

Bills Committee on Trade Marks Bill
List of drafting issues raised in submissions to the Bills Committee
(As at 14 January 2000)

Clause No.	Name of organization	Issues	Administration's Response
2 & 91(a)	LSD	"The Chief Executive in Council may by regulation designate any country as a country which has acceded to the Paris Convention or the World Trade Organization Agreement". What if a country has withdrawn from the Convention? How about using the wordings "The Chief Executive in Council may delete or amend the Schedule the name of the Paris Convention countries" or wordings as in the Patents Ordinance to reflect the Administration's intention accurately?	Under Cap. 1, Chief Executive in Council is empowered to amend regulation. Not necessary to expressly provide in the Bill.
3(1) and 10(1)(b) (see extracts)	Deacons	<p>In clause 3(1), replace the words "capable of distinguishing" with "for the purpose of distinguishing" or even "distinguishing".</p> <p><u>Second response</u></p> <p>Extend the definition of "trade mark" to signs which are either "capable of distinguishing or which are capable of acquiring distinctiveness through use".</p>	<ul style="list-style-type: none"> ● Wordings adopted from TRIPS Agreement, the UK Trade Marks Act 1994 and there are now cases on interpretation of "capable of distinguishing" and "devoid of distinctive character". ● Clauses 3(1) and 10(1)(a) together mean that the Registrar must be convinced that the mark indicates origin of goods. Further, it has to be distinctive before it could be registered.

3(2)	<p>LS</p> <p>INTA</p> <p>LSD</p>	<p>Add "a colour or" before "a combination of colours".</p> <p>Should add "sound, smell and taste marks" to make matters clearer.</p> <p>Add "sound, smell and taste" mark to reflect the Administration's intention expressly. It is not clear whether the Chinese term "標誌" can refer to "smell" and "taste".</p>	<p>A "sign" is wide enough to include sound, smell and taste marks. Nonetheless, will propose a CSA to refer to "sound" and "smell" but not "taste".</p> <p>Will propose a CSA to refer to "sound" and "smell".</p>
4(1)	<p>INTA</p> <p>LS</p>	<p>Should include a definition of "well-known" mark which is provided in Resolution of WIPO.</p> <p>Delete "in Hong Kong".</p>	<p>Will propose a CSA if there is international consensus on "well-known" mark.</p>
4(1)(c)	LSD	<p>Use "有效的工業機構" instead of "實際的工業機構". The term "有效" is used in the Chinese version of Paris Convention.</p>	<p>"實際" reflects more accurately the Administration's intention.</p>
7 & 17 (see extracts)	<p>Deacons</p> <p>LS</p>	<p>In clause 7, review "the use is likely to cause confusion" and "the use is likely to be associated with an earlier trade mark".</p> <p><u>Second response</u></p> <p>Imprecise wording has already required U.K. judicial consideration of "association".</p> <p>Definition of "association" need to be improved.</p>	<p>No need to amend clause 7. Clause 17(2) requires the element of "confusion", and "likelihood of association" (clause 7(2)) is included as one of circumstances which are likely to lead to confusion.</p>

9(3)	LSD	Add a comma before the words "or organ". This clause is under review. In the Arbitration Bill and the Electronic Transactions Bill, the Administration has withdrawn this application formula and replaces with wordings "This Ordinance binds the Government".	The word "organ" covers organs of both public and private nature. The offices set up by the Central People's Government in HKSAR would be covered.
10 & 11	INTA & Deacons	Should have express presumption of registrability.	Not necessary.
10(1)	ITMP	Add "Subject to subsections 2, 4, 6, 7, 8 and 9 below a sign qualifying as a trade mark under section 3(1) shall be registrable".	Not acceptable.
10(1)(b) (see extracts on clauses 3 and 10(1)(b))	LS, ITMP and Deacons	The term "devoid of any distinctive character" is unclear and should be replaced with "trade marks which are not capable of distinguishing the goods or services of one undertaking from those or another undertaking", or the whole clause 10(1)(b) should be deleted.	Not accepted.
10(1)(d)	LSD	Add "or business" after "trade".	No need to amend.
10(2)	LS	Delete the wordings after "it" and substitute "in fact distinguishes or is capable of distinguishing the goods or services of the applicant as a result of the use or intended use made of it or any other circumstances".	
10(3)	LS	"shape" should not be excluded from registration.	
10(4)(a)	LSD	Add "public order" after "morality". Article 6 ^{quinquies} B(3) of the Paris Convention states that registration of a trade mark can be refused if it is contrary to public order.	Concept of "public order" should not be introduced in the Bill.

11(8)	<p>CC</p> <p>ITMP</p> <p>LSD</p> <p>Barry Yen</p>	<p>Guidelines should be made as to Registrar's exercise of power.</p> <p>Change to "Nothing in this section prevents the registration of a trade mark where the owner of the earlier trade mark or other earlier right consents to the registration."</p> <p>Different from the U.K. Act. Any guidelines made available to the public on how the Registrar is going to exercise his power of refusal?</p> <p>Letters of consent should be conclusive.</p>	<p>Will be in Trade Marks Works Manual.</p> <p>In some cases it may not be possible to accept an application (for an identical mark and goods) even with the consent of the owner of an earlier mark owner.</p> <p>Guidelines will be set out in the Work Manual.</p>
12(1)(b)	LSD	<p>Too wide a discretion for Registrar to register a trade mark. Should add "just and equitable" before the word "circumstances".</p>	<p>Would propose CSA and add the word "special" before "circumstances". "Special" means "a fact peculiar to the applicant in relation to the subject matter of the application".</p>
16(2)	ITMP	<p>Potential loophole if infringing trade mark was applied to goods before trade mark was registered.</p>	<p>No loophole. Before a mark is registered, the offending goods are outside the scope of clause 16(2) and the mark owner's remedy lies in passing off.</p>
16(2)(a)	LS	<p>Add "or would constitute an infringement if applied to goods in Hong Kong" at the end of clause.</p>	
16(3)(b)	LS	<p>Add "if applied to goods in Hong Kong" at the end of clause.</p>	
17(2)(b)	ITMP, Deacons and LS	<p>Clause should be deleted or revised, i.e. no confusion is necessary.</p>	<p>Clause deals with element of confusion and is defined in clause 7.</p>

17(4)	Deacons	<p>Dichotomy. Owner of a famous trade mark may be able to protect the mark for use on unrelated goods but may not be able to protect the mark for use on identical goods if he cannot show public confusion.</p> <p><u>Second response</u></p> <p>Absurdity noted by the House of Lords during the Committee Stage of the UK Bill.</p>	Not understood.
17(5)(a)	LS	Add "whether or not such packaging is to be applied to goods in Hong Kong or elsewhere" at the end of clause.	
17(5)(g) and 17(6)	LS	Add "including electronic documents, whether or not in human readable form".	
17(6)(a)	LS	Add "whether or not such packaging or labeling is to be applied to goods in Hong Kong or elsewhere" at the end of clause.	

<p>17(7) (see extracts)</p>	<p>LS</p> <p>Deacons and ITMP</p> <p>Deacons</p> <p>LSD</p>	<p>Add "for the purpose of identifying in an advertising circular or other advertisement issued to the public goods or services as those of the owner of the registered trade mark or a licensee".</p> <ul style="list-style-type: none"> ● Drafting was a mess. ● "if the use is without due course and takes unfair advantage of" should be reviewed. <p><u>Second response</u></p> <p>UK judges have struggled to interpret this section. Hong Kong does not have fair trading legislation or effective policing of advertising standards. Hong Kong is not bound by the EC Directive and lacks the underlying legislation of the UK which governs advertising generally. Hong Kong should have a clause drafted both appropriate for Hong Kong and more importantly, self-contained.</p> <p>Should have a comprehensive law on advertisement first. Will there be a surge of litigation if clause enacted?</p>	<ul style="list-style-type: none"> ● No need to change as we can rely on English decisions for guidance. ● Words followed in Singapore Trade Marks Act and the Irish Trade Marks Act. <p>Clause 17(7) is based on section 10(6) of the UK Act and should be construed as in a UK decision to be independent of codes of practices on advertisement, statutory or otherwise.</p>
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19 (see extracts)	LS INTA	Changed to "A registered trade mark is not infringed by the use of a trade mark in relation to any goods in respect of which the owner or any licensee of the trade mark has at any time expressly or impliedly consented to the use of that trademark in Hong Kong whether by putting those goods on the market in Hong Kong or elsewhere". National exhaustion of trade mark rights is preferable to parallel importation (<i>sic</i>) or add "This section does not apply where the goods sought to be imported are materially different from those on the Hong Kong market".	International exhaustion is in line with Hong Kong's free trade policy.
20 - 24, 34 - 35, and 92	INTA	Civil and criminal remedies under Part III of TRIPS Agreement should be specifically included into this Bill.	Hong Kong is fully compliant with TRIPS. Criminal sanction is in Trade Descriptions Ordinance. Injunction and discovery process for civil litigation are provided. Not necessary to specify interim measures in the Bill.
23	LSD	For action such as an order for disposal, should jurisdiction go to the District Court as in the Copyright Ordinance?	Judiciary has made no comment on this point.

24	LSD ITMP LS	<p>To add a clause exempting liability of lawyers similar to section 187(4) of the Copyright Ordinance -</p> <p>"(4) Nothing in this section makes a barrister or solicitor liable to an action under this section in respect of an act done by him in his professional capacity on behalf of his client".</p> <p>Add "24(7) This section does not make a barrister, solicitor or member of the Hong Kong Institute of Trade Mark Practitioners liable to an action for an act done in a professional capacity on behalf of a client".</p> <p>Provision unnecessary or exempt practitioners.</p>	<p>No intention to exempt a legal advisor.</p> <p>No intention to exempt a legal advisor. Not found in UK Trade Marks Act, Singapore Trade Marks Act or Irish Trade Marks Act. Why exempt a member of ITMP, but not all trade mark agents practising in Hong Kong? Adequate safeguards in clause 24(5) and (6).</p>
25(5)	Deacons	<p>Add "subject to any other method which may be specified by the Articles of Association or other rules of the corporation governing execution of documents on behalf of the corporation" at the end of clause.</p> <p><u>Second response</u></p> <p>The word "signed" in Clause 25(4) should be amended to "executed" in order to remove the internal consistency (<i>sic</i>) within Clause 25(4) and 25(5).</p>	<ul style="list-style-type: none">● Clause 25(4) and (5) should be read together. Clause 25(5) indicates one way of executing an assignment. It does not purport to stipulate the various ways in which an assignment can be executed by a company.● No amendment is required.

27(3)	Deacons	The term "in ignorance" is unusual.	<ul style="list-style-type: none"> ● Section 25(3)(a) of the U.K. Trade Marks Act, section 29(3)(a) of the Irish Trade Marks Act and section 39(3)(a) of the Singapore Trade Marks Act all use the word "in ignorance". ● No amendment is required.
27(4)(a)	Deacons	<p>Does not address possible contractual rights of licensees to claim damages or account of profits before the relevant transaction date.</p> <p><u>Second response</u></p> <p>Add "applied to be" before the last word "registered".</p> <p>LS "date of transaction" ambiguous. Add "effective" before the "date of transaction" or "upon the date of the document recording the transaction".</p> <p>ITMP "date of transaction" should be defined. Does it mean the date of signing of the assignment or its effective date?</p>	<ul style="list-style-type: none"> ● The purpose of clause 27(4) is to encourage the registration of a registrable transaction. The sanction against entitlement to damages contained in this clause only applies to a period <u>after</u> the date of transaction. ● No amendment is required. <p>To interpret the term "date of transaction" in clause 27(4), clause 27(2) is relevant.</p>
28(3)	LSD	Clause 28(3) is added and not found in section 26 of the UK Act.	Clause 28(3) is added for greater clarity; to remove doubt whether or not a trustee can register a trade mark or registrable transaction.
30 - 35	INTA	Should include a specific requirement for licensors to maintain control over use of marks by licensees.	It is in the trade mark owner's interest to maintain control over use. No amendment is necessary.

34(6)	Deacons	The term "takes part" is unclear.	The term can be found in Stroud's Judicial Dictionary. It is broad enough to include cases where a party has done something official e.g. filing into court an address for service etc.
36(2)(e) and (4)	LSD	New (not TMO nor UK Trade Marks Act 1994).	<ul style="list-style-type: none"> ● Clause 36(2)(e) is to cater for flexibility. ● Clause 36(4) is necessary as HKSAR now has 2 official languages.
39	LSD	Any arrangement between the Mainland of China and Hong Kong on the according of registration of trade mark priority?	The issue is beyond the ambit of this Bill.
40(3) and 42	ITMP INTA and LS Lloyd Wise	<p>Extension of time limit not stipulated in the Bill is totally unacceptable.</p> <p>Extension of time should be outlined in the Bill/Rules.</p> <p>This Bill/The Rules should provide for a fair and equitable arrangement for extension of time.</p>	<p>Will be in Trade Marks Rules.</p> <p>The Trade Mark Rules will contain provision on time limits of opposition proceedings (clause 42).</p>
40(5) & (6)	LSD	New.	Clause 40(5) & (6) have been added to empower the Registrar to withdraw acceptance if decision was made in error. It reflects section 17(1) of TMO.
48(6)	ITMP	Current law which allows restoration of registration of trade mark without any time limit should be retained.	The registered owner would have more than 12 months to renew or restore his registration.

<p>50(2)</p>	<p>Deacons</p> <p>ITMP</p>	<p>On "common name", what if the mark is not a "name" but is a device mark or a 3-dimensional mark?</p> <p><u>Second response</u></p> <p>Totally disagree with Government. Drafting error should be corrected. cf. section 24(1) of the Australian Trade Marks Act 1995 "if it becomes generally accepted within the relevant trade as the sign that describes or is the name of an article, substance or service". Clause 50(2)(c) is inconsistent with the wording of clause 10(1)(d).</p> <p>Change "common name in the trade" to "it has become common to the trade" or "common sign in the trade" to include devices.</p>	<ul style="list-style-type: none"> ● Does not support to expand this clause to refer to devices and 3-dimensional marks. ● No amendment is required. <p>cf. section 46(1)(c) of UK Trade Marks Act. Difficult to see how a 3-dimensional device mark can become common in the trade.</p>
<p>50(2)(e) and (8)</p>	<p>LSD</p>	<p>New.</p>	<ul style="list-style-type: none"> ● Clause 50(2)(e) i.e. contravention of condition entered in register, is a ground for revocation. The UK has not retained conditions. ● Clause 50(8) makes it clear that services provided outside HK can constitute use of trade mark in HK for revocation purposes. (cf. section 39(1A) of TMO).
<p>50(3)(b)</p>	<p>Deacons</p>	<p>Section 37(2) and (2A) of the existing TMO empowering the Court or Registrar to impose limitations on the mark permitting its co-existence with a conflicting mark have not been carried over into this Bill.</p>	<p>The sections have rarely been used and are therefore not adopted in this Bill.</p>

50(8)	Deacons ITMP	<p>Poorly drafted and difficult to understand.</p> <p><u>Second response</u></p> <p>Wordings nebulous and should not be carried over into the new Ordinance. A plain English approach would be more satisfactory.</p> <p>Clause tortuous.</p>	<ul style="list-style-type: none"> ● Wordings from section 39(1A) of TMO. ● No amendment is required.
51(7)	LSD	New.	<p>There can be no declaration of invalidity if a mark has been registered on the basis of honest concurrent use. There may be a gap in the UK law.</p>

69(3)	LSD	"Any order made by the Registrar under this section shall, with leave of the court, be enforceable in like manner as an order of the court." What power, in like manner, does the Registrar have? Can he commit a party to committal?	The Registrar has neither the power of committal nor the power of enforcing any order made under clause 69(1). An application will have to be made by the Registrar to the Court of First Instance to enforce against any failure to comply with his directions.
71	LSD	New.	This provides flexibility in the event of, for example, outsourcing of publications regarding the applications.
72	LSD	<ul style="list-style-type: none"> ● New. ● These notices are not subsidiary legislation and they are not subject to vetting of the Legislative Council. 	Noted.
73	LSD	New.	Noted.
74	LSD	New.	Registrar is nevertheless bound by the principles of natural justice to act fairly, reasonably and judicially.
75	LSD	New.	To accommodate bilingual official languages.
76(2)	LSD	New.	Puts the position beyond doubt.

77	ITMP, Deacons and Lloyd Wise Deacons LSD	Should be deleted. The Registrar should be bound by the same rules of evidence as the court. <u>Second response</u> <ul style="list-style-type: none">● Fundamental contradiction that an appeal can be taken to the Court on a decision which may be based on evidence which the court itself would consider to be inadmissible.● "Except as provided in this Ordinance" does not qualify the clause in any meaningful way. New.	<ul style="list-style-type: none">● Important to retain this provision. <ul style="list-style-type: none">● This Clause is designed to nullify the effect of St. Trudo's case (1995) FSR 345.
81	LSD	<ul style="list-style-type: none">● New.● Add "or the licensee" after "the owner".	The owner is the best person to prove whether a mark has been used. No need to add "or the licensee".
84	LSD	New.	Section 79(2) of TMO is covered by clause 84.
85(1)	LSD	Why is that "the Registrar shall not be ordered to pay the costs of any other of the parties"?	<ul style="list-style-type: none">● The Judiciary has not raised any queries. This provision is intended to provide for a general indemnity for public officers against judgments made in exercising statutory duties.● Mirrored in section 62(1) of the Registered Designs Ordinance.

85(2) & (3)	LSD	New.	<ul style="list-style-type: none"> ● Clause 85(2) and 85(3) are added for clarity. ● Clause 85(3) defines "any other of the parties" referred to in section 85(1).
86(2) & (3)	LSD	New.	<ul style="list-style-type: none"> ● Clause 86(2) of the Bill is not new. It is similar to section 82 TMO. ● Clause 86(3) expands on section 15(10) of the TMO as it applies to any proceedings before the Registrar.
87	<p>ITMP and Lloyd Wise</p> <p>LS</p>	<p>Provision should be made for keeping in the future a register of trade mark attorneys.</p> <p>Add:</p> <p>(1) Rules made under section 90 may provide for the keeping of a register of persons who act as agents for others for the purpose of applying for or obtaining the registration of trade marks.</p> <p>(2) The rules may contain such provisions as the Registrar thinks fit regulating the registration of such persons and the designation of such persons so registered.</p> <p>(3) the Registrar may delegate to another person the keeping of any register set up under the rules.</p>	<p>Premature. Impractical when the basic outline of such a scheme has not been properly thought out.</p>

88	Deacons	<p>"business day" will include Saturday. This is inconsistent with international practice. Also, it should be clearly specified that documents may be filed up to midnight on any particular day and provision should be made for on-line and physical filing of documents using, for instance, a deposit box which automatically locks at midnight.</p> <p><u>Second response</u></p> <p>Totally disagree. Majority of Hong Kong trade mark owners are based overseas. Hong Kong should follow the rest of the world.</p>	<ul style="list-style-type: none"> ● Most institutions in HK are open on Saturdays. The position is the same in other Asian countries. See Rules 79 and 80 of the Singapore Trade Mark Rules. ● No amendment is required.
88(2)	<p>ITMP</p> <p>Barry Yen</p>	<p>Add "on a Saturday or" after the word "expires".</p> <p>Saturday be excluded.</p>	<p>Saturday is a working day. Not an excluded day in Singapore.</p>
89	LSD	New.	Noted.
90	LSD	<ul style="list-style-type: none"> ● The Registrar may make rules which are more detailed. ● Rules prescribing fees shall be made with the consent of the Financial Secretary and may be fixed at levels that provide for the recovery of expenditure incurred. 	Noted.

92 -95	LSD INTA	<p>Should criminal offences relating to trade marks in the Trade Descriptions Ordinance be incorporated into this Bill so that this Bill can be self-contained?</p> <p>Should specifically state imprisonment/fines for willful infringement in addition to offences under section 92 - 95. Trade Description Ordinance should be consequentially amended.</p>	<p>Inappropriate to incorporate Trade Descriptions Ordinance into the Bill.</p> <p>Criminal procedures and sanctions are in Trade Descriptions Ordinance.</p>
92	LSD	<ul style="list-style-type: none"> ● In TMO, any person who makes a false entry in the register commits an offence and is liable on conviction upon indictment to a fine of \$50,000 and to imprisonment for 7 years. ● In the Bill, <ul style="list-style-type: none"> (a) on summary conviction, to a fine at level 5 and to imprisonment for 6 months; and (b) on conviction on indictment, to a fine at level 5 and to imprisonment for 2 years. 	cf. section 94 of UK Act 1994.
93	LSD	<ul style="list-style-type: none"> ● In TMO, the fine is \$500. ● In the Bill, any person is liable on conviction to a fine at level 3 (i.e. \$5,001 to \$10,000). 	The penalty level has been updated to a more reasonable level.
94	LSD	<ul style="list-style-type: none"> ● New. ● Any person who uses in his place of business the words "Trade Marks Registry" commits an offence and is liable on summary conviction to a fine at level 4. 	A new offence is created to cater for misuse of the title "Trade Marks Registry".

95	Deacons LSD	Definition of "director" in Companies Ordinance should apply. Wrong to include a manager as an officer of a company. New.	No drafting error. Under section 2 of the Companies Ordinance, "officer" includes "a director, manager or secretary". The word "manager" is present in corresponding sections of the Copyright Ordinance, the Patents Ordinance and the Registered Designs Ordinance. cf. section 101(2) and (5) of UK Act 1994.
95(4)	LSD	Please review the Chinese and English version.	Will consider amendments.
96	LSD	<ul style="list-style-type: none"> ● New. ● Chief Executive in Council may make regulations for transitional or savings matters. ● Provisions of Schedule 3 shall prevail over any regulations made under this section in the event of an inconsistency. 	They are necessary to provide for the transition from the TMO to the new trade marks law.
98	LSD	Positive vetting by LegCo of the Trade Mark Rules? Any substitute provision for the Trade Marks (Emergency) Ordinance (Cap. 263).	The Rules concern mainly technical and procedural matters, negative vetting should suffice. No substitute as it is considered not necessary.

- * CC - Consumer Council (CB(1)1918/98-99(02))
- Deacons - Deacons, Graham & James (CB(1)1970/98-99)
and second response under LC Paper No. CB(1)698/99-00
- INTA - International Trademark Association (CB(1)1903/98-99)
- ITMP - Hong Kong Institute of Trade Mark Practitioners (CB(1)1953/98-99)
- Lloyd Wise - Lloyd Wise & Co. (CB(1)1891/98-99(07))
- LS - The Law Society of Hong Kong and the Hong Kong Group of the
Asian Patent Attorneys Association (CB(1)278/99-00(01))
- LSD - Legal Services Division, Legislative Council Secretariat
(CB(1)1897/98-99(04), CB(1)305/99-00(01), CB(1)305/99-00(02) and
(CB(1)676/99-00(06))
- Barry Yen - Solicitor of So, Keung, Yip & Sin (CB(1)206/99-00(05))
- Administration's Response to Deacons (CB(1)302/99-00(01))
- Administration's Response to INTA (CB(1)676/99-00(03))
- Administration's Response to ITMP (CB(1)676/99-00(04))

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