

Bills Committee on Trade Marks Bill

**Extracts on Clauses 40(3) and 42(1)-
Extension of Time**

(As at 22 February 2000)

I Bill

40. Examination of application

(3) If it appears to the Registrar that the requirements for registration are not met, the Registrar shall notify the applicant in writing accordingly, and give him an opportunity to make representations or amend the application within such period as the Registrar may specify.

42. Opposition proceedings

(1) Any person may, within the prescribed period beginning on the date of publication of particulars of an application under section 41 (publication of particulars of application), give notice to the Registrar of opposition to the registration.

II UK Trade Marks Act 1994

37(3) If it appears to the registrar that the requirements for registration are not met, he shall inform the applicant and give him an opportunity, within such period as the registrar may specify, to make representations or to amend the application.

38(2) Any person may, within the prescribed time from the date of the publication of the application, give notice to the registrar of opposition to the registration.

The notice shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition.

III Submissions

(a)(i) The Hong Kong Institute of Trade Mark Practitioners (CB(1)1953/98-99)

(A) Part I - detailed comments on most important issues Prosecution of a Trade Mark Application (s. 40(3))

The Institute is extremely concerned that neither the Bill nor the draft Rules stipulate the time permitted to respond to official actions. The Registrar has been given total discretion to set the time limit for filing a response and for allowing any extensions of that time. **THIS IS TOTALLY UNACCEPTABLE.** It is essential that the response time period and the procedure for obtaining extensions is clearly stated in the Bill.

The current unsatisfactory situation demonstrates the Registry's inability to deal with this issue. The Institute and the profession in general have complained extensively about the inconsistent, impractical, unjust and arguably unlawful approach which has recently been adopted by the Registry. In order to shorten the registration process the Registry changed its interpretation of the current provisions so that the 6 month response period was limited to the initial examination report. Thereafter three monthly extensions must be requested and paid for. While we support the Registry in its efforts to clear its backlog, we do not believe that our clients should be prejudiced. In particular, we object to the unreasonable requirement for continued payment of extension fees. We attach correspondence between the Institute and the Registry on this issue (Appendix B).

Therefore, the Institute insists that these provisions be clearly stipulated in the Bill and that it is given the opportunity to comment on those provisions.

Opposition Proceedings (s. 42(2))

It is proposed that no extensions will be granted of the three month time period in which to file a Notice of Opposition. The Institute believes that extensions should be granted in the special circumstances where both parties agree to the extension and are genuinely in the process of negotiating a settlement of the dispute. It seems impractical to force parties to an opposition when both parties wish to settle the matter amicably. We see no benefit to the Registry or the parties in doing so.

(B) Part II - all issues not taken up by the government in the Bill

Examination of application (S. 40(3) of the 2nd Draft of the Trade Marks Bill and S.40(3) of the Gazetted Trade Marks Bill)

The Institute notes that there is no mention of any time limits and no provision for extensions of time. We would once again reiterate our view that it is most important that time limits and provision for extensions of time are clearly set out in the Bill and not simply provided in the IPD Work Manual as suggested by the IPD (see our detailed comments above).

Publication and notice of opposition (S. 35(2) of the 1st Draft of the Trade Marks Bill and S42(1) of the Gazetted Trade Marks Bill)

It is noted that no time limits are stated in the Bill. The Institute considers that the time limit for opposition should be 3 months from the date of publication extendable by further 3 month periods, provided that the parties agree or there are other sufficient reasons. For example, if the parties are amicably negotiating a worldwide settlement and both parties agree to the extension then the Institute sees no reason to insist that the opposition be progressed, as the parties will incur unnecessary costs (see our detailed comments above).

Withdrawal, restriction or amendment of application (S.36(1) of the 1st Draft of the Trade Marks Bill and S.43(2) of the Gazetted Trade Marks Bill)

The Institute believes that the requirement for publication of withdrawal of application should not result in the applicant paying a publication fee.

(C) Part III - appendix - correspondence with IPD

The Hong Kong Institute of Trade Mark Practitioners

A submission to the Intellectual Property Department of the Government of the Hong Kong Special Administrative Region

Extensions of time in ex-parte proceedings

This submission to the Intellectual Property Department (“IPD”) is filed in response to various concerns of members of the Hong Kong Institute of Trade Mark Practitioners (“HKITMP”) regarding IPD’s current approach to extensions of time, in particular, in ex-parte proceedings. This submission will cover the following areas:

1. Previous IPD practice
2. Current IPD practice
3. The law
4. Why the current practice is “wrong”
5. Extension of time practice in Australia, New Zealand and the United Kingdom
6. Our proposal

1. Previous IPD practice

This was stated in IPD Circular Nos. 3 of 1991 and 7 of 1992.

An initial extension of 6 months from the date of the receipt of the first examination report was granted. The date of receipt would be the 14th day after the date of the first examination report.

Thereafter, extensions of time of 3 months each would continue to be granted on request without reason until around 1 year to 1½ years after the issue of the first examination report. When the Registrar became concerned about the lack of progress he would warn the applicant that a further extension of time request would likely be refused, subject to the applicant’s right to call for a hearing. Extensions of time would usually be granted at hearings provided that adequate reasons were given.

2. Current IPD practice

With effect from 2 July 1998, the IPD has adopted a much stricter practice on the granting of extensions of time. This is set down in Circular No. 12 of 1997.

An initial period of 6 months from the date of the receipt of the first examination report will be granted. The date of receipt will be the 5th day after the date of the first examination report.

Once that initial 6 months period has expired, one extension of time of three months will be granted on request without reason. However, the Registrar will warn the applicant that a further extension of time will be refused subject to its rights to call for a hearing. Unless strong and compelling reasons are given at the hearing, the Registrar will refuse an extension of time.

If a further official letter is issued, as a result of submissions, the initial expiry date will still stand despite the fact that the delay may have been caused by the Registrar in the issue of the further official action, and if it were not for the Registrar's own delay, the applicant could easily have complied with the original deadline (examples of these are enclosed).

This is not stated in Circular No. 12 of 1997 although this seems to be the case from discussions with the IPD and also from the recent official letters received.

We request that the Registrar clarifies or confirms that this is indeed the practice.

We believe that this is contrary to the correct interpretation of Rules 18 and 19 for the reasons set out below.

3. The law

The Registrar is empowered under Section 90 of the Trade Marks Ordinance to make Rules regulating the business of the registry. Rules 18, 19 and 91 of the Trade Marks Rules apply to extensions of time, and for ease of reference are set out below:

Rule 18

Registrar's objections. Hearing

If the Registrar objects to the application, he shall send his objections in writing to the applicant, and unless within 6 months from the date of receipt of those objections the applicant files an application with the Registrar for a hearing or files a considered reply in writing to those objections he shall be deemed to have withdrawn his application.

Rule 19

Registrar's conditions, etc. Hearing

(1A) If the Registrar is willing to accept the application subject to any conditions, amendments, disclaimers, modifications or limitations he shall send to the applicant written notice of such willingness.

(1B) If the applicant objects to such conditions, amendments, disclaimers, modifications or limitations he shall within 6 months from the date of receipt of the notice file an application with the Registrar for a hearing or file his considered objections in writing, and if he does not do so he shall be deemed to have withdrawn his application.

(1C) If the applicant does not object to such conditions, amendments, disclaimers, modifications or limitations he shall within 6 months from the date of receipt of the notice file a written statement of his absence of objection and alter his application accordingly, and if he does not do so he shall be deemed to have withdrawn his application.

- (2) The Registrar may require that a transliteration or translation of a word trade mark, or the name of a device trade mark, appears on the mark in Chinese characters if in his opinion this is necessary to avoid the likelihood of deception or confusion and for the protection of the public.

Rule 91

Extension of time

If in any particular case the Registrar is satisfied that the circumstances are such as to justify an extension of the time for doing any act or taking any proceeding under these rules, not being a time expressly provided in the Ordinance or prescribed by rule 45(3) or 49(5), he may extend the time for so doing upon such terms as he may direct, and shall give notice thereof to other interested parties. The extension may be granted though the time has expired for doing the act or taking the proceeding in question.

4. Why the current practice is “wrong”

- (i) Contrary to Rules 18 and 19

These rules give 6 months to the applicant for filing submissions. The Institute believes that the 6 month period should apply to all official letters. The rules are not specifically restricted to first official letters only. The words “If the Registrar objects to the application” in Rule 18 apply not only to “first” objections only - we submit that the correct interpretation is that further 6 month periods should be granted when, as a result of the Registrar maintaining the objections following submissions, the objections still come within Rule 18.

Where after submissions have been filed and the Registrar is prepared to accept the mark for registration subject to conditions (eg. association, amendments of specification, transfer to Part B, disclaimer or other conditions of registration eg. restriction of origin of goods), then Rule 19 will apply, and so a further 6 months should be granted to comply with or accept these conditions as set out under Rule 19.

Likewise, if the Registrar imposes further or new conditions, a further 6 months should be granted under Rule 19.

- (ii) Inequitable / unfair to the applicant

Under principles of equity, natural justice and impartiality, the applicant should not be prejudiced unless the applicant is at fault. We submit that IPD interpretations of Rules 18 and 19 are prejudicial to the applicant.

- Our members have come across cases where they were given the opportunity to either comply with conditions demanded by the Registrar or to request an informal discussion within a certain prescribed period otherwise the application will be deemed abandoned. Examples of such official letters are enclosed. This, at least on the

face of it, does not give any opportunity to make further arguments / submissions against the conditions imposed and we believe this is inequitable. What if the client does not want to comply with the condition or wishes to request an informal hearing?

- The Registrar does not in the enclosed letters, nor in any Circular or otherwise, explain how he exercises his discretion under Rule 91 by giving extensions ranging from 1 month to 3 months.
- Some of the Registrar's first examination reports and official letters are incomplete - the Registrar does not explain the grounds of objections, amendments or conditions of registration. Requests for clarifications are not considered valid submissions or considered replies. Hence, extensions of time continue to run.
- Similarly, our members have come across cases where if it were not for the Registrar's own delay, the applicant could easily have complied with the initial six month deadline. Examples of these are enclosed.
- Late objections are raised. However, shorter extensions ranging from 1-3 months are given which deprive the applicant of the usual 6 months period as prescribed by Rules 18 and 19. There has even been an occasion where a second official action was issued rejecting the previous submissions filed and granting a 6 month period to respond, but the applicant's request for an extension of time was refused, contrary to the rule set out in Circular No. 12 of 1997. It was not until after numerous discussions that the Registrar finally agreed to grant a 3 month extension of time (copies of the relevant correspondence are enclosed).
- Where evidence of use is required to be submitted to overcome a descriptiveness objection or a citation, then more time should be allowed, as such information cannot be adduced, in the majority of cases, especially where it involves overseas applicants, within the 6 months time limit.

5. Extension of time practice in Australia, New Zealand and the United Kingdom

Australia

Under the 1955 Act (which was based on the United Kingdom Act 1938)

The applicant was given 15 months from the date of the first report to finalize the application. Extensions beyond 15 months could go on indefinitely so long as the fees were paid.

Under the 1995 Act

The deadline for acceptance of an application can be extended to 21 months from the issue of the Examiner's first report. The applicant is given 15 months from the date of the first report to finalise the application and then if necessary will be granted a further 6 months but this must be applied for (usually in 2 x 3 monthly requests), with fees payable. Any time beyond this 21 month period will only be granted in special circumstances and applications must be supported by a statutory declaration setting out the grounds for the request. The monthly fee is the same.

Consequently the Australian Registrar has taken quite a tough line with what will be accepted as 'special circumstances' beyond the initial 21 months. To some extent this has been off set by an increase in the grounds for deferral of the acceptance deadline of an application. Under the old Act this was only possible until finalisation of the removal of a cited application by the applicant. It has now been extended to include the proving of honest concurrent use (6 months deferment allowed); finalisation of a removal application filed by the applicant against a cited registration; finalisation of rectification action by the applicant against a cited registration and while a cited registration is within its 12 month restoration period after renewal has expired. Deferment must be requested within the initial 15 month period from the issue of the Registrar's first report and the 'extension free' time given after deferment ends is the equivalent to that which was remaining when deferment started.

New Zealand

Under the 1953 Act (which was based on the United Kingdom Act 1938)

The applicant was given 12 months from the date of the first report to finalize the application. Extensions beyond 12 months would automatically be granted on payment of fees without any reasons.

Under the 1995 Act

The processing of applications in New Zealand is now considerably quicker, as a result of radical changes designed to clear the backlog. A consequence of this is that strict time limits are now being imposed for bringing an application into order for acceptance. An initial period of 6 months will be set when the examination report issues. If a further official letter issues, as a result of correspondence, the expiry date will still stand. Once that initial six month period has expired, further extensions up to a maximum of six months will be available, but only if there are special circumstances.

United Kingdom

Under the 1938 Act

Extensions were free of charge and the Registrar would usually grant them unless there were any reasons to believe that the application was not being actively pursued.

Under the 1994 Act

The Registrar gives the following time period to the applicant for responding to the first examination report.

- 6 months, if there are substantive objections
- 2 months, if the only outstanding issues are editing the specification

Where no response is required, the application is acceptable without amendment and is passed directly to the Journal Section for publication

If the initial time period is two months, a first extension of time request for 2 months may be granted provided that satisfactory reason is given but that extension of time request will be marked “final”.

If the initial time period is six months, a first extension of time request for 2 months may be granted with satisfactory reasons. The Registrar is more ready to grant an extension where the initial time period is 6 months, as it indicates that the problems outstanding are comparatively severe. All subsequent requests for extension of time will be granted if satisfactory reasons are given.

The Registrar will not accept very vague comments such as “the applicants are considering their response”. If evidence of use is being prepared or investigations being carried out, the Registrar would be prepared to extend the time limit. All that he needs is to be satisfied that some progress is being made, however small.

There is no fee for extensions during the application process unless there has already been a hearing, in which case a fee for each extension is chargeable.

6. Our proposal

Whilst we appreciate that IPD wishes to clear the backlog of old applications filed under the current law so as to make way for applications under the new law using a new computer system, we do not believe clearing of the backlog should be at the expense of giving the applicant a proper opportunity to file submissions. Hong Kong is a small place; the majority of applications filed in Hong Kong are by overseas applicants. It is therefore not always easy or practical for such applicants to instruct our members within the current very strict and short time limits.

In addition, the current requirement to file additional extensions of time after a further official letter is issued involves the applicant in paying extra fees which were previously not incurred. Since the extension of time is due immediately upon receipt of the second or subsequent official actions if these fall outside the initial six month term, our members may find themselves having to disburse funds out of their own accounts in the absence of instructions. It is also unfair on the applicant who may upon receipt of such second or subsequent official action decide to abandon the application to be liable to extension fees incurred even before the receipt of its agent's report on the objections raised.

The current law in Hong Kong is based on the UK 1938 Act where extensions were (1) free of charge and (2) freely given. Whilst we accept that the current circumstances in Hong Kong mean that grant of unlimited extensions of time is not feasible we believe IPD have gone too far "the other way", to the detriment of the applicant. This is neither equitable nor reasonable.

Also, in the United Kingdom it is possible to request a hearing without first having to file one round of written submissions to the objections raised. We feel that if the Registrar is prepared to allow informal hearings to take place before written submissions are filed in Hong Kong, then it should speed up the process of the application and avoid the need for numerous extensions of time whilst waiting for a hearing to be scheduled.

Before the new Trade Marks Ordinance is effective, we therefore request that the Registrar adheres to the previous practice which we consider was the "correct" interpretation of Rules 18 and 19.

When our law changes, the Registrar can consider making certain changes along the lines of what has been done under the new Acts in the United Kingdom, Australia and New Zealand.

On the basis of the new Acts in Australia, New Zealand and the United Kingdom, for example, under the new Hong Kong law each application could be allowed extensions of time up to a certain period from the issuance of the first examination report of, say, 18 months, without reasons or fees, for putting the application in order for acceptance. This would save the Registry's time in reviewing reasons for extensions of time, processing extension of time fees, organizing, attending and deciding extension of time hearings, so that more manpower can be devoted to the substantive examination of applications and the training of examiners.

By adopting this, both the Registry and the applicant (agent) would need to expedite the processing of the applications within the 18 months. Further extensions beyond 18 months would be obtainable only in special circumstances (such as difficulties in completing a Statutory Declaration of Use, excessive delay of the Registry in responding to submissions, late objections raised by the Registry etc) and with extension of time fees - but fees should be payable only in cases where the applicant is responsible for the delay and not where, for example, the application is held up pending an assignment recordal where the applicant has filed all the documents or

Where the Registrar has raised a late objection to the application; in those cases, the applicant should be allowed 6 months from the date of receipt of the late objection to respond.

We ask that IPD considers these comments and reverts to us as soon as possible.

Hong Kong Institute of Trade Mark Practitioners

20 November 1998



Our Ref. 參考編號: 230/TMR/97 (Part IV)
Your Ref. 來函編號:
Tel. 電話: (852)2961 6841
Fax. 傳真號碼: (852)2838 6276

4 March 1999

Mr Nicholas B Horvath
President
Hong Kong Institute of Trade Marks Practitioners
16/F, On Hing Building
1 On Hing Terrace
Central, Hong Kong
[Fax: 2804-6745]

Dear Nicholas,

I am now able to let you know what action we have taken to tackle your concerns about delays in replies and inconsistencies in extensions of time which you expressed at our meeting in December 1998.

We have since drawn up a plan under which, by November 1999, we aim to reply to all correspondence under Trade Marks rule 18 and 19 within three months.

Our present position is that we are handling 76.7 per cent of rule 18 and 19 correspondence in three months.

Under the plan we have

- redistributed examination work in the registry more evenly to ensure replies are handled within three months
- redistributed part of the registry's administration work to executive officers to allow examiners more time for examination work
- balanced our efforts in issuing examination reports with our efforts in handling replies

- continued our review of working procedures to ensure that our resources will continue to focus on examination work
- continued to discuss our rule 18 and 19 practice with our examiners to ensure consistency in allowing extensions of time
- redrawn targets to establish priority for examination work
- outsourced support services, for example data input and typing, to reduce time spent in supervision.

As some members of the Law Society and APAA have expressed similar concerns, I am taking the opportunity of copying this letter to them.

Yours sincerely,



(Teresa Grant)
for Director of Intellectual Property

c.c. Mr K C Kwong (APPA) • Fax 2845 9292
Ms Joyce Wong (LS) • Fax 2845 0387

香港特別行政區政府知識產權署
Intellectual Property Department
The Government of the Hong Kong Special Administrative Region



知識產權署
Intellectual Property Department

Our Ref. 不著檔號: 230/TMR/97 (Part IV)

Your Ref. 來函檔號:

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12 April 1999

Mr Nicholas B Horvath
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[Fax: 2804-6745]

Dear Nicholas,

Re: Extension of time

At our meeting on 17 March, you asked us for a response to submissions about our practice under Trade Marks Rules 18 and 19 made in HKITMP's letter of 20 November 1998. Our response on action the registry has taken to address HKITMP's practical concerns was sent to you on 4 March 1999. We hope we can now address HKITMP's concerns about the interpretation of the rules.

HKITMP's views

HKITMP believes the current practice under rule 18 and 19 is wrong.

HKITMP believes the applicant should have six months to reply, not only to the Registrar's examination report but to any letter which the Registrar issues in response to an applicant's reply to the examination report.

HKITMP believes rule 18 and 19 should be applied consecutively so that where an applicant's reply to the examination report, issued under rule 18, results in the application being capable of acceptance after, for example amendment of the specification by the applicant, rule 19 should apply so as to allow the applicant a further six months to amend the application.

Six months to reply to examination report

The current practice is that the applicant has six months from receipt of the Registrar's examination report to file a considered reply to the objections raised in the report (rule 18) or to file considered objections to the conditions raised in the report (rule 19). The effect of rule 18 and 19 is that an applicant has six months in which to satisfy the Registrar that the mark is registrable.

We believe an applicant's representations to the Registrar on the registrability of the application are to be made within the six-month period. Those representations, usually more than one in each application, are the applicant's considered reply under rule 18 or considered objections under rule 19.

Our view is that the six-month period allowed to the applicant under rule 18 and 19 attaches to the examination report raising the objections or conditions. Our view is supported by rules 16 and 17 which contemplate search by the Registrar, followed by the issue of an examination report in which the Registrar accepts the application absolutely, objects to it, or expresses willingness to accept it subject to conditions.

Our view that the six-month period is not recurrent is supported by the wording of rule 18 and 19. If the applicant does not file a considered reply or considered objections under the rules, he is deemed to have withdrawn his application. Additionally, under rule 20(1) the Registrar's reply, made after considering the applicant's considered reply or considered objections, is effectively a decision.

We think that the time frame envisaged by rule 38 lends support to our view. Under rule 38 the Registrar may issue a notice to the applicant to complete the application where registration is not completed within a year of filing the application. Rule 38 applies only when an applicant is in a position to complete the application, that is after issue of the Registrar's acceptance and notice to advertise. Rule 38 supports our view that the rules contemplate an examination process in which an applicant has a six-month period to satisfy the Registrar that his mark is registrable so that in the majority of applications at the end of the six-month period the Registrar would be in a position to refuse the application or to accept the application and to issue notice to advertise. In the time frame envisaged by rule 38, registration would be likely to be completed within a year.

We do not believe the six-month period is recurrent as HKITMP suggests. To treat rule 18 and 19 as attaching to any correspondence by the Registrar in the examination process after issue of the examination report, would effectively give the applicant the means to extend the examination process indefinitely and, likewise, would put no obligation on the Registrar to arrive at a decision to accept or refuse the application. The Registrar is obliged to respond to an applicant's reply

under rule 18 or 19. Any reply by an applicant, even a reply which repeats earlier submissions, would require the Registrar's response which would trigger a recurrent application of rule 18 or 19, and so on.

Our view is that the six-month period is not recurrent but is extensible by the exercise of the Registrar's discretion under rule 91. As we have previously stated, in the majority of applications the six-month period is sufficient to overcome the objections or satisfy the conditions raised in the examination report. In the minority of applications where more time is needed, including time to make further submissions, the Registrar will allow an extension of time for the applicant's response. The length of time allowed will depend on the time reasonably needed. For example where there are difficulties in obtaining evidence or a letter of consent, the Registrar will allow an extension of time - usually three months - but depending on the particular circumstances of the application. Where there are continuing difficulties, an extension of time of as long as six months may be justified.

To confirm a point that we have made previously, if after the issue of the examination report the Registrar raises an additional objection to the application (for example the citation of a conflicting mark which was not raised in the examination report) the six-month period under rule 18 will run from the time the applicant receives the Registrar's letter raising the additional objection.

Where the Registrar is asked for an extension of time under rule 91, rule 93 and Schedule 1 to the Trade Marks Rules require the payment of the specified fee.

Rules 18 and 19 are not consecutive

Consistent with our former practice we do not agree that Rules 18 and 19 are capable of applying consecutively to the application as HKITMP suggests.

Certain matters cannot be the subject matter of conditions, for example the consent of a cited proprietor (Velva-Glo [1961] RPC 255; LinPac [1973] RPC 661). In such a case, the Registrar cannot express willingness to accept subject to conditions. In such a case the consecutive application of rule 19 would be precluded. That would mean where consent was awaited (as opposed to a limitation of goods) an applicant could have only six months under rule 18 and would not be able to propose consent and have a further six months under rule 19 as HKITMP suggests; yet an applicant proposing a limitation of goods could have a further six months under rule 19. The result would be illogical and unfair.

Registrar's practice

In considering your views we are bound to take into account that the Registrar should apply the rules in a way which is consistent with the Trade Marks Ordinance and Hong Kong's international obligations under the TRIPs Agreement. The Ordinance and the TRIPs Agreement require the Registrar to register trade marks within a reasonable time frame.

Our present practice, which allows an applicant six months and extensions of time if needed, to reply to the Registrar's examination report, establishes a reasonable time frame for obtaining trade mark protection which we feel is consistent with Hong Kong's position as a trading economy and Hong Kong's commitment to the protection of intellectual property rights.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Teresa Grant', written in a cursive style.

(Teresa Grant)
for Director of Intellectual Property

(a)(ii) Administration's Response to ITMP (CB(1)676/99-00(04))

Clause 40(3) and Clause 62(5) - Extensions of Time

(a) Examination of a Trade Mark Application (Clause 40(3))

12. It has been our intention that the time referred to in Clause 40(3) will be specified in the Work Manual of the Registry's practices which is being prepared. This approach is being used by the United Kingdom and we understand this is working well. This approach has the merit of flexibility in that changes in response time can be changed relatively simply. However, in view of the various responses received, we shall consider whether the "specified period" in Clause 40(3) should be set out in the Trade Marks Rules.

(b) Opposition Proceedings (Clause 62(5) of the Rules)

13. The Notice of Opposition is a relatively simple document to prepare. We do not agree that extensions of time should be granted to file a Notice of Opposition. One of the purposes of bringing in a new trade marks law is to streamline procedures so that speedier registration of marks can be obtained. The Registrar does not wish to have a situation where files stay dormant pending some worldwide settlement which may be years in the making. A settlement is always possible after a Notice of Opposition has been filed.

14. The proposal as set out in the draft Trade Mark Rules is identical to the law in the United Kingdom and Ireland. By contrast, a maximum of only 4 months is allowed in Singapore for filing a Notice of Opposition. It appears that the United Kingdom is contemplating a "cooling-off period" in this respect, and we will be exploring this idea further to see if it is suitable for Hong Kong.

Clauses 42(1) and 43(2) - Publication and notice of opposition and publication of withdrawal of application

22. No time limits are specified in the Bill as these will be set out in the draft Trade Marks Rules.

(b)(i) *The Law Society of Hong Kong and
The Hong Kong Group of the Asian Patent Attorneys Association
CB(1)278/99-00(01) dated 4.11.1999*

(A) Clause 40(3) - Time limits for making representations on applications or amendments

As indicated at the beginning of this paper, the Bill provides no guidance or certainty as to the time within which an applicant may make representations or amendments in relation to a trade mark application, but merely “within such period as the Registrar may specify”. Further draft Rule 62(1) envisages extensions of time by the Registrar “as he thinks fit and upon such terms as he may direct”.

The profession is united in its opposition to this proposal, which gives the Registrar complete discretion as to time limits and extensions of time. The IPD has indicated that the question of time limits will be addressed in an IPD Work Manual and will be the subject to discussion with the profession. However, we have to say that our experience of discussions with the IPD on this subject under the present Rules has not been happy. Despite extensive submissions, the IPD has remained inflexible in its practice on extensions of time, invariably to the detriment of applicants.

In the circumstances, we consider that it is imperative that clear provisions are contained in the law specifying periods for responses and providing for extensions of time. For further reference, a note setting out our present misgivings and concerns about the IPD’s interpretation of Trade Marks Rules 18 and 19 are attached. We cannot stress too strongly the importance we attach to this matter. In the circumstances, we urge the setting up of a working party specifically to consider this issue and to draft appropriate legislation.

The Australian approach to time limits

Recent amendments to the Australian trade mark law (Australian Trade Marks Act 1995) have introduced new procedures for dealing with time limits and extensions of time. These include extensions of time in the event of an error or omission of the applicant or its agent or circumstances beyond control of the person concerned. By contrast, under its present practice in Hong Kong, where it has a wide discretion, the IPD is very reluctant to grant extensions of time in such circumstances, notwithstanding that it has the discretion to do so.

There are also provisions in the Australian legislation for applications to be deferred in circumstances where there are relevant proceedings relating to a conflicting mark and for restoring applications which have lapsed. We believe that these provisions could be very usefully included in Hong Kong’s new law.

We believe that the approach taken in Australia, namely spelling out the procedures on time limits and extensions of time in a transparent fashion is the correct approach. By contrast, the proposed discretionary approach is likely to lead to uncertainty, unfairness and considerable practical difficulties. We consider it is most important that specific provisions be laid down in the legislation setting out the time limits and circumstances where extensions of time may be given. We suggest that these should be drafted broadly along the lines of the Australian legislation.

Clause 42 - Opposition proceedings

The “prescribed period” for filing a notice of opposition is, under proposed Rule 12(1), limited to 3 months without any possibility of an extension of time, even by consent. We strongly submit that the Registrar should be able to grant extensions of time and that extensions of time should be obtained where the parties consent. The IPD’s Response is that it does not agree. We fail to see what benefit there is to the Registry or the parties to require oppositions to be filed where both parties wish to settle the matter. There is a provision for time to be extended in the present legislation, which is very commonly relied upon. We consider that the legislation should be user friendly and find the IPD’s intransigence on this issue very disappointing.

(B) Oral submission from The Law Society of Hong Kong and the Hong Kong Group of the Asian Patent Attorneys Association (CB(1)319/99-00 dated 9.11.1999)

Time limits and extensions of time

An extremely important practical issue is the apparent proposal to give the Registrar an absolute discretion on time limits for prosecuting trade mark applications and the lack of any flexibility on time limits for oppositions. We have set out our current misgivings in our paper and wish to stress that practitioners in Hong Kong are united in wishing appropriate legislation or rules to be drafted covering these aspects. Again, we believe that there are valuable precedents in the Australian legislation and understand that there are also more flexible provisions in other common law jurisdictions such as in New Zealand and Singapore. We strongly urge the setting up of a working party to deal with this aspect.

(b)(ii) Administration’s Response (CB(1)874/99-00(01))

Clause 40(3) - Time limits for making representations on applications or amendments

40. The Law Society and APAA have asked for clear provisions in the law specifying time limits for applications or amendments.

41. The Bill and the Rules contain detailed provisions relating to time limits in respect of the conduct of certain matters, for example, oppositions and declarations of invalidity. Clause 40(3) deals with the time period within which representations (or amendments to an application) can be made. However, we agree that the time referred to in Clause 40(3) should be specified in the Trade Marks Rules instead of in the Work Manual. We will therefore propose a Committee Stage Amendment to Clause 40(3) such that the time limit will be prescribed in the Trade Marks Rules.

42. The time period for responding to official action will be decided after considering the needs of applicants and the Trade Marks Registry and after consulting the profession. At present we envisage periods similar to those applying in the UK registry. For replying to substantive registrability points, the UK registry allows six months. The alteration of time limits is something that will be spelt out in some detail in the Trade Marks Rules. Situations where an extension of time will not be permitted will also be spelt out.

Clause 42 - Opposition proceedings

43. We do not agree that there should be more extensions of time for filing notices of opposition. It is only reasonable that an applicant should be able to know within a reasonable time whether his mark is opposed. Additionally, one of the purposes for bringing in a new trade marks law is to streamline procedures so that speedier registration of marks can be obtained. It would not be desirable where files stay dormant pending some settlement elsewhere, which may be years in the making. Besides, a settlement is always possible after a notice of opposition has been filed. The notice of opposition is a relatively simple document capable of being filed within a reasonable time.

44. In this respect, the Trade Marks Bill is identical to the law in the United Kingdom and in Ireland. Singapore also sets a non-extendable period for filing notices of opposition.

(c)(i) International Trademark Association (CB(1)1903/98-99 dated 14.9.1999)

Extensions of time - the Bill lays down no statutory periods for extending the time to take certain actions during the prosecution of an application e.g. to file a submission to the Registrar; or during opposition proceedings e.g. to obtain further time to collect, collate and file evidence in support of the proceedings. Sections 68-75 give the Registrar very wide discretionary powers, amongst which are the powers to make Rules and for those Rules to provide for extensions of periods of time in relation to matter before the Registrar.

We strongly recommend that periods of time and any extensions thereof be specifically outlined in either the Bill or the Rules; we do not believe that this should be left to the Registrar's discretion through Registry Circulars or similar. Many applicants for registration in Hong Kong are foreigners, and need to have certainty about time limits and any extensions to those time limits. They need sufficient notice of any changes so as to be able to complete relevant action in the stipulated time period(s). These periods should be "reasonable" following the principles laid down in the Trademark Law Treaty. We understand that Registry Circulars can be issued at any time, and are within the sole discretion of the Registrar. The Bill and Rules, on the other hand, have a greater degree of accountability and we believe including details of time periods and extensions thereto in at least the Rules would create more certainty for trademark owners.

(c)(ii) Administration's Response (CB(1)676/99-00(03))

Time Limits and Extensions

15. We agree that the time limits for the lodging and processing of applications to register trade marks should be transparent. The Trade Marks Rules are being drafted and will contain detailed provisions regarding time limits (e.g. oppositions). We are considering whether the time limit referred to in Clause 40(3) of the Bill (i.e. the specified period) should be incorporated into the Trade Marks Rules.

(d) Lloyd Wise & Co. (CB(1)1891/98-99(07))

One of the most contentious areas between trade mark practitioners and the Intellectual Property Department in recent months has been the IPD's policy on the granting of extensions of time during the prosecution of trade mark applications. We believe it is fair to say that almost the entire profession believes that the IPD's policy is both unreasonable and arguably contrary to law. We therefore recommend that the Bills Committee ensures that the Bill and, perhaps more importantly the accompanying Rules, provide for a fair and equitable arrangement for the extension of time during prosecution of trade mark applications.

Prepared by

Legal Service Division
Legislative Council Secretariat
22 February 2000