

## **Bills Committee on the Trade Marks Bill**

### **Response to the Submission by Messrs. Deacons Graham & James**

#### **Introduction**

This note sets out the Government's response to the submission by Messrs. Deacons Graham & James (Deacons) on the Trade Marks Bill dated 24 September 1999. This covering note will address the more fundamental policy issues. Specific legal issues raised by Deacons are dealt with at the Annex.

#### **Rationale of the Bill**

2. Deacons query the "rationale behind the drafting of the Bill" as "we have by the World Trade Organization Amendments Ordinance 1996 ensured our compliance with the relevant WTO requirements."

3. We do **not** agree that the need or otherwise for modernizing our trade mark should be justified solely on TRIPS compliance. We believe that there is a strong case for modernizing and streamlining the registration and protection of trade marks by providing an updated regulatory framework. Most provisions under the Trade Marks Ordinance have remained unchanged since the 1950s. With the evolution of international practice in the protection of intellectual property rights over this period, it is only logical that we should introduce the Trade Marks Bill to catch up with developments.

4. By enacting the Trade Marks Bill, we hope to provide better service to trade mark holders. We aim to reduce red-tape, enable easier registration of marks, increase the range of signs that can be registered as trademarks and provide a higher standard of protection, taking into account

prevailing international developments.

### **UK Trade Marks Act 1994**

5. Deacons has asked whether “a virtual copy of the United Kingdom law remains appropriate” on the grounds that “Hong Kong has returned to the governance of the People’s Republic of China”. It notes that “Australia and Singapore have chosen to go their own way in the drafting of the law”. At the same time, it seems to contend that any deviation from the UK law may create problems of interpretation.

6. Article 8 of the Basic Law provides for the maintenance of the common law in Hong Kong. Given that the current Trade Marks Ordinance is modelled on the UK Trade Marks Act 1938, it is only natural that our Trade Marks Bill follows closely the UK Trade Marks Act 1994 for continuity reasons. Departures from the UK Trade Marks Act 1994, have been included to take account of local conditions, to achieve consistency with local laws and to clarify the meaning of certain provisions.

7. Modelling the Trade Marks Bill on the UK Trade Marks Act 1994 will provide certainty: in drawing substantially from the UK law, Hong Kong can take advantage of guidance from relevant UK case law.

8. The UK Trade Marks Act 1994 has been regarded as a role model by many. It contains provisions which are not only TRIPS compliant, but also comply in a transparent way with the Paris Convention for the Protection of Industrial Property. Trade mark law reform in a number of common law countries such as Ireland, Singapore, Australia and South Africa has drawn reference from the UK Trade Marks Act 1994.

9. Deacons have referred to a "void" as to the interpretation of the new law because of the “absence of any experience and/or access to the European rationale behind the United Kingdom Act...”. We do not agree that there will be such a "void". The relevant European Directives reflected in the UK Trade Marks Act 1994 have already been adopted as the language

and content of the TRIPS provisions, and Hong Kong will be obliged to comply with the latter in any event by virtue of our WTO membership. For example, the definition of trade mark in Article 2 of the European Directive can be found in Article 15(1) of the TRIPS Agreement. The rights conferred by a trade mark in Article 5 of the European Directive have found their way into Article 16(1) of TRIPS.

### **Work Manual**

10. To familiarize practitioners with the Trade Marks Bill, we agree on the need for a Work Manual. The Intellectual Property Department is drafting the Work Manual which should be available for consultation with practitioners early next year.

### **Consultation**

11. We find it difficult to accept Deacons' charge that the legal profession was not consulted on the drafting of the new trade marks law. The practitioners have participated fully at every stage of this long drafting process. A Consultation Paper entitled "Review of the Trade Marks Ordinance" was issued by the Intellectual Property Department in 1993 outlining the proposals for trade marks reform. In February 1997, various consultees were invited to submit their views on the first draft of the Trade Marks Bill. In December 1998, a second draft of the Bill and the first draft of the Trade Marks Rules was issued for consultation. The Legislative Council Panel on Trade and Industry was also consulted on the major provisions of the draft Bill in December 1998.

12. A Summary of Responses to comments received in respect of the draft Bill and Rules was sent to the various consultees in April 1999. We have had meetings with the Bar Association, Law Society, Institute of Trade Marks Practitioners, and Asian Patent Attorneys Association to explain our position on the various issues raised.

## **Conclusion**

13. The Trade Marks Bill provides improvements which will enable Hong Kong to maintain world-class protection for trade marks with a modernized and user-friendly trade marks registration system. We believe that the timely enactment of the Trade Marks Bill will be in the public interest.

Trade and Industry Bureau  
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