

立法會
Legislative Council

Ref: CB1/BC/17/98/2

LC Paper No. CB(1)2020/99-00

(These minutes have been
seen by the Administration
and cleared by the Chairman)

Bills Committee on Trade Marks Bill

**Minutes of sixteenth meeting held on
Thursday, 16 March 2000, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Hon Margaret NG (Chairman)
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon HUI Cheung-ching
Hon SIN Chung-kai

Members absent : Hon Kenneth TING Woo-shou, JP
Hon MA Fung-kwok
Hon James TO Kun-sun
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, JP
Hon FUNG Chi-kin

Public officers attending : Mr Philip CHAN
Principal Assistant Secretary for
Trade and Industry

Mr Rayman PERERA
Assistant Director (International Registration)
Intellectual Property Department (IPD)

Mrs Teresa GRANT
Assistant Director (Registration), IPD

Miss Finnie QUEK
Senior Solicitor, IPD

Mr Johann WONG
Assistant Secretary for Trade and Industry

Mr Jeffrey E GUNTER
Senior Assistant Law Draftsman

Clerk in attendance : Miss Odelia LEUNG
Chief Assistant Secretary (1)1

Staff in attendance : Miss Anita HO
Assistant Legal Adviser 2

Ms Rosalind MA
Senior Assistant Secretary (1)6

I. Confirmation of minutes of meeting
(LC Paper No CB(1)1015/99-00)

The minutes of meeting held on 29 November 1999 were confirmed.

II. Clause-by-clause examination of the Bill

2. With reference to the updated list of issues raised in submissions to the Bills Committee at LC Paper No CB(1)1044/99-00(01), members resumed clause-by-clause examination of the Bill.

Clauses 42 to 47

3. Members noted the clauses.

Clause 48

Subclause (6)

4. Members noted the comments of the Hong Kong Institute of Trade Mark Practitioners Limited (ITMP) on clause 48(6) that the existing practice of allowing restoration of registration of trade marks without time limit should be retained. The Assistant Director for Intellectual Property (International Registration) (AD/IR) explained that the present proposal in the Bill allowed for restoration of registered trade mark after a maximum period of one year after the removal of the mark from the register. He said that although trade mark practitioners would like to have indefinite period for restoration, this would be undesirable from the Registrar's point of view.

5. The Chairman opined that if restoration of trade mark would be allowed without time limit, the expiration date of the trade mark registration would become meaningless. Mrs Selina CHOW sought information on the problems encountered by the Registrar under the current practice. The Assistant Director for Intellectual Property (Registration) (AD/R) said that the Registrar had processed applications for restoration which were submitted a few years after the marks were removed from the register. The staff from the Registry took considerable time to search through the records and to get evidence that the marks concerned had been in continuous use by their owners. The Registrar was of the view that such time-consuming process should only apply to vetting the application for registration but not restoration of a trade mark. Any person who failed to restore the registration of his mark within the specified period would be free to apply for registration of the mark again.

Subclause (7)

6. Members noted that the Administration would move a Committee Stage amendment (CSA) to replace "復" with "復" in clause 48(7).

(Post meeting note: the CSA proposed by the Administration was circulated to members vide LC Paper No CB(1)1540/99-00(03).)

Clause 49

7. Members noted the clause.

Clause 50

Subclause (2)

8. Noting the adoption of the term "non-use" in Article 19 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the Chairman queried why clause 50(2)(a) used a different term, i.e. "genuine use". She was concerned that this might create trouble to the Registrar in considering applications for revocation of a registered trade mark as it was arguable whether a mark had been put to genuine use. Mrs Selina CHOW shared her view and said that the term "genuine use" would have a more restrictive meaning than "non-use". She sought information on the criteria and evidence required to prove that the mark had been put to genuine use.

9. AD/IR explained that the term "bona fide use" was found in section 37 of the Trade Marks Ordinance (TMO) (Cap 43). The provision was similar to section 26 of the UK Trade Marks Act 1938 which had the concept of "bona fide use" as well. The term "genuine use" under clause 50(2) of the Bill was adopted from section 46 of the UK Trade Marks Act 1994 (UK 1994 Act). The terms "bona fide use" or "genuine use" were adopted to ensure that the registered mark had been put to real use by the proprietor and not just used on a few isolated occasions. This concept of "bona fide use" existed in the TMO and served to prevent proprietors who used their registered

mark only occasionally from blocking others from the use of the mark. By using the same term as in the UK 1994 Act, the court in Hong Kong would be able to make use of the case law in the UK. He quoted a case law in which the plaintiff, wishing to protect the unregistrable mark "Merit", registered instead the ghost mark "Nerit". When he was threatened with revocation proceedings to expunge "Nerit" for non-use, the plaintiff made token use of it. The court held that this was not bona fide use within section 26 of the UK Trade Marks Act 1938 and that the mark could be struck off under that section.

10. The Chairman doubted whether the word "genuine" would be necessary in the provision for achieving the policy intention of preventing proprietors' abuse of the registration system through keeping a mark under their name without actually using it in their business. She opined that the word "use" should be sufficient to achieve that effect and terms like "bona fide" or "genuine" were rather superfluous and might give rise to controversies.

11. The Senior Assistant Law Draftsman (SALD) said that he agreed that in most cases, the concept of "use" would be adequate and the word "genuine" might not be necessary. Nevertheless, in view of the existence of the concept of "bona fide use" in the current law, the omission of the same concept might give a misleading message that the grounds for revocation had been revised. He therefore considered it more appropriate to mirror the provisions in the UK 1994 Act and retain the concept of "bona fide use" by using the term "genuine use".

12. Upon members' request, the Principal Assistant Secretary for Trade and Industry (PAS/TI) undertook to review the appropriateness of the term "genuine use" and provide members with case law on the meaning of the term.

(Post-meeting note: an information paper on "genuine use" was provided by the Administration and circulated to members vide LC Paper CB(1)1370/99-00(06).)

13. AD/IR informed members that taking into account ALA's comments, the Administration was reviewing the drafting of clause 50(2)(a) and (b) and considering moving a CSA to merge the two subclauses. SALD added that the initial intention of having two subclauses, was to have a clearer presentation of the two concepts of "genuine use" and "non-use". Clause 50(2)(a) dealt with revocation in the event of not putting the mark to genuine use, whereas clause 50(2)(b) covered situation where the mark had been used but its use was subsequently suspended.

(Post-meeting note: the CSA proposed by the Administration was circulated to members vide LC Paper No CB(1)1540/99-00(03).)

14. AD/IR said that taking note of the comments by Deacons Graham & James (Deacons) and ITMP on the term "common name" in clause 50(2)(c), the Administration was considering proposing a CSA to expand the coverage of clause 50(2)(c) to include trade marks which might not be a name. The Chairman welcomed the proposal and opined that as a sign could be in a number of forms such

as shape and sound, the term "common name" would not be adequate to cover all these different forms.

(*Post-meeting note:* the CSA proposed by the Administration was circulated to members vide LC Paper No CB(1)1540/99-00(03).)

Subclause (3)

15. Mrs Selina CHOW asked the Administration to explain its response to the comments by Deacons on subclause (3). Deacons pointed out that section 37(2) and (2A) of the TMO empowering the court or the Registrar to impose limitations on a mark permitting its co-existence with a conflicting mark had not been carried over to the Bill. The Chairman sought clarification of the application of section 37 of the TMO.

16. AD/IR explained that section 37(2) and (2A) had seldom been applied under the existing registration regime. In application, the provisions enabled the Registrar to accept registration of a mark which was in conflict with an existing registered mark subject to the applicant's agreement in observing certain limitations on the use of the mark, for example, that the mark could only be used on goods for export. This power for the Registrar to accept conflicting marks with limitations on use was not removed in the Bill but was put under clause 14 regarding disclaimers, limitations and conditions. The Chairman agreed with this arrangement.

Subclause (8)

17. In response to the comments by Deacons and ITMP about the difficulty in understanding subclause (8), AD/IR explained that the purpose of the subclause was to enable international companies to continue using their trade marks in relation to services provided outside Hong Kong without the danger of revocation. For example, a hotel in New York provided booking services in Hong Kong. With subclause (8), the hotel would be able to use its registered trade mark without the danger of revocation as long as it provided booking services in Hong Kong. AD/R added that subclause (8) would save the trouble for the hotel concerned to register its mark for the ancillary booking services provided in Hong Kong. The hotel could run its booking services under its registered mark and the mark would not be revoked as the booking services provided under its mark was deemed to constitute use of the mark in Hong Kong under subclause (8).

18. In response to ALA's question on the existence of similar provisions in relation to goods, AD/IR said that clause 50(3)(b) which was modeled on section 39(1) of the TMO was relevant.

Clause 51

19. In response to ALA's advice, the Administration undertook to propose a CSA to replace "已" with "以" in clause 51(3).

(*Post-meeting note: the CSA proposed by the Administration was circulated to members vide LC Paper No CB(1)1540/99-00(03).*)

20. ALA drew members' attention to clause 51(7) which was a new provision not found in the TMO or the UK 1994 Act. AD/IR said that the concept of honest concurrent use was present in clause 12 of the Bill. Clause 51(7) served to make clear that if a mark had been registered on the basis of this concept, its registration could not be declared invalid unless the Registrar or the court was satisfied that in fact there had been no honest concurrent use of the mark.

Clauses 52 and 53

21. The Chairman sought clarification of the difference between variation of registration in clause 52 and alteration of a registered trade mark in clause 53. AD/IR explained that variation of registration referred to changes in the conditions of the registration while alteration related to changes in the substance of the registered trade mark. He referred members to clause 52(2) which stipulated that "The registration of a trade mark may be varied on the ground that there has been a contravention of or a failure to observe any condition entered in the register in relation to its registration." AD/R supplemented that in certain cases, the name and address of the trade mark owner would form part of the registered trade mark. Clause 53 would allow the owner to request for alteration of its trade mark in relation to changes in his name or address.

22. With reference to the concern raised by Deacons and ITMP on clause 53(2) that alteration of trade mark should not be restricted to changes in name and address of the owner, the Chairman sought information on the practice in overseas jurisdictions in this regard. She had reservations about the reason given by the Administration in its response to Deacons. She opined that despite the considerable time spent by the Registrar in interpreting section 51(1) of the TMO, this could not justify the Administration's proposal of restricting alteration of marks to the owner's name and address only. There should be areas of minor changes other than the owner's name and address which would not affect the identity of the mark substantially and should thus be accepted.

23. Mrs Selina CHOW shared her view and commented that there might be cases in which the owner wished to modernize the outlook of the mark through slight alteration of its design, without causing substantial changes to the identity of the mark. The Registrar should allow the owner to make such changes through alteration of the mark instead of asking him to go through the process of application again.

24. AD/IR responded that clause 53(2) was in line with the practice in overseas jurisdictions such as the UK and Singapore. As the current provisions in the TMO allowed alteration of a registered trade mark in any manner not substantially affecting the identity of the mark, alteration of a mark had been a rather time-consuming process. The Administration was of the view that if the owner wished to make changes to his

mark other than on factual areas such as his name and address, he should make a new application for registration of the revised mark.

25. AD/R added that the Registrar would have to search through the register to ensure that the altered trade mark would not be in conflict with other existing marks. It would be more desirable for these type of applications to be processed through registration of trade mark rather than alteration as the test of whether a proposed alteration would substantially affect the identity of a mark was not easy to apply. Decisions in relation to these applications were sometimes difficult to reconcile. She quoted the example where the proprietor of the registered mark "OTRIVIN" applied to alter the mark to "OTRIVINE". On appeal, the tribunal agreed with the Registrar's decision that the addition of the letter "E" to "OTRIVIN" might effectively change the look and the pronunciation of the word, and the investigations for conflict with other marks on "OTRIVIN" could not be regarded as covering "OTRIVINE" just as well. Therefore, it would be better for these changes to trade marks be considered in the process of examining applications for registration of marks.

26. Mrs Selina CHOW requested the Administration to make reference to overseas practices in relation to alteration of registered trade marks. The Chairman opined that she appreciated the objective of the Bill to streamline the administrative procedures, but it would be equally important to maintain a right balance between achieving administrative convenience and catering for the needs of the users. She asked the Administration to provide information on overseas practices concerning alteration of registered trade mark and to explain with examples how section 51(1) of the TMO operated in this respect.

(Post-meeting note: an information paper on alteration of registered trade mark was provided by the Administration and circulated to members vide LC Paper No CB(1)1391/99-00(03).)

Clause 54

27. Members noted the clause.

Clause 55

28. ALA drew members' attention to her comments on clause 55(6) concerning the civil liability of the Government in tort. The same comments were made in relation to clause 74. She referred members to the Annex to LC Paper No CB(1)1044/99-00(01) regarding clause 74 and said that the Government had liability in tort for the mistakes of public officers in the performance of functions under various ordinances despite that these public officers would not be held personally liable if they performed these functions in good faith. She doubted whether the Government had similar liability under the Bill. AD/IR said that the Registrar would not be held personally liable for the error or omission made by him in performing his statutory duties. He undertook to clarify the liability of the Government in law in connection with clauses 55(6) and 74.

(*Post-meeting note: the Administration's response was circulated to members vide LC Paper No CB(1)1526/99-00(01).*)

Clause 56

29. Members noted the clause.

Clause 57

30. The Chairman drew members' attention to the comments by Deacons on clause 57. Deacons raised the question as to whether awareness of the earlier trade mark owner of the use of his mark included awareness of his legal rights to challenge the registration of the later mark. She opined that the owner of the earlier trade mark should only cease to enjoy entitlement to the mark if he was aware of his legal rights. Mrs Selina CHOW raised concern about the phrase "being aware of that use" in clause 57(1) and enquired whether the owner's entitlement would cease if he could prove that he was unaware of and had not acquiesced the use of the mark.

31. AD/IR said that if the owner could prove that he was unaware of and had not acquiesced the use of the mark, his entitlement to the rights of the trade mark would not be affected. Nevertheless, any claim by the owner of ignorance of his own legal rights would unlikely be accepted as a defense in retaining his entitlement to the rights of the trade mark.

Clauses 58 to 60

32. Members noted that clause 58 mainly followed the existing provisions in the TMO except that the application for registration as a defensive trade mark was broadened.

33. Mr SIN Chung-kai enquired whether the different categories of trade marks stipulated in clauses 58 to 60, i.e. defensive trade marks, collective marks and certification marks, were commonly used in other overseas jurisdictions. AD/IR replied that these concepts existed in the TMO and were commonly used in other overseas trade mark laws. The Australia Trade Mark Act had all these categories of trade marks while the UK 1994 Act had left out the defensive marks only. Notwithstanding, the Administration was of the view that the provision on defensive trade marks was considered a means to protect well-known marks and this type of trade marks should be retained in the Bill.

Clause 61

34. Mr SIN Chung-kai sought information on the existence or otherwise of a central register of well-known trade marks around the world. In addition, he asked whether clause 61 varied from the existing TMO and a person could continue using his mark which, subsequent to his first use, had become a well-known trade mark in other

places of the world.

35. AD/IR said that there was no international register of well-known trade marks at present. Discussion among members of the World Trade Organization was underway with a view to exploring the possibility of establishing a central register of this kind but there had been divergent views and a resolution would unlikely be reached in the near future. However, the World Intellectual Property Organization Joint Recommendation on the protection of well-known marks set out certain tests for these marks. Clause 61 was new and was not present in the TMO. This clause was introduced to provide more transparent and explicit provisions for the protection of well-known trade marks in accordance with the Paris Convention. The TMO provided indirectly the protection of these marks, for example, through opposing the registration of other marks or passing off actions under the common law. On the continued use of a mark which had become well-known subsequently, he referred members to clause 61(2) which stated that "Nothing in subsection (1) affects the continuation of any use in good faith of a trade mark which was begun before the commencement of this section." He advised that this subclause would also answer the question raised by Deacons on the risk of public deception arising from use of a mark considered to be well-known if that use commenced before the enactment of the Bill.

36. AD/IR drew members' attention to the comments by the International Trademark Association on the need for broadening the criteria for determining well-known marks. He advised that the Administration intended to propose a CSA on the definition of well-known marks.

(Post-meeting note: the CSA proposed by the Administration was circulated to members vide LC Paper No CB(1)1540/99-00(03).)

Clauses 62 to 64

37. Members noted the clauses.

Date of future meetings

38. Members noted that the next meeting would be held on Monday, 27 March 2000, at 2:30 pm. Members agreed to schedule two more meetings for 6 and 17 April 2000 at 10:45 am and 8:30 am respectively. The Bills Committee would consider clause 19 of the Bill at the meeting scheduled for 17 April 2000 with a view to arriving at a decision on the clause.

39. The meeting ended at 4:30 pm.