

立法會
Legislative Council

Ref: CB1/BC/17/98/2

LC Paper No. CB(1)2019/99-00

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

Bills Committee on Trade Marks Bill

**Minutes of seventeenth meeting held on
Monday, 27 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
Hon FUNG Chi-kin

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

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

Mrs Teresa GRANT
Assistant Director (Registration)
Intellectual Property Department (IPD)

Miss Finnie QUEK
Senior Solicitor, IPD

Mr Johann WONG
Assistant Secretary for Trade and Industry

Mr Jeffrey E GUNTER
Senior Assistant Law Draftsman

Ms Phyllis POON
Government Counsel

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)1203/99-00)

The minutes of meeting held on 28 December 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.

Clause 65

3. Members noted the clause.

Clause 66

4. Members noted that the Administration had accepted the proposal of the Hong Kong Institute of Trade Mark Practitioners (ITMP) to allow proprietorship search of trade mark in the same way as ordinary search. Provisions to this effect would be included in the Trade Mark Rules (the Rules).

Clause 67

5. Members noted that the prescribed fee for copies of entries and extracts from the register would be set out in the subsidiary legislation as under the current practice. In response to the Assistant Legal Adviser's (ALA) question as to whether the addresses of trade mark owners would be entered in the register, the Assistant Director of Intellectual Property (Registration) (AD/R) said that this would be specified in the

Rules. Clause 65(2)(d) empowered the Registrar to include other information in the register as he might think fit.

Clause 68

6. AD/R informed members that the Administration would propose a Committee Stage amendment (CSA) to clause 67 to replace the word "discretion" with "decision" so as to maintain consistency with the drafting of clause 83.

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

Clause 69

7. The Chairman drew members' attention to the comments by ITMP on the clause. ITMP commented that it was unclear as to whether the parties to proceedings before the Registrar had the authority to call witnesses. She agreed with ITMP's comments that by reading clause 69, it appeared that no authority was given to the parties to proceedings to call witnesses. Mrs Selina CHOW shared her view. AD/R undertook to look into the drafting of the clause, taking into account the views of members and ITMP.

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

8. ALA sought clarification of the power of the Registrar in making an order in relation to clause 69(3). AD/R said that the Registrar had no means to enforce the order and he had to make an application to the court to enforce it.

Clause 70

9. Members noted the clause.

Clause 71

10. Noting the absence of a similar provision in the current law, the Chairman sought information on the type of notices referred to in clause 71(6) which would not be regarded as subsidiary legislation, the reason and the criteria for such a distinction. AD/R said that some of the notices published under the Trade Marks Ordinance (TMO), such as those about fees, would be regarded as subsidiary legislation. Notices published under clause 71(1) were for the purposes of specifying a publication to be the official journal of record and these would not be regarded as subsidiary legislation although they were published in the Gazette. These included notices about the Registrar's office hours and directions as to the use of forms etc.

Clause 72

11. The Chairman and Mrs Selina CHOW expressed concern about clause 72(3) which provided that a notice published in the official journal about the requirement of the use of forms would not be regarded as subsidiary legislation. AD/R explained that the information required in the forms would be set out in the Rules, which would be subsidiary legislation. The notice referred to in clause 72(3) only related to the formatting of the forms or changes in the explanatory notes of the forms to facilitate applicants' use.

Clause 73

12. Members noted that this was a new provision and the Administration was considering deleting or modifying the clause in response to trade mark practitioners' strong opposition.

(Post-meeting note: the CSA provided by the Administration to delete clause 73 was circulated to members vide LC Paper No CB(1)1540/99-00(03).)

Clause 74

13. The Chairman doubted whether it was appropriate to provide immunity for the Registrar against liability incurred in relation to his exercise of public duties in view of the existence of general provisions for immunity of public officers in this regard in the law. She urged the Administration to review the need for stipulating this immunity in individual legislation. She also queried the need for clause 74(a) which stipulated that neither the Registrar nor any public officer should be taken to warrant the validity of the registration of a trade mark.

14. AD/R said that immunity for the Registrar and other public officers in their discharge of duties under the law would be necessary. Nevertheless, she undertook to consider the suitable arrangements for the provision of immunity, i.e. through the general provisions in law covering all public officers or through specific provisions for the Registrar under the trade mark law. As to the question of warranty for validity of trade mark registration, she advised that there would not be any warranty as it was always possible for a trade mark to be declared invalid for some reasons. She agreed to review the need for clause 74(a).

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

Clauses 75 and 76

15. Members noted the clauses.

Clause 77

16. The Chairman drew members' attention to the objection raised by ITMP and Deacons Graham & James (Deacons) to clause 77 which allowed the Registrar not to be bound by the rules of evidence in proceedings before him. She sought the Administration's explanations for the provision.

17. AD/R explained that clause 77 allowed flexibility in the proceedings before the Registrar by enabling him to depart from the rules of evidence. This informal way of conducting the proceedings would enable the Registrar to accept evidence, such as hearsay evidence, which would otherwise not be accepted by the court under the strict rules of evidence. The provision would also allow the Registrar to depart from the strict procedures for filing of evidence under special circumstances which the Registrar considered justifiable. She stressed that decisions of the Registrar would be subject to judicial review and appeal. That being the case, he would exercise this flexibility only where there were sufficient grounds.

18. The Chairman pointed out that with the enactment of the Evidence (Amendment) Bill which enabled the court to accept hearsay evidence, the flexibility provided by clause 77 might not be necessary. AD/R said that the new provisions for acceptance of hearsay evidence would apply to cases commenced after but not before the enactment of the Evidence (Amendment) Bill.

19. Mr HUI Cheung-ching considered it an acceptable arrangement that the Registrar should have discretion to apply the rules of evidence in proceedings before him. Mrs Selina CHOW, however, had reservations about the provisions on the grounds that the rules of evidence should apply across the board for the purpose of ensuring fairness in proceedings. If the Registrar was allowed to depart from these rules, he should have very good reasons for doing so. Taking into account the strong views of practitioners about clause 77, she requested the Administration to explain the benefits of the provisions with concrete examples. Mr SIN Chung-kai shared her concern and suggested that the Administration should narrow down the scope of application of the provisions by expressly requiring the Registrar to give reasons for departing from the rules of evidence.

20. AD/R said that all decisions of the Registrar would be justified by reasons as the decisions were subject to appeal and judicial review. The main issue was whether proceedings before the Registrar should be informal. The Registrar would have to give reasons for his decisions regardless of whether this was stipulated in the legislation. Taking an example of an application relating to removal for non-use, she illustrated the benefits of allowing flexibility in the application of the rules of evidence. In some applications of this kind, the statutory declaration of non-use might not be sworn by the person who had conducted the necessary enquiries in the market place. The Registrar, given no power to accept a re-sworn declaration, would not be able to admit the statutory declaration as evidence of non-use. The application for removal would be unsuccessful if he could not depart from the strict rules of evidence. She

pointed out that the Registrar's job would be easier without informality in the proceedings. The Registrar would only need to follow the strict rules of evidence without concerning himself with the inadequacy of evidence filed. If informality gave rise to substantial concern in members and trade mark practitioners, the Administration would be ready to do away with the provision.

21. The Chairman hesitated to take the practitioners' comments on board as she was not convinced by the examples quoted to support their views. She opined that the *Dualit Limited v Rowlett Catering Appliances Limited* case quoted by Deacons did not help to strengthen their arguments as the case only demonstrated the rules to be applied in bringing new evidence in appeal. This had no direct relation with the difficulties practitioners might encounter if the rules of evidence would be more relaxed in proceedings before the Registrar. From a legal practitioner's point of view, the proposal of redrafting clause 77 with additional requirement for the Registrar to state the reasons for adopting informal procedures for the proceedings would be undesirable. This would complicate the interpretation of the provisions and might result in arguments by practitioners on the reasons given by the Registrar.

22. Members noted from the Annex to LC Paper No CB(1) 1193/99-00 (02) that other tribunals, such as the Small Claims Tribunal and the Labour Tribunal, also adopted an informal approach to the acceptance of evidence. Mrs Selina CHOW opined that, having considered the explanation of the Administration and taking into account the phrase "that he reasonably believes to be appropriate" at the end of clause 77, she would accept the clause. She believed that the phrase provided sufficient safeguard to ensure that the Registrar would make use of this flexibility in a justifiable manner.

Clause 78

23. Members noted the clause.

Clause 79

24. The Chairman commented that since clause 79 stipulated that registration of a trade mark should be prima facie evidence of the validity of the registration, clause 74(a) would be unnecessary. Nevertheless, she had no strong view on this and would leave it to the Administration.

Clause 80

25. Members noted the clause.

Clause 81

26. ALA referred members to her comments on clause 81 about the question of whether the licensee of a trade mark should be allowed to show use of the mark in civil

proceedings. She pointed out that in circumstances where an exclusive licensee in Hong Kong would be in a better position than the overseas trade mark owner to show use of the mark, the former should be allowed to put forward evidence on use. The Chairman echoed this view and said that it appeared from the drafting of the provision that no one except the trade mark owner would be able to show use of the mark. She doubted the appropriateness of excluding the licensee, whose interest would be affected by the proceedings, from putting forward evidence to show use of the mark. She and Mrs Selina CHOW sought clarification of the policy intention.

27. AD/R explained that it was not the purpose of the provision to deny licensees of the right of putting forward evidence of use in civil proceedings. The provision was to establish the burden of proof on the part of the owner. In an application relating to non-use, it would be necessary for the trade mark owner to show use of the mark because he was the defending party in the proceedings. The provision would not prohibit the licensee from putting forward evidence on behalf of the owner. In view of members' concerns, she undertook to review the drafting of the clause and provide further explanations and examples to illustrate how their concerns could be addressed if changes to the clause were considered inappropriate.

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

Clauses 82 to 84

28. Members noted the clauses.

Clause 85

29. ALA sought the reasons for exempting the Registrar from paying the cost of proceedings of any other parties under clause 85(1). She asked whether there were similar provisions in other ordinances. The Chairman opined that it would be unfair to the other party to the proceedings if the Registrar would not be required to pay the cost of proceedings of the other party despite that he had lost the case. She enquired whether the losing party would be ordered to pay cost to the Registrar and whether this was the practice under the existing law. Mrs Selina CHOW shared her concern.

30. AD/R said that clause 85 was not a new provision. Under the existing practice, the Registrar had not asked for costs from the losing party. The Registrar's decisions were made in accordance with the criteria set down in the legislation and on the basis of the registrable particulars of individual cases. In the event that applicants appealed against his decisions, he should not be penalized if he lost the case. She agreed to provide further information on the way costs of proceedings relating to trade marks were dealt with at present.

(Post-meeting note: the requested information was provided by the Administration and circulated to members vide LC Paper No CB(1)1526/99-00(01).)

Clause 86

31. Mr SIN Chung-kai expressed concern over the power of the Registrar in proceedings under the Bill. He doubted whether the Registrar, not having the legal professional training, would have difficulties in handling these proceedings. He also sought information on whether clause 86 gave new power to the Registrar in proceedings as compared with the provisions under the existing law.

32. AD/R explained that the power given to the Registrar under clause 86 was not new. The Registrar had the same power at present under TMO. The Registrar had not had difficulty in exercising his power in legal proceedings as he would be assisted by qualified legal professionals such as hearing officers who dealt with the hearings.

33. In response to the Chairman's question on whether the Registrar was given greater powers in general under the Bill than under TMO, AD/R said that the Bill actually provided the Registrar with more circumscribed powers. In many cases, the Registrar's discretion had been curtailed in the Bill. The Chairman requested ALA to provide a comparison of the Registrar's powers in the Bill and in TMO so that the Bills Committee could assess whether the powers given to the Registrar were appropriate with sufficient checks and balances.

(Post-meeting note: the requested information was prepared by ALA and circulated to members vide LC Paper No LS122/99-00.)

34. Responding to Mr SIN Chung-kai's enquiry on the criteria adopted by the Registrar in deciding the reasonable costs of proceedings to be awarded to the other party to the proceedings, AD/R said that the Registrar decided on a case-by-case basis in accordance with the scale of costs in the rules of the High Court. Taking into account the value of trade marks to their owners, it would not be surprising to see owners taking the cases seriously and attendance of Counsels in proceedings before the Registrar were rather common. The Registrar would have to decide whether the attendance of Counsels was justifiable with reference to individual circumstances of the cases. Any person aggrieved by the decision of the Registrar on the reasonable costs of proceedings could seek an appeal.

Clause 87

35. The Chairman drew members' attention to the comments on clause 87 made by a number of trade mark practitioners, including ITMP, Lloyd Wise & Co and the Law Society of Hong Kong. The practitioners requested that provisions in the Bill or the Rules be made for the keeping of a register of trade mark agents. She pointed out that while the idea of having an agent was a matter of appointment by the applicant or owner of a trade mark, clause 87(2) and (3) seemed to be adding unnecessary

requirements on the agent by the Registrar. Noting from the Administration's response to the practitioners that it was not prepared to take the issue of recognition of trade mark agents further at this stage, Mrs Selina CHOW commented that the reason for the Registrar to refuse recognizing an agent was clear in clause 87(3) but was ambiguous in clause 87(2).

36. AD/R said that the Administration had no objection in the longer term to the establishment of a register or a system for recognizing qualified trade mark agents. In the absence of a professional organization or recognized qualification examination for trade mark agents at present, it was not possible for the Registrar to assess the standard of individual agents so as to decide who should be included in the register. The establishment of a register of agents would depend on the efforts of the profession in putting in place a recognized examination system for trade mark agents. As to Mrs Selina CHOW's comment on clause 87(2), she explained that the grounds for the Registrar to refuse recognition of a person as an agent would be elaborated in the Rules. The bottom line for recognizing someone as an agent would be that he had not committed any criminal offence.

37. The Chairman opined that the recognition of trade mark agents as a profession would be an issue which was outside the ambit of the Bill. The establishment of a register of agents would probably facilitate the work of the Registrar and should be in line with the spirit of clause 87. The move, which should be one coming from the profession, should be encouraged.

Clause 88

38. Members noted the comments by deputations that Saturday should not be included as a business day. Members accepted the Administration's response that the inclusion of Saturday as a business day was in line with the practice of most institutions in Hong Kong and Asia.

Clauses 89 to 94

39. Members noted the clauses.

Clause 95

40. The Chairman said that the main concern about this clause lay in the criminal liability of the director or other officers of a corporation. A person should not be held liable for a criminal offence unless he committed the offence. It would be unfair that a person would have criminal liability for occupying a certain position or being given a title in a corporation. She sought information on the existence or otherwise of similar provisions in other ordinances and the Administration's response to Deacons' comment that it was wrong to include a manager as an officer to be liable to an offence committed by a corporation.

41. AD/R explained that clause 95 was compatible with relevant provisions in other ordinances relating to the responsibility of directors and other officers of a corporation, such as the Companies Ordinance (Cap. 32). The Senior Assistant Law Draftsman added that the criminal liability of directors and officers were dealt with by similar provisions in other ordinances. The word "manager" was present in corresponding sections of the Copyright Ordinance (Cap. 528), the Patents Ordinance (Cap. 514) and the Registered Designs Ordinance (Cap. 522). There might be some misunderstanding on the part of Deacons as to the meaning of "manager". The word should mean someone who was actually managing the corporation and not someone with the post title as manager. Members noted that the definition of "director" was provided under clause 95(3) and was essentially the same as that in other ordinances.

Clause 96

42. Members noted that the regulations made in relation to transitional matters mentioned in clause 96 would be subsidiary legislation which would be subject to negative vetting by the Legislative Council.

Clauses 97 and 98

43. Members noted the clauses.

Date of the next meeting

44. Members noted that the next meeting was scheduled for Thursday, 6 April 2000, at 10:45 am.

45. The meeting ended at 4:30 pm.

Legislative Council Secretariat

30 August 2000