsehood via search engines

When suing an internet search and advertising company, such as Google, which generates and publishes search results containing words that are defamatory⁷¹, a plaintiff must establish that a substantial tort⁷² had been committed within⁷³ the jurisdiction and that the court's role in a defamatory action is to strike a balance between freedom of expression⁷⁴ and protection of reputation.

For the purposes of initiating an action for defamation by way of internet publication, what matters is whether there has been a real and substantial tort within the jurisdiction.⁷⁵

Equally, a search engine may be characterised merely as a facilitator and not a publisher.⁷⁶

⁷¹ *Oriental Press Group Ltd & Ors v Google LLC (formerly known as Google Inc.)* [2018] 1 HKLRD 1042, [2018] HKCU 435, [2018] HKCA 69 (CA)

⁷² *Gatley on Libel and Slander* (12th Edn, Sweet & Maxwell 2013) at para 32.9 noted that defamatory material on a website by an internet service provider is published where the site and material is accessed but no presumption that material has been downloaded by a sufficient number of people to be actionable; *Al Amoudi v Brisard* [2006] EWHC 1062 (QB), [2007] 1 WLR 113 (QBD) held there is a rebuttable presumption of law that there has been a sufficiently adequate number of persons to establish liability as considered in *Tamiz v Google Inc* [2012] EMLR 24 (QBD); the position has been further considered regarding internet platforms such as 'message boards' etc that aim to purposely increase internet traffic to a maximum number of users in *Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd* [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA)

⁷³ *Jameel (Yousef) v Dow Jones & Co Inc* [2005] QB 946 (CA, Eng)

⁷⁴ *Oriental Press Group Ltd & Anor v Feaworks Solutions Ltd* [2013] 5 HKC 253, (2013) 16 HKCFAR 366 (CFA)

⁷⁵ *Oriental Press Group Ltd & Ors v Google LLC (formerly known as Google Inc.)* [2018] 1 HKLRD 1042, [2018] HKCU 435, [2018] HKCA 69 (CA)

⁷⁶ *Metropolitan International Schools Ltd (trading as Skillstrain and/or Train2Game) v Designtechnica Corp (trading as Digital Trends) & Ors* [2011] 1 WLR 1743 (QBD).

Where a defendant is not a publisher nor a facilitator, the plaintiff's claim for defamation shall be struck out.⁷⁷

(c) Sales of infringing goods via online platforms

Example:

Coty Germany GmbH v Amazon Services Europe Sarl & Ors, C-567/18, 2 April 2020⁷⁸. It was held that a trade mark confers exclusive rights to prevent third parties from offering goods under such sign without the trade mark owner's consent. A test purchase by Coty from Amazon was made (which enables third-party sellers) who then dispatched the infringing goods. A preliminary ruling was needed on:

“Does a person who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stock those goods for the purpose of offering them or putting them on the market, if it is not that person himself but rather the third party alone which intends to offer the goods or put them on the market?”

30. By its question, the referring court asks, in essence, whether Article 9(2)(b) of Regulation No 207/2009 and Article 9(3)(b) of Regulation 2017/1001 must be interpreted as meaning that a person who, on behalf of a third party, stores goods which infringe trade mark rights, without being aware of that infringement, must be regarded as stocking those goods in order to offer them or put them on the market for the purposes of those provisions, if that person does not itself pursue those aims.

34. In the present case, it is apparent from the order for reference, first, that the respondents in the main proceedings merely stored the goods

⁷⁷ ***Yeung Man Sek Edmond v Google (Hong Kong) Ltd*** [2014] HKCU 693 (unreported, DCCJ 4322/2013, 19 March 2014) (DC); Hong Kong Civil Procedure 2022 18/19/4 and 18/19/10

⁷⁸ <https://curia.europa.eu/juris/liste.jsf?num=C-567/18>

concerned, without themselves offering them for sale or putting them on the market and, secondly, that they did not intend to offer those goods for sale or put them on the market either.

35. *It must therefore be determined whether such a storage operation may be regarded as 'using' the trade mark for the purposes of Article 9(1) of Regulation No 207/2009 and Article 9(1) and (2) of Regulation 2017/1001 and, in particular, as 'stocking' those goods in order to offer them or put them on the market for the purposes of Article 9(2)(b) of Regulation No 207/2009, the substance of which is reproduced in Article 9(3)(b) of Regulation 2017/1001.*

40. *Thus, the Court has held, as regards the operation of an e-commerce platform, that the use of signs identical or similar to trade marks in offers for sale displayed in an online marketplace is made by the sellers who are customers of the operator of that marketplace and not by that operator itself (see, to that effect, judgment of 12 July 2011, L'Oréal and Others, C-324/09, EU:C:2011:474, paragraph 103).*

42. *Similarly, the Court has held that, although an economic operator who imports or sends to a warehouse-keeper, for the purposes of their being put on the market, goods bearing a trade mark of which it is not the proprietor may be regarded as 'using' a sign identical to that trade mark, that is not necessarily true of the warehouse-keeper who provides a storage service in relation to goods bearing another person's trade mark (see, to that effect, judgment of 16 July 2015, TOP Logistics and Others, C-379/14, EU:C:2015:497, paragraphs 42 and 45).*

43. *The fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign (see, to that effect, judgments of 23 March 2010, Google France and Google, C-236/08 to C-238/08, EU:C:2010:159, paragraph 57, and of 15 December 2011, Frisdranken Industrie Winters, C-119/10, EU:C:2011:837, paragraph 29).*

47. In the present case, as regards the respondents in the main proceedings, as noted in paragraph 34 above, the referring court states unequivocally that they have not themselves offered the goods concerned for sale or put them on the market, that court stating, moreover, in the wording of its question, that it is the third party alone who intends to offer the goods or put them on the market. It follows that the respondents do not themselves use the sign in their own commercial communication.

53. In the light of the foregoing considerations, the answer to the question referred is that Article 9(2)(b) of Regulation No 207/2009 and Article 9(3)(b) of Regulation 2017/1001 must be interpreted as meaning that a person who, on behalf of a third party, stores goods which infringe trade mark rights, without being aware of that infringement, must be regarded as not stocking those goods in order to offer them or put them on the market for the purposes of those provisions, if that person does not itself pursue those aims.

Example:

Christian Louboutin v Amazon Europe Core Sarl & Ors, C-148/21⁷⁹, is pending with a similar factual background as Coty but added elements such as what if the website operator actively assists in preparing advertisements, setting selling prices, stocking and shipping goods, presents the goods as “best sellers” / “most popular” – essentially being more “economically linked”. Ultimately, does such increased participation render the website as “using” the mark.

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Christian Louboutin (ibid) appears to have some similarity to ***L'Oréal v eBay***, C-324/09⁸⁰ since the ECJ found that a diligent trader having found infringing goods on its website platform should trigger a “take-down” of the infringing goods, especially when the website knowingly targeting customers and promoting such goods that do not have its intellectual property rights exhausted yet.

⁸⁰ <https://curia.europa.eu/juris/liste.jsf?num=C-324/09>

[6] How to enforce such intellectual property and related rights when the internet is involved?

“Typical” steps for IP rights holders seeking relief from IP infringement

1. Upon discovering infringement(s) taking place, immediately preserve infringing copies with details of its provenance.
2. Prepare all relevant support to establish own IP / challenge infringing IP (i.e. client's own chain of copyright / registrations of TM / RD / standard ~ short term patent / employee contracts / commissions / assignments etc).
3. Factual investigation both “internally” (i.e. has any employees / directors etc from within the company “leaked” any IP or related rights, especially for confidential information cases but also at times copyright and/or passing off cases) and “externally” (i.e. company search of infringer (where possible), who is working with such potential employees / directors, was the client constantly “contacted” by a third party for particular information or matters relating to the infringed “product”, or is it simply a “classic” case of an infringing third party).
4. Remember to use computer forensic specialists to check all computers, cloud storage etc for an “missing” / “leaked” IP / related information.
5. Usually necessary to employ specialist IP private investigation firms for trap orders, tracking of infringing IP goods, finding of warehouse / factories.
6. ALWAYS make a “buy” from the infringing IP company / website etc and have a “hard” copy (whenever possible) in hand of AT LEAST 2 copies, best from AT LEAST 2 different occasions since you might need to compare different infringing versions and use them in analysis (i.e. chemical analysis of internal properties⁸¹, text and materials analysis of packaging etc) an example of how it is done as per **Leaders Cosmetics Co Ltd v Legend HK Pharmacy Ltd**⁸², [2021] HKCFI 1511, 20 May 2021, DHCJ Maurelet SC at §14.

⁸¹ A parallel import defence is not allowed if the plaintiff's product has been changed such as when “*the condition of the goods has been changed or impaired*” as was considered in **Hugo Boss Trade Mark & Anor v ISA Boutique Ltd & Anor**, unreported, 17 March 2008, HCA 251/2007, Master Levy §§23-28.

https://legalref.judiciary.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=60949&QS=%2B&TP=JU

⁸² https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=136084&currpage=T

7. If there are “variations” of the infringing IP material, if possible, buy all “variations” (i.e. different colours, different sizes etc).
8. ALWAYS have the specialist IP private investigator go to the “showroom” of the infringing IP “shop” AT LEAST on 2 different occasions.
9. Make a complaint to and assist the Customs & Excise in their (potential) investigation into discovering (further) and (potentially) laying a charge against the infringing party(s).
10. After having AT LEAST 2 copies of the infringing IP, send a proper and fully annexed pre-action letter with proper wording to the infringer(s), IF POSSIBLE since, depending on the infringer, your client might need to move for an ex parte / interim injunction.
11. Note the risks of applying for an interim / interlocutory injunction (i.e. material non-disclosure / costs / “tipping off” the infringer too soon when not ready) vs the risks of foregoing an interim / interlocutory injunction (i.e. the infringer “gets away” / unable to stop infringing activity until judgment / unable to have infringers come to court / unable to have potential ancillary relief such as delivery up / disclosure etc).
12. When initiating action against infringers, issue proceedings in compliance with PD 22.1⁸³

3. For the purpose of this Practice Direction, “Intellectual Property Proceedings” include civil proceedings in the Court of First Instance relating to (but not necessarily to be solely relating to):

- (i) an application, an appeal or a claim made in respect of a trade mark under the Trade Marks Ordinance (Cap.559);*
- (ii) claim for passing-off;*
- (iii) an application, an appeal or a claim made under the Copyright Ordinance (Cap.528);*
- (iv) an application, an appeal or a claim made in respect of a design under the Registered Designs Ordinance (Cap.522);*

⁸³ <https://legalref.judiciary.hk/lrs/common/pd/pdcontent.jsp?pdn=PD22.1.htm&lang=EN>

(v) *an application made under the Layout-Design (Topography) of Integrated Circuits Ordinance (Cap.445) or a claim made in respect of a protected layout-design (topography);*

(vi) *an application, an appeal or a claim made in respect of a patent under the Patents Ordinance (Cap.514);*

(vii) *an application, appeal or claim made under the Plant Varieties Protection Ordinance (Cap.490);*

(viii) *an application, appeal or claim made in respect of foreign intellectual property;*

(ix) *a claim in respect of which it would be advantageous to the proper conduct thereof that the proceedings should be commenced in or transferred to the List. Claims which involve technical trade secrets, domain names, complicated knowhow relating to life science, chemical processes, telecommunications, computer and internet matters and transactions involving transfer, licencing or restricting the use of intellectual property rights may be examples; and*

(x) *contempt proceedings arising from any of the proceedings above.*

“Extra” steps for IP rights holders seeking relief from IP infringement when dealing with internet based infringement

1. Investigate the website from top to bottom, obviously.
2. Use the WHOIS Search, <https://who.is/>
3. Use the Wayback Machine, <https://archive.org/web/>
4. “Screenshot” everything.
5. Make a “copy” of the website / keep your browser and computer “on” to the infringing website for further investigation / see what changes take place in terms of movement of infringing “goods” etc.
6. For internet based infringement, usually necessary to use “extra” means to discover “who” is the “administrator” of a website dealing in infringing IP, may be done simultaneously / coordinated between in-house efforts / computer forensic specialists / specialist IP private investigation firms.
7. If not possible to go to a “shop” / “showroom” since not offered, pay for and receive the “hard” copy of the infringing item sent to you in Hong Kong via SF or UPS or whatever format of delivery is available, “C.O.D.” is acceptable, as is “Payme” / Apple Pay / Alipay etc or direct debit payments since it is through banks, keep all “physical” receipts and delivery notes.
8. If the infringing “goods” are “digital”, if possible “buy” both a hard copy and/or a “soft copy” of the infringing IP (i.e. illicit software, illicit movie(s) etc) from a website that has a local ISP.
9. If investigating a social platform for evidence, an example of how it is done as per *SJ v Lester Shum*⁸⁴ [2022] HKCFI 1015, 14 April 2022, Coleman J at §§17-27 and reproduced in the Annex hereinbelow.
10. If investigating a message board, usually the most “difficult” to find out who is the administrator but necessary in order to serve the writ / affix liability. With some message boards, aside from having no usual way to find out who the administrator is due to no information being available about them and also it might well be an offshore corporate entity.
11. Some of these message board websites use a “rotating roster” of “designated” administrators so that even if you find out who might be a particular administrator at one moment in time, that will change by a different “cycle”. Considerations towards an approach for initiating proceedings against such

⁸⁴ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=143550&currpage=T

individuals might be seen as in *S-J & Anor v Persons Unlawfully and Wilfully Conducting Themselves in any of the Acts Prohibited Under Paragraph 1(A), (B) or (C) of the Indorsement of Claim sub nom Secretary for Justice & Anor v Persons Unlawfully and Wilfully Conducting etc* [2019] 5 HKLRD 500, [2019] HKCU 4211, [2019] HKCFI 2773 (CFI).

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What's New

Version

ANNEX

***SJ v Lester Shum*⁸⁵ [2022] HKCFI 1015, 14 April 2022, Coleman J**

17. *Mr Shum's Facebook Profile bore his name and photo. It had a blue tick to show that Facebook, based on its internal vetting process, had confirmed that the account is the authentic presence of the public figure, celebrity, or global brand it represents. The status of the Facebook Post, as shown by a "Globe" icon underneath the account name and next to the time stamp, was "Public" (meaning the Facebook Post was publicly accessible by anyone browsing the Facebook Profile).*

18. *As of 25 May 2020, the Facebook Profile had attracted 53,714 followers. The Facebook Post had attracted 13 comments from other Facebook users, and had been shared on 646 occasions to other Facebook accounts. 1,624 Facebook users had responded to the Facebook Post with emotion icons. Those statistics imply that at least 1,624 Facebook users had read the Facebook Post. Of the 13 comments left under the Facebook Post, four posts contained expressions promoting, encouraging or inciting the use of violence:*

No.	Facebook User Date and Time	Content	English Translation
1.	21 May 2020, 09:05am	我轉載呢篇文，告埋我煽動暴力好冇？？	Would you prosecute me with "inciting the use of violence" for relaying this article?
2.	21 May 2020, 08:37am	多謝發聲 黑警死全家	Thank you for voicing out. The whole family of corrupt police should die.

⁸⁵ https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=143550&currpage=T



3.	9 May 2020, 12:01am	岑敖暉 · 6年前 雨傘運動 · 我一 直覺得你地學聯 係食累人血饅 頭 · 好擦討厭你 地 · 6年後的今 日 · 我要感謝 你 · 因為你一直 冇放棄過一班前 線嘅手足 · 皇軍 殺周梓樂 · 係鐵 一般的事實 · 721 · 831等等 · 係唔會再返得到 轉頭 · 我相信心 水清既人 · 一定 一定一定會繼續 呢場逆權運動 · 持續抗爭 ·	<p><i>Lester Shum, in the Umbrella Movement 6 years ago, I always thought you guys in the Federation of Students [Hong Kong Federation of Students] were eating steamed human-blood buns and I fucking hated you guys. 6 years later, I have to thank you today, because you have never given up on the comrades at the frontline. The royal army killed Chow Tsz Lok, it is an undeniable truth. After the events of 721, 831, etc., there is no turning back. I believe those with a clear mind will definitely continue with this anti-establishment movement, carry on fighting!</i></p>
4.	9 May 2020, 07:16am	由梁義士墮下一 刻開始 · 向政權 報仇/問責已經開 始 · 我們都已經 難以回頭 ·	<p><i>Since the fall of martyr LEUNG, the revenge or fault finding against the regime has begun. There is no way back.</i></p>

19. According to the guidelines published on the Inmediakh Website, any person who wishes to publish articles on the website should submit an account creation application. After creating an account, the registered user may login via the website to publish articles. Registered users may edit the articles before and after publication.

20. The Inmediakh Article was published by the registered account user “岑敖暉 Lester”. Next to the author’s name was a photo of Mr Shum and references to the posts “District Councillor of Tsuen Wan” and “former Deputy Secretary-General of the Hong Kong Federation of Students”. The account was registered some years ago with 126 articles issued in total since 20 April 2014.

21. On 9 May 2020, at around 5:15 pm, a post was created on the Facebook page of Inmediakh which relayed the Inmediakh Article. As of 14 May 2020, the post attracted 216 comments, 248 shares to other Facebook accounts and 1,184 replies in form of emotional icons. Of the 216 comments on the Facebook page of Inmediakh, two comments promoting, encouraging or inciting the use of violence could be identified:

No.	Content	English translation
1.	黑警死全家 有懸念	<i>The whole family of Police scum, in no doubt, shall die.</i>
2.	黑警老婆或老公,父母 子女,兄弟姊妹 · 全必 死於非命。 . .	<i>Wife or husband, parents, children and siblings of Police scums will die in misfortune.</i>

22. On 15 May 2020, Police wrote to Mr Shum, refuting the allegation made in the Article that Police murdered Chow Tsz Lok and warning of legal action (“Police Letter”). On the same day, Mr Shum posted a photo of the Police Letter on his Facebook Profile, remarking that the Police had sent him an “intimidating letter”.

23. On 20 May 2020, the Department of Justice (“DoJ”) wrote to Mr Shum and Inmediakh (collectively, “DoJ Letters”) pointing out that the Inmediakh Article was, on its face, in breach of the Interim Injunction Order and

requesting for removal of the Inmediahk Article from the Inmediahk Website within 7 days. On the same day at around 9:30 pm, Mr Shum posted the DoJ Letter to him on his Facebook Profile. In the post, he stated that he refused to remove the Inmediahk Article, nor 'back down'. The post also included the words “指我指控警察謀殺周梓樂的文章” (English translation: ...[they] alleged that my article which accused the Police of murdering Chow Tsz Lok) and “會不會靜靜雞del post就算” (English translation: ...whether things would end if [I] quietly deleted the post).

24. Upon Police's check on 25 May 2020, a post was made on the Inmediahk Facebook page and Inmediahk Website explaining that the Inmediahk Article had been temporarily removed in light of the DoJ's Letter to Inmediahk, and the Inmediahk Article was found to be inaccessible. On 25 May 2020, solicitors for Mr Shum wrote to the DoJ informing that the Inmediahk Article had been removed from the Inmediahk Website by Inmediahk. On 27 May 2020, solicitors for Inmediahk also wrote to the DoJ informing that the Inmediahk Article had been removed from the Inmediahk Website at around 2:50 pm on 23 May 2020.
25. On the same day, the DoJ wrote to Mr Shum's solicitors further requesting that he remove the Facebook Post from the Facebook Profile. As at 10 August 2021, no reply had been received, and the Facebook Post remained on the Facebook Profile. Nor was any reply subsequently received.
26. It is Mr Shum's own admission that the Facebook Post was only removed from public sight on his instructions in September 2021. That is a date after he became aware of the commencement of these proceedings.