



The Council

President

Michael Haynes

Hon. Secretary

Carol Yuen

Hon. Treasurer

Dylan Bryant

Directors

Andrew Chow

Franz Josef Hahn

Kelvin Cheung

Irene Wong

Michael Wellsted

Steven Cosgrove

Secretariat

Tania Lee

Hon. Legal Advisor

Christine Koo

Hon. Advisor

Annie Choi

Hon. Auditor

PricewaterhouseCoopers

The Institute

The Insurance Institute of Hong Kong was founded in 1967 and is an independent professional body. It has more than 400 individuals and a growing number of corporate members.

The Institute's principle aim is to promote and advance the professionalism of the insurance industry and a well-recognised local qualification for the industry.

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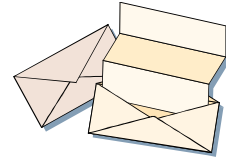
**Kung Hey
Fat Choy!**

**The Year of
Rabbit is on
the way.
We wish you
a happy and
prosperous
New Year!**





PRESIDENT'S LETTER



(The following report was made in the AGM of 2010 in December)

Dear members,

The year of 2010 has been a busy one for the Institute and thanks must be given to our hard working Council of industry volunteers who devote their valuable time and wisdom. I also thank our staff in the Institute's secretariat for all their dedication and enthusiasm. Without these contributions the Institute could not function

We have carried out a number of activities throughout the period since our last AGM and these are summarized below:

Membership

Membership currently stands at 389 individuals and 19 corporates which means our Institute has achieved good market penetration and widespread acceptance.

Education/Examination

We held two sets of examinations within our Diploma in Insurance Studies. Altogether 46 candidates participated taking 85 subject entries. During this period 2 students completed their Diploma.

We are always in debt to our invigilators and markers who give their time freely and help us to uphold the professionalism of the Institute.

Training/Seminars

a) IIBK CPD "legal series"

Our series of seminars continued throughout the year and we would like to record our grateful thanks to all our

speakers and presenters who have supported us so well. Some 12 seminars were held with more than 1,203 attendees.

b) Joint CPD programme with CIB

The Confederation of Insurance Brokers enlisted the help of the Institute for their CPD programme and we presented 8 seminars with more than 432 attendees.

c) CII Face-to-Face Training

We thank the Chartered Insurance Institute for allowing us to present their F2F training and the use of their expert presenters. We arranged two topics for this high level training including Claims Management and Liability Insurance. All workshops were fully attended.

International Network

Our relationship with the Insurance School of Japan flourishes and we are delighted to be included in their excellent programmes. We sent HK industry practitioners to both the general and advanced courses of the non-life school.

The second AGI Examination was held on June 28, 2010. There are altogether 25 candidates with passing rate 75%.

Social/Publications

Annual Dinner – Held at the Banker's Club in October the dinner was a success with over 185 guests attending including the HK Insurance Industry dignitaries. Thanks go to our excellent guest speaker Mr. Steven



Vickers for his interesting and entertaining speech and to our magician and the acapella singing group who made the evening a great success

The Bowling Tournament was held in June with 21 teams enrolled. The winning team was Convoy.

Newsletters – One was published during the year and was distributed to membership and the industry in general.

Finances

The Institute has carefully husbanded its resources and finds itself with sufficient funds to continue the secretariat services and to offer various functions and events for members. It is hoped the relationship with the CII will enhance our financial position over the long term.

The Council

As mentioned earlier the Council has been tremendously active and I thank all individuals for their support. I would also like to offer sincere thanks to our honorary auditors, Price Waterhouse Coopers, and our honourable legal advisor, Ms Christine Koo. Lastly thanks go to the Insurance Commissioner and her team who offer tacit support and encouragement for all we try to do.

Michael Haynes
President



The 2011 membership renewal is under process. If you have not received a renewal notice, contact our secretariat at tel: 2520 0098 or download a renewal form from the web site: www.iihk.org.hk.



The 2011 IHK Council

Subsequent to the last AGM held in December 2010 the following council members were elected and the 2011 Council was formed:

President

Michael Haynes
ACII

Hon. Secretary

Carol Yuen
ANZIIF (Snr Assoc)

Hon. Treasurer

Dylan Bryant

Director (China)

Andrew Chow
MBA, FCII, ANZIIF(Fellow), CPCU, FLMI

Director (Examination)

Irene Wong
FCII, MBA, FLMI, ARe, MSc.(ITE), FChFP

Director (Examination)

Franz Josef Hahn

Director (Newsletter)

Steven Cosgrove

Director (Social & PR)

Michael Wellsted
GDE, BSc, CEng, ALLSA, AILA

Director (CPD)

Kelvin Cheung
B.Sc, ACII, MCIM, MBA, FLMI

Hon. Advisor

Annie Choi

Hon. Legal Advisor

Christine Koo
LL.B (Hons), MCI Arb

Hon. Auditor

Pricewaterhouse Coopers



The Cost of Doing Business in China Intellectual Property Rights

By Deanna Wong, Hogan Lovells

For many companies planning to move operations or develop business in China, or those which are already there, protection and enforcement of intellectual property rights (“IPR”) have always been a major concern – sometimes bigger than you can imagine!

In the 2010 annual ‘Special 301’ Report issued by the United States Trade Representatives (USTR), which reviews IPR protection and enforcement worldwide, China remains top on the “Priority Watch List” for markets considered as not providing an adequate level of IPR protection, followed by Russia, Algeria, Argentina, Canada, etc. The problems with IPR protection in China, in particular in relation to overseas IPR holders, are deeply rooted and have gone beyond simply counterfeiting or pirating. Amongst the many problems, one of them is the hijacking of the IP rights of others. There are numerous reported cases of entities hijacking others’ IPRs as their own and then suing the original IP owners for damages, raiding their goods/premises and causing havoc to their operations. As local companies become more sophisticated in their R&D development and become aware of the legal system, IPR disputes have also been increasingly used as important leverage by Chinese companies who compete with major global brands.

Here are some of the cases to showcase some of the issues at play.

G2000 v. 2000 -

Original brand owner sued for infringing hijack marks

Trademarks should be registered as early as possible with a broad coverage. No one is immune. One of the cases most familiar to Hong Kong may be the G2000 case which was decided in 2007. We mention this here as it is a well recognised local brand. G2000 is a Hong Kong brand founded in 1985. It achieved remarkable sales and market recognition in China. The brand holder registered the G2000 trademark in China covering clothes, headgear and footwear. It did not get protection for other types of clothing accessories, such as socks, neckties, scarves and belts, which are regarded as different to clothes, headgear or footwear under the Chinese trademark registration system. Subsequently, a businessman (‘the trademark hijacker’) obtained a hand-written registration for the trademark of ‘2000’, covering clothes and full range of clothing accessories. This in turn meant if G2000 used their name for these products, it would be at risk of infringing the rights of the Hangzhou businessman. G2000 tried to overturn the ‘2000’ trademark but failed. The matter then escalated and the trade mark hijacker decided to sue G2000 for infringing its ‘2000’ trademark on clothing accessories. G2000 was ordered by the Hangzhou court to pay RMB 20 million (USD 2.9 million), a record for the highest payout for damages in a trademark infringement case in China at the time. The case was decided in 2007. G2000 appealed but the status of the case is not publically available.



*Ferrero Rocher v. Tresor Dore -
Loss of Chinese language trademark due to
non-registration*

Some foreign brand owners do not think of a Chinese brand name when they enter the Greater China market. However, if you do not consider and look after your Chinese brand from the beginning, you will often find that someone else will register and hijack your Chinese trade mark. The Italian chocolate brand Ferrero Rocher entered the Chinese market in 1984, but it did not register its Chinese name 'Jin-sha' (Chinese characters: '金莎'). The Chinese name was not a direct translation or transliteration, but was well-recognized in China and other Chinese language markets such as Hong Kong and Taiwan. This Chinese trademark was registered by a hijacker and then assigned to a local company, which started to market and sell chocolates under the names '金莎' and 'Tresor Dore' with highly similar packaging. The local Chinese company's products became better recognised than Ferrero Rocher. Ferrero Rocher sued Tresor Dore and the case was taken to the Supreme Court, which held in favor of Ferrero Rocher that Tresor Dore was infringing to Ferrero's unique packaging and trade dress. However, Ferrero was eventually not recognized as the owner of the Chinese trademark for '金莎' and Ferrero's use of the Chinese '金莎' trademark in Hong Kong and Taiwan was given little weight in the China proceedings. Commercially, Ferrero only managed to stop them from using the similar packaging but never managed to recover its Chinese trademark completely.

*Danone v. Wahaha -
Be cautious with the potential IPR in business
deals*

Danone, the global food and nutrition brand, entered into a joint venture with the Chinese brand Wahaha in 1996. Danone eventually held a 51% stake of the joint venture. On the other hand, Wahaha agreed to assign its

brand to the joint venture at RMB 100 million. The assignment was eventually refused by the Chinese Trademark Office on the basis that Wahaha was a state-owned brand which its holding enterprise does not have right to sell. Danone and Wahaha then entered into an exclusive licensing agreement, providing that Wahaha did not use the trademark for any independent business activities or allow it to be used by any other entity. Wahaha set up a few independent business entities which manufactured products under the Wahaha trademark. A huge international legal battle ensued regarding the ownership of the trademark, with both sides alleging they own it. Eventually, the case was settled by Danone selling its stake in the joint venture to Wahaha at an undisclosed price. This case was reported by the Chinese media as a "success" in defending local brands against international acquisitions.

*CHINT v. Schneider -
The highest damages awarded for a simple
Utility Model Patent*

Those who have litigated in China for IP infringements may know that the damages you can generally get do not usually exceed a several hundred thousand RMB. The statutory damages for patent infringement is RMB 1 million and for trademark cases is half a million. However, there are exceptions. In one judgment from the Wenzhou Intermediate Court, it awarded record-breaking damages of RMB334 million (US\$47 million) in favor of CHINT, a large Chinese electric products company, in a patent infringement case against Schneider, one of the world's largest corporations in the power and electric industry. The case was recently appealed and settled. However, this shows when things go bad in China, the sums in question are no longer low.

The most controversial issue in the earlier judgment was the amount of damages. The Wenzhou Court generally took CHINT's calculations based on the overall profit rate



and sales of infringing products and awarded all the profit of the “infringing” products as damages. This decision was widely criticized as ignoring the different factors that contribute to a product’s profit including various other technologies, patents, Schneider’s trademark and goodwill. This case was appealed to the Zhejiang Higher Court, and was settled at RMB157 million (US\$23 million). There were numerous cases ongoing internationally which were also settled.

What can you do?

The above selected examples represent the IPR problems commonly faced by overseas business in China. What can you do to prevent the problems?

Here is a check-list to think about:

- Protect your IPR in China before you enter the market

- Start early
- Know your partner
- Register your IP rights
- Make sure your rights are protected appropriately
- Protect your confidential information/IP know how
- Have appropriate contracts/agreements

These are just some of the many things to look out for. The legal system in China is now at the stage that it can protect IP owners. The trick is to make it work for you and not to leave it till it’s too late.◆◆◆

The article was first published in [BRITAIN IN HONG KONG](#), the magazine of the British Chamber of Commerce in Hong Kong - September 2010 • Vol 25 No. 8.

Members are welcome to contribute to the content of this Newsletter. If you find any interesting article(s) or like to provide your views on certain topic(s) please let us know by:

Tel: 25200098 or

Email: secretariat@iihk.org.hk



**21st Session of the Advanced Course on
“Non-Life Insurance and Risk Management”
May 16 – May 27, 2011
The Insurance School (Non-Life) of Japan**

We are pleased to invite applicants to attend the above Non-Life Course to be held in Tokyo from May 16 through May 27, 2011. The course is organized by The Insurance School (Non-Life) of Japan on the theme of “Non-Life Insurance and Risk Management”.

The course will be held in a workshop style allowing open discussion and exchange of views. Candidates should have a minimum of five years practical experience in the non-life business. A good command of English is essential for active participation in the course.

Details of the information can be found on our web www.iihk.org.hk.

Please note that the above course is only offered to IIHK member(s) of non-life insurance companies / related organizations, who is a Hong Kong resident. Please also observe the rules of eligibility in the course leaflet. To join IIHK membership, you may download the application form from our web site www.iihk.org.hk

Deadline for application: 11th February, 2011.



The 2nd CII Alumni Gathering in Hong Kong

The second CII alumni gathering was held in November 2010 which was again well attended. The idea of a mentor-mentee scheme was raised during the evening. The scheme was to help young practitioners who made their debut in the insurance industry to link up with a mentor who can share their experience and networking. We very much hope this will encourage more new blood joining the industry.

The third gathering is now planned in May 2011.

*We take this opportunity to thank **Smartum Insurance Agency Limited** who sponsored for the next alumni event. Look out for details on our web site or you will receive news from the Secretariat via email.*





IIHK Diploma in Insurance Studies

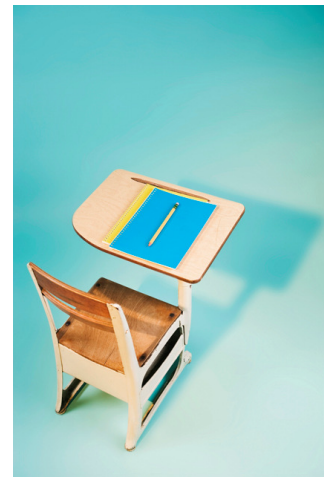
2011 First Series Examination

The Institute shall be holding the captioned Examination in May/June this year and enrolment is now open.

The examination time is now changed to **TWO** hours per session.

For more information on enrolment, syllabus, exemption and CII/ANZIIF dispensations, please contact: The Secretariat by email enquiry@iihk.org.hk or by telephone 2520-0098, or by fax 2295-3939.

You may also download copies of our entry form and syllabi from our web site.



EXAMINATION SUBJECTS & TIME TABLE

Registration deadline: 11th May, 2011 at 5:00 PM.

<u>Subjects</u>	<u>Date of Exam.</u>	<u>Time</u>
i) Introduction to Insurance (100)	May 26, 2011	6:30 pm – 8:30 pm
ii) Legal Principles (120)	May 27, 2011	6:30 pm – 8:30 pm
iii) Principles & Practice of Insurance (110)	June 2, 2011	6:30 pm – 8:30 pm
iv) Insurance of the Person (130)	June 3, 2011	6:30 pm – 8:30 pm

*CII Face-to-Face Technical Insurance Training***International Liability Insurance**Dates: 16th – 17th May 2011, 9:00am-5:30pm**Tutor: Prof. Christopher Parsons from CII London**
LLB PhD, FCII, Chartered Insurance Practitioner**Course aims**

The aim of the course is to provide a thorough understanding of the ways in which business organisations can incur legal liability, how compensation is assessed and the role of liability insurance in accident compensation systems. The course also examines the main classes of liability insurance and the techniques of risk assessment and underwriting that apply to them. International aspects of liability insurance are considered, including the effects of international legislation and the alternative compensation systems of different jurisdictions. Current problems in the field of liability insurance are also examined, including the problems posed by gradually developing diseases and environmental liabilities.

Course structure

The course comprises **two units** and is held over two days.

Day/Unit 1 **Sources of liability and the background to liability insurance** (including claims handling and principles governing the award of damages) and **the main liability lines** (including Product Liability, Employers' Liability and Workers' Compensation)

Day/Unit 2 **Professional liabilities** (including Professional Indemnity insurance, Directors' and Officers' Liability insurance and related lines) and **Environmental Liability**

Delegate wishing to attend one day only may do so, as the two units are largely self-contained. However, we recommend that delegates should attend both days (2 days) in order to gain a comprehensive understanding of the subject.

Who should attend?

This course is intended for delegates with a reasonable knowledge of insurance, the insurance market and an understanding of the nature of liability insurance. The course is suitable for delegates who work in:

- insurance enterprises (insurance companies, broking firms and the like);
- risk management departments of commercial organisations;
- government departments that supervise or have contact with insurance firms;
- accountancy firms, banks and other organisations in the financial sectors;
- law firms that carry out work related to insurance

Venue: 14/F, Fairmont House
HKMA, 8 Cotton Tree Drive
Central, Hong Kong.


Course fee:
HK\$5,900 (for 2 days)
HK\$3,200 (for 1 day)

Places for each day's course are limited to 25 and will be allocated on a first-come-first-served basis.

Early booking is recommended.

Duration: 2 days (6 CPD hours per day)

Staff of IHK corporate member could enjoy a 5% discount.



Insurance Officer (Job Code: I01)

Requirements:

- Bachelor Degree in any discipline with relevant insurance qualifications. Candidate currently sitting for ACII or ANZIIF (Snr Assoc) examination will also be considered
- Possesses 4 years' relevant experience
- Good command of English and Chinese
- Proficient in MS Excel / Powerpoint and good at statistical analysis
- Possesses a valid HK driving licence

Duties:


- Responsible for the administration of various insurance policies including Motor, Employees' Compensation and Public Liability
- Handle third party claims and recoveries
- Coordinate with Loss Adjuster and solicitors for litigation cases
- Handle assessment of liability and quantum

Attractive fringe benefits including free bus travel to staff and dependents, medical benefits, annual leave and hospitalization insurance will be offered.

Interested parties please send your CV marked with job code by e-mail to recruitment@kmb.hk, or by fax to 34750904 or by post marked with "Confidential" to the Recruitment Centre of Human Resources Department, The Kowloon Motor Bus Co. (1933) Ltd., 9 Po Lun Street, Lai Chi Kok, Kowloon.

Applicants who are not invited for interview within 6 weeks may consider their applications unsuccessful.

Personal data collected will be used for recruitment purpose only.



www.kmb.hk

This is an advertisement. The IHRM will not be responsible for correctness of the content nor for any recruiting procedure.

*We strive for improvement.
Write to us if you have any ideas or
comments for the Institute. We
welcome suggestions on CPD seminars,
talks, recreation activities, members
communications etc.*

