Element 3: Damage or likelihood of damage

E.g. In character merchandizing cases
- Direct competition: damage is obvious
- No common field of business: refer to Ninja turtle case – e.g. loss of licence fee, damage to reputation if D's product is of poor quality

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<td>• Lego (P) vs. irrigation equipment (D)</td>
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<td>• The court said Lego has become a household brand. Anything household can be related to Lego. Even though it is irrigation equipment, the court is happy to extend the protection to Lego and allow Lego to prohibit the name “Lego” elsewhere</td>
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<td>• Room for judge to stretch the meaning of the law a little bit when they feel it is necessary to do so.</td>
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</table>
(c) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods or services to which the trade mark applies;

(d) the duration and geographical area of any registrations, or any applications for registration, of the trade mark, to the extent that they reflect use or recognition of the trade mark;

(e) the record of successful enforcement of rights in the trade mark, in particular, the extent to which the trade mark has been recognized as a well-known trade mark by competent authorities in foreign jurisdictions; and

(f) the value associated with the trade mark.

**Davidoff**

**UK Trade Marks Act 1994**

**Section 5 Relative grounds for refusal of registration**

(3) A trade mark which —

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

➔ The way it is drafted seems to suggest that there are two conditions (identical/similar marks + goods/services must not be similar).

Significance of this case: UK decided to remove sub-para (b).

**HK: should we follow suit?**

Alee: S18(4) TMO has not been amended as its UK counterpart. Taking a literal approach, S18(4) should be confined to use on dissimilar goods/services. The passing remark in *Christie Manson v Chritrs* [2012] 5 HKLRD 829, para 51, that "it has been authoritatively decided that it ought to be read to apply to use by the defendant on goods and services whether or not identical or similar", *Adidas-Salomon v Fitness World* [2004] FSR 21 should be read in context. First, the main ground in Christie case was S18(3), not S18(4). Second, Adidas-Salomon is another ECJ decision on the EU Directive. Like Davidoff, it does not shed light on the national legislation. Third, in Hong Kong, there is S63 to protect well-known trade mark owners in the case of similar goods. Thus, the literal approach is preferred.

**Unfair advantage**

**CA Sheimer (M) Sdn Bhd’s Trade Mark Application**

Applicant: Shiemer – want to register VISA in relation to contraceptive devices.
Opponent: VISA

Identical marks but different goods and services – cannot use s.12(1)(2)(3).
What is left is s.12(4)

Next requirement: unfair advantage/detriment

▶ Unfair advantage: I think it is clear that Sheimer would gain attention for its products by feeding on the fame of the earlier trade mark. Whether it would gain anything more by way of a marketing advantage than that is a matter for conjecture......

➔ In this case, the court said that there is advantage but it is not "unfair". The problem is...
In HK, we only have s.21 TMO. Maybe we can look at some UK cases decided without reference to Comparative Advertising Directive. (See below)

UK cases without reference to Directive:
- Barclays Bank v RBS [1996]
- Vodafone v Orange
- Cable& Wireless v BT
- British Airways v Ryanair [2001]
  - Fact: BA is complaining the comparison. Ryanair is not comparing BA’s same week return and Ryanair’s midweek return. The price is of course different.
  - Defence: customer get used to this kind of advertising which has some sort of exaggeration
  - Jacob:
    - The primary objective of s.10(6) TMA 1994 is to permit comparative advertising ****Key – under new law (transition from old to new law)
    - As long as the use of a competitor’s mark is honest, there is nothing wrong in telling the public of the relative merits of competing goods or services and using registered trade marks to identify them
    - The onus is on the registered proprietor to show that the factors indicated in the proviso to s.10(6) exist
    - There will be no trade mark infringement...
    - ... Statutory or industry agreed codes of conducts are not a helpful guide as to whether an advertisement is honest for purposes of s10(6) – You have to look at the relevant public of the advertisement, i.e. potential customers who are likely to buy the services or goods. What is the effect of advertisement on them.
    - ****...
    - A minute textual examination is not something upon which the reasonable reader of an advertisement would embark.

Alee:
In UK, more willing to have comparative advertisement.
In HK, we usually bear the competitor’s trademark in comparison.

Advice to clients
- As long as your comparison is honest and objective, that would be fine.
- Advise the client more consciously – don’t do sth funny. You don’t know European approach or UK approach that the judge is taking. But rationale is that comparative advertising should be allowed.

(2) Own name defence (s.19(3)(a) and s.19(3)(b))
- The use by a person of his own name and address or the name of his place of business. (s.19(3)(a))
- The use by a person of the name of his predecessor in business or the name of his predecessor’s place of business. (s.19(3)(b))

Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd [2010] EWCA Civ 110 (UK Court of Appeal decision)
- When will own name defence succeed? Look at 3 factors
  - (a) what the trading name is that has been adopted,
  - (b) in what circumstances it has been adopted and
  - (c) depending on the relevant circumstances, whether the use is in accordance with honest practices.
- How can we apply these factors?
  - Para 73: defendants need to justify the use of the word Cipriani by itself. The evidence and the overt acts showed that the trading name adopted was Cipriani London. However, the staff did not
For para (c), ownership belongs to the publisher.

Protection
- Para (b)(c): protects the profit/interest of party who invests in other people's intellectual production.
- Para (a): protects the intellectual creation of the author, who engage in the creation, and they may or may not need the reward.

Qualification requirement
- s.177: the work is published in HK or elsewhere
- s.178: the author is domiciled/resident in HK or elsewhere
=> "open qualification system" => protect everyone

Copyright vs plagiarism
- Copyright is about licensing
- Plagiarism is about acknowledgement of the author of the work
(10) Commissioned work (s.15)

Applicability of s.15: The author is directly commissioned

**Ultra frame UK Ltd v Fielding**

Meaning of commission:
- Commissioning means ordering
- More than requesting or encouraging
- It connotes obligation to pay – pay for finished products and the very article in which the copyright resides

s.15(1): Where a work is made on the commission of a person and there is an agreement between the author and the commissioner of the work which expressly provides for the entitlement to the copyright, copyright in the commissioned work belongs to the person who is entitled to the copyright under the agreement
- If the agreement is express, give effect to the express agreement
- If it is silent, see s.13: author is the first owner.

S.15(2): Notwithstanding subsection (1) and s.13 and s.103, the person who commissioned the work has
(a) an exclusive license to exploit the work for all purposes that could reasonably have been contemplated by the author and the person who commissioned the work at the time the work was commissioned, and
(b) the power to restrain any exploitation of the commissioned work for any purpose against which he could reasonably take objection.

What can a commissioner do? See Jet Tone Films Ltd v Lai Yuen Chui [2005]

Fact:
- 澤東電影公司 commissioned Ms Lau to produce a website for film 2046
- Interlocutory application

Issue: what is the scope of licence? Can P update the website?

Held
- P has the right to update the website
- What the court refers to in defining the scope
  - Commercial interest of P
  - Wording of Email correspondence between P and D
    - D’s email to P: “when we received the cheque from you, we will provide you a long-on ID and password that will give you full control of the domain...”
    - Infers that the exclusive licence to exploit the website must reasonably include the right to host, maintain, update and use the website for the plaintiff’s business purposes.
(12) Assignment of copyright

- **s.101(3):** Assignment of existing copyright
  (a) in writing
  (b) signed by assignor
- **s.102:** Assignment of future copyright
  (a) assignment in relation to future copyright
  (b) signed by prospective owner of copyright (Alee: assume it is in writing)
  (c) prospective owner purports to assign the future copyright to another person

- Formalities are the same
- Legal assignment vs equitable assignment
  - If there is a purported assignment which fails to satisfy legal formality, it will be treated as an agreement to assign, which, if specifically enforceable, will operate as an equitable assignment

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**Takmay Industrial Co Ltd v Wah Sang Industrial Co**

- Oral understandings between P and designers = equitable assignment
- Held: P as equitable owner entitled to interlocutory relief, but could not obtain a final order unless
  - joined legal owners as plaintiff or
  - discontinued proceedings and sought permanent relief after written legal assignment.

(13) Licensing of copyright

Non exclusive licence

- No formality
- **s.101(4):** licence binding on copyright owner’s successors in title except a purchaser in good faith for valuable consideration and without notice

Exclusive licence

- A licence in writing signed by the copyright owner authorizing the licensee to the exclusion of all other persons, including the person granting the licence, to exercise a right which would otherwise be exercisable exclusively by copyright owner. (**s.103(1)**)
- Can still stipulate the length of licence and specify which rights are granted.

Right and remedies of exclusive licensee (**s.112 and s.113**)

- **s.112(1):** An exclusive licensee has, except against the copyright owner, the same rights and remedies in respect of matters occurring after the grant of the licence as if the licence had been an assignment.
  - What is the significance of the phrase “except against the copyright owner”?
    - Exclusive licencce and copyright owner have the same right and remedy
    - E.g. If the owner granted exclusive licence for certain period and the copyright owner wants to do the same thing, he will breach the contract. The licencee can still sue the copyright owner for breach of licence (contract) but not copyright infringement
- **s.112(2):** An exclusive licensee’s rights and remedies are concurrent with those of the copyright owners
  - It means either of them can exercise the rights and remedies

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17 The 7 acts
S38 Research and private study
(1) Fair dealing with a work for the purposes of research or private study does not infringe any copyright in the work or, in the case of a published edition, in the typographical arrangement. (Amended 15 of 2007 s. 12)
(2) Copying by a person other than the researcher or student himself is not fair dealing if -
(a) in the case of a librarian, or a person acting on behalf of a librarian, he does anything which regulations under section 49 would not permit to be done under section 47 or 48 (articles or parts of published works: restriction on multiple copies of same material); or
(b) in any other case, the person doing the copying knows or has reason to believe that it will result in copies of substantially the same material being provided to more than one person at substantially the same time and for substantially the same purpose.
(3) In determining whether any dealing with a work is fair dealing under subsection (1), the court shall take into account all the circumstances of the case and, in particular -
(a) the purpose and nature of the dealing, including whether the dealing is for a non-profit-making purpose and whether the dealing is of a commercial nature;
(b) the nature of the work;
(c) the amount and substantiality of the portion dealt with in relation to the work as a whole; and
(d) the effect of the dealing on the potential market for or value of the work. (Replaced 15 of 2007 s. 12)
[cf. 1988 c. 48 s. 29 U.K.]

S39 Criticism, review and news reporting
(1) Fair dealing with a work for the purpose of criticism or review, of that or another work or of a performance of a work, if it is accompanied by a sufficient acknowledgement, does not infringe any copyright in the work or, in the case of a published edition, in the typographical arrangement.
(2) Fair dealing with a work for the purpose of reporting current events, if (subject to subsection (3)) it is accompanied by a sufficient acknowledgement, does not infringe any copyright in the work:
(3) No acknowledgement is required in connection with the reporting of current events by means of a sound recording, film, broadcast or cable programme. [cf. 1988 c. 48 s. 30 U.K.]

S40 Incidental inclusion of copyright material
(1) Copyright in a work is not infringed by its incidental inclusion in an artistic work, sound recording, film, broadcast or cable programme.
(2) The copyright is also not infringed by the issue or making available to the public of copies, or the playing, showing, broadcasting or inclusion in a cable programme service, of anything whose making was, by virtue of subsection (1), not an infringement of the copyright.
(3) A musical work, words spoken or sung with music, or such words, is not regarded as incidentally included in another work if it is deliberately included.
[cf. 1988 c. 48 s. 31 U.K.]

S41A Fair dealing for purposes of giving or receiving instruction (Added 15 of 2007 s. 14)
(1) Fair dealing with a work by or on behalf of a teacher or by a pupil for the purposes of giving or receiving instruction in a specified course of study provided by an educational establishment does not infringe the copyright in the work or, in the case of a published edition, in the typographical arrangement.
(2) In determining whether any dealing with a work is fair dealing under subsection (1), the court shall take into account all the circumstances of the case and, in particular -
(a) the purpose and nature of the dealing, including whether the dealing is for a non-profit-making purpose and whether the dealing is of a commercial nature;
(b) the nature of the work;
(c) the amount and substantiality of the portion dealt with in relation to the work as a whole; and
(d) the effect of the dealing on the potential market for or value of the work.
(3) Where any dealing with a work involves the inclusion of any passage or excerpt from a published literary or dramatic work in an anthology-
(a) if the inclusion is not accompanied by a sufficient acknowledgement, the dealing is not fair dealing under subsection (1); and
(b) if the inclusion is accompanied by a sufficient acknowledgement, subsection (2) applies in determining whether the dealing is fair dealing under subsection (1).
(4) Where any dealing with a work involves the making of a recording of a broadcast or cable programme or a copy of such a recording-
(a) if an acknowledgement of authorship or other creative effort contained in the work recorded is not incorporated in the recording, the dealing is not fair dealing under subsection (1); and
(b) if an acknowledgement of authorship or other creative effort contained in the work recorded is incorporated in the recording, subsection (2) applies in determining whether the dealing is fair dealing under subsection (1).
Division III “Acts Permitted in relation to Copyright Works” is structured as follows:

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Is there any section that deals with the following scenarios?

► a lawyer making copies of documents while advising clients
  s.54
  - Cover anticipated proceedings? Yes

► a pedestrian taking photos of a building
  s.71

► Christie’s auction advertisement where a painting is reproduced
  s.72
  It is not an infringement of copyright in an artistic work to copy it, or to issue or make available copies to the public, for the purpose of advertising the sale of the work.

► karaoke playing music videos through a computer system

**GOLD TYphoon ENTERTAINMENT LTD v LEGEND WORLD ASIA GROUP LTD**

HCA 1931/2012 (26 Nov 2014)
  - PPSEAL – the label - karaoke is within the license scheme
  - D tried to rely on s.65: 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.
  - This provision refers to temporary file
  - Held: cannot rely on this section
Fraser-Woodward Ltd v British Broadcasting Corp [2005] FSR 36

Significance: explained and considered the two exceptions of “fair dealing” and “incidental inclusion”.

Fact:
- TV program criticized the use of tabloid
- It shows photos of Beckham family
- D argued fair dealing and incidental inclusion

Fair dealing
- Para 58: “Any legitimate use of a photograph for the purposes of criticism and review is likely to require display of a large part of the photograph in order to make the point that is being made”
- Para 55: summary of what amount to “fair dealing” from previous cases
  - Motive of the user
  - Degree of use
  - Photograph: by its nature, likely to be by means of an inclusion of most of the work because otherwise the reference will not make sense
  - Should not unreasonably prejudice the legitimate interests of the author or conflict with the author’s normal exploitation of the work
- "criticism" (relates to s.39)
  - If you want to use the photo to criticize the lifestyle of the person, is it possible?
  - Rely on De Garis v Neville Jeffress Pidler Pty Ltd for the definition of "criticism" and "review"
- “Sufficient acknowledgement”
  - can relate to s.198 in HK for definition

Incidental inclusion (s. 40 in HK)
- E.g. If you try to take a photo of a person, but somewhere in the background which happens to an artistic work, it would be exempted.

(18) Public interest
- It is not statutory defence. Statutory defence has been exhaustively listed in s.38-88
- s.192(3) of CO: Nothing in this Part affects any rule of law preventing or restricting the enforcement of copyright, on grounds of public interest or otherwise.
  ➔ It is phrased differently with statutory exception
  ➔ Can we say that the nature of public interest is quite different from statutory exception?
- In normal life, would the court be able to refuse the enforcement of copyright?
- s.192(3) is not specific to copyright ➔ Alee: it is like a general principle for other areas of law as well.

Hyde Park Residence Ltd v Yelland [2000] 3 WLR 215

Para 44: It has long been the law that the courts will not give effect to contracts which are, for example, illegal, immoral or prejudicial to family life because they offend against the policy of the law. In my view that inherent jurisdiction can be exercised in the case of an action in which copyright is sought to be enforced

Para 55:
Alee:
  ➔ for breach of confidence (CL offence), you can have a general defence of public interest
  ➔ for copyright, public interest is not meant to be general defence, but just a manifestation of the inherent jurisdiction of the court to refuse to enforce anything immoral or against public interest.