

Bills Committee on the Trade Marks Bill

Order for Disposal

Introduction

As requested by the Bills Committee, this note sets out how the Court may deal with infringing goods and materials in the absence of express provisions in the Trade Marks Ordinance.

Civil Actions

2. In an action for trade mark infringement brought before the Court, it may forbid further infringement by injunction. In addition, if the defendant is proved to have in his possession or under his control articles bearing infringing marks, the Court may order the erasure or obliteration of the marks, the delivery up of the articles bearing the infringing marks, or the destruction of such articles.

3. The Court exercises its power to dispose of these infringing articles or materials within its inherent jurisdiction in relation to an injunction restraining further infringement. Since an order for erasure, obliteration, delivery up or destruction is in the nature of a mandatory injunction, it can also be said that the Court is empowered by section 21L of the High Court Ordinance (Cap. 4) (which empowers the Court to grant injunctions) to make such an order.¹

4. The relief for erasure, obliteration, delivery up or destruction is normally sought by the plaintiff in the alternative. Where the Court orders the erasure or obliteration of a trade mark, the goods would be returned to

¹ High Court Ordinance Section 21L provides that:

- (1) The Court of First Instance may by order (whether interlocutory or final) grant an injunction ... in all cases in which it appears to the Court of First Instance to be just or convenient to do so.
- (2) Any such order may be made either unconditionally or on such terms and conditions as the Court thinks just.

the defendant after such erasure or obliteration. The Court would only order destruction of the articles where erasure or obliteration of the offending marks is impracticable. Where goods are destroyed following such a Court order, there is no question of compensation for the defendant.

5. There is no express provision in the Trade Marks Ordinance or the High Court Rules that trade mark infringement actions can only be brought before the Court of First Instance of the High Court. However, Sections 28(2) and 28A(2) of the Trade Marks Ordinance provide that no injunction or other relief shall be granted to the plaintiff in an infringement action if the defendant establishes certain defence to the satisfaction of the Court (the Registrar of Trade Marks has no power to grant injunctions).

6. While "Court" is not defined in the Trade Marks Ordinance, the term is defined in the Interpretation and General Clauses Ordinance (Cap.1) to include any court in Hong Kong. The District Court Ordinance (Cap. 336) stipulates in section 48(1) that the District Court, as regards any cause within its jurisdiction, can grant such relief or remedy as ought to be granted or given in the like case by the Court of First Instance of the High Court. Nonetheless, since the jurisdiction of the District Courts is subject to a monetary limit as to the amount or value of the property (including trade marks) concerned, and magistracies do not deal with civil actions of trade mark infringement, litigants usually seek relief in the High Court in trade mark infringement cases.

Criminal Actions

7. Section 30 of the Trade Descriptions Ordinance (Cap. 362) empowers the Court or Magistrate to order forfeiture or destruction of goods with forged trade marks which have been seized under the Ordinance. In exceptional cases, the Court or Magistrate may order obliteration of the forged marks on goods and thereafter release the goods to the owner, subject to any condition that may be specified.

Trade and Industry Bureau

November 1999

[d1\19\tm-disposal]