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**Paper for the House Committee Meeting
of the Legislative Council
on 12 January 2001**

**Legal Service Division Further Report on
Intellectual Property (Miscellaneous Amendments)
(No. 2) Bill 2000**

Members may recall that this Bill makes miscellaneous amendments to the Patents Ordinance (Cap. 514) and the Registered Designs Ordinance (Cap. 522). In our Report to the House Committee last Friday, we stated that we were seeking clarifications from the Administration on certain legal and drafting aspects of the Bill and were awaiting their reply. Their reply is now received and our correspondences are attached (**Annex I**) for Members' easy reference.

2. In their reply, the Administration agreed to repeal provisions which exempt the Registrar from costs of court proceedings so as to be in line with the new Trade Marks Ordinance (Cap. 559). They therefore proposed Committee Stage amendments to section 136(1) of the Patents Ordinance and to section 62(1) of the Registered Designs Ordinance. Members may refer to **Annex II** for the draft Committee Stage amendments. Apart from these two amendments, there is a third one which is an improvement on drafting on one of the provisions.

3. With regard to the query as to whether barristers and solicitors should be exempted from liability in infringement proceedings for groundless threats when acting in their professional capacity on behalf of their clients, the Administration replied that they had not consulted the legal profession on this. Since there would be further amendments to the Patents Ordinance and the Registered Designs Ordinance in the light of the outsourcing of certain services in the Intellectual Property Department, they would include this proposal in their next consultation exercise.

4. The draft Committee Stage amendments are legally in order. Subject to Members' views, the Bill is ready for resumption of Second Reading debate.

Encls.

Prepared by
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8 January 2001

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20 December 2000

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Secretary for Commerce and Industry
Commerce and Industry Bureau
(Attn: Mr. Philip CHAN
PAS(5))
Level 29 One Pacific Place
88 Queensway
Hong Kong

Dear Mr. Chan,

**Intellectual Property (Miscellaneous Amendments)
(No. 2) Bill 2000**

I am scrutinizing the Bill with a view to advising Members on the legal and drafting aspects of the Bill and note the following:

Clause 2

The wordings "as revised or amended from time to time" are added to the definitions of "Paris Convention", "Patent Cooperation Treaty" and "World Trade Organization Agreement". However, in section 6(2)(a) of the Patents Ordinance (Cap. 514), there is already a provision stating that "a reference in this Ordinance to an international agreement is a reference to the agreement, or any other international agreement replacing it, as may from time to time be amended or supplemented by or in accordance with any international agreement (including any protocol or annex)". Will the proposed amendment duplicate with or change section 6(2)(a) to a certain extent?

Clauses 3 & 4

By proposing these 2 clauses, the requirement that an applicant must make a statement confirming that no claim to priority or non-prejudicial disclosure is made in the application is removed. Will there be a change in the application form and will such change be brought to the notice of the applicants?

Clause 5

Should the words "(if any)" be added after the word "publication" so that in English, it reads as "date of publication (if any)" and not "the date (if any) of publication"?

Clause 8

The term "State Intellectual Property Office" is defined in section 125 of the Patents Ordinance. The same definition appears again in section 2 of the Patents (Designation of Patent Offices) Notice (see Clause 13) and section 2 of the Patents (General) Rules (see Clause 15). Is there any special reason for repeating the definition three times and not incorporating this definition in section 2 of the Ordinance?

Clause 12

In section 20(1)(c), should the word "and" be added after the words "official journal;"?

Clause 22

In the new section 84A(3), should the words "of a design" be added after the words "an application for registration" so that the meaning can be clearer?

General Observations

- (a) It is noted that the term "owner" is used in the Trade Marks Ordinance, the Copyright Ordinance, and the Registered Designs Ordinance. The Patents Ordinance is the only exception using the term "proprietor". Is there any special reason for using the term "proprietor" in the Patents Ordinance?
- (b) During the meeting of the Bills Committee on Trade Marks, the Administration has agreed that barristers and solicitors should not be held liable in infringement proceedings for groundless threats when acting in a professional capacity on behalf of a client (section 26(7) of the Trade Marks Ordinance (Cap. 559). Should similar provisions be added to section 89 of the Patents Ordinance and section 57 of the Registered Designs Ordinance?
- (c) In discussing the section on "costs and expenses in proceedings before the court" during the Bills Committee on Trade Marks, the Administration has also agreed that the clause, i.e. "the Registrar should not be ordered to pay the costs of any other of the parties" should be deleted. Would the Administration make similar amendments to section 136(1) of the Patents Ordinance and section 62(1) of Registered Designs Ordinance?

I would be grateful if you can let me have a reply on or before 29 December 2000 in both Chinese and English so that I can make a report on this Bill to the House Committee.

Yours sincerely,

(Anita Ho)
Assistant Legal Adviser

c.c. Attn: Mr. Allen Lai, (SGC), Department of Justice
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Our Ref. : CIB/06/08/5

Your Ref : LS/B/15/00-01

5 January 2001

By Fax

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Hong Kong

Dear Miss Ho,

Intellectual Property (Miscellaneous Amendments) (No. 2) Bill 2000

Thank you for your letter of 20 December. Our reply to the issues raised in your letter, *seriatim*, is as follows -

Clause 2 – definitions of "Paris Convention", "Patent Co-operation Treaty" and "World Trade Organisation Agreement"

2. The proposed amendment will not duplicate with or change section 6(2)(a) of the Patents Ordinance.

3. The insertion of the words “, as revised or amended from time to time” to the definitions of “Paris Convention”, “Patent Co-operation Treaty” and “World Trade Organisation Agreement” serves the useful purpose of providing easy reference. Readers would know that references in the Ordinance to these agreements are not to them as frozen at a certain date, but to them as "revised or amended from time to time".

Clauses 3 and 4 – Application form

4. The application form for "Request to Record a Designated Patent Application for a Standard Patent" will be amended to reflect the amendments made under clauses 3 and 4.

5. In accordance with section 150(1) of the Patents Ordinance as amended by this Bill, the Registrar of Patents will publish a Notice in the official journal to specify the use of the new application form. The new form will be uploaded onto the web site of the Intellectual Property Department.

Clause 5 – adding "(if any)" after "date"

6. The insertion of the words "(if any)" after the word "date" in section 17(1)(c)(ii) of the Patents Ordinance is appropriate. This will put beyond doubt that the words "(if any)" refer to the publication "date" instead of "publication".

Clauses 8, 13 and 15 – State Intellectual Property Office of China (SIPO)

7. The reason for defining the term SIPO in section 125 instead of putting it in section 2 is because this is the only section in the Patents Ordinance where this term is used. It is a drafting practice that if a defined term is used only in one section, its definition may be presented in that section.

8. Since the purpose of the Patents (Designation of Patent Offices) Notice is to designate SIPO as one of the designated patent offices, the definition of SIPO is therefore included in the Notice for easy reference by readers. As regards the Patents (General) Rules, there are many references to the term SIPO in the Rules. We therefore consider it sensible to include its definition in rule 2 to facilitate easy reference by readers.

Clause 12 – adding "and" at the end of section 20(1)(c)

9. We agree with your suggestion to add the word "and" at the end of section 20(1)(c) of the Ordinance.

Clause 22 – adding "of a design" after "an application for registration"

10. The expression "application for registration" is defined in section 2(1) of the Registered Designs Ordinance to mean "an application for registration of a design made under section 12". We therefore consider that it is not necessary to add the words "of a design" after the expression of "application for registration" in the new section 84A of the Registered Designs Ordinance.

General Observation – (a) Use of “proprietor” in the Patents Ordinance

11. The Patents Ordinance has followed the United Kingdom Patents Act 1977 in using the term “proprietor”. We do not intend to change the concept of proprietorship of patents. We have therefore made no change to the term.

General Observation – (b) Groundless Threats

12. We note your suggestion of exempting barristers and solicitors from liability for groundless threats. We have not consulted the industry and the legal profession on this proposal in our consultation exercise. As we will need to make further amendments to the Patents Ordinance and the Registered Designs Ordinance in the light of the outsourcing of certain services in the Intellectual Property Department, we will include your suggestion in our next consultation exercise.

General Observation – (c) Registrar’s liability to Costs in Proceedings before the court

13. In line with the new Trade Marks Ordinance, we agree with your suggestion to delete the exemptions of the Registrar from costs of proceedings in section 136(1) of the Patents Ordinance and section 62(1) of the Registered Designs Ordinance.

Committee Stage Amendments (CSAs)

14. I enclose the draft set of CSAs we propose in paragraphs 9 and 13 above for your reference.

Yours sincerely,

(Philip Chan)
for Secretary for Commerce and Industry

c.c.

Director of Intellectual Property
(Attn : Mrs Teresa Grant, Miss Finnie Quek)

Secretary for Justice
(Attn : Mr Allen Lai)

INTELLECTUAL PROPERTY (MISCELLANEOUS AMENDMENTS) (NO. 2) BILL 2000

COMMITTEE STAGE

Amendments to be moved by the Secretary for Commerce and Industry

Clause

Amendment Proposed

New

By adding -

"5A. Publication of request to record

Section 20(1)(c) is amended by adding "and"
at the end."

New

By adding -

**"8A. Costs and expenses in proceedings
before court**

Section 136(1) is amended by repealing
everything between "reasonable" and the full
stop."

New

By adding -

**"19A. Costs and expenses in proceedings
before court**

Section 62(1) is amended by repealing
everything between "reasonable" and the full
stop."