

Letterhead of International Trademark Association

8 September 1999

Mr. Andy Lau
Trademark Bills Committee
The People's Republic of China
Hong Kong Special Administrative Region
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Mr. Lau,

Invitation to provide written submissions to the Trademarks Bill (1999)

Further to our letter of 13 August 1999, we are pleased to offer below our comments on the Trademarks Bill as published in the Government Gazette on 16 April 1999.

1. At the outset, we should state that in the absence of the formal publication of the Rules, we are somewhat limited in our response. Our comments are therefore solely based on the Bill as published and could change depending on what is stated the Rules. We would appreciate an opportunity to comment on the Rules again when formally published.

We are including as Appendices for your ease of reference:

- | | |
|-------------|--|
| Appendix 1) | our comments to the Intellectual Property Department ("IPD") of the Hong Kong Special Administrative Region Government (our letter of 27 January 1999 to Mr. Stephen Selby plus enclosures). |
| Appendix 2) | IPD's response to comments from various parties (including INTA) on the second draft of the Trademarks Bill (issued 19 April 1999) |
| Appendix 3) | WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) Provisions of Well Known Marks (June 1999) |
| Appendix 4) | WIPO Joint Resolution Concerning Provision on the protection of Well-Known Marks (published 4 August 1999) |

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2. **Specific Provisions of Trademarks Bill**

Our comments on the substantive points follow our earlier comments on the draft:

- 2.1 Section 3 - meaning of “trademark” - we note that the definition of trademark has been amended to include marks which are “capable of being represented graphically” (S.3(1)); however we note S.3(2) that sound, smell and taste marks are not specifically mentioned. We note the IPD’s response that “use of the word sign in S.3(1) is wide enough to include sound, smell and taste marks”. We accept that this may be so; however, we believe that it would make matters clearer if this were specifically stated in S.3(2). Of course, such marks would have to satisfy the registrability criteria in SS.3(1), 10 and 11. The International trend is to specifically include such marks in the legislation.
- 2.2 Section 61 - well-known marks - we repeat our earlier submissions that criteria for determining a well - known mark should be broadened (see our comments on page 2 of our letter of 27 January 1999 to Mr. Selby, in respect of S.4 (first draft). We note IPD’s comments that this section is based on Article 6 bis of the Paris Convention. We are not suggesting that the legislation in Hong Kong go further than the provisions of Article 6 bis. However, the WIPO SCT reached a consensus in June 1999 on a set of new measures to improve the scope of protection for well-known marks. These included, inter alia, a uniform way of applying Article 6 bis, and how it could be implemented in each country (see Appendix 4). The SCT further agreed to recommend adoption of these proposals by the Paris Union Assembly and the WIPO General Assembly in September 1999 (see Appendix 5). We strongly recommend that the criteria outlined in the Joint Resolution (see marked section of Appendix 5) should be included in the Bill as guidelines (not requirements) to determine whether a mark can be recognized as “well- known” - This will enable greater clarity and certainty in the law.
- 2.3 SS. 20-24, 34-35, 92 - Civil and Criminal Remedies - we reiterate our previous comments that further provisions for civil and criminal remedies in accordance with Part III of TRIPs should be included in this legislation for the sake of clarity and completeness, e.g.:
- i) specifically state imprisonment/fines for willful infringement, in addition to offences under S. 92-94.
 - ii) the victims of infringement should have an absolute right to information concerning the identity of infringers.
 - iii) a requirement for parties to make disclosure sufficient to establish a prima facie case.
 - iv) search and seizure remedies (e.g. Anton PillerOrders) should be specifically included as an interim measure in this legislation.

The Trade Description Ordinance can be consequentially amended as appropriate.

- 2.4 SS.30-35 - licensing - we reiterate our previous comments that there should be a specific requirement for licensors to maintain control over the use of those marks by the licensee, despite the comments of IPD that this is indirectly covered in S.50(2)(c) and (d). The

current wording does not cover situations where there is uncontrolled use of the mark by a licensee, but such use does not cause confusion. Uncontrolled use of a mark by a licensee is undesirable, because it breaks the connection between the owner and his mark. The essential nature of a trademark is to indicate a trade connection between the trademark owner and the goods sold or services provided by reference to the trademark.

3. **Previous Suggested Provisions not contained in Bill**

- 3.1 Express presumption of registrability - we reiterate our previous comments that this should be included (see page 3 of our letter to Mr. Selby, point 3), despite IPD's comments that "no change is required". We are not suggesting that the legislation be essentially changed. Sections 10 and 11 of the Bill provide absolute and relative grounds for refusal, and the presumption is that if the mark does not fall under these grounds, and is within the definition of a sign, then it is registrable. However this is not expressly stated. We believe such an express statement will clarify the rights to a registration.
- 3.2 Border measures - again, we reiterate our suggestion that provisions for border protection against importation of goods which infringe trademark rights, to accord with the TRIPs agreement, be specifically included in this legislation, and the Trade Descriptions Ordinance be amended accordingly. This again will clarify matters since all relevant legislation will be included in one Ordinance.
- 3.3 Geographical indications - we note IPD's comments that these are protected by way of certification marks and collective marks. Geographical indications are required to be protected, under Article 22 and 23 of TRIPs. They are not the same as certification marks or collective marks. Article 22 of TRIPs defines geographical indications as those which "identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin". TRIPs does not require the owner of a geographical indication (e.g. a country, region or municipality) to have regulations governing use, nor does the Article prevent use of the mark by the owner. In contrast, S.60 of the Bill defines certification marks as a "sign indicating that the goods or services.... are certified.... in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuracy or other characteristics".

Schedule 2 of the Bill gives details about registration of certification marks. There must be Regulations (S.6) and registration is not allowed if the owner himself uses the mark on the certified goods (S.4). A certification mark may consist of a geographical indication (S.3(1)), but a geographical indication does not necessarily have to be a certification mark. A word that is a geographical indication can acquire a secondary meaning. CANTERBURY, for example, is a city in the United Kingdom, a province in New Zealand, and it is also well-known as a trademark for rugby shirts (of the type worn during the Rugby Sevens in Hong Kong). This mark has acquired a secondary meaning, yet is a geographical location. The certification mark HARRIS TWEED on the other hand, has very detailed regulations governing its use (e.g. the wool must originate from

the island of Harris, it must be dyed with natural dye etc), and yet HARRIS is a geographical location.

Similar reasoning can be applied to collective marks. These marks are defined in S.59 of the Bill as “a sign distinguishing the goods and services of members of the association which is the owner of a sign from those of other undertakings”. Again, Schedule 1 of the Bill provides that regulations must govern the use of collective marks. No such registrations are prescribed under Articles 22 and 23 of TRIPs for geographical indications.

Geographical indications are generally not owned by associations and so are not collective marks; conversely, a collective mark may consist of a geographical indication (Schedule 1, S.3(1)).

Collective or certification marks, by their very nature, are generally not owned by individual companies; they are usually owned by trading associations or groups, unlike geographical indications.

INTA therefore suggests that specific provision should be made to provide for protection of each of geographical indications, certification marks, collective marks and trademarks that are geographical terms which have acquired a secondary meaning. We also suggest that protection for geographical indications be based on the “first in time, first in right” principle (see our earlier submissions, page 3 of our letter to Mr. Selby, point 5).

4. **Further comments on provisions in Bill**

- 4.1 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.

4.2 Parallel imports - S.19 of the Bill provides that if goods have been put onto the market anywhere in the world under the mark with the express or implied consent of the owner, then no infringement occurs if those goods appear in Hong Kong, unless the “condition of the goods has been changed or impaired” and the use of the mark is “detrimental” to the character or repute of the mark. INTA is concerned that this provision will not provide sufficient protection for trademark owners. If unsuitable goods are imported e.g. pharmaceuticals that do not have full dosage instructions, then as the goods are not impaired or changed, nor is the use detrimental, they would not be regarded as infringements. This could have a highly detrimental effect, and some cases, could be dangerous to public health.

Trademark owners often design their products and packaging to meet specific cultural, environmental and other conditions in specific countries. The value and reputation in a mark is tied in with providing a consistently high quality product or service. This can be undermined if free parallel importation (i.e. a standard of “international exhaustion of rights”) is followed. This will inevitably be detrimental to the ultimate consumer. INTA believes that national exhaustion of trademark rights is preferable to parallel importation, since this helps to maintain and enhance trademark rights through brand recognition. The Parallel Importation Subcommittee of the INTA Issues and Policy Committee has researched the history of the parallel importation debate, and its research concluded that most countries favor some concept of national exhaustion of trademark rights. Based on this study, the INTA Board of Directors on May 26, 1999 adopted the position that INTA favors national exhaustion of trademark rights.

We therefore suggest that S.19(1) be amended to support national exhaustion of trademark rights. If that is not accepted, a possible alternative is a further exception to S.19(1) of the Bill be included to the effect that the section does not apply where the goods sought to be imported are materially different from those on the Hong Kong market.

We recognized the Hong Kong Government’s concern that Hong Kong is a free port and should remain as such, but believe that the rights of trademark owners also need to be considered. If the parallel imported goods are materially different from the goods on sale in Hong Kong, but the condition of the goods is not impaired/changed, then despite this not being an infringement, this could lead to deception and confusion in the market. This surely cannot be the intent of the legislation.

We have no further comments on the Bill as published and thank the Bills Committee for requesting our input. As mentioned above however, our comments are made with the caveat that as we have not yet seen the published Rules, we would respectfully request permission to amend or add to our comments in the light of the Rules.

We would therefore appreciate receiving a copy of the Rules when available.

Yours sincerely,

Anne H. Chasser
President

Encl.

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- Appendix 3** World Intellectual Property Organization Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) Provisions of Well Known Marks (June 1999)
- Appendix 4** World Intellectual Property Organization Joint Resolution Concerning Provision on the Protection of Well-Known Marks (published 4 August 1999)

**INTA comments
to the
Intellectual Property Department
of the
Hong Kong Special Administrative Region Government
27 January 1999**

Letterhead of International Trademark Association

27 January 1999

Stephen Selby
Director of Intellectual Property
Intellectual Property Department
25/F Wu Chung House
213 Queen's Road East
Wan Chai
Hong Kong

Dear Mr. Selby:

Re: Consultation on Draft Hong Kong Trade Mark Rules

1. INTA'S Asia/Pacific Legislation Analysis Sub-Committee has compared the second draft of the Hong Kong Trade Marks Bill and its implementing Rules with INTA'S Model Law Guidelines. We are very pleased to report that in many areas the draft Hong Kong legislation complies with INTA'S Model Law Guidelines. While we fully understand that you have taken into consideration several documents in addition to INTA'S Model Law Guidelines, and also that you are at this stage particularly concerned with the Hong Kong Draft Trade Mark Rules, we would like to suggest that you consider certain provisions and clarifications that will perfect both the Draft Bill and the Rules.

Specific Provisions of Draft Rules

Graphical Form - Word Marks

2. (a) Rule 5(4): - We suggest that there be a provision whereby if an applicant wishes to seek protection for a word, the mark can be represented on the application form. A registration for the word filed used in any script confers protection for the word, regardless of the type face in which it is represented. As presently expressed, in a standard type face (such as block or roman letters). Rule 5(4) requires an express statement by the applicant that protection is sought for the word itself, without regard to the graphical form.

Renewals

- (b) Rule 26: - We suggest that provision be made for trademarks to be renewable indefinitely (ie no limit on how many times a trademark can be renewed).

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Specific Provisions of the Draft Bill

- S.3 Definition of trademark should specifically include sounds, smells and taste marks.
- S.4 Criteria for determining what constitutes a well-known mark should be broadened to include:
- *the amount of local or worldwide recognition of the mark;*
 - *the degree of inherent or acquired distinctiveness of the mark;*
 - *the local or worldwide duration of the use and advertising of the mark;*
 - *the local or worldwide commercial value attributed to the mark;*
 - *the local or worldwide geographical scope of the use and advertising of the mark;*
 - *the local or worldwide quality and image that the mark has acquired;*
 - *the local or worldwide exclusivity of use and registration attained by the mark and the presence of absence of identical or similar third party marks validly registered for or used on identical or similar goods and services.*
- Ss.20-24,93 In addition to the civil and criminal remedies found in these sections, there should be further provision for civil and criminal remedies in accordance with Part III of TRIPS. There should also be:
- i) imprisonment/fines for wilful infringement;
 - ii) provision for infringement; victims to have an absolute right to information regarding the identity of infringers;
 - iii) a requirement for parties to make disclosure sufficient to establish a *prima facie* case.
- Ss. 22,23 In addition to delivery up and disposal, search and seizure remedies should be available as interim measures.
- S.31 Proprietors of trademarks who license those trademarks should be required to maintain control over the use of those marks.

Mr. Stephen Selby
January 27, 1999
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S.61 Protection for well-known marks should apply whether or not confusion is likely to result from the use complained of.

Suggested Provisions not contained in the Draft Legislation

Presumption of Registrability

3. We suggest that the Draft Bill should include an express presumption of registrability irrespective of the nature of the goods or services applied, other than for the reasons which are contained in S.10 and other sections of the Draft Bill. This would be in keeping with current trends in international trademark jurisprudence. We also suggest that S.10 include a provision similar to Article 6 *septies* of the Paris Convention, for cases where a mark is misappropriated by an agent or representative of someone who is already the proprietor of the mark (whether such proprietorship is by use or registration).

Border Measures

4. We recommend that the Draft Bill contain provisions for border protection against the importation of goods which infringe trademark rights.

Geographical Indications

5. We suggest that the Draft Bill contain protection for geographical indications, if there is not to be separate legislation relating to geographical indications. This is in line with the requirements of TRIPS. However, INTA strongly recommends that such protection vis-a-vis trademarks should be based on the principle of "first in time first in right" which is in accordance with Articles 16(1) and 24(5) of TRIPS.

We have appreciated this opportunity to comment on the Draft Hong Kong Legislation and would welcome providing further input on any revised draft that is available for comment. For your convenience, we have included Subcommittee's template comparing the Draft Bill and Rules to INTA's Model Law Guidelines.

Yours sincerely,

Bruce J. MacPherson
Director, External Relations

Enclosure

How the Hong Kong Proposed Legislation compares to the core provisions of INTA's Model Law Guidelines

The following checklist has been completed by reference to both the Draft Bill and the Rules. Comments relating to the Rules are in bold.

Key: Y Hong Kong Legislation complies with INTA proposal;
 N Hong Kong Legislation does not comply with INTA proposal;
 NA Hong Kong Legislation is silent on INTA proposal.

INTA PROPOSAL	Y/N/NA	BILL	RULES	COMMENTS
USE REQUIREMENTS				
Actual use need not be demonstrated	Y	s36(3)	r5	r5 no specific requirement
Cancellation for non-use (3-5 years)	Y (3 yrs)	s50(2)(a)		
Use must be				
- bona fide;	Y	s50(2)(a)		
- in course of trade;	NA	s6		s6: Use to be construed as any use, whether by means of graphic representation or otherwise. No mention of "in the course of trade"
- for goods or services for which mark registered	Y	s36(3)		
WELL-KNOWN MARKS				
Well-known marks should be protected without requiring registration and/or actual use.	Y	s4 s17(4)(b) s 61(1)		s61(1) provides for protection by injunction and is not retrospective
Relevant criteria for establishing well-known status include extent of local or worldwide recognition of the mark; degree of distinctiveness; duration of local/worldwide use; local/worldwide exclusivity of use and registration; (refer paragraph 3.2 of the Model Law Guidelines.)	Y	s4 s61		Criteria in Bill much more limited. "Well-known" trade mark means a trade mark well-known in Hong Kong, and which belongs to a national or resident of a Paris Convention country or WTO member, or a person who has a right of abode in Hong Kong, or has a real and effective industrial or

					commercial establishment in one of those countries
	REGISTRABILITY				
1	Mark must be visually perceptible or capable of being represented by visual means;	Y	s3(1)		A mark is to be capable of being represented "graphically". Arguably this is slightly narrower than "visually".
	- includes 3D marks, shapes and containers;	Y	s3(2)	r 5(2)	The Bill does not mention 3D marks as such. Section 3(2) includes "figurative elements" and the "shape of goods or their packaging". However, r 5(2) makes explicit reference to 3-D marks.
	- sounds, smells and taste marks	NA	s3(1)		The legislation is silent on the matter, but s3(1) of the Bill is arguably broad enough to encompass these marks
2	Express presumption of registrability,	NA	ss10,11		No mention of presumption of registrability, only a list of grounds for refusal of registration (ss10, 11)
	But a mark not registrable if:				
2.1	Devoid of distinctiveness	Y	s10(1)(b)		
2.2	- Designates any characteristics of the goods or services	Y	s10(1)(c)		
2.3	- Consists exclusively of signs which amount to ordinary language/signs common to the relevant trade	Y	s10(1)(d)		
2.4	- Functional	Y(shapes)	s10(3)(a)		
2.5	- Contrary to public policy or morality	Y	s10(4)(a)		(morality, no mention of public policy)
2.6	- Likely to deceive public	Y	s10(4)(b)		
2.7	- Not authorised and is to be refused/invalidated pursuant to Article 6 Paris Convention	Y	s62(1) s63		
			s64		

2.0	- Confusingly similar to a prior application/registration	Y	s11(3)(a)		
2	- Registration would amount to misappropriation by an agent/representative of the proprietor	NA			No explicit reference to this point, but wording of s10(5)(a) and (b) of the Bill may be broad enough to cover it. (Prohibition of registration of marks the use of which would be contrary to law; prohibition of registration where application made in bad faith).
2.10	- Registration would amount to misappropriation by fraud	NA			As above
2.11	- Use would lead to dilution of a well-known mark	NA	s11(4)		Not specifically applicable to well-known marks, just those with a reputation in Hong Kong. Note also s11(6). (registration refused only if opposed by aggrieved proprietor)
2.12	- Use would violate prior rights of others	Y	s11(5)		(s11(6) of the Bill)
	Distinctiveness through use	Y	s10(2)		
5	Standard type face to cover all permutations of mark	N		r5(4)	Presumption that typeface is restricted to that in the application, but the applicant may include in the application a statement that the application is for registration without regard to the graphical form.
6	Concurrent registration of identical marks in cases of honest concurrent use	Y	s12(1)		
7	Renewable indefinitely	NA		r26	r26 deals with renewals. No mention made of trade marks being renewable indefinitely.
OPPOSITION PROCEDURE					
	Available either pre-registration or	Y (pre-reg)	s42	r12(1)	Available within 3 months of

	within 3 months of registration				publication prior to registration.
	<u>REVOCAION AND INVALIDITY PROCEEDINGS AND REGISTRY/REVIEW PROCEDURES</u>				
9.1	Revocation and invalidity proceedings to be available at any time by any interested party	NA	ss50(1), 51(1)	r30	ss50(1),51(1) revocation/invalidity proceedings may be brought by any person. No mention of time constraints for doing so.
9.	<u>INFRINGEMENT</u>				
9.1	Identical marks for identical goods/services amounts to infringement – no need to show confusion	Y	s17(1)		
9.2	Requirement to prove likelihood of confusion in other circumstances	Y	s17(2),(3)		
9.3	For well-known marks, use amounts to infringement in relation to dissimilar goods/services where the use takes advantage of, or is detrimental to, the distinctive character or repute of the well-known mark.	Y	ss17(4), 11(4)		Protection extends to marks with a reputation in Hong Kong, not just to well-known marks. S11(4) prevents registration of marks in these circumstances
11.	<u>REMEDIES</u>				
	Provisional and final remedies should be made available by adopting Part III of TRIPS as a minimum standard.				
	- Civil and administrative sanctions (Arts. 31 – 50)	Y(limited)	ss20-24		Same civil remedies apply to trade mark infringement as to other types of property right infringement. Order for delivery up available. Limitation period of 6 years. Order for disposal available
	- Border measures (Arts. 51 - 60)	NA			No provision for border protection
	- Criminal sanctions (Art. 61)	N	s93(3)		Criminal sanctions apply to matters other than those outlined in Art. 61 TRIPS
	This minimum standard should be exceeded as follows:				

11.1	Decisions on merits of cases should be reasoned and in writing	Y		r58(3)	Registrar to send written notice of any decision to parties involved. If a statement of the reasons for the decision is not included in the notice, any party may within one month of the decision request a statement of the reasons.
	Parties to a dispute should be required to make disclosure sufficient to establish a prima facie case	NA			
13	Infringement victims to have absolute right to information re identity of infringers	NA			
14	Innocent infringers/government authorities not permitted to release infringing goods into marketplace	N	s90		Government has an unfettered right to dispose of or use forfeited articles
	Imprisonment/fines for wilful infringement	N			Criminal sanctions only apply to offences outlined in Section XII of the Bill (falsifying the Register, falsely representing a mark as registered and misusing the title "Trade Marks Registry)
	Search and seizure remedies to be available	N	s22 (delivery up); s23 (disposal)		No search and seizure remedies provided for, only delivery up and disposal
LICENSING AND ASSIGNMENT					
2.1	Licensing permissible.	Y	s31		Note ss 32,34,35
	Proprietor must be able to maintain control over use of marks.	NA			
2.2	Assignment permissible with or without goodwill of business	Y	s23(2)		Note s27(3),(4) Assignment is ineffective until an application for registration of a registrable transaction is made
GEOGRAPHICAL INDICATIONS					

13.1

There should be protection for geographical indications.

N

No provision, but under s50(2)(d) of the Bill, a mark is revocable the use of which is liable to mislead the public as to (*inter alia*) the geographical origin of the goods/services concerned

**Intellectual Property Department
response to comments
from various parties
(including INTA)
on the Second Draft
of the
Trademarks Bill**

19 April 1999

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

Our Ref. 本署檔號： SF to IPD/1008/7/1 VI

Your Ref. 來函檔號：

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19 April 1999

New Trade Marks Bill/Rules

On the 31st December 1998 the Intellectual Property Department issued a further draft of the Bill (Draft 2) and the Rules (Draft 1).

We received many responses and we have amended the Bill in the light of them. The Bill is due to be published in the Government Gazette on the 16th April 1999 (“the Blue Bill”). I now attach:

- (i) A Global Summary of the Responses (marked “A”) received in respect of the Bill (Draft 2) which also incorporate IPD’s views on the Responses received. Where necessary, reference has been made to the relevant section in the Blue Bill.
- (ii) A summary of the more important differences between the Bill (Draft 2) and the Blue Bill (marked “B”).

A copy of the Blue Bill can be obtained from the Government Printer at 14th Floor, Cornwall House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. IPD will be putting up the Blue Bill on the Internet as soon as it can. Our website is : <http://www.houston.com.hk/hkgipd/>.

The Trade Marks Rules are still being considered. IPD will try to provide you with a Global Summary regarding the Rules as soon as possible.

Please note that the Government intends to present the Bill to the Legislative Council on 5th May 1999.

Should you have any queries please telephone Mr R J Perera at 2961-6808 or Ms Lily Chan at 2961-6886.

Yours sincerely,

(Stephen Selby)
Director of Intellectual Property

Encls.

**IPD’s Response to Comments on Second
Draft of the Trade Marks Bill
of 31 December 1998**

Consultees

- Asian Patent Attorneys Association (“APAA”) - Letters dated 25 Jan 1999 and 2 Mar 1999
- Consumer Council (“CC”) - Letter dated 12 Feb 1999
- Hewlett Packard Asia Pacific Ltd. (“HP”) - Letter dated 25 Jan 1999
- Hong Kong Bar Association (“Bar”) - Letter dated 12 Feb 1999
- Hong Kong Productivity Council (“HKPC”) - Letter dated 25 Jan 1999
- International Trademark Association (“INTA”) - Letter dated 27 Jan 1999
- Law Society (“LS”) - Letter dated 25 Jan 1999 and two subsequent submissions on the Trade Marks Bill.
- The Chinese General Chamber of Commerce (“CGCC”) - Letter dated 1 Mar 1999
- The Hong Kong Association of Banks (“HKAB”) - Letter dated 29 Jan 1999
- The Hong Kong Institute of Trade Mark Practitioners (“ITMP”) - Letter dated 1 Feb 1999
- Swiss Business Council in Hong Kong (“SBC”) - Letter dated 23 Mar 1999

References and abbreviations

- “Blue Bill” - the Trade Marks Bill to be gazetted.
- “Blue Rules” - the Draft Trade Marks Rules to be gazetted.
- “TM Bill” - Trade Marks Bill (2nd Draft of 31 Dec 1998)
- “TM Rules” - Draft Trade Marks Rules (1st Draft of 31 Dec 1998)
- “TMO” - Trade Marks Ordinance (Cap. 43)
- “WTO Amendments Ordinance 1996” - Intellectual Property (World Trade Organization Amendments) Ordinance 1996

<u>Section 2 - Interpretation</u>	
ITMP	: ”Association” - needs specific definition
	: ”collective mark” – reference to S. 60(1) to be amended to S. 59
HKAB	: ”Association” – incorporated association not included?
IPD	: <i>The definition of “Association” has been deleted in the Blue Bill.</i>

	:	<i>The reference to “S. 60(1)” in the definition of “collective mark” has been amended to “S. 59(1)”. (Please see S. 2 of the Blue Bill)</i>
<u>Section 3 – Meaning of Trade Mark</u>		
LS	:	S. 3(1) - Will not pursue its suggested wording “anything capable of being recorded in permanent form” but is interested to know IPD’s reasoning for insisting its wording.
IPD	:	<i>The words “capable of being represented graphically” are in the current law and are retained because they have been widely used by common law jurisdictions which have reformed their law.</i> <i>The words “capable of distinguishing” express the main criteria. They are emphasized by appearing first.</i> <i>Marks are to be represented graphically so that difficulties of making shape, sound and smell marks available for inspection do not arise.</i> <i>As a grammatical point, the words “which is” are added before “capable”.</i>
LS	:	S. 3(2) – why “a combination of colours”. The description is misleading. Should delete “a combination of”.
IPD	:	<i>The words “combination of colours” appear in the current law as amended by the WTO Amendments Ordinance 1996. Please see S. 2(1) of the existing TMO. They do not preclude a single colour from being registered as a trade mark.</i>
ITMP	:	S. 3(2) - “combination of colours”, “combination of signs” too restrictive.
IPD	:	<i>See answer above to LS.</i>
HKAB	:	S. 3(2) – are single colours registrable?
IPD	:	<i>Single colours are registrable.</i>
INTA	:	Should specifically include sound, smell and taste marks.

IPD	:	<i>The use of the word “sign” in Section 3(1) is wide enough to include sound, smell and taste marks. However, use will be required to enable such marks to be registered.</i>
CC	:	Concerned with broader category of registrable marks which will lead to monopolies.
IPD	:	<i>There will only be a small number of cases where smell and sound marks would have acquired distinctiveness for the purpose of registration in HKSAR. HKSAR needs to keep up with developments in other countries such as the United Kingdom, Ireland, United States, Australia, New Zealand.</i>
<u>Section 4 – Meaning of “well known trade mark”</u>		
LS	:	Why well known in Hong Kong? Does not favour laying down any specific criteria for assessing “well known” in addition to the simple reference.
IPD	:	<i>This section is based on Article 6bis of the Paris Convention where the wording used is “well known in that country”. For this reason the words “Hong Kong” are retained. Hong Kong will not be laying down any criteria for well-known marks as this has not been finalised by the World Intellectual Property Organization.</i>
LS	:	Why is right of abode confined to Hong Kong?
IPD	:	<i>The words “right of abode” are now limited to “Hong Kong” as it is probably the only jurisdiction to which a right of abode has application.</i>
INTA	:	Should broaden criteria for “well known”.
IPD	:	<i>This section is based on Article 6bis of the Paris Convention where the wording used is “well known in that country”. It is difficult to broaden the criteria for what is well known if they are not tied in with being well known in the HKSAR.</i>
HP	:	Inadequate since not covering non-similar goods or services.
IPD	:	<i>HKSAR does not see the need to go beyond what is required by Article</i>

		<i>6bis of the Paris Convention which only stipulates identical or similar goods.</i>
<u>Section 5 - Meaning of “earlier trade mark”</u>		
LS	:	S. 5(3) - “good faith” is wider than “honest use”. Wants to use “bona fide”.
IPD	:	<i>”In good faith” is the accepted term for “bona fide” (which is the term used in the UK Trade Marks Act 1994). As a drafting practice, English terms are preferred to Latin. Hong Kong is not alone in this. For example, the UK Supreme Court Rules which come into effect on 26 April 1999 have abandoned Latin terms such as ex-parte, inter partes, etc.</i>
<u>Section 6 - References to use of trade mark or sign</u>		
HKAB	:	Welcomed this clause.
<u>Section 7 - Reference to use likely to cause confusion</u>		
LS	:	Does this section cover confusion as to origin? The test of “likelihood of association” should remain and be left to the court to interpret.
IPD	:	<i>This section codifies the interpretation of “confusion” in Wagamama V City Centre Restaurants Plc. [1995] FSR 713, as confirmed in Sabel (EJC Judgment 1997). It states the “classic definition” of infringement, where there must be confusion.</i> <i>Even if the Benelux view to the contrary eventually prevails in Europe, we feel that likelihood of association is a relevant factor in determining whether there is confusion.</i>
ITMP	:	Welcomed this clause. In line with UK case law.
<u>Section 10 – Absolute grounds for refusal of registration</u>		
LS	:	S. 10(1)(c) - to add “or business” after “trade”.
IPD	:	<i>The words “or business” have been added after “trade”. Please see S. 10(1)(c) of the Blue Bill</i>

LS	:	S. 10(3) – registrability of “shape” is determined by distinctiveness, not substantial value of goods.
IPD	:	<i>The words “the shape that gives substantial value to the goods” is in the current law, as amended by the WTO Amendments Ordinance 1996, and we would be reluctant to cut it out.</i>
ITMP	:	S. 10(1)(b) – Where does “devoid of distinctive character” come from? “Capable of distinguishing” is adequate.
IPD	:	<i>This wording comes from S. 3(1)(b) of the UK Trade Marks Act 1994, and has been the subject of interpretation by the UK courts in the “Treat” Case.</i>
INTA	:	Add express presumption of registrability.
IPD	:	<i>The intention of the new law is to make registration easier. No change is required.</i>
CC	:	Concerned with no guideline on how the Registrar will exercise his power under S. 6(6) of the Bill (1st Draft 1997) and now found in S. 11(8) of the Blue Bill. (See para. 4 of CC’s letter of 23 June 1997.) Suggests that IPD issues Guidelines or Circulars.
IPD	:	<i>This is noted.</i>

Section 11 – Relative grounds for refusal registration

LS	:	S. 11(7) - the word “to” should be added before “those goods or services”.
ITMP	:	same as LS.
IPD	:	<i>This has been amended. Please see S. 11(7) of the Blue Bill.</i>
CGCC	:	S. 11(1)(2)(3)(4) - wordings are similar and repetitive. Should redraft.

IPD	:	<i>This section is drafted to cater for four different situations depending on whether the trade mark and the goods or services for which registration covers are identical or similar, or not identical or similar. This is modelled after S. 5 of the UK Trade Marks Act 1994. The format has been re-arranged for clarity.</i>
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Section 16 - References to infringing goods materials or articles

Section 17 – Infringement of registered trade mark

LS	:	S. 16(3)(a)(iii) and S. 17(6)(b) - presumably “paper” covers conventional printed matter. Suggested to have a specific section on infringement in electronic, digital and other forms.
IPD	:	<i>“Paper” is intended to cover conventional printed material.</i>
	:	<i>“No specific provisions on infringement in electronic digital or other forms have been put in. The wording in the Blue Bill is wide enough to embrace these forms. IPD believes that the word “use” is broad enough to cover use in an electronic or digital context.”</i>
LS	:	S. 16(4) and S. 17(6) - onus on proving knowledge is on the owner. Different from old copyright law.
IPD	:	<i>IPD notes what LS says about the old copyright law, which has, however, been superseded by the new Copyright Ordinance. (See S. 30, 31, 32) Under these sections the plaintiff has to prove on the balance of probability that circumstances are such that any reasonable defendant would have reason to believe that he was dealing with an infringing copy.</i> <i>The test for liability is whether the third party “knew or had reason to believe” that the application of the trade mark was unauthorised. This covers actual knowledge and by analogy with the similar standard of knowledge required for secondary infringement of copyright under the U.K. Copyright, Designs and Patents Act 1988, knowledge which the circumstances surrounding the application of the mark, would suggest to a person of the defendant’s calling. (See P. 158 Blackstone’s Guide to the Trade Marks Act 1994.)</i> <i>There is no difference between the copyright provisions and the provisions of the Blue Bill. (S. 16(4) and 17 (b))</i>

LS	:	S. 17(5)(g) - objects to “uses”. Suggested “directs the sign to appear on business papers [documents?] or in advertising.”
IPD	:	<i>”Uses” is intended to have a wide meaning. Repetition of the word “uses” occurs also in the UK Trade Marks Act 1994.</i>
ITMP	:	S. 16(2)(a) - potential loophole.
	:	S. 16(5) - why is this section needed in Hong Kong?
IPD	:	<i>S. 16(2)(a) is not a loophole. The situation referred to by ITMP is covered by S. 16(2)(b). See S. 16(2)(b) of the Blue Bill, which is the same as S. 16(2)(b) of the TM Bill.</i>
	:	<i>S. 16(5) ties in with S. 18(5) and (6) of TM Bill and covers parallel imports which can be legitimately brought into HKSAR. In that circumstance, no infringement action can be brought. S. 18(5) and (6) of the TM Bill is now to be found in S. 19 of the Blue Bill.</i>
Bar	:	S. 16(5) - no meaning since Hong Kong is different from European Community.
	:	S. 16(2) - defined “infringing goods” for delivery up and disposal under S. 21 and 23. No use if S. 16(2)(b) only applied to goods outside Hong Kong.
IPD	:	<i>S. 16(5) ties in with S. 18(5) and (6) of the TM Bill and covers parallel imports which can be legitimately brought into HKSAR. In that circumstance, no infringement action can be brought. (It should be noted that S. 18(5) and (6) of the TM Bill has been amended. The new section is S. 19 of the Blue Bill.)</i>
	:	<i>Kitchin & Mellor P. 26/55 states that the U.K. equivalent (S. 17(2) of the U.K. Trade Marks Act 1994) contemplates that goods may constitute infringing goods even though they may never have been in the jurisdiction at all. For example, they may be bound for the U.K. on the high seas. So it appears that it may be possible to secure, for example, an order for delivery up against a shipper without there even having been an act of infringement in the U.K.</i>
ITMP	:	S. 17(2)(b) and S. 17(3)(b) - will UK decisions on “likelihood of

confusion” be followed?

<p>IPD</p> <p>HKAB</p> <p>IPD</p>	<p>: S. 17(4)(b) - wants clarification on “goodwill”.</p> <p>: S. 17(6) - “apply” should be amended to “be applied”.</p> <p>: <i>It will be for the courts of HKSAR to interpret S. 17(2)(b) and S. 17(3)(b). The courts will no doubt be mindful of UK decisions on UK equivalent provisions.</i></p> <p>: <i>S. 17(4)(b) is based on S. 10(3) of the UK Trade Marks Act 1994. In <i>Kitchin & Mellor P. 26-42</i>, it was said that “Reputation is a concept which is distinct from that of goodwill and does not necessarily require any use in the UK to support it”. <i>Kitchin</i> goes on to say that:</i></p> <p><i>(i) No requirement for reputation to be sufficient to support passing off.</i></p> <p><i>(ii) Any genuine commercial use will establish some reputation.</i></p> <p><i>(iii) Presumably reputation must exist at date of alleged infringement.</i></p> <p>: <i>It is not necessary to amend “apply”.</i></p> <p>: S. 17 - Creates obligation on innocent third parties.</p> <p>: S. 17(6) - “Reason to believe” – meaning not clear.</p> <p>: <i>The test for liability is whether the third party “knew or had reason to believe” that the application of the trade mark was unauthorised. This covers actual knowledge and, by analogy with the similar standard of knowledge required for secondary infringement of copyright under the U.K. Copyright, Designs and Patents Act 1988, knowledge which the circumstances surrounding the application of the mark would suggest to a person of the defendant’s calling. (See P. 158 Blackstone’s Guide to the Trade Marks Act 1994.)</i></p>
<p><u>Section 18 – Exceptions to infringement</u></p>	
<p>LS</p> <p>APAA</p> <p>Bar</p> <p>CC :</p>	<p>: S. 18(5) - add in “Hong Kong” after “on the market”.</p> <p>: S. 18(5) ambiguous. Does not preserve existing law.</p> <p>: If international exhaustion is intended, should add “in Hong Kong or elsewhere” after “on the market”.</p> <p>: Need to define “put on the mark” and “consent”. Prefer no restriction on parallel import.</p>

IPD	:	<i>Hong Kong intends to adopt the international exhaustion approach. Please see S. 19 of the Blue Bill.</i>
ITMP	:	S. 18(2) - add “save where the latter registered trade mark is subsequently declared invalid” at the end.
	:	S. 18(4) - add “provided that the use qualified the mark for registration under S. 12” at the end.
	:	S. 18(5) - to clarify “market”.
IPD	:	<i>S. 18(2) - The UK equivalent is S. 11(1) of the UK Trade Marks Act 1994, which referred to S. 47(6) of the UK Act (declaration of invalidity). Please see S. 18(2) of the Blue Bill which has been amended to refer to S. 51(9).</i>
	:	<i>S. 18(4) - “Hong Kong” has been added after “so used”. Please see S. 18(4) of the Blue Bill. It is not thought necessary to import the concept of honest concurrent use in the concept of prior rights. This did not appear in the existing TMO (see S. 33 of TMO).</i>
	:	<i>S. 18(5) - see IPD’s answer above and S. 19 of the Blue Bill.</i>
<u>Section 19 – Comparative advertising</u>		
ITMP	:	Will UK decisions be followed?
IPD	:	<i>UK cases on S. 10(6) of the UK Trade Marks Act will be of persuasive value.</i>
HKAB	:	S. 18 and 19. These provide defences to infringement in certain circumstances provided the use of the trade mark is “in accordance with honest practices in industrial or commercial matters”. The inclusion of this phrase promotes uncertainty and adds little to the clauses which it is intended to qualify. The provision is superfluous and should be deleted.
IPD	:	<i>The relevant provisions are to be found in S. 18(3) and 17(7) of the Blue Bill. These provisions protect vested rights and the use of mark on spare parts. Such use can only be permitted if the use is honest in the industrial or commercial context. This will be for the courts to decide</i>

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Bar	:	Title “comparative advertising” not appropriate.
IPD	:	<i>S. 19 of TM Bill has now been moved to S. 17(7) of the Blue Bill.</i>
<u>Section 23 - Order for disposal</u>		
LS	:	S. 23(3)(4) - why was order for erasure deleted? What is the rationale behind S. 23(3)(4) and where was the wording taken from?
	:	S. 23 (3)(c) - if licensees do not have a right of action, should they have a remedy such as was provided in S. 23 (3)(c)?
IPD	:	<i>An order for erasure was deleted to comply with Article 46 of the TRIPs Agreement and S. 23 (3) and (4) were adjusted accordingly. (Note the express wording of Article 46 regarding the proportionality between the seriousness of the infringement and the remedies ordered, the interests of third parties, and the release of goods into the channels of commerce. (See answers to ITMP below.)</i>
	:	<i>S. 23(3)(c) - if licensee does not have a right of action, he should not have a remedy. No amendment is required as this section does not give the licensee any remedy. In any event, licensees’ interests are covered under S. 23 (3) (b).</i>
	:	<i>“Compensation” is inconsistent with S. 27(4)(a).</i>
ITMP	:	Why delete order for erasure?
	:	S. 23(3)(b) - why third party interests?
	:	S. 23(4)(a) - why needed?
IPD	:	<i>An order for erasure was deleted to comply with Article 46 of the TRIPs Agreement.</i>
	:	<i>S. 23(3)(b) - third party interests were introduced because of Article 46 of the TRIPs Agreement.</i>
	:	<i>S. 23(4)(a) - this provision is introduced based on Article 46 of the TRIPs Agreement.</i>
Bar	:	S. 23(4)(a) - should not be restrictive on the court. Suggested to amend

	S. 23(4)(b).
IPD	: <i>S. 23(4) was drafted on the basis of Article 46 of the TRIPs Agreement.</i>
<u>Sections 20-24, 93</u>	
INTA	: Should add further civil and criminal remedies in accordance with Part III of TRIPs.
:	S. 22-23 – Add delivery up and disposal, search, seizure.
IPD	: <i>Please refer to the Trade Descriptions Ordinance (Cap. 362).</i>
<u>Section 24 – Proceedings for relief from groundless threats of infringement proceedings</u>	
LS	: Objects strongly to threats action. If retained, legal practitioners should be exempted from liability.
APAA	: Threats action not necessary.
IPD	: <i>Provisions similar to S. 129(5) of the Australian Trade Marks Act 1995 have been added. Please see S. 24(6) of Blue Bill. IPD does not agree that there should be exemptions for solicitors and barristers. If they were exempted, why should trade mark agents not be exempted? There would then be difficulties as to who is a trade mark agent. See Art. 8(2) of TRIPs in respect of appropriate measures to prevent the abuse of intellectual property rights by right holders. The LS has mentioned trade libel, slander of title and malicious falsehood. However, the element of malice is at the core of these torts and having to prove this element “greatly reduces the impact of the tort since in many cases a defendant will be able to claim accidental mistake rather than deliberate malice as the reason for the false statement”. (Intellectual Property Law, Holyoak & Torremans, page 376)</i>
<u>Section 27 - Registration of transactions affecting registered trade mark</u>	
LS	: S. 27(4)(a) - time should begin on the later of (i) the date of document; or (ii) effective date of transaction.
IPD	: <i>Amendments similar to S. 25(4) of the UK Trade Marks Act 1994 have been made. Please see S. 27(4)(a) of the Blue Bill.</i>

<u>Section 28 – Trust and equities</u>	
LS	: Delete.
:	Amend S. 27(2)(c) - “the granting of any interest over a registered trade mark or any right in or under it.”
IPD	: <i>The register of trade marks is a record of commercial interests. As a basic premise, the Registrar should not be concerned with non-commercial equitable interests. Registration of the legal title in the name of a trustee is permissible. The Registrar should not be concerned with the beneficiaries of a trust. IPD proposes no amendment.</i>
HKAB	: Welcomed S. 28(3).
<u>Section 31 - Licences may be general or limited</u>	
INTA	: Licensors should maintain control.
IPD	: <i>Licensors will maintain control. Otherwise, the owner’s registered trade mark will become vulnerable under S. 50(2)(c)(d) of TM Bill.</i>
HP	: No comprehensive registration system for trade mark licences and registered users.
IPD	: <i>Please see S. 27 of the Bill Blue, which is the same as S. 27 of TM Bill except for changes made to S. 27(4)(a).</i>
<u>Section 33 - Rights of licensees generally</u>	
<u>Section 35 - Rights of sub-licensees under certain exclusive licences</u>	
LS	: S. 33(3)(b) and S. 35(3)(b) - two months too long. Should be one month. Same applies to Sch. 2, 12(3) for collective marks.
IPD	: <i>“One month” has been substituted for “two months”. Please see S. 33(3)(b) and S. 35(3)(b) of the Blue Bill.</i>
<u>Section 36 – Application for registration</u>	

LS	:	S. 36(6) repeats S. 36(2)(e). To delete.
IPD	:	<i>S. 36(6) has been deleted.</i>
ITMP	:	S. 36(2)(e) - clarify what other document or information required.
	:	S. 36(6) - too vague.
HKAB	:	S. 36(2)(e) superfluous and contradicts with S. 36(6)
IPD	:	<i>S. 36(6) has been deleted.</i>
<u>Section 38 - Classification of goods and services</u>		
HKPC	:	S. 38(1) - need to specify that it is the Nice classification since Sch. 3 of the TM Rules is too general.
IPD	:	<i>This is not necessary. Under S. 38(1), goods and services shall be classified according to a “prescribed” system. The prescribed system is the Nice classification, which will be replicated in the Rules.</i>
<u>Section 40 - Examination of Application</u>		
ITMP	:	S. 40(3) & (4) - no time limits mentioned.
APAA	:	S. 40(3) - lack of certainty. Wants existing Rules 18, 19 of the current Trade Marks Rules.
HKAB	:	S. 40(3) - no time limits specified.
	:	S. 40(6) - welcomed.
IPD	:	<i>Time limits will be provided in the IPD Work Manual. This will be the subject of discussion with the professions.</i>
<u>Section 42 - Opposition proceedings</u>		
LS & APAA	:	Extension of time should be granted on consent by both parties. Registrar should retain a general discretion. Strong reservation about HKSAR joining the Madrid system. The Registrar should retain discretion until HKSAR joins the Madrid system.

IPD	:	<i>Not agreed. The notice of opposition and counter-statement are simple documents which should not take a long time to file. Three months is sufficient. Time limits to file evidence are extendible.</i>
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Section 44 - Amendment of application

LS	:	S. 44(3) – why amendment of representation of trade mark deleted.
	:	S. 53 – prefers S. 51 TMO wording.
IPD	:	<i>S. 44(2) of the TM Bill will cater for the majority of requests for amendment. No change is proposed. Please see S. 44(2) of the Blue Bill.</i>
HKAB	:	S. 44(2) - welcomed.

Section 48 - Renewal of registration

LS	:	Registrar should have discretion to restore unless there are intervening rights or applications.
IPD	:	<i>The registered owner has effectively more than 12 months to renew / restore. No change is proposed.</i>

Section 50 - Revocation of registration

LS	:	S. 50 (2)(a) – no need for examples.
IPD	:	<i>The examples of valid reasons are simply examples and they are stated in Article 19 of the TRIPs Agreement. No change is proposed.</i>
HKAB	:	May increase revocation/invalidity cases filed against competitors.
IPD	:	Noted.

Section 53 - Alteration of registered trade mark

LS & APAA	:	Prefers the wording of S. 42 of 1st Draft Consultation Bill.
IPD	:	<i>No change is proposed. (See S. 44 of the UK Trade Marks Act 1994 and S. 20 of the Singapore Trade Marks Act 1998). According to IPD's records, the types of alterations to registered trade mark allowed in the past have been extremely narrow. In any event, this section must be read in the light of S. 50(3)(a) of the Blue Bill.</i>
<u>Section 61 - Well known trade marks: Article 6bis of Paris Convention</u>		
INTA	:	Protection of well known marks should apply irrespective of confusion.
IPD	:	<i>Article 6bis of the Paris Convention specifically refers to confusion. No change is proposed.</i>
<u>Section 69 - Registrar's powers in proceedings before the Registrar</u>		
LS	:	S. 69(1)(d) - no need process of discovery. Proposed "require the production and inspection of original documents or articles".
IPD	:	<i>S. 69(1)(d) of TM Bill is deleted. The power to require the production and inspection of original documents or articles is substituted for power to order discovery. Please see S. 69(1)(c) of the Blue Bill.</i>
<u>Section 73 - Information about applications and registered trade marks</u>		
HKAB	:	Should have specific provision for proprietor index search.
IPD	:	<i>This will be provided in the Trade Marks Rules. No change is required.</i>
APAA	:	Why public inspection by uninterested parties?
IPD	:	<i>This is required in the interest of transparency.</i>

<u>Section 74 - Immunity of Registrar as regards official acts</u>	
LS	: Why “Registrar acting dishonestly” deleted?
IPD	: <i>Where the Registrar or other officer acts dishonestly, it is clear that he can have no immunity. No change is proposed.</i>
<u>Section 77 - Application of rules of evidence</u>	
ITMP	: Registrar should be bound by rules of evidence.
IPD	: <i>The Registrar does not want to be bound by St. Trudo Trade Marks (1995) FSR 345 which is unacceptably inflexible. No change is proposed.</i>
<u>Section 80 - Certificate of validity of contested registration</u>	
LS	: S.80(2) - costs should be “solicitor and own client basis”.
IPD	: <i>Costs on an indemnity basis is consistent with Order 68 of the Rules of High Court. The Secretary for Justice is also of the view that this is the appropriate cost basis. Section 84(2) of the Patents Ordinance adopts the same cost basis.</i>
:	: <i>IPD agrees to add the words “on the same or substantially the same grounds” to subsection (a). Please see S. 80(2)(a) of the Blue Bill.</i>
APAA	: Type of cost should be at Registrar’s discretion. Need not specify.
IPD	: <i>See answer to LS above.</i>
<u>Section 81 - Burden in civil proceedings of proving use of trade mark</u>	
LS	: Majority of members of the Law Society favours onus on owner to prove use.
IPD	: <i>S. 81 will be retained. Support was also received from ITMP.</i>
<u>Section 85 - Costs of proceedings before the court</u>	

ITMP	:	Costs should be made available against Registrar if appeal is successful.
IPD	:	<i>The Registrar acts in a judicial capacity. In no instance is costs awarded against any judge or tribunal.</i>
<u>Section 86 – Costs of proceedings before the Registrar</u>		
LS & APAA	:	Should include Registrar’s power to order security for costs in the Ordinance, and should only be awarded if applied by a party (S. 56 of TM Rules).
IPD	:	<i>This section has been amended to include power to order security for costs. Please see S. 86(3) of the Blue Bill.</i>
<u>Section 87 - Recognition of agents</u>		
ITMP	:	Wants to set up a register of trade mark attorneys.
LS & APAA	:	S. 87(2) – Favours establishment of a register of trade mark agents or attorneys.
IPD	:	<i>As no system has yet been established to determine qualification for trade mark agents, this matter should be left for future discussion. LS’s proposal to study and propose appropriate qualifying criteria for trade mark agents is noted.</i>
<u>Section 89 - Hours of business and business days</u>		
HKAB	:	Extend acceptance of documents to mid-night.
IPD	:	<i>Noted.</i>
ITMP	:	Saturday being an open day is not in line with international practice. : Extend acceptance of documents to mid-night.
IPD	:	<i>In the HKSAR, most institutions are opened on Saturdays. IPD also opens on Saturdays. See also Sections 79 and 80 of the Singapore Trade Marks Act 1998. No change is proposed.</i>

<u>Section 96 - Offences committed by and proceedings relating to corporations</u>		
ITMP	:	S. 96(3) - definition of “director” should follow the Companies Ordinance.
IPD	:	<i>Neither the Registered Designs Ordinance nor the Patents Ordinance follows the Companies Ordinance. No change is proposed.</i>
<u>Schedule 1 – Paris Convention Countries and WTO Members</u>		
LS	:	Typo - “Georgia”, add “Zaire”.
IPD	:	<i>This schedule is deleted from the Blue Bill. Please see S. 91 of the Blue Bill which provides for regulations to be made by the Chief Executive in Council to designate Paris Convention Countries and WTO members.</i>
<u>Schedule 3 - Certification Marks</u>		
LS	:	S. 12 – why was LS’s proposal to regulate circumstances under which the Registrar may withhold consent not accepted?
IPD	:	<i>Provisions on certification marks are now contained in Schedule 2 of the Blue Bill. IPD does not advocate regulating the circumstances in which the Registrar could withhold consent because flexibility would be lost</i>
<u>Schedule 4 - Transitional Matters</u>		
ITMP	:	Prefers compulsory conversion, similar to Australia.
IPD	:	<i>The Australian compulsory conversion system was considered. However, the Secretary for Trade and Industry was of the view that it is more important to give applicants the freedom of choice particularly where the new trade marks law is so different from the old. Provisions on transitional matters are now contained in Schedule 3 of the Blue Bill.</i>
<u>General/Miscellaneous suggestions made by consultees</u>		
INTA	:	Add border measures

: Add geographical indications

IPD	:	<i>Please see Trade Descriptions Ordinance (Cap. 362).</i>
	:	<i>HKSAR protects geographical indications by way of certification and collective marks.</i>
HP	:	To codify Canon Kabushiki Kaisha V Green Cartridge.
IPD	:	<i>This is a patent case and therefore will not be applicable.</i>
SBS	:	Should not introduce new law too hastily.
	:	Highly recommend HKSAR Government to become a member of Madrid system.
IPD	:	<i>Consideration for a new Trade Marks Bill was first mooted in 1993 with the issue of a Consultation Paper. A first draft of the Trade Marks Bill was sent out for consultation in February 1997. A second draft of the Bill was sent out for consultation in December 1998. The new law is not being hastily introduced.</i>
	:	<i>The existing TMO, although updated by the WTO Amendments Ordinance 1996, needs to be modernized in view of international developments.</i>
	:	<i>Recommendation on HKSAR joining Madrid is noted.</i>
CGCC	:	IPD should look at trade marks ordinance of Europe and the United States to provide protection for local enterprises.
IPD	:	<i>Europe and the United States have different trade mark systems. The TM Bill and now the Blue Bill had been prepared based on the UK Trade Marks Act 1994 with reference to and comparison made with trade mark laws of Commonwealth countries such as Singapore, India, Ireland, Australia and South Africa.</i>

**Major Amendments to
Trade Marks Bill (Blue)**

<u>Sections</u> (in Blue)	<u>Sections</u> (in Draft 2,31.12.98)	
2(1)	2(1)	: Note changes to definitions for “Paris Convention”, “Paris Convention Country”, “WTO member” and deletion of definitions for “assignee” and “association”.
2(2)	-	: Definition of “applied” added.
9(3)	-	: The Bill to bind public bodies.
10(1)(c)	10(1)(c)	: The words “or business” have been added.
13(2)	13(2)	: Note that S.19 deals with exhaustion of rights.
17(6)	17(6)	: The words “causes to apply” amended to “causes to be applied”.
17(7)	19	: This deals with comparative or other advertising.
18(2)	18(2)	: Note reference to S.51(9) is added.
19	18(5)(6)	: Deals with Exhaustion of Rights.
21(1)	21(1)	: The words “trade or” have been added.
24(1)	24(1)	: Note the addition of “threatened person” and “plaintiff”.
24(6)	-	: Groundless threats: this is new.
27(4)	27(4)	: Amended to refer to the date of transaction (of S.25(4) UK Act 1994).
33(3)(b)	33(3)(b)	: Amended to refer to “1 month”.
35(3)(b)	35(3)(b)	: Amended to refer to “1 month”.
36	36	: Note 36(6) of the Bill [31/12/98 Draft 2]

- has been deleted.
- 39(1)(3)(4)(5)(9) 39(1)(3)(4)(5)(9) : The word “protection” has been deleted. This section now refers to application for the “registration of a trade mark”.
- 45(3) - : This is added to provide for publication in the official journal.
- 59(2) 59(2) : The reference to Schedule 2 has been amended to Schedule 1.
- 60(2) 60(2) : The reference to Schedule 3 has been amended to Schedule 2.
- 64(1)(2) 64(1)(2) : Proper reference is made to World Intellectual Property Organisation.
- 69(1)(c) 69(1)(d) : S.69(1)(c) and (d) are deleted. See new S.69(1)(c) which refers to inspection of documents.
- 71(5) - : This is new. It provides that publication need not be in a documentary form.
- 75(3)(b) 75(3)(b) : “Penalty fee” has been amended to “prescribed fee”.
- 80(2)(a) 80(2)(a) : Insertion of “on the same or substantially the same grounds”.
- 83(2) 83(2) : Amendment for hearing to be in public unless the court otherwise directs. This flows from Article 39 of Basic Law and Article 14 of the International Covenant on Civil and Political Rights. Hearing before Tribunal/Court should be in public.
- 86(3) - : This is added to deal with security of costs.
- 88 : S.88 has been deleted. See new S.90(5)(6) and (7).
- 90 91 : Note 90(2)(d), (e), (i), (l), (o)

90(5)(6)(7) - : These are introduced in place of S.88.

91 92 : This has been drafted to enable the Chief Executive to designate by regulation countries acceding to the Paris Convention/WTO Agreement. Schedule 1 of the previous Draft Bill [31/12/98 Draft 2] has now been deleted.

98 99 : This deals with Repeals.

Schedule 1
Collective Marks

3(1) 3(1) : The words “or business” have been added.

12(3)(b) 12(3)(b) : Amended to refer to “1 month”.

Schedule 2
Certification Marks

3(1) 3(1) : The words “or business” have been added.

4 4 : The words “trade or” have been added.

Schedule 3
Transitional Matters

1(4)(a) to (d) 1(4)(a) to (d) : References have been made to “commencement date”.

2(1) 2(1) : The last sentence has been amended to “shall be deemed to be registered under this Ordinance”.

8(6) 8(6) : The words “on or” inserted “before after date”.

10(5) 10(5) : The reference to S.91 has been amended to S.90.

16(2) 16(2) : Note drafting changes made.

18(1) 18(1) : The reference to Schedule 3 has been

amended to Schedule 2.

Schedule 4
Consequential
and Related
Amendments

: Please note that this did not appear in the previous Draft Bill [31/12/98 Draft 2].

World Intellectual Property Organization

**Standing Committee on the Law of Trademarks,
Industrial Designs and Geographical Indications
(SCT)**

Provisions of Well Known Marks

June 1999

WIPO

SCT/2/8

ORIGINAL: English

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**WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA**

**STANDING COMMITTEE ON THE LAW OF TRADEMARKS,
INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS**

Second Session, Second Part

Geneva, June 7 to 12, 1999

**DRAFT PROVISIONS ON THE
PROTECTION OF WELL-KNOWN MARKS**

prepared by the International Bureau

INTRODUCTION

1. The present document contains draft provisions dealing with the protection of well-known marks, and accompanying notes. Previous drafts of the provisions have been considered by the WIPO Committee of Experts on Well-Known Marks (hereinafter referred to as the committee of Experts”), which has so far met in three sessions, from November 13 to 16, 1995 (see documents WKM/CE/I/2 and 3), from October 28 to 31, 1996 (see documents WKM/CE/II/2 and 3) and from October 20 to 23, 1997 (see documents WKM/CE/III/2 and 3), and by the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) at its first session (July 13 to 17, 1998) (see documents SCT/1/3 and 6), and at its second session, first part, (March 15 to 17, 1999)(see document SCT2/3 and 5). [The joint resolution and Articles 1 to 5 of the draft provisions were adopted by the SCT at its second session, first part. They are presented to the Standing Committee for consideration of the accuracy of the redrafting, on the understanding that they will not be reopened for substantive discussion.]

[2. As regards Article 6 of the draft provisions, the SCT had decided that the International Bureau would redraft Article 6 and, after having made a provisional draft of that Article available on the SCT Electronic Forum for further comments and discussion, would re-submit it to the Standing Committee in square brackets. It was further agreed that, at its second session, second part, the Standing Committee would take a final decision, without any further substantive amendment, whether it would recommend the redrafted Article 6 to the Assembly of the Paris Union and the WIPO General Assembly for adoption, or whether it would omit that Article from the proposed Joint Resolution.]

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Note on the Joint Resolution

R.1 The Resolution is intended to be adopted by the Assembly of the Paris Union and the General Assembly of WIPO, and is addressed to the Member States of the Paris Union or of WIPO, which are already bound by an international obligation to protect well-known marks, for example, under the Paris Convention itself or under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). In order for the Resolution to have the widest possible coverage, it is suggested that it also mention intergovernmental organizations having competence in the area of trademarks.

Joint Resolution

The Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO),

Recognizing that protection for well-known marks must be provided, under the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), by Member States of the Paris Union and of WIPO that are bound to apply the relevant provisions of those treaties, and by certain intergovernmental organizations;

Recommends to each such Member State to protect well-known marks in accordance with the provisions contained herein; and

Recommends, to each Member State of the Paris Union or of WIPO, which is also a member of an intergovernmental organization that has competence in the area of trademarks, to bring to the attention of that organization the possibility of protecting well-known marks in accordance, *mutatis mutandis*, with the provisions contained herein.

Notes on Article 1

1.1 *Items (i) and (ii)*. These items are self-explanatory.

1.2 *Item (iii)*. The legal nature of the “competent authority” will depend on the national system of a given Member State. The definition has been drafted broadly in order to accommodate all systems that exist in Member States.

1.3 *Item (iv)*. “Business identifiers” are signs which identify businesses as such, and not the products or services offered by the business, the latter feature constituting a pure trademark function. Signs that may constitute business identifiers are, for example, trade names, business symbols, emblems or logos. Some confusion as regards the functions of marks and business identifiers stems from the fact that, sometimes, the name of a company, i.e., its business identifier, is identical with one of the company’s trademarks.

[1.5 *Item (v)*. Internet “domain names” can be described as user-friendly substitutes for numerical Internet addresses. A numerical Internet address (also referred to as “Internet Protocol address” or “IP address”) is a numeric code which enables identification of a given computer connected to the Internet. The domain name is a mnemonic substitute for such an address which, if typed into the computer, is automatically converted into the numeric address.]

Article 1

Definitions

For the purposes of these Provisions:

(i) Member State means a State member of the Paris Union for the Protection of Industrial Property and/or of the World Intellectual Property Organization;

(ii) “Office means any agency entrusted by a Member State with the registration of marks;

(iii) “competent authority means an administrative, judicial or quasi-judicial authority of a Member State which is competent for determining whether a mark is a well-known mark, or for enforcing the protection of well-known marks;

(iv) “business identifier means any sign used to identify a business of a natural person, a legal person, an organization or an association;

[(v) “domain name means an alphanumeric string that corresponds to a numerical address on the Internet.]

Notes on Article 2

2.1 *Paragraph (1)(a)*. The owner of a mark, who intends to prove that the mark is well known, has to produce information that may support such a claim. Paragraph (1)(a) requires that a competent authority take into consideration any circumstances that are put forward in order to show that a mark is well known.

2.2 *Paragraph 1(b)*. By way of example, paragraph (1)(b) lists a number of criteria which, if submitted, must be considered by a competent authority. An authority is not allowed to insist on the presentation of any particular criteria; the choice as to what information is forwarded is left to the party requesting protection. The non-fulfillment of any particular criteria cannot in itself lead to the conclusion that a given mark is not well known.

2.3 *No. 1*. The degree of knowledge or recognition of a mark can be determined through consumer surveys and opinion polls. The point under consideration recognizes such methods, without setting any standards for methods to be used or quantitative results to be obtained.

2.4 *No. 2*. The duration, extent and geographical area of any use of the mark are highly relevant indicators as to the determination whether or not a mark is well known by the relevant sector of the public. Attention is drawn to Article 2(3)(a)(i), providing that actual use of a mark in the State in which it is to be protected as a well-known mark cannot be required. However, use of the mark in neighboring territories, in territories in which the same language or languages are spoken, in territories which are covered by the same media (television or printed press) or in territories which have close trade relations may be relevant for establishing the knowledge of that mark in a given State.

2.5 The term “use” is not defined. On the national or regional level, the question of what constitutes “use” of a mark usually arises in the context of acquisition of trademark rights through use, the invalidation of registrations for non-use, or the acquisition of distinctive character of a mark through use. However, for the purpose of the draft provisions, the term “use” should cover use of a mark on the Internet.

PART 1

DETERMINATION OF WELL-KNOWN MARKS

Article 2

*Determination of Whether a Mark is a
Well-Known Mark in a Member State*

(1) [*Factors for Consideration*] (a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

(b) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;

[Notes on Article 2(1)(b), continued]

2.6 *No. 3.* Although “promotion of a mark may well be considered to constitute use, it is included as a separate criterion for determining whether a mark is well known. This is mainly done in order to avoid any argument as to whether or not promotion of a mark can be considered to be use of the mark. Where an ever increasing number of competing goods and/or services are on the market, knowledge among the public of a given mark, especially as regards new goods and/or services, could be primarily due to the promotion of that mark. Advertising, for example, in print or electronic media (including the Internet), is one form of promotion. Another example of promotion would be the exhibiting of goods and/or services at fairs or exhibitions. Because the visitors at an exhibition may come from different countries (even if the access for exhibitors is limited to nationals from one country, for example, in the case of a national fair or exhibition), “promotion” in the sense of item (ii) is not limited to international fairs or exhibitions.

2.7 *No. 4.* The number of registrations of a mark obtained worldwide and the duration of those registrations may be an indicator as to whether such a mark can be considered to be well known. Where the number of registrations obtained worldwide is held relevant, it should not be required that those registrations are in the name of the same person, since in many cases a mark is owned in different countries by different companies belonging to the same group. Registrations are relevant only to the extent that they reflect use or recognition of the mark, for example, if the mark is actually used in the country for which it was registered, or was registered with a *bona fide* intention of using it.

2.8 *No. 5.* Due to the principle of territoriality, well-known marks are enforced on a national basis. Evidence of successful enforcement of the right to a well-known mark or of the recognition of a given mark as being well known, for example, in neighboring countries, may serve as an indicator as to whether a mark is well known in a particular State. Enforcement is intended to be construed broadly, also covering opposition procedures in which the owner of a well-known mark has prevented the registration of a conflicting mark.

2.9 *No. 6.* There exist a considerable variety of methods for trademark evaluation. This criterion does not suggest the use of any particular method. It merely recognizes that the value associated with a mark may be an indicator as to whether or not that mark is well known.

2.10 *Paragraph (1)(c)* makes it clear that the criteria listed under paragraph (b) do not constitute an exhaustive list, and that compliance or non-compliance with any of those factors cannot in itself be conclusive as to whether or not a given mark is well known.

[Article 2(1)(b), continued]

3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;

5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;

6. the value associated with the mark.

(c) The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in sub-paragraph (b), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in sub-paragraph (b), above.

[Notes on Article 2, continued]

2.11 *Paragraph (2)(a)*. This sub-paragraph recognizes that, as regards the knowledge of a given mark by the public, such knowledge may exist in relevant sectors of the public, rather than in the public at large. By way of example, three relevant sectors are described in items (i) to (iii). Items (i) to (iii) are of an illustrative nature, and relevant sectors of the public other than the ones described in those items may exist.

2.12 *Item (i)*. The expression “consumer” is to be understood in the wide sense of the term, and should not be restricted to those persons who actually and physically consume the product. In that respect, reference can be made to the term “consumer protection” which covers all parts of the consuming public. Because the nature of the goods or services to which a mark is applied can vary considerably, actual and/or potential consumers can be different in each case. Groups of actual and/or potential consumers may be identified with the help of parameters such as the target group for the goods and services in relation to which the mark is used or the group of actual purchasers.

2.13 *Item (ii)* Depending on the nature of the goods and services, the channels of distribution may differ considerably. Certain goods are sold in supermarkets and are easily obtainable for consumers. Other goods are distributed through accredited dealers or through sales agents direct to a consumer’s business or home. This means, for example, that a survey among consumers who exclusively shop in supermarkets may not be a good indication for establishing the relevant sector of the public in relation to a mark which is used exclusively on goods sold by mail order.

2.14 *Item (iii)*. The business circles which deal with the goods and/or services to which a mark applies are in general constituted by importers, wholesalers, licensees or franchisees interested and prepared to deal in the goods or services to which the mark applies.

2.15 *Paragraph (2)(b)*. In order for a mark to be considered to be a well-known mark, it is sufficient that the mark is well known in at least one relevant sector of the public. It is not permitted to apply a more stringent test such as, for example, that the mark be well known by the public at large. The reason for this is that marks are often used in relation to goods or services which are directed to certain sectors of the public such as, for example, customers belonging to a certain group of income, age or sex. An extensive definition of the sector of the public which should have knowledge of the mark would not further the purpose of international protection of well-known marks, i.e., to prohibit use or registration of such marks by unauthorized parties with the intention of either passing off their goods or services as those of the real owner of the mark, or selling the right to the owner of the well-known mark.

2.16 *Paragraph 2(c)*. Whereas paragraph (2)(b) establishes that Member States must protect marks which are well known in at least one relevant sector of their public, paragraph 2(c) introduces, on an optional basis, the possibility for Member States to also protect marks which are merely known by a relevant sector of the public.

[Article 2, continued]

(2) [*Relevant Sector of the Public*] (a) Relevant sectors of the public shall include, but shall not necessarily be limited to:

(i) actual and/or potential consumers of the type of goods and/or services to which the mark applies;

(ii) persons involved in channels of distribution of the type of goods and/or services to which the mark applies;

(iii) business circles dealing with the type of goods and/or services to which the mark applies.

(b) Where a mark is determined to be well known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.

(c) Where a mark is determined to be known in at least one relevant sector of the public in a Member State, the mark may be considered by the Member State to be a well-known mark.

[Notes on Article 2(2), continued]

2.17 *Paragraph 2(d)* clarifies that paragraph (2)(b) and, where applicable, (c) set a minimum standard of protection, and that Member States are free to afford protection to marks that are, for example, well known only outside the State in which protection is sought.

2.18 *Paragraph (3)(a)* sets out certain conditions, the fulfillment of which cannot be required as a condition for determining whether a mark is well known.

2.19 *Paragraph 3(b)*. If it is possible to protect a mark in a Member State on the ground that it is well known outside its jurisdiction, this paragraph permits a Member State, in derogation of paragraph (3)(a)(ii), to request evidence in support of this fact.

[Article 2(2), continued]

(d) A Member State may determine that a mark is a well-known mark, even if the mark is not well known or, if the Member States applies subparagraph (c), known, in any relevant sector of the public of the Member State.

(3) [*Factors Which Shall Not Be Required*] (a) A Member State shall not require, as a condition for determining whether a mark is a well-known mark:

(i) that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;

(ii) that the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or

(iii) that the mark is well known by the public at large in the Member State.

(b) Notwithstanding sub-paragraph (a)(ii), a Member State may, for the purpose of applying paragraph (2)(d), require that the mark be well known in one or more jurisdictions other than the Member State.

Notes on Article 3

3.1 *General.* The protection which should be granted to well-known marks in application of the provisions is protection against conflicting marks, business identifiers [and domain names]. The provisions do not apply to conflicts between well-known marks and geographical indications or appellations of origin. However, the provisions constitute a minimum standard of protection, and Member States are of course free to provide for broader protection.

3.2 *Paragraph (1).* Under this paragraph, a well-known mark is entitled to protection by a Member State at least as of the time when the mark has become well known in the Member State. This means that a Member State is not obliged to protect an “internationally” known mark if that mark is not well known in that State, or the mark is known albeit not well known. However, as expressed by the words “at least,” protection may be granted before a mark has become well known.

3.3 *Paragraph (2).* Cases involving the protection of a well-known mark very often involve an element of bad faith. Paragraph (2) takes account of this fact by stating in general terms that bad faith should be considered in balancing the interests of the parties involved in cases concerning the enforcement of well-known marks.

PART II

SCOPE OF PROTECTION

Article 3

Protection of Well-Known Marks; Bad Faith

(1) [*Protection of Well-Known Marks*] A Member State shall protect a well-known mark against conflicting marks, business identifiers and domain names, at least with effect from the time when the mark has become well known in the Member State.

(2) [*Consideration of Bad Faith*] Bad faith may be considered as one factor among others in assessing competing interests in applying Part II of these provisions.

Notes on Article 4

4.1 *Paragraph (1)(a)* defines the conditions under which a mark is deemed to be in conflict with a well-known mark in respect of identical or similar goods and/or services. If the conditions of this subparagraph are met, the remedies provided for in paragraphs (2) to (6) are applicable.

4.2 *Paragraph (1)(b)* is applicable irrespective of the nature of the goods and/or services to which the conflicting mark applies. The remedies provided for in paragraphs (3) to (6) are only available in such cases if at least one of the conditions set out in item (i) to (iii) is met. Where protection is to be granted against the registration of, for example, a conflicting mark which has not yet been used, the conditions of items (i) to (iii) have to be applied as if the conflicting mark had been used, as indicated by the words “would” and “is likely to.”

4.3 *Item (i)*. Under this item, a connection between a well-known mark and a third party’s goods or services may be indicated, for example, if the impression is created that the owner of the well-known mark is involved in the production of those goods, or the offering of those services, or that such production or offering was licensed or sponsored by him. The interests of the owner of the well-known mark could be damaged if the goods and/or services with which the connection is established have a down-market image, thereby reflecting negatively on the goodwill of the well-known mark.

4.4 *Item (ii)*. This item would apply, for example, if the use of a conflicting mark is likely to impair or dilute in an unfair manner the unique position of a well-known mark in the market. A further example of dilution is where the conflicting mark is used on goods or services which are of an inferior quality or of an immoral or obscene nature. The meaning of the words “in an unfair manner” implies that third-party use of a well-known mark which is not contrary to honest commercial practice (e.g., reference to a well-known mark for review or parody) does not constitute dilution.

Article 4

Conflicting Marks

(1) [*Conflicting Marks*] (a) A mark shall be deemed to be in conflict with a well-known mark where that mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration, liable to create confusion, of the well-known mark, if the mark, or an essential part thereof, is used, is the subject of an application for registration, or is registered, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies.

(b) Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, that mark shall be deemed to be in conflict with a well-known mark where the mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

(i) the use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

[Notes on Article 4(1)(b), continued]

4.5 *Item (iii)*. The case referred to in this item differs from the cases covered by items (i) and (ii) in that no wrong connection concerning the real source of the goods and/or services is indicated (as in item (i)), and the value of the well-known mark has not diminished in the eyes of the public (as in item (ii)), but rather the use in question would, for example, amount to a free ride on the goodwill of the well-known mark for the person who uses a conflicting mark. The reference to “unfair advantage” in this item is intended to give Member States flexibility in the application of this criterion. For example, reference to a well-known mark for commercially justifiable reasons, such as the sale of spare parts, is not unfair and, thus, should be allowed.

4.6 *Paragraph 1(c)*. This paragraph provides for an exception to the general principle contained in Article 2(3)(a)(iii), that a Member State shall not require knowledge of a mark by the public at large when determining whether a mark is a well-known mark. Knowledge of a mark by the public at large may, however, be required if that mark is to be protected under Article 4(1)(b)(ii) and (iii).

4.7 *Paragraph 1(d)* clarifies that rights which were acquired prior to the moment when the mark has become well known in a Member State would not be considered to be in conflict with the well-known mark. However, there is one important derogation from that rule, namely, when a mark was used or registered, or the application for its registration was filed, in bad faith.

[Article 4(1)(b), continued]

(iii) the use of that mark would take unfair advantage of the distinctive character of the well-known mark.

(c) Notwithstanding Article 2(3)(a)(iii), for the purpose of applying paragraph (1)(b)(ii) and (iii), a Member State may require that the well-known mark be well known by the public at large.

(d) Notwithstanding paragraphs (2) to (4), a Member State shall not be required to apply:

(i) paragraph (1)(a) to determine whether a mark is in conflict with a well-known mark, if the mark was used or registered, or an application for its registration was filed, in or in respect of the Member State, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies, before the well-known mark became well known in the Member State;

(ii) paragraph (1)(b) to determine whether a mark is in conflict with a well-known mark, to the extent that mark was used, was the subject of an application for registration, or was registered, in or in respect of the Member State for particular goods and/or services, before the well-known mark became well known in the Member State;

except where the mark has been used or registered, or the application for its registration has been filed, in bad faith.

[Notes on Article 4, continued]

4.7 *Paragraph (2)*. The objective of this paragraph is to ensure that, where procedures for opposing the registration of a mark exist, owners of well-known marks would be entitled to oppose the registration of a mark which would be in conflict with their well-known mark. The possibility of oppositions against the registration of marks based on a conflict with a well-known mark gives an early opportunity for owners of well-known marks to defend their marks. The reference to paragraph (1)(a) limits the requirement concerning opposition procedures to cases involving confusion. Consequently, cases of alleged dilution do not have to be dealt with in opposition procedures.

4.8 *Paragraph (3)(a)*. Under this paragraph, the date on which the fact of registration was made public by the Office is the starting point for calculating the period during which invalidation procedures have to be accepted, because it is the earliest date on which the owner of a well-known mark can be expected to have received official notice of the registration of a conflicting mark. The time period provided by that paragraph starts to run on the date on which the fact of registration was made public by the Office, and expires five years thereafter.

4.9 *Paragraph (3)(b)*. If procedures for the invalidation of the registration of a mark can be initiated by a competent authority on its own initiative, it is considered to be reasonable that a conflict with a well-known mark also be treated as a ground for invalidation.

4.10 *Paragraph (4)* provides the owner of a well-known mark with a further remedy, namely, the right to request an order from a competent authority to prohibit the use of a conflicting mark. Similar to the right to request invalidation procedures under paragraph (3), the right to request an order to prohibit the use of a conflicting mark is subject to a time limit of at least five years. However, in the case of use of a conflicting mark, the time period of at least five years must be calculated from the moment from which the owner of the well-known mark had knowledge of the conflicting use. It follows that there is no obligation to prohibit the use of a mark which is in conflict with a well-known mark where the owner of the well-known mark has knowingly tolerated such use during at least five years. The question of whether knowledge by a licensee of the use of a conflicting mark is attributable to the owner of the well-known mark is not dealt with by this paragraph and, consequently, has to be decided under the applicable law.

[Article 4, continued]

(2) [*Opposition Procedures*] If the applicable law allows third parties to oppose the registration of a mark, a conflict with a well-known mark under paragraph (1)(a) shall constitute a ground for opposition.

(3) [*Invalidation Procedures*] (a) The owner of a well-known mark shall be entitled to request, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the Office, the invalidation, by a decision of the competent authority, of the registration of a mark which is in conflict with the well-known mark.

(b) If the registration of a mark may be invalidated by a competent authority on its own initiative, a conflict with a well-known mark shall, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the Office, be a ground for such invalidation.

(4) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a mark which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting mark.

[Notes on Article 4, continued]

4.11 *Paragraph (5)(a) and (b)* provide that any time limit which, under paragraphs (3) and (4), may be applicable in connection with the invalidation of a registration or with the prohibition of use cannot be applied if a mark was registered or used in bad faith.

4.12 *Paragraph (5)(c)* provides one possible criterion that can be used in order to determine bad faith.

4.13 *Paragraph (6)*. A potential problem for the owner of a well-known mark could be a situation in which a mark which is conflict with a well-known mark was registered in good faith but never used. This situation will, in most cases, be taken care of by provisions under national or regional laws stipulating that the registration of a mark which has not been used for a certain period of time becomes liable for cancellation. However, if such a use requirement does not exist, a situation is conceivable in which a mark which is in conflict with a well-known mark had been registered in good faith but had never been used and had therefore not attracted the attention of the owner of the well-known mark. Paragraph (6) aims at avoiding the situation where the owner of the well-known mark is prevented from defending his rights by the time limits applicable under paragraph (3) or (4).

[Article 4, continued]

(5) [*No Time Limit in Case of Registration or Use in Bad Faith*] (a) Notwithstanding paragraph (3), a Member State may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well-known mark if the conflicting mark was registered in bad faith.

(b) Notwithstanding paragraph (4), a Member State may not prescribe any time limit for requesting the prohibition of the use of a mark which is in conflict with a well-known mark if the conflicting mark was used in bad faith.

(c) In determining bad faith for the purposes of this paragraph, the competent authority shall take into consideration whether the person who obtained the registration of or used the mark which is in conflict with a well-known mark had, at the time when the mark was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

(6) [*No Time Limit in Case of Registration Without Use*] Notwithstanding paragraph (3), a Member State may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well known mark, if that mark was registered, but never used.

Notes on Article 5

5.1 *General.* Article 5 sets out the remedies which Member States have to make available if a well-known mark is in conflict with a business identifier. This Article essentially consists of the same provisions as Article 4, but takes account of the special nature of business identifiers. The main differences between marks and business identifiers are that (i) marks distinguish goods and/or services, whereas business identifiers distinguish businesses, and (ii) the registration of marks is effected by national or regional authorities (trademark offices in most cases), whereas business identifiers may be registered by administrations which may vary from country to country, or not be registered at all.

5.2 As regards those parts of Article 5 which are identical with Article 4, reference is made to the notes on Article 4.

Article 5

Conflicting Business Identifiers

(1) [*Conflicting Business Identifiers*] (a) A business identifier shall be deemed to be in conflict with a well-known mark where that business identifier, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

(i) the use of the business identifier would indicate a connection between the business for which it is used and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of the business identifier is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

(iii) the use of the business identifier would take unfair advantage of the distinctive character of the well-known mark.

(b) Notwithstanding Article 2(3)(iii), for the purposes of applying paragraph (1)(a)(ii) and (iii), a Member State may require that the well-known mark be well known to the public at large.

[Notes on Article 5, continued]

5.3 *Paragraph (2)* envisages business identifiers which are the subject of registration, for example as trade names. Thus “registration” under this paragraph means registration in a register of commerce or other register of that kind, usually not kept by a trademark office. If a business identifier is registered as a mark, Article 4 is applicable. “Cancellation” is used to indicate the difference between an invalidation of a trademark registration (see Article 4(3)) and a cancellation of the registration of a business identifier ordered by a competent authority.

5.4 *Paragraphs (3) and (4)*. See note 5.2.

[Article 5(1), continued]

(c) A Member State shall not be required to apply paragraph (a) to determine whether a business identifier is in conflict with a well-known mark if that business identifier was used or registered, or an application for its registration was filed, in or in respect of the Member State, before the well-known mark became well known in or in respect of the Member State, except where the business identifier was used or registered, or the application for its registration was filed, in bad faith.

(2) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a business identifier which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting business identifier.

(3) [*No Time Limit in Case of Registration or Use in Bad Faith*] (a) Notwithstanding paragraph (2), a Member State may not prescribe any time limit for requesting the prohibition of the use of a business identifier which is in conflict with a well-known mark if the conflicting business identifier was used in bad faith.

(b) In determining bad faith for the purposes of this paragraph, the competent authority shall consider whether the person who obtained the registration of or used the business identifier which is in conflict with a well-known mark had, at the time when the

business identifier was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

[Notes on Article 6

6.1 At its second session, first part, the SCT decided that the International Bureau would redraft Article 6 in order to limit its scope to protection of well-known marks against acts of domain name grabbing or cybersquatting. The International Bureau has made a provisional redraft of Article 6 available on the SCT Electronic Forum for further comments and discussion. The resulting text is now included in the draft provisions between square brackets. It was further agreed that Article 6 would be discussed at the second session, second part, of the Standing Committee. At that meeting, the Standing Committee would take a final decision, without any further substantive amendment, whether it would recommend the redrafted Article 6 to the Assembly of the Paris Union and the WIPO General Assembly for adoption, or whether it would omit that Article from the proposed Joint Resolution.

6.2 *Paragraph (1)(a)*. The question of jurisdiction is deliberately not dealt with and is, consequently, left to the Member State in which protection is sought. Thus, the plaintiff in an action for the protection of a well-known mark against its registration as a domain name must establish that the competent authority has jurisdiction over the defendant in the State in which the action is brought, as well as that the mark in question is a well-known mark in that State.

6.3 *Paragraph (1)(b)* describes one of the most frequently occurring conditions under which a domain name is deemed to be in conflict with a well-known mark. As expressed by the words “at least” this is not the only possible situation of a conflict between a well-known mark and a domain name, and Member States are of course free to provide remedies for other situations of conflict.

6.4 *Paragraph (2)*. The remedies provided for in paragraph (2) are those which are the most appropriate in the situation at hand, namely the transfer or the cancellation of the infringing domain name.]

[*Article 6*

Conflicting Domain Names

(1) [*Conflicting Domain Names*] (a) In addition to the protection that shall be provided by Member States in accordance with Articles 1 to 5 of these provisions, Member States shall also protect well-known marks against conflicting domain names.

(b) A domain name shall be deemed to be in conflict with a well-known mark at least where that domain name, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and has been registered with the intention of selling it to the owner of the well-known mark.

(2) [*Cancellation; Transfer*] The owner of a well-known mark shall be entitled to request, by a decision of the competent authority, the cancellation or the transfer of the domain name.]

[End of document]

World Intellectual Property Organization

Joint Resolution

Concerning Provisions

on the

Protection of Well-Known Marks

(published 4 August 1999)



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WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

ASSEMBLIES OF THE MEMBER STATES OF WIPO

Thirty-Fourth Series of Meetings
Geneva, September 20 to 29, 1999

JOINT RESOLUTION
CONCERNING PROVISIONS ON
THE PROTECTION OF WELL-KNOWN MARKS

Memorandum by the Director General

1. This document contains a Proposed Joint Resolution Concerning Provisions on the Protection of Well-Known Marks (see Annex I), which is being presented to the Assemblies of the Member States of WIPO pursuant to a decision of the Standing Committee on the Law of Trademarks, Geographical Indications and Industrial Designs (SCT) on June 11, 1999. The history of the discussions leading to adoption by the SCT of the Provisions for the Protection of Well-Known Marks is as follows:
2. The 1994-95 Program of WIPO (item 04(3)) (document AB/XXIV/2) provides for the following:

“Well-Known Marks

The International Bureau will prepare, convene and service meetings of consultants to consider the criteria that should be applied to define what a well-known mark is (which, it is recalled, must be protected as provided in Article 6*bis* of the Paris Convention on the Protection of Industrial Property), and what measures could be taken to make the protection of well-known marks more effective in the world.”

3. The 1996-97 Program of WIPO (Item 03(5)) (document AB/XXVI/2) provides for the following:

“Well-Known and Famous Marks

“The International Bureau will study, with the help of a committee of experts meeting once in each year of the biennium, all questions of relevance to the correct application of Article 6bis of the Paris Convention (e.g., whether that Article applies also where the well-known mark is not actually used in the country in which its protection is claimed). It will also study the conditions and scope of protection, in particular, in respect of famous marks, against dilution and/or undue exploitation of the goodwill acquired by such marks. Moreover, it will study the feasibility of setting up, under the aegis of WIPO, a voluntary international information network for the exchange of information among countries concerning marks that one or more of them considers to be well-known or famous.”

“Any proposal for action, beyond the study, will be put before the General Assembly of WIPO.”

4. The Program and Budget for the 1998-99 biennium, approved by the Assemblies of the Member States of WIPO at their Thirty-Second Series of Meetings, from March 25 to 27, 1998, provides, under Sub-program 09.2, for consideration of well-known marks by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (hereafter referred to as the “SCT”), as follows (see document A/32/2WO/BC/18/2, pages 90 and 91):

review and finalization of the provisions on the protection of well-known marks prepared before the biennium.”

“Expected results: If it is found to be appropriate, the adoption of provisions on the protection of well-known marks.”

5. Draft provisions concerning the protection of well-known marks have been considered by the WIPO Committee of Experts on Well-Known Marks at its first session (November 13 to 16, 1995; see documents WKM/CE/I/2 and 3), second session (October 28 to 31, 1996; see documents WKM/CE/II/2 and 3) and third session (October 20 to 23, 1997; see documents WKM/CE/III/2 and 3). The WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) continued the work at its first session (July 13 to 17, 1998; see documents SCT/1/3 and 6), at its second session, first part, (March 15 to 17, 1999; see documents SCT/2/3 and 5) and at its second session, second part (June 7 to 11, 1999; see document SCT/2/8).

6. The provisions dealing with the protection of well-known marks and a related proposed joint resolution were adopted by the SCT, at its second session, second part (June 7 to 11, 1999). The SCT further agreed to recommend the Joint Resolution Concerning Provisions on the Protection of Well-Known Marks, for adoption by the Paris Union Assembly and the WIPO General Assembly in September 1999.

7. The results of the SCT are reflected in the Summary by the Chair and the draft Report of the second session, second part (see documents SCT/2/11 Rev. and SCT/2/12 Prov.).

8. In particular, all members of the SCT joined in a consensus for adoption of the provisions as a whole. However, the following countries did not join the consensus as to the provisions referred to hereafter:

- Argentina in respect of Article 5(2);
- Brazil in respect of Article 2(3)(a)(i), Article 4(1)(b)(ii) and (iii), and 4(1)(c), Article 5(1)(a)(ii) and (iii), and 5(1)(b), and 5(2) and Article 6;
- Chile in respect of Article 4(1)(b);
- Cuba in respect of Article 4(1)(b);
- Mexico in respect of Article 2(2)(b);
- Philippines in respect of Article 2(d); Article 2(3)(a)(i); Article 4(1)(b); Article 4(3)(a); Article 4(3)(b); Article 4(4); Article 4(6) and Article 6;
- Portugal in respect of Article 4(1)(b) and Article 6(2);
- Republic of Korea in respect of Article 4(1)(b)(ii) and (iii);
- Spain in respect of Article 4(1)(b);
- Sweden in respect of Article 2(2)(b) and Article 6(2);
- Uruguay in respect of Article 2(3)(a)(i) and (ii) as well as Article 4(1)(b);
- The Delegation of Egypt stated that its government needed additional time to examine all of the provisions.

9. Concerning the decision to present these provisions as a proposed Joint Resolution, rather than as a proposed treaty, the Program and Budget for the 1998-99 biennium (see document A/32/2-WO/BC/18/2, page viii) addresses, in its introduction, the question of new approaches to the progressive development of international intellectual property law, as follows:

ountries which agree on specific principles or rules may wish to consider expressing their agreement by signing a Memorandum of Understanding or a similar instrument. This is not subject to the long ratification and accession process, is easier to modify or replace, and can be signed by an industrial property office or other government agency if its subject does not require parliamentary approval (for example, if it concerns not the law itself but implementing regulations). **The WIPO General Assembly (or another Assembly) may also adopt a resolution recommending that Member States and interested intergovernmental organizations implement certain principles and rules:**¹ this creates no legal obligation for any country, but following such a recommendation would produce practical benefits. A further option is the publication, under the responsibility of the Secretariat, of model or illustrative principles and rules that would be available to any legislator or other authority seeking guidance on how to solve specific problems, similar to the Model Provisions on Protection Against Unfair Competition published in 1996.”

“These various approaches would not necessarily exclude each other: the process could, for instance, start with the adoption of a resolution by the WIPO General Assembly and later move to considering the conclusion of a treaty. This gradual

¹ Emphasis added.

approach may be employed when the conclusion of a treaty seems to be the most desirable objective but its attainment is prevented by difficulties with no bearing on its substance (for example, by disagreement on procedural issues).”

10. Under Main Program 09, the Program and Budget for the 1998-99 biennium (see document A/32/2-WO/BC/18/2, page 86) further explains:

“Given the practical imperative for accelerated development and implementation of certain international harmonized common principles and rules in industrial property law, the future strategy for this main program includes consideration of ways to complement the treaty-based approach, as discussed above in the Introduction (p. vii). If Member States judge it to be in their interests so to proceed, a more flexible approach may be taken towards the harmonization of industrial property principles and rules, and coordination of administration, so that results can be achieved and applied more rapidly, ensuring earlier practical-benefits for administrators and users of the industrial property system.”

“For instance, projects of an essentially administrative nature could culminate in a Memorandum of Understanding (MoU) or similar instrument, rather than a formal treaty; activities aimed at harmonization of national laws may be advanced through the conclusion by the Standing Committee and adoption by the WIPO General Assembly (or another WIPO Assembly), of a resolution recommending that Member States and interested IGOs adopt and implement these principles and rules; and work requiring a rapid, interim result could, pending further agreements, be achieved through the publication of model principles and rules that would be available to any legislator or other authority seeking guidance on how to solve specific problems, similar to WIPO’s Model Provisions on Protection Against Unfair Competition.”

11. The question of whether the provisions on the protection of well-known marks should be adopted in the form of a recommendation of the WIPO Assemblies or in the form of a Protocol to the Trademark Law Treaty (TLT) was discussed at the first session of the Committee of Experts on Well-Known Marks (November 13 to 16, 1995) and at the first session of the SCT (July 13 to 17, 1998). At that session, the Standing Committee agreed that, in the short term, it should be recommended to the WIPO General Assembly that the Provisions become a Resolution of the WIPO General Assembly once the Committee agreed on a final version of the Provisions, and that, in the long term, it would be preferable for the Provisions to be incorporated into a treaty (see Report of the first session, document SCT/1/6, paragraph 105).

12. The Resolution is therefore presented for adoption by the Assembly of the Paris Union and the General Assembly of WIPO. The Resolution is addressed to the Member States of the Paris Union and of WIPO, which are already bound by an international obligation to protect well-known marks, for example, under the Paris Convention itself or under another international agreement such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). In order for the Resolution to have the widest possible coverage, it is suggested that it also mention intergovernmental organizations having competence in the area of trademarks.

13. One hundred and twenty Member States of WIPO have contributed to the work of the Committees during their six meetings (see Annex II). In addition, the International Bureau has conducted, from July 14 to 16, 1999, informal consultations with WIPO regional groups in order to inform all Members States concerning the Provisions on the Protection of Well-Known Marks and the proposed Joint Resolution. These consultations gave Member States the opportunity to obtain further information on any aspect of the joint resolution requiring further clarification before deciding on its adoption at the WIPO Assemblies. Thirty-two States attended these consultations.

14. The WIPO General Assembly and the Assembly of the Paris Union are invited to adopt the Joint Resolution Concerning the Provisions on the Protection of Well-Known Marks.

[Annex I follows]

A/34/13

ANNEX I

PROPOSED JOINT RESOLUTION
CONCERNING PROVISIONS ON THE
PROTECTION OF WELL-KNOWN MARKS

AS DECIDED BY THE WIPO STANDING COMMITTEE
ON THE LAW OF TRADEMARKS, INDUSTRIAL DESIGNS
AND GEOGRAPHICAL INDICATIONS (SCT), JUNE 11, 1999

TO BE PRESENTED FOR ADOPTION BY
THE WIPO GENERAL ASSEMBLY AND
PARIS UNION ASSEMBLY IN SEPTEMBER 1999

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Joint Resolution

The Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO),

Recognizing that protection for well-known marks must be provided, under the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), by Member States of the Paris Union and of WIPO that are bound to apply the relevant provisions of those treaties, and by certain intergovernmental organizations;

Recommend to each such Member State to protect well-known marks in accordance with the provisions contained herein, which were adopted by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) at its Second Session, Second Part; and

Recommend, to each Member State of the Paris Union or of WIPO, which is also a member of an intergovernmental organization that has competence in the area of trademarks, to bring to the attention of that organization the possibility of protecting well-known marks in accordance, *mutatis mutandis*, with the provisions contained herein.

Article I
Definitions

For the purposes of these Provisions:

(i) member State means a State member of the Paris Union for the Protection of Industrial Property and/or of the World Intellectual Property Organization;

(ii) “Office means any agency entrusted by a Member State with the registration of marks;

(iii) “competent authority means an administrative, judicial or quasi-judicial authority of a Member State which is competent for determining whether a mark is a well-known mark, or for enforcing the protection of well-known marks;

(iv) “business identifier means any sign used to identify a business of a natural person, a legal person, an organization or an association;

(v) “domain name means an alphanumeric string that corresponds to a numerical address on the Internet.

PART I
DETERMINATION OF WELL-KNOWN MARKS

Article 2

*Determination of Whether a Mark is a
Well-Known Mark in a Member State*

(1) [*Factors for Consideration*] (a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

(b) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
6. the value associated with the mark.

(c) The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant. In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in sub-paragraph (b), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in sub-paragraph (b), above.

(2) [*Relevant Sector of the Public*] (a) Relevant sectors of the public shall include, but shall not necessarily be limited to:

(i) actual and/or potential consumers of the type of goods and/or services to which the mark applies;

(ii) persons involved in channels of distribution of the type of goods and/or services to which the mark applies;

(iii) business circles dealing with the type of goods and/or services to which the mark applies.

(b) Where a mark is determined to be well known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.

(c) Where a mark is determined to be known in at least one relevant sector of the public in a Member State, the mark may be considered by the Member State to be a well-known mark.

(d) A Member State may determine that a mark is a well-known mark, even if the mark is not well known or, if the Member States applies subparagraph (c), known, in any relevant sector of the public of the Member State.

(3) [*Factors Which Shall Not Be Required*] (a) A Member State shall not require, as a condition for determining whether a mark is a well-known mark:

(i) that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;

(ii) that the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or

(iii) that the mark is well known by the public at large in the Member State.

(b) Notwithstanding sub-paragraph (a)(ii), a Member State may, for the purpose of applying paragraph (2)(d), require that the mark be well known in one or more jurisdictions other than the Member State.

PART II SCOPE OF PROTECTION

Article 3 Protection of Well-Known Marks; Bad Faith

(1) [*Protection of Well-Known Marks*] A Member State shall protect a well-known mark against conflicting marks, business identifiers and domain names, at least with effect from the time when the mark has become well known in the Member State.

(2) [*Consideration of Bad Faith*] Bad faith may be considered as one factor among others in assessing competing interests in applying Part II of these provisions.

Article 4
Conflicting Marks

(1) [*Conflicting Marks*] (a) A mark shall be deemed to be in conflict with a well-known mark where that mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration, liable to create confusion, of the well-known mark, if the mark, or an essential part thereof, is used, is the subject of an application for registration, or is registered, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies.

(b) Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, that mark shall be deemed to be in conflict with a well-known mark where the mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

(i) the use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

(iii) the use of that mark would take unfair advantage of the distinctive character of the well-known mark.

(c) Notwithstanding Article 2(3)(a)(iii), for the purpose of applying paragraph (1)(b)(ii) and (iii), a Member State may require that the well-known mark be well known by the public at large.

(d) Notwithstanding paragraphs (2) to (4), a Member State shall not be required to apply:

(i) paragraph (1)(a) to determine whether a mark is in conflict with a well-known mark, if the mark was used or registered, or an application for its registration was filed, in or in respect of the Member State, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies, before the well-known mark became well known in the Member State;

(ii) paragraph (1)(b) to determine whether a mark is in conflict with a well-known mark, to the extent that mark was used, was the subject of an application for registration, or was registered, in or in respect of the Member State for particular goods and/or services, before the well-known mark became well known in the Member State;

except where the mark has been used or registered, or the application for its registration has been filed, in bad faith.

(2) [*Opposition Procedures*] If the applicable law allows third parties to oppose the registration of a mark, a conflict with a well-known mark under paragraph (1)(a) shall constitute a ground for opposition.

(3) [*Invalidation Procedures*] (a) The owner of a well-known mark shall be entitled to request, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the Office, the invalidation, by a decision of the competent authority, of the registration of a mark which is in conflict with the well-known mark.

(b) If the registration of a mark may be invalidated by a competent authority on its own initiative, a conflict with a well-known mark shall, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the Office, be a ground for such invalidation.

(4) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a mark which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting mark.

(5) [*No Time Limit in Case of Registration or Use in Bad Faith*] (a) Notwithstanding paragraph (3), a Member State may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well-known mark if the conflicting mark was registered in bad faith.

(b) Notwithstanding paragraph (4), a Member State may not prescribe any time limit for requesting the prohibition of the use of a mark which is in conflict with a well-known mark if the conflicting mark was used in bad faith.

(c) In determining bad faith for the purposes of this paragraph, the competent authority shall take into consideration whether the person who obtained the registration of or used the mark which is in conflict with a well-known mark had, at the time when the mark was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

(6) [*No Time Limit in Case of Registration Without Use*] Notwithstanding paragraph (3), a Member State may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well known mark, if that mark was registered, but never used.

Article 5 *Conflicting Business Identifiers*

(1) [*Conflicting Business Identifiers*] (a) A Business identifier shall be deemed to be in conflict with a well-known mark where that business identifier, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

(i) the use of the business identifier would indicate a connection between the business for which it is used and the owner of the well-known mark, and would be likely to damage his interests;

(ii) the use of the business identifier is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;

(iii) the use of the business identifier would take unfair advantage of the distinctive character of the well-known mark.

(b) Notwithstanding Article 2(3)(iii), for the purposes of applying paragraph (1)(a)(ii) and (iii), a Member State may require that the well-known mark be well known to the public at large.

(c) A Member State shall not be required to apply paragraph (a) to determine whether a business identifier is in conflict with a well-known mark if that business identifier was used or registered, or an application for its registration was filed, in or in respect of the Member State, before the well-known mark became well known in or in respect of the Member State, except where the business identifier was used or registered, or the application for its registration was filed, in bad faith.

(2) [*Prohibition of Use*] The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a business identifier which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting business identifier.

(3) [*No Time Limit in Case of Registration or Use in Bad Faith*] (a) Notwithstanding paragraph (2), a Member State may not prescribe any time limit for requesting the prohibition of the use of a business identifier which is in conflict with a well-known mark if the conflicting business identifier was used in bad faith.

(b) In determining bad faith for the purposes of this paragraph, the competent authority shall consider whether the person who obtained the registration of or used the business identifier which is in conflict with a well-known mark had, at the time when the business identifier was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

Article 6

Conflicting Domain Names

(1) [*Conflicting Domain Names*] A domain name shall be deemed to be in conflict with a well-known mark at least where that domain name, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and the domain name has been registered or used in bad faith.

(2) [*Cancellation; Transfer*] The owner of a well-known mark shall be entitled to request, by a decision of the competent authority, that the registrant of the conflicting domain name cancel the registration, or transfer it to the owner of the well-known mark.

[Annex II follows]

ANNEX II

**List Of Member States Represented at the
Committee of Experts on Well-Known Marks and the
Standing Committee on the Law of Trademarks, Industrial Designs and
Geographical Indications**

Algeria	Guatemala	Poland
Andorra	Honduras	Portugal
Argentina	Hungary	Qatar
Armenia	India	Republic of Korea
Australia	Indonesia	Republic of Moldova
Austria	Iran (Islamic Republic of)	Romania
Bangladesh	Iraq	Russian Federation
Barbados	Ireland	Rwanda
Belarus	Israel	Saudi Arabia
Belgium	Italy	Senegal
Benin	Jamaica	Singapore
Bolivia	Japan	Slovakia
Brazil	Jordan	Slovenia
Brunei Darussalam	Kazakhstan	South Africa
Bulgaria	Kenya	Spain
Burundi	Kyrgyzstan	Sri Lanka
Cameroon	Lao People's Democratic	Sudan
Canada	Republic	Sweden
Chile	Latvia	Switzerland
China	Lebanon	Syrian Arab Republic
Colombia	Lesotho	Tajikistan
Costa Rica	Libyan Arab Jamahiriya	Thailand
C 曠 e d'Ivoire	Lithuania	The Former Yugoslav
Croatia	Luxembourg	Republic of Macedonia
Cuba	Madagascar	Trinidad and Tobago
Czech Republic	Malawi	Tunisia
Democratic People's	Malaysia	Turkey
Republic of Korea	Mali	Turkmenistan
Democratic Republic	Malta	Ukraine
of the Congo	Mauritius	United Kingdom
Denmark	Mexico	United Republic of
Ecuador	Monaco	Tanzania
Egypt	Morocco	United States of America
El Salvador	Mozambique	Uruguay
Eritrea	Nepal	Uzbekistan
Estonia	Netherlands	Venezuela
Ethiopia	New Zealand	Viet Nam
Finland	Nigeria	Yemen
France	Norway	Zimbabwe
Georgia	Oman	
Germany	Pakistan	(120 States)
Ghana	Peru	
Greece	Philippines	