

Meeting of 6th October, 1954

PRESENT:

HIS EXCELLENCY THE OFFICER ADMINISTERING
THE GOVERNMENT (*PRESIDENT*)

MR. ROBERT BROWN BLACK, C.M.G., O.B.E.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES
LIEUTENANT-GENERAL CECIL STANWAY SUGDEN, C.B., C.B.E.

THE HONOURABLE THE COLONIAL SECRETARY
MR. CLAUDE BRAMALL BURGESS, O.B.E., *Acting*.

THE HONOURABLE THE ATTORNEY GENERAL
MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS
MR. RONALD RUSKIN TODD.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. ARTHUR GRENFELL CLARKE, C.M.G.

THE HONOURABLE THEODORE LOUIS BOWRING, O.B.E.
(*Director of Public Works*).

DR. THE HONOURABLE YEO KOK CHEANG
(*Director of Medical and Health Services*).

THE HONOURABLE LEONARD GEOFFREY MORGAN
(*Acting Director of Education*),

DR. THE HONOURABLE CHAU SIK NIN, C.B.E.

THE HONOURABLE LAWRENCE KADOORIE.

THE HONOURABLE LO MAN WAI, O.B.E.

THE HONOURABLE NGAN SHING-KWAN.

THE HONOURABLE DHUN JEHangIR RUTTONJEE.

THE HONOURABLE KWOK CHAN, O.B.E.

DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.

THE HONOURABLE JOHN ARTHUR BLACKWOOD.

MR. ROBERT WILLIAM PRIMROSE (*Deputy Clerk of Councils*).

ABSENT:

THE HONOURABLE HAROLD GILES RICHARDS, O.B.E.
(*Director of Urban Services*).

MINUTES.

The Minutes of the meeting of the Council held on 22nd September, 1954, were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by Command of His Excellency the Officer Administering the Government laid upon the table the following papers: —

<i>No.</i>	<i>Subject.</i>	<i>G.N.</i>
Sessional Paper, 1954: —		
	No. 20—Annual Report by the Administrator of Japanese Property for the year 1953/54.	
	Defence (Finance) Regulations, 1940. Possession of Gold (Goldsmiths) (Amendment) (No. 6) Order, 1954.....	A. 113
	The Stamp Ordinance, Chapter 117. Stamp (Bank Authorization) (No. 2) Order, 1954.....	A. 114
	Unclaimed Balances Ordinance, Chapter 122, Order by the Governor.....	A. 117
	Rating Ordinance, Chapter 116. Rating (University Residences) (Exemption) Order, 1954.....	A. 119

TRADE MARKS BILL, 1954.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to amend and consolidate the law relating to the registration of trade marks.”

He said: —Sir: The reasons for the introduction of this Bill are briefly stated in the opening paragraph of the Objects and Reasons. It repeals and replaces the present Trade Marks

Ordinance and, following closely the lines of the United Kingdom Trade Marks Act, 1938, it introduces changes of a wholly novel character in this Colony's trade mark legislation. Among these changes are the addition of a Part B to the Trade Marks Register; the reduction of the period for which registration remains valid; the registration of trade marks to be used by corporations not yet constituted; the assignment of trade marks without goodwill; defensive trade marks; "permitted use" of trade marks by registered users; certification trade marks, and a new classification of goods.

Sir, this is a technical branch of the law, and I have no doubt it is rather tedious to the layman, if not to myself, but I think I should say a word or two as briefly as I can about these changes.

The new Part B of the Register is designed to permit of the registration of trade marks which would not be sufficiently distinctive to justify registration in the ordinary way under the conditions in section 9 of the present Ordinance. One of the chief reasons for the introduction of a Part B is that British traders unable to obtain registration of their marks under the requirements of section 9 could not in the past register those marks in many foreign countries where registration by foreigners was dependent on previous registration in the country of origin. That will now be changed. Registration in Part B, however, confers lower rights than registration in Part A; for example such registration will not be conclusive and valid in all respects after seven years as is the case with Part A registrations.

Another change, Sir, is that the period of registration of a trade mark, which is at present 14 years, will be reduced to 7 years under this Bill. This shorter period was adopted in the United Kingdom Act of 1938 because it was found that many registered marks were never put into use, or were abandoned long before the expiry of the first fourteen years period. Renewals will, however, continue to be for fourteen years

Clause 18 of this Bill provides for the registration of a trade mark for the future benefit of a new legal entity not yet constituted. Thus promoters of a company who may wish to embody in the name of the proposed company the name of a trade mark which it is intended to be used by that company, will be enabled to ensure that that trade mark is registrable and registered before the company is incorporated.

Under existing law a trade mark may be assigned and transmitted only in connexion with the goodwill of the business concerned in trading in the goods in respect of which the trade mark is registered. In view, however, of the changed position created by the growth of limited companies and the practice of operating through subsidiaries, it was considered when the 1938 Act was enacted, that this requirement was unduly restrictive in the circumstances of modern business and ought in the interests of trade to be relaxed. This is effected by clause 41. Provisions are however included to guard against the possibility of a traffic in trade marks, and of marks being used to mislead the public or so as to affect prejudicially the rights of third parties, one of the safeguards provided being, that assignments are required to be advertised as the Registrar may direct.

Clauses 55 to 57, which provide for a form of registration of a trade mark, to be known as a defensive registration, are designed to apply to cases where a trade mark has become so well known in respect of the goods for which it is registered that the use of the mark by others in relation to goods of a different kind is likely to create the impression that there is some connexion between those goods and the proprietor of the mark. It is therefore considered reasonable and desirable that the proprietor should be able to obtain the requisite protection by registering the mark in classes in which he has no intention of using it. Having regard however to the exceptional nature of this privilege, the registration of such marks is restricted to invented words and does not extend to ordinary words surnames or devices.

Sir, clauses 58 to 63 of the Bill are entirely new. They permit of the use of a registered trade mark by persons other than the registered proprietor. The circumstances of modern industry have rendered it desirable in some cases that persons associated with the proprietor of a registered trade mark should be allowed to use his mark in trade—for example, groups of companies or firms that are separate entities in law but are controlled by a parent company. It is felt however that a system of unrestricted licensing would result in deception and confusion to the purchasing public, and that accordingly the right to use another's trade mark should not be obtainable merely at the will of the registered proprietor, but should be subject to control. This is provided for, the essential requirement being that the proprietor must retain effective control over the "permitted use", and in practice the Registrar will call for a written agreement dealing with such use.

In clauses 64 to 72 of the Bill the provisions as to the registration of “certification” trade marks are entirely recast, and a separate code has been established for such marks—more clearly distinguishing them from ordinary trade marks. These marks, that is, the certification trade marks, are not really private property, as are ordinary trade marks. Their owners must not be engaged in trade in the goods concerned. The owners are usually trade associations or other non-profit making bodies, which, by allowing persons to use the marks on their goods in the course of trade, certify to their origin, material, mode of manufacture, quality, accuracy or other characteristics. The owner of such a mark must allow it to be used by any person whose goods reach the required standard, and any person to whom such right is denied may appeal to the Registrar. As an example of a certification trade mark I may quote the “Hand Woven Harris Tweed” label of the Harris Tweed Association.

A new classification of goods is contained In Schedule IV to the Rules under the Bill. The present classification, which is to be retained for technical reasons., is in Schedule III, and this is considered to be out of date. With a view to bringing it into accord with modern commercial requirements, a committee of the International Union for the Protection of Industrial Property prepared the new Schedule IV in 1934 for international use and it was adopted under the United Kingdom Act of 1938. In the new schedule goods are classified under 34 heads as against 50 in the present classification.

Sir, in conclusion I would like to say that in view of the complicated nature of some of the provisions of this Bill, and the considerable changes in Hong Kong trade mark law which it introduces, it has been decided not to take the second and third readings until the meeting next but one after this. Finally, I would wish to say that the Law Society, the Hong Kong General Chamber of Commerce and the Chinese General Chamber of Commerce were consulted during the preparation of this Bill, and that many of their suggestions have been adopted. Other suggestions, which had already been put forward but not adopted in England, have been deferred pending consideration and legislation there. It is most desirable, Sir, that we keep in step in this matter with the United Kingdom.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to,

The Bill was read a First time.

Objects and Reasons.

The “Objects and Reasons” for the Bill were stated as follows: —

The Trade Marks Act, 1938, of the United Kingdom, is a consolidating Act incorporating the provisions of the Trade Marks Acts, 1905 and 1919, and the Trade Marks (Amendment) Act, 1937. The last-named Act, which was based on the Report of a Departmental Committee appointed by the Board of Trade in 1933 (Comd. 4568), effected a number of changes in fundamental principle with respect to the law relating to trade marks, and these provisions are incorporated in the 1938 Act. Immediately after the 1938 Act became law, Hong Kong was asked by the Secretary of State for the Colonies to bring its Trade Marks legislation into conformity with the Trade Marks Act, 1938. However, before action could be taken to comply with the request of the Secretary of State, the Pacific War intervened and it was not until the re-occupation of the Colony in 1945 that it became possible to give renewed consideration to the enactment of up-to-date trade mark legislation in replacement of the present Trade Marks Ordinance (Cap. 43), which is based on the Trade Marks Act, 1905. The loss of all records during the Pacific War made it impossible then to introduce the required legislation. Instead, the Trade Mark Register (Reconstruction) Ordinance (Cap. 262) was enacted in 1948 to authorize and provide for the reconstruction of the register of trade marks formerly kept under the present Ordinance. This legislation is still in force, but sufficient progress having been made and the difficulties created by the loss of pre-war records having been largely overcome, it is considered desirable to bring the Colony’s legislation in respect of trade marks into line with the existing United Kingdom legislation.

2. The Bill repeals and replaces the existing Trade Marks Ordinance (Cap. 43), and follows closely the lines of similar legislation in the United Kingdom (except for the provisions dealing with Sheffield marks and the Manchester Branch) and Singapore. The First Appendix contains a comparative table of

the clauses in the Bill and the Second Appendix a similar table of the rules. A perusal of the Appendices will show that practically all the sections of the 1938 Act and the rules made thereunder have been included in the Bill and the rules in the Schedule thereto. In view of a number of changes in fundamental principle attention is invited to the clauses mentioned hereunder.

3. (1) Clause 4 provides that the register shall be divided into Parts A and B. (This division was introduced in the Trade Marks Act, 1919, which Act was not adopted locally. So far as registrability is concerned, the only differences between Part A and Part B are (1) that in the former the mark must be “adapted to distinguish”, and in the latter “capable of distinguishing” and (2) that in the case of names, signatures or words which do not fall within paragraphs (a) to (d) of clause 9(1), registration in Part A can only be granted upon evidence of distinctiveness, while for Part B, such evidence is not required if it is possible without evidence to satisfy the Tribunal that the mark is capable of distinguishing the goods). It is also therein provided that all trade marks on the present register shall be deemed to be in Part A.

(2) Clause 9 makes provision for registration in Part A of the Register, and clause 10 for registration in Part B. Clause 10 follows section 2 of the Trade Marks Act of 1919, instead of section 10 of the Act of 1938. Section 2 of the 1919 Act was also adopted in the Singapore Trade Marks Ordinance of 1938. A mark which is not sufficiently distinctive for registration in Part A is registrable in Part B if the tribunal is satisfied that it is capable of distinguishing the applicant’s goods from those of other persons. (Clause 30 provides that registration in Part B is not conclusive, as to validity, after seven years).

(3) Clause 17 provides that the registration of a trade mark shall be for a period of seven years, instead of fourteen years as in section 28 of the Trade Marks Ordinance. Renewals will, however, be for fourteen years under clause 45.

(4) Clause 18 provides for registration of a mark not to be used by the applicant but to be assigned to a body corporate to be constituted or to be used by a registered user (clause 58).

(5) Clause 19 deals with jointly owned trade marks.

(6) Clause 27 defines the rights of a proprietor of a trade mark registered in Part A of the register much more fully than the brief statement of his rights, under a corresponding registration in the present register, as given in section 39 of the existing Ordinance.

(7) Clause 28 is in respect of rights given by registration in Part B, and the infringement thereof.

(8) Clause 32 specifies the acts by doing which a purchaser or owner of goods shall be deemed to infringe the right of the owner of the trade mark.

(9) Clause 39 provides that use of a trade mark for export trade constitutes use of the trade mark.

(10) Clause 40 deals with the use of a trade mark under a different connexion in the course of trade, *e.g.* use of a trade mark, which the proprietor has used on goods of his own manufacture, on goods which he has had made for him, or use on goods of his own manufacture of a mark he has previously used only on goods of his own selection.

(11) Clause 41 provides a change from the old law in that a trade mark may be assignable and transmissible with or without the goodwill of a business. It also provides for the assignment or transmission of a trade mark in respect either of all or only some of the goods in respect of which it is registered, and for the assignment or transmission of an unregistered trade mark, at the same time and to the same person, with a registered trade mark with which it has been used in the same business and in respect of the same goods.

(12) Clause 49 gives power to the Court and to the Registrar to expunge or vary registration for breach of a condition entered in the register.

(13) Clause 52 deals with words used as the name or description of an article or substance.

(14) Clause 54 empowers the Governor to make rules and prescribe fees for the adaptation of entries in the register to the amended or substituted classification of goods. (See Schedule IV of the Trade Mark Rules, 1954, in the Schedule to the Bill).

(15) Clause 55 provides for defensive registration of well known invented word trade marks.

(16) Clause 56 provides that a defensive trade mark shall be associated with the same trade mark as otherwise registered in the name of the same proprietor.

(17) Clause 57 makes provision for the removal of defensive trade marks from the register.

(18) Clause 58 permits the registration of a person other than the proprietor of a trade mark as a “registered user” of the mark, and defines “permitted use”.

(19) Clause 59 entitles a registered user of a trade mark to call upon the proprietor thereof to take proceedings to prevent infringement.

(20) Clause 60 empowers the Registrar to vary or cancel the registration of a person as a registered user.

(21) Clause 61 requires provision to be made by the rules for the notification of the registration of a person as registered user to any other registered user of the trade mark and for the notification of an application under, clause 60 to the registered proprietor and each registered user.

(22) Clause 62 provides for appeal against any decision of the Registrar under clauses 58 and 60.

(23) Clause 63 makes it clear that clauses 58, 59 and 60 do not confer on a registered user of a trade mark any assignable or transmissible right to the use thereof.

(24) Clause 64 replaces section 59 Of the Trade Marks Ordinance and, instead of “standardization trade marks”, it provides for “certification trade marks”, which marks shall not be registrable in the names of persons trading in goods of the kind certified there under.

(25) Clause 65 deals with applications for the registration of a mark as a certification trade mark.

(26) Clause 66 calls for the advertisement of an application to register a

certification trade mark and provides for the procedure to be followed regarding notice of opposition.

(27) Clause 67 defines the right given by registration of a certification trade mark and deals with the infringement of that right.

(28) Clause 68 gives power to alter deposited regulations or to expunge or vary an entry in the register relating to a certification trade mark.

(29) Clause 69 permits the assignment or transmission of a certification trade mark only with the consent of the Registrar.

(30) Clause 70 provides that the Registrar shall not have power to award costs on appeals to him against a refusal of the proprietor of a certification trade mark to certify goods or to authorize use of the mark.

(31) Clause 71 makes certain provisions of the Bill inapplicable to certification trade marks.

(32) Clause 72 provides that trade marks registered under section 59 of the existing Ordinance shall be deemed to be registered as certification trade marks.

(33) Clause 73 makes specific provision for preliminary advice by the Registrar as to distinctiveness.

(34) Clause 79 gives to the Court on appeals from a decision of the Registrar the same discretionary powers as are conferred upon the Registrar.

(35) Attention is invited to the fact that, unlike the precedent contained in the present Trade Marks Ordinance, the Governor has not been substituted for the Board of Trade where it has hitherto been considered appropriate that he should exercise the powers entrusted to the Board. An appeal now lies only to the Supreme Court.

CORPORAL PUNISHMENT BILL, 1954.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend and consolidate the law touching corporal punishment."

He said: —Sir: In March, 1952, a Committee was appointed by the Governor to examine certain aspects of the law and practice relating to the infliction of corporal punishment for criminal

offences. The Committee was a representative one under the chairmanship of Mr. Hawkins, who was then acting as Secretary for Chinese Affairs.

The Committee's terms of reference were: —

- (a) To review the offences for which corporal punishment is in fact awarded to adults and to consider whether, where the provisions of the law to give corporal punishment are not being used, the law should be brought into line with practice.
- (b) To consider whether it would be appropriate to reduce or abolish the power of the Courts to award corporal punishment for any other offences (particularly that of stealing an ornament or other chattel from the person of a woman or child), which punishment is within the power of a magistrate.
- (c) To consider whether the period after sentence during which corporal punishment may be awarded, which is at present 6 months, could be reduced.

The Committee reported in January 1953 and their report was considered by the Chief Justice, the Commissioner of Police and myself, and thereafter by the Governor in Council. The Bill which is now being introduced is the outcome of these deliberations.

Sir, the main changes which this Bill will bring about are as follows. First of all, there has been a reduction in the number of criminal offences for which corporal punishment may be inflicted, but we still retain it for offences involving violence or threat of violence. The offences for which it can be inflicted are set out in the First Schedule, and this should be read in conjunction with the Second Schedule which effects a considerable number of repeals, though some of them are purely formal in that the penalty is taken away in the amended Ordinance but is reimposed by virtue of the First Schedule. In many other cases, the penalty is not reimposed.

Another important feature is that corporal punishment with the cat-o'-nine-tails is done away with. Whipping in all cases under this Bill will be inflicted with a light cane or rattan of a type approved by the Governor, and moreover, the maximum

number of strokes has, on medical advice, been reduced from 24 to 18 in the case of an offender of or above the age of 16 years. In the case of an offender below that age the maximum number of strokes remains at 12.

The third of the Committee's terms of reference which was "to consider whether the period after sentence during which Corporal punishment may be awarded. which is at present 6 months, could be reduced" raised a point of some mystery. No one, so far as I know, has been able to explain the provision in the present Ordinance to the effect that the punishment must be inflicted within 6 months of the sentence. Obviously this was intended to be a limitation and no doubt in practice it has been treated as such, but it is obviously undesirable that a provision should be retained in the law which, strictly interpreted, might mean that punishment could be field over the head of the offender for 6 months after he is sentenced. It is proposed therefore to alter this and to provide that the punishment shall be administered as soon as practicable after the final determination of the case, that is to say, after the time for leave to appeal has expired or in the event of an appeal, after the determination thereof.

This Bill should be considered in conjunction with the next one on the Order Paper which preserves the power of a magistrate to order a male offender convicted of stealing from the person of any woman or child to be whipped. That power is, of course, subject to the provisions of this Bill.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons.

The "Objects and Reasons" for the Bill were stated as follows: —

1. In conformity with general policy within Colonial Territories, it is considered desirable to remove progressively or reduce the penalty of corporal punishment in criminal cases, and to restrict the power of the Court to award this penalty to cases of conviction for crimes which, require the maximum deterrent.

2. It is considered that the abolition of corporal punishment in the case of certain offences of a non-violent nature may now be safely undertaken, and that limitations restricting the extent to which it may be ordered and the mode in which it may be administered should also be imposed. These are the main purposes of this Bill.

3. An additional effect of this Bill is to collect in one enactment all the offences for which corporal punishment may be ordered so that the offences for which such punishment may be awarded may be more readily ascertained.

MAGISTRATES (AMENDMENT) (NO. 2) BILL, 1954.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to amend the Magistrates Ordinance, Chapter 227.”

He said: —Sir: I have already explained the purpose of this Bill.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons.

The “Objects and Reasons” for the Bill were stated as follows: —

This Bill brings the power of magistrates to impose corporal punishment in cases of larceny from women and children into conformity with that of the Supreme Court and the District Court, and provides that in such cases, the extent to which it may be ordered and the mode in which it may be administered shall be subject to like provisions as those contained in section 4 of the Corporal Punishment Bill, 1954.

NURSES REGISTRATION (AMENDMENT) BILL, 1954.

DR. YEO KOK CHEANG moved the First reading of a Bill intituled “An Ordinance to amend the Nurses Registration Ordinance, Chapter 164.”

He said: —Sir: The purpose of this Bill is fully set forth in the “Objects and Reasons”, to which I feel there is nothing that I can profitably add.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons.

The “Objects and Reasons” for the Bill were stated as follows: —

1. The three objects of this Bill are to increase the number of parts of the Register of Nurses, to vary the requirements for registration of nurses trained outside the Colony and to provide that appeals by nurses from decisions of the Nursing Board shall be heard by a judge of the Supreme Court.

2. Clause 2 amends section 3 of the Ordinance which specifies the parts of the nurses' register. Instead of there being a separate Part for male nurses, it is provided that they shall be equally entitled with female nurses to be entered on any part of the register. There are added parts of the register for nurses trained in the nursing of the mentally defective and of persons suffering from infectious diseases.

3. Clause 3 amends section 5 of the Ordinance by requiring that a person applying to be registered on the ground that he or she is registered in the United Kingdom shall also have been trained in the United Kingdom, or Eire, or partly in both. Under the Nurses Act, 1949, it is possible for a person trained in China, and not considered eligible by the Nursing Board for registration in Hong, Kong without first sitting the final examination, to become registered with the General Nursing Council for England and Wales.

4. Clause 3 further amends section 5 by recognizing the change of title of the former General Nursing Council for Fire which has become An Bord Altranais.

5. Clause 4 amends section 6 of the Ordinance by providing that appeals by nurses from decisions of the Nursing Board shall no longer go to the Governor in Council but to a judge of the Supreme Court. This amendment is similar to that made in the case of midwives.

GAMBLING (AMENDMENT) BILL, 1954.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Gambling Ordinance, Chapter 148."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clauses 1 and 2 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Gambling (Amendment) Bill, 1954 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

**SERVICES WELFARE ASSOCIATION INCORPORATION
BILL, 1954.**

MR. L. KADOORIE moved the Second reading of a Bill intituled "An Ordinance to incorporate a body of trustees capable of holding property for the purposes of the welfare of Her Majesty's Forces in the Colony."

MR. J. A. BLACKWOOD seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clauses 1 to 5 were agreed to.

Council then resumed.

MR. L. KADOORIE reported that the Services Welfare Association Incorporation Bill, 1954 had passed through Committee without amendment and moved the Third reading.

MR. J. A. BLACKWOOD seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

ADJOURNMENT.

H. E. THE OFFICER ADMINISTERING THE GOVERNMENT: —The concludes the business for to-day, Gentlemen. Council will adjourn to this day fortnight.
